



# Things that make you go hmmm

## Mad About The Boy

"I'm mad about the boy  
And I know it's stupid  
to be mad about the boy  
I'm so ashamed of it but must admit  
the sleepless nights I've had  
About the boy"

– Mad About The Boy, *Dinah Washington*

"I'm just a patsy!"  
– Lee Harvey Oswald

"It's too easy to criticize a man when  
he's out of favour, and to make him  
shoulder the blame for everybody  
else's mistakes."

– Leo Tolstoy, *War and Peace*

"Can anybody fly this thing  
Before my head explodes  
Or my head starts to ring

We've been living life  
Inside a bubble  
We've been living life  
Inside a bubble

"Society was cut in two: those who  
had nothing united in common envy;  
those who had anything united in  
common terror.."

– Alexis de Tocqueville, *Recollections on the  
French Revolution*

Confidence in you  
Is confidence in me  
Is confidence in high speed"

– High Speed, *Coldplay*

"The best way to avoid becoming  
a scapegoat is to find one."

– Warren Eyster, *The Goblins of Eros*

## THINGS THAT MAKE YOU GO HMMM...

### MAD ABOUT THE BOY



I should have known that taking a hiatus during this particular publishing cycle would be a foolish thing to do.

While I'm sure the very last thing any of you want to do is read yet another dissection of what was, to many, the biggest political shock in a generation, I could hardly let the momentous events of last Tuesday pass without any comment so I thought I'd share a few thoughts on what happened this week with you.

I'll keep this brief, I promise.

On the evening of July 21st of this year, I found myself standing at a baggage carousel in the Dallas Fort Worth airport in hopeful anticipation of the arrival of the suitcase I had entrusted to the good graces of American Airlines several hours earlier.

As I waited, I stared up at the TV set above me which was barely audible (but which fortunately had subtitles running across the bottom of the screen) as a tall man in a dark suit and a bright red tie stepped up to a microphone in front of a passionate crowd.

***"Friends, delegates and fellow Americans..." he began, "...I humbly and gratefully accept your nomination for the presidency of the United States."***

Sandwiched between a man and his wife who were also waiting to see if the baggage gods had smiled upon them and without even realising what I was doing, I muttered in amazement at the surreal scene unfolding before me; "what the f\*\*k is going on?"

Without taking their eyes off the screen above us, the man and his wife spoke in unison "right?"

We exchanged no further words, my bag duly arrived and I left DFW en route to my hotel.

Having arrived, I was in time to watch the last 45 minutes of Donald Trump's acceptance speech and what I witnessed was absolutely fascinating to behold.



Dallas was still in shock after the ambush of city police officers exactly two weeks earlier. There was a real sense of a foreboding hanging over the city and the speech which Trump gave was raw and emotional. It was also controlled and powerful and touched on all the issues he would place at the centre of his upcoming campaign.

He spoke for an hour and sixteen minutes, setting a new record for the longest nomination speech on record going back to the 1972 elections and, in doing so, consign the man who had previously held that 'honour' to the history books.

That no doubt disappointed man was William Jefferson Clinton.



Trump's speech (which if you are so inclined, you can read [HERE](#)) was rich in hyperbole (no surprise there), replete with references to the potential dangers facing American citizens (of course) and liberally sprinkled with statistics which were stark enough to have the fact-checkers reaching frantically for Google their almanacs (or wherever it is that the fact-checkers check their facts).

He talked about crime:

**"Homicides last year increased by 17% in America's fifty largest cities. That's the largest increase in 25 years. In our nation's capital, killings have risen by 50 percent..."**

...he talked about immigration:

**("Nearly 180,000 illegal immigrants with criminal records, ordered deported from our country, are tonight roaming free to threaten peaceful citizens. The number of new illegal immigrant families who have crossed the border so far this year already exceeds the entire total from 2015..."**

...and he talked about the economy

**("Nearly Four in 10 African-American children are living in poverty, while 58% of African-American youth are not employed. 2 million more Latinos are in poverty today than when President Obama took his oath of office less than eight years ago. Another 14 million people have left the work force entirely. Household incomes are down more than 4 thousand dollars since the year 2000 – 16 years ago. Our trade deficit in goods reached nearly 800 billion dollars last year alone..."**



But it wasn't what he talked **about** that was important. It was who he talked **to**.

