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# Strategy Spotlight

## Spotlight on the US Elections

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**For Required Conflicts Disclosures, see page 91.**

# Spotlight on the US Elections

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### In a Nutshell

In *Strategy Spotlight*, we take a deep dive into a hot topic in the US equity market. In today's report, we put the spotlight on the US elections, focusing on the results of a survey we recently conducted of our global equity analysts on how potential outcomes of the event may impact the performance outlook for their industries. We've also pulled together and (in some cases) have updated the various election-related pieces of analysis we've put out on the US elections in recent months on policy, the state of the race, and the historical playbook for the major US equity indices, sectors, and industries. The three big things you need to know: First, our survey results, which are bottom-up in nature and driven by domestic policy views, imply that the event is relevant to US equity markets, but perhaps less so than some market participants may believe. For our US analysts, a Republican sweep was seen as the most bullish outcome, while a Democratic sweep was seen as the most bearish outcome, but the tilts were mild. Second, some of the traditional Trump trades continue to emerge in policy assessments. Among our US analysts, Energy and Financials had some of the most bullish tilts in a Republican sweep scenario, and some of the most bearish tilts in a Democratic sweep scenario. Third, we've viewed the elections as creating near-term uncertainty in the US equity market and the potential for some short-term choppiness, but the survey results add to our growing belief that the thing that may matter most for US equities (for 2024) is getting past the event so companies and investors know what they are dealing with.

### The Survey Says the US Elections Matter to Certain Sectors, But Perhaps Not as Much for the US Equity Market Broadly as Some Believe

**Methodology:** As part of our quarterly RBC analyst survey, RBCCM's US equity strategy team recently polled RBC's analysts around the globe on their views for the implications of the upcoming US Presidential and Congressional elections on the outlook for the industries they cover. In our US election questions, we asked our analysts to assess three things for us: the relevancy of the US elections to the industries they cover, the potential implications of various outcomes for the outlook of the industries they cover, and what specific policies are in focus for them as they consider their answers. For the first two questions, we asked the analysts to select their answer using a quantitative score with a scale of +/-2 at the industry level, and we then averaged their industry scores by sector, an approach that we use often in our survey work which allows us to quantify and compare their views across sectors. The third answer on policy was a free-form write-in required only for those who see the event as relevant to some degree. The survey was conducted from September 11<sup>th</sup> through September 20<sup>th</sup> with 116 industry teams participating with updates taken until the night before publication. Analysts who cover more than one industry were asked to answer the survey for each industry they cover. We stressed that analysts should focus on recent policy announcements by both current Presidential candidates that were directly relevant to their industries, and only rely on legacy positions if necessary.

### When we look across all regions, sectors and questions, here's what jumps out:

- Not surprisingly, the event was seen as relevant in the US, with more of a neutral view on relevancy for Europe and Canada and low relevancy in Australia. Across all regions, 51% said the event was relevant (44%) or very relevant (7%). It's worth noting that the overall relevancy score for the US, even though positive, was still rather mild coming in at 0.7.
- Globally, relevancy scores were highest at the sector level for Energy, Materials, and Utilities. Within the US, relevancy scores were highest for Industrials, Financials, and Utilities, followed by Materials, Health Care, and Energy, to a lesser degree. See page 6 for a summary by region and sector, and pages 7-8 for industry-level views.
- On our scenario analysis, the views of our US analysts (page 9) will likely be most helpful to navigate any pre- or post-election positioning trades within US equities. Overall, our US analysts have a slightly bullish bias in a Republican sweep or Trump win/split Congress, though it's worth noting that once again the tilts were modest, coming in at 0.38 for the Republican sweep scenario and 0.22 in a Trump win/split Congress scenario.
- Within the Republican sweep scenario, sector tilts on the outlook implications scores were most bullish for Energy and Financials. Within the Trump win/split Congress scenario, these sectors also had the most constructive tilts, along with Utilities.
- Overall, our US analysts were less constructive under the two Harris win scenarios than they were under the two Trump win scenarios, but the signals were once again mild. In a Democratic sweep scenario, the overall outlook implications score came in at -0.24. In a Harris win/split Congress scenario, the overall outlook implications score came in at -0.04, right at neutral.

### Spotlight on the US Elections (Continued)

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- Within the Democratic sweep scenario, sector tilts on outlook implications were most bearish for Energy and Financials. Within the Harris win/split Congress scenario, most outlook implication scores at the sector level were neutral.
- Outside the US, most regional outlook implication scores in the four scenarios we asked about hovered around neutral, which was not surprising given the relevancy views discussed above (pages 10-12). At the sector level, some of the more notable exceptions were: Within Canada, outlook implication scores were modestly bullish for Energy under the Republican sweep scenario and bearish for Utilities and Industrials. Within Europe, outlook implication scores on a Democratic sweep tilted bullish for Materials and Utilities and tilted bearish for Health Care. Within Australia, outlook implication scores tilted bullish for Energy and Materials under a Republican sweep, but tilted bearish for Utilities.

On our write-in policy question, many of the issues cited as in focus were industry specific. Their thoughts are captured on pages 22-27. Many also referenced regulation, corporate taxes, tariffs/trade, and the Inflation Reduction Act and other fiscal stimulus packages (page 21). Energy / Climate / EVs also came up frequently. Overall, our conversations with our analysts on policy reminded us that there are a number of distinct issues in focus for the investment community in this election, with complex and sometimes conflicting crosscurrents.

#### Quick Hits: What Else Jumps Out from Our Other Election Updates & Historical Playbook Analysis

- Our social media policy tracker, powered by RBC Elements™, highlights how immigration and foreign policy have been most in focus recently (page 35).
- The latest Duke CFO survey highlights how regulatory policy, monetary policy, tax policy, and fiscal policy have all been in focus for the C-Suite in the runup to the US elections. The survey also highlighted how there has been an increase in the number of firms seeing election uncertainty impact their investment plans, though these are a minority (pages 36-37).
- We've updated our analysis of the Trump and Harris domestic policy agendas for new materials released by the Harris campaign last week (pages 41-52).
- Consumer sentiment moved up for Democrats, Independents, and Republicans in the University of Michigan consumer sentiment survey. It stayed lowest for Republicans (page 54).
- Harris continues to track ahead of Trump in betting markets and national polls, though the swing state polls remain tight (pages 55-59).
- Uncertainty about the balance of power has emerged in betting markets, where a Republican sweep and Democratic President / Rep Senate / Dem House are tied for 1<sup>st</sup> (page 61).
- We continue to see evidence that the S&P 500 has decoupled from Trump's trends in betting markets (throughout most of 2024, the two were in sync, page 73).

#### Implications for Our Own US Equity Market Outlook

In our discussions of the US elections this year, we've been emphasizing a few things. First, the tendency of US equity markets to experience an uptick in volatility in Presidential election years and several pullbacks (including one in September and October) during the Presidential election years (pages 67-68). Second, the tendency for US equities to rally post election, aside from 2000 when the outcome was contested (page 69). Third, the tendency of the S&P 500 to keep rising in all balance of power scenarios, particularly a Republican sweep and Democratic President/split Congress (page 71) – the two most likely scenarios per betting markets today. In this context, we've viewed the elections as creating near-term uncertainty in the US equity market and the potential for some short-term choppiness. But we've also expected any election-related weakness to be a temporary repricing of risk in certain areas.

We think that is still a good framework to use, adding that our survey results point to a Trump win as a possible short-term positive for stocks, and a Democratic sweep scenario as a possible short-term negative for stocks. However, the survey results also add to our growing belief that the thing that may matter most for US equities (for 2024 at least) is simply getting past the event so that companies, and investors, know what they are dealing with. As discussed above, the tilts in our survey on election relevance and specific outcomes are mild at the broader US equity market level, even though they are, in some instances, more potent at the sector level. Additionally, as we've looked more and more at the proposals put forth by both candidates and discussed relevant issues with our analysts, we've also come to believe that it is difficult for stock market participants to accurately assess potential impacts of policy ideas until the legislative process plays out and important details are determined. It is often hard for equity investors to take a wait-and-see approach around these kinds of events, but we think that kind of patience is warranted today.

[Executive Summary](#)

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# Part 1

RBC Equity Analyst Survey Overview (US Election Questions)



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## Global Summary: How Relevant Are the Upcoming US Elections to Your Industry?

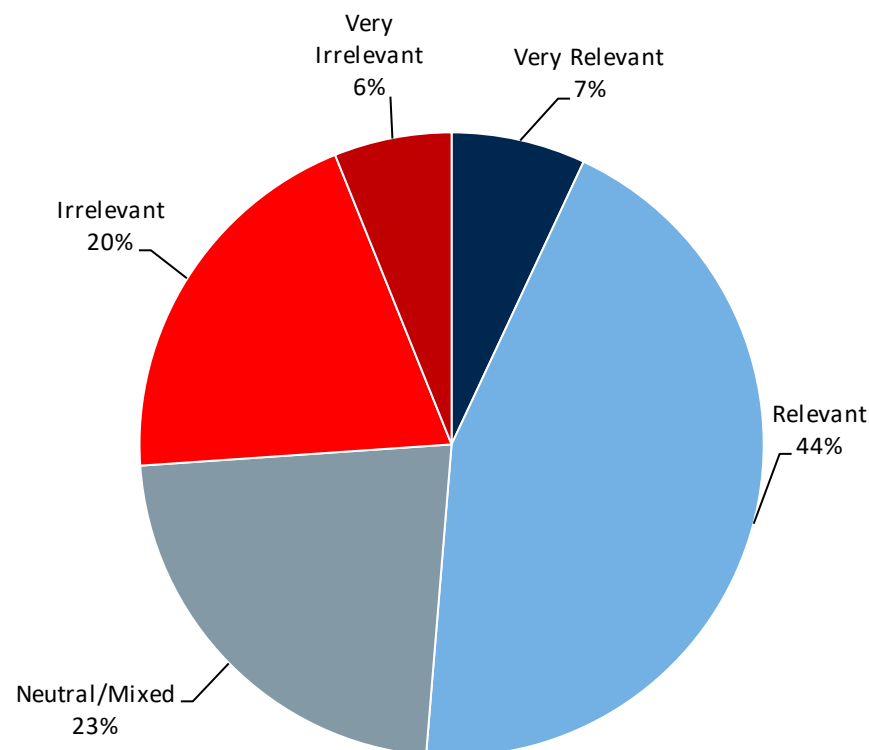
- ❑ Among our coverage regions, the US elections are seen as most relevant in the US and least relevant in Australia.
- ❑ Roughly half of our teams said the event matters to some extent to their industry outlook. “Relevant” was the most popular choice to this question at 44%, and another 7% said the event is “Very Relevant.”
- ❑ Another 23% characterized the event as “Neutral/Mixed.”
- ❑ Globally, relevancy is seen as highest for Materials, Utilities, and Energy at the sector level.
- ❑ Within the US, relevancy is seen as highest for Industrials, Financials, and Utilities. Our US Materials, Health Care, Tech, and Energy analysts also lean toward the idea that the event is relevant, but to a lesser degree.

A higher number is more relevant in the table below

+2 (Very Relevant), +1 (Relevant), 0 (Neutral/Mixed), -1 (Irrelevant), -2 (Very irrelevant)

GIS Sector	Global Avg	US Avg	Canada Avg	Europe Avg	Australia Avg
<b>All Industries</b>	<b>0.26</b>	<b>0.70</b>	<b>0.20</b>	<b>0.10</b>	<b>-0.28</b>
Communication Services	-1.00	0.00	-2.00	-	-1.00
Consumer Discretionary	-0.36	-0.17	0.00	-0.17	-1.00
Consumer Staples	-0.50	0.00	0.00	-1.00	-1.00
Energy	0.64	0.50	0.00	1.00	1.00
Financials	0.33	1.13	0.33	-0.67	0.00
Health Care	0.50	0.83	0.33	0.75	-0.33
Industrials	0.42	1.22	0.75	0.17	-1.00
Information Technology	-0.33	0.67	-0.33	-	-2.00
Materials	0.91	0.86	0.75	1.00	1.00
Real Estate	-0.33	-0.50	0.00	-	-
Utilities	0.75	1.00	1.50	0.00	1.00

Summary of Global Responses



## Sector/Industry Breakdown: How Relevant are the Upcoming US Elections to Your Industry? (Part 1)

GICS Sector	Very Relevant	Relevant	Neutral/Mixed	Irrelevant	Very Irrelevant
<b>Communication Services</b>		Telecom (US)		Internet/Social Media & Search (US) Telecom & Media Services (Australia)	Telecom (Canada) Media (Canada)
<b>Consumer Discretionary</b>		Apparel Retail (Europe) Broadline and Specialty Retail (Europe) Homebuilding (US) Autos & Auto Parts (US, Canada & EU)	Consumer Discretionary (Canada) Hardlines & ecommerce (US)	Broadline Retail, Household Appliances, Home furnishings (Australia) Hotels, Resorts & Cruise Lines (Australia) Luxury (Europe) Sporting goods and Footwear (Europe & US) Internet/Retail & Travel (US) Powersports and Auto Dealers (Canada) Restaurants (US)	Homebuilding (Europe)
<b>Consumer Staples</b>			Household Personal Care, Beverages, and Packaged Food (US) Consumer Staples (Canada)	Food Distributors (Australia) Food, Beverage, Home & Personal Care (Europe)	
<b>Energy</b>	Energy Transition / New Energies (Europe)	Integrated Oil & Gas (EU & US) E&P (US) Midstream (Canada) Refiners (Australia) E&P (Australia) Midstream and MLPs (US)	Energy Services (Europe) Integrated Oil & Gas (Canada) E&P (Canada)	Oilfield Services (US & Canada)	
<b>Financials</b>	Specialty/Consumer Finance (US) Regional Banks (US)	Money Center Banks (US) Large Regional Banks (US) P&C Insurance; Insurance Brokers (US) Life Insurance (US) U.S. Asset Managers (US) Banks (Canada)	Financial Exchanges & Data (Europe) Reinsurers (Europe) Life Insurance (Europe) Consumer & Mortgage Finance (Australia) Payment Processing (Australia) Life Insurance (Canada) Payments, Processors, & Services (US & Canada)	Wealth Managers (Europe) Banks (Europe)	P&C Insurance (Europe)

## Sector/Industry Breakdown: How Relevant are the Upcoming US Elections to Your Industry? (Part 2)

GICS Sector	Very Relevant	Relevant	Neutral/Mixed	Irrelevant	Very Irrelevant
<b>Health Care</b>		Biotechnology (US) Biotechnology (Europe) Pharmaceuticals (Europe) Health Care Equipment & Services (US) HC Payors (Managed Care) (US) HC Service Providers (US) Health Care Services (Canada) Pharmaceuticals (Canada) Medical Supplies & Devices (US) Pharmaceutical Services (Europe)	Life Science Tools and Diagnostics (US) Medical Technology (Europe) Health Care Equipment & Technology (Australia) Health Care Services and Facilities (Australia)	Health Care Services - Seniors Housing (Canada) Biotechnology (Australia)	
<b>Industrials</b>	Clean Energy (US) Aerospace (US) Defense (US & EU) Industrial Products, E&C (Canada)	Transportation (Europe) Building Products (US) Multi-Industry & Electrical Equipment (US) Waste (US & Canada) Information Services (US) Ground Transportation (US & Canada)	Business Services (Europe) Aerospace (Europe) Capital Goods (Europe) Commercial Services (US)	Airport Services, Airlines, Air Freight & Logistics (Australia) Ground Transportation (Australia) Waste (Australia) Airlines & Aerospace (Canada)	SMID Building Materials (Europe)
<b>Information Technology</b>		Software (US) IT Services (US & Canada)	Ad Tech (US)	IT Services (Canada) Software (Canada)	Software (Australia)
<b>Materials</b>		Diversified Metals & Mining (Europe) Precious Metals (Europe) Precious Metals (Australia) Base Metals & Bulks (US & Canada) Base Metals & Bulks (Australia) Chemicals (US) Coatings (US) Packaging (US) Precious Metals (US & Canada) Fertilizers (US & Canada)	Paper & Forest Products (US & Canada)		
<b>Real Estate</b>			REITs, Real Estate Management & Development (Canada) REITs (US)	Communications Infrastructure (US)	
<b>Utilities</b>	Renewables (Canada)	Utilities (Electric, Multi-Utilities, Independent Power) (Canada) Integrated & Other (Europe) Renewables (Europe) Utilities (Gas, Multi-Utilities) (Australia) Utilities (Electric, Gas, Multi, Water) (US) Independent Power Producers (US)			Regulated (Europe)

Source: RBC Equity Strategy, RBC Capital Markets



## US Summary: What Are the Implications of Different US Election Outcomes for Your Industry?

- ❑ Within the US, our analysts have a slightly bullish bias on the outlook for their industries if Republicans sweep. This is also true, to a lesser degree, if Trump wins and Congress is split.
- ❑ In a Republican sweep, views are most constructive at the sector level for Energy and Financials.
- ❑ In a Trump win/split Congress, views are most constructive at the sector level for these two sectors along with Utilities.
- ❑ Views are least constructive in the Democratic sweep scenario, but the bearish tilt is modest. Within this scenario, views are least constructive for Energy and Financials.
- ❑ Overall, our analysts have a neutral bias if Harris wins with a split Congress. This is generally the case for most sectors as well.

A higher number is more constructive in the table below

+2 (Very Bullish), +1 (Bullish), 0 (Neutral/Mixed/Not relevant), -1 (Bearish), -2 (Very Bearish)

Region	GICS Sector	Republicans Sweep	Trump wins White House with Split Congress	Democrats Sweep	Harris wins White House with Split Congress
US	All Industries	0.38	0.22	(0.24)	(0.04)
US	Communication Services	0.50	0.00	(0.50)	0.00
US	Consumer Discretionary	(0.17)	(0.17)	0.33	0.17
US	Consumer Staples	0.00	0.00	0.00	0.00
US	Energy	1.00	0.75	(1.00)	0.00
US	Financials	0.88	0.50	(0.88)	0.00
US	Health Care	0.67	0.17	(0.50)	(0.33)
US	Industrials	0.44	0.33	(0.11)	(0.22)
US	Information Technology	0.00	0.00	(0.33)	0.00
US	Materials	(0.14)	(0.14)	0.29	0.00
US	Real Estate	0.00	0.00	0.00	0.00
US	Utilities	0.50	1.00	0.50	0.50

## Canadian Summary: What Are the Implications of Different US Election Outcomes for Your Industry?

- Our Canadian analysts veer towards neutral in all of the outcome scenarios for the US elections that we asked about.
- In a Republican sweep scenario, tilts are least constructive for Utilities and Industrials, and most constructive for Energy.
- In other scenarios, the tilt that jumps out the most is the constructive tilt for Utilities in a Democratic Sweep scenario.

A higher number is more constructive in the table below

+2 (Very Bullish), +1 (Bullish), 0 (Neutral/Mixed/Not relevant), -1 (Bearish), -2 (Very Bearish)

Region	GICS Sector	Republicans Sweep	Trump wins White House with Split Congress	Democrats Sweep	Harris wins White House with Split Congress
<b>Canada</b>	<b>All Industries</b>	<b>(0.13)</b>	<b>0.00</b>	<b>0.03</b>	<b>(0.03)</b>
Canada	Communication Services	0.00	0.00	0.00	0.00
Canada	Consumer Discretionary	(0.33)	(0.33)	0.33	0.33
Canada	Consumer Staples	0.00	0.00	0.00	0.00
Canada	Energy	0.50	0.25	(0.25)	(0.25)
Canada	Financials	0.00	0.33	(0.33)	(0.33)
Canada	Health Care	0.00	0.00	(0.33)	(0.33)
Canada	Industrials	(0.50)	0.25	0.00	0.00
Canada	Information Technology	(0.33)	0.00	0.00	0.00
Canada	Materials	0.00	(0.25)	0.25	0.00
Canada	Real Estate	0.00	0.00	0.00	0.00
Canada	Utilities	(1.00)	(0.50)	1.00	0.50

## European Summary: What Are the Implications of Different US Election Outcomes for Your Industry?

- Our European analysts veer towards neutral in all of the outcome scenarios for the US elections that we asked about.
- Across the different scenarios, the tilts that jump out the most are the bearish tilt toward Health Care under a Democratic sweep, the bullish tilt for Materials in a Democratic sweep, and the bearish tilt for Materials in a Republican sweep.

A higher number is more constructive in the table below

+2 (Very Bullish), +1 (Bullish), 0 (Neutral/Mixed/Not relevant), -1 (Bearish), -2 (Very Bearish)

Region	GICS Sector	Republicans Sweep	Trump wins White House with Split Congress	Democrats Sweep	Harris wins White House with Split Congress
<b>Europe</b>	<b>All Industries</b>	<b>(0.10)</b>	<b>(0.06)</b>	<b>(0.03)</b>	<b>0.13</b>
Europe	Consumer Discretionary	0.17	(0.17)	(0.17)	0.17
Europe	Consumer Staples	0.00	0.00	0.00	0.00
Europe	Energy	0.00	0.33	0.33	0.67
Europe	Financials	0.00	0.00	0.00	0.00
Europe	Health Care	(0.25)	0.00	(1.25)	0.00
Europe	Industrials	0.17	(0.17)	0.00	0.17
Europe	Materials	(1.00)	0.00	1.00	0.00
Europe	Utilities	(0.67)	(0.33)	0.67	0.00

## Australian Views: What Are the Implications of Different US Election Outcomes for Your Industry?

- ☐ Our Australian analysts veer toward neutral in most of the outcome scenarios for the US elections that we asked about.
- ☐ Within the Republican sweep scenario, our Energy and Materials analysts have a bullish tilt, while our Utilities team has a bearish tilt.
- ☐ In the Democratic sweep scenario, our Energy team has a bearish tilt while our Utilities and Materials team has a bullish tilt.

A higher number is more constructive in the table below

+2 (Very Bullish), +1 (Bullish), 0 (Neutral/Mixed/Not relevant), -1 (Bearish), -2 (Very Bearish)

Region	GICS Sector	Republicans Sweep	Trump wins White House with Split Congress	Democrats Sweep	Harris wins White House with Split Congress
<b>Australia</b>	<b>All Industries</b>	<b>0.11</b>	<b>0.00</b>	<b>0.06</b>	<b>0.00</b>
Australia	Communication Services	0.00	0.00	0.00	0.00
Australia	Consumer Discretionary	0.00	0.00	0.00	0.00
Australia	Consumer Staples	0.00	0.00	0.00	0.00
Australia	Energy	<b>1.00</b>	0.00	<b>(1.00)</b>	0.00
Australia	Financials	0.00	0.00	0.00	0.00
Australia	Health Care	0.00	0.00	0.00	0.00
Australia	Industrials	0.00	0.00	0.00	0.00
Australia	Information Technology	0.00	0.00	0.00	0.00
Australia	Materials	<b>0.50</b>	0.00	<b>1.00</b>	0.00
Australia	Utilities	<b>(1.00)</b>	0.00	<b>1.00</b>	0.00

Note: No Australian coverage of Real Estate. Source: RBC Equity Strategy, RBC Capital Markets

## Sector/Industry Breakdown: Impact of a Republican Sweep on Your Industry? (Part 1)

GICS Sector	Very Bullish	Bullish	Neutral/Mixed/Not Relevant	Bearish
<b>Communication Services</b>		Telecom (US)	Telecom (Canada) Media (Canada) Internet/Social Media & Search (US) Telecom & Media Services (Australia)	
<b>Consumer Discretionary</b>		Apparel Retail (Europe) Broadline and Specialty Retail (Europe)	Homebuilding (Europe) Broadline Retail, Household Appliances, Home furnishings (Australia) Hotels, Resorts & Cruise Lines (Australia) Luxury (Europe) Sporting goods and Footwear (Europe & US) Internet/Retail & Travel (US) Powersports and Auto Dealers (Canada) Restaurants (US) Consumer Discretionary (Canada) Hardlines & ecommerce (US) Homebuilding (US)	Autos & Auto Parts (US, Canada & EU)
<b>Consumer Staples</b>			Food Distributors (Australia) Food, Beverage, Home & Personal Care (Europe) Household Personal Care, Beverages, and Packaged Food (US) Consumer Staples (Canada)	
<b>Energy</b>	E&P (US) Midstream (Canada) Midstream and MLPs (US)	Energy Services (Europe) Refiners (Australia) E&P (Australia)	Oilfield Services (US & Canada) Integrated Oil & Gas (Canada) E&P (Canada) Integrated Oil & Gas (EU & US)	Energy Transition / New Energies (Europe)
<b>Financials</b>	Specialty/Consumer Finance (US) Regional Banks (US)	Money Center Banks (US) Large Regional Banks (US) Life Insurance (US)	P&C Insurance (Europe) Wealth Managers (Europe) Banks (Europe) Financial Exchanges & Data (Europe) Reinsurers (Europe) Life Insurance (Europe) Life Insurance (Canada) Payments, Processors, & Services (US & Canada) P&C Insurance; Insurance Brokers (US) U.S. Asset Managers (US) Banks (Canada) Consumer & Mortgage Finance (Australia) Payment Processing (Australia)	

Source: RBC Equity Strategy, RBC Capital Markets; no analyst responded very bearish

## Sector/Industry Breakdown: Impact of a Republican Sweep on Your Industry? (Part 2)

GICS Sector	Very Bullish	Bullish	Neutral/Mixed/Not Relevant	Bearish	Very Bearish
<b>Health Care</b>		Biotechnology (US) Health Care Equipment & Services (US) HC Payors (Managed Care) (US) Pharmaceuticals (Canada) Medical Supplies & Devices (US) Pharmaceutical Services (Europe)	Health Care Services - Seniors Housing (Canada) Biotechnology (Australia) Life Science Tools and Diagnostics (US) Medical Technology (Europe) Health Care Equipment & Technology (Australia) Health Care Services and Facilities (Australia) HC Service Providers (US)	Biotechnology (Europe) Pharmaceuticals (Europe) Health Care Services (Canada)	
<b>Industrials</b>			SMID Building Materials (Europe) Airport Services, Airlines, Air Freight & Logistics (Australia) Ground Transportation (Australia) Waste (Australia) Airlines & Aerospace (Canada) Business Services (Europe) Aerospace (Europe) Capital Goods (Europe) Commercial Services (US)	Transportation (Europe) Building Products (US) Waste (US & Canada) Clean Energy (US)	Industrial Products, E&C (Canada)
<b>Information Technology</b>		Software (US)	Software (Australia) IT Services (Canada) Software (Canada) Ad Tech (US)	IT Services (US & Canada)	
<b>Materials</b>	Precious Metals (US & Canada)	Precious Metals (Australia) Chemicals (US)	Paper & Forest Products (US & Canada) Base Metals & Bulks (Australia)	Diversified Metals & Mining (Europe) Precious Metals (Europe) Base Metals & Bulks (US & Canada) Fertilizers (US & Canada) Packaging (US) Coatings (US)	
<b>Real Estate</b>			Communications Infrastructure (US) REITs, Real Estate Management & Development (Canada) REITs (US)		
<b>Utilities</b>		Independent Power Producers (US)	Regulated (Europe) Utilities (Electric, Gas, Multi, Water) (US)	Utilities (Electric, Multi-Utilities, Independent Power) (Canada) Integrated & Other (Europe) Renewables (Europe) Utilities (Gas, Multi-Utilities) (Australia) Renewables (Canada)	



## Sector/Industry Breakdown: Impact of a Trump Victory/Split Congress? (Part 1)

GICS Sector	Bullish	Neutral/Mixed/Not Relevant	Bearish
<b>Communication Services</b>		Telecom (Canada) Media (Canada) Internet/Social Media & Search (US) Telecom & Media Services (Australia) Telecom (US)	
<b>Consumer Discretionary</b>		Homebuilding (Europe) Broadline Retail, Household Appliances, Home furnishings (Australia) Hotels, Resorts & Cruise Lines (Australia) Luxury (Europe) Sporting goods and Footwear (Europe & US) Internet/Retail & Travel (US) Powersports and Auto Dealers (Canada) Restaurants (US) Consumer Discretionary (Canada) Hardlines & ecommerce (US) Homebuilding (US) Apparel Retail (Europe) Broadline and Specialty Retail (Europe)	Autos & Auto Parts (US, Canada & EU)
<b>Consumer Staples</b>		Food Distributors (Australia) Food, Beverage, Home & Personal Care (Europe) Household Personal Care, Beverages, and Packaged Food (US) Consumer Staples (Canada)	
<b>Energy</b>	Integrated Oil & Gas (EU & US) E&P (US) Midstream (Canada) Midstream and MLPs (US)	Energy Transition / New Energies (Europe) Oilfield Services (US & Canada) Integrated Oil & Gas (Canada) E&P (Canada) Energy Services (Europe) Refiners (Australia) E&P (Australia)	
<b>Financials</b>	Banks (Canada) Money Center Banks (US) Large Regional Banks (US) Specialty/Consumer Finance (US) Regional Banks (US)	P&C Insurance (Europe) Wealth Managers (Europe) Banks (Europe) Financial Exchanges & Data (Europe) Reinsurers (Europe) Life Insurance (Europe) Life Insurance (Canada) Payments, Processors, & Services (US & Canada) P&C Insurance; Insurance Brokers (US) U.S. Asset Managers (US) Life Insurance (US) Consumer & Mortgage Finance (Australia) Payment Processing (Australia)	

Source: RBC Equity Strategy, RBC Capital Markets; no analyst responded very bullish or very bearish

## Sector/Industry Breakdown: Impact of a Trump Victory/Split Congress? (Part 2)

GICS Sector	Bullish	Neutral/Mixed/Not Relevant	Bearish
<b>Health Care</b>	HC Payors (Managed Care) (US)	Biotechnology (Europe) Pharmaceuticals (Europe) Health Care Services (Canada) Health Care Services - Seniors Housing (Canada) Biotechnology (Australia) Life Science Tools and Diagnostics (US) Medical Technology (Europe) Health Care Equipment & Technology (Australia) Health Care Services and Facilities (Australia) HC Service Providers (US) Biotechnology (US) Health Care Equipment & Services (US) Pharmaceuticals (Canada) Medical Supplies & Devices (US) Pharmaceutical Services (Europe)	
<b>Industrials</b>	Clean Energy (US) Ground Transportation (US & Canada) Aerospace (US)	Industrial Products, E&C (Canada) Building Products (US) Waste (US & Canada) SMD Building Materials (Europe) Airport Services, Airlines, Air Freight & Logistics (Australia) Ground Transportation (Australia) Waste (Australia) Airlines & Aerospace (Canada) Business Services (Europe) Aerospace (Europe) Capital Goods (Europe) Commercial Services (US) Multi-Industry & Electrical Equipment (US) Information Services (US) Defense (US & EU)	Transportation (Europe)
<b>Information Technology</b>		IT Services (US & Canada) Software (Australia) IT Services (Canada) Software (Canada) Ad Tech (US) Software (US)	
<b>Materials</b>	Precious Metals (US & Canada) Precious Metals (Australia)	Diversified Metals & Mining (Europe) Precious Metals (Europe) Paper & Forest Products (US & Canada) Chemicals (US), Packaging (US), Coatings (US)	Base Metals & Bulks (US & Canada) Fertilizers (US & Canada) Base Metals & Bulks (Australia)
<b>Real Estate</b>		Communications Infrastructure (US) REITs, Real Estate Management & Development (Canada) REITs (US)	
<b>Utilities</b>	Utilities (Electric, Gas, Multi, Water) (US) Independent Power Producers (US)	Utilities (Electric, Multi-Utilities, Independent Power) (Canada) Integrated & Other (Europe) Utilities (Gas, Multi-Utilities) (Australia) Regulated (Europe)	Renewables (Europe) Renewables (Canada)

Source: RBC Equity Strategy, RBC Capital Markets; no analyst responded very bearish or very bullish

