

Good morning, President Trump

November 9, 2016

- **Donald Trump takes the US presidency with 276 electoral votes vs. 218 of Hillary Clinton**
- **Trump won all swing states by a sharp difference**
- **The House of Representatives remained in Republicans' hands, with 236 seats (218 are required to have a majority)**
- **In the Senate, the Republican party won 51 seats, which gives them a majority**
- **This result makes us rethink our global macroeconomic scenario, assuming the Trump administration may not be as radical as discussed during the campaign**
- **In Mexico, at 7:00am, the Ministry of Finance (MoF) will hold a joint press conference with Banxico**
- **We expect an increase of 75bps in the reference rate and possibly other actions on tax and foreign exchange**

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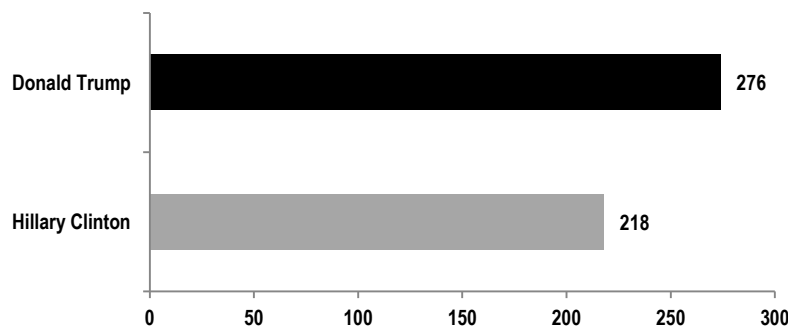
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Trump wins the electoral race. Trump is now the elect president of the United States of America. He won 276 electoral votes and Hillary Clinton took only 218. While a very small margin, Trump won key states like Florida, Michigan, New Hampshire and North Carolina.

US presidential election outcome
Electoral votes

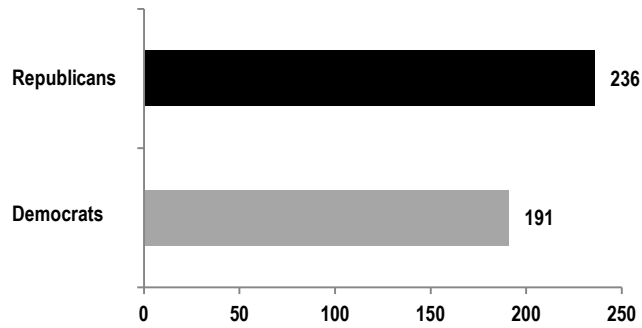


Source: NYT

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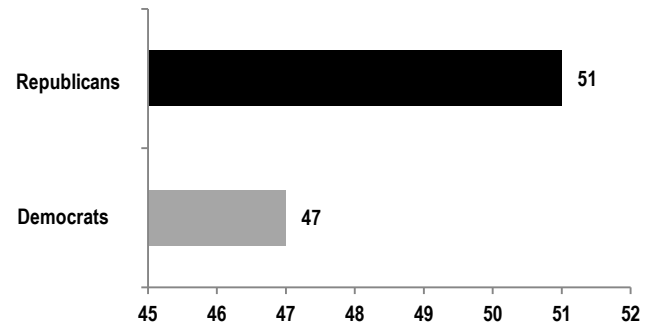
GOP-controlled Congress. In the race of Congress, the results suggest that both the House of Representatives and the Senate will remain in Republican hands. In the first case, the Republicans won 236 seats (218 needed for a majority) vs. 191 for Democrats. In the Senate, Republicans took the 51 seats needed for a majority, as shown in the following graphs.

House of Representatives
Number of seats



Source: NYT

Senate
Number of seats



Source: NYT

Our attention turns to the Mexican government actions to steady the markets. This result makes us rethink our global macroeconomic scenario, assuming the Trump administration may not be as radical as discussed during the campaign. For now, at 7:00am, the Ministry of Finance (MoF), will hold a joint press conference with Banxico, probably to make some policy announcements and contain the reaction of the markets. Among others, we expect an increase of 75bp in the reference rate from Banxico, and possibly other actions on tax and foreign exchange.

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