Trump talked to the American people.

He talked to them in a way they hadn't been spoken to in a long, long time about things which mattered to them and his angry, emotional speech captured the imagination of an angry, emotional citizenry and connected with them on a visceral level.

Trump was controlled, stuck to the teleprompter and proved he most likely hadn't been lying when he claimed earlier in the campaign that ["I went to an Ivy League school. I'm very highly-educated. I know words. I have the best words..."](#)

Or so I thought.

In the CNN studios, they begged to differ.

After Trump's speech, CNN returned to the studio to dissect what they had just seen and what followed was extraordinary.

The two 'independent political analysts' whose job it is to use their expertise and experience to decipher the murky world of politics and translate what is being said for the benefit of those at home who would be left without opinions otherwise, were decidedly unhappy with what they'd just seen.

One called it 'disgusting', the other disagreed, calling it a 'disgrace' but their opinions united around one central theme; that this was decidedly not what the American public wanted to hear. Not only was it not what they wanted to hear but that one speech had effectively crippled Trump's chances of winning the presidency because, and I quote, "America is a country of light and that was a dark, dark vision."

They were incensed.

By this point I was sitting bolt upright, fascinated by what I was watching.

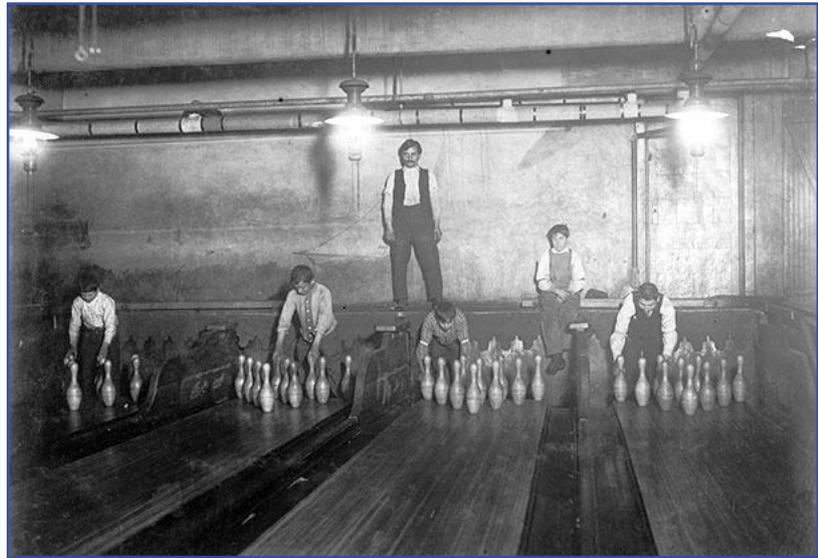


CNN had to go to a commercial break at this point (bills to pay, don't you know) but they promised us that, when they came back, we'd be taken to the studio where the cross-section of American society they had hand-picked to accurately represent the electorate would render their judgment on Trump's 'disgusting', 'disgraceful' speech.