## Sector/Industry Breakdown: Impact of a Democratic Sweep on Your Industry? (Part 1)

GICS Sector	Very Bullish	Bullish	Neutral	Bearish	Very Bearish
<b>Communication Services</b>			Telecom (Canada) Media (Canada) Internet/Social Media & Search (US) Telecom & Media Services (Australia)	Telecom (US)	
<b>Consumer Discretionary</b>		Autos & Auto Parts (US, Canada & EU) Homebuilding (US)	Homebuilding (Europe) Broadline Retail, Household Appliances, Home furnishings (Australia) Hotels, Resorts & Cruise Lines (Australia) Luxury (Europe) Sporting goods and Footwear (Europe & US) Internet/Retail & Travel (US) Powersports and Auto Dealers (Canada) Restaurants (US) Consumer Discretionary (Canada) Hardlines & ecommerce (US)	Apparel Retail (Europe) Broadline and Specialty Retail (Europe)	
<b>Consumer Staples</b>			Food Distributors (Australia) Food, Beverage, Home & Personal Care (Europe) Household Personal Care, Beverages, and Packaged Food (US) Consumer Staples (Canada)		
<b>Energy</b>	Energy Transition / New Energies (Europe)		Oilfield Services (US & Canada) Integrated Oil & Gas (Canada) E&P (Canada) Energy Services (Europe)	Refiners (Australia) E&P (Australia) Integrated Oil & Gas (EU & US) Midstream (Canada) Midstream and MLPs (US)	E&P (US)
<b>Financials</b>			P&C Insurance (Europe) Wealth Managers (Europe) Banks (Europe) Financial Exchanges & Data (Europe) Reinsurers (Europe) Life Insurance (Europe) Life Insurance (Canada) Payments, Processors, & Services (US & Canada) Consumer & Mortgage Finance (Australia) Payment Processing (Australia)	P&C Insurance; Insurance Brokers (US) U.S. Asset Managers (US) Life Insurance (US) Banks (Canada) Money Center Banks (US) Large Regional Banks (US) Specialty/Consumer Finance (US) Regional Banks (US)	

Source: RBC Equity Strategy, RBC Capital Markets

## Sector/Industry Breakdown: Impact of a Democratic Sweep on Your Industry? (Part 2)

GICS Sector	Very Bullish	Bullish	Neutral	Bearish	Very Bearish
<b>Health Care</b>		Health Care Services (Canada) HC Service Providers (US)	Health Care Services - Seniors Housing (Canada) Biotechnology (Australia) Life Science Tools and Diagnostics (US) Medical Technology (Europe) Health Care Equipment & Technology (Australia) Health Care Services and Facilities (Australia) Health Care Equipment & Services (US)	Medical Supplies & Devices (US) Pharmaceutical Services (Europe) HC Payors (Managed Care) (US)	Biotechnology (Europe) Pharmaceuticals (Europe) Biotechnology (US) Pharmaceuticals (Canada)
	<b>Industrials</b>	Transportation (Europe) Industrial Products, E&C (Canada) Building Products (US) Clean Energy (US) Aerospace (US)	Waste (US & Canada) SMID Building Materials (Europe) Airport Services, Airlines, Air Freight & Logistics (Australia) Ground Transportation (Australia) Waste (Australia) Airlines & Aerospace (Canada) Business Services (Europe) Aerospace (Europe) Capital Goods (Europe) Commercial Services (US) Information Services (US)	Defense (US & EU) Ground Transportation (US & Canada)	Multi-Industry & Electrical Equipment (US)
<b>Information Technology</b>			IT Services (US & Canada) Software (Australia) IT Services (Canada) Software (Canada) Ad Tech (US)	Software (US)	
<b>Materials</b>		Diversified Metals & Mining (Europe) Precious Metals (Europe) Packaging (US) Coatings (US) Precious Metals (US & Canada) Precious Metals (Australia) Base Metals & Bulks (Australia)	Fertilizers (US & Canada) Paper & Forest Products (US & Canada) Base Metals & Bulks (US & Canada)	Chemicals (US)	
<b>Real Estate</b>			Communications Infrastructure (US) REITs, Real Estate Management & Development (Canada) REITs (US)		
<b>Utilities</b>	Utilities (Electric, Gas, Multi, Water) (US)	Renewables (Europe) Renewables (Canada) Utilities (Electric, Multi-Utilities, Independent Power) (Canada) Integrated & Other (Europe) Utilities (Gas, Multi-Utilities) (Australia)	Regulated (Europe)	Independent Power Producers (US)	

Source: RBC Equity Strategy, RBC Capital Markets

## Sector/Industry Breakdown: Impact of a Harris Victory/Split Congress? (Part 1)

GICS Sector	Bullish	Neutral	Bearish
<b>Communication Services</b>		Telecom (US) Telecom (Canada) Media (Canada) Internet/Social Media & Search (US) Telecom & Media Services (Australia)	
<b>Consumer Discretionary</b>	Autos & Auto Parts (US, Canada & EU)	Apparel Retail (Europe) Broadline and Specialty Retail (Europe) Homebuilding (Europe) Broadline Retail, Household Appliances, Home furnishings (Australia) Hotels, Resorts & Cruise Lines (Australia) Luxury (Europe) Sporting goods and Footwear (Europe & US) Internet/Retail & Travel (US) Powersports and Auto Dealers (Canada) Restaurants (US) Consumer Discretionary (Canada) Hardlines & ecommerce (US) Homebuilding (US)	
<b>Consumer Staples</b>		Food Distributors (Australia) Food, Beverage, Home & Personal Care (Europe) Household Personal Care, Beverages, and Packaged Food (US) Consumer Staples (Canada)	
<b>Energy</b>	Integrated Oil & Gas (EU & US) Energy Transition / New Energies (Europe)	Refiners (Australia) E&P (Australia) Midstream and MLPs (US) Oilfield Services (US & Canada) Integrated Oil & Gas (Canada) E&P (Canada) Energy Services (Europe)	E&P (US) Midstream (Canada)
<b>Financials</b>		P&C Insurance; Insurance Brokers (US) U.S. Asset Managers (US) Life Insurance (US) Money Center Banks (US) Large Regional Banks (US) Specialty/Consumer Finance (US) Regional Banks (US) P&C Insurance (Europe) Wealth Managers (Europe) Banks (Europe) Financial Exchanges & Data (Europe) Reinsurers (Europe) Life Insurance (Europe) Life Insurance (Canada) Payments, Processors, & Services (US & Canada) Consumer & Mortgage Finance (Australia) Payment Processing (Australia)	Banks (Canada)

Source: RBC Equity Strategy, RBC Capital Markets; no analyst responded very bullish or very bearish

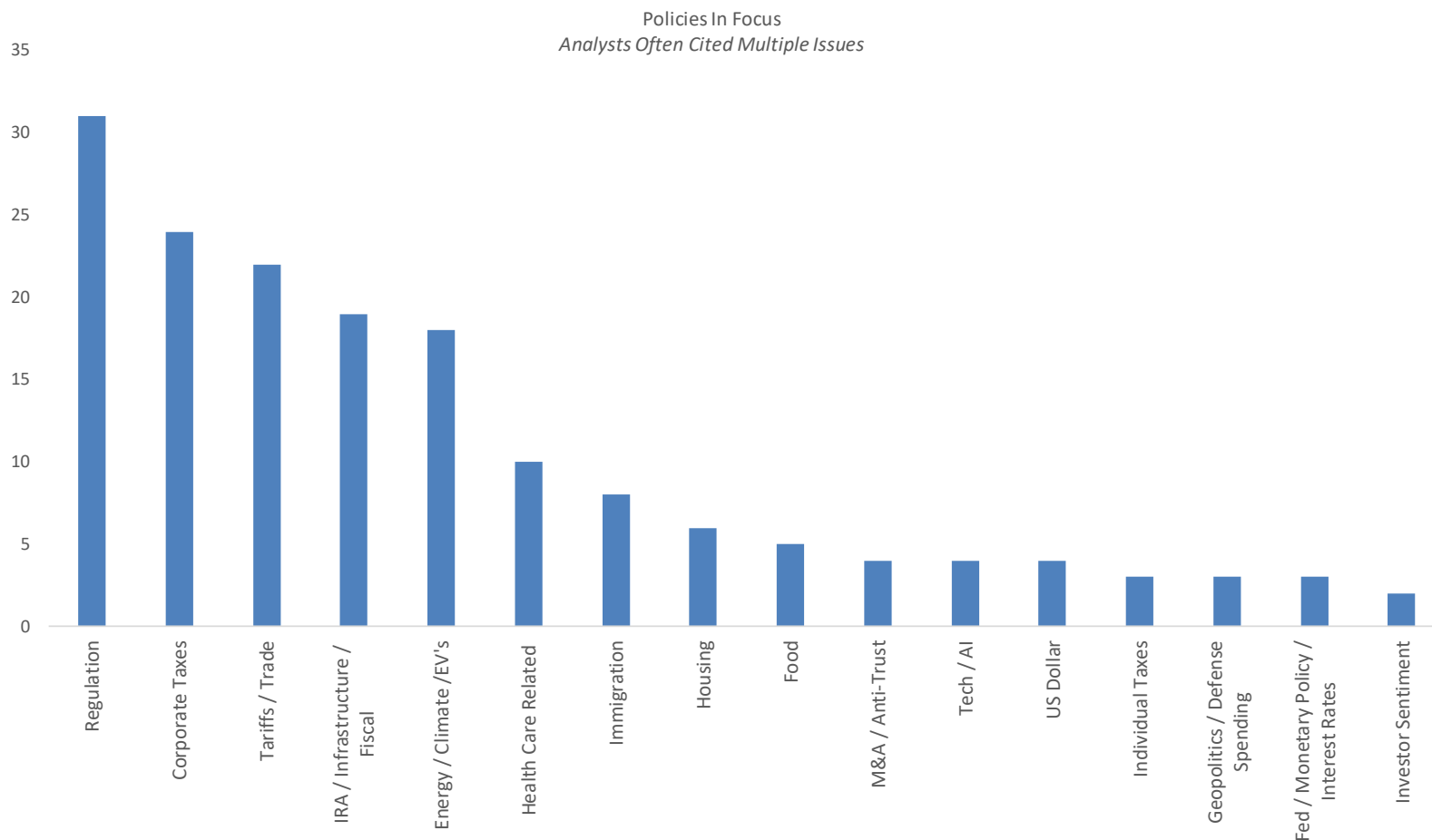
## Sector/Industry Breakdown: Impact of a Harris Victory/Split Congress? (Part 2)

GICS Sector	Bullish	Neutral	Bearish
<b>Health Care</b>		Biotechnology (Europe) Pharmaceuticals (Europe) Medical Supplies & Devices (US) Pharmaceutical Services (Europe) Health Care Services - Seniors Housing (Canada) Biotechnology (Australia) Life Science Tools and Diagnostics (US) Medical Technology (Europe) Health Care Equipment & Technology (Australia) Health Care Services and Facilities (Australia) Health Care Equipment & Services (US) Health Care Services (Canada) HC Service Providers (US)	Biotechnology (US) Pharmaceuticals (Canada) HC Payors (Managed Care) (US)
<b>Industrials</b>	Transportation (Europe) Industrial Products, E&C (Canada)	Defense (US & EU) Waste (US & Canada) SMID Building Materials (Europe) Airport Services, Airlines, Air Freight & Logistics (Australia) Ground Transportation (Australia) Waste (Australia) Airlines & Aerospace (Canada) Business Services (Europe) Aerospace (Europe) Capital Goods (Europe) Commercial Services (US) Information Services (US) Building Products (US) Clean Energy (US) Aerospace (US)	Multi-Industry & Electrical Equipment (US) Ground Transportation (US & Canada)
<b>Information Technology</b>		Software (US) IT Services (US & Canada) Software (Australia) IT Services (Canada) Software (Canada) Ad Tech (US)	
<b>Materials</b>		Base Metals & Bulks (Australia) Fertilizers (US & Canada) Paper & Forest Products (US & Canada) Base Metals & Bulks (US & Canada) Diversified Metals & Mining (Europe) Precious Metals (Europe) Precious Metals (US & Canada) Precious Metals (Australia) Packaging (US), Chemicals (US), Coatings (US)	
<b>Real Estate</b>		Communications Infrastructure (US) REITs, Real Estate Management & Development (Canada) REITs (US)	
<b>Utilities</b>	Renewables (Canada) Utilities (Electric, Gas, Multi, Water) (US)	Independent Power Producers (US) Regulated (Europe) Renewables (Europe) Utilities (Electric, Multi-Utilities, Independent Power) (Canada) Integrated & Other (Europe) Utilities (Gas, Multi-Utilities) (Australia)	



## The Policies Our Analysts Are Focused on Regarding the US Elections

- In a write-in question, we asked all of our analysts across the globe to specify which policies are in focus for their industry regarding the US elections, and why/how they would impact their outlook. We asked them to focus on policies articulated by Trump and/or Harris in recent months. If those were not available, they could also consider legacy stances from each.
- Regulation, corporate taxes, tariffs and trade, and the IRA and other fiscal measures were the top issues cited, along with Energy / Climate / EV-related matters. It's worth noting that a wide range of issues did come up, however, including a number of industry-specific issues, which are not necessarily captured in the chart below (but are discussed in the next few pages where the analysts' specific comments are highlighted).



Source: RBC Equity Strategy, RBC Capital Markets

## Color from Analysts on US Election Issues in Focus

Sector	Comment/Industry/Region
<b>Communication Services</b>	AI and semiconductor policies are in focus. There seems to be bipartisan support for AI development and a continuation of the chip export restriction to China, which would be positive for our DC coverage as: (1) policies encourage further cloud usage; (2) chip export controls would reduce probability of GPU shortages for Western economies (China supply restricted). <i>Telecom &amp; Media Services (Australia)</i>
	Extension of bonus depreciation (proposed by Trump) would be positive for T, VZ, LUMN. <i>Telecom (US)</i>
	Regulatory/legal implications for social media & search, tax rates. <i>Internet/Social Media &amp; Search (US)</i>
<b>Consumer Discretionary</b>	Any changes to current tariffs, corporate tax rates and/or income tax rates have the potential to be meaningful to our space. We intended mixed rather than neutral for relevancy as there would likely be conflicting impacts on the consumer in either case. For example, in the event of a Trump victory, the benefit of middle-income tax breaks and lower corporate tax rates would probably be offset by a likely resurgence in inflation on the back of increased tariffs. On the flip side, in the event of a Harris victory, higher corporate tax rates would likely be partially offset by middle-income tax breaks and her plan to improve housing affordability. <i>Hardlines &amp; ecommerce (US)</i>
	Higher taxes on corporations would be a negative (this is a negative under Harris, positive under Trump). Tariffs on foreign exports under Trump would put upward pressure on costs for retailers but pro business policies and less regulation would be a positive for retail. Republican restrictions on immigration could lead to tightness in the labour markets, which puts upward pressure on labour costs (one of the highest cost items in retail). A stronger USD vs the GBP/EUR is generally a negative for retailers sourcing in USD, albeit it is a small positive for the topline of retailers with material US sales exposure. Democrat policies to cap food and housing costs would be a positive on spending power and consumer sentiment, particularly for lower-income demographics. <i>Apparel Retail (Europe)</i>
	Higher taxes on corporations would be a negative (this is a negative under Harris, positive under Trump). Tariffs on foreign exports under Trump would put upward pressure on costs for retailers but pro business policies and less regulation would be a positive for retail. Republican restrictions on immigration could lead to tightness in the labour markets, which puts upward pressure on labour costs (one of the highest cost items in retail). A stronger USD vs the GBP/EUR is generally a negative for retailers sourcing in USD, albeit is a small positive for the topline of retailers with material US sales exposure. Democrat policies to cap food and housing costs would be a positive on spending power and consumer sentiment, particularly for lower-income demographics, albeit would be a small negative for retailers with Food exposure. <i>Broadline and Specialty Retail (Europe)</i>
	IRA specific to EV incentives and battery production; Tariffs on China and EU. Tariffs are bad for autos. IRA is important for autos. Diminishing the IRA's subsidies would be a negative. <i>Autos &amp; Auto Parts (US, Canada &amp; EU)</i>
	Regulatory implications for Ecommerce, gig economy, real estate, live entertainment, M&A. <i>Internet/Retail &amp; Travel (US)</i>
	We see the key election policies impacting homebuilders as: 1) housing stimulus; 2) corporate tax rates; 3) immigration. A Democratic victory/sweep could be net positive for homebuilders as this would create greater potential for housing stimulus, though we still view major stimulus as difficult to push through given high costs/lack of consensus. A first-time buyer credit doesn't solve supply challenges and could spark reflation (which could still be good for homebuilders), while supply stimulus like tax incentives to builders could be interesting. These would likely be somewhat offset by potential for higher tax rates (our companies were meaningful net winners from lower corporate tax rates). A Trump/Republican win could stir fears of tariffs and/or construction labor shortages should immigration policies become tighter. <i>Homebuilding (US)</i>
While we don't believe the outcome of the elections will be meaningfully impactful for the space overall, if Trump wins and levies tariffs on Chinese goods, American restaurants in China could face headwinds from a worsening Chinese consumer sentiment regarding American brands. <i>Restaurants (US)</i>	

Note: Additional comments were not required and do not appear for all analysts. Source: RBC Equity Strategy, RBC Capital Markets

## Color from Analysts on US Election Issues in Focus

Sector	Comment/Industry/Region
<b>Consumer Staples</b>	<p>Democrats' rhetoric about food price controls, but skepticism about how actionable this is. <i>Food, Beverage, Home &amp; Personal Care (Europe)</i></p> <p>Trump</p> <ul style="list-style-type: none"> <li>- Potential tariffs' impact on the prices of consumer goods</li> <li>- Immigration policies impacting the Hispanic consumer</li> <li>- Corporate tax cuts</li> </ul> <p>Harris</p> <ul style="list-style-type: none"> <li>- Price gouging in consumer goods/grocery inflation rhetoric</li> <li>- Potential stricter FTC to limit pricing power of larger corporations</li> <li>- Reducing tax burden on lower and middle class</li> <li>- Child tax credit making childcare more affordable. <i>Household Personal Care, Beverages, and Packaged Food (US)</i></li> </ul>
<b>Energy</b>	<p>Energy policy as it relates more to production rather than policies that impact the actual price of commodities; renewable energy policy; tax policy. <i>Midstream (Canada)</i></p> <p>Former President Trump's policy favors domestic fossil fuel energy production. Breakeven costs and returns are the key drivers of oil and gas production. If the removal of certain regulatory requirements drive lower breakeven costs, then oil and gas production could increase, which should lead to higher volumes flowing through midstream infrastructure and increased demand for new midstream capacity. In addition, if permitting and other regulatory requirements loosen, midstream (including pipeline) costs could move lower, which would improve project economics and allow for more midstream infrastructure construction. <i>Midstream and MLPs (US)</i></p> <p>Inflation reduction act, policy on fracking. <i>Energy Services (Europe)</i></p> <p>Oil and gas taxation, subsidies for energy transition investments and permitting for oil and gas drilling in general. <i>Integrated Oil &amp; Gas (EU &amp; US)</i></p> <p>Trump win would shift focus on easing oil &amp; gas regulations while Harris win would do the opposite. Additionally, Harris would shift more incentives to electric vehicles relative to Trump and therefore could cause some concern on future oil demand. <i>E&amp;P (US)</i></p> <p>US IRA potential changes to the hydrogen production tax credits and rules (incl additionality) could impact bankability of projects and sentiment on sector. On the biofuels, changes to the Biden Sustainable Aviation Fuel (SAF) Grand Challenge could also undermine the outlook for SAF and producers. <i>Energy Transition / New Energies (Europe)</i></p>
<b>Financials</b>	<p>Proposed corporate tax rates would be the key focus. Otherwise, there are few direct election implications. <i>U.S. Asset Managers (US)</i></p> <p>The Basel III "endgame" re-proposal is in focus for the Canadian banks: it proposes less onerous charges than the previous proposal did and also proposes for the delayed implementation of Basel III endgame standards (our U.S. Bank analyst colleagues Gerard Cassidy and Jon Arfstrom expect the re-proposal to be finalized in the first half of 2025). It also proposes that banks with total assets between US\$100-250 billion would no longer be subject to the "endgame" charges other than the requirement to recognize unrealized gains and losses of their securities in regulatory capital. Among the large Canadian banks we cover, BNS and CM's total U.S. assets are lower than US\$100 billion and hence the re-proposal would be less onerous if it is approved, but we believe that BMO and TD would still be impacted (but less than we previously assumed) as their total U.S. assets are greater than US\$250 billion. <i>Banks (Canada)</i></p>

*Note: Additional comments were not required and do not appear for all analysts. Source: RBC Equity Strategy, RBC Capital Markets*

## Color from Analysts on US Election Issues in Focus

Sector	Comment/Industry/Region
	The main area of focus would be the change in corporate tax rates (positive for Trump and negative for Harris). Apart from that, we don't think that policies for either should impact interest rates meaningfully (considerably lower interest rates would be a negative for lifecos). In a Trump win, there could be slightly more lenient implications on the DOL Fiduciary rule and with Harris a slightly stricter stance on the rule. <i>Life Insurance (US)</i>
	The main relevant change would be the impact on corporate tax rates (positive if Trump elected and negative if Harris is elected). Apart from that, insurance regulation for P&C/insurance brokers is largely done at the state level. <i>P&amp;C Insurance; Insurance Brokers (US)</i>
	The potential for the location of clearing of Treasury futures to be politicized under a Democrat government could limit the ability for LCH (part of LSEG) to participate in this market. However, given the nascency of the opportunity, we would not consider it to have a material impact on the growth outlook for the sector or LSEG. <i>Financial Exchanges &amp; Data (Europe)</i>
	The majority of our coverage will not be impacted by the elections. ZIP, however, would be a beneficiary if Trump wins the White House given he has been vocal about removing the current head of the CFPB which would be positive for payments in the US as he would likely replace the current director with someone less concerned with regulation. <i>Consumer &amp; Mortgage Finance (Australia)</i>
	Under Harris: Higher expected corporate tax rates and a stricter regulatory environment. Under Trump: More pro business, lower corporate tax rates and lighter touch on regulation. <i>Large Regional Banks, Money Center Banks (US)</i>
	We believe that a Trump / Republican victory would help create a more favorable regulatory oversight environment. Specifically, we believe the regulatory approval process for larger bank deals would be less onerous and the timelines could be accelerated, which would help stimulate more M&A across our space. <i>Regional Banks (US)</i>
	We believe that the Consumer Financial Protection Bureau would be less antagonistic with the consumer finance industry under a Trump / Republican sweep scenario, with new leadership placed there, and existing proposals such as the late fee proposal then potentially dismissed or tweaked to a less onerous impact. Regulatory approval of a major credit card company merger would also probably be easier to achieve under a Trump / Republican scenario. <i>Specialty/Consumer Finance (US)</i>
<b>Health Care</b>	1) Policies surrounding drug prices, such as IRA, re-importation, most favored nation pricing, and potential interest in developing formulary for Medicare Part D plan; 2) potential interest in FDA funding structure, and 3) view on Chinese competition (BIOSECURE Act). <i>Biotechnology (US)</i>
	Further support for enhanced subsidies under Harris should be a tailwind for hospitals and for MCOs' commercial books. Under a Trump administration, we would expect some concern over ACA exchange subsidies, but we believe Trump would ultimately find a way to extend the IRA/ARPA enhancements (i.e., essentially status quo for providers). <i>HC Service Providers (US)</i>
	General drug pricing policies. <i>Biotechnology, Pharmaceuticals (Europe)</i>
	Generally speaking, the Life Science Tools sector is insulated from policy changes. Though the two areas that we are watching are expansion of the Secure act (which would potentially impact sales to/from China for many multi-national companies in our sector) and any updates on FDA regulation of diagnostic testing. <i>Life Science Tools and Diagnostics (US)</i>
	Harris aims to lower drug pricing, which could squeeze whole supply chain. <i>Pharmaceutical Services (Europe)</i>
	Key policy initiatives include Medicare Advantage reimbursement and ACA exchange subsidies. Under Harris, we would expect continuation of the difficult Medicare Advantage reimbursement environment that has weighed on carriers, partially offset by support for continued subsidy enhancement for the ACA exchanges. While Trump has offered little on Medicare policy, consensus view is that a GOP administration would be favorable for reimbursement. That said, we see higher likelihood that the GOP would let enhanced ACA subsidies under IRA and ARPA expire post 2025. We believe Trump would ultimately find a way to extend the subsidies beyond 2025. <i>HC Payors (Managed Care) (US)</i>

Note: Additional comments were not required and do not appear for all analysts. Source: RBC Equity Strategy, RBC Capital Markets

## Color from Analysts on US Election Issues in Focus

Sector	Comment/Industry/Region
	Medicare Advantage is a key program for many of the companies we cover. Democrats have worked to compress payer margins there, which negatively impacts parts of our coverage. This would likely reverse with a Republican sweep. On the flipside, Democrats are more friendly to Medicaid and ACA plans, which would help offset some of the MA pressure (for the companies we cover that have broader exposure) were they to remain. <i>Health Care Equipment &amp; Services (US)</i>
	Prescription drug pricing/reimbursement, Inflation Reduction Act, Benchmarking drug pricing with international markets, potential interest in developing formulary for Medicare Part D plan. <i>Pharmaceuticals (Canada)</i>
	We are closely watching changes to the U.S. Corporate Tax code, tariffs, and change in stance by regulatory bodies, e.g., FDA, FTC, etc. <i>Medical Supplies &amp; Devices (US)</i>
Industrials	A rollback of the IRA by a Trump administration would be viewed very negatively in a space where the US Federal Infrastructure outlook has been the single-biggest industry tailwind for 5 years now. A rollback of the IRA coupled with slow-walked IJJA funding would be disastrous (we think IJJA benefits are currently penciled into the industry's valuation), likely more so from a perception standpoint more than anything else. A Democrat win in either the White House or Congress would likely continue the status quo from a fundamental standpoint while alleviating investor nerves. <i>Industrial Products, E&amp;C (Canada)</i>
	Historically, Democratic control of the White House has led to periods of increased regulatory risk for the railroads. <i>Ground Transportation (US &amp; Canada)</i>
	If the Republicans sweep, we view this as positive for our covered Info Services Companies. In particular, we believe these scenarios would reduce the regulatory headwinds for the credit bureaus and FICO. Specifically, FICO price increases, which EFX and TRU pass along to the end consumer, would be less scrutinized in a Trump White House/Republican congress. Additionally, capital markets activity that is driven by less regulation (de-emphasized anti-trust issues) should be a tailwind for credit issuances and positive for SPGI/MCO. As well as increased hiring at Investment Banks, which would be a tailwind for SPGI/FDS. <i>Information Services (US)</i>
	In short, this industry benefits greatly from D3 RIN credits, which are essentially pure profit related to the production of natural gas from landfills. The Trump administration has previously rolled back some of the benefits of the D3 RIN program indirectly, while they have been reinstated by the Biden administration. A return of Trump would likely see the D3 RIN benefit rolled back again, which while not earthshattering, would be a negative development. <i>Waste (US &amp; Canada)</i>
	Increased China tariffs would be a headwind, greater taxes on bizjets would be a headwind, slower economic growth would be a headwind, lower fuel prices would be a positive. <i>Aerospace (US)</i>
	IRA <i>Capital Goods (Europe)</i>
	Lower corporate taxes are positive, top-line defense spending likely similar under Trump or Harris, but Trump better for sentiment, headwind for Ukraine funding, greater focus on international sales. <i>Defense (US &amp; EU)</i>
	No impact from any specific government policies. However, increased domestic energy/oil production could help lower the cost and improve margins for our covered names. Overall, employment and GDP growth are the drivers for revenue growth. <i>Commercial Services (US)</i>
One of the biggest implications for the sector could be from Trump's broader energy policies, pivoting back to more fossil fuel and tamping down the IRA's investments in renewables/clean energy/EVs. Potential tariffs on all imports and targeted protectionist policies vs. China could ignite another trade war. At the same time, a proposed lower corporate tax rate by Trump could boost US-based earnings and further incentivize the reshoring trend, further supporting the already announced \$1.2 trillion worth of +\$1 billion megaprojects. <i>Multi-Industry &amp; Electrical Equipment (US)</i>	
Overall, risks to trade / mobility could increase under Trump, which would be negative for the Transport sector. However, a targeted deal with Russia could be positive for parts of the European Transport sector. <i>Transportation (Europe)</i>	

Note: Additional comments were not required and do not appear for all analysts. Source: RBC Equity Strategy, RBC Capital Markets

## Color from Analysts on US Election Issues in Focus

Sector	Comment/Industry/Region
	<p>Policy around the IRA and decarbonization efforts, and tariff policy are top of mind. Actions and policy around debottlenecking the electric grid is also a focal point. Trump tariffs on China and SEA could negatively impact industry demand but would be supportive for domestic manufacturers and overall positive for U.S.-listed companies. While Trump has been less supportive of the IRA and indicated he would try and repeal it, Republicans have voiced a lack of support for such a proposal, and we do not believe it is a significant risk. Harris is supportive of more aggressive policy to address climate change and that could be a positive depending on the form it takes, but demand is already strong and bottlenecked by grid transmission issues so policy to address that is much more important and could be addressed by either candidate. <i>Clean Energy (US)</i></p>
	<p>The key with this sector is GDP/PMIs. <i>Business Services (Europe)</i></p>
	<p>We see the key election policies impacting building products as: 1) housing stimulus; 2) tariffs; 3) corporate tax rates; 4) immigration. A democratic victory/sweep would likely be net neutral to modestly positive for building products as modest potential for housing stimulus is offset by potential for higher tax rates (our companies were net winners from lower corporate tax rates). A Trump/Republican win could stir fears of tariffs and/or construction labor shortages should immigration policies become tighter. <i>Building Products (US)</i></p>
<b>Information Technology</b>	<p>Changes in US tax code could introduce rework for Xero's software. Increased employer benefits mandated by regulation could produce a tailwind for Fineos's software. <i>Software (Australia)</i></p>
	<p>Immigration reform: restrictions on H1B visas would be a potential negative. <i>IT Services (US &amp; Canada)</i></p>
	<p>Immigration, taxes, interest rates, antitrust. <i>Software (US)</i></p>
	<p>We don't see direct implications at the moment, but to the extent we get increased regulatory pressure on big tech in a Democratic sweep scenario, namely GOOG, META and AMZN, would be a positive for the open internet. <i>Ad Tech (US)</i></p>
<b>Materials</b>	<p>Both candidates have suggested policies to improve the affordability of homes/increase the supply of homes. We think investors are taking proposals by both candidates with a grain of salt at this point. <i>Paper &amp; Forest Products (US &amp; Canada)</i></p>
	<p>Differences in approaches and views on handling geopolitical tensions in Gaza or Ukraine could materially impact the gold price. However, we believe the US elections will have minimal impact on the gold industry itself given how highly diversified gold mining is globally. <i>Precious Metals (Australia)</i></p>
	<p>For agriculture, a potential trade war with China could hurt crop exports and farmers. If Trump starts another trade war with China, that could hurt US farmers similar to what happened during his previous term. This would come at a time when US farmers are already struggling with low crop prices and could add another headwind to the industry. <i>Fertilizers (US &amp; Canada)</i></p>
	<p>Harris policy support for increased building of Rental units and \$25K first-time buyer credit could be a positive for architectural coatings names first and also chemical chains with strong exposure to construction/building products (PVC, polyurethanes, acetyls). <i>Coatings (US)</i></p>
	<p>Harris policy to slow food price increases could potentially benefit packaging if food companies are forced to pivot to volume strategies for earnings growth, as inflationary pressure remains a major pain point for consumers. <i>Packaging (US)</i></p>
	<p>If Republicans lower taxes that would be positive; however, a harsher trade policy with China could be negative for metals prices (as it was in 2016). <i>Base Metals &amp; Bulks (US &amp; Canada)</i></p>

Note: Additional comments were not required and do not appear for all analysts. Source: RBC Equity Strategy, RBC Capital Markets



