

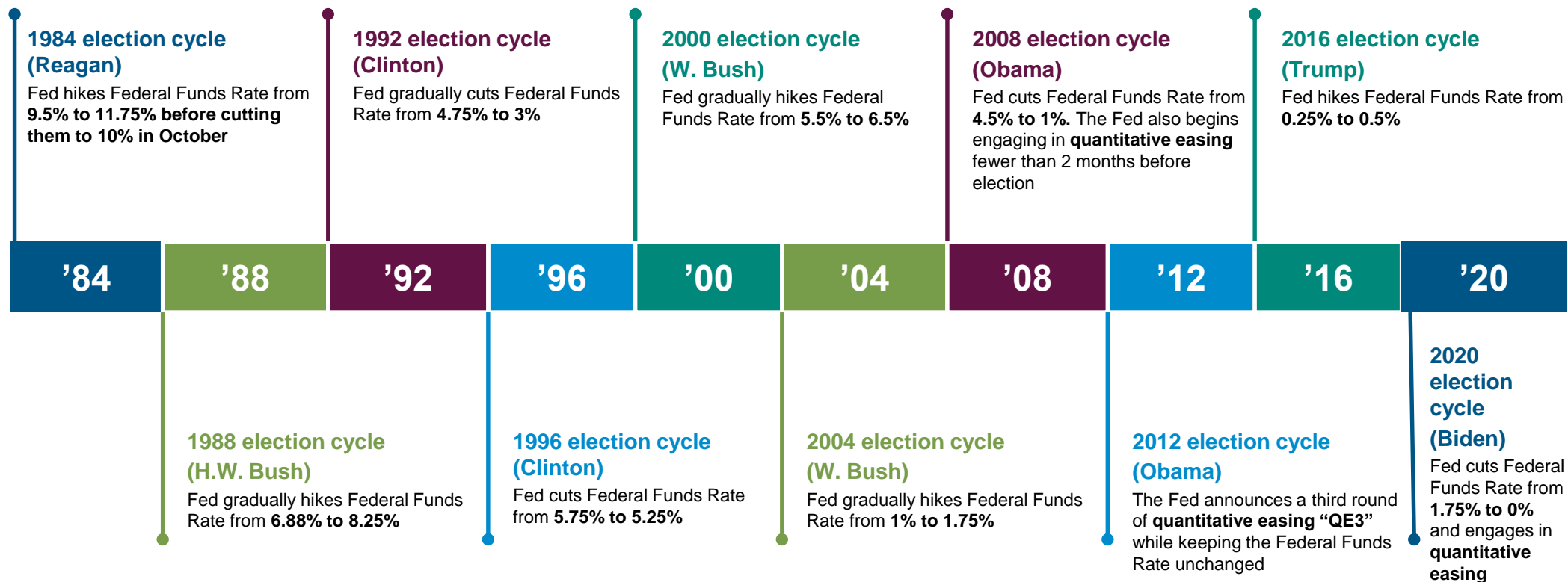


# Winners and Losers: Potential corporate sector impact depends on both the White House and the composition of Congress

	Potential Sector Impact of 2024 Election			
	Trump Wins 		Biden Wins 	
Corporate Sector	Republican Congress	Split Congress	Democratic Congress	Split Congress
<b>Autos</b>	<b>Mixed</b> <ul style="list-style-type: none"> <li>Fuel standards relaxed (+)</li> <li>Elevated tariff risk (-)</li> </ul>	<b>Mixed</b> <ul style="list-style-type: none"> <li>Fuel standards relaxed (+)</li> <li>Elevated tariff risk (-)</li> </ul>	<b>Mixed</b> <ul style="list-style-type: none"> <li>EV credit preserved (+)</li> <li>Fuel standards stricter (-)</li> </ul>	<b>Mixed</b> <ul style="list-style-type: none"> <li>EV credit preserved (+)</li> <li>Fuel standards stricter (-)</li> </ul>
<b>Consumer / Retail</b>	<b>Mixed</b> <ul style="list-style-type: none"> <li>Full extension of Trump tax cuts with few-to-no offsets (+)</li> <li>Elevated tariff risk (-)</li> </ul>	<b>Mixed</b> <ul style="list-style-type: none"> <li>Extension of Trump tax cuts with SALT compromise (+)</li> <li>Elevated tariff risk (-)</li> </ul>	<b>Mixed</b> <ul style="list-style-type: none"> <li>Part extension of Trump tax cuts / bigger SALT/ CTC (+)</li> <li>Increase in corp. tax rate (-)</li> </ul>	<b>Mixed</b> <ul style="list-style-type: none"> <li>Part extension of Trump tax cuts / bigger SALT (+)</li> <li>Risk of corp. tax rate increase (-)</li> </ul>
<b>Defense</b>	<b>Modest Positive</b> <ul style="list-style-type: none"> <li>Trump has indicated he wants "record" defense spending (+)</li> <li>No filibuster-proof majority (-)</li> </ul>	<b>Modest Positive</b> <ul style="list-style-type: none"> <li>Incrementally more defense spending (+); Democrats may insist on equal non-defense (-)</li> </ul>	<b>Modest Positive</b> <ul style="list-style-type: none"> <li>Likely continued support for Ukraine and defense (+)</li> <li>Progressives may limit (-)</li> </ul>	<b>Modest Positive</b> <ul style="list-style-type: none"> <li>Likely continued support for Ukraine and defense (+)</li> <li>Progressives/Rs may limit (-)</li> </ul>
<b>Energy: Oil / Gas / Pipelines</b>	<b>Positive</b> <ul style="list-style-type: none"> <li>Permitting reform (+)</li> <li>Rollback of LNG export pause, drilling restrictions lifted (+)</li> </ul>	<b>Positive</b> <ul style="list-style-type: none"> <li>Permitting reform (+)</li> <li>Rollback of LNG export pause, drilling restrictions lifted (+)</li> </ul>	<b>Negative</b> <ul style="list-style-type: none"> <li>Continuation of restrictions on drilling; LNG unknown (-)</li> <li>Less friendly regulators (-)</li> </ul>	<b>Mixed</b> <ul style="list-style-type: none"> <li>Continuation of restrictions (-)</li> <li>Chances of permitting reform (+)</li> <li>Oversight of nominees (+)</li> </ul>