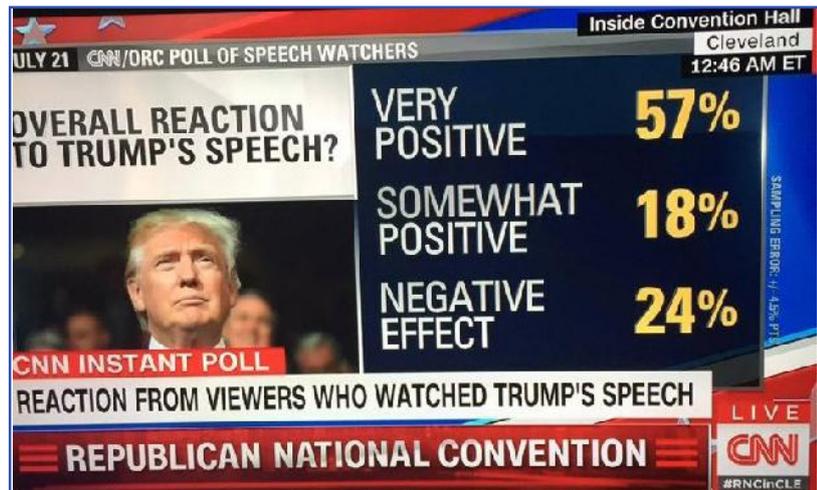
After the break, something very telling happened.

Pollster Frank Luntz (an occupation that, given recent failures, one would imagine will soon go the way of the bowling alley pinsetter) explained to the 'experts' back in the studio that 75% of the audience which was evenly balanced between Republicans, Democrats and undecided voters had viewed Trump's speech either 'somewhat positively' or 'very positively' (yes, it was tricky to discern but Luntz definitely pronounced 'favourably' with a 'u').



Ordinarily you'd think that was the 'aha' moment but amazingly, that was still to come (for me, at least).

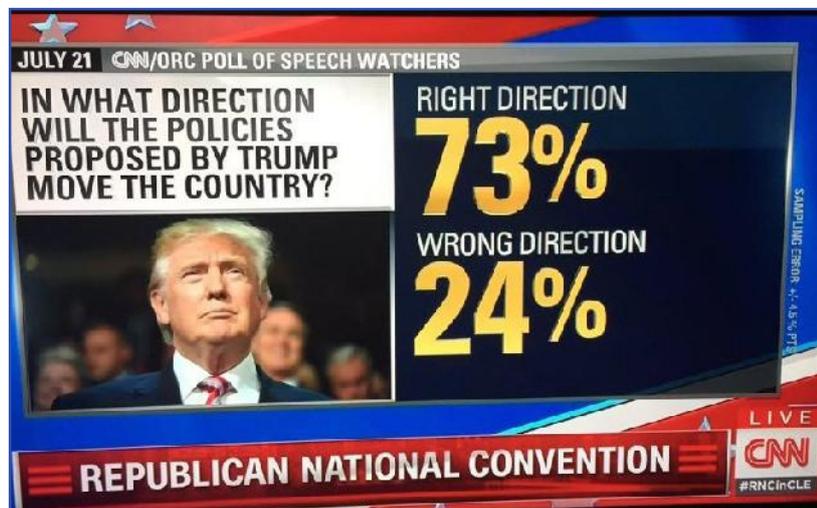
Back in the studio, presented with an opportunity to understand that the speech had resonated with the electorate (or at least the small sample which had been hand-picked to not show any bias towards the Democrats whatsoever), the 'experts' grabbed it with both hands... then tore it in half and threw it in the trash.



"Well those people weren't watching the same speech I was watching" said one. "they just don't get it" said another.

And boom! There it was.

I realised right there that the 'establishment' against which Trump's supporters were railing extended beyond the politicians and into the entire circus that surrounds them. They didn't have a clue what was happening right in front of their eyes.



No matter what anybody said at the time (or since) about the spuriousness of the connection, this election WAS 'Brexit plus plus plus.'

I had written in February (*Brexitential Crisis, TTMYPGH Vol 03 Issue 5*) that I thought Britain would vote to leave the EU and that the rise of populism was spreading not just across the UK, but across Europe and the rest of the developed world, and, in talking to some dear friends I was visiting a few days later, I explained my firm belief that Trump would win the presidency and that, if, going into the polls, he was within the margin of error, people would be shocked at how comprehensive his victory would be.

The word I used was 'landslide.'

My reasoning was simple; Brexit.

