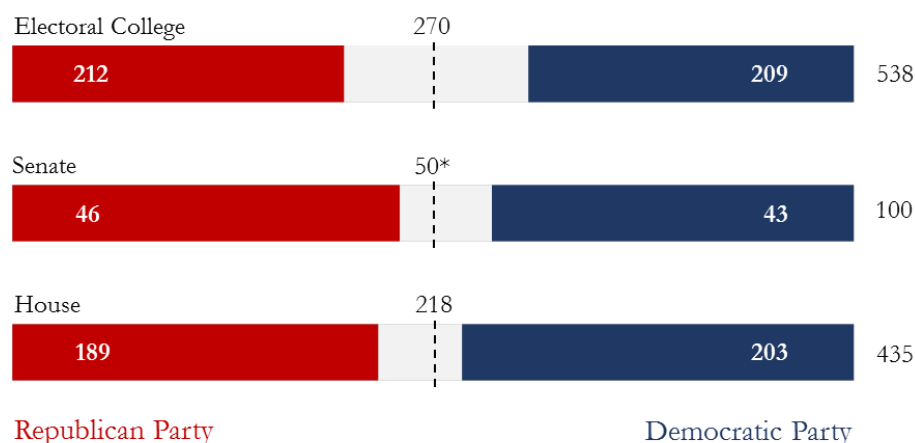


US ELECTION 2020: NO PROJECTED WINNER IN THE PRESIDENTIAL RACE SO FAR – TRUMP AND BIDEN HEAD-TO-HEAD ACCORDING TO PREDICTION MARKETS

As of this publication, neither the winner of the Presidential race nor the majority in the Senate can be reliably projected by any of the major American media institutions. So far, it is only certain that the Democrats have defended their majority in the House of Representatives. The prediction markets show equal probabilities of winning for both candidates. The heavily discussed polling error ([see here](#)) has turned in Trumps favour.

Currently, it looks as if Biden could win the clear majority of the votes: on a national level, he is so far leading by a margin of 63 million to 61 million votes (50.5% vs. 49.5%) - and this margin will probably increase as the vote count in the democratic heartlands on the West Coast progresses. However, the decisive factor for the outcome of the election is not the number of votes, but the number of Electoral votes. As a reminder, the President is not elected directly by the people, but through the Electoral College.

Regarding this body, 209 Electoral votes can be assigned to the duo Biden/Harris so far and 212 to President Trump/Vice President Pence. That being said, both sides are still noticeably away from the necessary majority of 270. All remaining electoral votes are currently still "too close to call". We see a similar trend in the Senate race, where both Democrats and Republicans are currently below the majority threshold.



Distribution of Votes in the Electoral College and Seats in the Senate/House of Representatives According to the Latest Projections

*For the President's party, only 50 seats are required for a majority in the Senate as the Vice President acts as a tie-breaker.

Source: ABC News, Bergos Berenberg. Data as of November 4, 2020, 7:15 am (Central European Time)

M A R K E T C O M M E N T A R Y

Zurich, 4 November 2020

Georgia (as in 2016!) and the so-called Rust Belt States - Wisconsin, Michigan and Pennsylvania - among others, serve as the tip of the scales in the Presidential race. And in the battle for the Senate, Michigan and Georgia will most likely determine the outcome - in Georgia, at least one "Runoff Election" can be expected in January 2021.

At the moment, there are several indications that the final outcome will be much narrower in the end than many experts had predicted. The anticipated margin of error indeed seems to have been at Trump's expense in the run-up to the elections.

As expected, voter turnout has been very high by American standards in this Covid election year. Due to the current situation, more people than ever before voted by mail. It will probably take some time to count these votes (some of which have not even arrived yet), so that the outcome of the election could remain open for longer, especially in several of the mentioned Swing States.

M A R K E T R E A C T I O N S

The Bergos Prediction Market Mix currently rates the probability of a Biden Presidency and that of a second Trump term at 50% each. And the distribution of seats in the Senate is projected to be 51 to 49 (Republicans vs. Democrats).

The S&P 500 and Nasdaq 100 futures are currently trading at +0.7% and +2.4% respectively. In contrast, the European stock market is expected to open slightly in the red. And the US dollar is showing signs of strengthening.

We will keep you informed about the further developments. At this point, we would like to draw the attention to a new episode of our podcast series "Bergos Now", scheduled for the upcoming Friday, which will be entirely devoted to the election follow-up.

TILL CHRISTIAN BUDELMANN

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