<b>Energy: Renewables</b>	<b>Negative</b> <ul style="list-style-type: none"> <li>IRA headline risk; EV, solar, and wind subsidies at risk (-)</li> <li>Regulatory risk (-)</li> </ul>	<b>Mixed</b> <ul style="list-style-type: none"> <li>IRA largely preserved, although some tweaks possible (+)</li> <li>Regulatory risk (-)</li> </ul>	<b>Positive</b> <ul style="list-style-type: none"> <li>IRA preserved (+)</li> <li>No regulatory risk (+)</li> </ul>	<b>Positive</b> <ul style="list-style-type: none"> <li>IRA preserved (+)</li> <li>No regulatory risk (+)</li> </ul>
<b>Financials</b>	<b>Positive</b> <ul style="list-style-type: none"> <li>Pause of Basel 3 rules (+)</li> <li>Friendly regulators (+)</li> </ul>	<b>Positive</b> <ul style="list-style-type: none"> <li>Pause of Basel 3 rule (+)</li> <li>Friendly regulators (+)</li> </ul>	<b>Negative</b> <ul style="list-style-type: none"> <li>Tougher final Basel 3 rule (-)</li> <li>Increase in corp. tax rate (-)</li> </ul>	<b>Negative</b> <ul style="list-style-type: none"> <li>Tough final Basel 3 rule (-)</li> <li>Risk of corp. tax rate increase (-)</li> </ul>
<b>Healthcare/ Hospitals</b>	<b>Negative</b> <ul style="list-style-type: none"> <li>Obamacare subsidies at risk (-)</li> <li>ACA headline risk (-)</li> </ul>	<b>Modest Positive</b> <ul style="list-style-type: none"> <li>Obamacare preserved (+)</li> </ul>	<b>Modest Positive</b> <ul style="list-style-type: none"> <li>ACA subsidies expanded (+)</li> <li>Increase in corp. tax rate (-)</li> </ul>	<b>Mixed</b> <ul style="list-style-type: none"> <li>Obamacare preserved (+)</li> <li>Risk of corp. tax rate increase (-)</li> </ul>
<b>Technology</b>	<b>Negative</b> <ul style="list-style-type: none"> <li>Regulatory/headline risk (-)</li> <li>Hawkish on China (-)</li> </ul>	<b>Negative</b> <ul style="list-style-type: none"> <li>Regulatory/headline risk (-)</li> <li>Hawkish on China (-)</li> </ul>	<b>Negative</b> <ul style="list-style-type: none"> <li>Continuation of Biden 1.0 (-)</li> <li>Hawkish on China (-)</li> <li>Increase in corp. tax rate (-)</li> </ul>	<b>Negative</b> <ul style="list-style-type: none"> <li>Continuation of Biden 1.0 (-)</li> <li>Hawkish on China (-)</li> <li>Risk of corp. tax rate increase (-)</li> </ul>

Source: PIMCO

# Since 1980, the Fed has adjusted rates in every presidential election year except for in 2012 (when it adjusted the balance sheet)



1. No meaningful federal funds rate changes during the 2012 election year. "Election periods" are defined as the period between the November in the year before an election year to the October of an election year. "Federal Funds Rate" defined as the upper bound target federal funds rate. Source: Bloomberg; as of February 2024