RAYMOND JAMES

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2024 Election: Technology, Media, and Telecom (TMT) Outlook

We are continuing our series of 2024 election sectoral previews with an analysis of the potential impacts of the November election to the technology, media, and telecom (TMT) sectors. AI regulation and data center development, semiconductor subsidies, and export controls on China are all on the table during the race for the White House, while permitting reform is likely regardless of outcome.

Overview

- **State of the race:** The outcome of the presidential election remains too close to call as we head into the home stretch, but there is a slight advantage in the House for Democrats and a clear advantage in the Senate for Republicans.
- **Potential policy wins regardless of winner:** We view additional federal support for the semiconductor industry (either direct funding incentives or expedited permitting for fab buildout) as likely across all scenarios. As national security, onshoring, and permitting reform have received bipartisan support, U.S. data centers stand to benefit regardless of election outcome.
- **Trump victory:** The deregulatory focus of a second Trump administration would likely see less federal oversight and the potential rollback of reporting requirements for AI firms developing frontier models, while also supporting data center development through nuclear energy permitting. For semiconductors, escalated export controls extending to legacy production and equipment are likely, with increased entity listing of foreign manufacturers. Regarding China, heightened tensions are anticipated, with potential trade wars, and more aggressive blocking of cross-border M&A in the tech sector. In telecom, a GOP sweep could result in streamlined broadband funding processes, the potential revival of the Affordable Connectivity Program, and a shift towards deregulation in FCC policy.
- **Harris victory:** A Harris victory would likely result in a continuation and potential expansion of the Biden administration's approach to AI regulation, with a focus on safety, ethics, and consumer protection. For semis, there would likely be ongoing federal support and incentives for domestic production, while maintaining export controls and investment screening for Chinese firms.
- **Tech sector and elections – how to use this report:** In this report, we look at the performance of TMT sectors and various subsectors. Much of this analysis looks at the sector and subsector against the S&P 1500 for a broader view of each group. Analysts in each sector have submitted their best-positioned companies for a variety of potential election outcomes.

- **A look back at the 2020 report:** The election-related picks from our 2020 report outperformed the S&P 1500 by 1.0% from the election to inauguration, 7.7% in the year after the election.

Our full report is included below, and can be accessed in slide form here.

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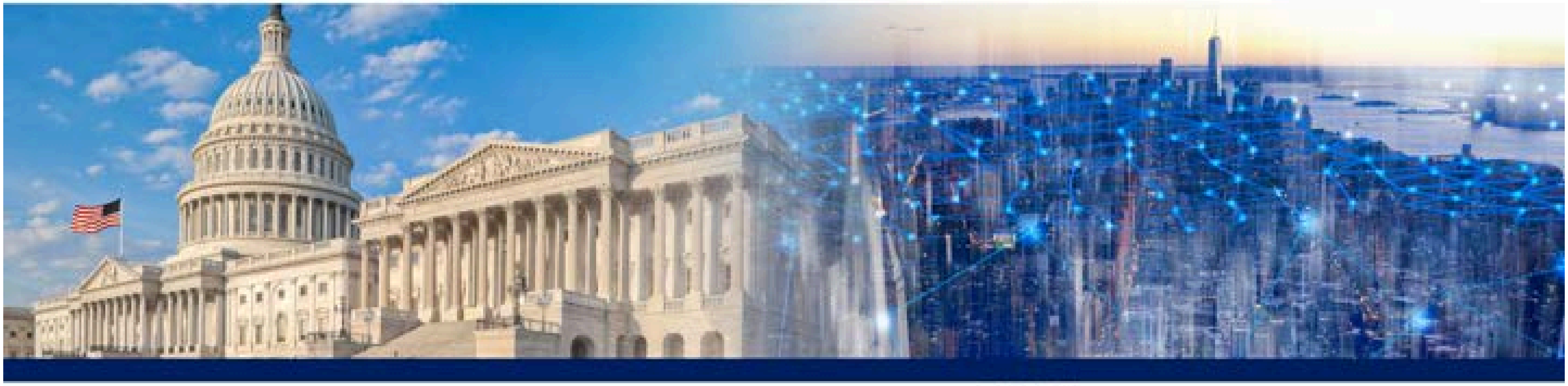

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2024 ELECTION: TMT (TECHNOLOGY, MEDIA, AND TELECOM) OUTLOOK

Raymond James Equity Research

September 24, 2024

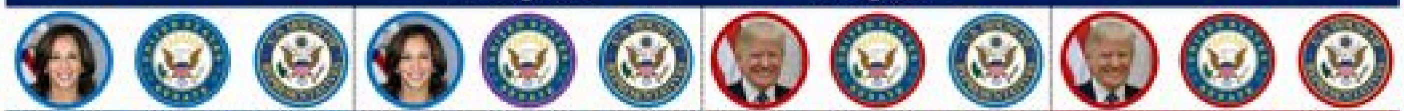
Contents

TABLE OF CONTENTS

2024 Election

STOCK IMPLICATIONS

RJ Analysts' Best-Positioned TMT Names Under Different Election Scenarios



	DEM Sweep	DEM WH + Split Congress	GOP WH + Split Congress	GOP Sweep
Software *Brian Peterson, Andrew Marok, Adam Tindle, Alexander Sklar*	CRWD, DDOG, FTNT, GTLB, GWRE, S, VEEV, WAY, WK	CRWD, DDOG, FTNT, GTLB, MSFT, S	CRWD, DDOG, FTNT, GTLB, MSFT, S	CDW, CRM, CRWD, DDOG, FTNT, GTLB, HUBS, NCNO, QTWO, RNG, S
Communications Equipment *Simon Leopold*	ANET, COHR, CSCO, DELL, HLIT, HPE, NOK, PSTG	ANET, COHR, CSCO, DELL, HLIT, HPE, NOK, PSTG	ANET, COHR, CSCO, DELL, HPE, PSTG	ANET, COHR, CSCO, DELL, HPE, PSTG
Tech Hardware, Storage, & Peripherals *Adam Tindle*	ARLO, NTGR, SONO	ARLO, NTGR, SONO	CDW, MSI	MSI, NTGR
Semiconductors & Semiconductor Equipment *Srini Pajjuri, Melissa Fairbanks*	FLEX, INTC, JBL	INTC, NVDA	INTC, NVDA	AAPL, ADI, INTC, NVDA, MCHP, PLXS, TXN
Diversified Telecommunication Services *Frank Louthan*	CHTR, CMCSA, DY, GDS, T	DY, GDS, T	DLR, EQIX, GDS, UNIT,VZ	DLR, EQIX, GDS, UNIT, VZ
Diversified Telecommunication Services *Ric Prentiss*			SATS, TMUS, USM	SATS, TMUS, USM
Interactive Media & Services *Andrew Marok, Josh Beck*	EA, GOOG, META, PINS, RBLX, SNAP, TTWO, YELP	EA, GOOG, META, PINS, RBLX, SNAP, TTWO, YELP	AMZN, EA, GOOG, META, PINS, RBLX, SNAP, TTWO	AMZN, EA, GOOG, META, PINS, RBLX, SNAP, TTWO
Financial Services *John Davis*	MA, V	FIS, JKHY	FI	FOUR, GPN

Overview

2024 ELECTION IMPACT ON TMT

AI regulation and data center development, semiconductor subsidies, and export controls on China are all on the table during the race for the White House, while permitting reform is likely regardless of outcome.

- **State of the race:** The outcome of the presidential election remains too close to call as we head into the home stretch, but there is a slight advantage in the House for Democrats and a clear advantage in the Senate for Republicans.
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2020 Picks

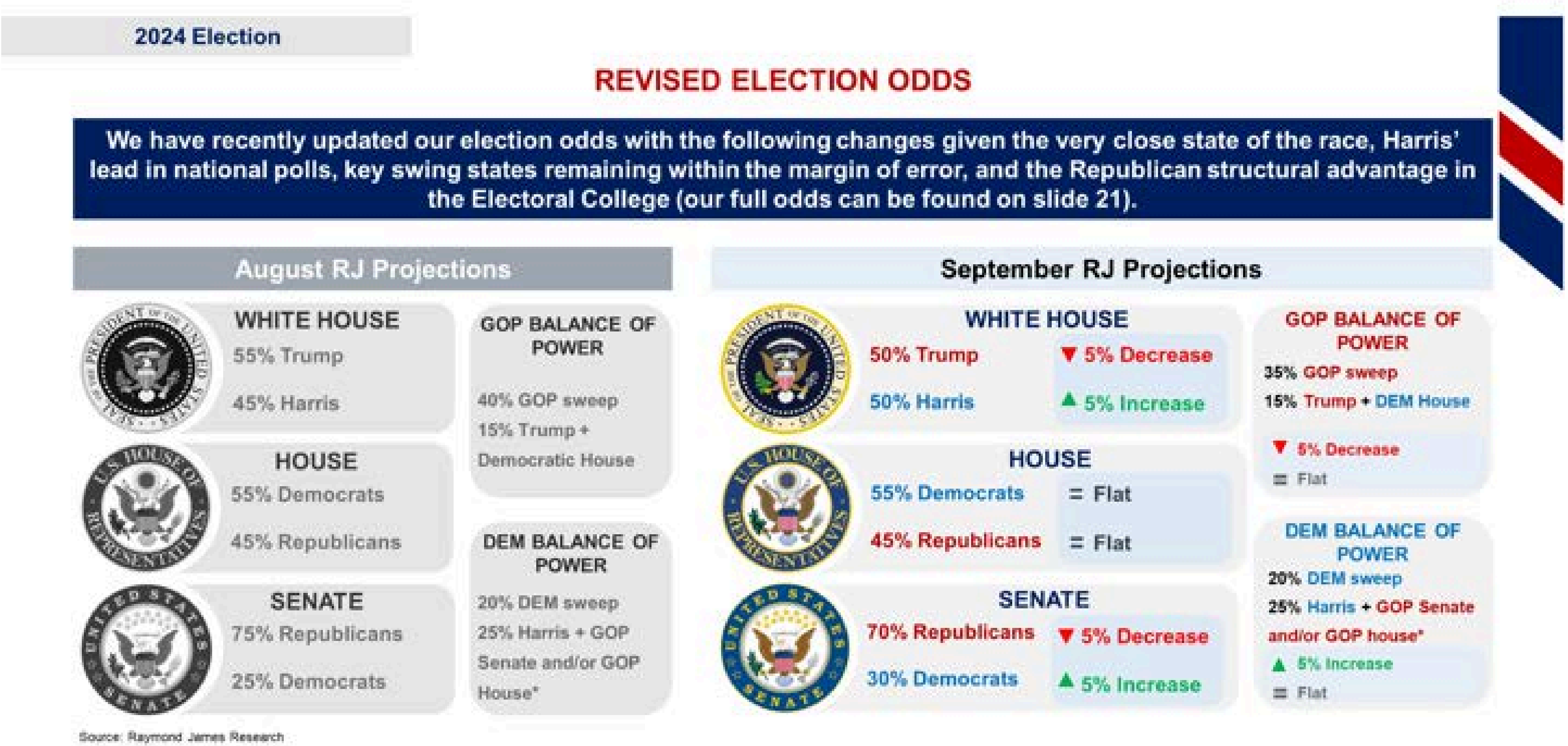
UNDERPERFORMANCE OF DEM SWEEP PICKS FROM 2020 REPORT

TMT Picks From 2020 Report Underperformance Began After Inauguration & Mainly Driven By Material Underperformance Of Diversified Telecom & Comm Equipment

2020 Dem Sweep Picks - TMT
Application Software
RingCentral, Inc. Class A (RNG)
HubSpot, Inc. (HUBS)
Connected Devices & IT Supply Chain
Flex Ltd. (FLEX)
Jabil Inc. (JBL)
Data Infrastructure
Lumentum Holdings, Inc. (LITE)
II-VI (IIVI)
Financial Technology & Payments
Visa Inc. Class A (V)
Mastercard Incorporated Class A (MA)
PayPal Holdings, Inc. (PYPL)
Infrastructure Software
Fastly, Inc. Class A (FSLY)
Internet
Alibaba Group Holding Limited Sponsored ADR (BABA)
GoDaddy, Inc. Class A (GDDY)
Semiconductors
QUALCOMM Incorporated (QCOM)
Qorvo, Inc. (QRVO)
Skyworks Solutions, Inc. (SWKS)
Diversified Telecommunications
Uniti Group Inc. (UNIT)
Cogent Communications Holdings Inc. (CCOI)
Verizon Communications Inc. (VZ)
Wireless Telecommunications
T-Mobile US, Inc. (TMUS)
Iridium Communications Inc. (IRDM)

Source: FactSet, Raymond James research. This analysis does not include transaction costs and tax considerations. If included, these costs would reduce an investor's return. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities in this list. A record of all stocks recommended as a "2020 Dem Sweep Picks – TMT" is available on request.

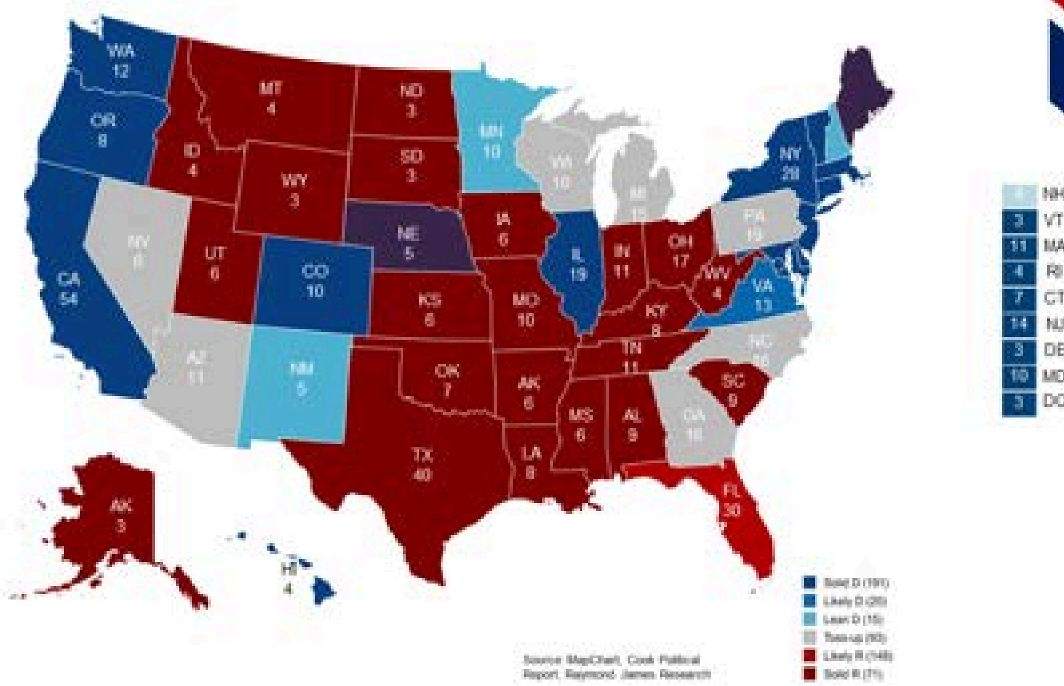
STATE OF THE RACE


2024 Election
REVISED ELECTION ODDS
We have recently updated our election odds with the following changes given the very close state of the race, Harris' lead in national polls, key swing states remaining within the margin of error, and the Republican structural advantage in the Electoral College (our full odds can be found on slide 21).
August RJ Projections
WHITE HOUSE
55% Trump
45% Harris
HOUSE
55% Democrats
45% Republicans
SENATE
75% Republicans
25% Democrats
GOP BALANCE OF POWER
40% GOP sweep
15% Trump + Democratic House
DEM BALANCE OF POWER
20% DEM sweep
25% Harris + GOP Senate and/or GOP House*
September RJ Projections
WHITE HOUSE
50% Trump ▼ 5% Decrease
50% Harris ▲ 5% Increase
HOUSE
55% Democrats = Flat
45% Republicans = Flat
SENATE
70% Republicans ▼ 5% Decrease
30% Democrats ▲ 5% Increase
GOP BALANCE OF POWER
35% GOP sweep
15% Trump + DEM House
▼ 5% Decrease
= Flat
DEM BALANCE OF POWER
20% DEM sweep
25% Harris + GOP Senate and/or GOP house*
▲ 5% Increase
= Flat
Source: Raymond James Research

Presidential Race

A LOOK AT 2024: THE RACE TO 270 ELECTORAL COLLEGE VOTES

- **Race to 270:** Democrats have started with a small lead among solid, likely and lean states.
  - **DEM = 226** EVs to **GOP = 219** EVs.
- **Seven toss-up states:** Arizona, Georgia, Michigan, Nevada, North Carolina, Pennsylvania, and Wisconsin = 93 EVs.
- **270-268?** Democrats can win AZ, MI, NV, & WI, but would only have 268 EVs – making PA a must-win.



Source: MapChart, Cook Political Report, Raymond James Research

Harris-Walz

HARRIS AS NOMINEE

Kamala Harris' campaign launch has improved polling in key states and shifted the race favorably for Democrats, with her upcoming economic policy rollout expected to further define her candidacy.

Electoral impact

- **Impressive campaign launch:** Vice President Harris appears to have excited the Democratic base and has raised significant campaign funds in the early stages of her campaign. The immediate impact should help Democrats in House and Senate races, but the full extent of the impact through November remains unclear.
- **Immediate political impact:** Her polling numbers have improved upon Biden's standing, bringing previously uncertain states such as AZ, GA, NV, and NC back into play for Democrats. Turnout among toss-up GOP-held districts in CA and NY likely increases, which could jeopardize the ability of the GOP to hold on to control of the House.
- **Shift in race dynamics:** The race has shifted favorably for Democrats, narrowing the gap with Republicans.

Policy impact

- **Strategic policy rollout:** Harris' campaign is posed to continue to unveil her vision for the economy over the coming weeks, but we see incentives for her to keep her campaign light on specifics.
- **Economic policy preview:** Harris' economic agenda is set to prioritize tackling inflation and reducing the cost of living, with her campaign announcing her focus on addressing corporate "price gouging." While we expect to see a broad continuation of current Biden administration priorities on taxes for lower-income individuals and corporations, Harris has notably supported eliminating taxes on tips – echoing a similar proposal from former President Trump.
- **Market impact and outlook:** New uncertainty has been introduced into the landscape ahead and market expectations. We could see more volatility if a sweep by either party becomes likely.

Kamala Harris

Harris-Walz

WALZ AS HARRIS VP: ELECTION AND POLICY IMPACTS

The selection of Minnesota Governor Tim Walz as Harris' VP should be viewed as a "do no harm" pick who brings election-relevant personal experiences, progressive values, and relatively less "baggage" to the race.

Electoral impact

- **Swing states:** MN is not a swing state, but Walz's pick was likely intended to help pick up votes in MI, WI, and PA. His selection over PA Gov. Shapiro keeps Pennsylvania in play for the GOP.
- **Personal background:** The Harris campaign is hoping his small-town roots, time as a teacher, and service in the MN National Guard will help appeal to blue-collar, rural voters – the actual impact remains an open question considering these voters will likely focus on who is at the top of each ticket.
- **Energizing the base:** His track record could help keep the progressive part of the Democratic base energized while also likely preventing intraparty divisions that other VP candidates under consideration could have caused.

Policy impact

- **Less impact than Vance?** We would expect Walz to have relatively less influence on Harris than his GOP counterpart JD Vance would have on Trump overall given Trump's reliance on his VP for policy specifics.
- **Accelerating tax conversations:** Walz's selection raises the likelihood that individual tax rates could rise at the end of next year as part of the pending fiscal debate given his experience in MN (electoral successes for Democrats after his predecessor raised individual tax rates) and MN – a high-tax state – benefiting from the current $10,000 SALT deduction cap expiring.
- **Pragmatic progressive?** Walz's platform has shifted to a progressive stance during his time in politics, but he continues to show a willingness to diverge from conventional progressive wisdom on certain issues and prioritize issues that are tangible.

Tim Walz

- **60 years old**
- **Elected as MN Gov. in 2018**
- **Previously served in the House of Representatives, as a schoolteacher, and in the MN National Guard**

Harris-Walz

ARGUMENTS FOR AND AGAINST HARRIS WINNING

Arguments for Harris	Arguments Against Harris
✓ **Vibes:** Harris is in a honeymoon period and has momentum.	✗ **VP Losing Streak:** Only 1 sitting Vice President has been elected President in 188 years – George H.W. Bush (and Reagan was popular – 63% approval rating)
✓ **Fundraising:** Harris raised $540 million in the month after Biden dropped out of the race.	✗ **Electoral College:** The EC favors Republicans and Harris likely needs a win in PA.
✓ **Polling Lead:** Harris has taken the lead in national polling averages and it is close in the swing states. Democrats have often outperformed in polling following the Supreme Court abortion ruling.	✗ **Polling Misses:** Trump has historically under-polled by 2-3%, so could still have the lead.
✓ **Favorability Rating:** Harris has seen her favorability rating go from the mid-30's to mid 40's. Her net favorable rating is -1.7% (Trump is -9.6%)	✗ **Biden-Harris Administration Unpopular:** Biden is -17.1% in his favorability rating and 75% of voters are dissatisfied with the way things are going in the US.

Trump-Vance

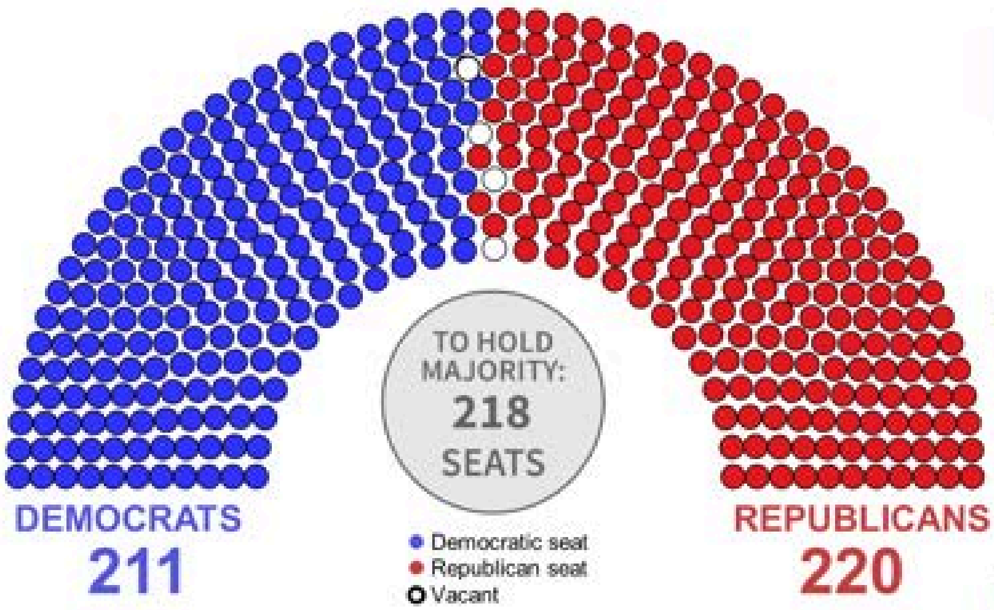
ARGUMENTS FOR AND AGAINST TRUMP WINNING

Arguments for Trump	Arguments Against Trump
✓ **Strong Base of Support:** Trump supporters are motivated to vote and will provide ongoing financial support.	✗ **Stalled Momentum:** The Biden-to- Harris switch denied Trump any post-convention bounce, he has been slipping in the polls, and he has not found his footing against Harris.
✓ **Electoral College:** Trump has kept it close in the swing states and Republicans have a structural advantage in the EC.	✗ **Favorability Ratings:** 52.5 % of voters have an unfavorable opinion of former President Trump, leaving him with a -9.6% favorability rating.
✓ **Polling Misses:** Trump support has been undercounted in polling data from 2020 and 2016, does the current vibe shift towards Harris undercount Trump support?	✗ **Low Ceiling?:** If Trump has a ceiling of support in the high 40's, he needs high enough 3rd party votes to allow him to win with less than 50% of the vote in key swing states.
✓ **Inflation, Border, Geopolitical:** On key election issues, voters trust Trump more. Incumbent Biden-Harris Administration has negative approval ratings.	✗ **Message Discipline:** Trump has focused more on personal attacks vs. maintaining message discipline since Harris has become the nominee.

House of Representatives

THE RACE FOR THE HOUSE

Democrats have a slight structural edge in the House given recent tweaks to congressional district maps from redistricting and the historically small majority; however, the race is close, and the party that wins the presidency will likely control the House.



GENERIC CONGRESSIONAL BALLOT:

Democrats +2.0

Over the last 40 years, the House's majority party has lost an average of **three House seats** in presidential election years.

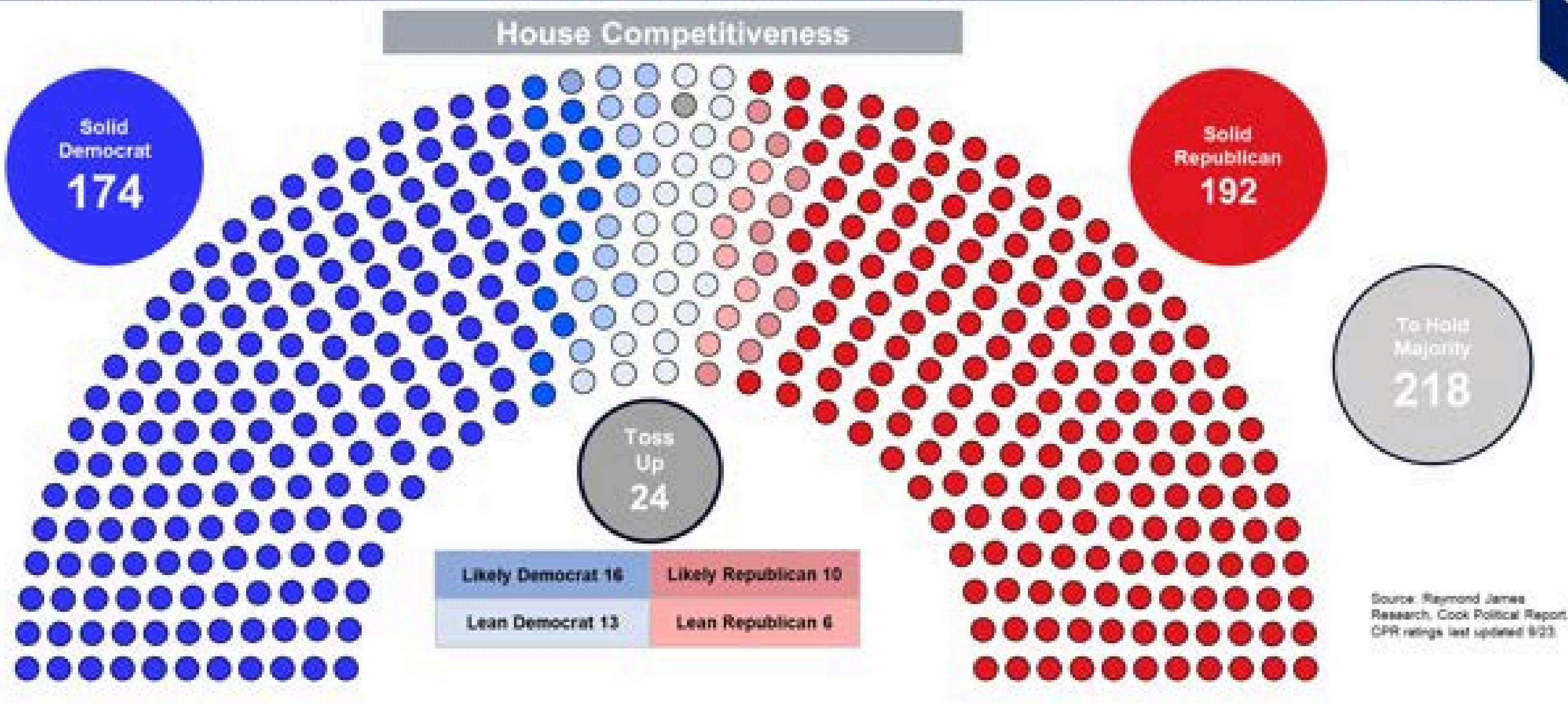
Year	Sitting House Majority Party	Sitting Majority Party Change in Seats
1984	D	-14
1988	D	2
1992	D	-10
1996	R	-3
2000	R	-1
2004	R	3
2008	D	21
2012	R	-8
2016	R	-6
2020	D	-12
AVERAGE		-3

Source: Raymond James Research, RealClearPolitics polling data as of 9/23

House of Representatives

THE RACE FOR THE HOUSE

With some tweaks to congressional district maps from redistricting and the historically small majority, while the control of the House is close, Democrats have a slight edge. The party that wins the presidency will likely control the House.