## Color from Analysts on US Election Issues in Focus

Sector	Comment/Industry/Region
	Fiscal policy spending and the outlook for the US dollar could have a material impact on gold prices, and by extension gold mining equities. Elections could also have an impact on the outlook for mine permitting in the US, which could affect a subset of the gold mining industry with domestic projects. <i>Precious Metals (US &amp; Canada)</i>
	If Trump wins, the “Trump premium,” which we saw in his prior term, could come back to commodities, supporting bulks, tariffs and a pro-growth/strong America stance. Trump has, however, flagged his preference and commitment to “traditional” US energy sources and ICEs. This would be relatively negative for lithium/base demand. If Harris wins, the IRA would be rolled out to support renewables and clean-energy and grid infra upgrades to support renewable power sources. This would be positive for lithium/base metal demand. On the regulatory front, there would be continued restrictions on land use, which could impact development projects. <i>Base Metals &amp; Bulks (Australia)</i>
	Protectionist tariff policies from the Trump administration could potentially benefit domestic commodity producers, especially given multiple recent dumping cases against Asian product in Epoxy and TiO2. These benefits could be offset by retaliatory tariffs on NA exports to China and other non-free trade countries as NA volumes (particularly in PE) are currently being heavily supported by exports. Increased oil & gas drilling/wet gas production could benefit feedstock pricing. <i>Chemicals (US)</i>
	Trump policy stance against IRA could impact financing and permitting timelines for mining projects. <i>Diversified Metals &amp; Mining (Europe)</i>
	Trump seems to have a more protectionist stance that could result in higher inflation and impact the Fed easing cycle. <i>Precious Metals (Europe)</i>
<b>Utilities</b>	Additional policies to support decarbonization. <i>Utilities (Electric, Gas, Multi, Water) (US)</i>
	Fate of Inflation Reduction Act. <i>Independent Power Producers (US)</i>
	Potential corporation tax rate changes (cuts by Republicans, increases by Democrats) can impact the cash collected by the utilities in the U.S., leading to a weaker (if cut) or stronger (if raised) cash flow generation profile for the companies that own these utilities (i.e., Fortis and Emera within our coverage). <i>Utilities (Electric, Multi-Utilities, Independent Power) (Canada)</i>
	The answer above also applies to European renewable stocks that own significant assets in the US. <i>Renewables (Europe)</i>
	Trump is against the Biden IRA, which provides significant subsidies to the renewable energy sector, driving even more demand. <i>Renewables (Canada)</i>
	We believe Harris would be supportive of renewables while Trump has pledged to stop offshore wind development. Trump also recently said he would rescind any unspent funds under the IRA if he is elected, although we believe significant changes would need a Republican majority in Congress. This could impact European integrated utilities with renewables businesses in the US. <i>Integrated &amp; Other (Europe)</i>

## RBC Analyst List by Survey Industry

Sector	RBC Industry	Regions	Research Analysts
<b>Communication Services</b>			
	Internet/Social Media & Search	US	Erickson, Brad
	Media	Canada	McReynolds, Drew
	Telecom	US	Atkin, Jonathan
	Telecom	Canada	McReynolds, Drew
	Telecom & Media Services	Australia	Sherriff, Garry & Chen, Wei-Weng
<b>Consumer Discretionary</b>			
	Apparel Retail	Europe	Chamberlain, Richard & Dhar, Manjari
	Autos & Auto Parts	US, Canada & EU	Narayan, Tom
	Broadline and Specialty Retail	Europe	Chamberlain, Richard & Dhar, Manjari
	Broadline Retail, Household Appliances, Home furnishings	Australia	Chen, Wei-Weng
	Consumer Discretionary	Canada	Nattel, Irene
	Hardlines & ecommerce	US	Shemesh, Steve
	Homebuilding	Europe	Codling, Anthony
	Homebuilding	US	Dahl, Michael
	Hotels, Resorts & Cruise Lines	Australia	Chen, Wei-Weng
	Internet/Retail & Travel	US	Erickson, Brad
	Luxury	Europe	Dadhanian, Piral
	Powersports and Auto Dealers	Canada	Khan, Sabahat
	Restaurants	US	Reich, Logan
	Sporting Goods and Footwear	Europe & US	Dadhanian, Piral

Note: Industry names/groupings are specific to RBC and not based on GICS. Source: RBC Equity Strategy

## RBC Analyst List by Survey Industry

Sector	RBC Industry	Regions	Research Analysts
<b>Consumer Staples</b>			
	Consumer Staples	Canada	Nattel, Irene
	Food Distributors	Australia	Chen, Wei-Weng
	Food, Beverage, Home & Personal Care	Europe	Edwardes Jones, James
	Household Personal Care, Beverages, and Packaged Food	US	Modi, Nik
<b>Energy</b>			
	E&P	US	Hanold, Scott
	E&P	Canada	Pardy, Greg & Harvey, Michael
	E&P	Australia	Ramsay, Gordon
	Energy Services	Europe	McCulloch, Victoria
	Energy Transition / New Energies	Europe	Kerouredan, Erwan
	Integrated Oil & Gas	EU & US	Borkhataria, Biraj
	Integrated Oil & Gas	Canada	Pardy, Greg
	Midstream	Canada	Kwan, Robert
	Midstream and MLPs	US	Scotto, Elvira
	Oilfield Services	US & Canada	Mackey, Keith
	Refiners	Australia	Ramsay, Gordon
<b>Financials</b>			
	Banks	Canada	Mihelic, Darko
	Banks	Europe	Reingen, Anke & Toms, Benjamin
	Consumer & Mortgage Finance	Australia	Lynch, Jack

Note: Industry names/groupings are specific to RBC and not based on GICS. Source: RBC Equity Strategy

## RBC Analyst List by Survey Industry

Sector	RBC Industry	Regions	Research Analysts
	Financial Exchanges & Data	Europe	Bathurst, Ben
	Large Regional Banks	US	Cassidy, Gerard
	Life Insurance	US	Heleniak, Scott
	Life Insurance	Europe	Jagpal, Mandeep
	Life Insurance	Canada	Mihelic, Darko
	Money Center Banks	US	Cassidy, Gerard
	P&C Insurance	Europe	Goh, Derald
	P&C Insurance; Insurance Brokers	US	Heleniak, Scott
	Payment Processing	Australia	Lynch, Jack
	Payments, Processors, & Services	US & Canada	Perlin, Dan
	Regional Banks	US	Arfstrom, Jon
	Reinsurers	Europe	Goh, Derald
	Specialty/Consumer Finance	US	Arfstrom, Jon
	U.S. Asset Managers	US	Lee, Kenneth
	Wealth Managers	Europe	Bathurst, Ben
<b>Health Care</b>			
	Biotechnology	US	Abrahams, Brian & Renza, Greg & Issi, Luca & Timashev, Leonid
	Biotechnology	Europe	Campbell, Alistair
	Biotechnology	Australia	Wong-Pan, Craig
	HC Payors (Managed Care)	US	Hendrix, Ben
	HC Service Providers	US	Hendrix, Ben

Note: Industry names/groupings are specific to RBC and not based on GICS. Source: RBC Equity Strategy

## RBC Analyst List by Survey Industry

Sector	RBC Industry	Regions	Research Analysts
	Health Care Equipment & Services	US	Dodge, Sean
	Health Care Equipment & Technology	Australia	Wong-Pan, Craig
	Health Care Services	Canada	Miehm, Douglas
	Health Care Services - Seniors Housing	Canada	Bir, Pammi
	Health Care Services and Facilities	Australia	Wong-Pan, Craig
	Life Science Tools and Diagnostics	US	McNamara, Conor
	Medical Supplies & Devices	US	Singh, Shagun
	Medical Technology	Europe	Reynolds-Clark, Jack
	Pharmaceutical Services	Europe	Weston, Charles
	Pharmaceuticals	Europe	Campbell, Alistair
	Pharmaceuticals	Canada	Miehm, Douglas
<b>Industrials</b>			
	Aerospace	Europe	Fielding, Mark
	Aerospace	US	Herbert, Ken
	Airlines & Aerospace	Canada	McGarragle, James
	Airport Services, Airlines, Air Freight & Logistics	Australia	Birrell, Owen
	Building Products	US	Dahl, Michael
	Business Services	Europe	Brooke, Andrew & Green, Karl
	Capital Goods	Europe	Fielding, Mark & Kuenne, Sebastian & Housden, Nick
	Clean Energy	US	Dendinos, Christopher
	Commercial Services	US	Sabadra, Ashish

*Note: Industry names/groupings are specific to RBC and not based on GICS. Source: RBC Equity Strategy*

## RBC Analyst List by Survey Industry

Sector	RBC Industry	Regions	Research Analysts
	Defense	US & EU	Herbert, Ken
	Ground Transportation	Australia	Birrell, Owen
	Ground Transportation	US & Canada	Spracklin, Walter
	Industrial Products, E&C	Canada	Khan, Sabahat
	Information Services	US	Sabadra, Ashish
	Multi-Industry & Electrical Equipment	US	Dray, Deane
	SMID Building Materials	Europe	Maciver, Tania & Pfannes-Varrow, Ben
	Transportation	Europe	Cullinane, Ruairi
	Waste	Australia	Birrell, Owen
	Waste	US & Canada	Khan, Sabahat
<b>Information Technology</b>			
	Ad Tech	US	Swanson, Matthew
	IT Services	Canada	Treiber, Paul
	IT Services	US & Canada	Perlin, Dan
	Software	US	Hedberg, Matthew & Bergstrom, Dan & Jaluria, Rishi
	Software	Australia	Sherriff, Garry
	Software	Canada	Treiber, Paul
<b>Materials</b>			
	Base Metals & Bulks	US & Canada	Crittenden, Sam
	Base Metals & Bulks	Australia	Peker, Kaan & Wiggers De Vries, Paul
	Chemicals	US	Viswanathan, Arun

*Note: Industry names/groupings are specific to RBC and not based on GICS. Source: RBC Equity Strategy*

## RBC Analyst List by Survey Industry

Sector	RBC Industry	Regions	Research Analysts
	Coatings	US	Viswanathan, Arun
	Diversified Metals & Mining	Europe	Calero, Marina
	Fertilizers	US & Canada	Wong, Andrew
	Packaging	US	Viswanathan, Arun
	Paper & Forest Products	US & Canada	McKellar, Matthew
	Precious Metals	Australia	Barkley, Alexander
	Precious Metals	Europe	Calero, Marina
	Precious Metals	US & Canada	Wolfson, Josh & Lam, Wayne & Siperco, Michael
<b>Real Estate</b>			
	Communications Infrastructure	US	Atkin, Jonathan & Lee, Bora
	REITs	US	Carroll, Michael & Heffern, Brad
	REITs, Real Estate Management & Development	Canada	Bir, Pammi & Shan, Jimmy
<b>Utilities</b>			
	Independent Power Producers	US	Tucker, Shelby
	Integrated & Other	Europe	Garcia, Fernando & Wheeler, Alexander
	Regulated	Europe	Garcia, Fernando & Wheeler, Alexander & Pepper, Joseph
	Renewables	Europe	Garcia, Fernando & Wheeler, Alexander & Pepper, Joseph
	Renewables	Canada	Ng, Nelson
	Utilities (Electric, Gas, Multi, Water)	US	Tucker, Shelby
	Utilities (Electric, Multi-Utilities, Independent Power)	Canada	Choy, Maurice
	Utilities (Gas, Multi-Utilities)	Australia	Ramsay, Gordon

Note: Industry names/groupings are specific to RBC and not based on GICS. Source: RBC Equity Strategy

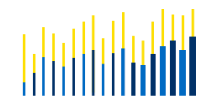


# Part 2

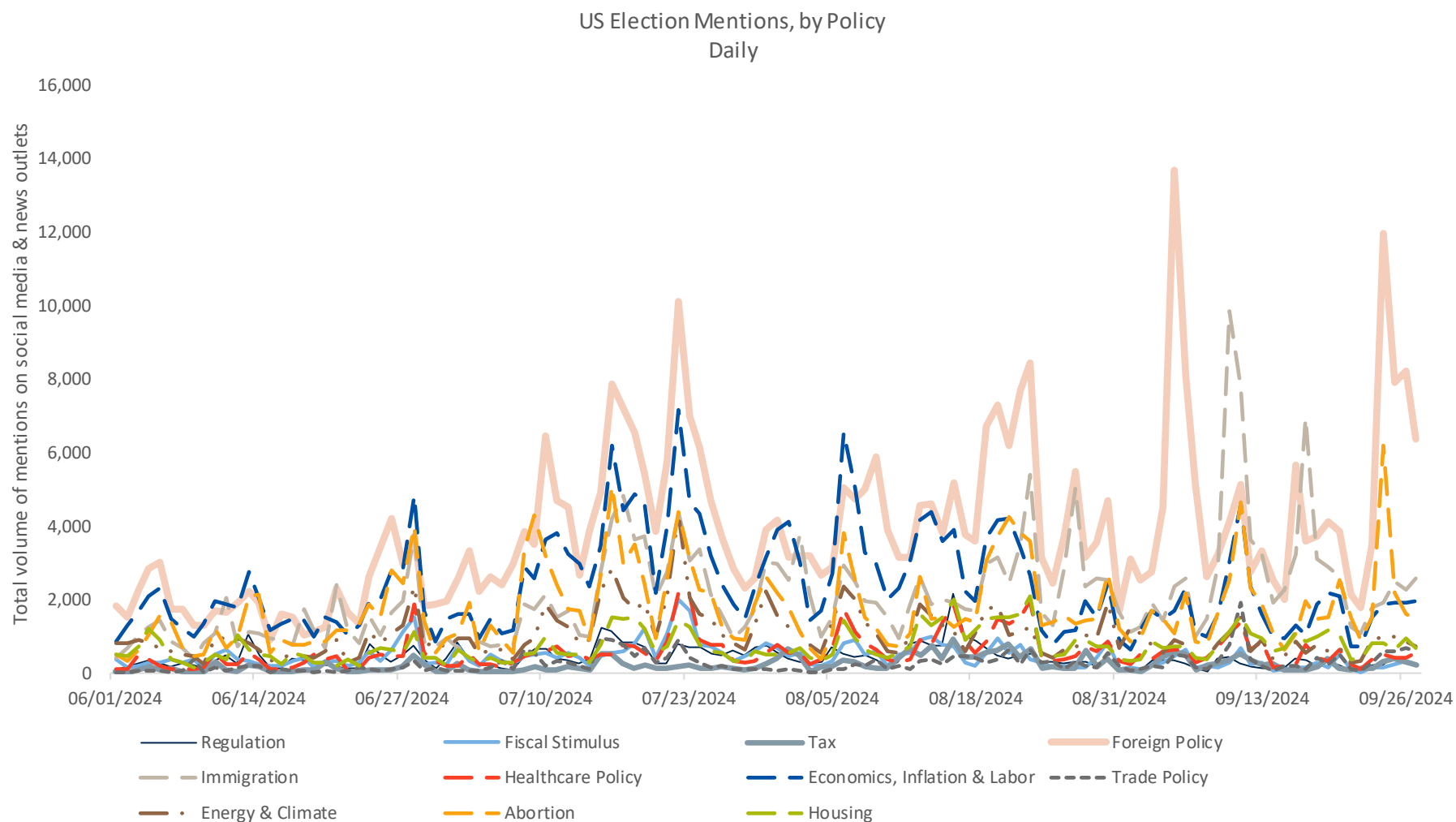
## Policy Overview



Capital  
Markets



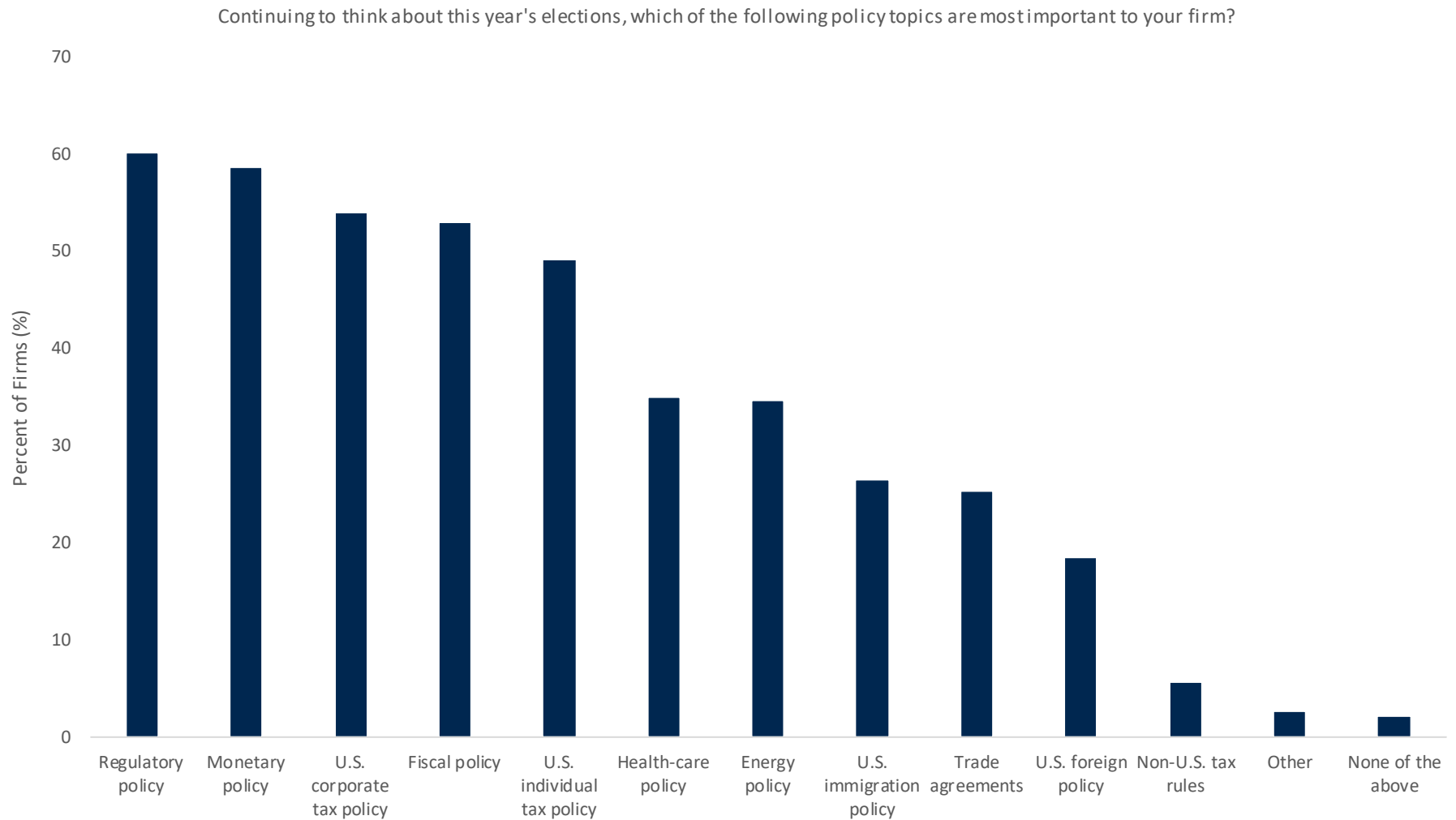
# Foreign Policy & Immigration Have Been the Top Issues Recently



Source: RBC Elements, RBC US Equity Strategy, RBC Capital Markets; as of September 27, 2024

Note: In collaboration with our US Equity Strategy team (Lori Calvasina) and RBC Elements™ (our in-house data science team), we have assessed the social media chatter on US elections to identify the key policies & platforms that are receiving the most attention. The data analysis is performed using our AI-powered platform, that incorporates over 20 million data points over a 4-year period across social media, online newspapers, forums and blogs. We leverage a mix of supervised & unsupervised approach to determine keywords pertaining to each policy topic and quantify the associated conversation volume and sentiment.

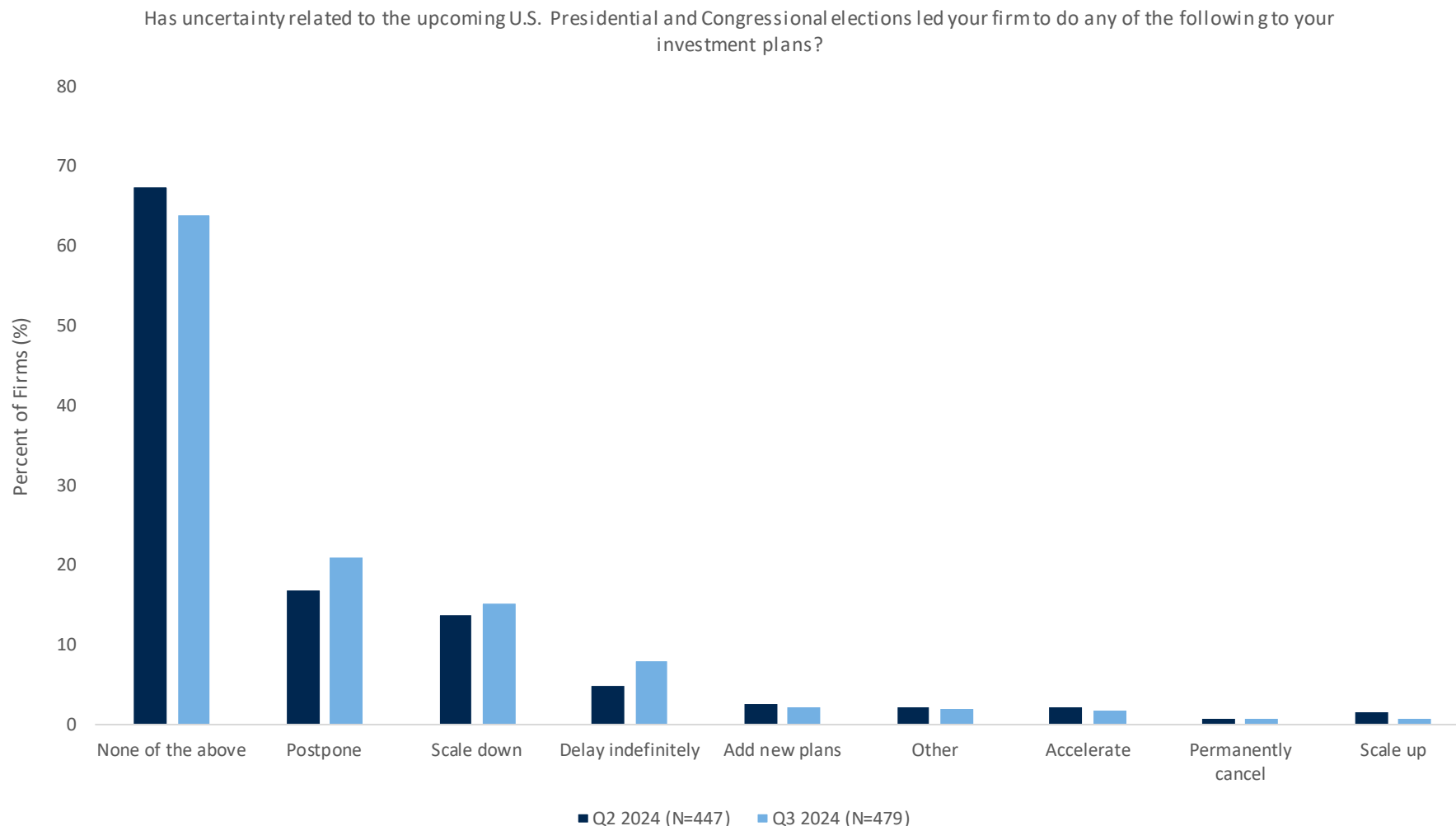
## Regulatory and Monetary Policy Are the Top Issues for Companies in the Latest Duke CFO Survey



Source: RBC US Equity Strategy, Duke University, FRB Richmond and FRB Atlanta, The CFO Survey – Q3 2024 (August 19 – September 6, 2024)  
Note: Percentages do not sum 100 because firms could select more than one option.

## Most CFOs Reported that Election Uncertainty Is Having No Effect on Their Investment Plans

- Still, we can't help but notice that in this quarter's survey, a larger number of firms reported postponing, scaling down, or delaying indefinitely their investment plans compared to last quarter.



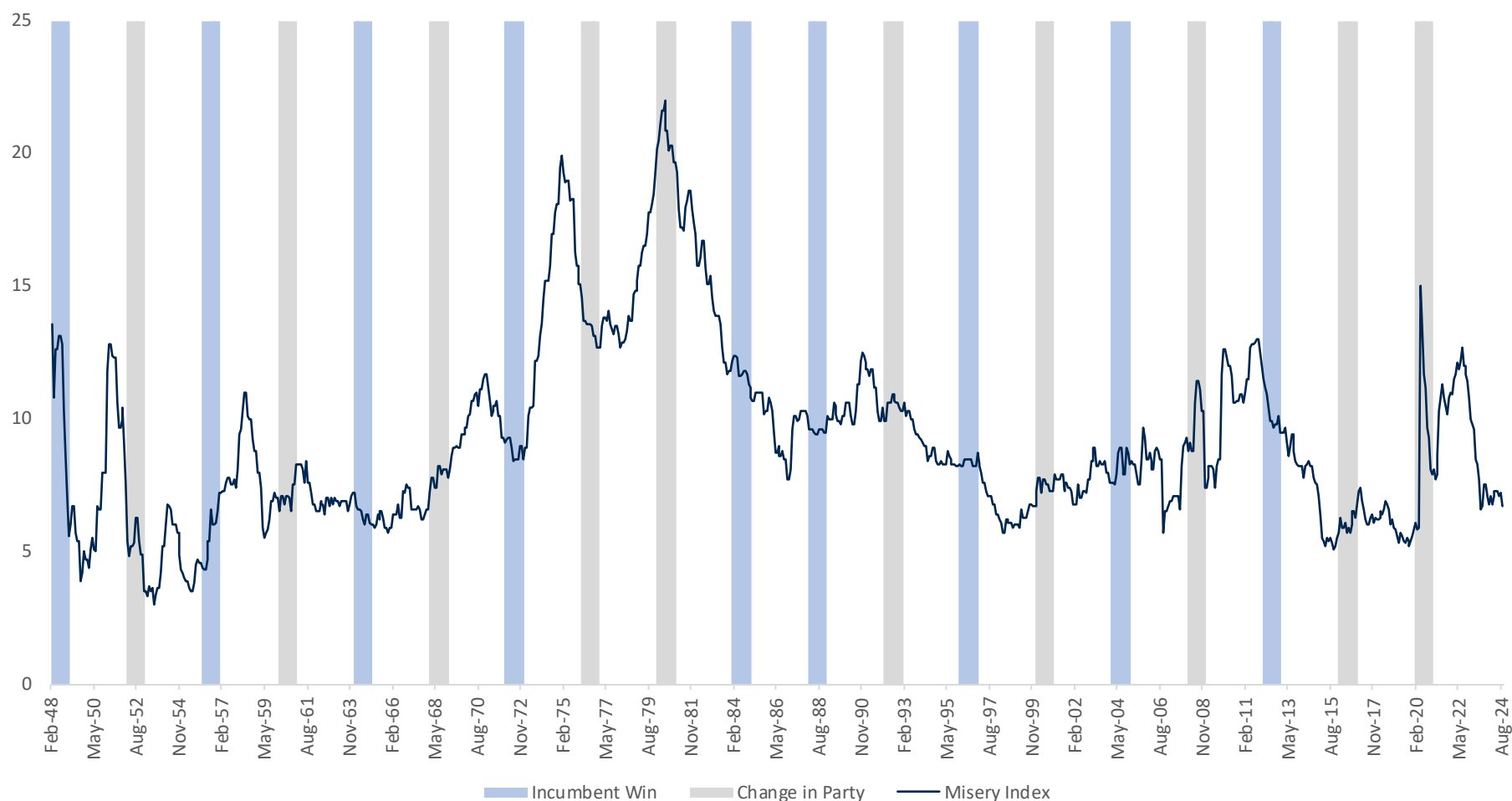
Source: RBC US Equity Strategy, Duke University, FRB Richmond and FRB Atlanta, The CFO Survey – Q3 2024 (August 19 – September 6, 2024).

Note: Percentages do not sum 100 because firms could select more than one option. Results from Q2 2024 survey (May 13 – June 3, 2024) are shown for comparison.

## Impact of the 2022 Spike in Misery on the 2024 Elections Remain to Be Seen

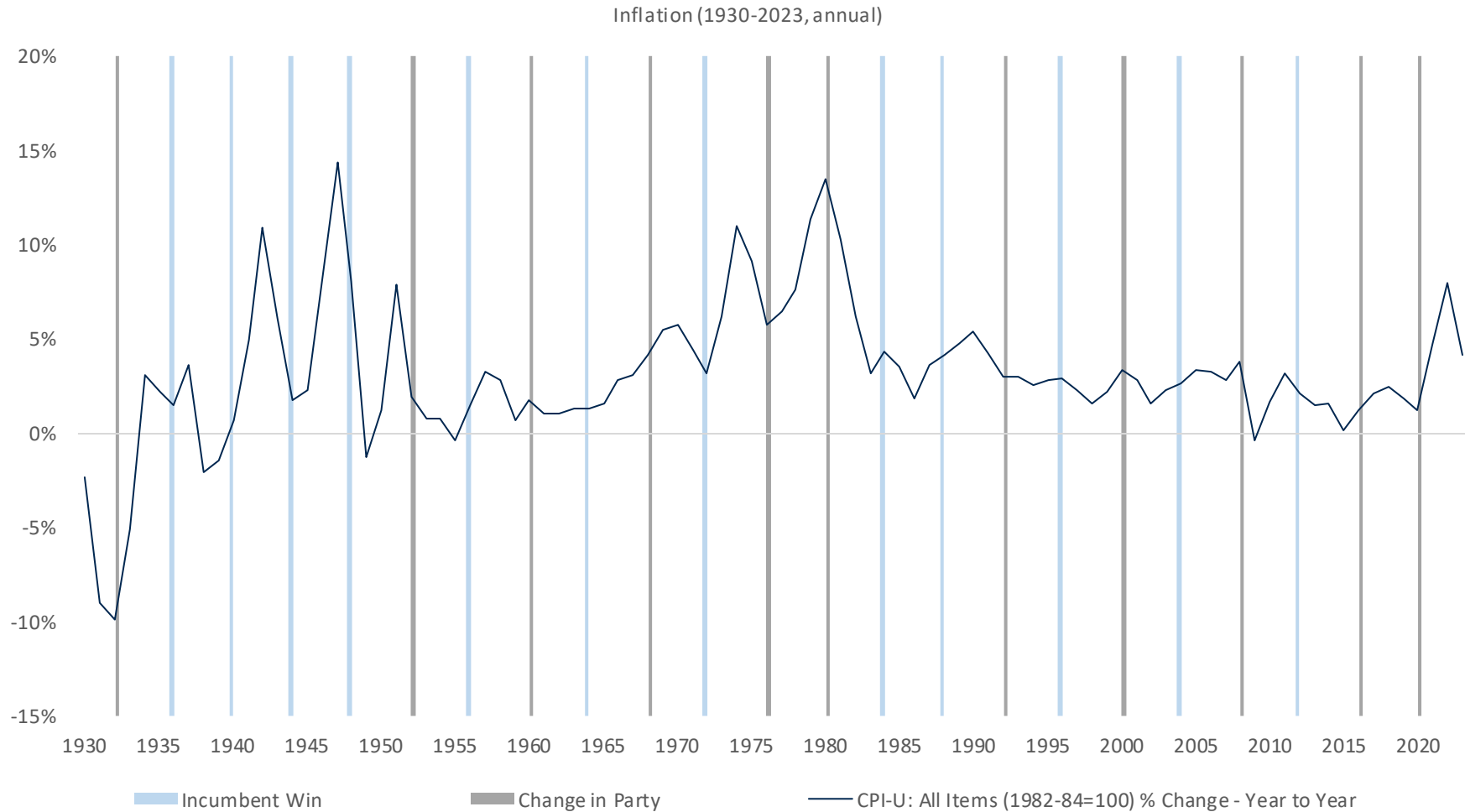
- The misery index is currently low, but spiked in 2022 similar to what is typically seen in a recession – this time due to inflation, not unemployment.
- It's not clear to us that this will be the determining factor in the outcome. The misery index spiked shortly before the presidential elections of 1952, 1976, and 1992, which all saw the incumbent party lose the White House. But the 1972 and 2012 elections also saw spikes in misery shortly before they occurred, while the incumbent party maintained White House control.

