

THE National Investor

Oct. 12, 2020

You can get information anywhere. Here, you get KNOWLEDGE.

Vol. No. 25 -- 17

FROM OUR AUDIENCE

HOW MUCH WILL THE ELECTION REALLY MATTER TO INVESTORS?

Chris—one thing I have always appreciated most about you is that you shun preconceived notions on the markets as well as political partisanship. You “call things as you see them” as you often say.

That said, I want to press you further on something you said an issue or two ago: that the stock market is not as dependent on the election outcome as Trump, especially, ominously suggests. I understand that he’s using partisan scare tactics saying that if Biden wins, stocks will crash, our 401(k) plans will disappear, etc. ALSO did I understand you to say that you believe the polls/press saying Biden will win? Give me some more of your unique wisdom so I don’t have to be in a cold sweat, please, over the election outcome!



First off, contrary to the most excited Republican/Trump talking points, the LAST thing a Biden-Harris administration would be is “communist” or “the most left-wing in history.” Notwithstanding the possibility of a Democrat Party sweep or “Blue Wave,” **the more plausible outcome given the documented public records of both Biden and Harris would be Clinton/Obama redux.** In the cases of both Slick Willie and Barack Hussein, I hasten to remind you, idealistic and—yes—even “progressive” rhetoric was quickly forgotten as both *those* presidents settled into their jobs of chiefly doing what is expected of them by those who enabled *their* elections.

Besides those general historical reminders (MY readers should be past the point where you need those!) that presidential candidates in modern times *say* ANYTHING but later *do* their job for the system, let me amplify three fairly quick thoughts undergirding all this:

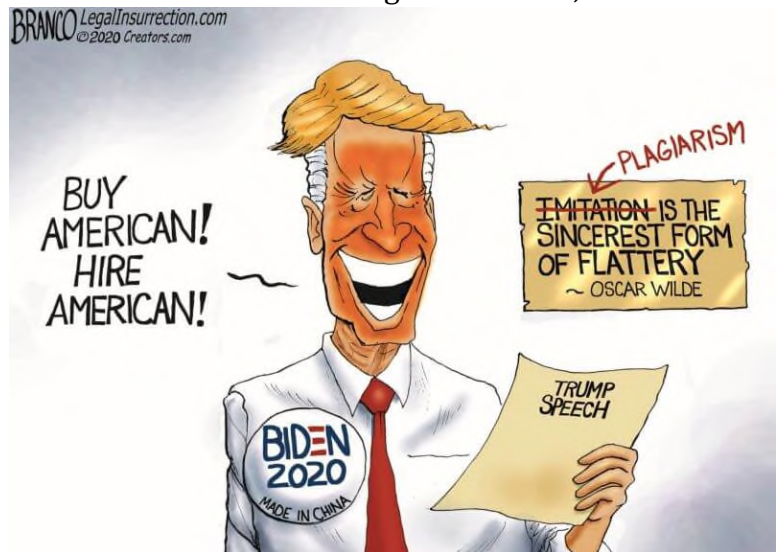
1. The Fed – As I explained in a commentary a couple years ago when Obama and Trump engaged in a school boy-like public peeing contest over who deserved the *real* credit for the strong economy and stock market (see <https://nationalinvestor.com/1857/neither-trump-obama-deserve-primary-credit-current-boom/>) the answer was *neither*. As I detailed (an IMPORTANT re-read for you, or first-time primer on this for our newer folks) **the Federal Reserve and its policies are by far and away the most important determinant of the general health—or lack thereof—of the stock market.**

Indeed, I'll make a quick prediction right now: *especially* if Biden wins but must still deal with a G.O.P. Senate, when the time comes to do so **he will reappoint Jerome Powell as Fed chairman.**

Beyond this, on economic matters for the most part, we will see a return to the more noble, “presidential” and responsible governments of Clinton and Obama. Old Democrat Party hands and/or policy wonks most identifying with that Establishment Party B will be brought back out of hibernation; perhaps joined by a few “new” hands. This will be no different than in the past when new Republican administrations (tragically, even Trump’s to a great extent) always brought back *their* old fossils and acolytes of Establishment Party A.

2. Corporate America/Wall Street – Joe Biden as both Senator and Vice President has a 47-year career as a centrist, if not in as many cases as not *conservative* Democrat. In general terms, he will not be changing *as president*; MAYBE some at the margins IF Democrats sweep everything and the genuinely farther-left influences things somewhat/wrests some actual policy concessions out of a Biden White House.

