

ECONOMIC REPORT | US Presidential Election**Trump vs Clinton: Colorado is The Key**

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- *At the moment, we opine that the key state that will determine 2016 US presidential election is Colorado. Even if Trump wins in Florida, Ohio and Nevada, which the recent polls are showing he has a chance to win, he will still not be able to win the election. Between Pennsylvania and Colorado, he has a slightly better chance of winning at Colorado, making it the most important state to watch for despite it consist of only nine votes as compared to Pennsylvania at 20 votes. In the early voting, more than a quarter of registered voters already cast their votes in Colorado; with Democrats has a clear lead.*
- *At the moment, there is a higher chance of Clinton winning the election, with a live possibility that Trump could change the status quo. However, the latest development in which FBI decided that Clinton had done nothing wrong with her private emails, could mean that the possibility of Trump winning the election has gone lower. It is likely to be a close fight, though the odd remains with Clinton.*

It is still about Democrats vs Republicans. Despite all of the hypes and personal attacks on both candidates, at the moment the result is showing that it is still about Democrats vs Republicans. In contrast with the Brexit vote in June this year, in which even the MPs were allowed to have their own personal preference, the US presidential election is different. It is still an election fight between the two parties, and we believe despite all of the news headlines between the two candidates, most Americans are still choosing based on the party they represent for.

The current poll results are very much similar to previous trends. Though we admit that there is a limit on how far a polling result will reflect the actual election, we strongly belief its margin of error will remain around four percentage point. However, due to the close match between the two – or rather getting closer recently, particularly since FBI began their investigation on Hillary Clinton’s email – we believe the key on the election result remains on two things, i) passion of the voters towards the candidates and ii) the swing states.

How far voters are passionate about their candidates could affect the result. Despite the polling result, the biggest weakness with all of the polls is that the ones supporting that candidate in the poll may end up not voting in the actual election. This is seen as one of the reason on why the poll was wrong on Brexit, in which despite the remain faction was winning all the way in the poll, the young voters turnout who wanted to remain is still much lower than those who wanted to leave the union. Thus, the voters turnout will remains as key deciding factor in the Election Day.

Will demographic preferences have an impact on the election result? Some patterns could be seen in the preference between the two candidates. Among the races, the whites are clearly lean towards Trump, while all non-whites are clearly siding with Clinton. Due to the sex assault scandal, Trump is clearly not the favourite among women, while the young voters, mostly have no clear preference towards any of the candidates, though

the majority opt to vote for Clinton due to their unfavourable opinion on Trump. So in other words, they're not voting for Clinton because they like her, but rather because they disagree with Trump. It's the same among the races, they're voting for Clinton due to their hatred for Trump, rather than they believe that Clinton is a good candidate. Generally, Asians, African-Americans and Hispanics are all in favour of Clinton over Trump.

Those voting for Clinton do not have the same passion as Trump's supporter. Despite their preference towards Clinton, they will not have the same passion as Trump's supporter, who genuinely believed that Trump will be able to make significant change to the country. The fact that Clinton's supporter were easily swayed by FBI's investigation on the emails – which to be fair is an old issue – is reflecting that the 'supporters' do not really have a strong preference towards Clinton.

Table 1: Average of Last 5 Polling Results

States	Democrats (Hillary Clinton)	Republicans (Donald Trump)
Florida (29 electoral votes)	45.8%	45.4%
Pennsylvania (20 electoral votes)	47.2%	42.0%
Ohio (18 electoral votes)	43.6%	46.6%
Colorado (9 electoral votes)	43.2%	40.0%
Nevada (6 electoral votes)	44.8%	45.0%

Source: FiveThirtyEight, MIDFR

The swing states will determine the outcome. Currently, we opine that the swing states are the ones to watch for, particularly Florida, Pennsylvania, Ohio, Colorado and Nevada. Despite recent poll is showing that Trump has the upper hand in Florida, Ohio and Nevada, the margin for both Florida and Nevada is too small, while Clinton has a clear upper hand in Colorado and Pennsylvania. Historically, those who are able to win two out of the three key states i.e. Florida, Pennsylvania and Ohio will win the election outcome, which currently Trump has the (slightly) upper hand. In the early voting, the contest between all of the five states is yet to have any clear winner.

Colorado is the one to watch for. At the moment, we opine that the key state that will determine 2016 US presidential election is Colorado. Even if Trump wins in Florida, Ohio and Nevada, which the recent polls are showing he has a chance to win, he will still not be able to win the election. Between Pennsylvania and Colorado, he has a slightly better chance of winning at Colorado, making it the most important state to watch for despite it consist of only nine votes as compared to Pennsylvania at 20 votes. In the early voting, more than a quarter of registered voters already cast their votes in Colorado, with Democrats has a clear lead.

The likelihood remains with Clinton. At the moment, there is a higher chance of Clinton winning the election, with a live possibility that Trump could change the status quo. However, the latest development in which FBI decided that Clinton had done nothing wrong with her private emails, could mean that the possibility of Trump winning the election has gone lower. It is likely to be a close fight, though the odd remains with Clinton. 

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