Misery Index (Sum of unemployment rate and the YoY percentage change in the CPI) w/ Presidential Election Years Highlighted



Source: RBC US Equity Strategy, Bloomberg; through September 2024

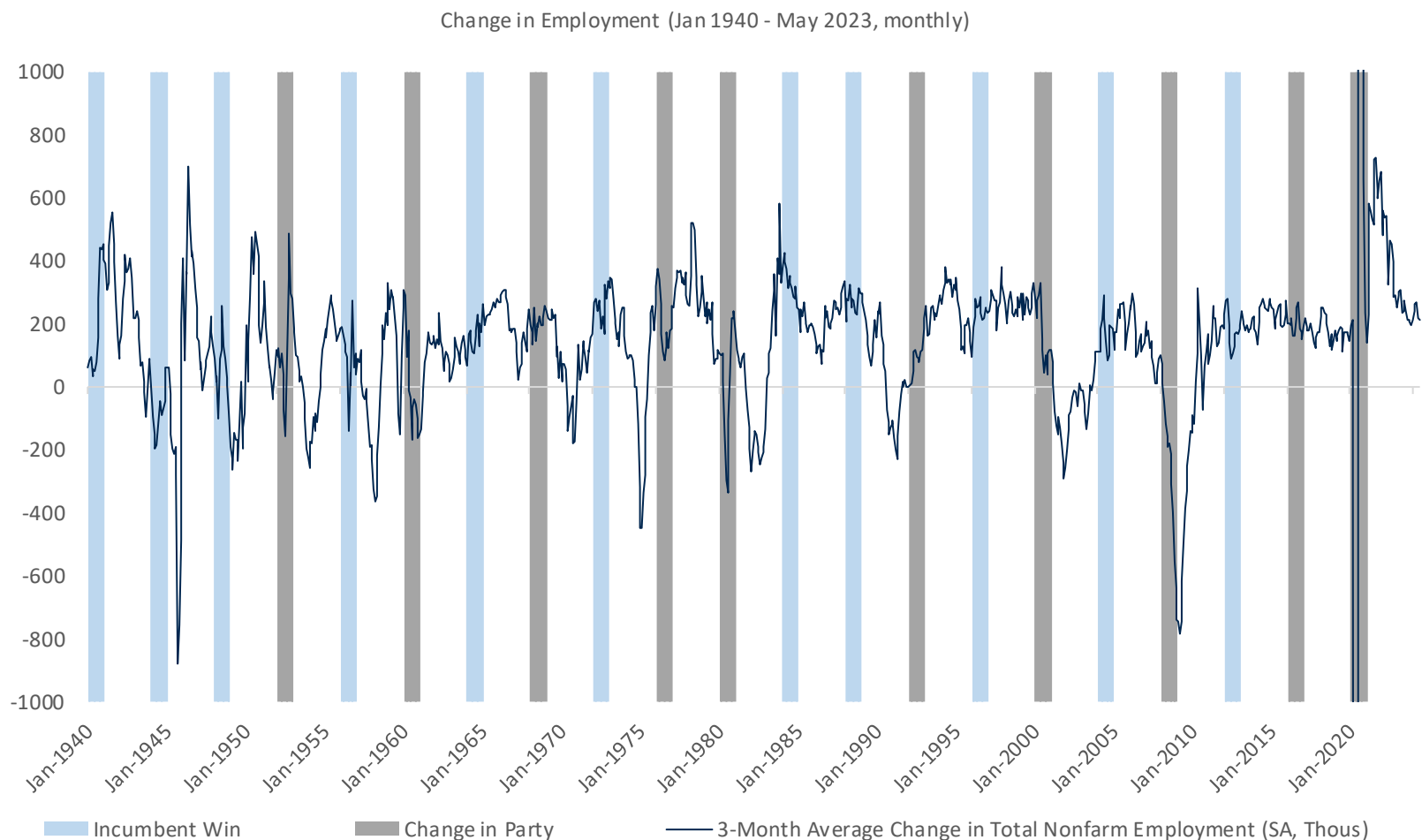
## Inflation Helped Produce Changes in White House Leadership in the '70s, But Not the '40s



Source: RBC US Equity Strategy, Haver

## Incumbent Party Defeats in Presidential Election Years Usually Accompanied by Sizable Job Losses

- Since the 1950s, when there haven't been big job losses in presidential election years, the incumbent party usually wins.



Source: RBC US Equity Strategy, Haver; through August 2024



## Harris vs. Trump on Domestic Economic Policy – General Economy

	Harris Campaign Website <i>A New Way Forward</i>	Harris Policy Book <i>A New Way Forward For The Middle Class</i>	Trump Campaign Website <i>Official 2024 Republican Party Platform</i>	Trump Speech on 9/5/24 <i>Economic Club of New York</i>	US Equity Market Read-Throughs
<b>General Economy</b>	<ul style="list-style-type: none"> <li>- Build up the middle class.</li> <li>- Build on progress to ensure American industries and workers thrive.</li> <li>- Push for government-encouraged investment as it leads to broad-based economic growth. and creates jobs, making the economy stronger.</li> <li>- The wealthiest Americans and the largest corporations need to pay their fair share, so that we can build up the middle class while reducing the deficit.</li> </ul>	<ul style="list-style-type: none"> <li>- Expand production among new suppliers and small firms, growers, and processors to create broad-based supply chains.</li> <li>- Build on efforts to lower home energy costs for working families by further relying on the IRA's tax credits.</li> </ul>	<ul style="list-style-type: none"> <li>- Keep inflation low.</li> <li>- Promote economic policies that drive down the cost of living and prices for everyday goods and services.</li> <li>- Ensure these programs remain solvent long into the future by reversing harmful Democrat policies and unleashing a new economic boom.</li> <li>- Reduce geopolitical risks and thus lower commodity prices.</li> <li>- Restore American manufacturing.</li> </ul>	<ul style="list-style-type: none"> <li>- Rescue the American economy, defeat inflation and return to rapid/explosive economic growth.</li> <li>- Create manufacturing jobs, put America first.</li> <li>- Lower crime &amp; restore the rule of law.</li> <li>- Create a Sovereign Wealth Fund to fund great national endeavors.</li> </ul>	<p>While issues outside of the traditional realm of domestic economic policy (and stock market sensitivity) have loomed large throughout this election, the economy still seems likely to play a role in the outcome. Overall, Trump's platform and speech in NY are reminiscent of his 2016 pitch to voters. Inflation and bringing down costs have been key focal points in both campaigns, but further improvements on inflation may blunt the intensity of this messaging. Aiding the manufacturing economy and citizens left behind in recent decades are key themes for both parties. Short term it's difficult to say which candidate's platform is more stock market positive/negative, but history suggests that the candidate that prevails is usually perceived as positive for the economy.</p>

Source: RBC US Equity Strategy; Harris Policy Book & Trump Speech columns only highlight information that was significantly incremental to comments made on the campaign website materials

## Harris vs. Trump on Domestic Economic Policy – Small Businesses

	Harris Campaign Website <i>A New Way Forward</i>	Harris Policy Book <i>A New Way Forward For The Middle Class</i>	Trump Campaign Website <i>Official 2024 Republican Party Platform</i>	Trump Speech on 9/5/24 <i>Economic Club of New York</i>	US Equity Market Read-Throughs
<b>Small Businesses</b>	<ul style="list-style-type: none"> <li>- Expand the startup expense tax deduction for new businesses from \$5,000 to \$50,000.</li> <li>- Increase the share of federal contract dollars going to small businesses.</li> </ul>	<ul style="list-style-type: none"> <li>- Create 25 million new business applications by expanding the start-up expense tax deduction for new businesses tenfold and taking on the everyday obstacles and red tape.</li> <li>- Launch a Small Business Expansion Fund to help entrepreneurs grow their business and create jobs with low- or zero-interest loans. This new fund would enable community banks to cover interest costs while small businesses are expanding.</li> <li>- Cut red tape licensing barriers for entrepreneurs and small businesses by supporting grants to states, expanding multistate licensing agreements and recognition.</li> <li>- Work to re-capitalize the Treasury Department’s pathbreaking small business financing program, the State Business Credit Initiative, which expands venture capital and innovative financing to small businesses in rural and middle America and underserved communities.</li> <li>- Strengthen the rural communities’ access to federal funds by expanding the Rural Partners Network to all states and territories.</li> <li>- Fund a network of new and existing federal, state, local, and private business incubators and small business innovation hubs designed to help small businesses and local suppliers to reap the broader benefits of investments in semiconductor factories.</li> </ul>			<p>Harris’ small business plans are another example of her impulse to inject stimulus into the consumer part of the economy. She expanded on her thinking in the latest policy document, and small businesses appear to us to be an increasingly important part of her economic platform.</p>

Source: RBC US Equity Strategy; Harris Policy Book & Trump Speech columns only highlight information that was significantly incremental to comments made on the campaign website materials

## Harris vs. Trump on Domestic Economic Policy – Corporate & Individual Taxes

	Harris Campaign Website <i>A New Way Forward</i>	Harris Policy Book <i>A New Way Forward For The Middle Class</i>	Trump Campaign Website <i>Official 2024 Republican Party Platform</i>	Trump Speech on 9/5/24 <i>Economic Club of New York</i>	US Equity Market Read-Throughs
<b>Corporate Taxes</b>	<ul style="list-style-type: none"> <li>- Raise the corporate tax rate to 28%.</li> <li>- Repeal Trump's Tax Cuts and Jobs Act.</li> <li>- Quadruple the stock buyback tax.</li> </ul>	<ul style="list-style-type: none"> <li>- Reform the international tax system so that corporations can no longer get big rewards for shifting jobs and profits overseas.</li> <li>- Create an America Forward strategy through tax credits to jumpstart a new era in American industry by focusing on clean iron and steel as well as emerging technologies such as biomanufacturing, AI, aerospace, data centers, and clean energy.</li> </ul>	<ul style="list-style-type: none"> <li>- Make the provisions of the Trump Tax Cuts and Jobs Act permanent.</li> </ul>	<ul style="list-style-type: none"> <li>- Make the 2017 tax cuts permanent.</li> <li>- Cut corporate tax rate from 21% to 15% for domestic producers.</li> <li>- Expand R&amp;D tax credits.</li> </ul>	<p>Corporate taxes have emerged as a major point of difference in the two campaigns. After his speech in NY, it isn't clear to us that Trump's corporate tax proposal will boost profitability for many public companies due to the linkage to domestic production, but Harris' proposal is a clear negative. Impacts are likely to be felt across a wide array of sectors and industries. In her latest policy document, Harris added commentary indicating she will use taxes as a way to continue supporting a reshoring/deglobalization theme.</p>
<b>Individual Taxes</b>	<ul style="list-style-type: none"> <li>- Expand the Child Tax Credit for parents (\$6,000 credit for newborns).</li> <li>- Restore the Earned Income Tax Credit.</li> <li>- Ensure no one earning less than \$400,000 pays more in taxes.</li> <li>- Rollback tax cuts for the wealthiest Americans, ensure the wealthiest pay their fair share.</li> <li>- Raise the long-term capital gains tax to 28% for those earning \$1 million or more.</li> <li>- Enact a billionaire minimum tax.</li> <li>- Eliminate taxes on tips for service and hospitality workers.</li> </ul>	<ul style="list-style-type: none"> <li>- Restore the Expanded Child Tax Credit which provides a tax credit of up to \$3,600 per child for the middle class and struggling families.</li> <li>- Expand the Earned Income Tax Credit to cover individuals in lower-income jobs to cut their taxes by up to \$1,500.</li> <li>- Americans earning less than \$100,000 will continue to pay no taxes on long-term capital gains.</li> </ul>	<ul style="list-style-type: none"> <li>- Expand Child Tax Credit.</li> <li>- Eliminate taxes on tips for millions of restaurant and hospitality workers.</li> </ul>	<ul style="list-style-type: none"> <li>- No tax on social security benefits.</li> <li>- Eliminate taxes on tips.</li> </ul>	<p>Assuming Congress cooperates in passing the desired legislation, extension of individual cuts for those making under \$400k for both candidates seems positive for consumer sentiment/spending, consumer companies, and ultimately the economy and stock market. Both candidates have also embraced initiatives to lower tax burdens on lower-income individuals and families. Trump's proposals here are likely to be seen as more positive for the economy, markets, and consumer companies by many investors, however, since Harris' plan appears to allow the 2017 tax cuts on those making over \$400k expire and also raises the capital gains tax, potentially reducing the spending power of the higher-income cohort of consumers that has been most resilient in their spending of late. Of course, much depends on details that would be hashed out by Congress in the legislative process.</p>

Source: RBC US Equity Strategy; Harris Policy Book & Trump Speech columns only highlight information that was significantly incremental to comments made on the campaign website materials

## Harris vs. Trump on Domestic Economic Policy – Safety Nets & Wages/Labor

	Harris Campaign Website <i>A New Way Forward</i>	Harris Policy Book <i>A New Way Forward For The Middle Class</i>	Trump Campaign Website <i>2024 Republican Party Platform</i>	Trump Speech on 9/5/24 <i>Economic Club of New York</i>	US Equity Market Read-Throughs
<b>Social Safety Nets &amp; Other Individual Supports</b>	<ul style="list-style-type: none"> <li>- Establish paid family and medical leave.</li> <li>- Strengthen Social Security and Medicare for the long haul by making millionaires and billionaires pay their fair share in taxes.</li> <li>- Expanding high-quality home care services for seniors and people with disabilities and ensuring hardworking families can afford high-quality childcare.</li> <li>- Work with states to cancel medical debt.</li> <li>- Continue working to end the unreasonable burden of student loan debt and fight to make higher education more affordable.</li> <li>- Fight to end veteran homelessness, investing in mental health and suicide prevention efforts, and eliminating barriers to employment and expanding economic opportunity for military and veteran families.</li> </ul>	<ul style="list-style-type: none"> <li>- Fight for a future with affordable, high-quality childcare and pre-K, long-term care, and paid leave, while supporting care workers and family caregivers.</li> <li>- Build on the Butch Lewis Act and continue to prevent deep cuts in the pensions of up to three million retirees and workers.</li> <li>- Strengthen health care for veterans.</li> </ul>	<ul style="list-style-type: none"> <li>- Restore economic stability to ensure the long-term sustainability of Social Security.</li> <li>- Will not cut one penny from Medicare or Social Security.</li> <li>- Shift resources back to at-home senior care, overturn disincentives that lead to care worker shortages, and support unpaid family caregivers through tax credits and reduced red tape.</li> </ul>	<ul style="list-style-type: none"> <li>- Responded to a question on childcare costs by noting his daughter had worked on the issue previously and it would be funded by tariffs.</li> </ul>	<p>Harris' stance here seems more positive for consumers, especially lower-income ones, given her impulse to provide additional support to individuals and families, and it's noteworthy that her latest policy document added emphasis on supporting caregivers. Trump's approach seems more like a continuation of the status quo. Neither candidate appears interested in tackling the budget deficit in a meaningful way. While we don't see that as an imminent problem for the stock market, it is an issue to keep an eye on longer term and one that causes a great deal of frustration in some corners of financial markets.</p>
<b>Wages &amp; Labor</b>	<ul style="list-style-type: none"> <li>- Fight to raise the minimum wage, end sub-minimum wages for tipped workers and people with disabilities.</li> <li>- Ensure that care workers are paid a living wage.</li> <li>- Fight for unions by signing a pro-union legislation, including the PRO Act to support workers who choose to organize and bargain and the Public Service Freedom to Negotiate Act to make the freedom for public service workers to form unions the law of the land.</li> </ul>	<ul style="list-style-type: none"> <li>- Continue to fight for manufacturing and infrastructure projects that benefit from significant public support to be subject to strong prevailing wage requirements, as well as Project Labor Agreements for construction projects above appropriate minimal thresholds.</li> </ul>	<ul style="list-style-type: none"> <li>- Create Jobs and raise wages for American workers.</li> </ul>	<ul style="list-style-type: none"> <li>- Nothing significantly incremental.</li> </ul>	<p>The language of both campaigns on this topic seems positive for consumers, but challenging for markets from an inflation/corporate profitability perspective. Harris' stance seems likely to be more concerning to equity investors given the emphasis on unions.</p>

Source: RBC US Equity Strategy; Harris Policy Book & Trump Speech columns only highlight information that was significantly incremental to comments made on the campaign website materials

## Harris vs. Trump on Domestic Economic Policy – Education

	Harris Campaign Website <i>A New Way Forward</i>	Harris Policy Book <i>A New Way Forward For The Middle Class</i>	Trump Campaign Website <i>Official 2024 Republican Party Platform</i>	Trump Speech on 9/5/24 <i>Economic Club of New York</i>	US Equity Market Read-Throughs
<b>Education</b>	<ul style="list-style-type: none"> <li>- Continue working to end the unreasonable burden of student loan debt and fight to make higher education more affordable.</li> </ul>	<ul style="list-style-type: none"> <li>- Address barriers holding back workers without a college degree.</li> <li>- Eliminate four-year degree requirements that are not needed for half a million federal jobs.</li> <li>- Continue to strengthen America's STEM education.</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce the cost of higher education.</li> <li>- Expand 529 Education Savings Accounts and support homeschooling families equally.</li> <li>- Emphasize education to prepare students for great jobs and careers, supporting project-based learning and schools that offer meaningful work experience.</li> <li>- Drive down tuition costs.</li> <li>- End teacher tenure.</li> <li>- Support universal school choice in every state in America.</li> <li>- Close the Department of Education in Washington, D.C. and send it back to the states.</li> </ul>	<p>Nothing significantly incremental.</p>	<p>The focus of both candidates on lowering the costs of education seems positive for consumers and the longer-term labor backdrop. Harris' latest policy document expanded on this theme. Trump's platform speaks to the challenge many businesses have expressed over finding skilled/qualified labor. Harris' stance on student loans is something else we can add to the list of initiatives that seem positive for consumers especially those in lower-income brackets.</p>

Source: RBC US Equity Strategy; Harris Policy Book & Trump Speech columns only highlight information that was significantly incremental to comments made on the campaign website materials

## Harris vs. Trump on Domestic Economic Policy – Energy / Climate & Commodities

	Harris Campaign Website <i>A New Way Forward</i>	Harris Policy Book <i>A New Way Forward For The Middle Class</i>	Trump Campaign Website <i>Official 2024 Republican Party Platform</i>	Trump Speech on 9/5/24 <i>Economic Club of New York</i>	US Equity Market Read-Throughs
<b>Energy, Climate &amp; Commodities</b>	<ul style="list-style-type: none"> <li>- Support the Inflation Reduction Act.</li> <li>- Continuation of the Biden administration's efforts to reduce carbon emissions and support wind, solar generation, and EV infrastructure.</li> <li>- Tackle the climate crisis by advancing environmental justice, protecting public lands and public health, increasing resilience to climate disasters, lowering household energy costs, creating millions of new jobs, and continuing to hold polluters accountable to secure clean air and water.</li> <li>- Continue and build upon the United States' international climate leadership.</li> </ul>	<ul style="list-style-type: none"> <li>- Committed to supporting U.S. energy production growth and not rely on foreign oil.</li> <li>- Unlock upgrades, efficiencies, and faster construction of a lower-cost and more resilient electrical grid to speed up deployment of cutting-edge technologies that are critical to producing and distributing more energy, providing resilience to climate disasters, and bringing down costs.</li> </ul>	<ul style="list-style-type: none"> <li>- Become energy independent and dominant again.</li> <li>- Lift restrictions on American energy production.</li> <li>- End market-distorting restrictions on oil, natural gas, and coal.</li> <li>- Terminate the Green New Deal.</li> <li>- Cancel Biden's Electric Vehicle mandate.</li> <li>- Commit to unleash American energy, including nuclear, to keep inflation low and power American homes, cars, and factories with reliable, abundant, and affordable energy.</li> </ul>	<ul style="list-style-type: none"> <li>- Promote energy independence and increase domestic production.</li> <li>- Terminate the IRA (referred to as Green New Deal).</li> <li>- Rescind unspent IRA funds.</li> <li>- End the EV mandate.</li> <li>- Make the US a major producer of rare earth minerals.</li> <li>- Protect the steel industry.</li> </ul>	<p>We think the conventional wisdom that Harris is more favorable to alternative Energy than Trump, and that Trump is more favorable to traditional Energy than Harris, is generally correct and that their biases here are one of the biggest differences from an investment perspective between the two on domestic policy. That being said, Harris' insistence that she would not ban fracking makes her less of a risk for traditional Energy than some have believed. We also think Trump's impact on traditional Energy and the Industrial / Material stocks that have benefited from the IRA is complicated. Our Commodity &amp; MENA Research Strategy team has pointed out that domestic production has reached higher levels under Biden than it did under Trump, and that his push to deregulate is the key issue today. They have also pointed out that the IRA is protected from being repealed solely through executive order, but that the president still has authority to contour the framework of the law through executive agencies to make tax credits more difficult to access, freeze any unallocated money, or revise unfinalized rules.</p>

Source: RBC US Equity Strategy; Harris Policy Book & Trump Speech columns only highlight information that was significantly incremental to comments made on the campaign website materials



## Harris vs. Trump on Domestic Economic Policy – Health Care

	Harris Campaign Website <i>A New Way Forward</i>	Harris Policy Book <i>A New Way Forward For The Middle Class</i>	Trump Campaign Website <i>Official 2024 Republican Party Platform</i>	Trump Speech on 9/5/24 <i>Economic Club of New York</i>	US Equity Market Read-Throughs
<b>Health Care</b>	<ul style="list-style-type: none"> <li>- Build on the Biden-Harris administration's successes in bringing down the cost of lifesaving prescription drugs for Medicare beneficiaries by extending the \$35 cap on insulin and \$2,000 cap on out-of-pocket spending for seniors to all Americans.</li> <li>- Take on Big Pharma to lower drug prices and cap insulin costs, not just for seniors but for all Americans.</li> <li>- Bring down prescription drug costs by taking on pharmacy middlemen.</li> <li>- Expand subsidies for Affordable Care Act.</li> <li>- Make permanent tax enhancements that are lowering health care premiums by an average of \$800 a year for millions of Americans.</li> <li>- Defend reproductive freedom and safeguard the privacy of patients and providers.</li> </ul>	<ul style="list-style-type: none"> <li>- Expand and make permanent the tax credit enhancements for Affordable Care Act marketplace plans.</li> <li>- Help tackle the opioid crisis and help Americans access treatment.</li> <li>- Allow Medicare to accelerate the speed of negotiations so the prices of more drugs come down faster.</li> </ul>	<ul style="list-style-type: none"> <li>- Increase transparency, promote choice and competition, and expand access to new Affordable Healthcare and prescription drug options.</li> <li>- Protect Medicare, and ensure seniors receive the care they need without being burdened by excessive costs.</li> <li>- Expand Veterans' healthcare choices.</li> <li>- Support increased focus on chronic disease prevention and management, long-term care, and benefit flexibility.</li> <li>- Expand access to primary care and support policies that help seniors remain in their homes and maintain financial security.</li> <li>- Shift resources back to at-home senior care and overturn disincentives that lead to care work shortages and support unpaid family caregivers through tax credits and reduced red tape.</li> </ul>	<ul style="list-style-type: none"> <li>- Very little mention of Health Care, said Harris wants to take away private insurance.</li> </ul>	<p>We generally see political risk for the Health Care sector as low. In a recent election/policy call that we did with our Health Care analysts, both our Democratic and Republican speakers highlighted an area of potential agreement and collaboration between the two parties, and noted that margins in Congress are likely to be so thin that neither side will be able to pass anything too radical or controversial. They also noted that Harris and the Democrats are no longer calling for universal care (focusing instead on capping costs), and that Republicans are no longer focused on dismantling the ACA (focusing instead on quality of care). All of that being said, we do confess to seeing a bit more political risk to the Health Care sector from Harris due to the more intense focus on keeping costs lower.</p>

Source: RBC US Equity Strategy; Harris Policy Book & Trump Speech columns only highlight information that was significantly incremental to comments made on the campaign website materials



## Harris vs. Trump on Domestic Economic Policy – Technology

	Harris Campaign Website <i>A New Way Forward</i>	Harris Policy Book <i>A New Way Forward For The Middle Class</i>	Trump Campaign Website <i>Official 2024 Republican Party Platform</i>	Trump Speech on 9/5/24 <i>Economic Club of New York</i>	US Equity Market Read-Throughs
<b>Tech</b>	<ul style="list-style-type: none"> <li>- Continue to support American leadership in semiconductors, AI, and other cutting-edge industries of the future.</li> </ul>	<ul style="list-style-type: none"> <li>- Making sure the United States leads in AI by scaling up and making permanent the National Artificial Intelligence Research Resource, a shared research infrastructure to give startups and researchers access to the most advanced computing power, data and tools.</li> </ul>	<ul style="list-style-type: none"> <li>- Defend the right to mine Bitcoin, and ensure every American has the right to self-custody of their digital assets.</li> <li>- Oppose the creation of a Central Bank digital currency.</li> <li>- Repeal Joe Biden's dangerous executive order that hinders AI innovation and imposes radical left-wing ideas on the development of this technology.</li> <li>- Ensure our Military is the most modern, lethal, and powerful force in the world by investing in cutting-edge research and advanced technologies.</li> <li>- Create a robust manufacturing industry in Near Earth Orbit, send American astronauts back to the Moon and Mars, and enhance partnerships with the Commercial Space sector.</li> </ul>	<ul style="list-style-type: none"> <li>- AI is controversial but we need to be dominant; requires 2x the amount of electricity we currently have.</li> <li>- Embrace crypto and make the US the crypto capital of the world.</li> </ul>	<p>The friendly language toward AI from both candidates stands out to us as a stock market and Tech sector positive, given the hefty weight AI-related names have in the S&amp;P 500 and its Technology sector. Trump's commentary on AI and the demands on the electrical grid also stand out as a positive for the Utilities sector to us. Note in her latest policy document, Harris discussed the importance of upgrading the electrical grid to support technological innovation, reminiscent of comments made in his NYC speech on AI and the need for more electricity.</p>

Source: RBC US Equity Strategy; Harris Policy Book & Trump Speech columns only highlight information that was significantly incremental to comments made on the campaign website materials

## Harris vs. Trump on Domestic Economic Policy – Housing

	Harris Campaign Website <i>A New Way Forward</i>	Harris Policy Book <i>A New Way Forward For The Middle Class</i>	Trump Campaign Website <i>Official 2024 Republican Party Platform</i>	Trump Speech on 9/5/24 <i>Economic Club of New York</i>	US Equity Market Read-Throughs
<b>Housing Affordability</b>	<ul style="list-style-type: none"> <li>- \$25,000 subsidy to first-time home buyers.</li> <li>- Support affordable housing by providing tax incentives to builders to construct starter homes alongside \$40 billion housing innovation fund.</li> <li>- Cut red tape to make sure we build more housing faster and penalize firms that hoard available homes to drive up prices for local homebuyers.</li> <li>- Put forward a plan to build 3 million more affordable rental &amp; home units to end the national housing supply crisis.</li> </ul>	<ul style="list-style-type: none"> <li>- Unlock the potential of the building industry by expanding the Low-Income Housing Tax Credit to significantly expand affordable rental supply by more than 1.2 million new homes.</li> <li>- Create a Neighborhood Homes Tax Credit, which would support new construction or rehabilitation of over 400,000 owner-occupied homes in lower-income communities.</li> <li>- Reduce barriers to homeownership based on medical debt and limited credit history.</li> <li>- Partner with the private sector to build 3 million additional homes.</li> <li>- Call on Congress to pass the Preventing the Algorithmic Facilitation of Rental Housing Cartels Act to crack down on companies that contribute to surging rent prices.</li> <li>- Call on Congress to pass the Stop Predatory Investing Act to eliminate the key tax benefits for major investors and stop them from buying up and marking up homes in large numbers.</li> </ul>	<ul style="list-style-type: none"> <li>- Help new home buyers.</li> <li>- Republicans will reduce mortgage rates by slashing inflation, open limited portions of federal lands to allow for new home construction, promote homeownership through tax incentives and support for first-time buyers, and cut unnecessary regulations that raise housing costs.</li> </ul>	<ul style="list-style-type: none"> <li>- Open up federal lands for new housing construction.</li> <li>- Reduce new housing construction costs by reducing regulations.</li> <li>- Bring down mortgage rates to 3% or lower.</li> </ul>	<p>Housing affordability and supply has emerged in both campaigns as a problem seen as needing a solution. While the approaches to solving the problem differ, the focus on the topic itself by both campaigns is what is most interesting to us. Criticism from financial markets focuses on the need to improve supply. We'd keep a close eye on Homebuilding stocks and related names if housing-related initiatives get support in a new Congress. Note that Harris' latest policy document expanded on her ideas for this issue, reinforcing to us that it has become an important issue for the campaigns.</p>

Source: RBC US Equity Strategy; Harris Policy Book & Trump Speech columns only highlight information that was significantly incremental to comments made on the campaign website materials

## Harris vs. Trump on Domestic Economic Policy – Regulation

	Harris Campaign Website <i>A New Way Forward</i>	Harris Policy Book <i>A New Way Forward For The Middle Class</i>	Trump Campaign Website <i>Official 2024 Republican Party Platform</i>	Trump Speech on 9/5/24 <i>Economic Club of New York</i>	US Equity Market Read-Throughs
<b>Regulation</b>	<ul style="list-style-type: none"> <li>- Crack down on anti-competitive practices that let big corporations jack up prices and undermine the competition.</li> <li>- Calls for the first-ever federal ban on corporate price gouging on food and groceries, which will build on the anti-price gouging statutes already in place in 37 states.</li> <li>- Sign legislation to outlaw new forms of price fixing by corporate landlords.</li> </ul>	<ul style="list-style-type: none"> <li>- Make sure the federal government has the resources to take on anti-competitive practices in the food and grocery industry.</li> <li>- Go after nefarious price gouging on essential goods during emergencies or times of crisis.</li> <li>- Eliminate junk fees, address scams and financial fraud.</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce the regulatory burden.</li> <li>- Reinstate deregulation policies, which saved Americans \$11,000 per household.</li> <li>- Revive the U.S. auto Industry by reversing harmful regulations.</li> </ul>	<ul style="list-style-type: none"> <li>- Reduce regulatory burdens was a general theme.</li> <li>- Cut 10 regulations for every new one created.</li> <li>- Create a government efficiency panel headed by Elon Musk.</li> </ul>	<p>Trump’s approach to regulation has tended to be an area which the equity investment community likes in a variety of industries and sectors. Energy and Financials are two that are often seen as big beneficiaries of this general approach. Harris’ initiatives on anti-competitive practices and price gouging have been confusing at best to Wall Street and not well received by Wall Street at worst. We think her language on price gouging poses headline risk for the Consumer Staples sector. Note that she did expand on her thinking here in her latest policy document, but her comments didn’t alleviate our concerns about there now being elevated political risk for food and grocery companies.</p>

Source: RBC US Equity Strategy; Harris Policy Book & Trump Speech columns only highlight information that was significantly incremental to comments made on the campaign website materials