Short of that, *real* progressives will realize that they have been “had” yet again by the *words* out of both Biden’s and Harris’ mouths. Nothing different than when these folks got their hopes up over both Clinton and Obama, *only to discover that the system and status quo had won.*



One of the only legitimate and half-honest late-life changes of note from Biden is that he *really would* be a president with a newfound “America First” economic and trade agenda. Of course, this is less because Biden actually believes in it (after all, his whole career for the most part was *sacrificing* American interests and workers to big corporations and foreign governments, because those were his marching orders) *and more because it is the new Establishment-ordained historical and economic direction that things are going in.*

So when for myriad reasons it is now an agenda for business, economic and security reasons more than in a long time to have a renewed *mercantilist* trade policy (I distinguished that from “populism” for you when Trump was elected, so you got past *his* rhetoric and understood the difference) and all the rest,

don't be shocked if the former "China Joe" out-Trumps Trump when it comes to America First. *Needless to say, there are A LOT of investment themes in this alone.*

3. Deep State agenda -- *Much* more so than where President Trump has been concerned, Joe Biden has been a demonstrably 110% servant of the Deep State and Military-Industrial Complex his entire career. These sorts especially would like to see a Biden win; this is why the campaign boosts/ads and endorsements from career foreign service folks, generals, past intelligence officials and the rest. As I write this, the late John McCain's widow is shilling for Biden. *Deep State assets and war mongers stick together!*



Trump and his antics have been *tolerated* by the Powers That Be. When he has gotten his nose out of joint—for instance, trying to pull troops out of foreign countries—he's been attacked from all sides. During his presidency, in fact, this is the kind of thing that has on a few occasions quickly brought both Democrats and Republicans together in Congress: resisting Trump's efforts to extricate American military forces from foreign lands.

In my view, though, Trump has fallen well short of what he promised in regards to taking us back to a time when America had **the Jeffersonian view of the world: "Peace, commerce and honest friendship with all nations, entangling alliances with none."** Part of his undoing *now* as we near Election Day is that—for whatever reason(s)—he never had the killer instinct in attacking the Military-Industrial Complex, et al that another former president idolized by a portrait in Trump's Oval Office: Andy Jackson. In "Old Hickory's" case, it was him or The Bank of the United States: one or the other would not survive *that* battle.

Donald Trump never did that much to roll back the American Empire (indeed, under the radar, he has dutifully ramped up the ongoing N.A.T.O. encirclement of Russia, to mention just one thing.) As with everything, The Orange Wonder thinks if you throw enough money (actually, DEBT) at something, you can negate a problem or opposition. **So one thing that he *has* done that has been pleasing to the P-T-B is support and sign record military spending;** one of his broken promises that has most soured Yours truly.

Another counter-intuitive thing—as with economic and trade policy—that those who follow the scripted "left-right" debate (and believe all the G.O.P. attack ads, etc.) *won't* be ready for is **President Joe Biden the China Hawk.** Here again, as I have been explaining for quite some time now, the U.S.A.'s number one foe in the world now is China. That did not start with Trump, nor will it end with him; it is driven by agendas that override politicians.

As corrupt as Biden and his family have been concerning China. . .for all his hypocrisy and faulty memory. . .Biden will be a China hawk *because that's what the Deep State requires.* What

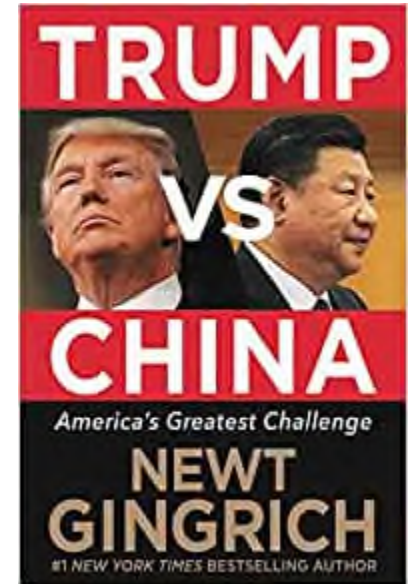
remains to be seen (if Biden wins) is whether the military or the economic/trade issues are stressed the most. An at least partly Republican Congress will see to this as well; and likely tilt things toward the military/security and related conflicts with China. A “Blue Wave” might de-emphasize *some* of that, given that—unlike Biden personally—the *real* “left” is also tired of the endless wars agenda. A Democrat wave/sweep would most likely result in emphasizing trade and economic conflicts; and sanction China on its many human rights atrocities.

Here again—especially when you see markets right now pricing in a Biden win as being *uber-positive for China* (see <https://www.zerohedge.com/markets/yuan-surges-most-15-years-expectations-pro-china-pivot-president-biden>) –realize that there is likely to be a LOT of room in the other direction once folks figure out that **the New Cold War with China is not merely an aberration of the ham-fisted Trump presidency.**

Former House Speaker Newt Gingrich symbolizes the wholesale Establishment move away from friendlier relations with China. Once an energetic errand boy himself for corporate/capitalist interests as “Mr. Newt” likewise sacrificed American workers, companies and security on the altar of globalization, he has seen the light. As with Biden (or a President Kamala Harris if things came to that), Gingrich knows now that the Deep State wants *and needs* China as an enemy now.

