Greg Valliere: What the Last 48 Hours Means for Trump
November 7, 2019
by Robert Huebscher

News from the last 48 hours had a significant impact on the chances President Trump will be reelected, according to Greg Valliere. Moreover, although Valliere doesn't expect the impeachment proceedings to end in Trump's conviction, there are two scenarios that could change that outcome.

Valliere was a keynote speaker yesterday at the Schwab IMPACT conference in San Diego. He is the chief U.S. policy strategist at AGF Investments, an asset management firm based in Canada. Previously, he was with Horizon Investments.

The news from the last two days was a *Washington Post* poll showing that Trump would lose the 2020 election to Biden by 17%, to Warren by 15% and to Sanders by 14%. It also showed that only 32% of the public think Trump is trustworthy and honest.

Valliere called those results "astonishing." He said it upended the prevailing view on Wall Street that Trump will win reelection. "Until last night, he was the clear favorite."

The odds that he will be impeached before Christmas are 80%, according to Valliere. But, he said, the "big story" will be the Senate trial. "It will be really difficult to get 67 Senators to convict," he said. To do that, 20 Republicans would have to vote that way. He said Mitt Romney and Susan Collins might vote for conviction, but few others are likely to do so.

"I don't see it," Valliere said.

Valliere conceded that there are two scenarios – he called them "asterisks" – that could translate to a Trump conviction. If the polls really change, that could that make Senate Majority Leader Mitch McConnell "really nervous." The Senate is the "firewall" against programs such as Medicare for All and the Green New Deal, and the Senate has approved 150 new judges, all selected by Trump.

"He doesn't want to risk that," Valliere said.

The bigger wildcard, though, is what new information will be revealed about Trump. Valliere said the book by Anonymous and John Bolton's testimony will be a "big deal" – and there may be more information forthcoming on Trump's taxes.

The counterargument to that thesis is that Trump's White House has already been compromised by numerous information leaks, and that lessens the likelihood that significant adverse information will be revealed in the next couple of months.

Valliere's track record

Since Valliere is in the business of making predictions, let's look at his track record.

The last time I heard him speak was in May 2018, when he called Elizabeth Warren the "great unknown" among Democratic candidates, and someone who is an "electrifying demagogue" but "quite polarizing." Warren now leads in some of the national polls and in Iowa, where the first caucuses are held. Valliere also said that none of the Democrats could easily prevail over Trump. Those prediction are too early to call.

But Valliere was wrong about one of his predictions, which was that there wouldn't be a strong Democratic victory in the 2018 mid-term elections.

Valliere correctly predicted that Supreme Court Judge Anthony Kennedy would resign.

More predictions

Valliere offered some comments on the economy.

He said it's "naïve" to think the Fed is not aware of Trump's tweets and, at least partly as a result, will stay "remarkably accommodative" for a long time.

He compared the fiscal stimulus under Trump to actions by "Keynesian drunks," citing specifically the fact that all spending caps for Congress were abolished this summer. He said Trump's tax breaks, especially for businesses – such as the reduced corporate tax rate – are underappreciated.

But projected 2019 GDP growth of 1.5% to 1.75% "is not what Trump is looking for."

As for the 2020 election, Valliere said the electorate is so closely divided that the outcome could depend on only three states: Pennsylvania, Michigan and Wisconsin. If those three states flip, he said, Trump will lose – and he barely won those states in 2016.

He said it is unlikely that a new candidate would emerge. "Hillary is radioactive, Michelle Obama hates politics and Michael Bloomberg is 77 and has already ruled out a run."

Pete Buttigieg is 37 years old, which Valliere called "awfully young." Amy Klobuchar could "catch fire," he said, and would be a strong voice for moderate Democrats. Klobuchar is a viable vice presidential candidate, he said, particularly because she comes from Minnesota, which is a crucial state for Democrats.

Valliere said the Senate races are not getting much attention. He predicted that the Republicans would keep the Senate and "for sure" would pick up a seat in Alabama. Democrats will keep the House, he said.

Trump's assets

Trump is the most gifted politician when it comes to demonizing his opponents, Valliere said.

But his big advantage in 2020 is a weak Democratic field. Joe Biden has "lost a step," he said, and his "words don't come out right and makes a lot of gaffes." Valliere said he will look very carefully at the next two debates for those signs.

"Biden needs to show he is up for the challenge," he said, "but he is turning 77."

Warren may win Iowa, he said, but the Democratic Party thinks she is "too polarizing." Valliere said she does not have a credible plan to pay for Medicare for All. "She will be attacked for that."

Looking further ahead to 2024 and beyond, he said the Republican candidate to watch is former UN Ambassador Nikki Haley.

If there is a wildcard that could affect the 2020 outcome, Valliere said it is geopolitics. As examples, he named Brexit, China's response to the unrest in Hong Kong and whether Iran launches further attacks on Saudi Arabia's oil facilities. Trump's isolationist policies could embolden Iran, he said.