## Harris vs. Trump on Domestic Economic Policy – Trade

	Harris Campaign Website <i>A New Way Forward</i>	Harris Policy Book <i>A New Way Forward For The Middle Class</i>	Trump Campaign Website <i>Official 2024 Republican Party Platform</i>	Trump Speech on 9/5/24 <i>Economic Club of New York</i>	US Equity Market Read-Throughs
<b>Trade</b>	<ul style="list-style-type: none"> <li>- Will not tolerate unfair trade practices from China or any competitor that undermines American workers.</li> </ul>	<ul style="list-style-type: none"> <li>- Will not hesitate to take action when our workers and businesses are threatened, whether it is in shipbuilding, electric vehicles, or intellectual property.</li> <li>- Uphold and strengthen international economic rules and norms that protect free trade and create predictability and stability.</li> </ul>	<ul style="list-style-type: none"> <li>- Support baseline tariffs on foreign-made goods.</li> <li>- Keep the U.S. dollar as the world's reserve currency.</li> <li>- Pass the Reciprocal Trade Act &amp; respond to unfair trade practices. As tariffs on foreign producers go up, taxes on American workers, families, and businesses can come down.</li> <li>- Revoke China's most favored nation status, phase out import of essential goods and stop China from buying American real estate and industries.</li> <li>- Prevent the importation of Chinese vehicles.</li> <li>- Protect American workers from unfair foreign competition.</li> <li>- Parts critical to American Security must be Made in the USA.</li> <li>- Bring critical supply chains back home.</li> <li>- Strengthen Buy American and Hire American Policies, banning companies that outsource jobs from doing business with the Federal Government.</li> </ul>	<ul style="list-style-type: none"> <li>- Endorsed a pro-America trade policy.</li> <li>- Impose big tariffs on those who make products in another country.</li> <li>- Emphasized how McKinley was an underrated president.</li> <li>- Smart tariffs defeat inflation they don't create it (under his watch he put on/took off sanctions as quickly as possible).</li> </ul>	<p>Both candidates have a negative tone on trade with China in particular, and the views of both candidates indicate to us that the theme of deglobalization is here to stay. Trump's approach here is more expansive and extreme and potentially disruptive, which is likely to be unsettling for equity markets. Significantly greater use of tariffs also strikes us as adverse to both consumer spending and corporate profitability, offsetting some of the benefits of Trump's more market-friendly tax policies. Note that some investors have pointed us to the 2018 China trade war, in which cyclical value-oriented areas like Materials and Industrials were hit hardest in the S&amp;P 500, as the right way to think about a Trump playbook given his focus on tariffs.</p>

Source: RBC US Equity Strategy; Harris Policy Book & Trump Speech columns only highlight information that was significantly incremental to comments made on the campaign website materials

## Harris vs. Trump on Domestic Economic Policy – Immigration

Harris Campaign Website <i>A New Way Forward</i>	Harris Policy Book <i>A New Way Forward For The Middle Class</i>	Trump Campaign Website <i>Official 2024 Republican Party Platform</i>	Trump Speech on 9/5/24 <i>Economic Club of New York</i>	US Equity Market Read-Throughs
<p><b>Immigration</b></p> <ul style="list-style-type: none"> <li>- Bring back the bipartisan border security bill and sign it into law.</li> <li>- She knows that our immigration system is broken and needs comprehensive reform that includes strong border security and an earned pathway to citizenship.</li> </ul>		<ul style="list-style-type: none"> <li>- Secure the border, deport illegal aliens, and reverse the Democrats' open borders policies that have driven up the cost of housing, education, and healthcare for American families.</li> <li>- Cut federal funding to sanctuary jurisdictions that release dangerous illegal alien criminals onto our streets.</li> <li>- Prioritize merit-based immigration, ensuring those admitted to our country contribute positively to our society and economy.</li> <li>- Protect Medicare's finances from being financially crushed by the Democrat plan to add tens of millions of new illegal immigrants to the rolls of Medicare.</li> <li>- End luxury housing and taxpayer benefits for illegal immigrants and use those savings to shelter and treat homeless Veterans.</li> <li>- Complete the border wall that President Trump started on the Southern border.</li> </ul>	<ul style="list-style-type: none"> <li>- Tough talk on immigration/the border throughout the speech.</li> </ul>	<p>Some investors have been worried that a tough stance on immigration will add to general inflation pressures or cost pressures for certain companies (i.e., leisure and hospitality). While Harris and the Democrats have taken on a tough stance on immigration recently, Trump's approach is more intense and any disruption it creates may be more unsettling to equity markets.</p>

Source: RBC US Equity Strategy; Harris Policy Book & Trump Speech columns only highlight information that was significantly incremental to comments made on the campaign website materials

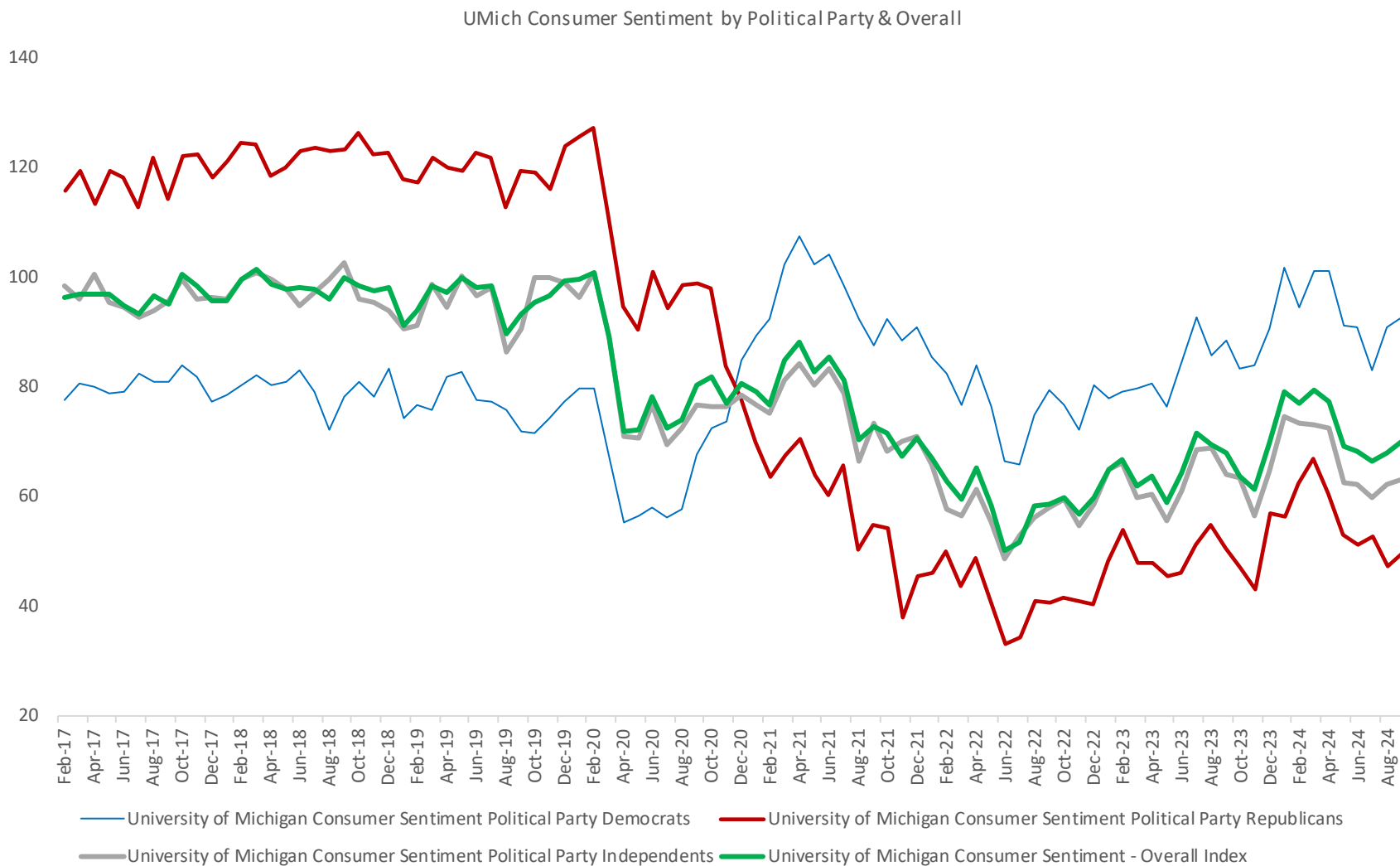
# Part 3

State of the Race



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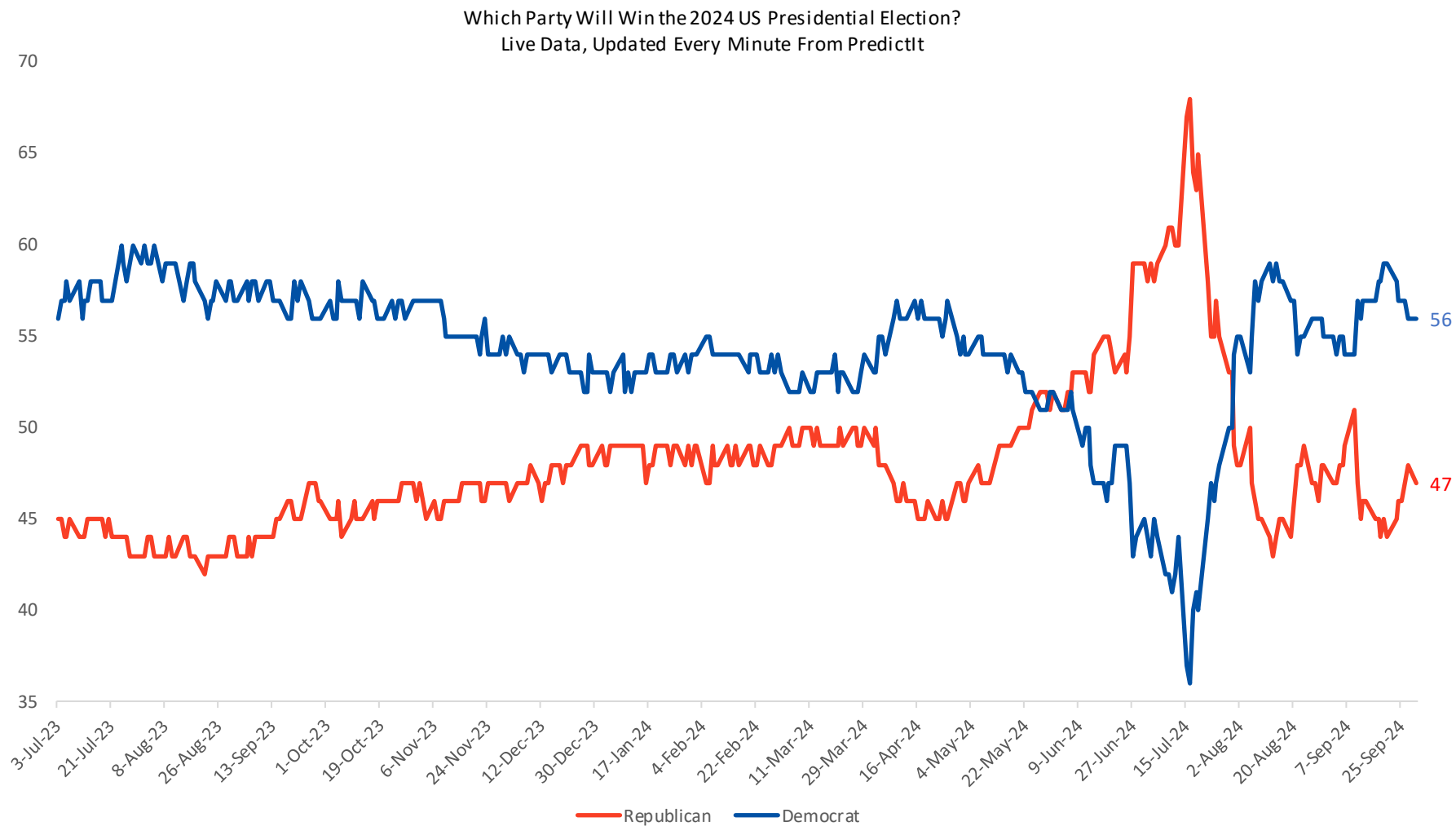
## Sentiment Has Improved Slightly for Democrats, Independents, and Republicans



Source: RBC US Equity Strategy, Bloomberg; as of September 2024

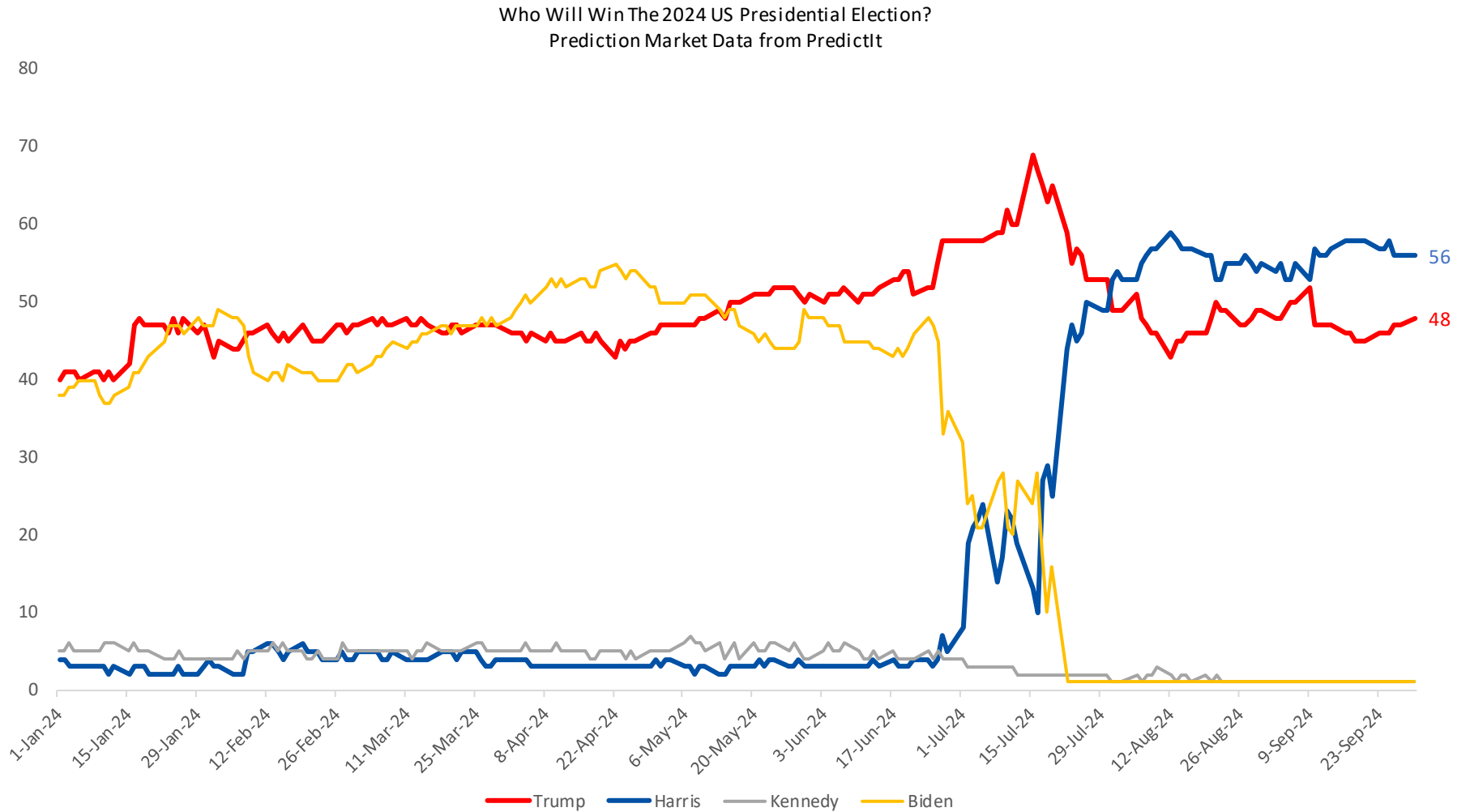


## Democrats Expected to Win the White House in PredictIt's Betting Market



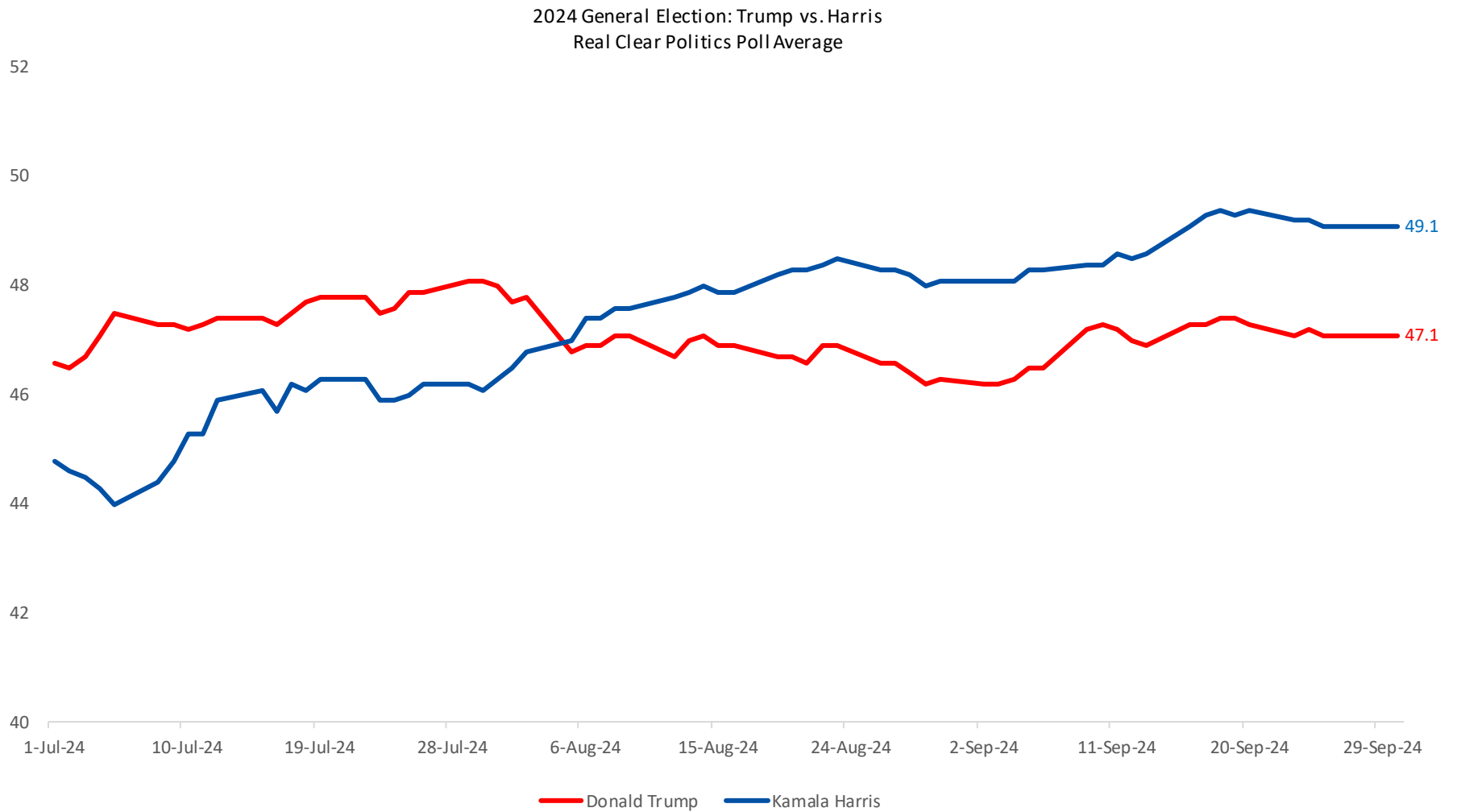
Source: RBC US Equity Strategy, Bloomberg (WSL Election), PredictIt; as of 9/30/2024

## Harris Ahead of Trump in the PredictIt Betting Market As Well



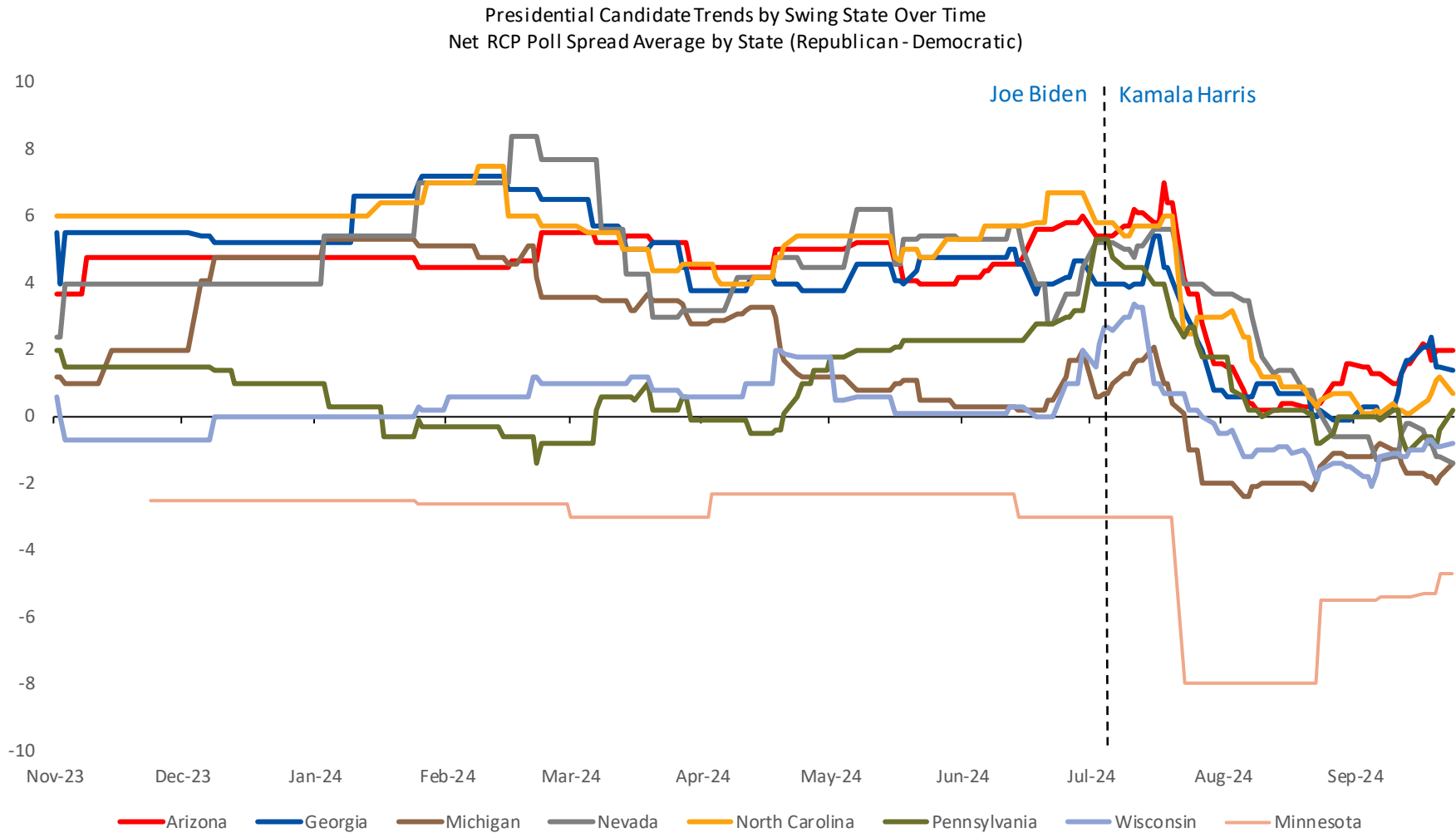
Source: RBC US Equity Strategy, Bloomberg (WSL Election); as of 9/30/2024

## Harris Has Pulled Ahead of Trump in the National Polls, Which Remain Tight



Source: RBC US Equity Strategy, Bloomberg (WSL Election), RealClearPolitics.com; as of 9/30/2024

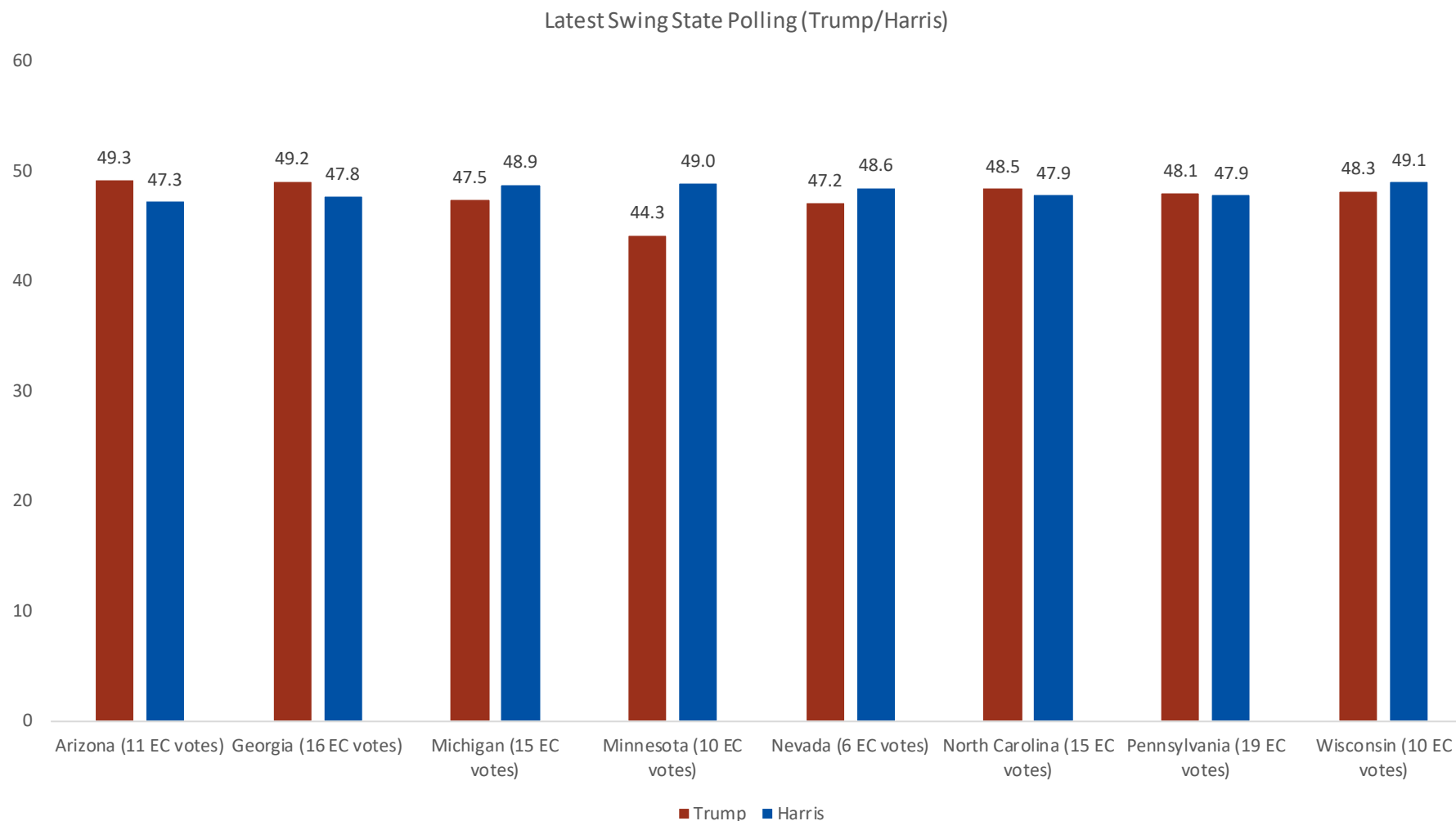
## Polling in the Swing States Has Tightened Up Since Biden Dropped Out



Source: RBC US Equity Strategy, Bloomberg (WSL Election), RealClearPolitics.com; updated 9/30/2024

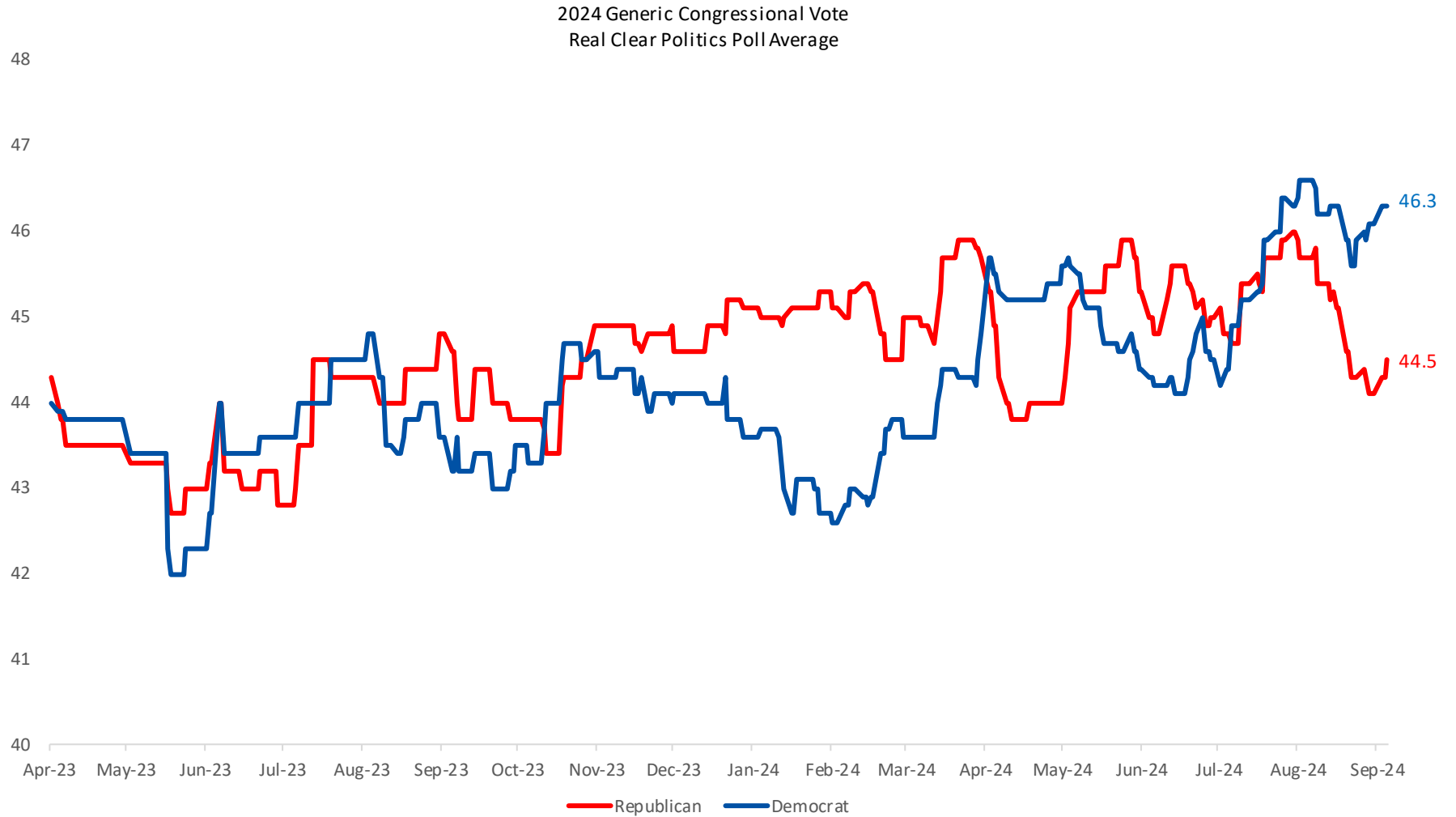
## In the Swing State Polls, Harris Is Ahead in Michigan, Minnesota, Wisconsin & Nevada

- Trump is ahead in Arizona, Georgia, and North Carolina. The race is polling particularly close in Pennsylvania.
- According to 270towin.com, Harris would have more paths to victory in the electoral college if she can win Georgia, including several that do not require winning Pennsylvania.