Senate

THE RACE FOR THE SENATE

Since 2016, only 1 Senator (Susan Collins R-ME) has won a Senate seat when the state voted for the opposite party in the Presidential election.

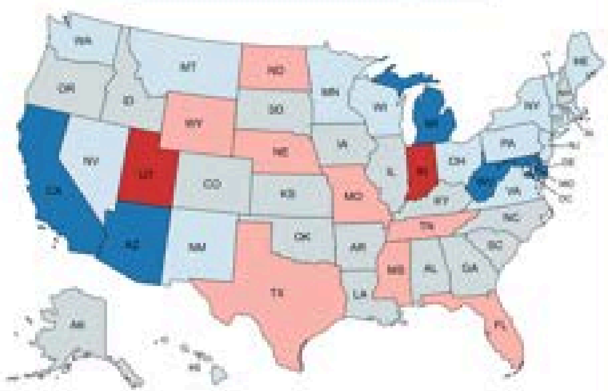
CURRENT SENATE:

51 DEM
49 GOP
DEM +1

NUMBER OF SEATS IN PLAY:

23 DEM
11 GOP

2024 Senate map



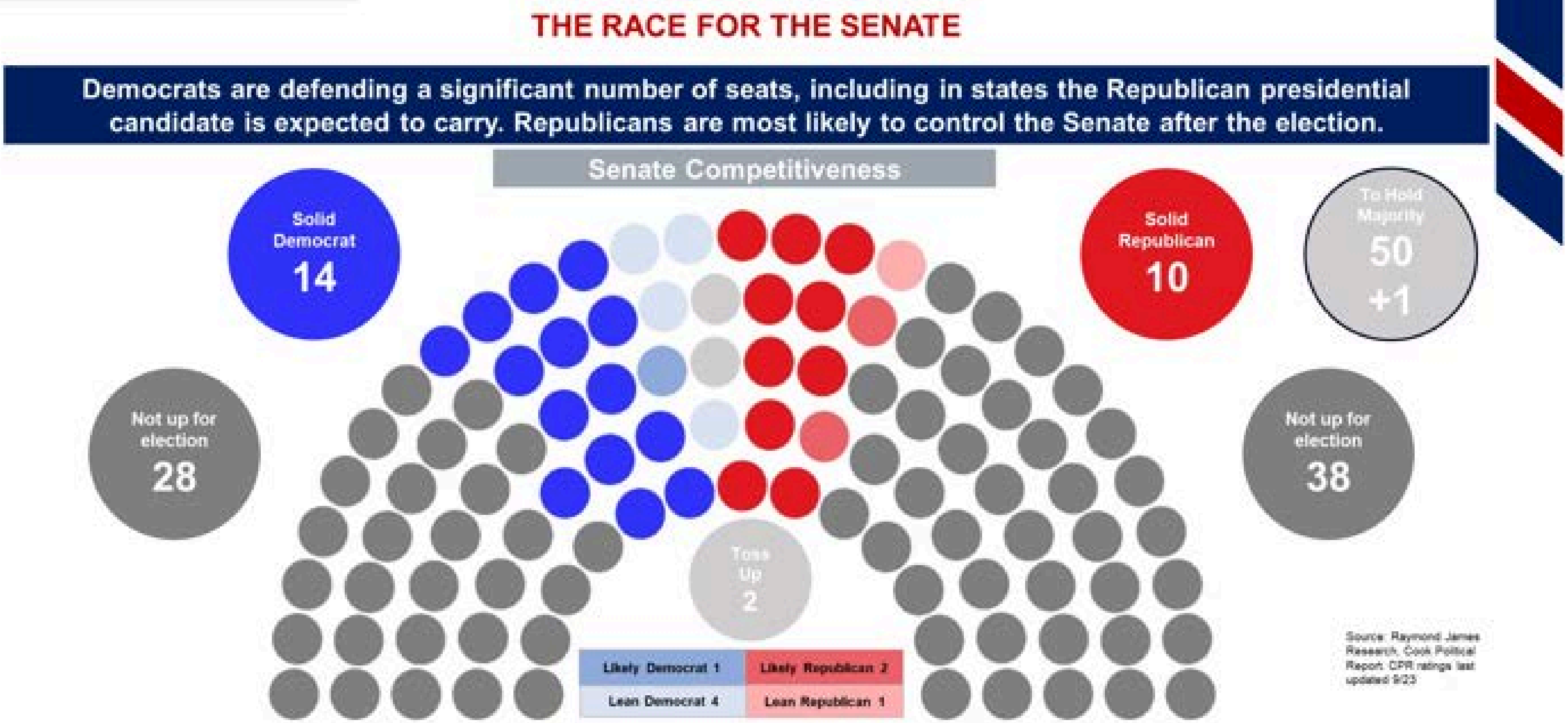
- Democrat/Democrat-aligned incumbent
- Retiring Democrat/Democrat-aligned incumbent
- GOP incumbent
- Retiring GOP incumbent
- No election

Source: MapChart, Raymond James Research

Battleground races

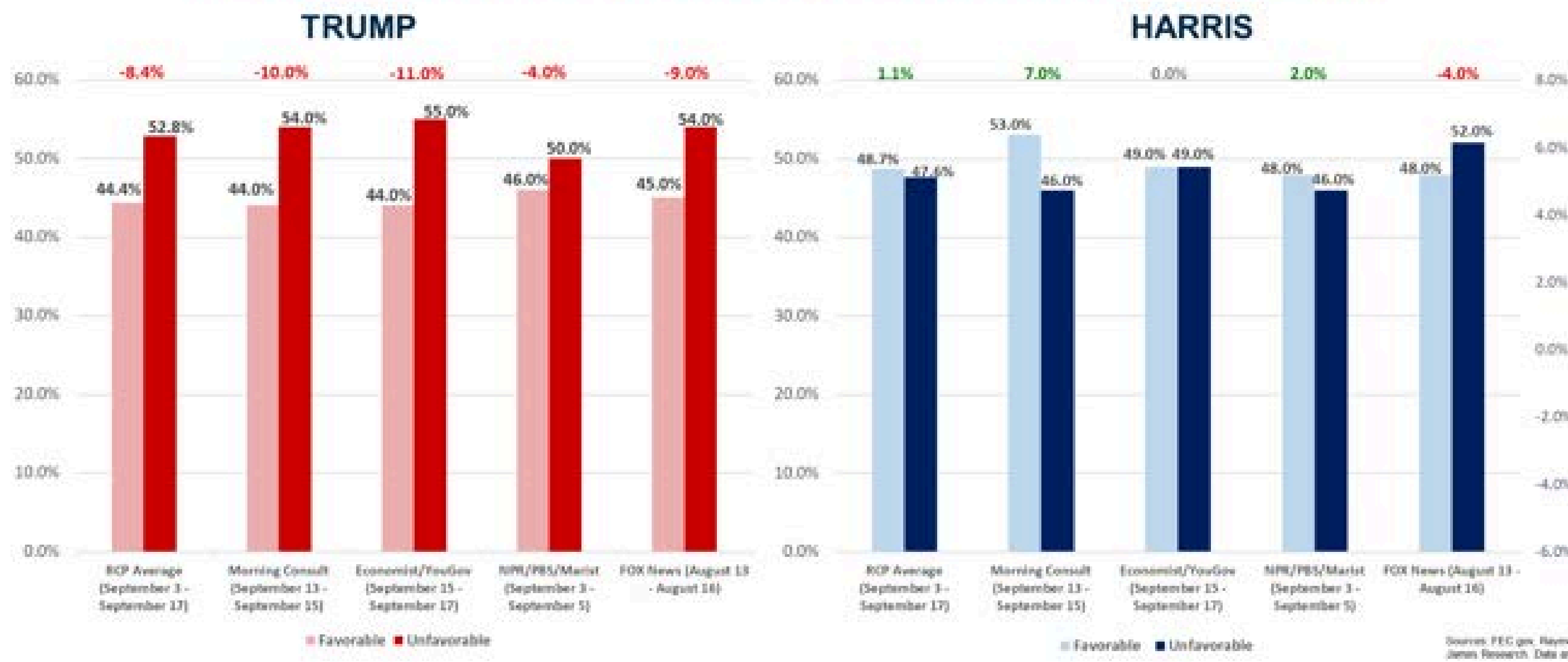
	Candidate	2020 Presidential Margin
AZ	Open (D-I)	D +0.31%
FL	Rick Scott (R)	R +3.36%
MD	Open (D)	D +33.21%
MI	Open (D)	D +2.78%
MT	Jon Tester (D)	R +16.37%
NV	Jacky Rosen (D)	D +2.39%
OH	Sherrod Brown (D)	R +8.03%
PA	Bob Casey (D)	D +1.17%
TX	Ted Cruz (R)	R +5.58%
WI	Tammy Baldwin (D)	D +0.63%
WV	Open (D-I)	R +38.94%

Senate


THE RACE FOR THE SENATE
Democrats are defending a significant number of seats, including in states the Republican presidential candidate is expected to carry. Republicans are most likely to control the Senate after the election.
Senate Competitiveness
Solid Democrat 14
Solid Republican 10
To Hold Majority 50 +1
Not up for election 28
Not up for election 38
Toss Up 2
Likely Democrat 1
Lean Democrat 4
Likely Republican 2
Lean Republican 1
Source: Raymond James Research, Cook Political Report. CPR ratings last updated 9/23

Polling

THE RACE BY THE NUMBERS – FAVORABILITY VS. UNFAVORABILITY DATA

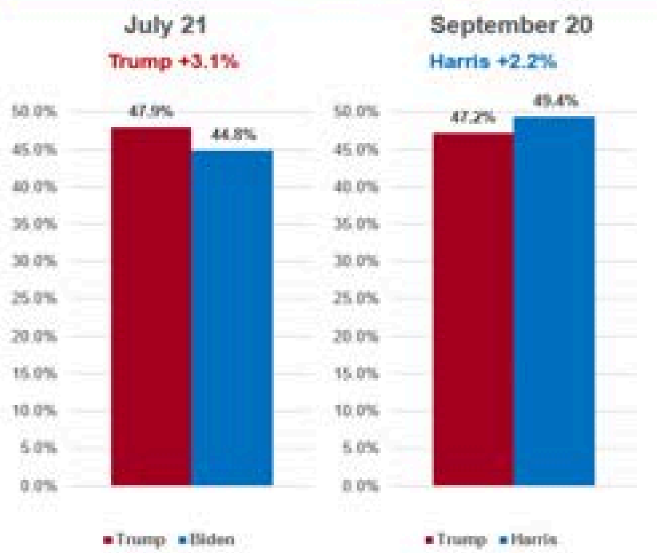


Polling

COMPARING POLLING BEFORE AND AFTER SECOND DEBATE

Polling averages

National polling averages



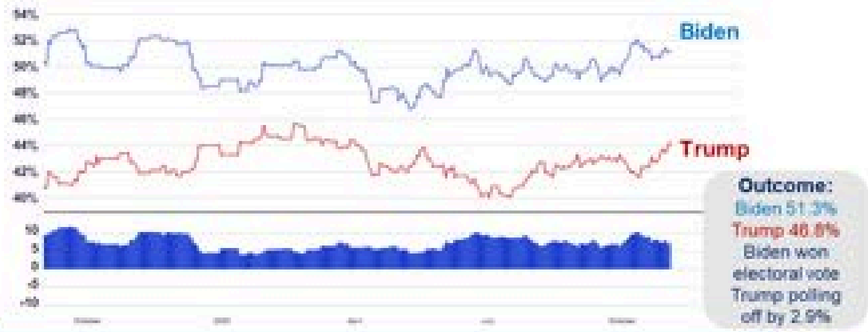
Source: Raymond James research, RealClearPolitics

State	Biden vs Trump (7/21)	Harris vs Trump (9/23)
NV	Trump +5.6	Harris +0.2
GA	Trump +3.8	Trump +2.0
AZ	Trump +5.8	Trump +2.2
PA	Trump +4.5	Harris +0.7
MI	Trump +2.1	Harris +1.7
WI	Trump +2.9	Harris +1.0

Polling

POLLING LOOKBACK – FINAL VOTE VS. POLLING AVERAGES

2020 Presidential Polls



2016 Presidential Polls

Source: Raymond James Research, Real ClearPolitics

Swing State Polling Misses

State	2020	2016	2012
Arizona	R+1	R+2	R+1
Georgia	D+1	R+1	D+5
Michigan	R+3	R+4	D+3
Nevada	R+3	D+1	D+1
North Carolina	R+2	R+6	D+1
Pennsylvania	R+3	R+5	
Wisconsin	R+5	R+7	D+2
	R+2.28	R+3.43	D+1.43

Implication

Are polls underestimating Trump again, or will recent Democratic outperformance vs. polls set us up for an even bigger surprise in 2024?

POTENTIAL OUTCOMES

Scenarios

ELECTION OUTCOMES

Our analysis of polling, DC sentiment, and historical precedent suggests that the race for the White House is tied. While Democrats and Republicans hold structural advantages in the House and Senate, respectively, the congressional races remain close and will likely follow the White House.

WHITE HOUSE

50% Trump

50% Harris

GOP BALANCE OF POWER

35% Republican sweep

15% Trump + Democratic House

DEM BALANCE OF POWER

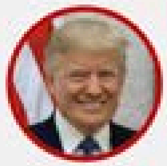
25% Democratic sweep

25% Harris + GOP Senate and/or GOP House*

HOUSE

55% Democrats

45% Republicans



If Trump wins, we believe there is a **95% chance the Senate is Republican** and a **70% chance the House is Republican.**

If Harris wins, we believe there is a **55% chance the Senate is Democratic** and a **95% chance the House is Democratic.**

SENATE

70% Republicans

30% Democrats

*We have historically maintained 5% for "less likely" split government scenarios. Nearly all of that 5% fell under scenarios with a DEM President. We have reallocated this 5% to a Harris presidency with a GOP Senate and/or a GOP House. All other scenarios are less than 1% likely.

Republican Sweep

OUTCOME 1: GOP SWEEP (35%)

A GOP sweep would likely usher in welcomed de-regulatory shifts across key sectors but elevate certain geopolitical/trade risks under the direction of Trump.

What this means


GOP President


GOP House


GOP Senate

Arguments in favor

- **Trump** has a small lead in national polls but has built a more consistent lead in swing states. **Biden's** "wrong track" numbers for the country and approval ratings are seen as a benefit to a challenger.
- A **Trump** win gives Republicans the tie-breaker vote in the **Senate**, all but assuring a Republicans a majority.
- The Republican **House** majority is slim, but if the national winds favor Trump, maintaining the majority becomes more likely.

Arguments against

- **Trump** has a net negative approval rating and Democrats will campaign that his reelection will take the country in the wrong direction.
- Redistricting in **House** seats provides Democrats a slight edge in the race for a majority and Trump is likely to run-up margins in Republican strongholds vs. swing areas.
- A **Trump** victory is likely to come without winning that national popular vote, potentially limiting his coattails.

More Likely: Market & Policy Impact

- 2017 tax cuts extended via reconciliation – likely for 10 years.
- Trump's regulatory picks will dictate policy – FTC Chair changes
- More aggressive stance towards China and likely new export bans and tariffs.
- Will the filibuster hold, ushering in more policy changes?

Less Likely: Market & Policy Impact

- Clear path forward for Fed monetary policy
- Robust regulatory agenda
- AI restrictions via Executive Order

Republican Sweep

GOP SWEEP POLICY IMPLICATIONS

Potential tax code changes via the reconciliation process combined with other leading Trump agenda items could support a more inflationary environment post-election under a GOP sweep.

- **2017 TCJA individual provisions:** A GOP sweep would likely result in the extension of the individual provisions of the 2017 Tax Cuts and Jobs Act (TCJA), which are set to expire at the end of 2025. These provisions include lower individual tax rates, an increased standard deduction, and an expanded Child Tax Credit. The Congressional Budget Office (CBO) estimates that extending the individual provisions would cost approximately $4.6 trillion over 10 years.

- **Corporate tax rate cuts?** While the TCJA's reduction of the corporate tax rate from 35% to 21% was made permanent, and will not expire alongside the individual provisions, a GOP sweep would open the door for further cuts with the ability to pass party-line, partisan reconciliation bills. Former President Trump has proposed additional cuts to 20% or even 15%, but the cost of the cuts (estimated at around $130B per 1% cut over 10 years) has resulted in Congressional Republicans floating a potential increase as a "payfor" for other TCJA extensions.

- **Is Trump more inflationary?** Leading items on the Trump second term agenda include tariffs, restrictive immigration policies, tax cut extensions, and a likely continuation of fiscal stimulus including semiconductor subsidies and potential additional CHIPS Act funding.

Key points

- **Potentially more inflationary environment relative to a Harris presidency.**
- **Extension of current individual tax rates + restoration of targeted corporate tax incentives likely, but corporate rate changes less so.**
- **AI deregulation and focus on reduced oversight over frontier AI models.**
- **Expanded semiconductor export controls likely.**
- **Ongoing semiconductor subsidies/incentives.**
- **Support for data center development through nuclear energy permitting.**
- **TikTok likely banned, other Chinese apps next?**
- **Continued antitrust scrutiny on 'big tech'.**

Republican Sweep

GOP SWEEP POLICY IMPLICATIONS

While changes to the corporate tax rate will be challenging, multiple avenues for the passage of key corporate tax incentives benefiting capital/R&D intensive firms support their strong chance of passage in a GOP sweep.

- **Other corporate tax changes favor tech firms:** The restoration of other key corporate tax breaks listed in the 2024 bipartisan tax bill are the most likely outcome under a GOP sweep scenario. While the bill to restore these provisions alongside the full child tax credit stalled in Congress in July, we attribute the bill's lack of momentum to more of a desire by Republicans to address the provisions next year when they may have a Senate Majority and thus stronger negotiating position:
  - **Full domestic R&D deductions:** A GOP sweep would likely see full, upfront domestic R&D expensing restored, and would mark a shift away from the current requirement to amortize R&D costs over 5 years (15 if overseas). Retroactive application of the restored expensing for the previous year (likely the 2024 tax year in this scenario, given the timing of the fiscal fights) remains a possible outcome.
    - This change could see a decrease in the expectations for firm's estimated cash tax payments — with a greater positive impact on smaller tech start-ups that appear profitable given the significant percentage of spending on R&D.
  - **Bonus depreciation:** In this scenario, the 100% depreciation deduction on qualified property/capital investment would likely be restored (from the current 60%), potentially providing a tailwind for tech firms' net income, EPS, and cash flow as cash income taxes paid could potentially be reduced or eliminated. Bonus depreciation will continue to phase down by 20% annually until 2028 if not extended.
  - **Interest expensing:** A GOP sweep would likely reinstate the ability to add back depreciation, amortization, and depletion when determining limitations on business interest expense deductions.
    - This would effectively increase the cap on interest deductions, benefitting companies with significant debt financing, as the limitation would be based on a higher adjusted taxable income (similar to EBITDA vs. EBIT).

Republican Sweep

GOP SWEEP POLICY IMPLICATIONS

Under a GOP sweep, tech firms may face a stable debt limit environment, but potentially a "higher for longer" interest rate dynamic as the Fed remains cautious on policy as it digests Trump's fiscal agenda.

- **Debt limit:** A new administration will immediately face the return of the federal debt limit, which is set to expire January 1, 2025. Under a GOP sweep scenario, we expect a less contentious debate over an extension, with the potential for less market volatility. Democrats have historically joined Republicans in raising the debt limit – significant given the 60-vote threshold in the Senate — with this bipartisan approach likely to provide stability to the tech sector.
- **Cautious Fed path forward?:** The Fed would likely approach rate cuts and monetary easing more cautiously given the uncertainty of Trump's fiscal policies. We view there to be the potential for the Fed to delay or limit rate cuts to avoid a second wave of inflation, and the optics of having to hike rates after entering an easing cycle especially given recent skepticism from Trump regarding the Fed's independence.
  - Given the tech's sector's sensitivity to interest rates (long duration and high convexity) given its growth-oriented nature, it could face a more challenging environment if the Fed maintains its "higher for longer" posture.
- **Strong dollar vs. weak dollar:** Questions remain open as to whether Trump's fiscal policies would support continued dollar strength – or whether Trump would follow through on his and vice-presidential pick JD Vance's calls for a weaker dollar to boost U.S. exports overseas.
  - Currency tailwinds would boost top-line growth for U.S. tech firms with material international exposure, and potential for margin pressure for firms with U.S. based cost structures.
  - Potential for increased challenges for U.S. vendors in international markets as dollar-denominated pricing becomes less attractive, challenging new customer acquisition and expansion within EMEA and APAC.

Republican Sweep

GOP SWEEP POLICY IMPLICATIONS

Trump's demonstrated willingness to aggressively use trade policy tools to go after China will raise the risk of elevated tariffs under a GOP sweep – with tech firms potentially facing increased Chinese input costs.

- **Expect trade fights:** Trump's calls for a 60% tariff on China and a 10% global tariff should be taken seriously as potential policy direction, but not literally in their exact percentages – especially as DC conversations have increased about using these tariffs as a partial "payfor" for the pending fiscal debate. For instance, the Tax Policy Center estimated that a 10% global tariff could potentially raise approximately $3.4 trillion in tax revenues covering a significant portion of the estimated $4.6 trillion cost of extending the 2017 TCJA's individual provisions
  - Tech firms would be the first affected, particularly Chinese exports of List 1 and 2 goods.
  - A potential trade war would likely reduce market access for firms operating in China, with increased volatility likely to be seen across multiple sectors
- **Will there be a global tariff?:** A universal tariff could be implemented through both administrative and legislative mechanisms – with a GOP sweep expanding options for both paths. Trump could unilaterally use the International Emergency Economic Powers Act (IEEPA) to declare the trade deficit as a national emergency to impose global tariffs, though the legal viability of that path remains unclear.
  - Under the sweep scenario, a GOP House and Senate could choose to give him explicit authority to impose a global tariff via the reconciliation process, but Congress' appetite for such a trade policy remains unclear (Would countries with a free trade agreement with the U.S. be excluded?).
- **Tariff timelines:** Goods already subject to Section 301 tariffs (i.e., the ones currently imposed on China) could see immediate adjustments, but any new tariffs would likely take 6-9 months to impose given the need for a formal trade investigation.

Republican Sweep

GOP SWEEP POLICY IMPLICATIONS

A Trump Presidency could escalate semi export controls, expanding to legacy semicap production & equipment, while also push for entity listings and international harmonization, and continuing semi subsidies.

- **Export controls:** A Trump presidency could see significant escalations of semiconductor export controls, and we view this scenario as the most significant threat of expanding into legacy production and legacy semicap equipment — a major shift from the current focus on leading-edge semis — likely bringing increased compliance costs and the potential loss of Chinese market access.
- **Entity listing:** A GOP sweep brings a heightened risk of major foreign semiconductor equipment manufacturers like ASML and Tokyo Electron being added to the entity list, restricting their ability to do business with Chinese firms. Existing licenses allowing firms like Samsung to operate in China may also come under scrutiny and be revoked.
- **International harmonization:** We would expect to see a sustained push for the international harmonization of existing tech controls on China, with Trump pursuing aggressive policy levers and more 'transactional-type' efforts to ensure compliance from partner countries (i.e., Japan and the Netherlands), which could simultaneously strain relationships with allies.
  - Trump would likely call on the European Union to address Huawei and ZTE's presence in its critical infrastructure, as only 11 of 27 EU member states have implemented measures to impose restrictions on the suppliers
- **Chinese merger approval:** In response to increased U.S. pressure, China is likely to become more aggressive in blocking M&A in the semi space that requires Chinese regulatory approval — with tech firms likely to face increased scrutiny and potential delays or denials in cross-border deals.
- **Outbound investment screening:** We expect the current outbound investment screening regime used to restrict the flow of U.S. capital into Chinese leading tech to continue as it has largely been Republican-led. However, we would remind investors that early in Trump's first term, he laid out a plan to attract Chinese investment into America's manufacturing sector.

Republican Sweep

GOP SWEEP POLICY IMPLICATIONS

A Trump Presidency could escalate semi export controls, expanding to legacy semicap production & equipment, while also push for entity listings and international harmonization, and continuing semi subsidies.

- **U.S.- China relations:** A Trump presidency would likely lead to increased volatility with China, with the potential for sudden policy shifts or inflammatory statements causing broader "flare-ups" regionally, with market disruptions and broader sector rotations possible.
  - The heightened tensions could also provide a window of opportunity for China to engage/invade Taiwan — but at the bare minimum would lead to a period of heightened uncertainty regarding the potential destabilization of a critical note in the global semi supply chain.
- **Geopolitics:** The likelihood of ongoing volatility underscores the difficulty in predicting the geopolitical landscape post-election, but Trump's tendency towards unpredictability on the global stage could either serve as a deterrent or a risk multiplier. We would expect Trump and VP Vance to place additional pressure on Ukraine and Russia to negotiate a resolution to the current conflict.
- **Semiconductor subsidies to continue:** We view additional federal support for the semiconductor industry (either through direct funding incentives in response to demonstrated needs or expedited permitting for fab buildout) as a likely outcome across all scenarios. Potential for further subsidizes include:
  - **Greater tax incentives:** Further R&D tax credits or expanding the Section 48D investment tax credit beyond 25%, extending current credit timeline past 2026 (China's is through 2027), or alignment with Chinese tax credits.
  - **Accelerated depreciation rule changes:** Allowing semi firms to depreciate their investments more quickly or developing a tailored depreciation schedule for semis that reflects the rapid advancements in design and manufacturing of the technology.
  - **Broadening of eligible property:** Expanding the definition of qualified property (now only includes machinery facilities, and tools integral to the process) to include more assets related to semi manufacturing, such as software or certain building products.

Republican Sweep

GOP SWEEP POLICY IMPLICATIONS

Tech firms could see a deregulated environment when developing frontier AI models and a rollback of reporting requirements, with data center development through nuclear energy permitting to meet AI's electricity demands.