Indeed, I believe a Biden presidency (again, *especially* if the Republicans regain control of at least the Senate) would lead to a more organized, inclusive effort on the part of the U.S. to prosecute this New Cold War with China. *This, as opposed to the scattershot, confused and conflicted Trump approach.* As I have remarked time and again, Trump has often revealed that HIS agenda is simply to be loved and recognized as the greatest president and deal maker in the history of the solar system. He has bounced back and forth constantly on China policy. No such confusion would be at issue with a Biden win.

Do I see Biden winning? More likely than not; I’m afraid he will. This is NOT because I believe the polls showing Biden presently with a double-digit lead *nationally* over President Trump. Nor is it because I think this is the best outcome *for the country*, even if it IS the best outcome for The Deep State and the Establishment. But unlike 2016 when I *did* sense that Trump would upend the accepted wisdom and win, I can’t be confident of that this time.



Back then, when it was universally believed that the Establishment's obedient servant The Hildabeast would be elected, the Establishment/Deep State thumb on the scale of media coverage and treatment, etc. was a bit less obvious. And the most overt anti-Trump sentiments were as much derisive, dismissive and comic as anything. *As you remember, at least during the G.O.P. primaries, the Establishment media actually couldn't cover Trump enough.* It pleased them (and me) that this blowhard, interloping reality T.V. star and serial bankrupt was upending the G.O.P.

But for that “Fake News” media and the rest of America’s power structure, enough is enough. Now in 2020, the thumb on the scales is more like King Kong’s. And the anti-Trump sentiment/coverage is off-the-charts hysterical, hateful and oft-times just plain deranged.

Whether you love or loathe The Bad Orange Golem, if you don’t understand the relevance of such heavy and universal *Establishment* hatred of and loathing for Trump, you have a LOT of homework to do. Even the revelation of the Hillary Clinton-Obama-Justice Dept., et al plots against Trump need to be understood as not a Democrat Party special op, but an *Establishment/Deep State* one. It is to Trump’s detriment that he has—with tragic and STUNNING stupidity—put in charge of the investigations into all this Deep State assets such as Bill Barr and Gina Haspel, to mention just two. Nobody should be surprised when—if Biden wins—these investigations end.

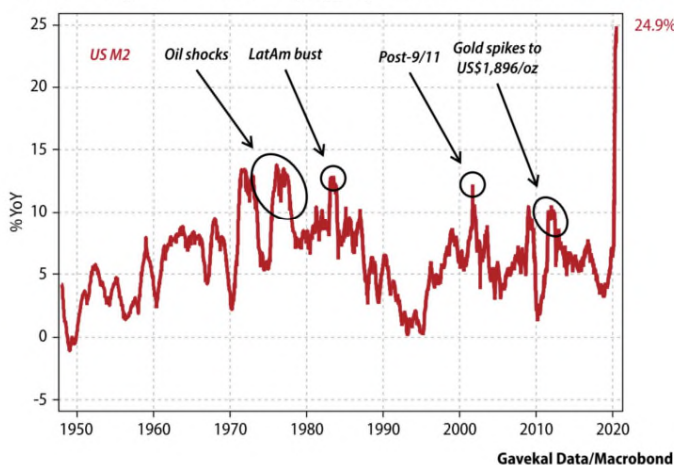
And that will be the case even if the G.O.P. retains the Senate.

History will one day record that—at a time when America was arguably *really ready* for one who, as Andrew Jackson once did, was willing to wage steadfast mortal combat against entrenched power, in the name of freedom—we ended up with someone as self-absorbed, morally inadequate and intellectually shallow as Donald Trump. As I just shared with some friends over breakfast, if Trump had the SAME policy objections as claimed but, 1. The personal presence and likability of Ronald Reagan and 2. The intellectual depth, empathy and honesty of Jimmy Carter, he WOULD be the greatest president of our time as he claims. Unfortunately, wrong on all counts.

Make no mistake: as I said (though disappointed on *some* fronts since) last time around, at least with Trump there is some chance of action to help America and Americans. The only sure thing back then (and the same is true with Biden now) was that a Democrat win would guarantee that *The Establishment* has again won. Some claim Trump in a *second* term really would finally do battle with the Deep State. I doubt it (if he makes it, that is.)



This rate of growth in monetary aggregates has never been seen before



Back (finally, some are saying!) to the stock market and a couple last (for now) general comments.

