

# POLITICS AND THE ECONOMY THE FINAL COUNTDOWN

With just four days remaining in the race to No 10 and despite a narrowing in some polls, the Tories continue to look set to win the election, but by how many seats and will it be enough to ensure their mantra of 'Get Brexit Done', becomes reality or another failed manifesto promise?



**Boris Johnson is currently 1/4 to be the next Prime Minister, that is an implied probability of 80%. What is less certain and has been for some time, is how many seats Johnson will win?**

The Tories need 326 seats to get a majority, there's a 73% chance of that according to Betfair, but will they secure enough of a majority to move onto the next stage of Brexit?

I believe they will. Even a Tory majority of just one should be enough, as surely no Tory MP just returned by their electorate will vote against the Brexit Divorce Bill?

However, what happens next Friday if we assume Johnson wins a majority as predicted? The Tories Manifesto, Brexit aside, offers very little in terms of new economic or social policies. On Brexit, they've very definitely over-promised and therefore leave themselves in the very real predicament of under-delivering.

Whilst Labour have also significantly over-promised in their manifesto, the chance of them getting a majority still trades at c. 2%, so we'll cross that bridge if we ever have to. (We won't have to being the implication.)

In terms of getting Brexit done, the Tories are leaving themselves just one-year to ratify trade deals around the world and most importantly with the EU. You only have to throw the words 'Gibraltar', 'Northern Ireland' and 'Fish' at senior Tories to watch them squirm. Negotiating a thorough and comprehensive future trading relationship with the EU will take much longer than a year.

Having said all that, a victory for Johnson on Thursday will provide some clarity, in that the UK's departure date will be 31st January 2020.

I'd expect the Pound to jump (although it looks relatively fully-priced at \$1.31 currently) and next year to start with a relative bang in the property world, with a number of sales coming to the market that have been postponed from the back end of this year.

That is dependent upon a clear majority, one way or another. If the electorate returns a hung parliament, what then? 2020 could and probably would just be more of the same.



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