- **Artificial Intelligence (AI):** Under Trump, deregulation would likely be the path forward, focusing less on federal regulation and oversight into frontier AI models — with AI likely falling down the "pecking order" of regulatory focus.
  - While Trump's AI policy platform has been sparsely detailed, we view his previous administration providing signals of potential policy, and as likely supporting federal investment in AI R&D, evidenced by his 2019 Executive Order focusing on technical breakthroughs in AI.
  - There is potential for a rollback of government oversight and a less hands-on approach to AI regulation— including the Commerce Department shifting away from their proposed rule requiring detailed reporting from AI developers and cloud providers to provide comprehensive reports on AI development activities and cybersecurity measures.
  - We will watch for further policy changes, notably as several Republican Attorneys General have come out against the Biden administration's October 2023 Executive Order on AI.
- **Data center development:** Notably, a GOP sweep could see significant progress on nuclear energy permitting to meet AI's growing electricity demands, with recent comments by Trump suggesting he supports federal investments in domestic energy production, including coal and nuclear power, to fuel AI computing and data centers.
  - We believe that national security, onshoring, and broader momentum for permitting reform across all of our election scenarios suggest that U.S. data centers stand to benefit across all scenarios, including a GOP sweep.
  - The trajectory of the ENFORCE Act, which would place new restrictions on global data centers with Chinese partnerships, will remain a critical factor regardless of election outcome.

Republican Sweep

GOP SWEEP POLICY IMPLICATIONS

A GOP sweep would likely favor a coordinated approach with increased cybersecurity investments, promote a pro-crypto stance, push for a federal fintech charter, and streamlining broadband funding disbursement.

- **Cybersecurity:** A GOP sweep would likely continue the market-driven approach initiated during his first term, as former President Trump's 2017 Executive Order aimed to improve national cybersecurity through market power, focusing on federal policies that promote market transparency of cybersecurity risk.
  - Following the nationwide CrowdStrike outage, we would also expect a more coordinated approach with increased cybersecurity investments across the government — but we would remind investors that US Fed is in general, not a next-generation security adopter given their relative slowness in adopting cloud services compared to traditional cybersecurity products.
- **Crypto:** Trump, who once voiced skepticism about cryptocurrency, has repositioned himself as the pro-crypto presidential candidate. In this scenario, the cryptocurrency landscape could be significantly reshaped, as Trump has previously declared his intention to make the U.S. the "crypto capital" and a "Bitcoin superpower".
- **Fintech:** A Republican administration may push for a federal fintech charter, potentially streamlining regulations, while blockchain and digital assets firms could see a more permissive regulatory environment — accelerating adoption of fintech/crypto tech. However, Trump has consistently opposed the creation of a Federal Reserve digital currency, aligned with recent House legislation aimed at barring the Fed from creating a central bank digital currency (CBDC).
- **Telecom:** A GOP sweep would likely focus on streamlining the disbursement process for Broadband Equity, Access, and Deployment (BEAD) funds, and potentially remove or relax certain requirements (accessibility, union labor, climate impact) for receiving these funds.
  - The removal of these conditions could set to benefit a wider range of ISPs including Fixed Wireless Access (FWA – primarily from Verizon, T-Mobile, and AT&T, and to a lesser extent WISPs) and Starlink, SpaceX's satellite internet service, particularly in remote areas where traditional fiber deployment is cost-prohibitive.

Republican Sweep

GOP SWEEP POLICY IMPLICATIONS

A GOP sweep could lead to complex social media regulation changes, a potential revival of the Affordable Connectivity Program, and a continued crackdown on China-based apps, with a TikTok ban likely in 2025.

- **ACP revived?:** Potential reform of universal service programs are also likely under this scenario, with VP Vance's support and co-sponsoring of a bipartisan $7 billion to extend the Affordable Connectivity Program (ACP) as increasing the likelihood of the program's revival, and potential reforms including assessing tech firm's revenues to pay for universal service.
- **Social media:** A GOP sweep could lead to a complex landscape for regulation, as some restrictions may be eased due to the relationship between Trump and Elon Musk CEO of X (formerly Twitter), Trump issued a 2020 Executive Order aimed at curbing digital platforms' ability to remove certain content online, indicating a desire to limit platform moderation efforts.
  - Since launching his own social media network, Truth Social, Trump has been less vocal on Section 230 reform.
- **De minimis:** We expect an increased focus on removing the de minimis exemption utilized by Chinese e-commerce platforms (like Temu and Shein) to export low-value shipments (under $800) under all scenarios.
- **TikTok:** The fate of TikTok in the U.S. is unlikely to be significantly altered by a GOP sweep, and will likely cease U.S. operations by 2025. We expect China will not allow TikTok's divestiture from ByteDance, with strong bipartisan support to crack down on other Chinese apps.
  - If a ban takes effect, we believe other China-based apps will receive increased scrutiny, including other ByteDance apps available within U.S. app stores.

Republican Sweep

GOP SWEEP POLICY IMPLICATIONS

Antitrust scrutiny of large tech firms and large-scale M&A is likely to continue, while potentially facilitating certain industry-improving mergers, with a shift of FCC policy towards deregulation.

- **Antitrust:** A GOP sweep would likely see a continuation of antitrust actions with scrutiny of large tech companies likely to continue given VP Vance's push to remove some of their legal protections and support for FTC Chair Lina Khan.
    - Khan will be removed as Chair in a Trump victory and we will be looking to see if an existing FTC commissioner or new pick will be elevated to the role of chair. This will be watched closely for signals on policy.
- **M&A:** While we noted increased scrutiny against large tech companies, deals may close that are viewed as being better for the industry, including T-Mobile's acquisition of USM's Wireless business, Verizon's acquisition of FYBR, Uniti's purchase of Windstream, and a potential DirecTV / DISH TV merger.
- **FCC:** Under a GOP sweep, FCC policy would likely shift away from progressive issues such as Digital Discrimination, focusing more on deregulation, while prioritizing spectrum allocation, rural broadband deployment, and reducing regulatory burdens on telecommunications companies.
    - This shift could potentially accelerate the rollout of 5G and other advanced technologies, but might also reduce efforts to address digital equity concerns.

Democratic Sweep

OUTCOME 2: DEM SWEEP (25%)

If Harris wins the presidency, both House and Senate Democrats could ride on her coattails to a majority in Congress.

What this means

DEM President

DEM House

DEM Senate

Arguments in favor

- Democrats have outperformed polling expectations in recent elections, especially following the Supreme Court's abortion ruling.
- Democrats are well positioned in the **House** following redistricting changes and have made inroads in recent special elections.
- Toss-up **Senate** races tend to follow the national political winds and a sweep of contested elections.

Arguments against

- The "right track/wrong track" of the country – dangerous positions for an incumbent party and former President Trump has had a solid lead in swing-state polling.
- Democrats are defending 23 seats to Republicans 11 in the **Senate,** with almost all of the competitive seats held by Democrats.
- There is no guarantee that the Democratic ticket will perform better than if Biden had stayed in the race.

More Likely: Market & Policy Impact

- Comprehensive tax conversation – everything is on the table, even "permanent" corporate tax changes. Increased market volatility from uncertainty.
- Reconciliation with 50 Democrats, not 48 + Manchin/Sinema – significant policy changes.
- Robust regulatory agenda – regulators able to finalize and implement agenda.
- Will the filibuster hold, ushering in more policy changes?

Less Likely: Market & Policy Impact

- Repeal of the IRA becomes unlikely – positive for industrial and clean energy names.
- Tariff increases – will we see more tariff relief, or a continued focus on critical tech sectors?

Democratic Sweep

DEM SWEEP POLICY IMPLICATIONS

A comprehensive tax conversation on both the corporate and individual side, a continued drive to treat tech as a national security asset, M&A scrutiny, and geopolitical flareups could be the playbook for a DEM sweep.

- **Comprehensive tax conversation:** Expiring individual tax changes and an increasingly precarious U.S. fiscal backdrop will likely usher in shifts across both individual and corporate tax rates in an attempt to pay for Harris administration fiscal priorities, likely resulting in an effective increase in tax rates for individuals making more than $400,000 annually and a push to raise the corporate rate – though some of this could be partially offset by the additional revival of other key corporate incentives. A sweep scenario unlocks the ability to use the reconciliation process (i.e., passage of 10-year fiscal legislation on partisan lines), raising the likelihood that these go into effect.
- **Tech as a national security asset:** While the broader DC shift to treating technology in and of itself as a national security asset has been a multi-year process and bipartisan in nature, our expectation remains that a Democratic sweep would continue to advance this theme through the imposition of tech restrictions on key tech – though with a relatively more tailored approach than the likely sweeping restrictions under a Trump presidency.
- **Geopolitics:** Our base case is of general consistency between Biden and a potential Harris administration on foreign policy priorities – but the possibility of bad actors testing the new president raises geopolitical risk on this front.
- **M&A:** Ongoing scrutiny by the DOJ and FTC of large tech deals is likely, with a close focus on size and concentration applied across a wider subset of the tech sector.

Key points

- **Likely shifts on individual, corporate tax rates.**
- **Potential restoration of full bonus depreciation, R&D expensing.**
- **Regulatory push vs. new SCOTUS constraints.**
- **Scrutiny of large cap tech M&A.**
- **Continuation of current White House AI themes.**
- **Conversations without compromise continue to guide U.S.-China dynamic.**
- **Incremental and ongoing updates to tech restrictions.**
- **Harris tested on geopolitics– watch for flareups in Asia and ongoing coordination with allies.**

Democratic Sweep

DEM SWEEP POLICY IMPLICATIONS

Concerns around the current U.S. fiscal backdrop and a desire to reduce costs for low-to-middle-income individuals will compound the risk that the corporate rate could be raised in a DEM sweep as a payfor.

- **Corporate tax rate:** Harris has proposed raising the corporate tax rate from the current 21% to 28%, a move that could see additional momentum given the cost of extending out existing rates on individuals (we provide more background on the next slide) and the likely cost of additional "care economy" proposals including the expansion of the Child Tax Credit and a $25,000 tax credit for first-time homebuyers.
  - Other pushes include an increase to the corporate alternative minimum tax (AMT) from 15% (as introduced in the 2022 IRA) to 21%, an increase to the share repurchase tax from 1% to 5%, and changes to business loss limitations, existing deductions, and the GILTI rate.
- **Corporate tax incentives:** Existing bipartisan support for other corporate tax incentives suggests that the provisions could also have momentum under a Democratic sweep – likely paired with changes on the individual side. The restoration and/or expansion of eligibility for these provisions could reduce some of the impact of an increased corporate rate through reductions to the effective rate paid by firms, especially given estimates earlier this year from the CBO of $125 billion corporate in tax relief in the first year of passage of the following provisions:
  - **Bonus depreciation:** Allows for a 100% depreciation deduction for the acquisition of qualified property and capital investment in the tax year. Rates are currently at 60% and will continue to phase down by 20% each year until 2028, unless extended.
  - **Domestic R&D expending:** Restores full, upfront domestic R&D expensing (likely for a set number of years instead of permanently). This would represent a shift away from the current requirement as of 2022 to amortize R&D costs over a five-year period instead of immediately. Retroactive application of the expensing treatment for previous years remains possible.
  - **Interest expensing:** Reinstates the ability to add back depreciation, amortization, and depletion when determining limitations on business interest expense deductions, effectively increasing the cap and increasing interest deductions for eligible taxpayers.

Democratic Sweep

DEM SWEEP POLICY IMPLICATIONS

Tax rates for higher-income individuals likely rise through the expiration of certain TCJA provisions; while a wealth tax push will continue in parallel, the path forward on the latter is less certain.

- **2017 TCJA individual provisions expire?:** $4.6 trillion in tax changes (mostly on the individual side) from the 2017 Tax Cuts and Jobs Act will expire on December 31, 2025. At this stage, we see two likely paths forward for the tax changes under a DEM sweep:
  - Allowing the bill to expire, reverting rates to what they were during the Obama administration and removing the existing $10,000 cap on state and local (SALT) deductions – with a $1 trillion benefit for individuals in high-tax states.
  - Preserve the existing rates for households under $400,000, while raising the individual rate for households above that in order to pay for their extension.
- **Wealth tax push:** Harris has called for the imposition of a tax on total income over $100 million (including unrealized gains) and a bump to 28% for the long-term capital gains tax rate paid by individuals earning more then $1 million – while not impossible, we are skeptical that these could get done given intraparty disagreements and open legal questions about the constitutionality of a wealth tax.

Potential changes to individual tax rates

Tax rate bracket	Single/married (filing separately)	Married (joint file)	Head of household
10% → 10%	$0-$11,600	$0-$23,200	$0-$16,550
12% → 15%	$11,001-$47,150	$23,201-$94,300	$16,551-$63,100
22% → 25%	$47,151-$100,525	$94,301-$201,050	$63,101-$100,500
24% → 28%	$100,526-$191,950	$201,051-$383,900	$100,501-$191,950
32% → 33%	$191,951-$243,725	$383,901-$487,450	$191,951-$243,700
35% → 35%	$243,726-$609,350	$487,451-$731,200	$243,701-$609,350
37% → 39.6%	$609,351 and above	$731,201 and above	$609,350 and above

Source: Internal Revenue Service, Raymond James Research. Tax bracket percentages are pre- and post-TCJA, income brackets are for 2024.

Standard deduction	SALT deduction	Personal deduction
~50% reduction, inflation-adjusted	$10,000 cap removed	Current suspension ends

Democratic Sweep

DEM SWEEP POLICY IMPLICATIONS

A desire to advance impactful regulations across the broad range of tech subsectors will likely be confronted with the reality of the post-*Chevron* deference legal landscape – placing material limits on scope and timing.

- **Lower volatility debt limit debate:** The presence of a Democratic supermajority would likely reduce the level of volatility associated with raising the debt ceiling after the current suspension expires in January.
- **Monetary policy:** Harris' platform will likely offer a relative degree of predictability from the perspective of the Federal Reserve, raising the likelihood that the current path forward on rate policy will continue without direct interference from the executive branch.
- **Limits placed on regulatory agenda:** The overturning of *Chevron* deference alongside several other impactful Supreme Court rulings this summer will place material limits on the scope of what the federal government is able to do from a regulatory perspective absent explicit Congressional authorization – as well as expand out the timeline for completing the full regulatory process via notice-and-comment rulemaking. A Democratic House and Senate could provide explicit authorization for certain regulatory priorities through the passage of new laws, but given a known busy agenda for next year (i.e., on the fiscal front) and other priorities on the Harris agenda, this would likely be a longer-term scenario.
  - **Impact on tech and trade restrictions:** One area where we have not seen these new restrictions materialize – and we continue to expect to see limited legal challenges to – has been on tech restrictions, tariffs, and export controls, given that the federal government already has authorities in statute to advance many of the policy tools used on this front.
- **FCC:** The actions of the National Telecommunications and Information Administration (NTIA) have been unusually impactful during the Biden administration given their role in implementing the BEAD program, and our expectation is that theme (including indirect rate regulatory efforts) would continue – though the overturning of *Chevron* will place new limits on the NTIA's activities and the FCC's delegation of authorities to the agency.

Democratic Sweep

DEM SWEEP POLICY IMPLICATIONS

Expect ongoing scrutiny of tech M&A, though agency leadership will matter. Net neutrality and digital assets are likely key examples where the new limits of the administration's regulatory purview will be demonstrated.

- **M&A and enforcement:** The populist undercurrent of the existing M&A push is likely to continue, with this push especially apparent in scrutiny of large cap technology firms. FTC Chair Lina Khan's term is set to expire this fall, and the DOJ Assistant AG for Antitrust position will change over with the rest of the administration – though we could see Jonathan Kanter be re-appointed. Khan term expiration in October will be a key factor to watch given open questions around her potential re-appointment or the elevation of another FTC commissioner to the Chair post – e.g., Commissioner Slaughter (a former Schumer staffer).
  - Recent Supreme Court decisions will shift fights out of the in-house courts at the FTC and into the federal court system – a likely net positive for firms in the enforcement process.
- **Net neutrality:** Net neutrality efforts and associated policy pushes are an example of the post-*Chevron* challenges that the FTC and other agencies are likely to face; the Biden-era push to restore net neutrality has been suspended by the Sixth Circuit court, and oral arguments will not take place until October – pushing any decision likely past the election.
- **Telecom subsidies:** We would expect that the Broadband Equity Access and Deployment (BEAD) BEAD funding push would continue its rollout under a Democratic sweep, and possibly accelerate the pace of disbursements. A renewed push to restore the Affordable Connectivity Program is likely, potentially paired with spectrum auction authorities.
- **Digital assets and fintech:** Digital assets and fintech are likely areas of especially sharp contrasts between a Democratic and Republican administration given our current expectation that financial services regulation is likely to largely continue on current lines and given the current crop of regulatory officials' open skepticism of cryptocurrency. We would expect additional guardrails and restrictions placed on the sector – for example, of partnerships between fintech firms and traditional banking institutions, or on the supervision of crypto trading platforms.

Democratic Sweep

DEM SWEEP POLICY IMPLICATIONS

The current White House approach to AI is likely to continue, which we would expect to be driven by national security and consumer protection themes – but limited in scope absent Congressional authorization.

- **Internet:** A Democratic sweep would likely bring ongoing scrutiny on the data privacy, content moderation for minors, and consumer protection front; ongoing pushes in the current Congress suggest momentum for this issue, but the history of data and privacy regulation in DC suggests a playbook of limited material action on this front – with certain exceptions.
- **AI:** Biden administration AI efforts to date have mostly been focused on the national security implications of the technology (and executed through explicit national security authorities) – a theme we would expect to continue under a Harris administration. Additional public interest-oriented focuses on data rights, the protection of personal likenesses, copyright, and privacy are likely next-movers given Harris' existing focus on the risks/harms associated with AI – but these pushes may broadly be governed by the same dynamics as the other tech data and privacy fights in DC.
  - Harris' relationship with the leadership of tech firms and existing Biden administration efforts in conjunction with leading AI firms raise the possibility of ongoing public-private voluntary AI governance initiatives, in line with last year's agreement.
  - Rules governing the distribution of open AI models are another subject of ongoing debate in DC; for example, the Biden administration has recommended that the government not restrict the availability of model weights – but also that it is currently difficult to conclude whether open foundation models pose more risks than benefits. We overall expect that a Democratic administration would be relatively more likely to impose safeguards on this front than a Republican administration, especially with regards to federal procurement.
  - Congressional pushes remain another open, but critical question; Senate Majority Leader Chuck Schumer (D-NY) has led much of the Congressional discussion on AI this session, which we view as a likely foundation-building exercise for potential action in the next term. The lack of existing laws governing AI will place additional emphasis on the need for Congressional action given the post-*Chevron* federal regulatory landscape.

Democratic Sweep

DEM SWEEP POLICY IMPLICATIONS

Ongoing scrutiny of data privacy and national security themes likely will translate into near-term tailwinds for U.S.-based data centers and semiconductor manufacturing – and headwinds for Chinese digital platforms.

- Election safeguards around AI are a likely priority for a Democratic Congressional majority, though near-term market impacts are likely limited on that front. Consumer protection initiatives could place stricter limits on AI firms and those using AI technology, but the timeline for passage of any such initiatives is likely extended.
- The national security focus of a Harris' administration's AI approach would likely extend out further into additional tech and trade restrictions.

- **Data centers:** National security, onshoring, and broader momentum for permitting reform across all of our election scenarios suggest that U.S. data centers stand to benefit across all scenarios, including a Democratic sweep. The trajectory of the *ENFORCE Act*, which would place new restrictions on global data centers with Chinese partnerships, will remain an important factor to monitor; even if it does not pass this year, we see avenues for similar restrictions to pass in the new years.
- **TikTok and Chinese apps:** The push to crack down on TikTok and other Chinese apps has been bipartisan in nature, and the data privacy/consumer protection concerns underscoring other likely areas of her agenda will likely translate into sustained pressure on this front. If and when the TikTok ban goes into effect, we would expect to see additional scrutiny across other apps such as Temu.
    - **De minimis exemption:** A key trade provision utilized by Chinese e-commerce platforms to export low-value shipments (under $800) into the U.S. duty- and inspection-free continues to see strong DC scrutiny, with both the administration and Congress pushing to exclude Chinese firms from eligibility for the trade provision.
- **Semiconductor incentives:** We view additional federal support for the semiconductor industry (either through direct funding incentives in response to demonstrated needs or expedited permitting for fab buildout) as a likely outcome across all scenarios – including a Democratic sweep.

Democratic Sweep

DEM SWEEP POLICY IMPLICATIONS

Our base case is that a Harris administration would represent status quo with regards to export controls, tech restrictions more broadly, and tariffs, especially for semis/semi cap equipment.

- **Tech restrictions:** Our base case is of an extension of the current "conversations without compromise" dynamic in the U.S.-China relationship, where U.S. plans for ongoing targeted tech restrictions are telegraphed in advance to Beijing in order to limit escalation potential – but the tech restrictions are still pursued. Key avenues could include:
  - **Export controls:** While advances in China's foreign policy ecosystem remain a catalyst for aggressive new restrictions, our near-term expectation is that semiconductor export control updates under a Harris administration would likely be limited to refinement and attempts to close existing loops in the near-term. Longer-term, potential additional restrictions on legacy semiconductors remain an open question.
  - **Outbound investment screening:** The current push to enhance the current outbound investment screening regime has largely been Republican-led, and we view the current EO as likely the baseline in terms of policy levers used to restrict the flow of U.S. capital into Chinese leading tech. However, additional technologies and a wider scope could continue to be applied to the existing EO.
  - **International harmonization:** While we would expect to see a sustained push for the international harmonization of existing tech controls on China, we would expect any pressure on partner countries (i.e., Japan and the Netherlands) applied with relatively less blunt policy instruments in an effort to continue to rebuild the bilateral relationship with impacted countries.
- **Tariffs:** The Biden-Harris administration's decision to extend the Trump-era tariffs on $300 billion in Chinese exports and raise tariffs on an additional $18 billion in exports of key tech should be viewed as the playbook for a potential Harris administration. Baseline tariffs on China are likely to continue, but tariff hikes are likely to continue to be tailored to key technologies and telegraphed in advance.

Democratic Sweep

DEM SWEEP POLICY IMPLICATIONS

While we would expect a continued focus on international partnerships and a push for international stability, bad actors testing Harris could elevate geopolitical risk, especially in the early stages of her presidency.

- **Transshipment:** Existing Biden-Harris administration efforts to crack down on the transshipment of Chinese goods via Mexico (i.e., the Mexico backdoor) are likely to continue. We would expect to see the implementation of tariff rules based on component origins and not on the location of final assembly, applied to a broader range of products (with steel as a recent first-mover).
- **Cybersecurity:** Cybersecurity will likely form an important component of a Harris administration's national security/homeland security policy push (especially given her focus on the issue as vice president) – with important tailwinds for contractors in the space. An extension of the current administration's focus on consumer protection could see increased enforcement for firms issuing cyber products that fail to protect customers.
- **Geopolitics:** Foreign actors including Iran and North Korea could seek to test Harris in the early days of her administration, elevating the near-term geopolitical risk profile of a Harris presidency. An ongoing focus on alliances and partnerships (such as NATO) could introduce a relative degree of stability – unless Russia or China continue to test those limits through provoking/attacking Article 5 partners in Europe or the Philippines in the South China Sea, for example.
- **China:** In line with the previously described extension of the "conversations without compromise" dynamic, we would expect ongoing bilateral high-level dialogue to continue – which we view as an important off-ramp for future flareups in tensions.
    - **Taiwan:** The current approach towards Taiwan is also likely to continue – i.e., the provision of military commitments and the likely defense of the island in the event of an invasion by China (though she has not made any specific commitments on this front).

Split Government

OUTCOME 3: SPLIT GOVERNMENT (40%)

While the lack of a sweep would place limits on what a split government under either Harris or Trump could do, several notable – and differing – policy catalysts remain on the table for both.

Split government scenario under Trump (15%)

What this means	Arguments in favor	Arguments against
GOP President DEM House GOP Senate	• **Currently narrow House GOP** majority combined with **several Democrat favored redistricting cases** could tip the House in the Dems' favor even when the GOP wins elsewhere.	• A **Trump** victory could have coattails for key House races.

More Likely Impacts	Less Likely Impacts
• Increase in tariffs and trade restrictions. • Greater volatility with China and focus on limiting China's technological capacity. • More favorable environment for smaller M&A, but less so major deals.	• Clear path forward for Fed monetary policy • Robust regulatory agenda • AI restrictions via Executive Order

Split government scenario under Democrats (25%)

What this means	Arguments in favor	Arguments against
DEM President DEM/GOP House GOP Senate	• Democrats are defending 23 Senate Seats to Republican's 11. Democrats have no room for error with an almost certain pickup in WV.	• Senate races frequently fall in one direction, giving Democrats the chance to retain the majority.

More Likely Impacts	Less Likely Impacts
• Continuation of current China policy with targeted trade barriers for China. • Active antitrust enforcement.	• Full 10-year extension of tax cuts, but less likely an increase in corporate tax rates.

Split Government (Trump)

SPLIT GOVERNMENT POLICY IMPLICATIONS

A Trump presidency and split Congress brings many of the same impacts as a GOP sweep given the ability to enact tech restrictions and tariffs without Congress, compromise on taxes remains possible.

- **Inflationary impact likely still higher relative to Harris:** Certain key policy issues supporting the possibility of higher inflation under former President Trump (see slide 23) would require congressional approval, relatively reducing the inflationary impact of a Trump presidency and split Congress – though tariff risk remains.
- **Individual and corporate tax rates:** Extension of the individual provisions of the TCJA is likelier than not, but key concessions will likely be required to secure Democratic support. We see greater variability in corporate rate outcomes given a Democratic push to raise the corporate rate in combination with support from some congressional Republicans; a raise remains unlikely under Trump, but, again, concessions will be key.
- **Corporate tax incentives still likely:** The restoration of full domestic R&D expensing, 100% bonus depreciation, and full interest deductions in exchange for Democratic tax priorities such as the expanded Child Tax Credit is a likely outcome in this scenario.
- **Ongoing national security pressures on tech:** The tech industry would likely face increased scrutiny and pressure related to national security concerns, particularly regarding China. With bipartisan consensus on China policy, a Republican-controlled House or Senate could accelerate hawkish measures targeting the tech sector. President Trump's tendency to cause diplomatic flare-ups through statements could further complicate matters for tech companies operating globally.

Key points

- **Inflationary impact likely lower than under GOP sweep, but tariffs can still act as a pressure.**
- **Major changes to corporate tax rate unlikely, but greater incentives to pass tailored corporate tax breaks supporting R&D/capex.**
- **Focus on innovation and deregulating artificial intelligence, potential slowdown of implementation of guardrails.**
- **Continued spending on cybersecurity.**
- **Continued DOJ and FTC scrutiny of large tech deals.**
- **Higher risk of debt limit drama than under a GOP sweep.**
- **Geopolitical questions remain open.**

Split Government (Trump)

SPLIT GOVERNMENT POLICY IMPLICATIONS

Trump and Republicans will seek compromise on tax policy, but executive action on AI, cyber, tech restrictions, US-China relations, and tariffs likely bring volatility.

