

# 1 Year of President Trump

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It has now been almost twelve months since the popular TV show 'The Apprentice' moved to the White House. As one could expect, this season of the reality show was filled with drama, strong language and many people being fired – let alone all the twitter leaks straight from the West Wing. Joking aside, what has Donald Trump achieved in his first year of his presidency? Not much.



Hartwig Kos

One year ago, investors hailed him as the saviour of 'small town America' – with everybody talking about the revival of US manufacturing and American jobs for the American people. Animal spirits were rising, so were small cap equities and banks. Trump himself continued to shout for the repeal and replace of Obamacare and a cut in taxes, while he told the American people to expect a \$1trn infrastructure package. What actually happened? Obamacare is still in place and the debate about tax reform has barely begun. It has also gone awfully quiet on the matter of making US infrastructure 'second to none'.

Nonetheless, the US economy has continued to hum along nicely and the S&P 500 produced seven straight monthly gains and more than 50 new highs year-to-date. Has Trump had anything to do with the fireworks on Wall Street and the solid expansion in the US economy? Not much. The so-called 'Trump trade' completely reversed in the first eight months of the year, reflecting general investor disappointment with Donald's presidency so far.

It is true the prospect of tax cuts has somewhat revived the reflation trade since September, but one can argue any potential success in regard to the US tax reform might happen with or without Trump. In light of the 2018 mid-term election, the Republican Party – which has control over both the House and the Senate – is under enormous pressure to get at least one flagship legislation ratified. With its mind sharpened by this, the GOP might finally overcome its differences and get a bill passed. Trump is largely just noise – a very loud noise though.

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