As I opined last week, the market is increasingly of that Alfred E. Neuman “What, Me Worry?” mind set. Between the tail winds provided by the Fed and what in recent days is the growing belief that the election will *not* be a photo finish, investors are most afraid of missing out on a run to yet new all-time highs for stocks. Among others, Goldman Sachs is telling clients—and the rest of us—that such an

outcome, let alone that “Blue Wave” will be quite bullish for both G.D.P. growth and markets; see <https://markets.businessinsider.com/news/stocks/stock-market-outlook-biden-blue-wave-boost-growth-goldman-sachs-2020-10-1029649255#>. That perception, if it holds through the election and becomes reality, could well for a while lead to an even bigger rally for stocks *and commodities*.

Separately, I’ll have more to say—and added recommendations—in the weeks just ahead. For now, as a reminder, a LOT more specific investment-related thoughts that go with the above are at

https://www.podbean.com/media/share/dir-gsb7f-af09f41?utm_campaign=w_share_ep&utm_medium=dlink&utm_source=w_share and

<http://www.kereport.com/2020/10/10/hour-1-taking-toll-of-the-big-picture-for-investors-volatility-monetary-policy-and-election-results/> (Segment 3.)

THE ABOVE IS EXCERPTED FROM THE LATEST REGULAR ISSUE OF *THE NATIONAL INVESTOR*

**Don't forget that those of you so inclined can follow my thoughts, focus and all
daily!!!**

* On Twitter, at <https://twitter.com/NatInvestor>

* On Facebook at <https://www.facebook.com/TheNationalInvestor>

* Via my (usually) daily podcasts/commentaries at <http://www.kereport.com/>

* On my You Tube channel, at https://www.youtube.com/channel/UCdGx9NPLTogMj4_4Ye_HLLA

The National Investor is published and is e-mailed to subscribers from chris@nationalinvestor.com . The Editor/Publisher, Christopher L. Temple may be personally addressed at this address, or at our physical address, which is -- National Investor Publishing, P.O. Box 1257, Saint Augustine, FL 32085. The Internet web site can be accessed at <https://nationalinvestor.com/> . **Subscription Rates:** \$275 for 1 year, \$475 for two years for "full service" membership (twice-monthly newsletter, Special Reports and between-issues e-mail alerts and commentaries.) **Trial Rate:** \$75 for a one-time, 3-month full-service trial. Current sample may be obtained upon request (for first-time inquirers ONLY.)

The information contained herein is conscientiously compiled and is correct and accurate to the best of the Editor's knowledge. Commentary, opinion, suggestions and recommendations are of a general nature that are collectively deemed to be of potential interest and value to readers/investors. Opinions that are expressed herein are subject to change without notice, though our best efforts will be made to convey such changed opinions to then-current paid subscribers. We take due care to properly represent and to transcribe accurately any quotes, attributions or comments of others. No opinions or recommendations can be guaranteed. The Editor may have positions in some securities discussed. Subscribers are encouraged to investigate any situation or recommendation further before investing. The Editor receives no undisclosed kickbacks, fees, commissions, gratuities, honoraria or other emoluments from any companies, brokers or vendors discussed herein in exchange for his recommendation of them. All rights reserved. Copying or redistributing this proprietary information by any means without prior written permission is prohibited.

No Offers being made to sell securities: within the above context, we, in part, make suggestions to readers/investors regarding markets, sectors, stocks and other financial investments. These are to be deemed informational in purpose. None of the content of this newsletter is to be considered as an offer to sell or a solicitation of an offer to buy any security. Readers/investors should be aware that the securities, investments and/or strategies mentioned herein, if any, contain varying degrees of risk for loss of principal. Investors are advised to seek the counsel of a competent financial adviser or other professional for utilizing these or any other investment strategies or purchasing or selling any securities mentioned. Chris Temple is not registered with the United States Securities and Exchange Commission (the "SEC"): as a "broker-dealer" under the Exchange Act, as an "investment adviser" under the Investment Advisers Act of 1940, or in any other capacity. He is also not registered with any state securities commission or authority as a broker-dealer or investment advisor or in any other capacity.

Notice regarding forward-looking statements: certain statements and commentary in this publication may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 or other applicable laws in the U.S. or Canada. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of a particular company or industry to be materially different from what may be suggested herein. We caution readers/investors that any forward-looking statements made herein are not guarantees of any future performance, and that actual results may differ materially from those in forward-looking statements made herein. **Copyright issues or unintentional/inadvertent infringement:** In compiling information for this publication the Editor regularly uses, quotes or mentions research, graphics content or other material of others, whether supplied directly or indirectly. Additionally he makes use of the vast amount of such information available on the Internet or in the public domain. Proper care is exercised to not improperly use information protected by copyright, to use information without prior permission, to use information or work intended for a specific audience or to use others' information or work of a proprietary nature that was not intended to be already publicly disseminated. If you believe that your work has been used or copied in such a manner as to represent a copyright infringement, please notify the Editor at the contact information above so that the situation can be promptly addressed and resolved.