

Trump Wins Election. What Would You Do?

What would you do?

Russia:

- Christmas came early. Cosy up to Donald.
- Help the US out of NATO.
- Help Turkey out of NATO.
- Test the resolve of NATO by threatening Estonia, Latvia, Lithuania.
- Help the US out of trade pacts.
- Seems sympathetic to Russian strategy in Middle East.

China:

- Christmas came early.
- Time to replace TPP with a China led trade agreement.
- Reach out to Europe to form trade alliance. Possibly reach out to Canada and Mexico to form trade alliance.
- Push the AIIB initiative, the CIPS system, RMB internationalization, One-Road-One-Belt.
- Test US resolve in South China Sea, Taiwan and Japan, dam all the rivers. But balance this with the need to subvert US hegemony. It may be beneficial to be magnanimous and conciliatory.

Eurozone:

- Too busy with Dutch general elections in March, French presidential elections in May, German general elections in the autumn.
- Too busy with the Brexit.
- Worry about Turkey, Russia and NATO.
- What happens to TIIP, is China interested in a trade deal?
- Could the same popular revolt happen in Europe? How to appease voters? Be more populist?
- Rethink refugee and immigration policy.
- Weak EUR, no excuse for Draghi to keep expanding QE.

UK:

- Special relationship? The Foreign Secretary Johnson has called Trump unfit to lead. Perhaps he will want to reconsider that position.
- Too busy with Brexit, friendly fire from the Tory Eurosceptics and a febrile atmosphere in Brussels.
- Trying to cut deals with China and India, who may now be receptive. Thank god it's not all bad.
- Europe may be rethinking immigration policy. Easier Brexit negotiation?

Japan:

- There goes the TPP.
- If JPY goes to 90 Japan will have a problem.
- How to work with China? RCEP?

Middle East:

- Trump will go easy on Israel which will be a problem for Palestinians.
- And hard on Iran which will sooth the Saudis.
- And easy on Putin and Assad which will disappoint Syrians.
- And easy on Turkey.
- It's complicated and requires a considered, deliberate and judicious approach lest the solutions propagate further problems. A bit like dealing with hydra.

India:

- Re-shoring could accelerate on US tax plan. Loss of FDI.
- Trump anti-China position could be good for Indian pharma. On the other hand the ACA is a big source of demand for Indian generics. If ACA is repealed, there could be negative impact on Indian pharma. It's a toss up.
- Cosy up to Trump in dealing with ISIS. Sideline Pakistan.