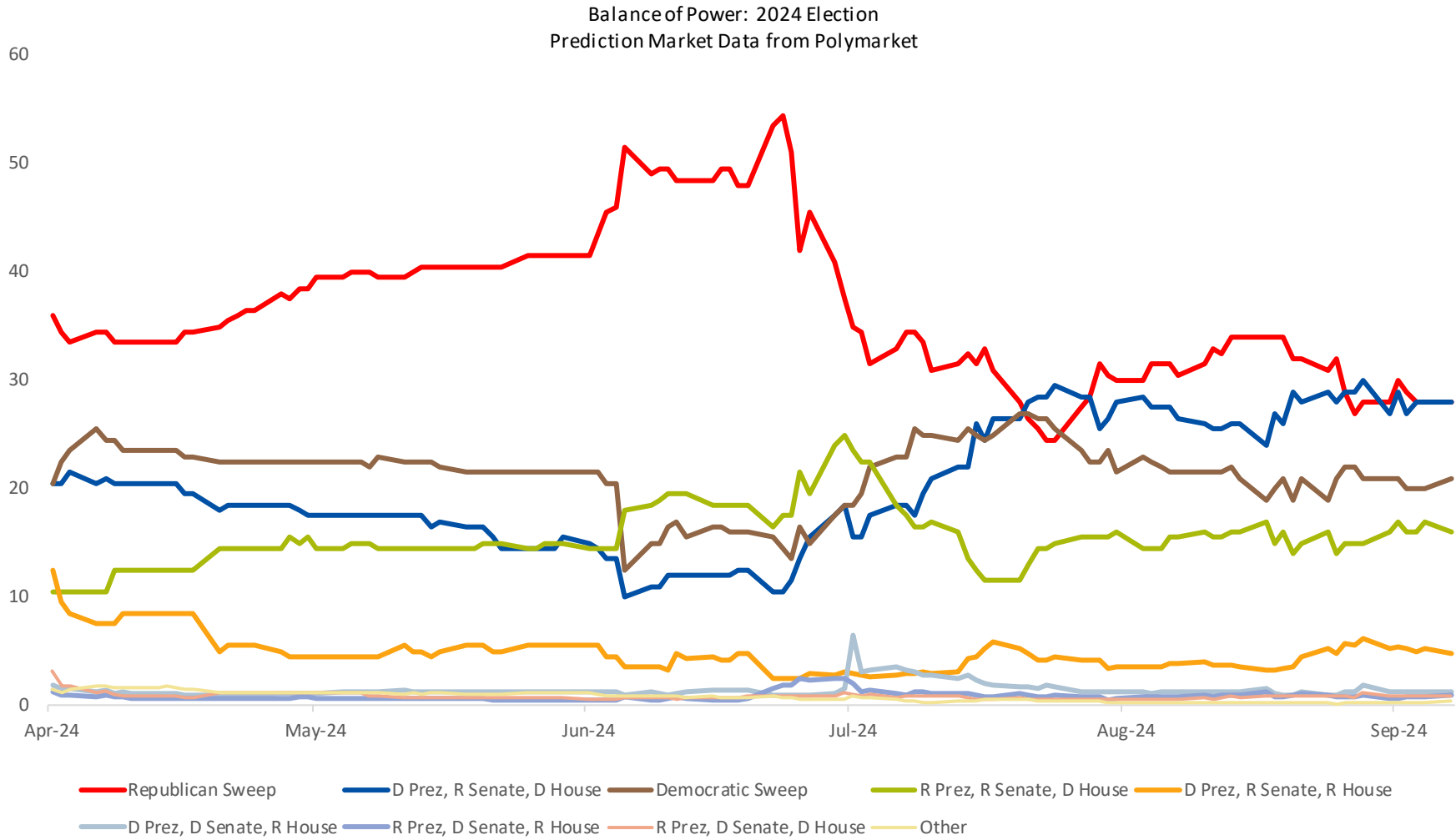
Source: RBC US Equity Strategy, Bloomberg (WSL Election), RealClear Politics.com; as of September 30, 2024

## Democrats Have Pulled Ahead of Republicans in the Generic Congressional Ballot



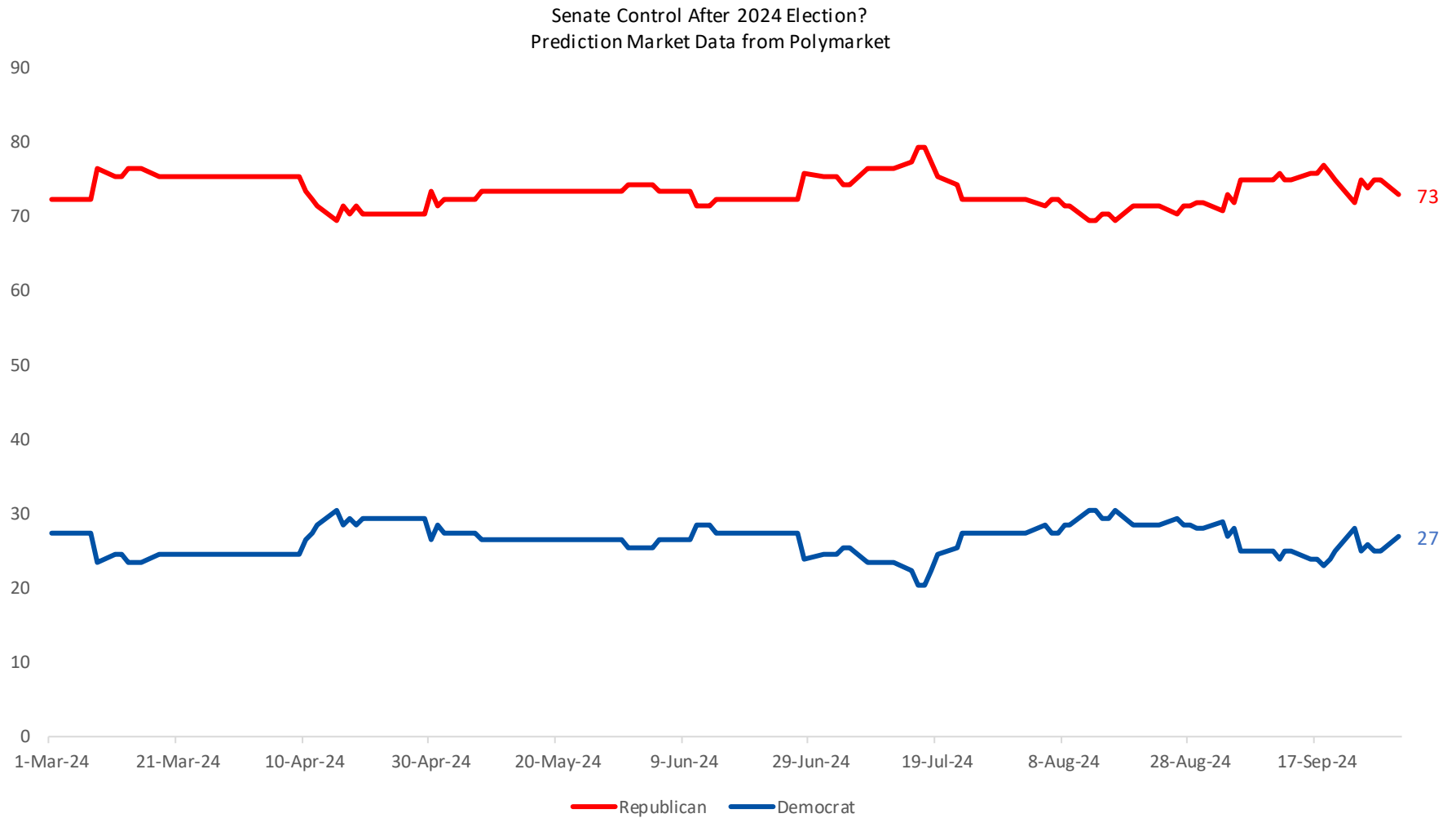
Source: RBC US Equity Strategy, Bloomberg (WSL Election), RealClearPolitics.com; updated 9/30/2024

## Republican Sweep Tied With Harris Win / Republican Senate / Democratic House in Betting Markets



Source: RBC US Equity Strategy, Bloomberg (WSL Election), Polymarket; updated 9/30/2024

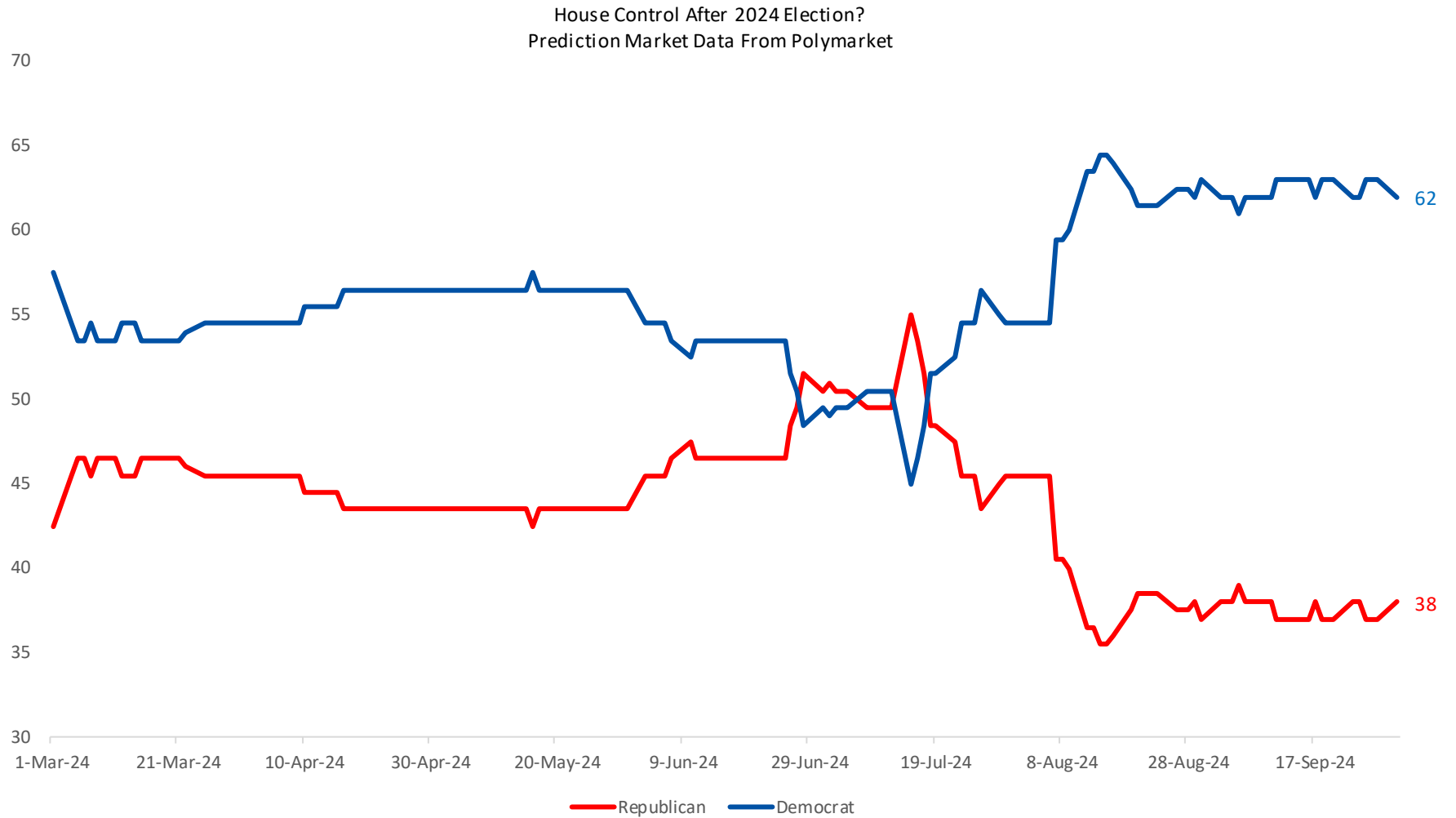
## Senate Expected to Go Republican in Polymarket



Source: RBC US Equity Strategy, Bloomberg (WSL Election), Polymarket; updated 9/30/2024



## House Expected to Go Democratic in Polymarket

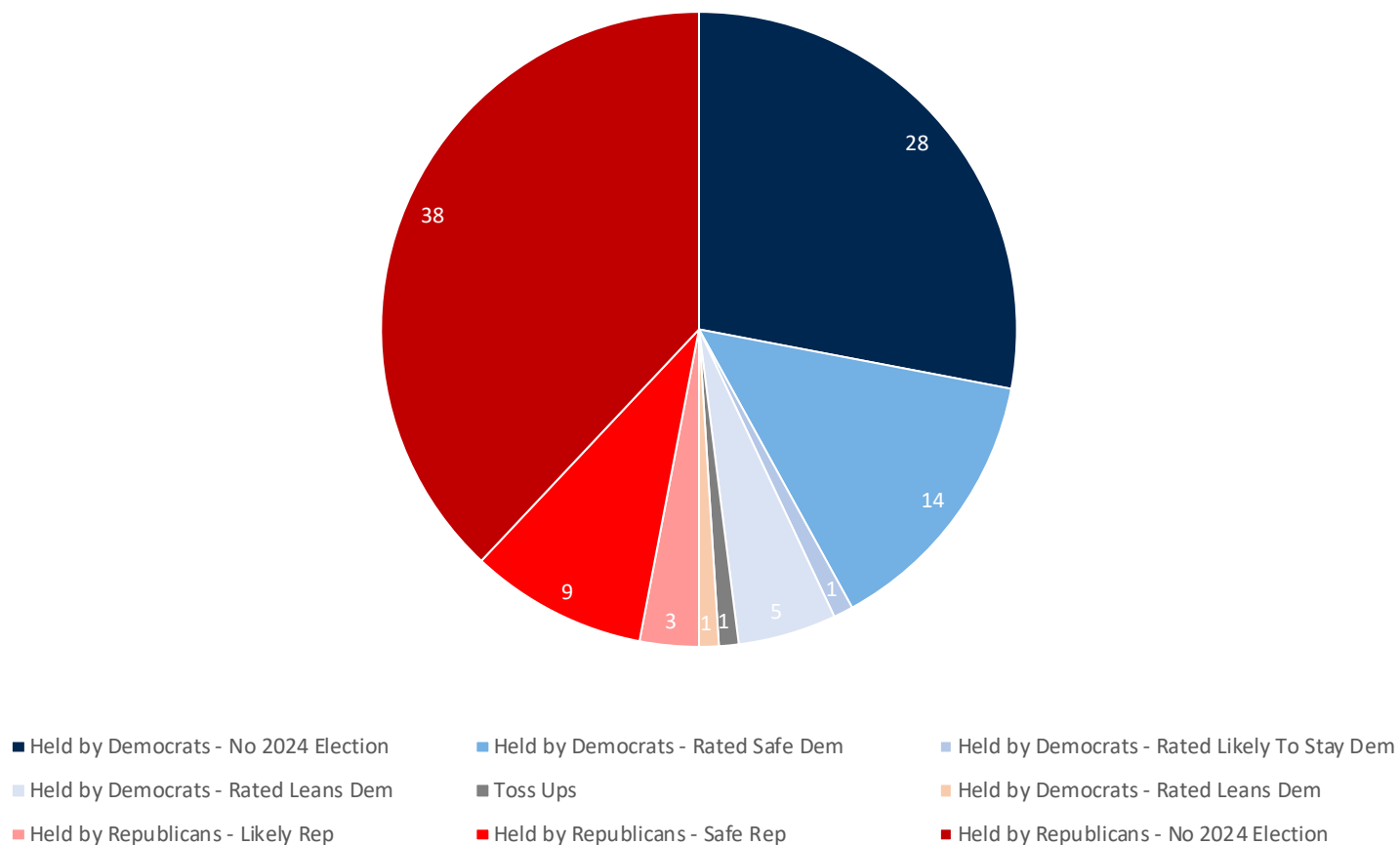


Source: RBC US Equity Strategy, Bloomberg (WSL Election), Polymarket; updated 9/30/2024

## The Math Looks Difficult in the Senate for Democrats in the 2024 Election

- One third of the Senate is up for re-election this year.
- Consensus forecasts tracked by 270 To Win indicated that Republicans are expected to exit the 2024 race with 51 seats, with Democrats expected to end up with 48. One is currently rated toss-up.
- 51 votes are needed to pass spending bills. 60 votes are needed for filibuster-proof majorities on most legislation. The Vice President can also cast votes in the Senate, breaking any 50-50 ties.

270 To Win Senate Ratings  
as of September 25, 2024

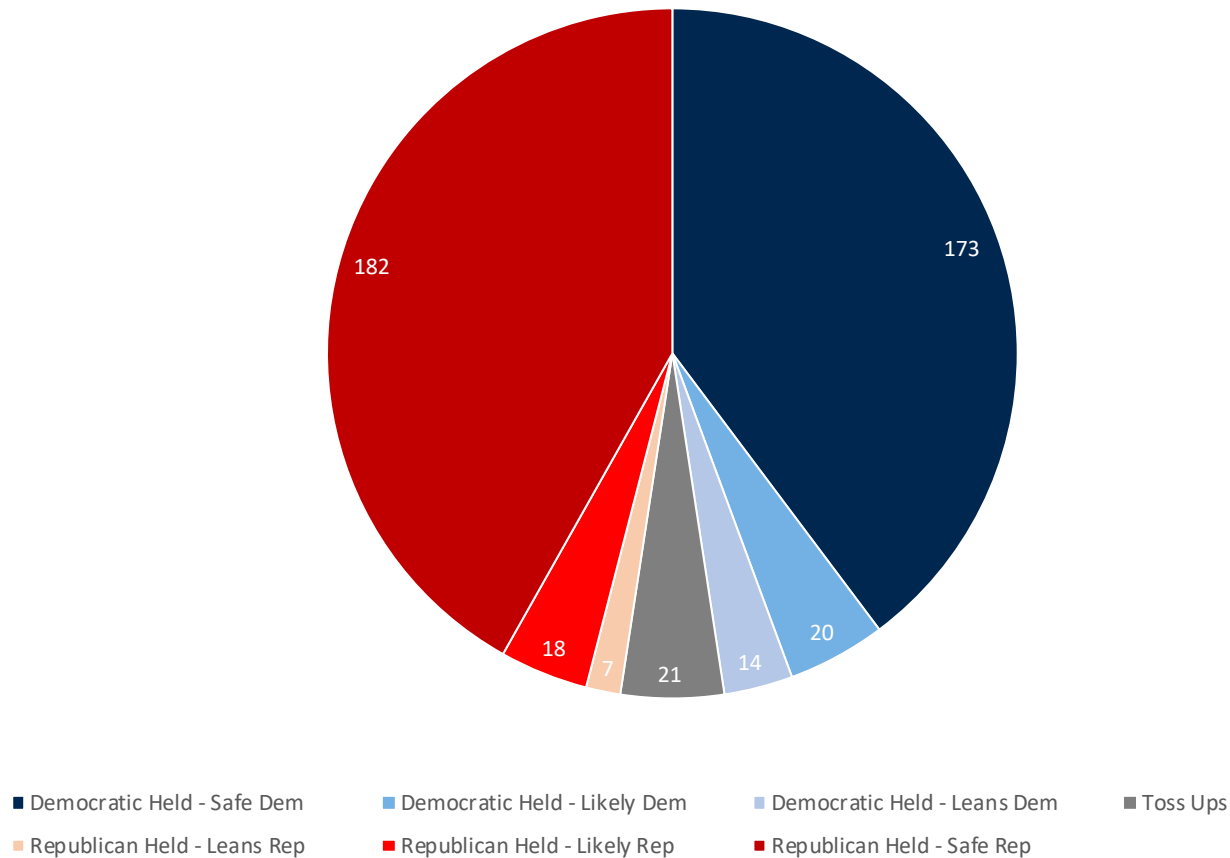


Source: RBC US Equity Strategy, 270 To Win

## The House Seems Tough to Call This November

- All 435 seats are up for election in the House. A majority is 218 votes.
- Consensus forecasts tracked by 270 To Win currently anticipate that both Republicans and Democrats will win 207 seats, with 21 seats rated as toss-ups.
- The toss-ups are split between those held by Republicans currently (13) vs. those held by Democrats (8). Many are in blue states (NY, CA) with a decent number in swing states as well (PA, MI, AZ).

270 To Win House Ratings  
as of September 26, 2024



Source: RBC US Equity Strategy, 270 To Win

# Part 4

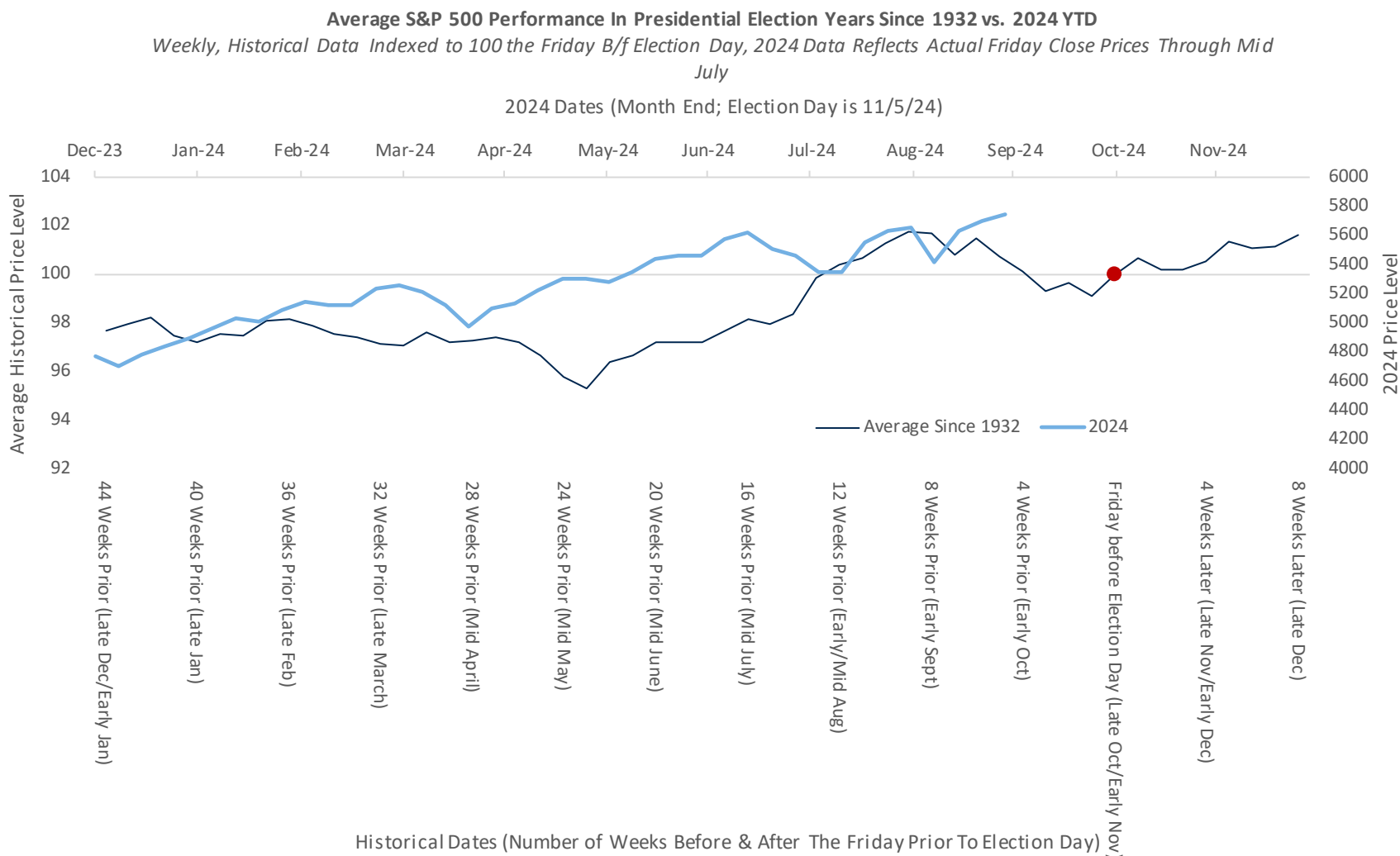
Historical Playbook for the Broader US Equity Market



Capital  
Markets

## The S&P 500 Normally Sees a Spring and Fall Pullback in Presidential Election Years

- The April-2024 dip in the S&P 500 happened a little ahead of schedule.
- The August pullback appeared a bit ahead of schedule as well, but the traditional September/October pullback may not have been entirely averted.

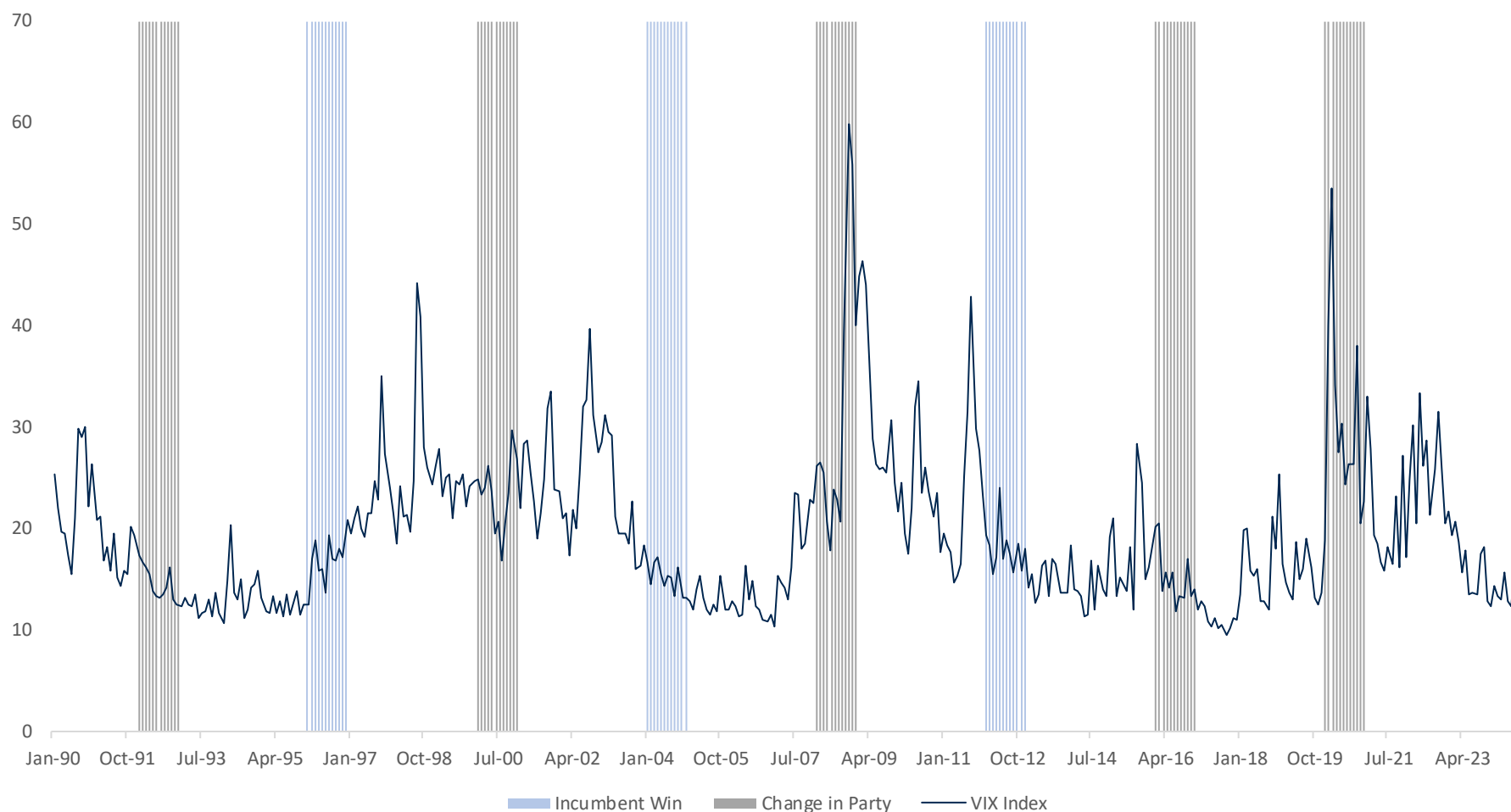


Source: RBC US Equity Strategy, Bloomberg as of 9/27/24

## Volatility Often Moves Up to Some Extent in Presidential Election Years

- The elections of 2020, 2008, & 2000 all saw volatility spike significantly and incumbent parties lose.
- In 1992 and 2016, other presidential election years where incumbent parties lost the White House, volatility was generally low and in a downtrend, but there was still a brief / mild uptick during the year.
- The presidential election years of 2004 and 2012 saw volatility move lower and incumbent parties retain their power in the White House.
- 1996 saw the incumbent party retain power even though volatility was on the rise.