- **Debt limit drama:** A split government scenario will raise the risk of market volatility/fears around the debt limit debate – expect brinkmanship around the specifics.
- **Trade wars:** Trump has called for 10% worldwide tariffs beyond China – which may be harder to implement without Congressional approval. Intent of tariffs (encouraging the EU to limit technology sharing with China and for NATO members to reach 2% of GDP defense spending target) remains the same as under a GOP sweep.
- **China policy:** Trump has called for 60% tariffs on Chinese goods and further restrictions on China's access to U.S. technology; while specific tariff rates have yet to be decided, much can be done without Congressional authorization. Expect greater volatility with regard to China policy decisions, with more being made unilaterally without allies.
- **AI:** Under a divided government scenario, Trump would likely prioritize innovation and reduced regulatory burden on developers— potentially slowing or preventing the implementation of major guardrails for AI development and deployment. Any new rules underscored by a national security focus.
- **Cybersecurity:** Cybersecurity would remain a critical focus, especially in the light of recent high-profile incidents like the Crowdstrike outage. A Trump administration, likely with bipartisan support, would continue to emphasize increased spending on cybersecurity measures.
- **Semis:** We view additional federal support for the semiconductor industry (either through direct funding incentives in response to demonstrated needs or expedited permitting for fab buildout) as a likely outcome across all scenarios.

Split Government (Trump)

SPLIT GOVERNMENT POLICY IMPLICATIONS

Trump has relatively less maneuvering room on tax policies, but would prioritize deregulation in AI and cybersecurity, while pursuing aggressive trade and China policies— potentially increasing market volatility.

- **Social media:** The regulation of social media platforms would likely center around issues of child online safety, with social media companies facing pressure to implement robust age verification systems. Trump's previous conflicts with social media companies over content moderation could resurface, leading to Section 230 reforms.
- **Geopolitical risk:** The composition of Congress will have relatively limited impacts on the geopolitical risk front, but bills to advance sanctions and/or trade treatment on China (and potentially other countries) could act as an accelerant to Trump's agenda. We saw significant market reaction recently when Trump's support of Taiwan was questioned.
- **FTC:** FTC Chair Khan replaced and Republicans have majority on FTC board. As "personnel is policy," her replacement will dictate policy implications.
- **M&A:** While the DOJ and FTC would be able to pursue much of their agenda regardless of Congress, expect additional scrutiny/pressure placed on their activities.

Split Government (Harris)

SPLIT GOVERNMENT POLICY IMPLICATIONS

The absence of full Democratic control of Congress will curtail the extremes of Harris policy priorities. A Harris presidency + GOP Senate could arguably be the setup that is most conducive to a predictable path forward.

- **More favorable corporate tax setup:** The absence of a Democratic sweep will materially reduce the likelihood that the corporate rate is raised under this scenario (even with a push from certain House Republicans to raise the rate given the high likelihood of a Republican Senate). The conversation around individual rates will likely be more fluid, but we see the need for dealmaking as elevating the possibility that corporate tax deductions including bonus depreciation and R&D expensing are passed as negotiating leverage (for more background, see slides 34-35).
- **Ongoing national security pressures on tech:** The presence of a Republican House and/or Senate could arguably accelerate the number of hawkish tech measures coming out of Congress given that China policy remains one of the few areas of bipartisan consensus in DC. From the regulatory/administrative angle, we would expect a status quo approach in line with the current administration's approach and our expectations outlined under a Democratic sweep.
- **Geopolitics:** Geopolitical risk remains elevated, though the combination of a Harris presidency and Republican Senate could further accelerate the existing uptick in defense spending levels given the Senate GOP's historic support for defense initiatives.
- **M&A:** While the DOJ and FTC would be able to pursue much of their agenda regardless of Congress, expect additional scrutiny/pressure placed on their activities.

Key points

- **Reduced risk around corporate tax shifts, and additional incentives to pursue tax breaks.**
- **Additional incentives to advance priorities from regulatory angle, but recent SCOTUS decisions remain limiting factor here.**
- **Additional scrutiny/pressure placed on 'big tech' M&A.**
- **New rules for AI driven from the regulatory angle and with a national security focus.**
- **Bipartisan Consensus on China could supercharge activities across defense spending, tech restrictions, and trade.**

Split Government (Harris)

SPLIT GOVERNMENT POLICY IMPLICATIONS

While the lack of Democratic support in both chambers to advance tech policy priorities will create additional incentives to push for regulatory priorities, the rulemaking landscape ahead will be constrained.

- **Additional emphasis on regulatory avenues:** We see additional incentives for a Harris administration to pursue policy objectives through the regulatory process absent a Democratic supermajority in Congress providing authorization; however, the post-*Chevron* state of play will continue to place limitations on the scope and aggressiveness of any new rules – we provide more background on what these could include in the DEM Sweep section of this report.

- **Higher volatility limit debate:** Split government will likely produce a rockier road for raising the debt limit, though outcomes will vary if the GOP component of this split government scenario comprises of just the Senate (likely lower volatility) or also the House (likely higher volatility).

- **AI:** New rules likely driven from the regulatory angle and with a national security focus. A GOP desire to promote innovation and reduce the regulatory burden on AI developers likely reduces the likelihood of major guardrails being passed into law.

- **U.S.-China:** Bipartisan consensus on China (and not many other issues) could supercharge activities across defense spending, tech restrictions, trade, scrutiny of U.S. investment into China, and federal support for key technologies.

- **Geopolitics:** Geopolitical risks under a Harris administration are likely consistent regardless of the composition of Congress; however, the possibility of additional defense spending to respond to geopolitical risks is elevated in this scenario.

TECHNOLOGY/ TELECOM SECTORS ANALYSIS

Summary

MARKET OVERVIEW EXECUTIVE SUMMARY

- **Technology a home run under Biden, Communications Services mixed:** Since Biden's inauguration, the technology sector has outperformed the market by 34% (with a lot of help from AI-driven spending since early 2023), while the communications services sector has underperformed the market by ~13%, as weakness in traditional telecom/media has been partially offset by strong gains in digital media. Technology has been impacted substantially by the COVID lockdowns as consumer and enterprise purchases of technology products increased materially, then after a hangover from this spending in 2022, AI-related spending in 2023/2024 and the promise of that spending continuing for several years has sent valuations meaningfully higher. Whether this continues is likely to be the biggest determinant of tech performance going forward.

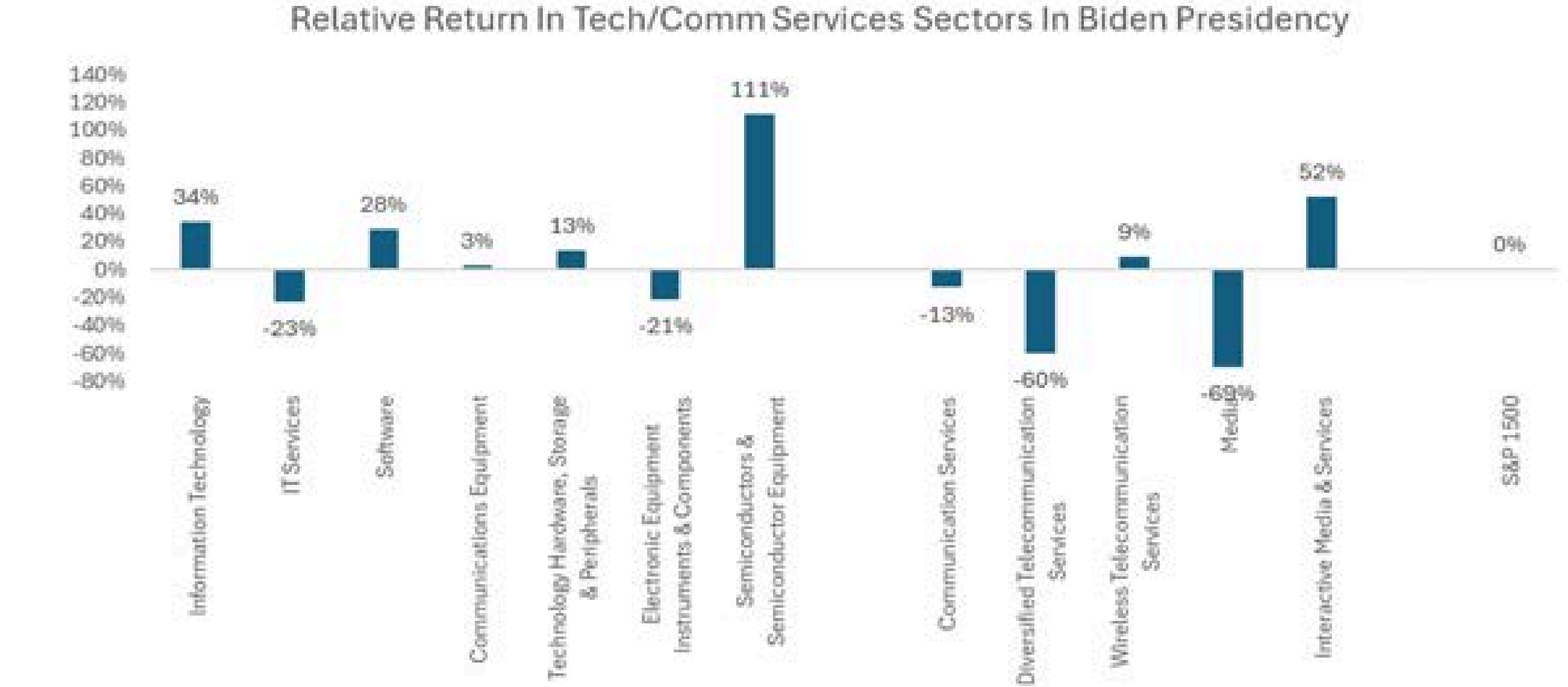
- **Valuation/EPS momentum setup:** The P/E of the technology sector is ~36% higher than in 2019, a premium that has all been built since early 2023 due to the AI spending trend. Broadly speaking, the communications services sector is trading at ~13% discount to 2019, which is a combination of much lower P/Es at traditional telco and media equities and 57% higher P/E in the digital media sector. Traditional telco and legacy media valuations have been hurt by a fundamental lack of growth combined with higher financial across these areas of the market.

- **Generally, technology does better under Democratic leadership:** The technology sector has performed much better under Democratic leadership, and weaker under Republican leadership. Whether this would be the case the next 4 years is unclear, but generally regulatory risk is reasonably high regardless of political party. Of note, communications services has done relatively poorly under both Democratic and Republican leadership, though most of this is due to relatively recent inclusion of large digital media players into the communications services sector.

- **Historically, in an election year, the technology sector generally outperforms into the election if Democrats win and continues this momentum post-election.** The opposite has tended to occur when Republicans win the election with modestly weak/mixed performance ahead of the election continues post-election.

Summary

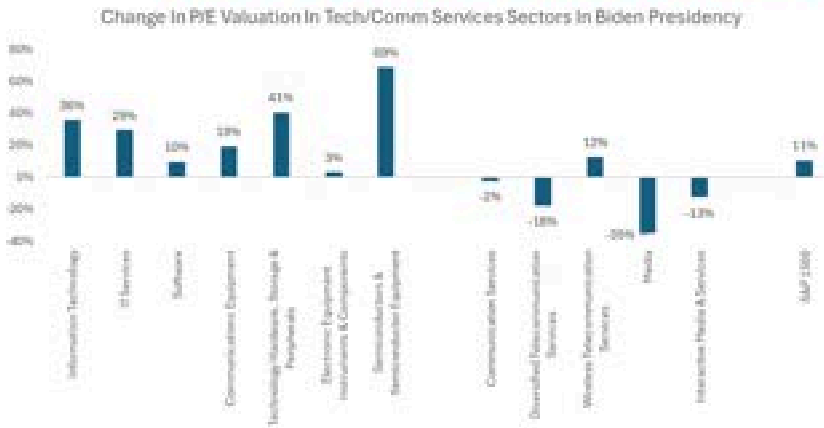
SEMIS, SOFTWARE, DIGITAL MEDIA STRONG, TELCO/TRADITIONAL MEDIA WEAK UNDER BIDEN



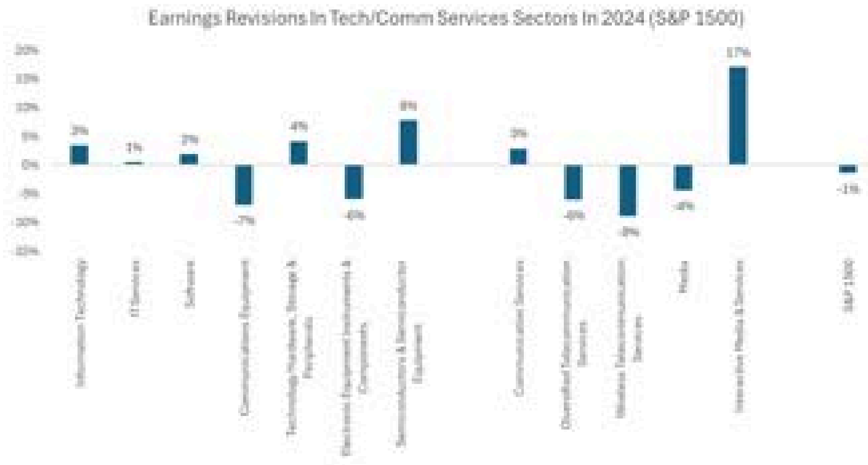
Source: FactSet, Raymond James research

Summary

TECH P/E EXPANDED BROADLY UNDER BIDEN, COMM SERVICES MIXED VS. 2019



P/E across technology are universally higher than 2019 with semiconductor P/Es expanding the most. P/E is more mixed across communications services.

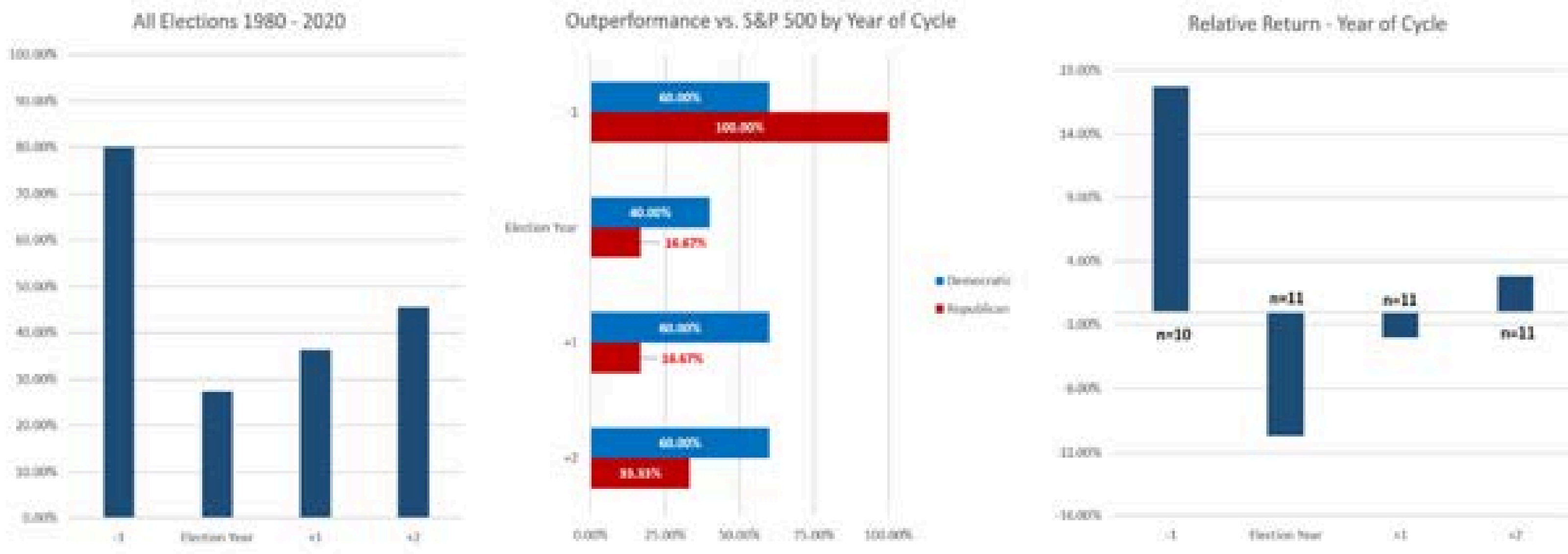


Earnings revisions have been modestly positive across technology in 2024, with semiconductor EPS estimates up +8%, while comm equipment have decreased by -7%. Digital media EPS expectations have increased +17% in 2024, while traditional telco EPS has decreased 6%-9%.

Source: FactSet, Raymond James research

Information Technology

PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research

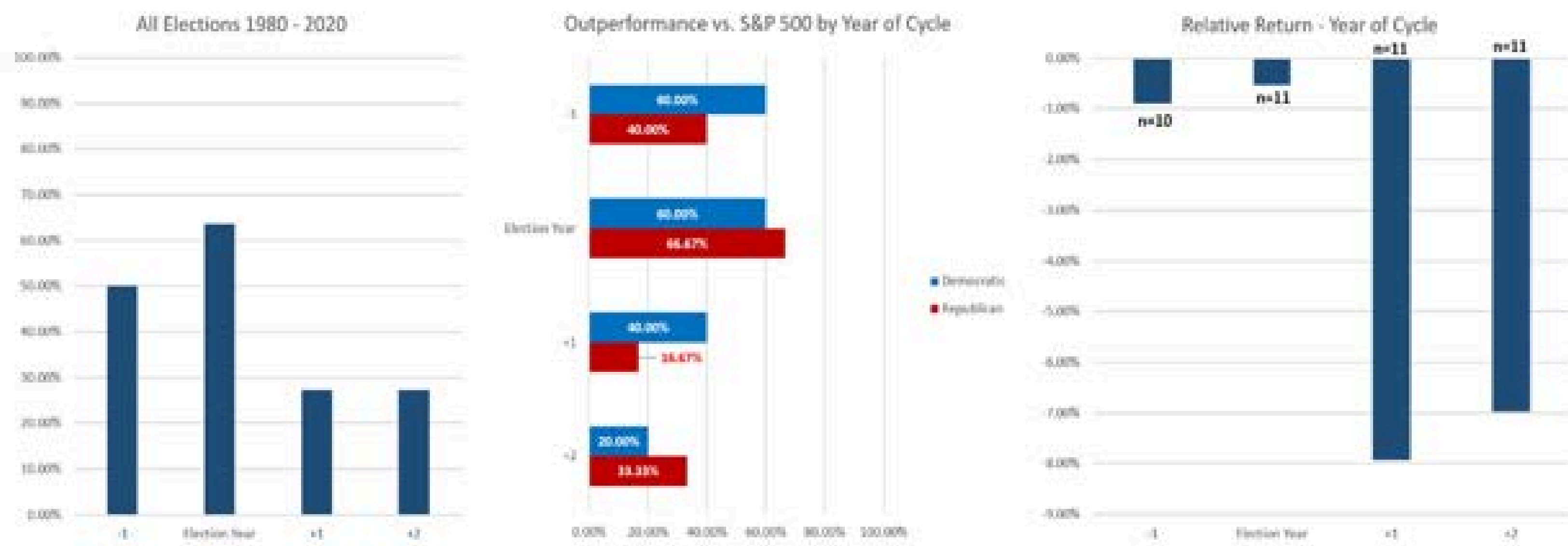
Information Technology

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION

Source: Bloomberg, FactSet, Raymond James research

Communication Services

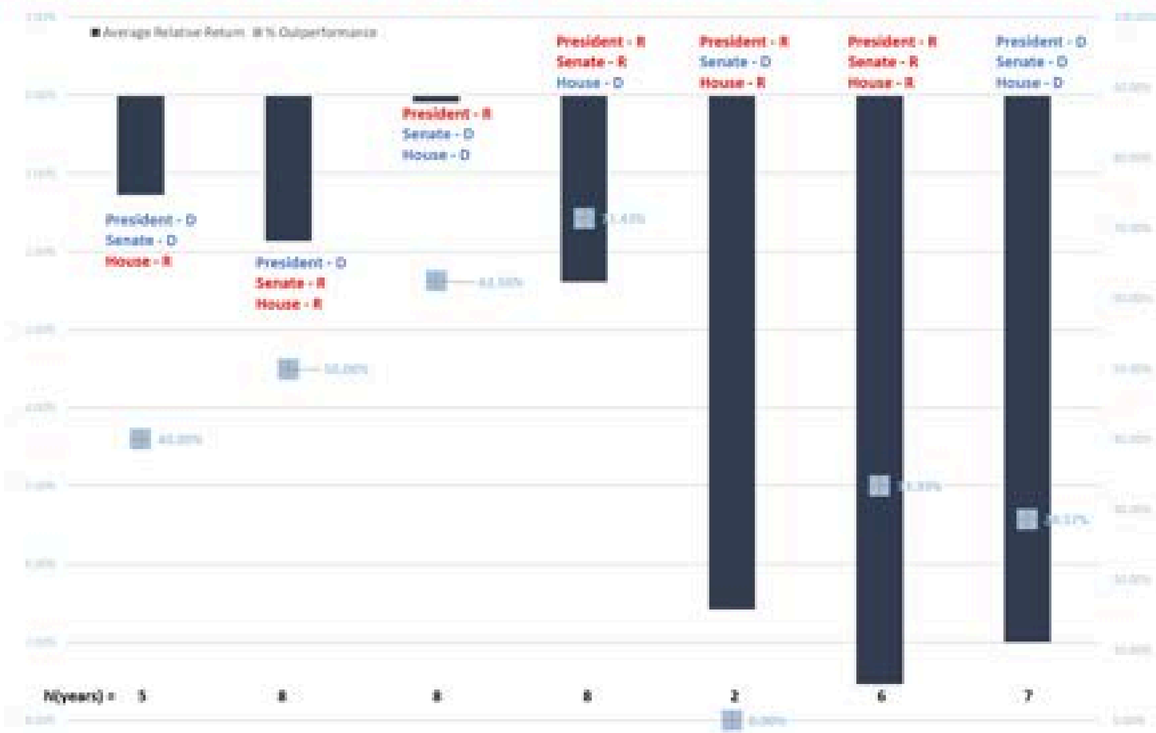
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research

Communication Services

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research

TMT

RELATIVE PERFORMANCE OF INDUSTRIES AROUND ELECTION DAY

Source: Bloomberg, FactSet, Raymond James research

TMT

KEY TAKEAWAYS: TECHNOLOGY & COMMUNICATIONS SERVICES

Republican Presidents

- When a Republican has won the election, technology tends to be weak into the election and then more mixed post-election.
- Across the entire 4 years, technology has underperformed materially, on average, with Republican leadership, most notably in the year of the election and year after.

Democratic Presidents

- When a Democrat has won the election, technology and communications services performance has been mixed heading into the election, but generally quite positive post-election.
- Across the entire 4-year cycle, technology sector returns have been very strong under democratic leadership, with comm services quite weak (largely because for most of the time, digital media companies were not included in communications services).

Our View

- Given the strong performance and P/E expansion across technology in the last 4 years, we suspect performance in this sector will be more dependent on to what degree AI-related spending continues for the forthcoming 4+ years than what party is in office, but at least initially, a Democrat win is likely a positive for technology.

INDUSTRY-BY-INDUSTRY ANALYSIS

Software

KEY TAKEAWAYS: SOFTWARE

Historical Takeaways

Average Performance Over Time (vs. S&P 500)

- Outperforms in E-1
- Outperforms in E0
- Outperforms in E+1
- Underperforms in E+2

- On average, software historically performs best under a **Democratic presidency + Republican Congress.**
- On average, software historically performs worst under a **Republican presidency + Democratic Congress.**

Analysts' Best-Positioned

DEM Sweep

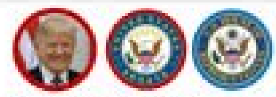
CRWD, DDOG, FTNT, GTLB, GWRE, S, VEEV, WAY, WK

GOP Sweep

CDW, CRM, CRWD, DDOG, FTNT, GTLB, HUBS, NCNO, QTWO, RNG, S

DEM WH/Split Congress

CRWD, DDOG, FTNT, GTLB, MSFT, S



GOP WH/Split Congress

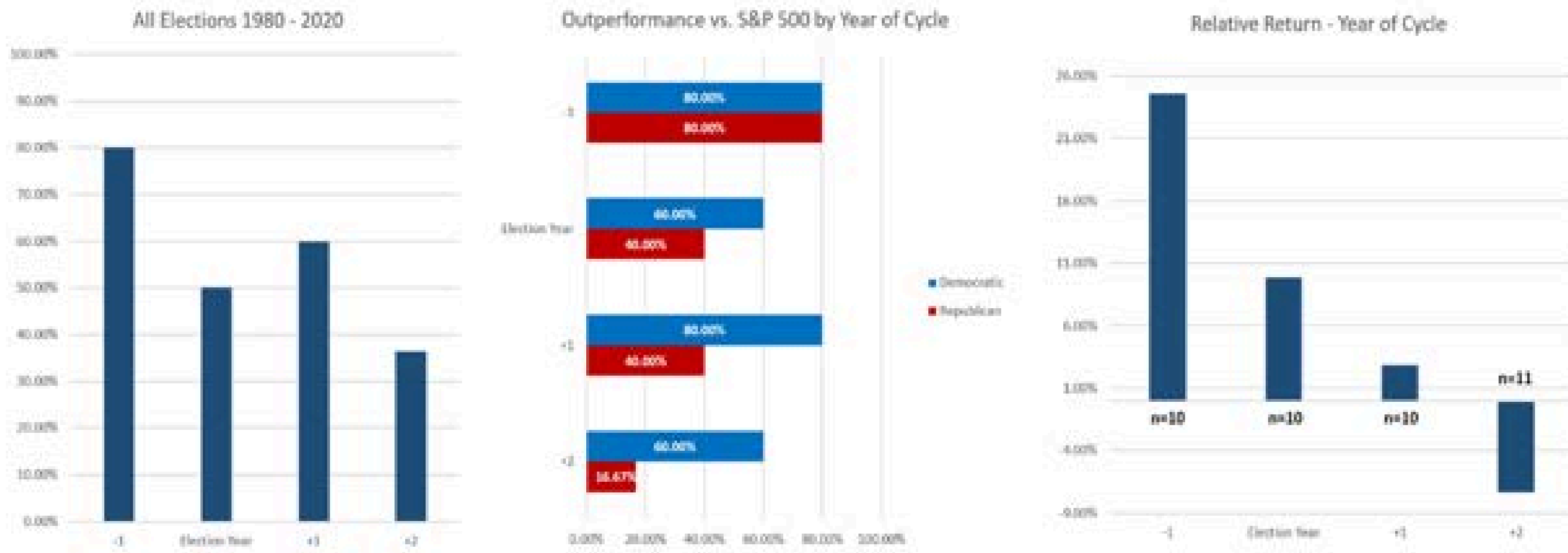
CRWD, DDOG, FTNT, GTLB, MSFT, S

Key Takeaways

- A potentially lower interest rate environment under a **Republican presidency** could see higher valuation multiple stocks in favor, while cybersecurity and software aiding developers would remain critical under **all scenarios.**
- Under a **Democratic presidency**, there may be a modest preference for high margin vertical software — typically viewed as less cyclically exposed.

