

Week of June 8th, 2020

Can Donald Trump Save His Presidency?

WE'RE STUNNED SINCE LAST WEEK to see the extent of looting and burning in the District of Columbia — not just downtown, but in Georgetown and the leafy neighborhoods of upper Northwest. It's like this in much of America.

BEFORE HEALING OR POLICE REFORMS CAN BEGIN, there has to be law and order; dozens of mayors from Atlanta to Chicago will have to enforce curfews and arrest thousands of young people, who will become even more radicalized.

THIS NIGHTMARE HAS TWO MAJOR IMPLICATIONS: First, the high likelihood that the coronavirus will spread; there was virtually no social distancing this weekend. As new hot spots emerge, many Americans will simply stay in their homes this summer.

SECOND, TRUMP'S OPTIONS: The president's advisers are divided — some think he should address the nation, but others concede that he's stiff behind a teleprompter and probably would get roasted in the press regardless of what he says.

CAN TRUMP SAVE HIS PRESIDENCY? He surely must know that he's on the ropes, with unemployment likely surging to nearly 20% this Friday, with his toothless China policy generating yawns last Friday, with the virus potentially re-igniting, and now with urban riots.

IF THIS DOESN'T SUBSIDE SOON, Trump could lose his presidency — decisively — in November; he now trails by about 10 points, and his opponent, Joe Biden, has stepped up his game in recent days. Biden has shown empathy and leadership as Trump poured gasoline on the flames with talk of "vicious dogs" to sic on protesters.

YET THERE'S STILL A SCENARIO FOR TRUMP TO WIN: He needs the economy to come back this fall, he needs good news on a vaccine and treatment for those infected, and he needs to play the "law and order" card — which even liberal mayors will have to embrace.

TRUMP'S NARRATIVE WILL UNFOLD AS FOLLOWS: The National Guard and even the regular Army will be needed to restore order. The antifa extremists must be prosecuted. Then and only then can police reform be addressed.

TRUMP'S NARROWING ELECTORAL PATH requires a temperament that can guide the country through this unprecedented crisis. Lincoln and FDR had those skills; Trump obviously does not.

BOTTOM LINE: We think — as of now — that the Democrats are within sight of controlling the House, the Senate and the White House — a worst-case scenario for the markets¹.

¹ June 2020. Source: AGF Perspectives. Retrieved from: [Link](#)

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