In the UK, the reason why the pollsters got it so wrong was simple; it simply wasn't polite to tell people you were voting 'Leave.' Brits were afraid or unwilling to admit to friends at dinner parties that they were voting against the establishment and that unwillingness extended to pollsters.

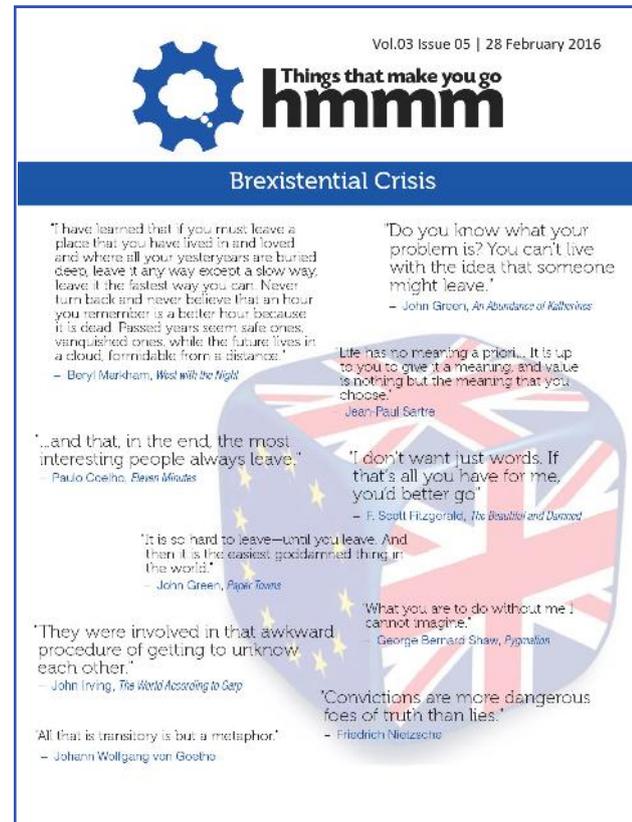
Admitting to being a Trump supporter really *was* "Brexit plus, plus plus."

I have been shocked, as I've traveled extensively throughout the United States during the past year, at the lack of any ability to have a dialogue between Republicans and Democrats. Not just at a national level, but in the grassroots communities.

People who were disposed to vote for Donald Trump felt unable to admit to that fact because, in doing so, they were immediately pigeonholed as a racist, sexist, misogynistic, misanthropic bigots with little or no discernible intelligence.

Nobody ever got past "I'm voting Trump because..." because they weren't allowed to and, due to the sheer toxicity of his persona (to many), those anti-establishment voters hid themselves away until election day.

Meanwhile, Democrats refused to engage or hear the reasons why these people were voting for Trump in their droves because, to them, he was the embodiment not of everything that ailed middle class America, but rather everything that they themselves despised.