Software

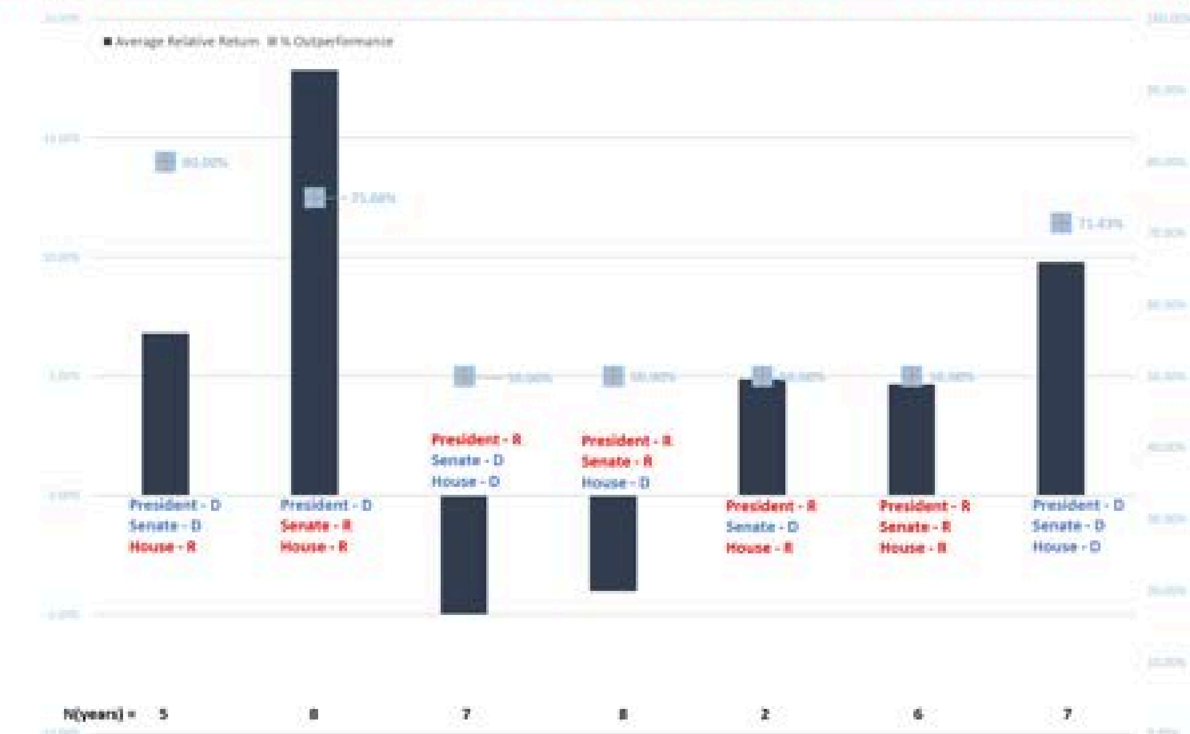
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research

Software

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research

Software

ANALYSTS' BEST-POSITIONED NAMES: SOFTWARE

GOP Sweep

What this means

- GOP President
- GOP House
- GOP Senate

CRM, HUBS, NCNO, QTWO, RNG

Brian Peterson, Alexander Sklar

We think the corporate tax rate (and subsequent IT spending environment) looks more favorable with a GOP sweep, and thus believe that more cyclical software stocks (and cash tax payers) may see incremental benefits. This also goes for some of our vertical software names exposed to end markets that are high cash tax payers. Additionally, the potential of a lower regulatory backdrop may also positively impact vertical software aligned to highly federally regulated industries (i.e., Banks). Although, in any scenario, we wouldn't view the election as a substantial catalyst for growth.

CRWD, DDOG, FTNT, GTLB, S

Adam Tindle

We believe higher valuation multiple stocks can benefit irrespective of a GOP or DEM controlled/majority scenario, as lower interest rates should aid growth and investor risk tolerance. Cybersecurity and software aiding developers/IT operations should remain critical in any election outcome, and lower corporate tax rates could offset amortizing R&D expenses in capital-light businesses.

Software

ANALYSTS' BEST-POSITIONED NAMES: SOFTWARE

DEM Sweep

What this means

- DEM President
- DEM House
- DEM Senate

GWRE, VEEV, WAY, WK

Brian Peterson, Alexander Sklar

We see a modest preference for high margin vertical software names that could be viewed as less cyclically impacted, with some incremental benefit to companies exposed to climate and carbon regulatory reporting. Although, in any scenario, we wouldn't view the election as a substantial catalyst for growth.

CRWD, DDOG, FTNT, GTLB, S

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Software

ANALYSTS' BEST-POSITIONED NAMES: SOFTWARE

Split government under Trump

What this means

GOP President

DEM House

GOP Senate

MSFT

Andrew Marok

We envision Microsoft as a winner in a split outcome (either GOP pres/DEM congress or vice versa). Neither party is particularly friendly to Big Tech, though for markedly different reasons. Microsoft could potentially be a target of regulatory interest on anti-trust lines given its scale, as well as around emerging technologies like AI. We see a split government as the best outcome for MSFT, not allowing either party to fully enact a regulatory agenda to the fullest extent.

CRWD, DDOG, FTNT, GTLB, S

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Software

ANALYSTS' BEST-POSITIONED NAMES: SOFTWARE

Split government under Harris

What this means

- **DEM President**
- **DEM/GOP House**
- **GOP Senate**

MSFT

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CRWD, DDOG, FTNT, GTLB, S

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Communications Equipment

KEY TAKEAWAYS: COMMUNICATIONS EQUIPMENT

Historical Takeaways

Average Performance Over Time (vs. S&P 500)

- Outperforms in E-1
- Outperforms in E0
- Outperforms in E+1
- Outperforms in E+2

- On average, communications equipment historically performs best under a **Republican presidency + split Congress (Democratic House + Republican Senate).**
- On average, communications equipment historically performs worst under a **Republican presidency + split Congress (Republican House + Democratic Senate).**

Analysts' Best-Positioned

DEM Sweep	GOP Sweep
ANET, COHR, CSCO, DELL, HLIT, HPE, NOK, PSTG	ANET, COHR, CSCO, DELL, HPE, PSTG

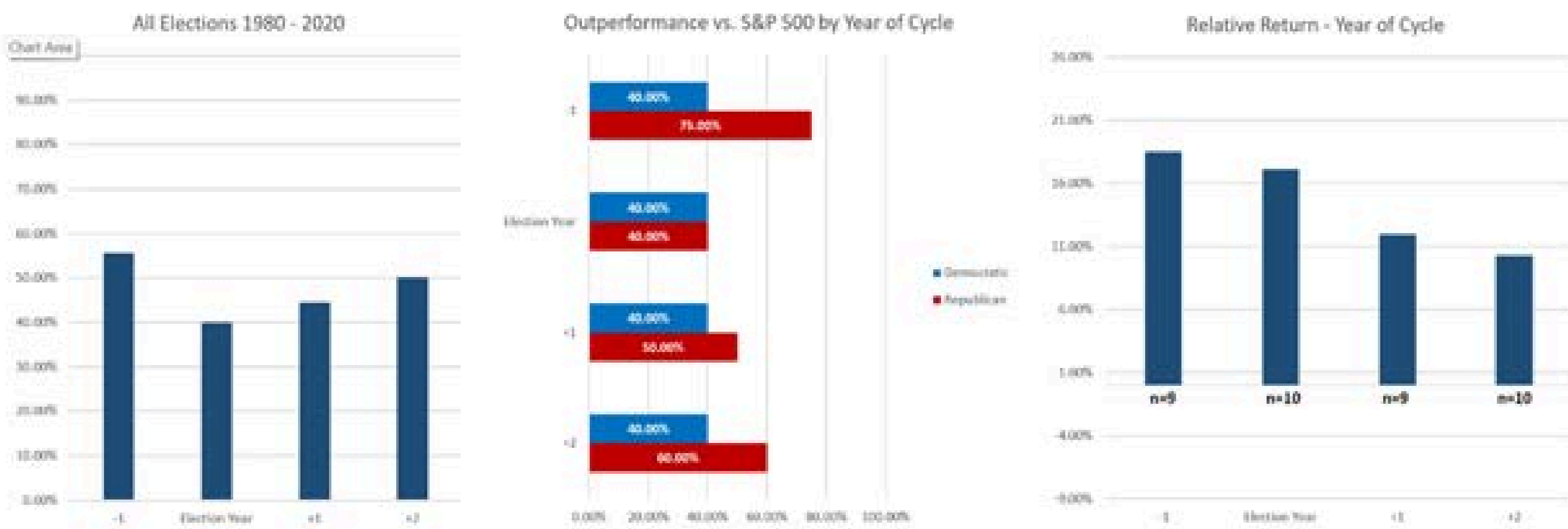
DEM WH/Split Congress	GOP WH/Split Congress
ANET, COHR, CSCO, DELL, HLIT, HPE, NOK, PSTG	ANET, COHR, CSCO, DELL, HPE, PSTG

Key Takeaways

- Under a **Republican presidency,** secular themes such as infrastructure virtualization likely to provide tailwinds, while AI infrastructure buildout could benefit ASPs and scale players.
- **In a Democratic presidency,** the same trends are likely to apply with benefits accruing to ethernet providers and enterprise-focused players as AI workloads increase.

Communications Equipment

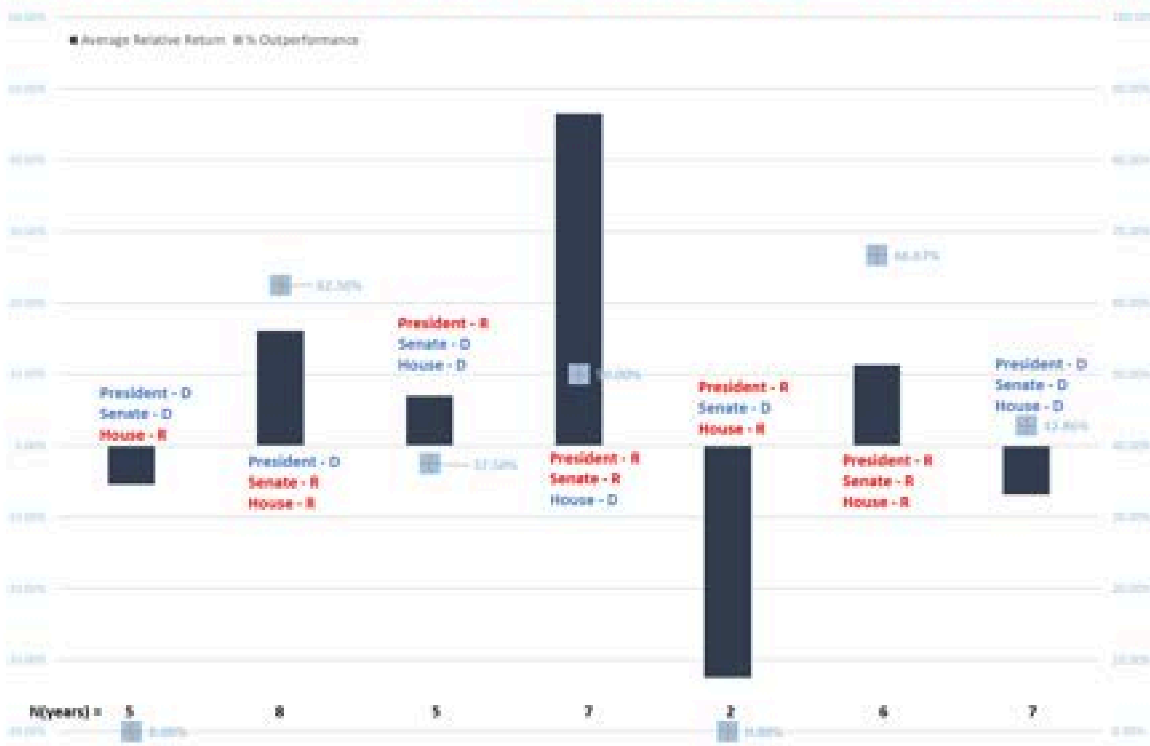
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research

Communications Equipment

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research

Communications Equipment

ANALYSTS' BEST-POSITIONED NAMES: COMMUNICATIONS EQUIPMENT

GOP Sweep

What this means

- GOP President
- GOP House
- GOP Senate

ANET, COHR, CSCO, DELL, HPE, PSTG

Simon Leopold

We see the A.I. infrastructure buildout still in early innings. Constructing an AI platform resembles any data center; however, these systems are on steroids. For the A.I. backend, networking actually can be considered part of the compute infrastructure and thus accelerates development cycles which we think benefits ASPs and scale players/tech leaders. As A.I. workloads drive more traffic through the front-end of the network, and/or enterprise adoption accelerates and hyperscalers break free from Nvidia's bundling power, we see this benefit starting to accrue to Ethernet providers and enterprise focused solutions providers.

Communications Equipment

ANALYSTS' BEST-POSITIONED NAMES: COMMUNICATIONS EQUIPMENT

DEM Sweep

What this means

DEM President

DEM House

DEM Senate

ANET, COHR, CSCO, DELL, HLIT, HPE, NOK, PSTG

Simon Leopold

Democrats may require BEAD to be union-built networks. This favor tier 1 carriers like AT&T and Charter & thus Nokia and Harmonic given their respective exposures. We also see Harmonic benefiting from two powerful CATV themes 1) the virtualization of cable infrastructure, to which Harmonic has first mover advantage and key customer wins including Charter and Comcast, and 2) the rollout of DOCSIS 4.0, which promises to elevate CATV investment spending over the next several years.

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Communications Equipment

ANALYSTS' BEST-POSITIONED NAMES: COMMUNICATIONS EQUIPMENT

Split government under Trump

What this means

- **GOP President**
- **DEM House**
- **GOP Senate**

ANET, COHR, CSCO, DELL, HPE, PSTG

Simon Leopold

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Communications Equipment

ANALYSTS' BEST-POSITIONED NAMES: COMMUNICATIONS EQUIPMENT

Split government under Harris

What this means


DEM President


DEM/GOP House

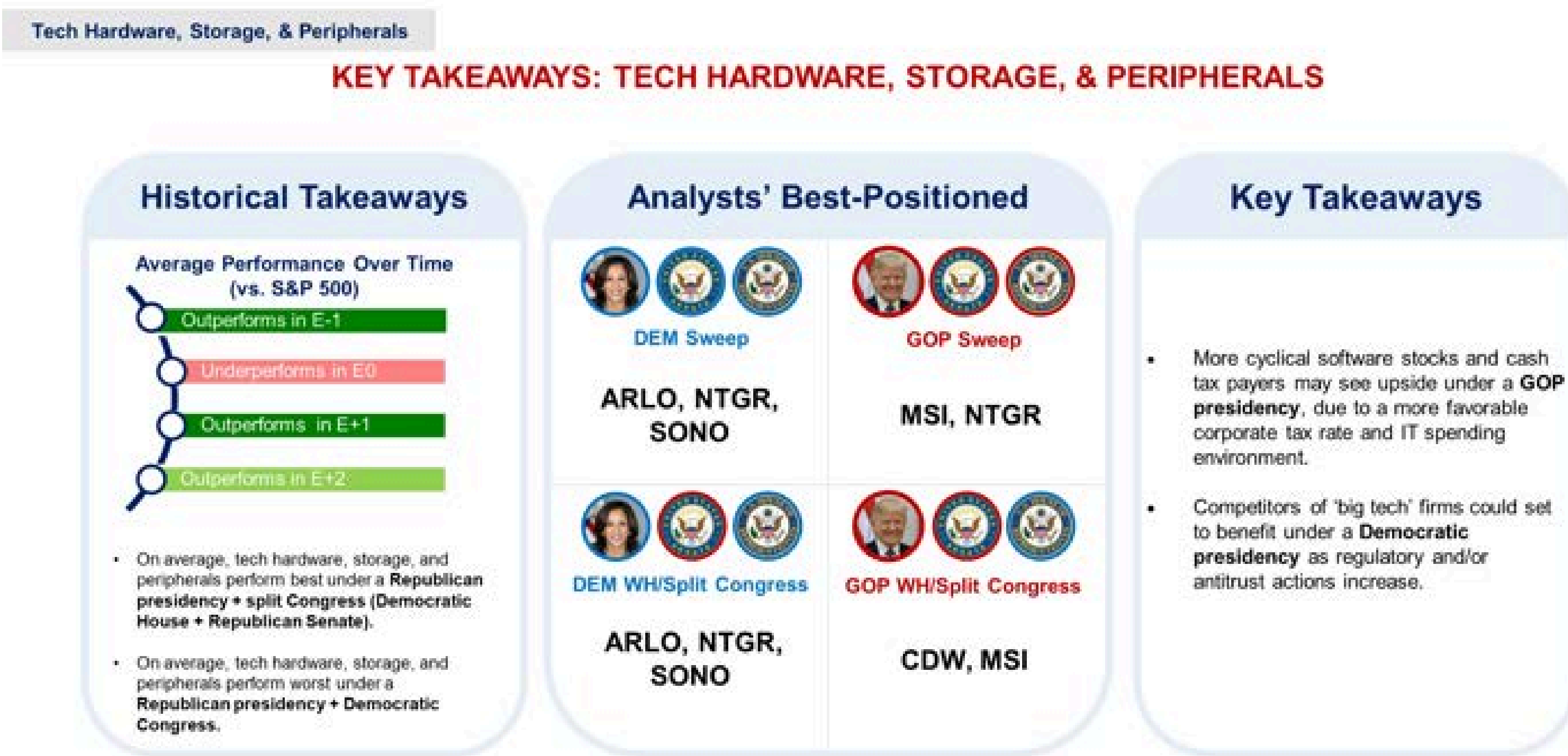

GOP Senate

ANET, COHR, CSCO, DELL, HLIT, HPE, NOK, PSTG

Simon Leopold

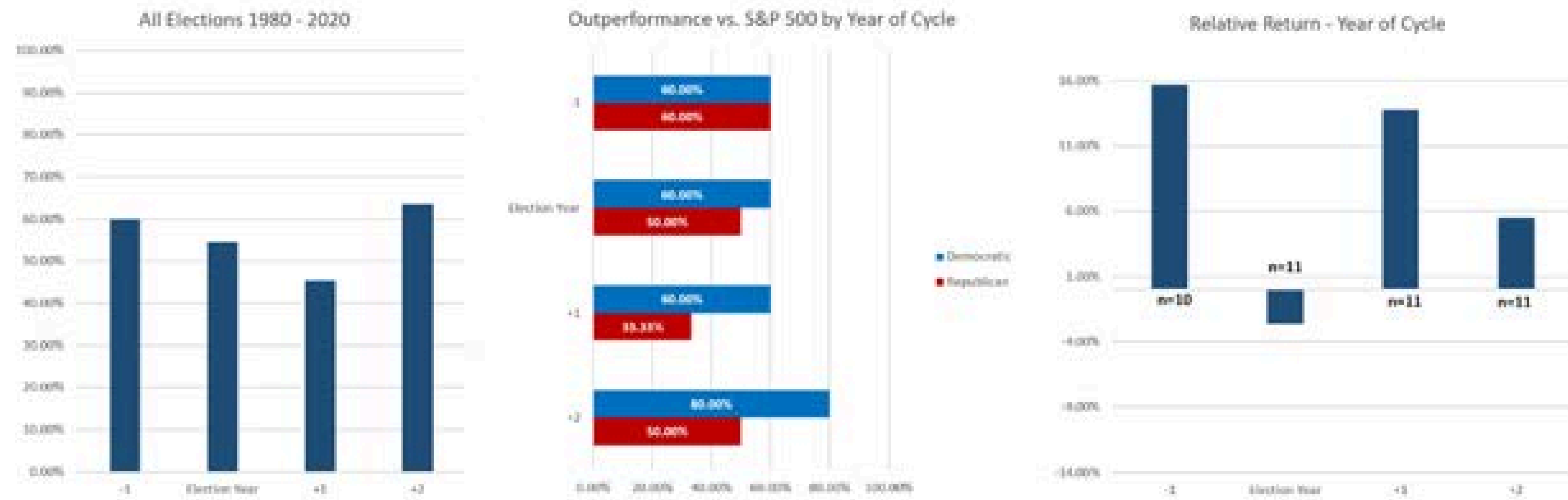
Democrats may require BEAD to be union-built networks. This favor tier 1 carriers like AT&T and Charter & thus Nokia and Harmonic given their respective exposures. We also see Harmonic benefiting from two powerful CATV themes 1) the virtualization of cable infrastructure, to which Harmonic has first mover advantage and key customer wins including Charter and Comcast, and 2) the rollout of DOCSIS 4.0, which promises to elevate CATV investment spending over the next several years.

We see the A.I. infrastructure buildout still in early innings. Constructing an AI platform resembles any data center; however, these systems are on steroids. For the A.I. backend, networking actually can be considered part of the compute infrastructure and thus accelerates development cycles which we think benefits ASPs and scale players/tech leaders. As A.I. workloads drive more traffic through the front-end of the network, and/or enterprise adoption accelerates and hyperscalers break free from Nvidia's bundling power, we see this benefit starting to accrue to Ethernet providers and enterprise focused solutions providers.


Tech Hardware, Storage, & Peripherals
KEY TAKEAWAYS: TECH HARDWARE, STORAGE, & PERIPHERALS
Historical Takeaways
Average Performance Over Time (vs. S&P 500)
Outperforms in E-1
Underperforms in E0
Outperforms in E+1
Outperforms in E+2
• On average, tech hardware, storage, and peripherals perform best under a Republican presidency + split Congress (Democratic House + Republican Senate).
• On average, tech hardware, storage, and peripherals perform worst under a Republican presidency + Democratic Congress.
Analysts' Best-Positioned
DEM Sweep
ARLO, NTGR, SONO
GOP Sweep
MSI, NTGR
DEM WH/Split Congress
ARLO, NTGR, SONO
GOP WH/Split Congress
CDW, MSI
Key Takeaways
• More cyclical software stocks and cash tax payers may see upside under a GOP presidency, due to a more favorable corporate tax rate and IT spending environment.
• Competitors of 'big tech' firms could set to benefit under a Democratic presidency as regulatory and/or antitrust actions increase.

Tech Hardware, Storage, & Peripherals

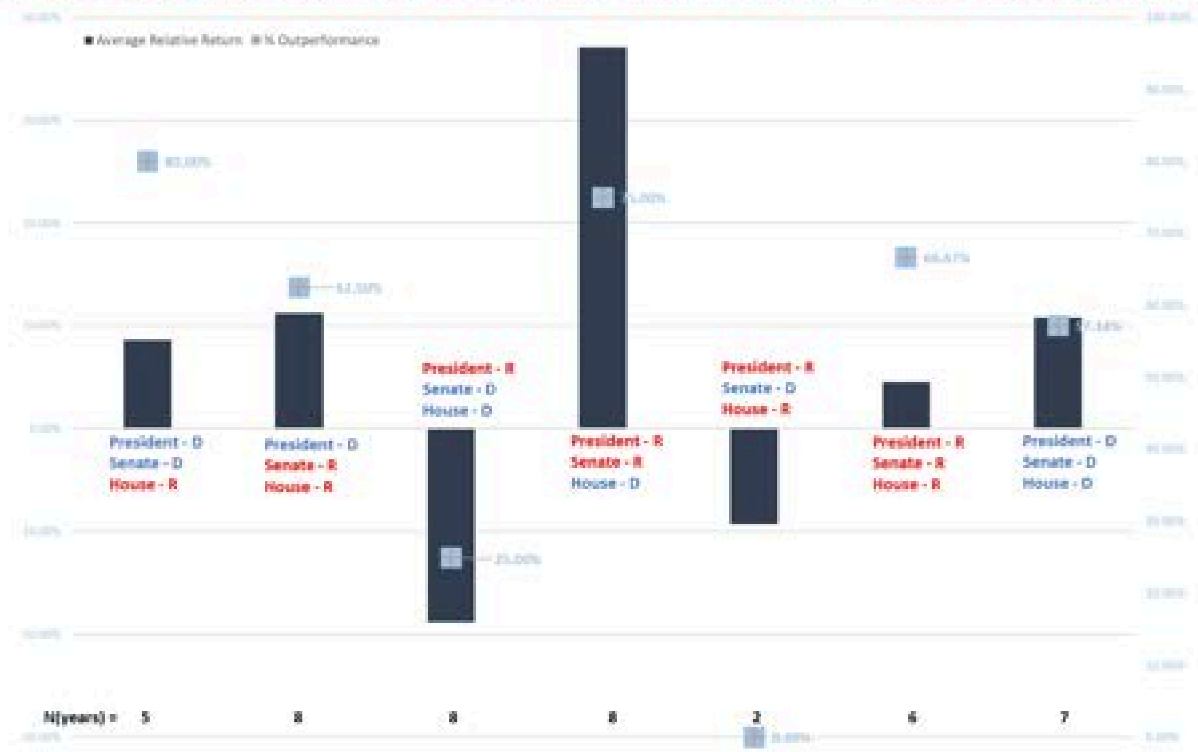
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research;

Tech Hardware, Storage, & Peripherals

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research

Tech Hardware, Storage, & Peripherals

ANALYSTS' BEST-POSITIONED NAMES: TECH HARDWARE, STORAGE, & PERIPHERALS

GOP Sweep

What this means

- GOP President
- GOP House
- GOP Senate

CDW, MSI, NTGR

Adam Tindle

These companies have been tax reform beneficiaries. First responder funding (MSI) is generally positive under a GOP regime. If national security comes more to the forefront, higher regulation or ban on Chinese products benefits U.S. competitors with large Chinese competition in U.S. markets (NTGR).

Tech Hardware, Storage, & Peripherals

ANALYSTS' BEST-POSITIONED NAMES: TECH HARDWARE, STORAGE, & PERIPHERALS

DEM Sweep

What this means

- DEM President
- DEM House
- DEM Senate

ARLO, NTGR, SONO

Adam Tindle

These companies compete with AMZN and GOOG, so any increase in regulatory or antitrust actions against those Big Tech names would benefit their competitors. If national security comes more to the forefront, higher regulation or ban on Chinese products benefits U.S. competitors with large Chinese competition in U.S. markets (NTGR).


Tech Hardware, Storage, & Peripherals
ANALYSTS' BEST-POSITIONED NAMES: TECH HARDWARE, STORAGE, & PERIPHERALS
Split government under Trump
What this means
GOP President
DEM House
GOP Senate
CDW, MSI
Adam Tindle
These companies have been beneficiaries of tax reform. Support for first responders (MSI) is generally positive under a GOP regime.

Tech Hardware, Storage, & Peripherals

ANALYSTS' BEST-POSITIONED NAMES: TECH HARDWARE, STORAGE, & PERIPHERALS

Split government under Harris

What this means

- **DEM President**
- **DEM/GOP House**
- **GOP Senate**

ARLO, NTGR, SONO

Adam Tindle

These companies compete with AMZN and GOOG, so any increase in regulatory or antitrust actions against those Big Tech names would benefit their competitors.

