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**JONATHAN FERRO, BLOOMBERG:**

We have got to start this hour with this conversation on Iowa. The front runner for the Republican Party is running away with it very, very early on. Libby Cantrill joins us now, Managing Director and Head of Public Policy at PIMCO. Libby, great to get your perspective on all of this and your insights. So let's just start with the results overnight, hardly shocking. Where do we go from here?

**LIBBY CANTRILL, PIMCO:**

Hardly shocking and good morning from, from very snowy New York. And yes, in so many ways I think that the big question Jon was, is this going to be a coronation of Donald Trump? He's obviously been, as you've mentioned, the clear front runner in polls now for, for months. And I think last night, you know, honestly, underscores the narrative that this is very much his nomination to lose. I mean, not only did he clear that 50%, which I think was something that was symbolically important for the Trump campaign, but in terms of the alternative to a Trump candidacy, there was no real clear alternative that emerged, of course. Ron DeSantis came in second, a distant second, and then Nikki Haley, a closer to that. But in terms of really, you know, sort of separating the field, separating that alternative and consolidating that sort of anti-Trump vote, if you will, that did not happen last night. So this was a very good night for former President Trump. And again, we'll likely just sort of corroborate that narrative that's in the market now, that this is very much Trump's nomination to lose.

**LISA ABRAMOWICZ, BLOOMBERG:**

Libby, you wrote one of the most interesting and quotable things, one of your notes recently, and Libby, I think about it all the time. You wrote, “No, Jamie Dimon is not going to be president, no Oprah Winfrey is not going to be president”. And I asked you why. And you said, “because people are actually saying, well, maybe they'll swoop in and end up running”. Can you speak a little bit about what you tell clients as they realize it is probably going to be another Donald Trump / Joe Biden matchup? What do you tell them about what a Donald Trump presidency would look like?

**CANTRILL:**

Yes, I do, you know, and we sort of say that flippantly, but we've gotten some, you know, some questions, particularly from some of our, you know, foreign clients, who, I think we are a little bit befuddled by what's, by sort of the American political situation. And, potentially are saying that out of hope. Now, what we tell them is that just practically speaking, there will be no other Democratic candidate. Joe Biden will be the Democratic nominee. And at this point, it does look like now, it's not for sure, and I do, I would just say, as it relates to the Republican primary, you know New Hampshire is going to be critical. So if Donald Trump wins New Hampshire, I think this basically is over. But if he doesn’t and if Nikki Haley does win, then it's more of an open question. But really, it does look like it's going to be sort of a 2020 redux. And in terms of, you know, the policies, I think that if we saw a second Trump administration, it'll be very similar to the first Trump administration, you know, wider regulation, more tax cuts, those are things the market will like. But as you all have been mentioning, in terms of sort of the global landscape and the global posture, really much more of a retrenchment. And, you know, much more protectionism, which, as we know, as we saw, in the first Trump administration will keep the market on its toes. So, you know, this is, this is unusual in that we basically have, you know, we would have basically two incumbents, Joe Biden and Donald Trump running against each other. So in some ways, it's actually less uncertain because we know these gentlemen very well.

**ANNMARIE HORDERN, BLOOMBERG:**

Yeah, and it's the gentleman, if you look at the polls, the Americans do not want to see going up head to head. But I want to ask you about the political timeline and really sit on New Hampshire. You have Nikki Haley sitting just behind the former President in New Hampshire. But now with DeSantis having a decent showing in Iowa, he's probably going to stick around. How does she chase the top and defend herself on the bottom?

**CANTRILL:**

Yeah, I think that's exactly, I mean, that's why I think last night was such a good night for Donald Trump because, again, there was no sort of clear second, no clear alternative to Trump. There was no sort of precipitating factor that really would lead to a consolidation of that vote. And as a result, as you say, you know, DeSantis is likely going to stay in this, potentially until South Carolina. And that is particularly bad for Nikki Haley. And she has much more of a ground game and investment in New Hampshire. And so, and of course, as we know, this is a nuanced point, but it's important; it’s an open primary in New Hampshire. So unaffiliated, independent voters can vote in New Hampshire, not just Republicans, it's not a closed primary. So that will help her. So, you know, I think, again, I think we need to see something very definitive out of New Hampshire in terms of, you know, her momentum. And if we don't, again, I think this, this likely, this Republican nomination could be over before it really begins. And it would be Donald Trump, again, as a very likely nominee.

**HORDERN:**

We also want to ask you about momentum in Washington, DC. Are we going to be all going home to a government shutdown? Do you think Speaker Johnson can get this, I guess, prolonged, lattered approach done with a continuing resolution?

**CANTRILL:**

Yeah, I mean, it's, you know, it's the same menu, different waiter, if you will. I mean, it's the same dynamics, of course, that it's reflecting, you know, former Speaker McCarthy back in the fall. It's the same reason why we needed another kind of temporary funding bill late last year. And again, we've seen this movie before. It looks very much likely that we will see another so-called continuing resolution until March 1st and then March 8th. Of course, you know, Congress likes to complicate everything. So they've divided these two funding dates. And I think that the bottom line here from a markets perspective is that this is basically just noise. And it looks at this point, like we will avoid a government shutdown yet again. But it looks very likely that we will avoid a government shutdown. Now, comes March when I think the rubber will actually finally meet the road and they really need to pass these appropriations to the bills to fund the government through the end of fiscal year ‘24. That may be a different story, at least, for the foreseeable future. For this month, we probably have avoided the government shutdown yet again.

**FERRO:**

Hey Libby, you’re right, we’ve seen this movie quite a few times. Libby Cantrill there, of PIMCO. The wonderful Libby Cantrill on the latest overnight in Iowa and the prospect of a government shutdown.