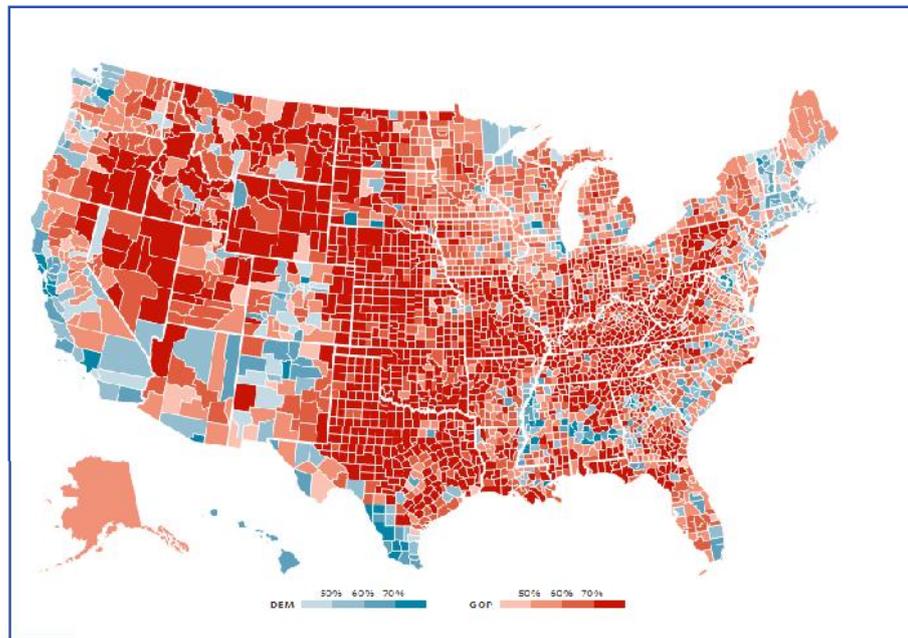
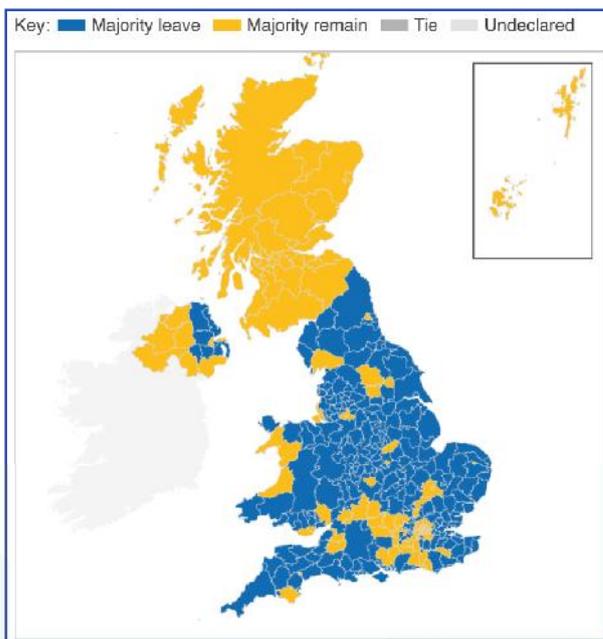


When it came to polling, Trump was seen as **so** toxic within the confines of the establishment that, not only were people afraid to tell friends at dinner parties of their voting preference but they would remove any doubt that might be engendered by an ‘undecided’ answer and actively say they were voting for Clinton.

The same dynamic existed at the exit polls. People would actively lie and say they voted for Clinton because the opprobrium they faced was so elevated.

With the curtain drawn behind them, however, people were free to vote their conscience and their circumstances and the result, like Brexit, was clear.

The map on the left shows the Brexit vote county by county. The yellow swathe at the top is a mystical place called ‘Scotland’, home to some rather angry people who ‘talk funny’ but who are wonderful company and great fun to go to the pub and talk football with. They aren’t so keen on being a part of the UK but are definitely Europhiles as you can see. Elsewhere, with the exception of a few ‘remain’ strongholds, it was a pretty strong vote for leave.



On the right is the county-by-county map of Donald Trump’s victory in the US which again shows the breadth of support for the policies he dangled in front of a disenchanting and disenfranchised middle class.

Brexit plus, plus, plus.

I won't add my voice to the chorus of those picking over the bones of the election trying to decide definitively why what happened happened, why the pollsters were so wrong (hint: Garbage In/ Garbage Out) and how we are about to embark on four years of watching President Trump walk down the steps of Airforce One (it still doesn't sound right when I say it out loud) because the simple truth is, it **did** happen (crying millennials please take note) and what **we** need to figure out is what it means for markets.

While it is far too early to draw concrete conclusions about what any of this means, my own belief is that the important likely effects on markets of what is already being called perhaps the greatest political upset in history, can readily be described in just two very familiar words; hope and change.

And by 'hope', I of course mean 'volatility' but nobody ever got elected on a platform of 'volatility and change'.

That volatility was at its most glaring as the likely win for Trump in Wisconsin became apparent (triggering memories of Sunderland's shock repudiation of the EU on June in the UK).