Semiconductors & Semiconductor Equipment

KEY TAKEAWAYS: SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT

Historical Takeaways

Average Performance Over Time (vs. S&P 500)

- On average, semiconductors and semiconductor equipment historically performs best under a **Democratic presidency + Split Congress (Republican House + Democratic Senate).**
- On average, semiconductors and semiconductor equipment historically performs worst under a **Republican presidency + Split Congress (Democratic House + Republican Senate).**

Analysts' Best-Positioned

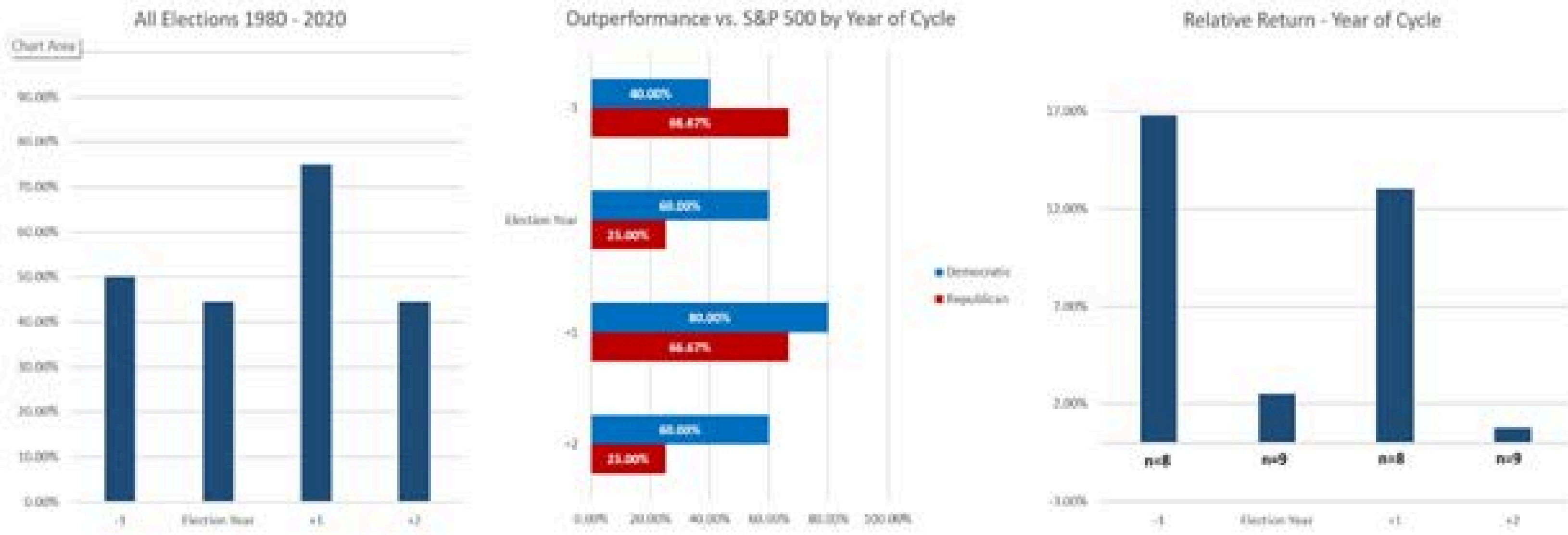
DEM Sweep	GOP Sweep
FLEX, INTC, JBL	AAPL, ADI, INTC, NVDA, MCHP, PLXS, TXN
DEM WH/Split Congress	**GOP WH/Split Congress**
INTC, NVDA	INTC, NVDA

Key Takeaways

- A **GOP presidency** could see U.S. based fabs benefit, though semicap names could face risks from stricter China export controls.
- Incremental antitrust headwinds under a **Democratic presidency** and intensified DOJ investigations could limit upside.

Semiconductors & Semiconductor Equipment

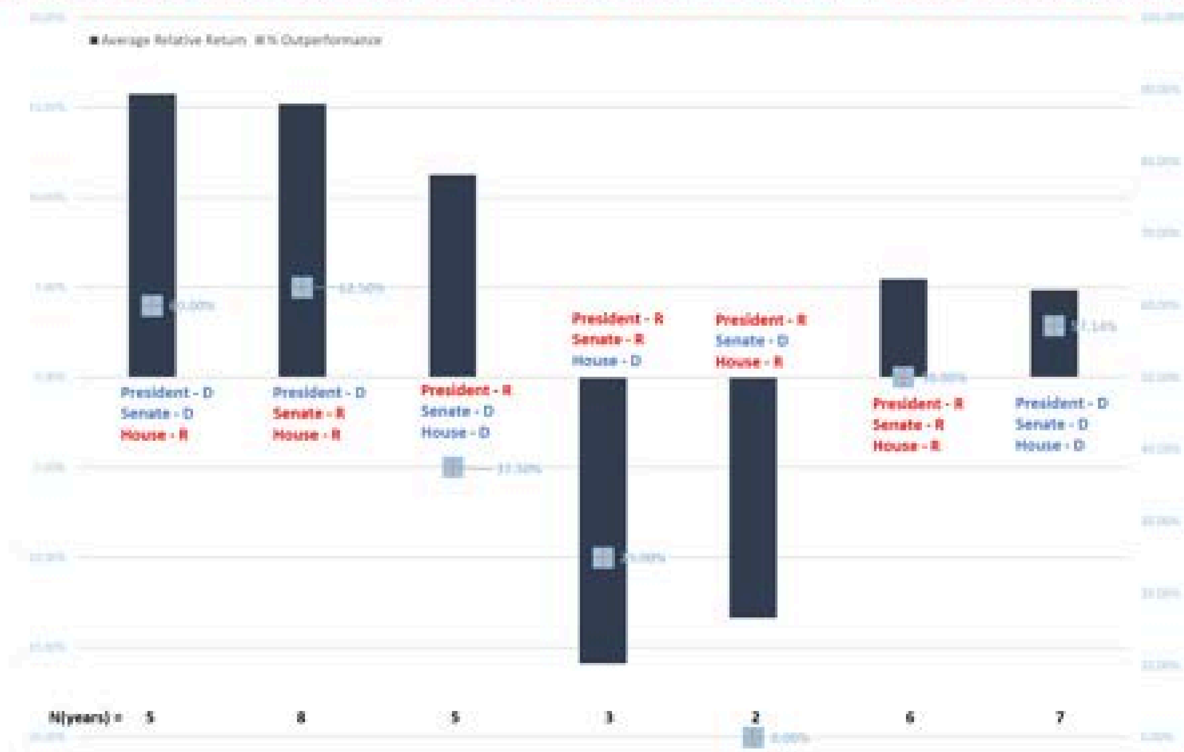
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research.

Semiconductors & Semiconductor Equipment

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research.

Semiconductors & Semiconductor Equipment

ANALYSTS' BEST-POSITIONED NAMES: SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT

GOP Sweep

What this means

GOP President

GOP House

GOP Senate

AAPL, INTC, NVDA

Srini Pajjuri

Trump rhetoric on TSMC is positive for INTC as the only American fab. INTC could benefit from a sentiment standpoint, and potentially additional subsidies or government contracts given its Ohio fab. Trump relationship with Saudi Arabia is incrementally more positive for NVDA obtaining a license to sell high-end chips to the Middle East. Potential easing of DOJ litigation and general antitrust stance is incrementally positive

ADI, MCHP, TXN, PLXS

Melissa Fairbanks

Should we see a Trump win, we would expect the following companies to benefit from a lower overall tax burden: MCHP, ADI, TXN. Notably, the analog semi suppliers should not be materially impacted by incremental tariffs / trade restrictions. Typically, we would expect higher defense spending under a Republican-led administration but note defense investment has already been quite strong in recent years (PLXS is a particular beneficiary).

Semiconductors & Semiconductor Equipment

ANALYSTS' BEST-POSITIONED NAMES: SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT

DEM Sweep

What this means

- DEM President
- DEM House
- DEM Senate

INTC

Srini Pajjuri

INTC has been a key beneficiary of CHIPS funding and could benefit from additional subsidies or government contracts given, especially given its investments in Ohio.

JBL, FLEX

Melissa Fairbanks

We believe all sides are prioritizing domestic / "friendly" manufacturing capacity, and company management teams generally see continued focus on near-shoring / on-shoring, regardless of election results. As such, we don't expect a material difference between outcomes. In terms of generating demand, a Harris win would likely continue to incentivize solar / renewable energy, driving incremental demand for JBL and FLEX in particular

Semiconductors & Semiconductor Equipment

ANALYSTS' BEST-POSITIONED NAMES: SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT

Split government under Trump

What this means

- **GOP President**
- **DEM House**
- **GOP Senate**

INTC, NVDA

Srini Pajjuri

Bipartisan support for homegrown semi companies and Trump rhetoric on TSMC/Samsung should be a positive for INTC as the only American leading edge semi manufacturer. Trump relationship with Saudi Arabia is incrementally positive for NVDA obtaining a license to sell high-end chips to the Middle East.

Semiconductors & Semiconductor Equipment

ANALYSTS' BEST-POSITIONED NAMES: SEMICONDUCTORS & SEMICONDUCTOR EQUIPMENT

Split government under Harris

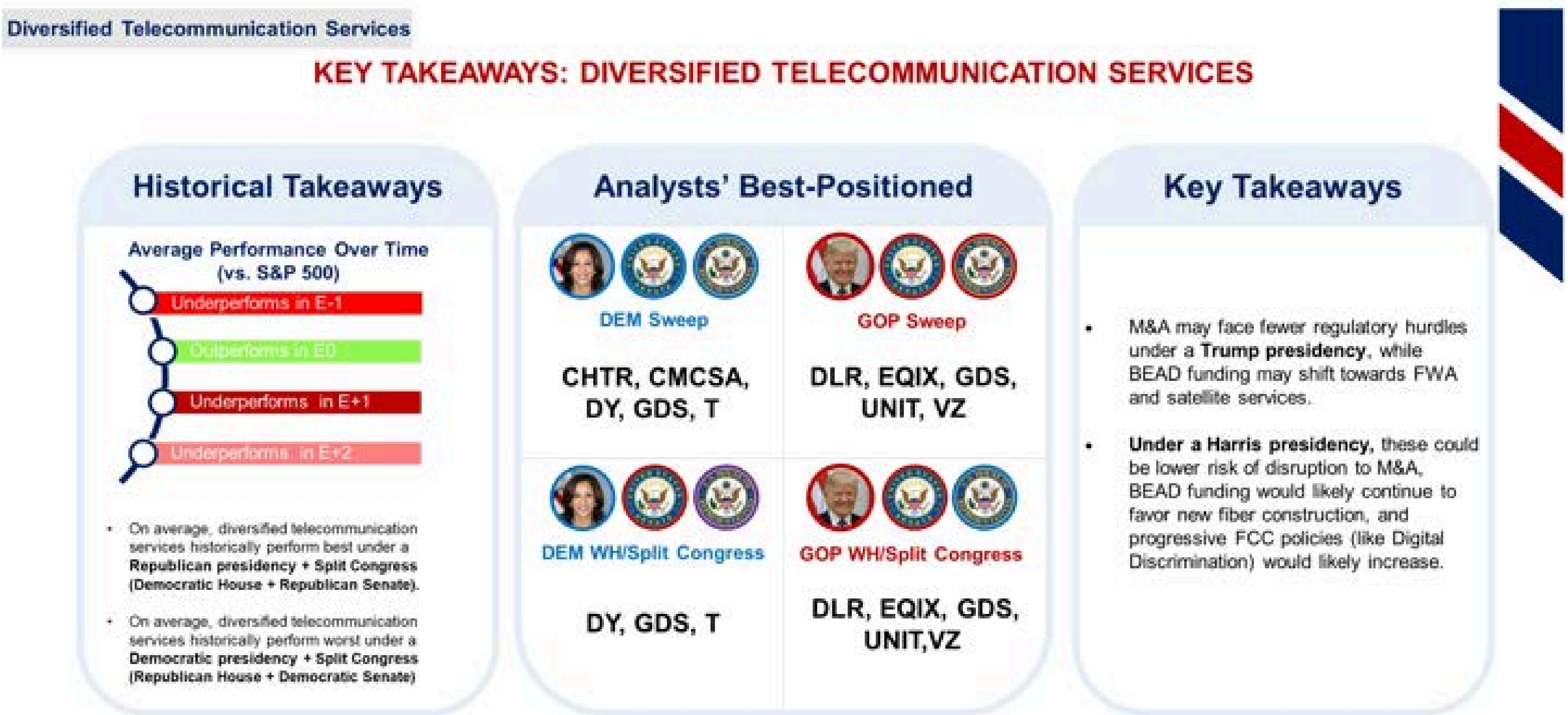
What this means

- DEM President
- DEM/GOP House
- GOP Senate

INTC, NVDA

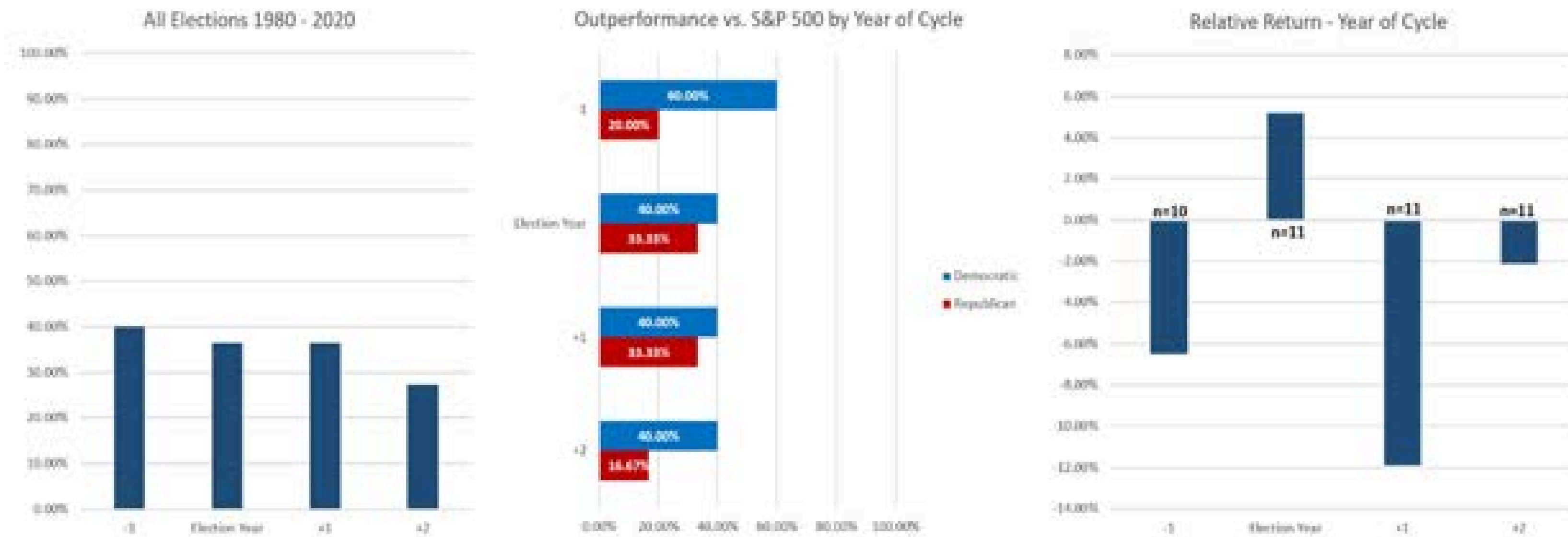
Srini Pajjuri

INTC has been a key beneficiary of CHIPS funding and could benefit from additional subsidies or government contracts given, especially given its investments in Ohio. Recent media reports suggest NVDA might get a license to ship GPUs to Saudi Arabia. On the other hand, we could see incremental antitrust headwinds with DOJ investigations potentially intensifying.


Diversified Telecommunication Services
KEY TAKEAWAYS: DIVERSIFIED TELECOMMUNICATION SERVICES
Historical Takeaways
Average Performance Over Time (vs. S&P 500)
Underperforms in E-1
Outperforms in E0
Underperforms in E+1
Underperforms in E+2
On average, diversified telecommunication services historically perform best under a Republican presidency + Split Congress (Democratic House + Republican Senate).
On average, diversified telecommunication services historically perform worst under a Democratic presidency + Split Congress (Republican House + Democratic Senate)
Analysts' Best-Positioned
DEM Sweep
CHTR, CMCSA, DY, GDS, T
GOP Sweep
DLR, EQIX, GDS, UNIT, VZ
DEM WH/Split Congress
DY, GDS, T
GOP WH/Split Congress
DLR, EQIX, GDS, UNIT,VZ
Key Takeaways
M&A may face fewer regulatory hurdles under a Trump presidency, while BEAD funding may shift towards FWA and satellite services.
Under a Harris presidency, these could be lower risk of disruption to M&A, BEAD funding would likely continue to favor new fiber construction, and progressive FCC policies (like Digital Discrimination) would likely increase.

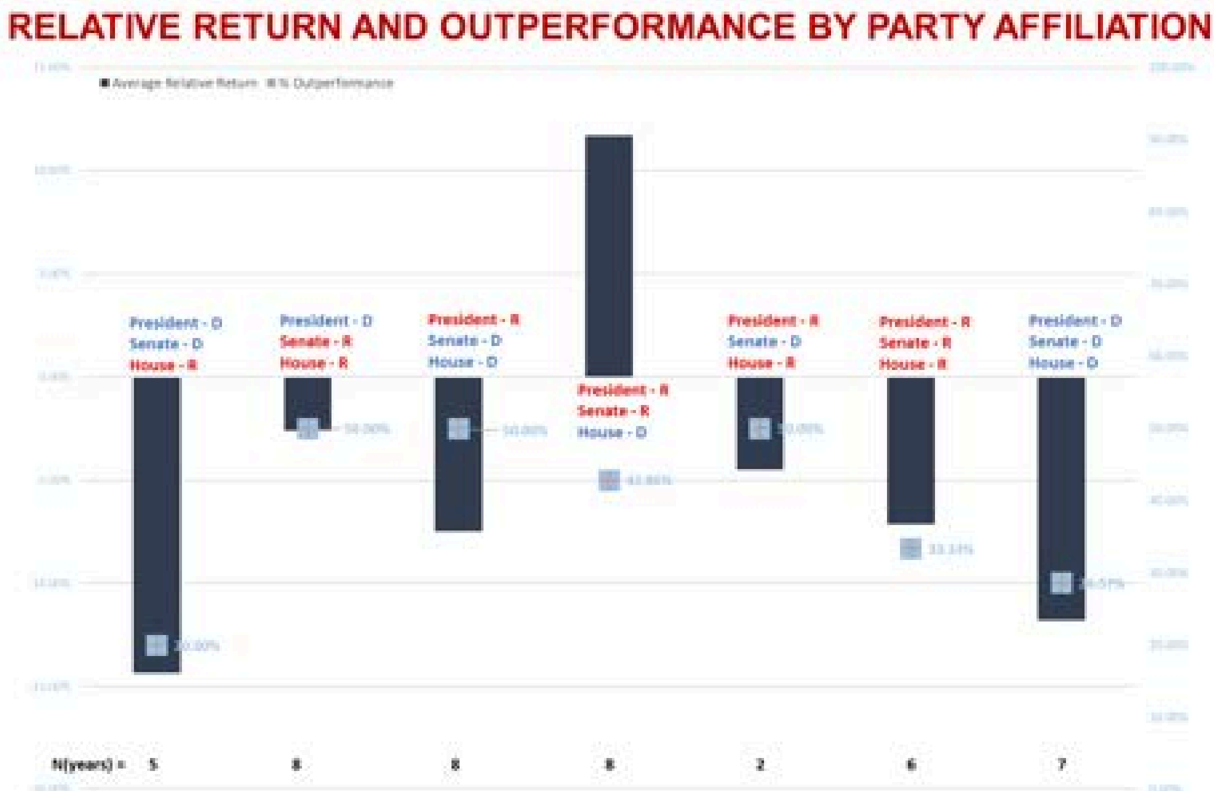
Diversified Telecommunication Services

PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research.

Diversified Telecommunication Services



Source: Bloomberg, FactSet, Raymond James research.

Diversified Telecommunication Services

ANALYSTS' BEST-POSITIONED NAMES: DIVERSIFIED TELECOMMUNICATION SERVICES

GOP Sweep

What this means

- **GOP President**
- **GOP House**
- **GOP Senate**

DLR, EQIX, GDS, UNIT, VZ

Frank Louthan

We believe the M&A facing VZ (buying FYBR) and UNIT (buying Windstream) should not have any issues getting through DOJ/FCC. Similarly, we believe the market will perceive Republican economic and fiscal policies as improving the outlook for economic growth, benefiting the data centers most directly. BEAD funding is expected to take a different turn, with less restrictions on funding approvals, but moving away from new fiber construction and using more FWA and satellite services to reach the broadband buildout goals. FCC policy would be expected to focus less on progressive issues such as Digital Discrimination. Reviving ACP funding will run into challenges.

Diversified Telecommunication Services

ANALYSTS' BEST-POSITIONED NAMES: DIVERSIFIED TELECOMMUNICATION SERVICES

DEM Sweep

What this means

- DEM President
- DEM House
- DEM Senate

CHTR, CMCSA, DY, GDS, T

Frank Louthan

The M&A mentioned in the GOP sweep (VZ/FYBR, and UNIT/Windstream) becomes more questionable, making AT&T more attractive in a continuation of the same economic policies. BEAD funding would remain as-is, benefiting names involved with new fiber construction. GDS assets and growth focused on Asia-pacific and not the US economy would be expected to outperform US based peers. The reintroduction of ACP funding would be more likely and would benefit cable names. Digital Discrimination and other progressive policies at the FCC would increase in their implementation under a continued Dem majority at the FCC.

Diversified Telecommunication Services

ANALYSTS' BEST-POSITIONED NAMES: DIVERSIFIED TELECOMMUNICATION SERVICES

Split government under Trump

What this means

- GOP President
- DEM House
- GOP Senate

DLR, EQIX, GDS, UNIT, VZ

Frank Louthan

The M&A scenarios (VZ/FYBR and UNIT/Windstream) become more plausible, with improved economic policies benefiting data centers. BEAD funding would similarly be shifted, a negative for new fiber construction to reach government subsidy goals under that program. To the extent the split congress includes a Republican Senate, the appointments to the FCC/DoJ, etc. would have an easier time getting though and this would enable faster changes in policy that would favor the group and economic growth. Under a majority Republican FCC, policy would be expected to focus less on progressive issues such as Digital Discrimination, while a full return of ACP is also less likely.

Diversified Telecommunication Services

ANALYSTS' BEST-POSITIONED NAMES: DIVERSIFIED TELECOMMUNICATION SERVICES

Split government under Harris

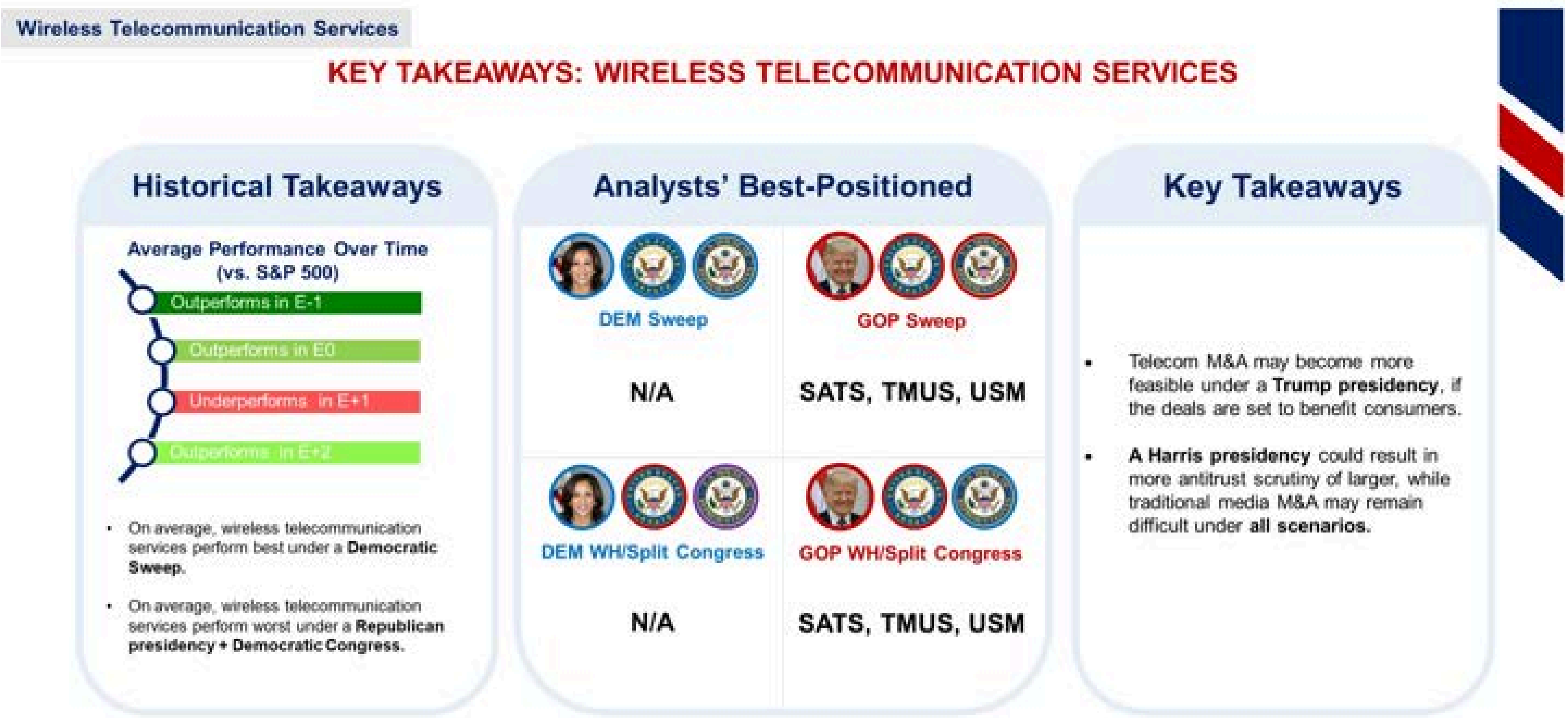
What this means

- **DEM President**
- **DEM/GOP House**
- **GOP Senate**

DY, GDS, T

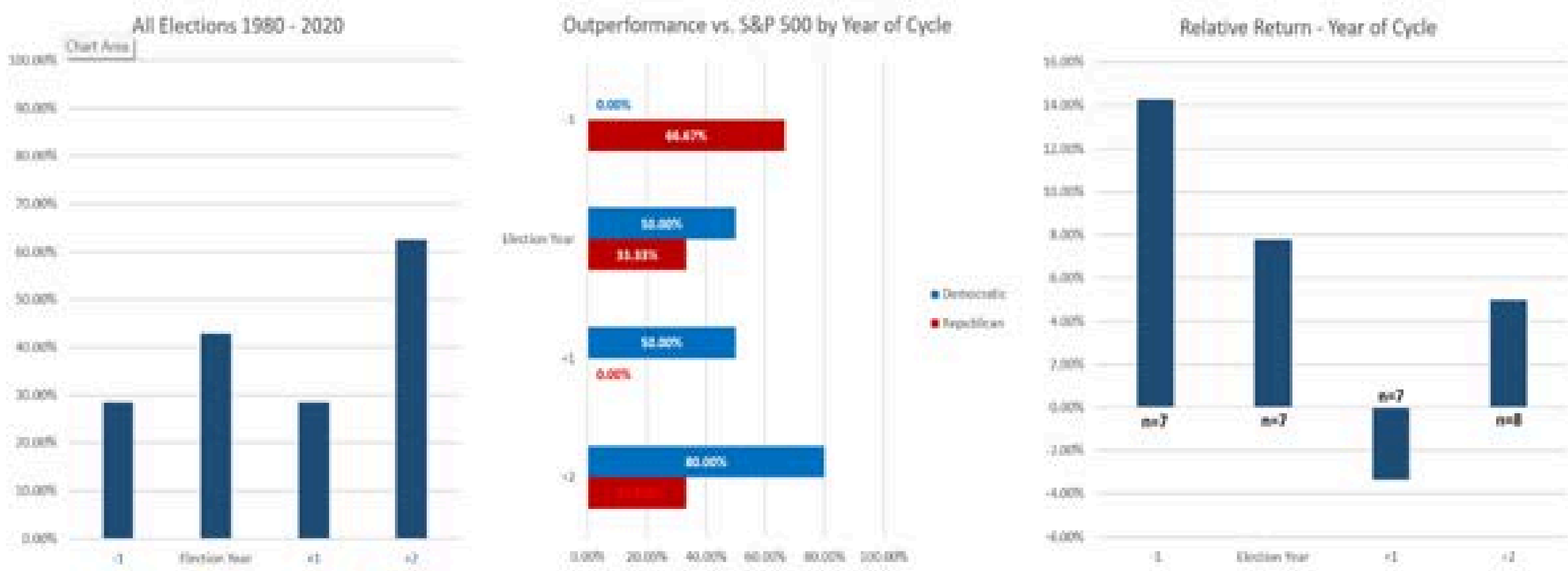
Frank Louthan

BEAD funding would remain as-is, favoring new fiber construction, while the non-US exposure to AI would benefit GDS that is less dependent on US economic growth. AT&T would be a safer name under the continuation of current economic policies vs. names like VZ that are involved in M&A that could prove more challenging. Net neutrality issues are largely in the courts and out of the hands of the executive and legislative branch, and are expected to maintain the current trajectory. A split congress makes ACP reintroduction less likely, and a republican majority in the Senate would be expected slow down congressional appointments, delaying the implementation of policies by a Dem majority FCC and new DoJ leadership. Digital Discrimination and other progressive policies at the FCC would likely increase in their current rate of implementation under a continued Dem majority at the FCC.