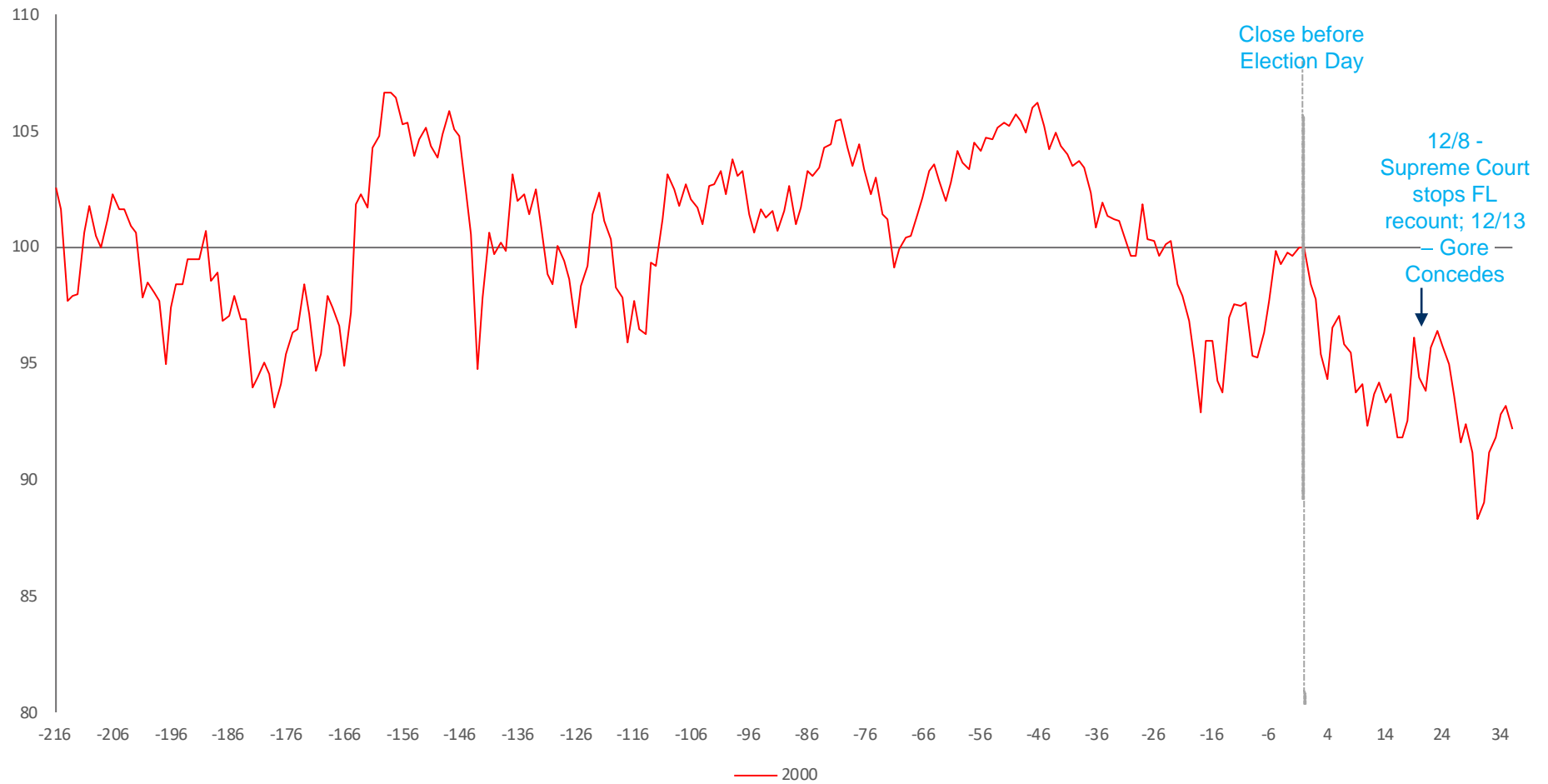
VIX With Presidential Election Years Highlighted



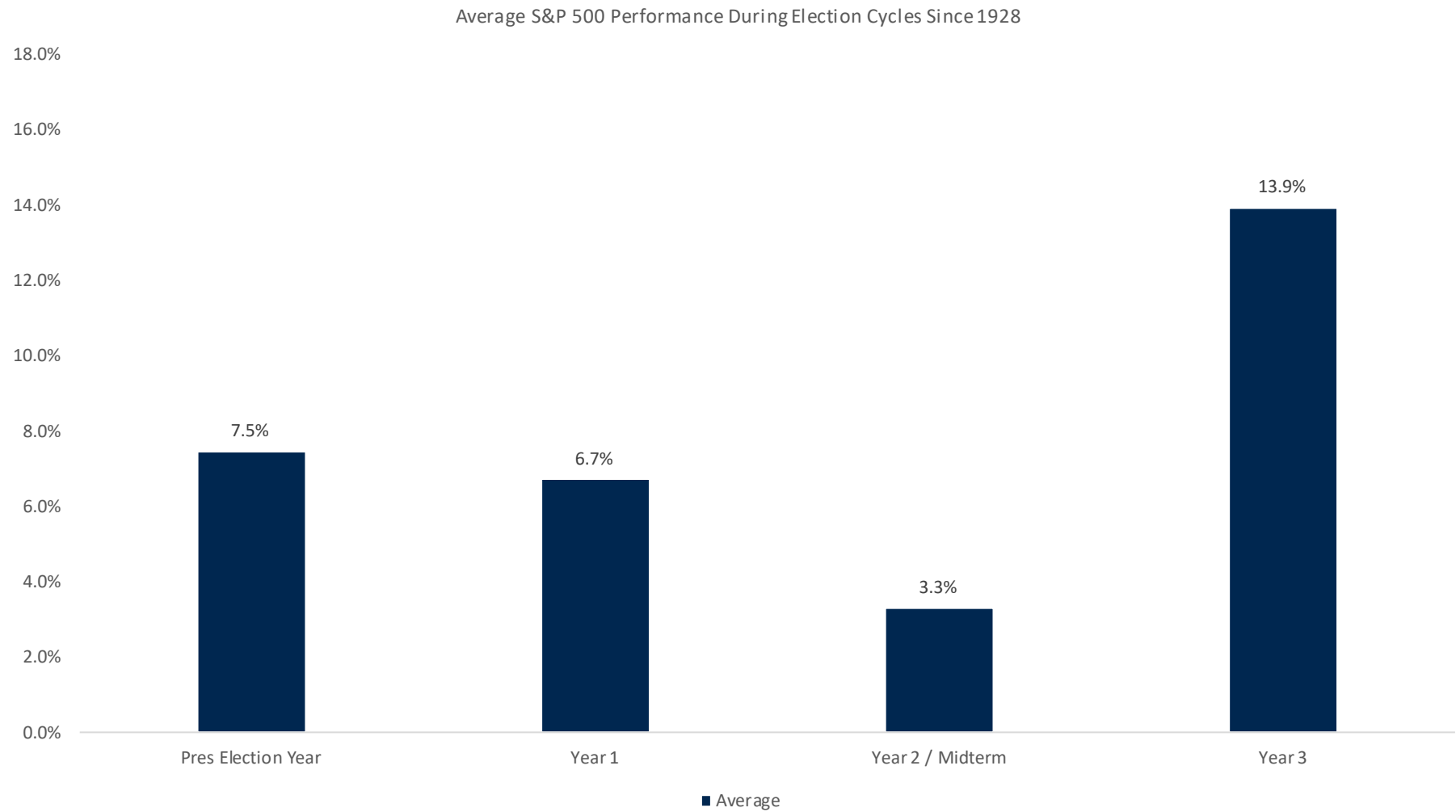
Source: RBC US Equity Strategy, Bloomberg; last updated 9/30/24

## S&P 500 Failed to See a Post-Election Rally in 2000's Contested Election

2000 (Bush vs. Gore): S&P 500 Performance Indexed to the Closing Price the Day Before Election Day



## Year 1 of the Election Cycle Is Usually Positive for Stocks

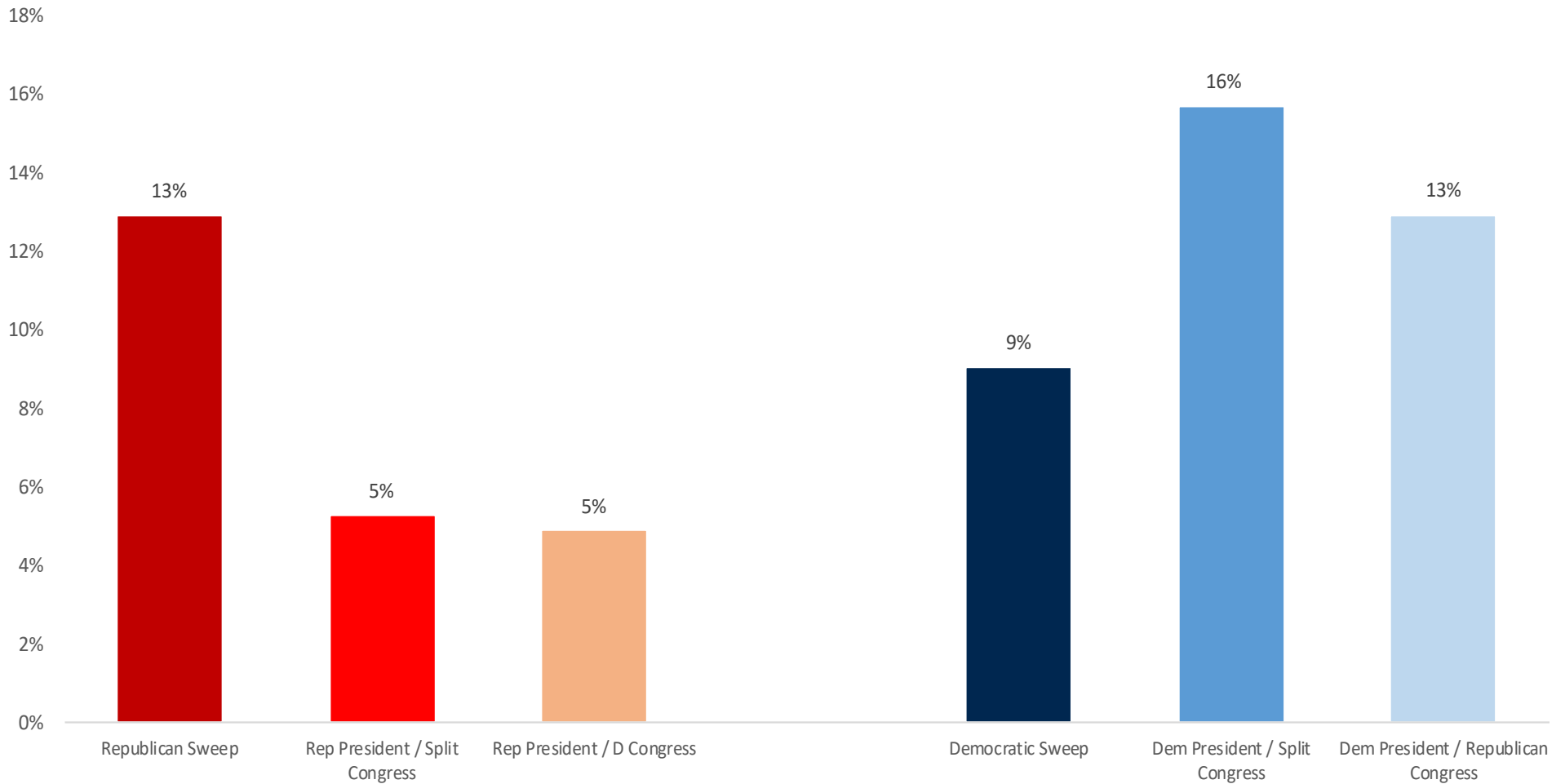


Source: RBC US Equity Strategy, Bloomberg. Data goes back to 1928, based on price returns.



## Stocks Usually Rise in All Backdrops; Republican Sweep & Democratic WH w/Split Congress Best

Average S&P 500 Returns When Different Political Parties Are In Control Of Government



Source: RBC US Equity Strategy, Haver, Includes years since 1933; the 2000 election resulted in a 50/50 tie in the Senate (with a Republican VP acting as the deciding vote after inauguration). However, midway through 2001 one Republican Senator left to become an independent and caucus with the Democrats; updated through 2023.

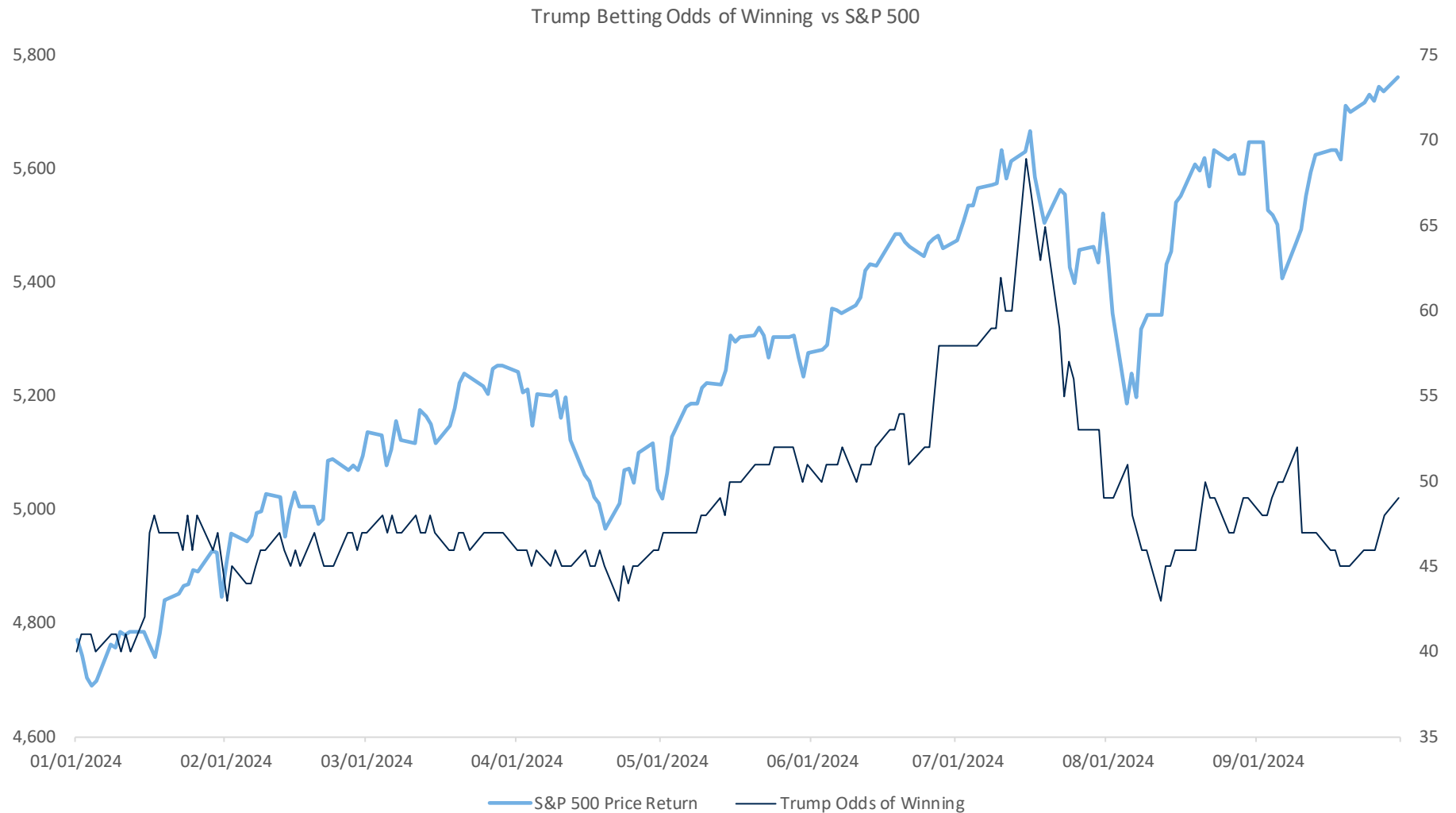
# Part 5

Positioning Trades & Historical Sector Playbooks



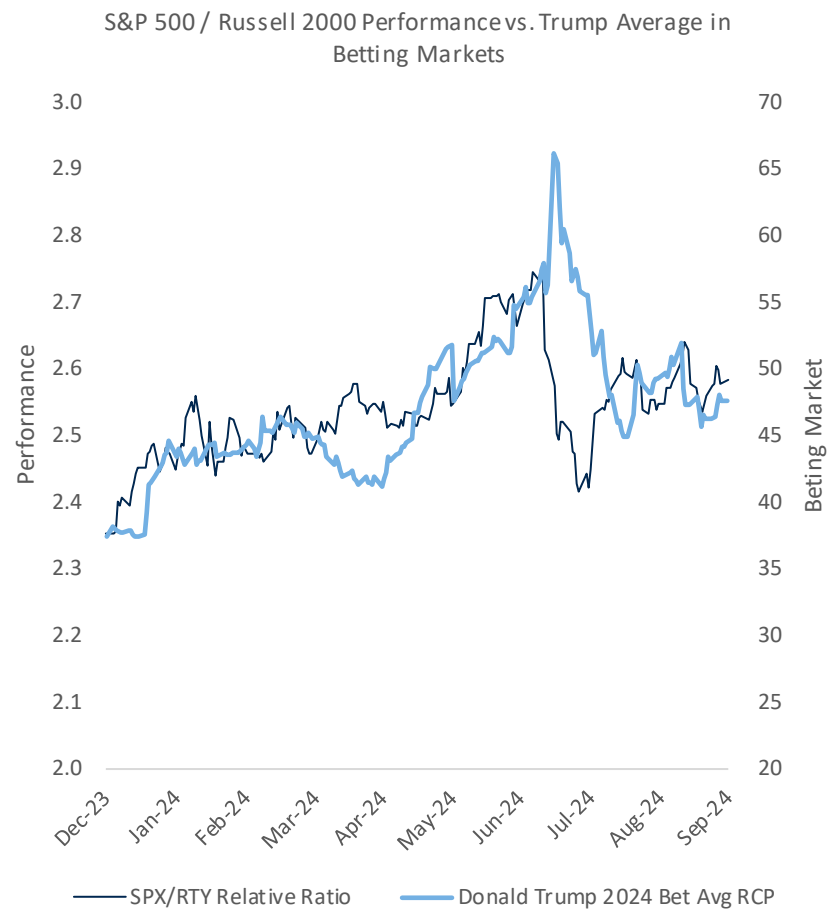
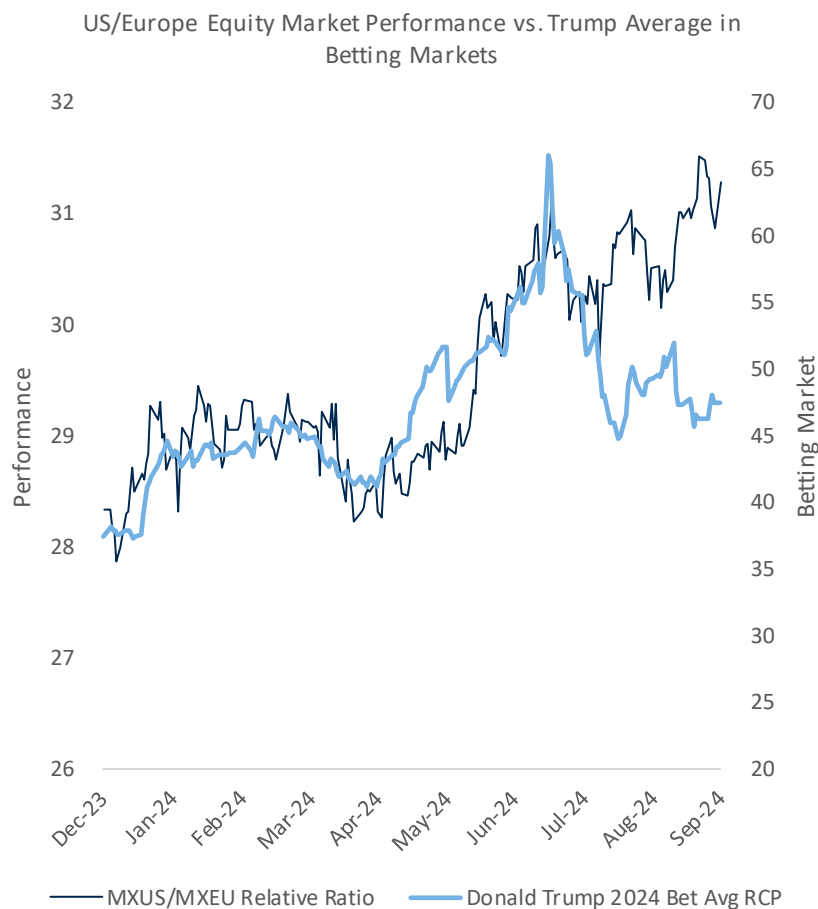
Capital  
Markets

## S&P 500 Performance Has Decoupled from Trump's Betting Market Trends Recently



Source: RBC US Equity Strategy, Bloomberg; as of September 30, 2024

## US/Europe Trade Decoupling from Trump, Large/Small Has Stayed More Aligned



Source: RBC US Equity Strategy, Bloomberg, RealClearPolitics.com; as of 9/30/24

## Large Cap Sector Performance in the Second Half of Presidential Election Years

- The only consistent pattern we see in sector performance around US presidential elections is that defensive sectors like Staples, Health Care, REITs, and Utilities often underperform, along with Tech, while most other sectors tend to outperform.
- We think this is because the stock market tends to be stronger in the 2<sup>nd</sup> half of presidential election years.
- Financials has the best track record in the second half of presidential election years. The only time it lagged around a presidential election was during the Financial Crisis.

Presidential Election Years	S&P 500 Index	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Political Leadership Environment
1992	8%	14%	14%	10%	1%	16%	1%	11%	-2%	2%	-	8%	<b>Democrat wins</b> - 1st term his party did not hold the WH in the last term
1996	12%	2%	0%	10%	14%	23%	12%	11%	25%	8%	-	3%	<b>Democrat wins</b> - 2nd term (incumbent)
2000	-9%	-28%	-3%	23%	10%	27%	11%	8%	-42%	13%	-	38%	<b>Republican wins</b> - 1st term his party did not hold the WH in the last term
2004	7%	11%	15%	3%	16%	8%	-1%	10%	2%	12%	23%	20%	<b>Republican wins</b> - 2nd term (incumbent)
2008	-28%	-26%	-21%	-9%	-40%	-36%	-12%	-30%	-34%	-46%	-41%	-27%	<b>Democrat wins</b> - 1st term his party did not hold the WH in the last term
2012	6%	10%	8%	2%	7%	15%	6%	7%	-2%	8%	5%	-3%	<b>Democrat wins</b> - 2nd term (incumbent)
2016	8%	6%	4%	-5%	10%	27%	-3%	12%	17%	9%	-6%	-6%	<b>Republican wins</b> - 1st term his party did not hold the WH in the last term
2020	22%	24%	30%	18%	3%	26%	14%	30%	26%	30%	7%	13%	<b>Democrat wins</b> - 1st term his party did not hold the WH in the last term
<b>% of times S&amp;P 500 Sector Outperformed the S&amp;P 500 Index in the 2nd Half of a Presidential Election Year</b>		<b>63%</b>	<b>75%</b>	<b>38%</b>	<b>63%</b>	<b>88%</b>	<b>50%</b>	<b>75%</b>	<b>38%</b>	<b>63%</b>	<b>20%</b>	<b>50%</b>	

Source: RBC US Equity Strategy, S&P Capital IQ / ClariFI. Based on the S&P 500 sectors.

## Small Cap Sector Performance in the Second Half of Presidential Election Years

- ❑ The cyclical bias to sector performance in the second half of presidential election years is even more clear within Small Cap, as Financials, Industrials, and Materials show the greatest tendency to outperform.
- ❑ Meanwhile, Communication Services and Health Care show the greatest tendency to underperform.

Presidential Election Years	Russell 2000 Index	Communication Services	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Real Estate	Utilities	Political Leadership Environment
1992	18%	28%	19%	15%	1%	24%	18%	12%	34%	4%	15%	12%	Democrat wins - 1st term his party did not hold the WH in the last term
1996	6%	-14%	-5%	13%	30%	18%	-7%	6%	1%	5%	25%	6%	Democrat wins - 2nd term (incumbent)
2000	-6%	-43%	5%	13%	26%	32%	7%	3%	-47%	6%	11%	38%	Republican wins - 1st term his party did not hold the WH in the last term
2004	11%	6%	9%	6%	23%	15%	5%	16%	1%	21%	20%	11%	Republican wins - 2nd term (incumbent)
2008	-27%	-45%	-34%	-9%	-65%	0%	-15%	-27%	-33%	-38%	-28%	-3%	Democrat wins - 1st term his party did not hold the WH in the last term
2012	7%	8%	10%	1%	7%	9%	-3%	13%	5%	19%	7%	4%	Democrat wins - 2nd term (incumbent)
2016	19%	8%	13%	9%	30%	36%	7%	22%	23%	25%	6%	0%	Republican wins - 1st term his party did not hold the WH in the last term
2020	38%	31%	50%	33%	31%	31%	37%	46%	42%	49%	23%	17%	Democrat wins - 1st term his party did not hold the WH in the last term
<b>% of times Russell 2000 Sector Outperformed the Russell 2000 Index in the 2nd Half of a Presidential Election Year</b>		<b>25%</b>	<b>50%</b>	<b>38%</b>	<b>50%</b>	<b>88%</b>	<b>25%</b>	<b>88%</b>	<b>38%</b>	<b>63%</b>	<b>50%</b>	<b>38%</b>	

Source: RBC US Equity Strategy, S&P Capital IQ / ClariFI. Based on the Russell 2000 sectors.

## Best & Worst Performing Industries Around Trump's 2016 Victory

### Russell 3000 Industries Outperforming the Index in the 2nd Half of the 2016 Presidential Election Year

Passenger Airlines	45%
Banks	40%
Consumer Finance	32%
Wireless Telecommunication Services	30%
Capital Markets	30%
Semiconductors & Semiconductor Equipment	27%
Electronic Equipment, Instruments & Components	23%
Technology Hardware, Storage & Peripherals	22%
Ground Transportation	22%
Machinery	21%
Trading Companies & Distributors	19%
Paper & Forest Products	19%
Automobile Components	18%
Construction & Engineering	18%
Financial Services	17%
Insurance	16%
Energy Equipment & Services	15%
Communications Equipment	14%
Metals & Mining	14%
Diversified Consumer Services	13%
Transportation Infrastructure	13%
Air Freight & Logistics	13%
Construction Materials	12%
Entertainment	12%
Aerospace & Defense	12%
Containers & Packaging	12%
Media	12%
Automobiles	12%
Software	11%
Commercial Services & Supplies	10%
Electrical Equipment	10%
Chemicals	10%
Oil, Gas & Consumable Fuels	10%
Hotels, Restaurants & Leisure	9%
<b>Russell 3000 Index</b>	<b>9%</b>

### Russell 3000 Industries Underperforming the Index in the 2nd Half of the 2016 Presidential Election Year

Health Care Technology	-11%
Textiles, Apparel & Luxury Goods	-11%
Independent Power and Renewable Electricity Producers	-10%
Water Utilities	-9%
Pharmaceuticals	-6%
Electric Utilities	-5%
Beverages	-5%
Consumer Staples Distribution & Retail	-4%
Household Products	-4%
Leisure Products	-4%
Multi-Utilities	-4%
Health Care Equipment & Supplies	-3%
Food Products	-3%
Tobacco	-3%
Broadline Retail	-2%
Distributors	-2%
Diversified Telecommunication Services	-1%
Health Care Providers & Services	0%
Gas Utilities	0%
Life Sciences Tools & Services	1%
Industrial Conglomerates	2%
Professional Services	2%
Household Durables	3%
Biotechnology	4%
Building Products	4%
Specialty Retail	4%
Interactive Media & Services	7%
Mortgage REITs	7%
IT Services	8%
Marine Transportation	9%
<b>Russell 3000 Index</b>	<b>9%</b>

## Best & Worst Performing Industries Around Biden's 2020 Victory

Russell 3000 Industries Outperforming the Index in the 2nd Half of the 2020 Presidential Election Year	
Automobiles	174%
Air Freight & Logistics	55%
Leisure Products	51%
Independent Power and Renewable Electricity Producers	49%
Construction & Engineering	46%
Electrical Equipment	46%
Technology Hardware, Storage & Peripherals	46%
Automobile Components	45%
Consumer Finance	44%
Textiles, Apparel & Luxury Goods	42%
Building Products	39%
Entertainment	39%
Hotels, Restaurants & Leisure	38%
Machinery	38%
Trading Companies & Distributors	38%
Financial Services	37%
Passenger Airlines	36%
Metals & Mining	36%
Electronic Equipment, Instruments & Components	35%
Industrial Conglomerates	35%
Mortgage REITs	34%
Containers & Packaging	34%
Construction Materials	34%
Paper & Forest Products	33%
Media	33%
Ground Transportation	33%
Banks	32%
Semiconductors & Semiconductor Equipment	32%
Broadline Retail	30%
Household Durables	30%
Energy Equipment & Services	30%
Chemicals	30%
Life Sciences Tools & Services	29%
Distributors	28%
Marine Transportation	28%
Commercial Services & Supplies	28%
Wireless Telecommunication Services	27%
Health Care Technology	26%
Interactive Media & Services	26%
Capital Markets	26%
<b>Russell 3000 Index</b>	<b>25%</b>

Russell 3000 Industries Underperforming the Index in the 2nd Half of the 2020 Presidential Election Year	
Oil, Gas & Consumable Fuels	3%
Gas Utilities	3%
Diversified Telecommunication Services	5%
Communications Equipment	5%
Biotechnology	6%
Multi-Utilities	7%
Diversified REITs	10%
Food Products	13%
Pharmaceuticals	13%
Household Products	14%
Aerospace & Defense	14%
Electric Utilities	16%
Water Utilities	16%
Tobacco	17%
Software	19%
Health Care Providers & Services	19%
Specialty Retail	21%
Consumer Staples Distribution & Retail	21%
Beverages	22%
Insurance	22%
Professional Services	22%
Transportation Infrastructure	22%
IT Services	23%
Diversified Consumer Services	23%
Health Care Equipment & Supplies	25%
<b>Russell 3000 Index</b>	<b>25%</b>



## Best & Worst Performing Industries Around Past 8 US Presidential Elections

<b>Best Track Records</b>	
% of times Russell 3000 Industry Outperformed the Russell 3000 Index in the 2nd Half of a Presidential Election Year	
Banks	88%
Building Products	88%
Containers & Packaging	88%
Textiles, Apparel & Luxury Goods	88%
Trading Companies & Distributors	88%
Aerospace & Defense	75%
Air Freight & Logistics	75%
Commercial Services & Supplies	75%
Construction Materials	75%
Electrical Equipment	75%
Energy Equipment & Services	75%
Financial Services	75%
Ground Transportation	75%
Hotels, Restaurants & Leisure	75%
Passenger Airlines	75%
Water Utilities	75%
Broadline Retail	63%
Chemicals	63%
Distributors	63%
Entertainment	63%
Food Products	63%
Household Durables	63%
Household Products	63%
Insurance	63%
Machinery	63%
Software	63%
Wireless Telecommunication Services	63%

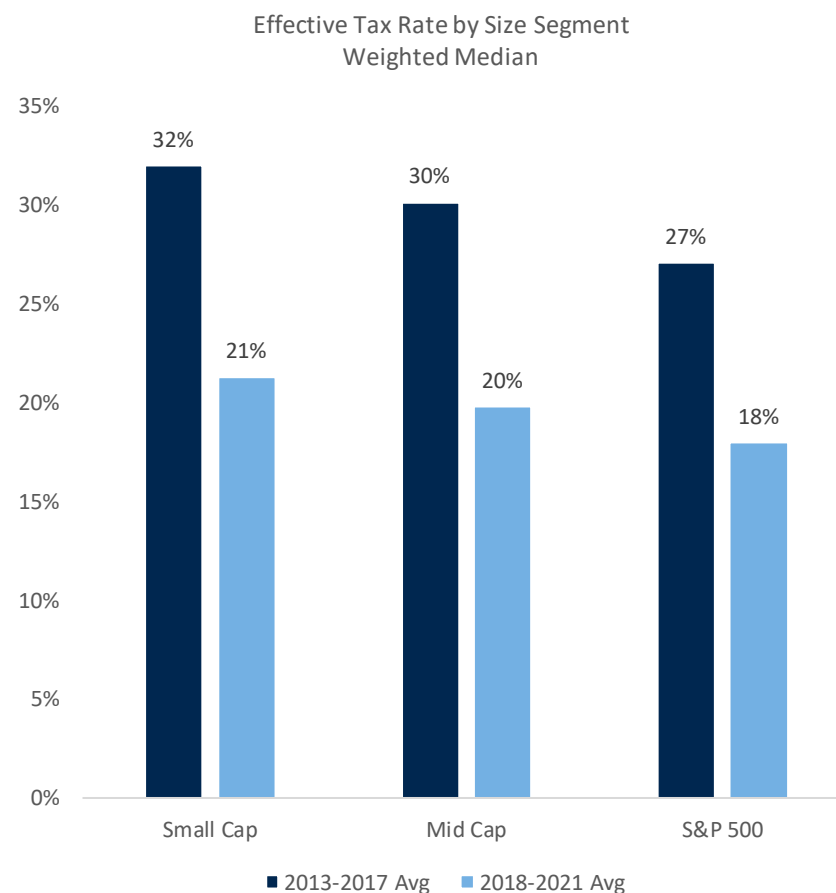
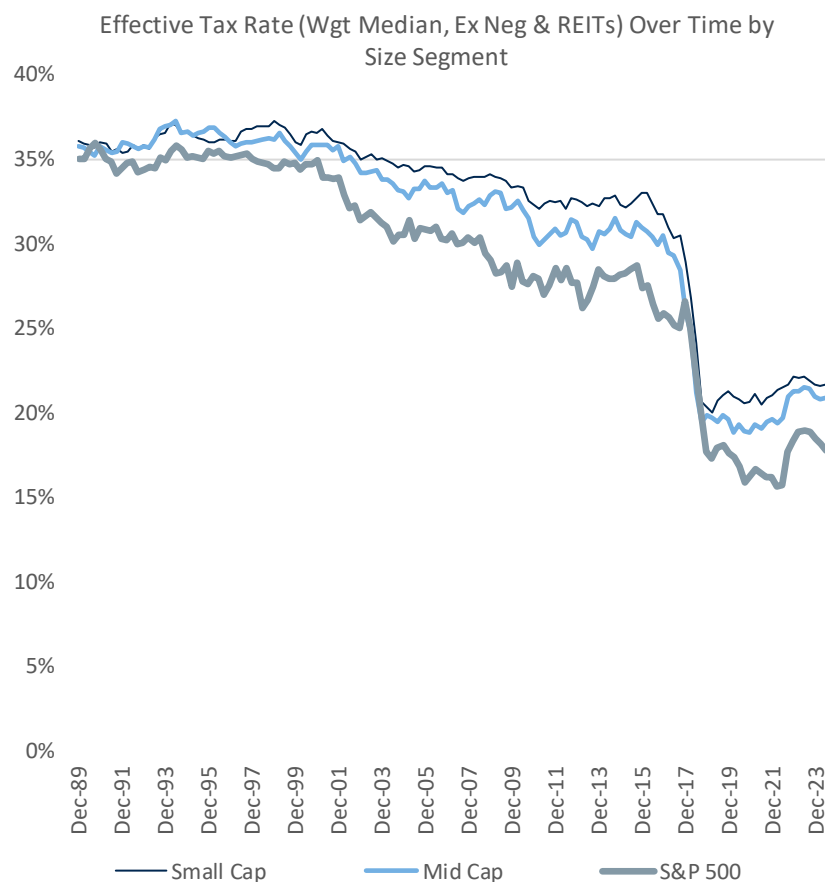
*Election Years: 1992, 1996, 2000, 2004, 2008, 2012, 2016 & 2020*