Wireless Telecommunication Services
KEY TAKEAWAYS: WIRELESS TELECOMMUNICATION SERVICES
Historical Takeaways
Average Performance Over Time (vs. S&P 500)
Outperforms in E-1
Outperforms in E0
Underperforms in E+1
Outperforms in E+2
On average, wireless telecommunication services perform best under a Democratic Sweep.
On average, wireless telecommunication services perform worst under a Republican presidency + Democratic Congress.
Analysts' Best-Positioned
DEM Sweep
N/A
GOP Sweep
SATS, TMUS, USM
DEM WH/Split Congress
N/A
GOP WH/Split Congress
SATS, TMUS, USM
Key Takeaways
Telecom M&A may become more feasible under a Trump presidency, if the deals are set to benefit consumers.
A Harris presidency could result in more antitrust scrutiny of larger, while traditional media M&A may remain difficult under all scenarios.

Wireless Telecommunication Services

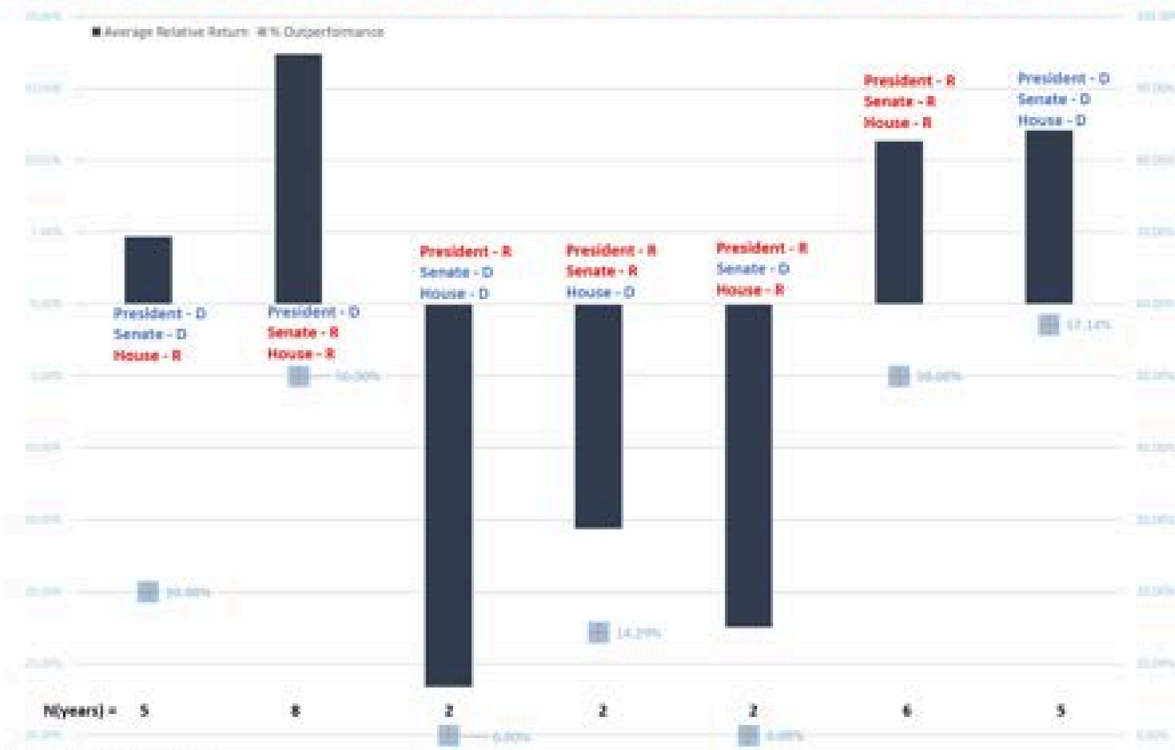
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research.

Wireless Telecommunication Services

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research.

Wireless Telecommunication Services

ANALYSTS' BEST-POSITIONED NAMES: WIRELESS TELECOMMUNICATION SERVICES

GOP Sweep

What this means

- GOP President
- GOP House
- GOP Senate

SATS, TMUS, USM

Ric Prentiss

We believe risk of disruption/divestitures/delays in T-Mobile's acquisition of USM's Wireless business is lower under a Trump administration. We also think a DirecTV / DISH TV (owned by SATS) merger is much more feasible. Meanwhile, we believe Trump's disdain for mainstream media means large, traditional M&A in the Media space may be difficult under any administration (but feel the PARA/Skydance deal will be approved). Lastly, we believe Trump's relationship with SpaceX CEO Elon Musk would be a negative for public satellite-related stocks like VSAT and GOGO that compete with SpaceX.

Wireless Telecommunication Services

ANALYSTS' BEST-POSITIONED NAMES: WIRELESS TELECOMMUNICATION SERVICES

Split government under Trump

What this means

GOP President

DEM House

GOP Senate

SATS, TMUS, USM

Ric Prentiss

We believe risk of disruption/divestitures/delays in T-Mobile's acquisition of USM's Wireless business is lower under a Trump administration. We also think a DirecTV / DISH TV (owned by SATS) merger is much more feasible. Meanwhile, we believe Trump's disdain for mainstream media means large, traditional M&A in the Media space may be difficult under any administration (but feel the PARA/Skydance deal will be approved). Lastly, we believe Trump's relationship with SpaceX CEO Elon Musk would be a negative for public satellite-related stocks like VSAT and GOGO that compete with SpaceX.

Interactive Media & Services

KEY TAKEAWAYS: INTERACTIVE MEDIA & SERVICES

Historical Takeaways

Average Performance Over Time (vs. S&P 500)

- Outperforms in E-1
- Underperforms in E0
- Outperforms in E+1
- Outperforms in E+2

- On average, interactive media and services historically performs best under a **Democratic presidency + split Congress (Republican House + Democratic Senate).**
- On average, interactive media and services historically performs worst under a **Republican presidency + Democratic Congress.**

Analysts' Best-Positioned

DEM Sweep

EA, GOOG, META, PINS, RBLX, SNAP, TTWO, YELP

GOP Sweep

AMZN, EA, GOOG, META, PINS, RBLX, SNAP, TTWO

DEM WH/Split Congress

EA, GOOG, META, PINS, RBLX, SNAP, TTWO, YELP

GOP WH/Split Congress

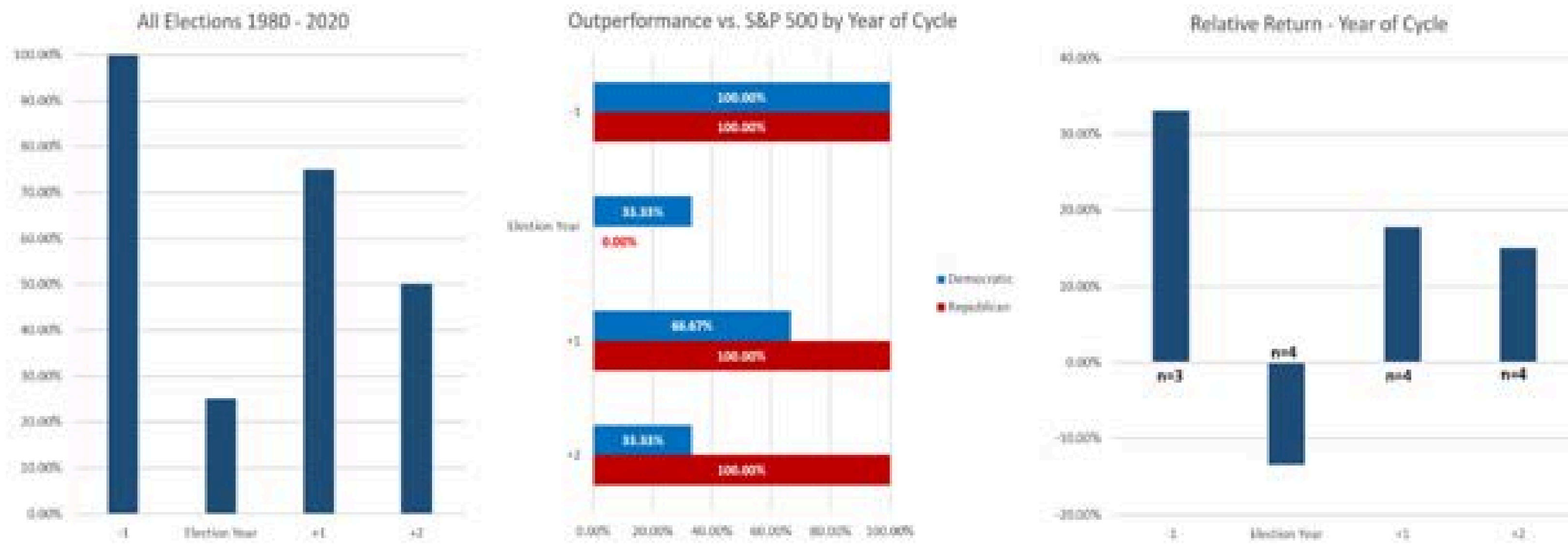
AMZN, EA, GOOG, META, PINS, RBLX, SNAP, TTWO

Key Takeaways

- The lifting of the LNG export ban under a **Trump presidency** combined with increased protection for the IRA under a **split government** could benefit Section 45V and 45Q-eligible equipment firms.

Interactive Media & Services

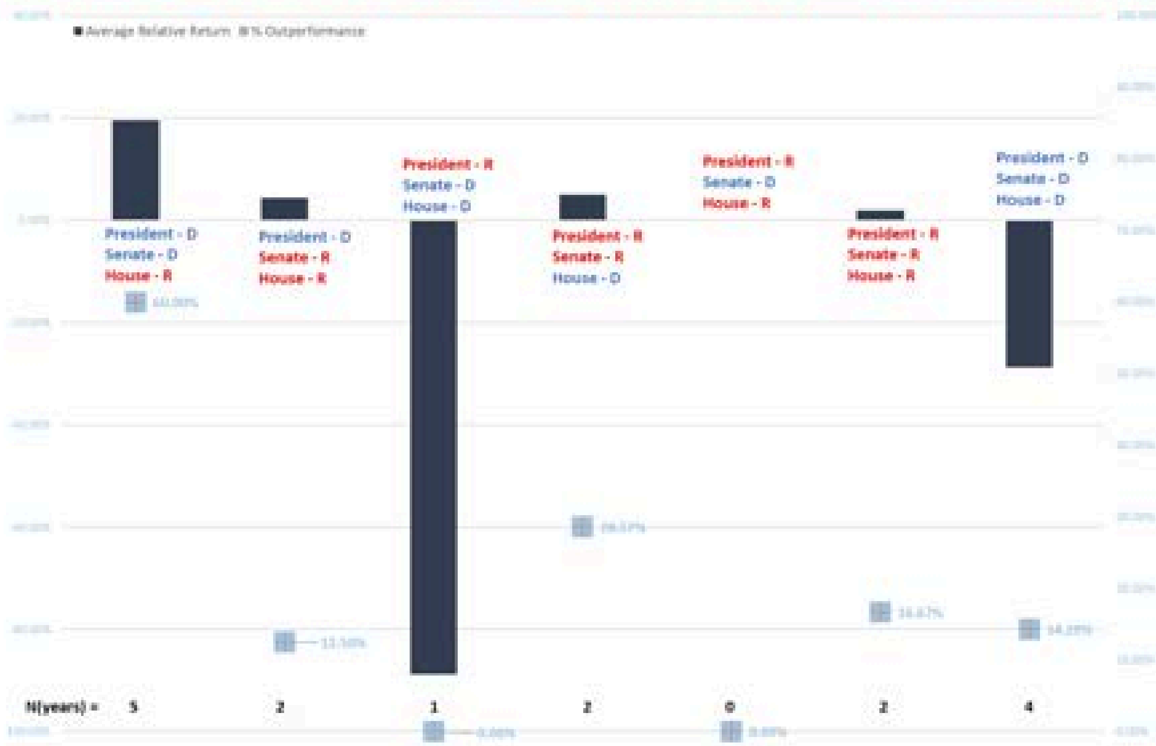
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research.

Interactive Media & Services

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research.

Interactive Media & Services

ANALYSTS' BEST-POSITIONED NAMES: INTERACTIVE MEDIA & SERVICES

GOP Sweep

What this means

- GOP President
- GOP House
- GOP Senate

EA, RBLX, TTWO

Andrew Marok

We see the interactive entertainment sector as relatively agnostic to election outcomes. Trends in video gaming consumption bode well for major publishers, with large-scale titles continuing to command more share of players' time. We do not see significant exposure outside of isolated worries around content regulation, which we think would be low priority for any incoming government. The 2025-and-beyond government's stance on China is also not that impactful to these three given their low exposure to the Chinese market (we estimate <5% of bookings for each).

AMZN, GOOG, META, PINS, SNAP

Josh Beck

TikTok ban likelihood strengthens as advertisers would re-allocate spend to other social platforms: + META/SNAP/PINS/GOOG. Possible divestiture without algorithm question mark on whether an acquiror could replication the underpinning recommendation model. Prior TikTok Toss Up (Apr. 24) note on TikTok impact.

Global tariffs limit constrain Temu/Shein momentum: + for AMZN GMV, - for META/GOOG China based advertiser spend.

Hands-off AI regulatory approach: +GOOG/AMZN/META.

Interactive Media & Services

ANALYSTS' BEST-POSITIONED NAMES: INTERACTIVE MEDIA & SERVICES

DEM Sweep

What this means

- DEM President
- DEM House
- DEM Senate

EA, RBLX, TTWO

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GOOG, META, PINS, SNAP, YELP

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Anti-trust tenor remains robust as YELP pursues GOOG for local search anti-trust: + for YELP.

Interactive Media & Services

ANALYSTS' BEST-POSITIONED NAMES: INTERACTIVE MEDIA & SERVICES

Split government under Trump

What this means


GOP President


DEM House


GOP Senate

EA, RBLX, TTWO

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Interactive Media & Services

ANALYSTS' BEST-POSITIONED NAMES: INTERACTIVE MEDIA & SERVICES

Split government under Harris

What this means

DEM President

DEM/GOP House

GOP Senate

EA, RBLX, TTWO

Andrew Marok

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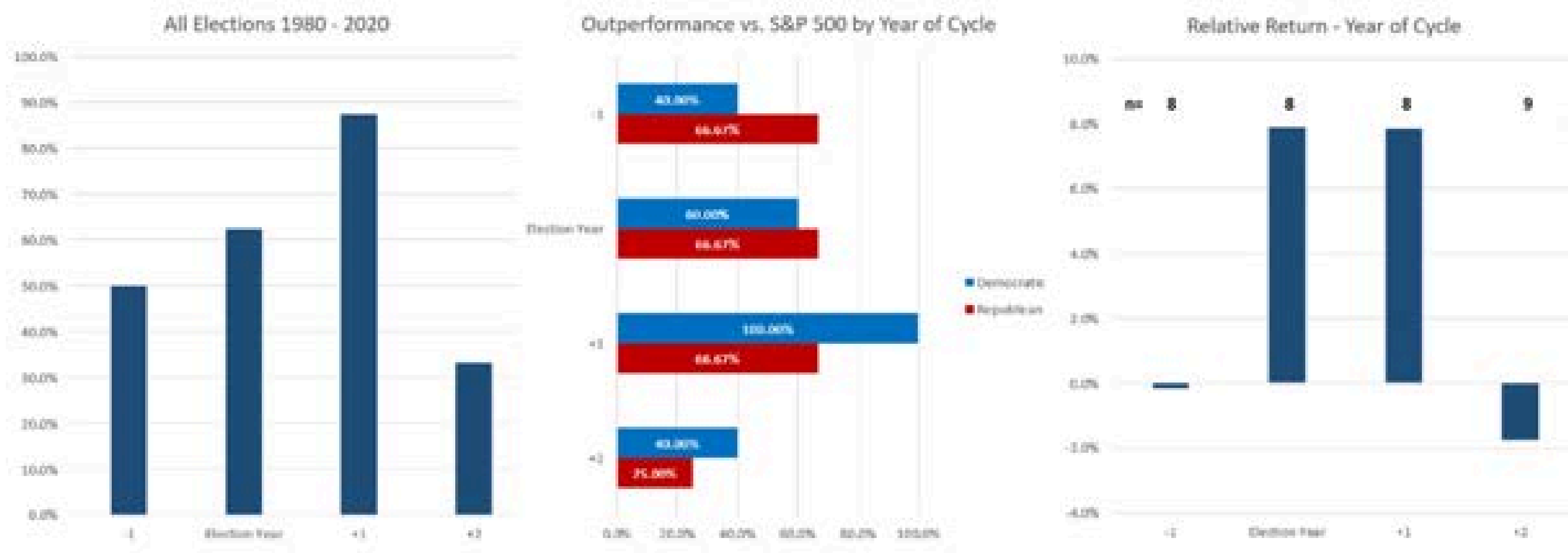
Financial Services
KEY TAKEAWAYS: FINANCIAL SERVICES
Historical Takeaways
Average Performance Over Time (vs. S&P 500)
Underperforms in E-1
Outperforms in E0
Outperforms in E+1
Underperforms in E+2
On average, financial services historically perform best under Democratic presidency + Republican Congress
On average, financial services historically perform worst under a Republican presidency + Democratic Congress.
Analysts' Best-Positioned
DEM Sweep
V,MA
GOP Sweep
FOUR, GPN
DEM WH/Split Congress
FIS, JKHY
GOP WH/Split Congress
FI
Key Takeaways
A GOP sweep could reduce regulatory pressures – a positive for fintechs. Larger borrowers and names that would benefit from inflationary environment could weather shifting macro better.
A DEM sweep will drive tax worries – with impacts for portfolio activity. Regulatory scrutiny will likely focus on banks/large cap tech.
Inflationary risks around a split government under Trump could highlight asset-based lending and beneficiaries from greater economic activity; while a DEM WH/split government could favor bank tech and the larger end of the market.

Financial Services

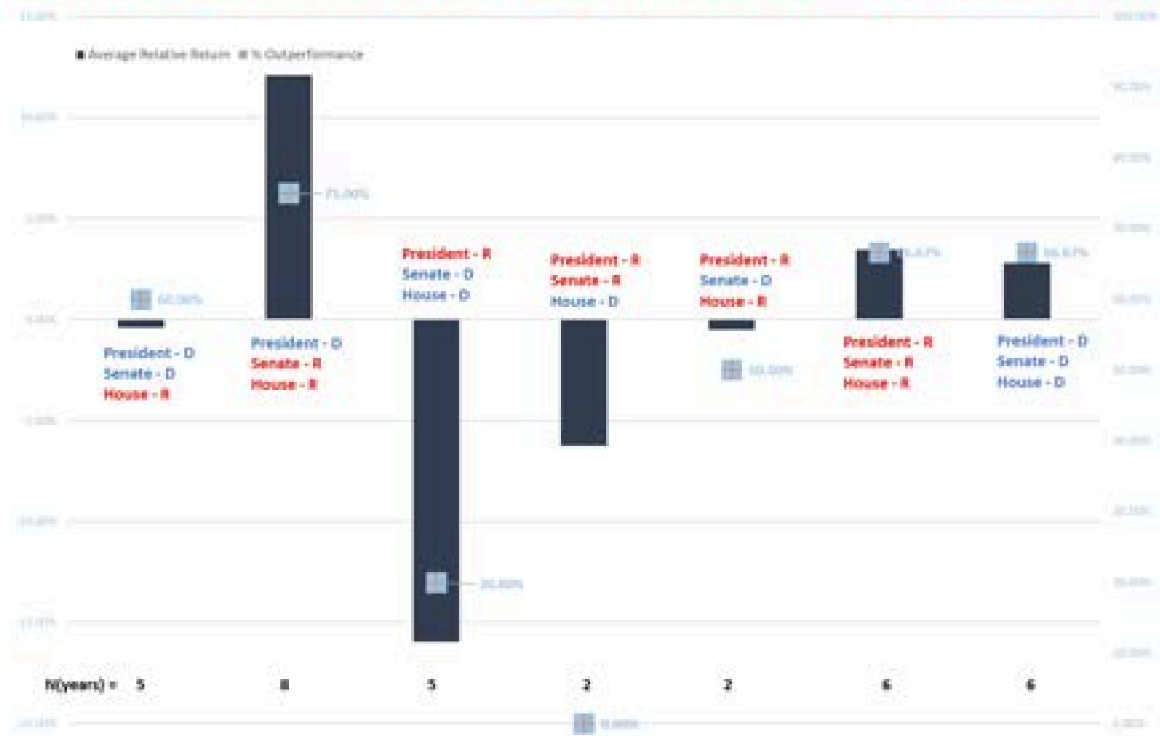
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research; these charts were previously published in our election 2024 outlook for the financials sector and are included here for the related fintech names discussed earlier in this report.

Financial Services

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research; these charts were previously published in our election 2024 outlook for the financials sector and are included here for the related fintech names discussed earlier in this report.

Financial Services

ANALYSTS' BEST-POSITIONED NAMES: FINANCIAL SERVICES

GOP Sweep

What this means

- GOP President
- GOP House
- GOP Senate

FOUR, GPN

John Davis

A Republican sweep could relieve regulatory concerns and result in a rotation out of large cap fintech and into banks/technology stocks. However, overall economic activity could increase as we expect lower taxes and greater inflationary spending. Given this, we favor names with meaningful macro exposure that would significantly benefit from increased spending and higher inflation.

Financial Services

ANALYSTS' BEST-POSITIONED NAMES: FINANCIAL SERVICES

DEM Sweep

What this means

- DEM President
- DEM House
- DEM Senate

V, MA

John Davis

A Democratic sweep would likely enhance regulatory scrutiny across banks and large cap technology, which historically has resulted in outperformance by large cap fintech as these stocks tend to be hiding places for both tech and financial portfolio managers. Moreover, given the potential for an increase to the corporate tax rate in the U.S., we believe there is a slight bias to own MA over V given less U.S. exposure, although both would likely outperform.

Financial Services

ANALYSTS' BEST-POSITIONED NAMES: FINANCIAL SERVICES

Split government under Trump

What this means

- **GOP President**
- **DEM House**
- **GOP Senate**

FI

John Davis

A Republican-led White House would likely still favor banks/technology over fintech, although the potential for a more inflationary spending environment and lower taxes could result in a more optimistic macro backdrop. As a result, we would favor FI as they benefit from greater economic activity while maintaining some defensive characteristics through exposure to bank technology spending.

Financial Services

ANALYSTS' BEST-POSITIONED NAMES: FINANCIAL SERVICES

Split government under Harris

What this means

- **DEM President**
- **DEM/GOP House**
- **GOP Senate**

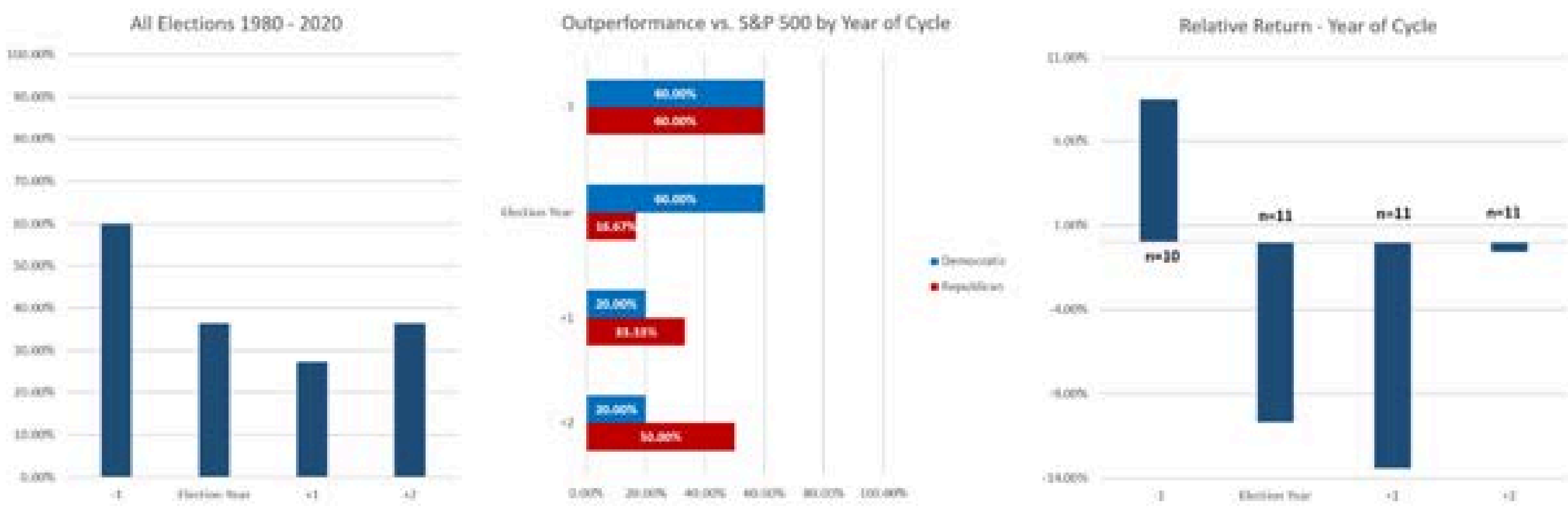
FIS, JKHY

John Davis

A Democrat-led White House would still heighten regulatory concerns among investors, but the rotation out of large cap banks/tech would be less pronounced than in a full Democratic sweep. As such, we would favor bank technology providers in this scenario, which tend to be very defensive but would likely benefit from greater regulatory complexity.

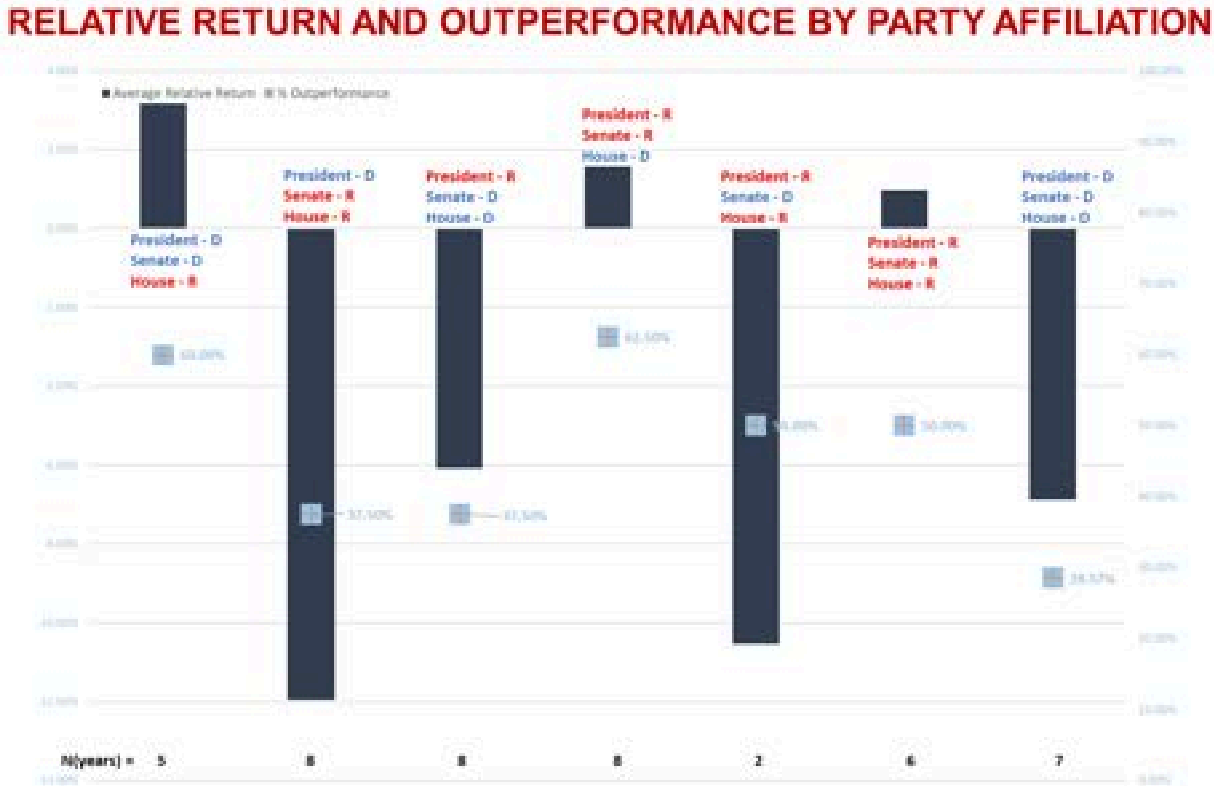
IT Services

PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research

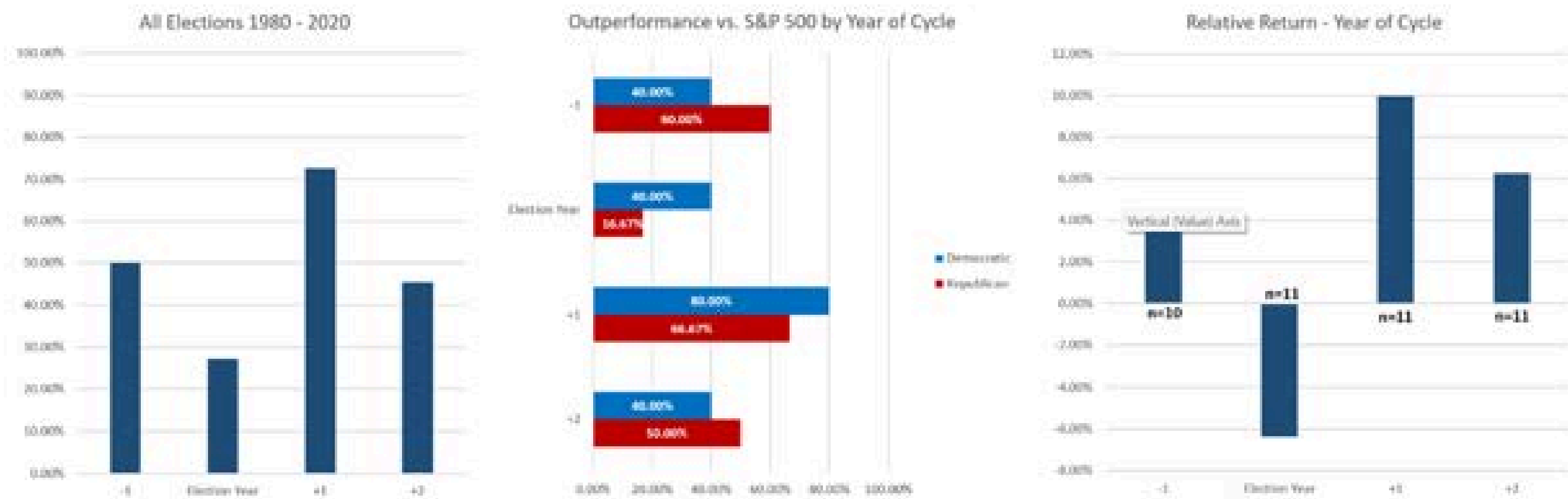
IT Services



Source: Bloomberg, FactSet, Raymond James research

Media

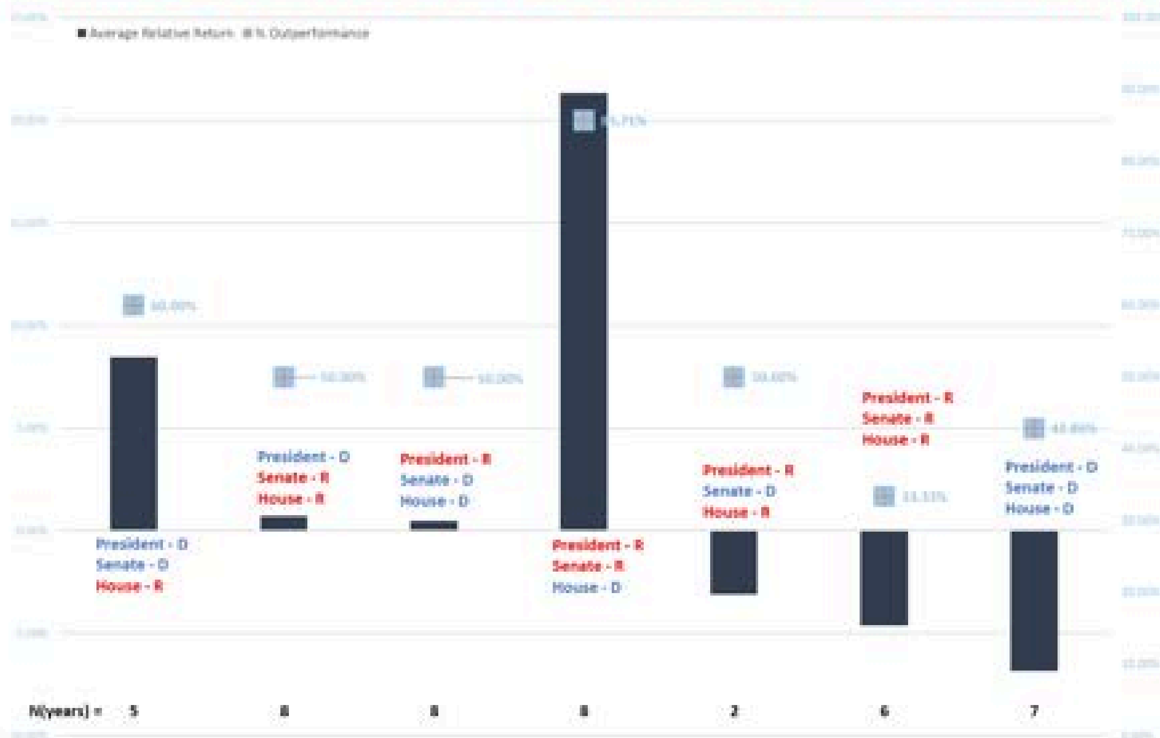
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research.

Media

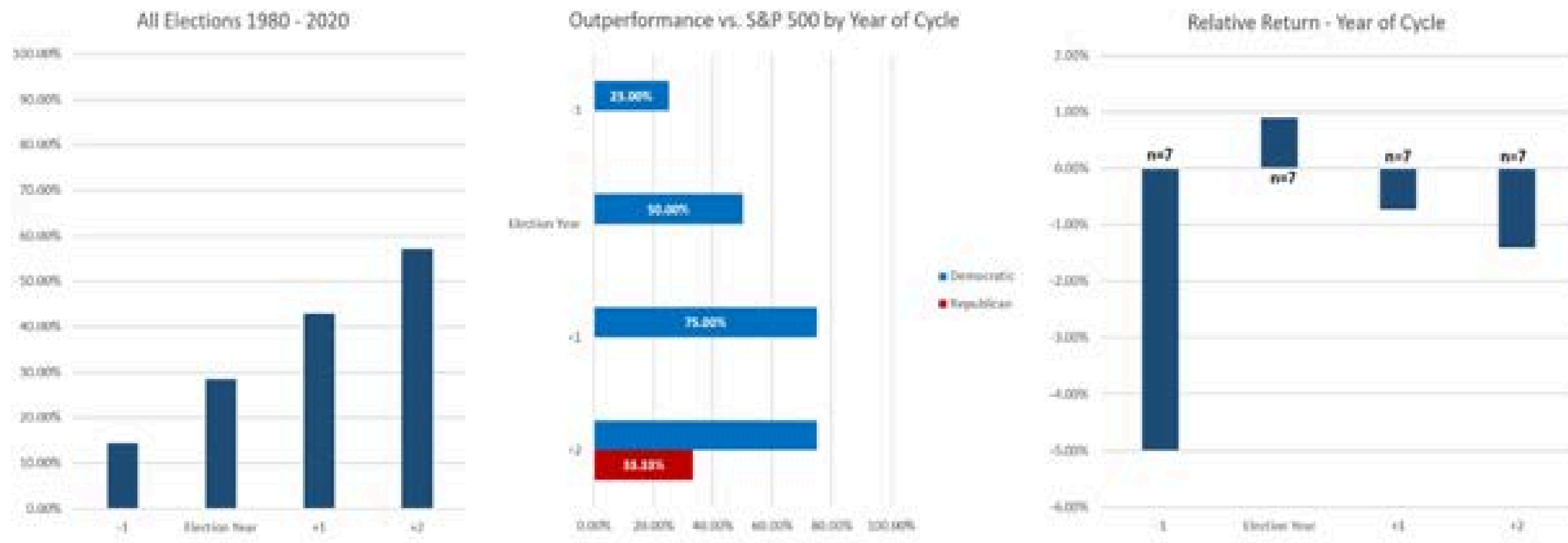
RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research.

Entertainment

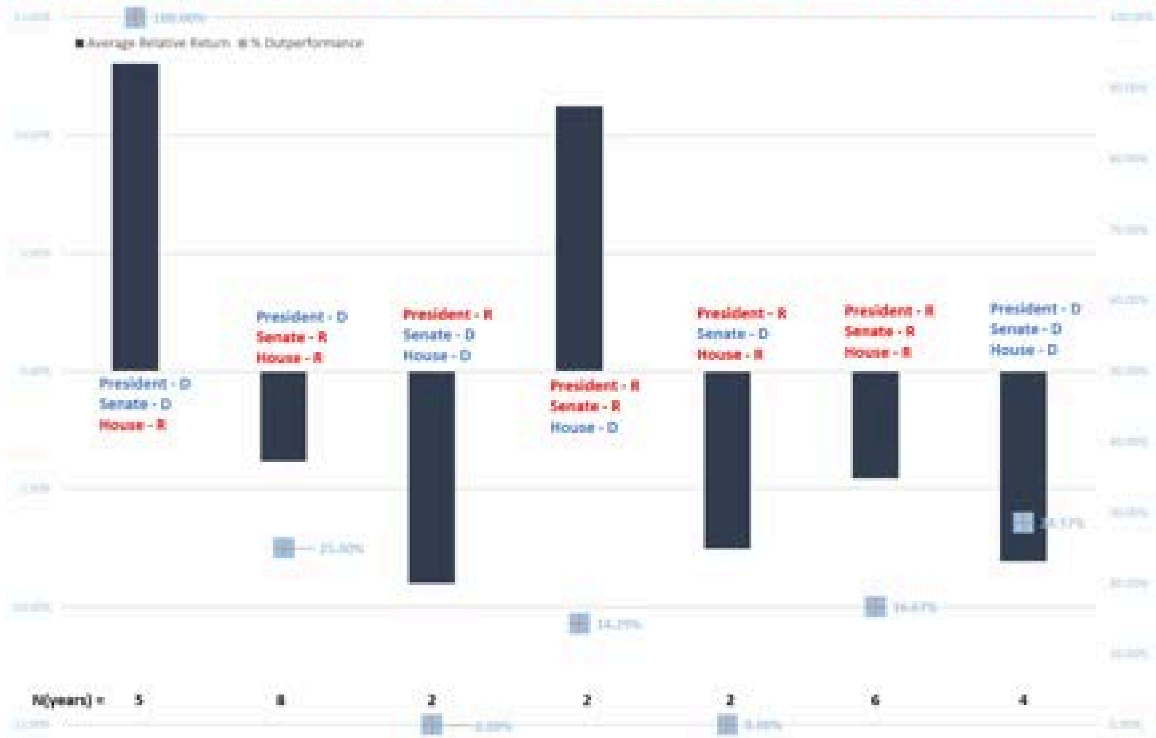
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research.

Entertainment

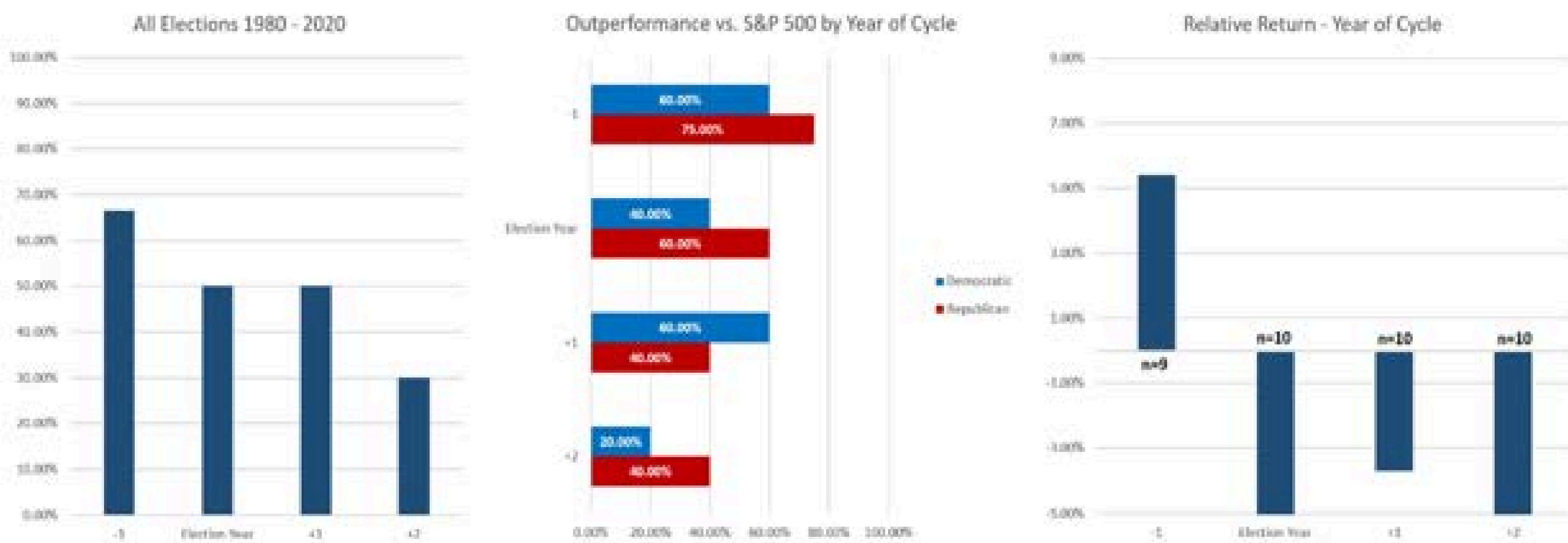
RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research.

Electronic Equipment, Instruments, & Components

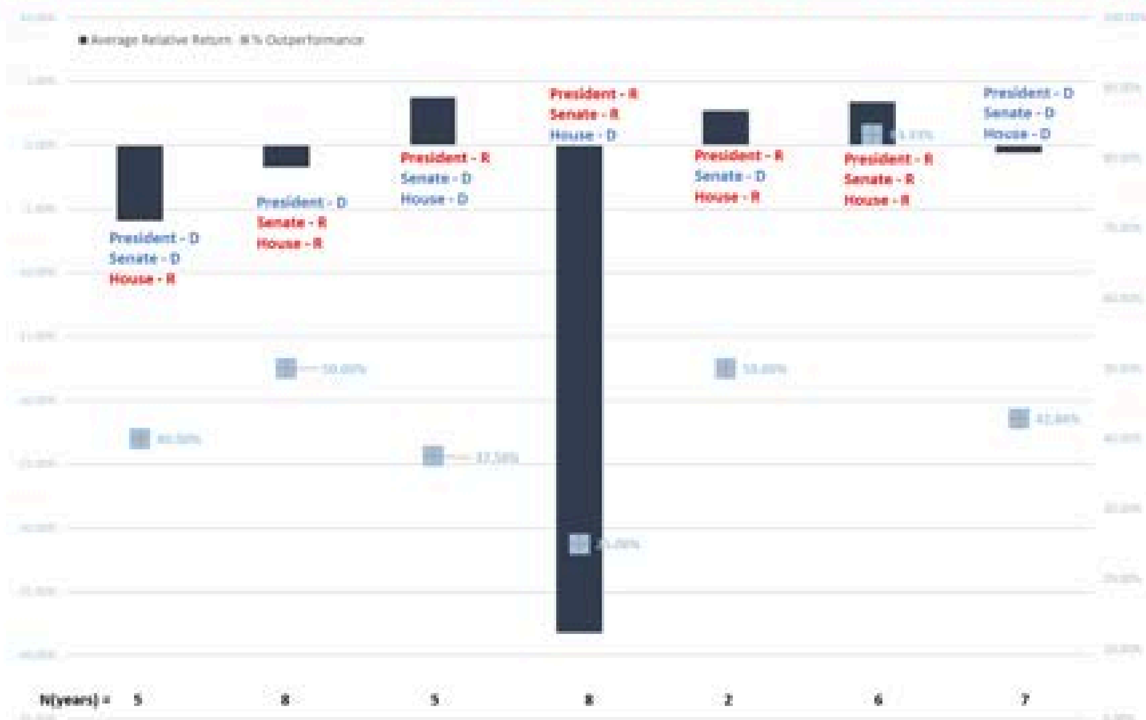
PERCENT OF ELECTIONS OUTPERFORMING S&P 500 BY YEAR OF CYCLE



Source: Bloomberg, FactSet, Raymond James research.

Electronic Equipment, Instruments, & Components

RELATIVE RETURN AND OUTPERFORMANCE BY PARTY AFFILIATION



Source: Bloomberg, FactSet, Raymond James research.

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Company Citations

Company Name	Ticker	Exchange	Closing Price	RJ Rating	RJ Entity
ASML Holding N.V.	ASML	NASDAQ	$803.50	SB1	Raymond James & Associates
AT&T Inc.	T	NYSE	$21.49	SB1	Raymond James & Associates
Alphabet Inc.	GOOG	NASDAQ	$163.07	MO2	Raymond James & Associates
Amazon.com, Inc.	AMZN	NASDAQ	$193.88	SB1	Raymond James & Associates
Analog Devices, Inc.	ADI	NASDAQ	$226.01	MO2	Raymond James & Associates
Apple Inc.	AAPL	NASDAQ	$226.47	MO2	Raymond James & Associates
Arista Networks, Inc.	ANET	NYSE	$385.57	MP3	Raymond James & Associates
Arlo Technologies, Inc.	ARLO	NYSE	$11.85	MO2	Raymond James & Associates
CDW Corporation	CDW	NASDAQ	$224.11	MO2	Raymond James & Associates
Charter Communications, Inc.	CHTR	NASDAQ	$331.62	MU4	Raymond James & Associates
Cisco Systems, Inc.	CSCO	NASDAQ	$52.19	MP3	Raymond James & Associates
Cogent Communications Holdings, Inc.	CCOI	NASDAQ	$72.90	MP3	Raymond James & Associates
Coherent Corp.	COHR	NYSE	$88.19	MO2	Raymond James & Associates
Comcast Corporation	CMCSA	NASDAQ	$40.73	MP3	Raymond James & Associates
CrowdStrike Holdings, Inc.	CRWD	NASDAQ	$293.14	MO2	Raymond James & Associates
Datadog, Inc.	DDOG	NASDAQ	$116.22	MO2	Raymond James & Associates
Dell Technologies Inc.	DELL	NYSE	$117.57	MO2	Raymond James & Associates
Digital Realty Trust, Inc.	DLR	NYSE	$160.96	SB1	Raymond James & Associates
Dycom Industries, Inc.	DY	NYSE	$197.22	SB1	Raymond James & Associates
EchoStar Corporation	SATS	NASDAQ	$26.17	SB1	Raymond James & Associates
Electronic Arts, Inc.	EA	NASDAQ	$141.07	MO2	Raymond James & Associates
Equinix, Inc.	EQIX	NASDAQ	$881.92	SB1	Raymond James & Associates
Fastly, Inc.	FSLY	NYSE	$7.27	SB1	Raymond James & Associates
Fidelity National Information Services, Inc.	FIS	NYSE	$84.39	SB1	Raymond James & Associates
Fiserv, Inc.	FI	NYSE	$179.31	MO2	Raymond James & Associates
Flex Ltd.	FLEX	NASDAQ	$32.74	MP3	Raymond James & Associates
Fortinet, Inc.	FTNT	NASDAQ	$77.44	MO2	Raymond James & Associates
Frontier Communications Parent, Inc.	FYBR	NASDAQ	$35.73	SB1	Raymond James & Associates
GDS Holdings Limited	GDS	NASDAQ	$20.51	MO2	Raymond James & Associates
GitLab Inc.	GTLB	NASDAQ	$53.18	MO2	Raymond James & Associates
Global Payments Inc.	GPN	NYSE	$110.98	MO2	Raymond James & Associates
GoDaddy Inc.	GDDY	NYSE	$158.53	SB1	Raymond James & Associates
Gogo Inc.	GOGO	NASDAQ	$6.90	MP3	Raymond James & Associates
Guidewire Software, Inc.	GWRE	NYSE	$173.97	MO2	Raymond James & Associates
Harmonic Inc.	HLIT	NASDAQ	$14.24	SB1	Raymond James & Associates
Hewlett Packard Enterprise Company	HPE	NYSE	$18.83	MO2	Raymond James & Associates
HubSpot, Inc.	HUBS	NYSE	$527.25	MO2	Raymond James & Associates
Intel Corporation	INTC	NASDAQ	$22.56	MP3	Raymond James & Associates
Iridium Communications Inc.	IRDM	NASDAQ	$29.49	SB1	Raymond James & Associates
Jabil Inc.	JBL	NYSE	$113.04	SB1	Raymond James & Associates
Jack Henry & Associates, Inc.	JKHY	NASDAQ	$174.85	MP3	Raymond James & Associates
Lumentum Holdings Inc.	LITE	NASDAQ	$61.23	MO2	Raymond James & Associates
Mastercard, Inc.	MA	NYSE	$497.14	MO2	Raymond James & Associates
Meta Platforms, Inc.	META	NASDAQ	$564.41	SB1	Raymond James & Associates
Microchip Technology Incorporated	MCHP	NASDAQ	$77.06	SB1	Raymond James & Associates
Microsoft Corporation	MSFT	NASDAQ	$433.51	MO2	Raymond James & Associates
Motorola Solutions, Inc.	MSI	NYSE	$447.11	MO2	Raymond James & Associates
NETGEAR, Inc.	NTGR	NASDAQ	$20.07	MO2	Raymond James & Associates
NVIDIA Corporation	NVDA	NASDAQ	$116.26	SB1	Raymond James & Associates
Nokia Corporation	NOK	NYSE	$4.31	MO2	Raymond James & Associates
Paramount Global	PARA	NASDAQ	$10.38	MP3	Raymond James & Associates
PayPal Holdings, Inc.	PYPL	NASDAQ	$77.67	MP3	Raymond James & Associates
Pinterest, Inc.	PINS	NYSE	$30.46	MO2	Raymond James & Associates
Plexus Corp.	PLXS	NASDAQ	$130.77	MO2	Raymond James & Associates
Pure Storage, Inc.	PSTG	NYSE	$50.19	MO2	Raymond James & Associates
Q2 Holdings, Inc.	QTWO	NYSE	$79.48	MO2	Raymond James & Associates

QUALCOMM Incorporated	QCOM	NASDAQ	$165.96	MP3	Raymond James & Associates
Qorvo, Inc.	QRVO	NASDAQ	$102.18	MO2	Raymond James & Associates
RingCentral, Inc.	RNG	NYSE	$30.42	SB1	Raymond James & Associates
Roblox Corporation	RBLX	NYSE	$45.53	SB1	Raymond James & Associates
Salesforce, Inc.	CRM	NYSE	$264.21	SB1	Raymond James & Associates
SentinelOne, Inc.	S	NYSE	$24.29	SB1	Raymond James & Associates
Shift4 Payments, Inc.	FOUR	NYSE	$86.52	MO2	Raymond James & Associates
Skyworks Solutions, Inc.	SWKS	NASDAQ	$98.11	MP3	Raymond James & Associates
Snap Inc.	SNAP	NYSE	$10.20	MO2	Raymond James & Associates
Sonos, Inc.	SONO	NASDAQ	$12.58	MP3	Raymond James & Associates
T-Mobile US Inc.	TMUS	NASDAQ	$202.46	SB1	Raymond James & Associates
Take-Two Interactive Software, Inc.	TTWO	NASDAQ	$149.73	MO2	Raymond James & Associates
Texas Instruments Incorporated	TXN	NASDAQ	$203.85	MP3	Raymond James & Associates
United States Cellular Corporation	USM	NYSE	$55.10	MP3	Raymond James & Associates
Uniti Group Inc.	UNIT	NASDAQ	$5.37	MO2	Raymond James & Associates
Veeva Systems Inc.	VEEV	NYSE	$211.04	MO2	Raymond James & Associates
Verizon Communications Inc.	VZ	NYSE	$44.26	MO2	Raymond James & Associates
ViaSat, Inc.	VSAT	NASDAQ	$12.80	MP3	Raymond James & Associates
Visa Inc.	V	NYSE	$288.63	MO2	Raymond James & Associates
Waystar Holding Corp.	WAY	NASDAQ	$27.33	MO2	Raymond James & Associates
Workiva Inc.	WK	NYSE	$77.80	MP3	Raymond James & Associates
Yelp Inc.	YELP	NYSE	$34.38	MP3	Raymond James & Associates
nCino, Inc.	NCNO	NASDAQ	$30.09	MO2	Raymond James & Associates

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	Coverage Universe Rating Distribution*				Investment Banking Relationships			
	RJA		RJL		RJA		RJL	
Strong Buy and Outperform (Buy)	568	59%	162	75%	101	18%	37	23%
Market Perform (Hold)	373	39%	52	24%	31	8%	4	8%
Underperform (Sell)	21	2%	2	1%	1	5%	0	0%
Total Number of Companies	962	100%	216	100%	133		41	

** Columns may not add to 100% due to rounding.*

** Total does not include companies with a suspended rating.*

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