<b>Worst Track Records</b>	
% of times Russell 3000 Industry Outperformed the Russell 3000 Index in the 2nd Half of a Presidential Election Year	
Beverages	25%
Health Care Equipment & Supplies	25%
IT Services	25%
Automobile Components	38%
Biotechnology	38%
Communications Equipment	38%
Consumer Staples Distribution & Retail	38%
Diversified Telecommunication Services	38%
Electric Utilities	38%
Electronic Equipment, Instruments & Components	38%
Pharmaceuticals	38%
Tobacco	38%

*Election Years: 1992, 1996, 2000, 2004, 2008, 2012, 2016 & 2020*

## Changes in Corporate Tax Rates by Size Index Around Trump's 2017 Corporate Tax Reform

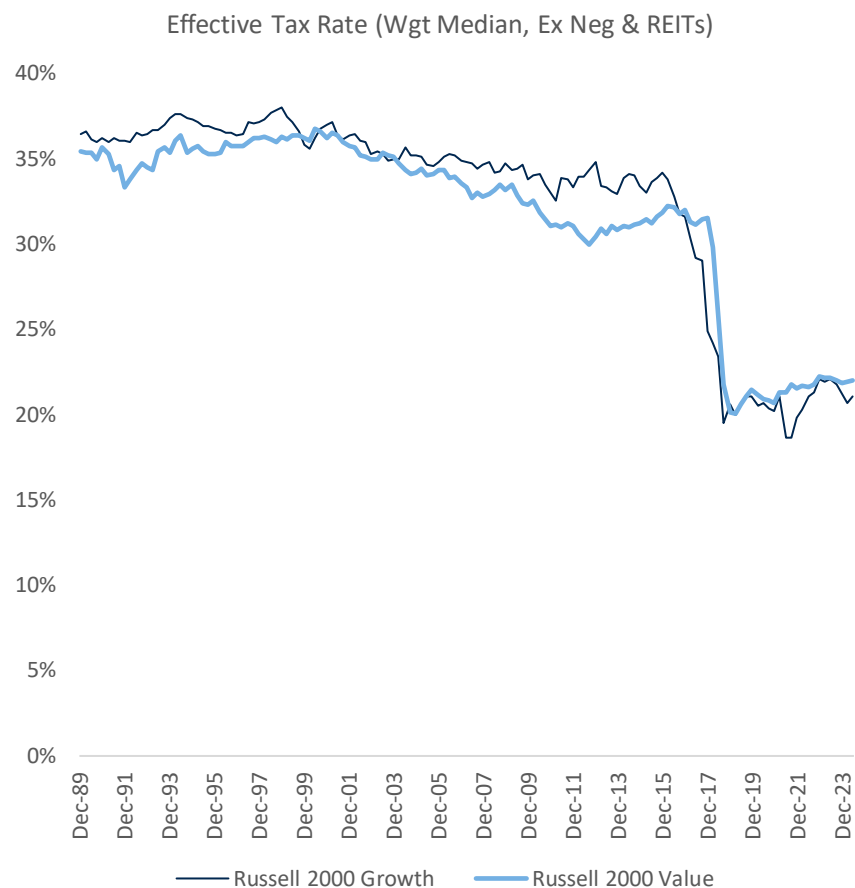
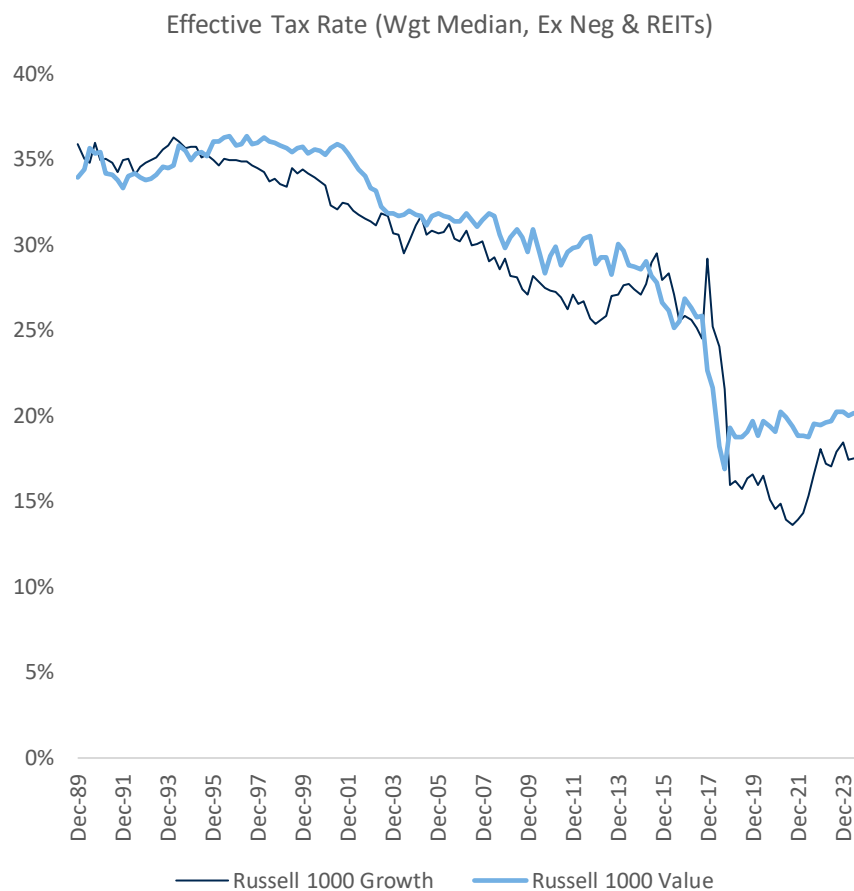
- Small Caps got the biggest tax cut following Trump's corporate tax cuts. We'd expect Small Caps to be negatively impacted if Harris wins and is successful in raising the corporate tax rate.
- Large Caps have been enjoying the lowest tax rates, as is typically the case.



Source: RBC US Equity Strategy, S&P Capital IQ/Clarifi; as of 9/27/24

## Changes in Corporate Tax Rates by Style Index Around Trump's 2017 Corporate Tax Reform

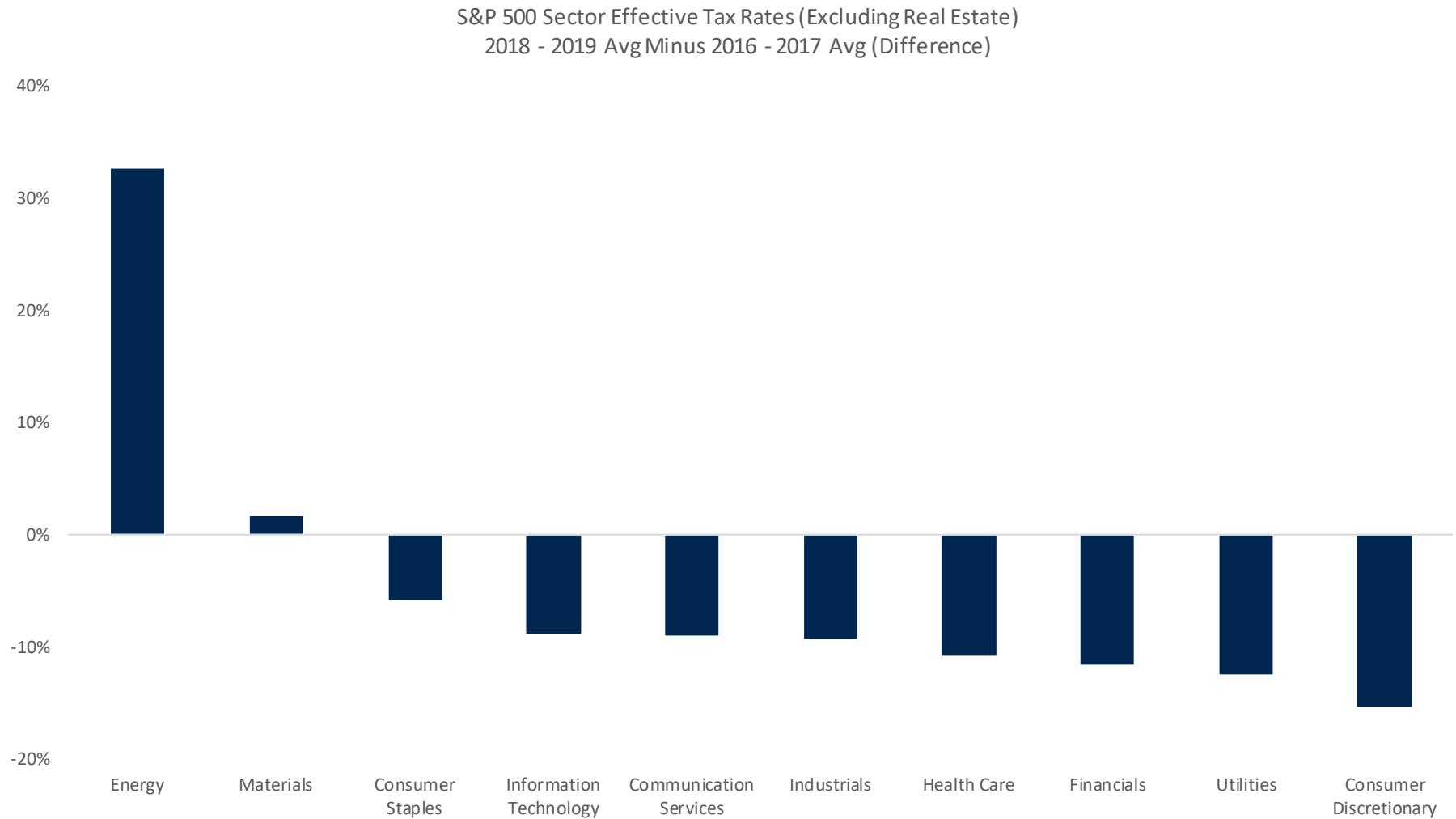
- Large Cap Growth has enjoyed the lowest tax rates in recent years, which is often the case.



Source: RBC US Equity Strategy, S&P Capital IQ/Clarifi; as of 9/27/24

## Large Cap Sectors, Ranked by Changes in Their Effective Tax Rates Around Corp Tax Reform

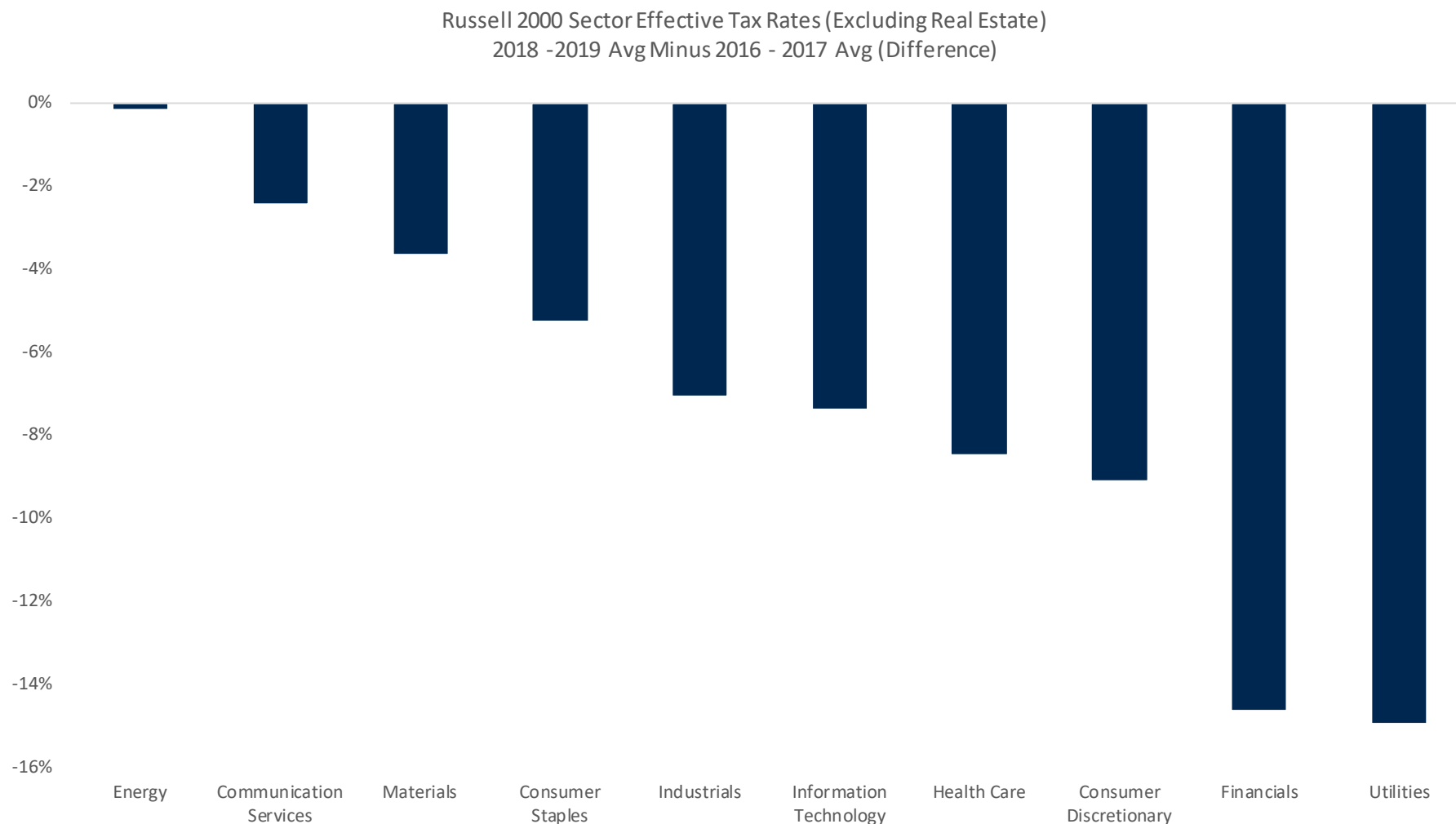
- Most sectors in the S&P 500 benefited from Trump's corporate tax law changes.



Source: RBC US Equity Strategy, S&P Capital IQ/Clarifi

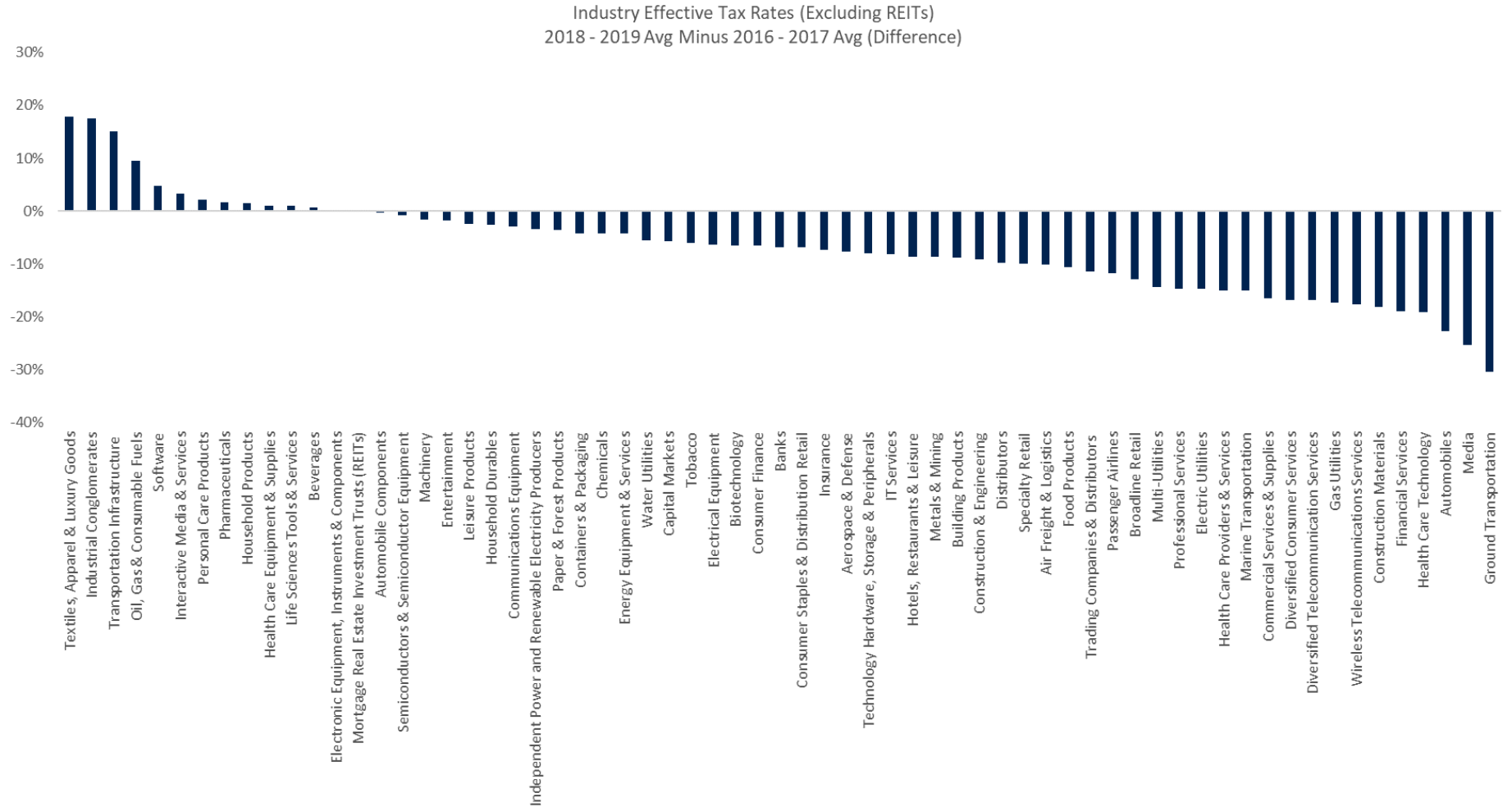
## Small Cap Sectors, Ranked by Changes in Their Effective Tax Rates Around Corp Tax Reform

- Most sectors in the Russell 2000 benefited from Trump's corporate tax law changes, but Financials seemed to benefit more than most.



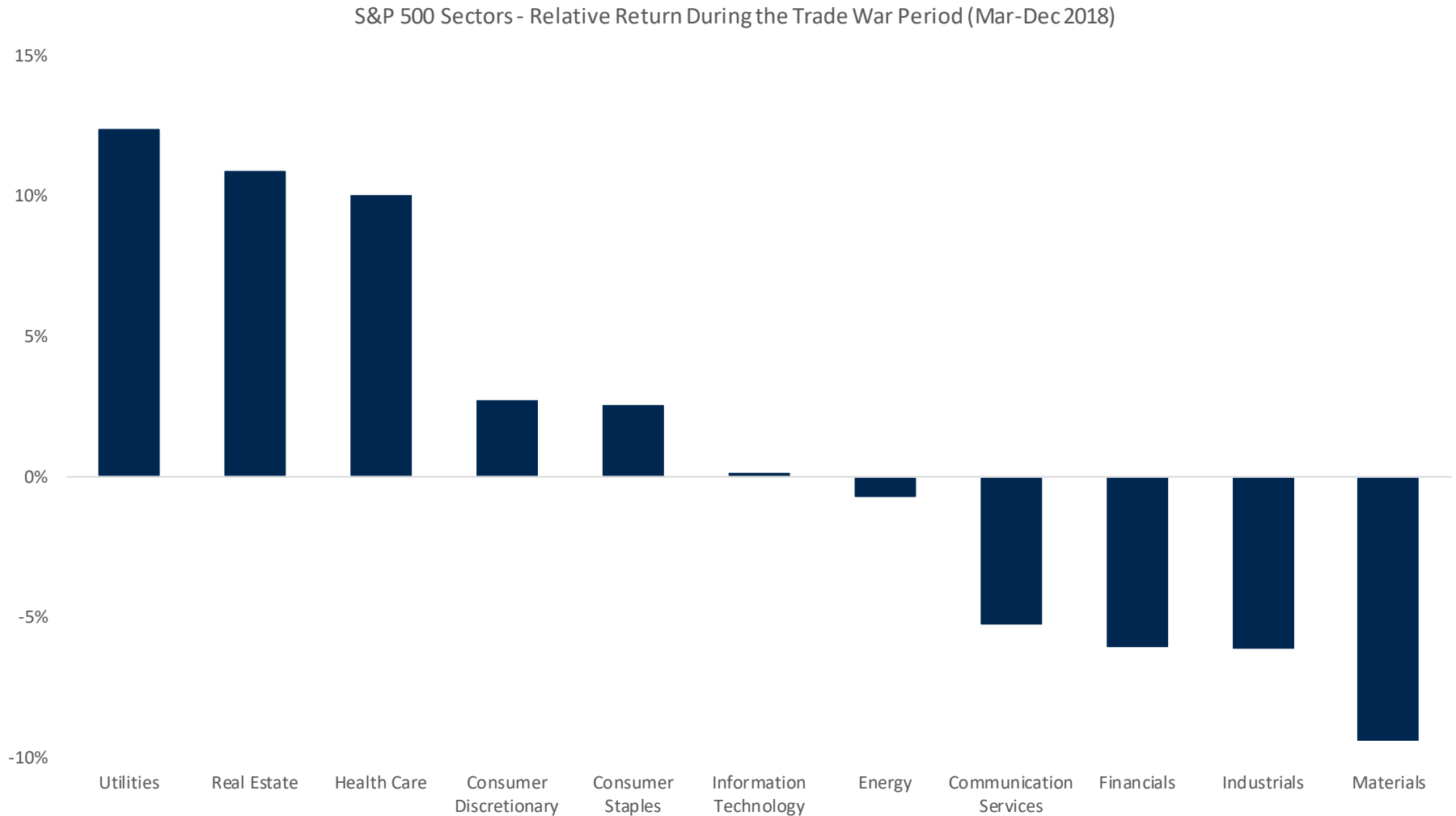
Source: RBC US Equity Strategy, S&P Capital IQ/Clarifi

## All Cap Industries, Ranked by Changes in Their Effective Tax Rates Around Corp Tax Reform



Source: RBC US Equity Strategy, S&P Capital IQ/Clarifi

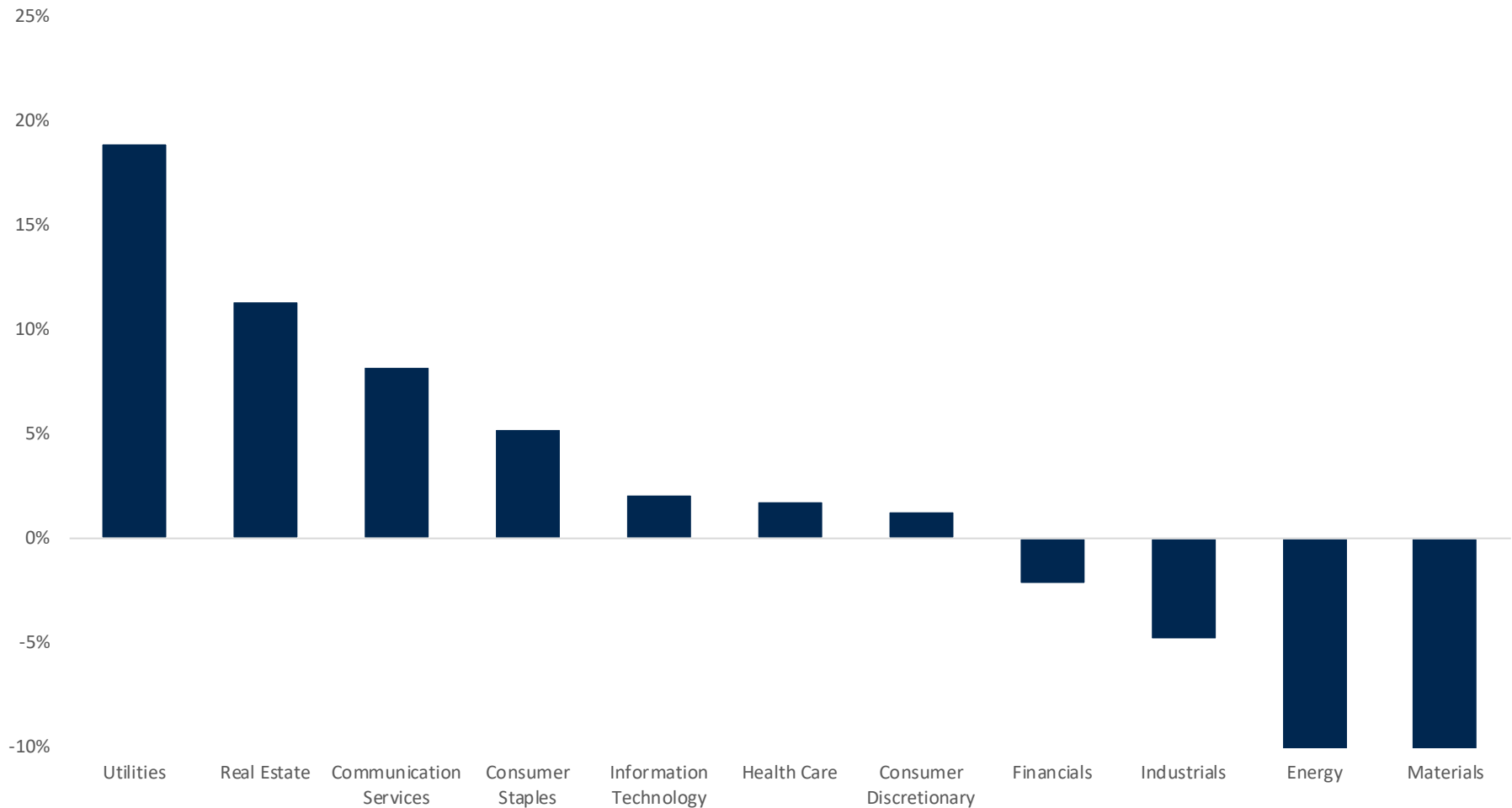
## In Large Cap, Defensives Fared Best & Cyclical Worst as the 2018 China Trade War Unfolded



Source: RBC US Equity Strategy, S&P Capital IQ/Clarifi; our team sets March 1, 2018, as the start date of the Trade War period when Trump announced steel and aluminum tariffs on imports; the end date is December 1, 2018, the day US and China reached a trade truce and the planned increased tariffs are postponed.

## In Small Cap, Defensives Fared Best & Commodities Worst as the 2018 China Trade War Unfolded

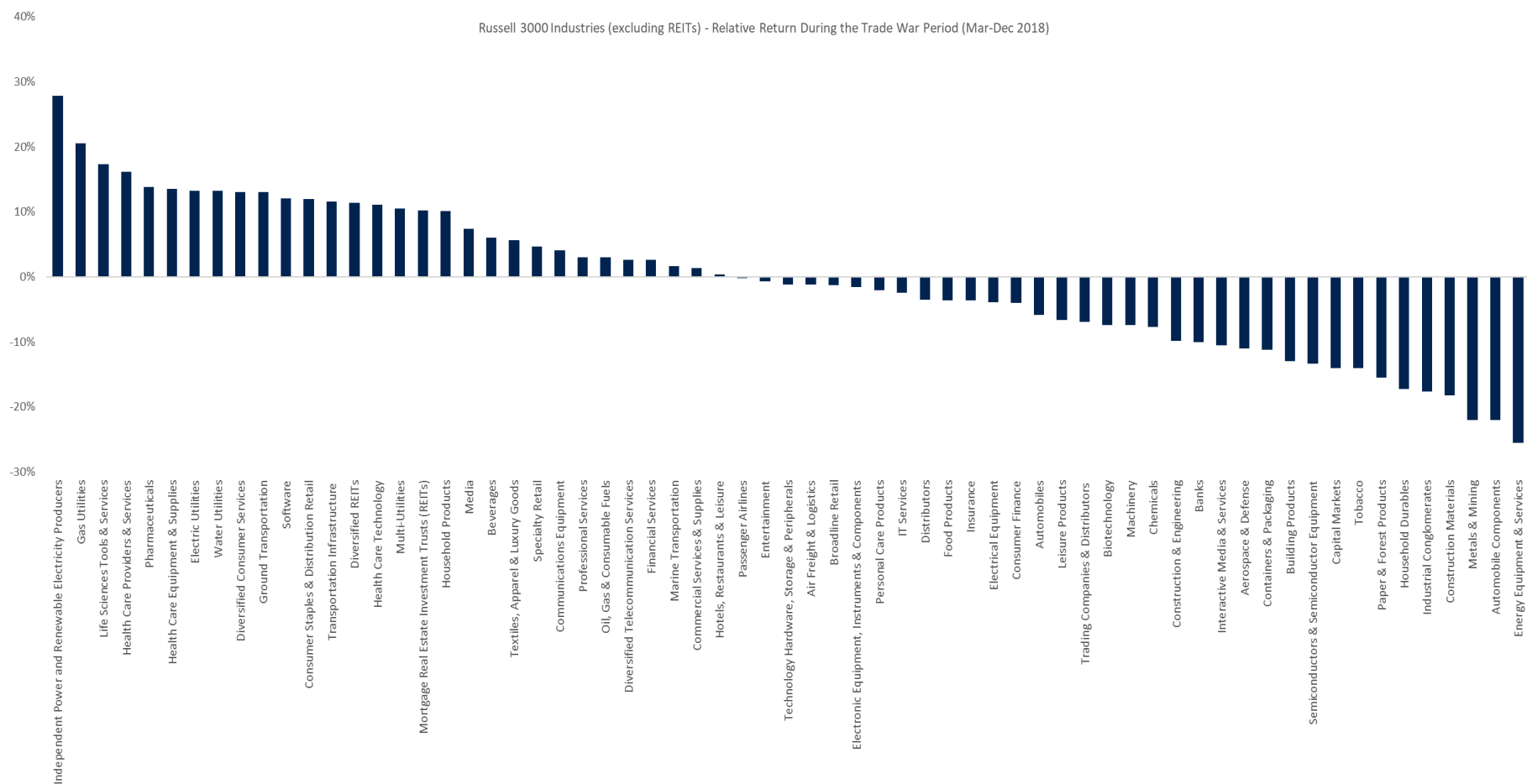
Russell 2000 Sectors - Relative Return During the Trade War Period (Mar-Dec 2018)



Source: RBC US Equity Strategy, S&P Capital IQ/Clarifi; our team sets March 1, 2018, as the start date of the Trade War period when Trump announced steel and aluminum tariffs on imports; the end date is December 1, 2018, the day US and China reached a trade truce and the planned increased tariffs are postponed.



## Defensives Industries Fared Best & Cyclical/Commodity Ones Worst as the Trade War Unfolded



Source: RBC US Equity Strategy, S&P Capital IQ/Clarifi; our team sets March 1, 2018, as the start date of the Trade War period when Trump announced steel and aluminum tariffs on imports; the end date is December 1, 2018, the day US and China reached a trade truce and the planned increased tariffs are postponed.

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