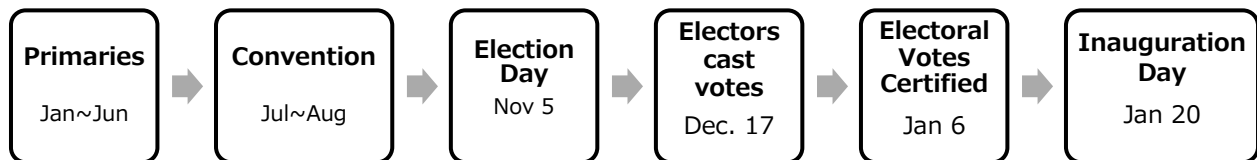


2024 U.S. Elections

Trump Leads in GOP Primaries, Increasing Likelihood of 2020 Rematch

Marubeni America Corporation Washington Office
So Uehara – Senior Government and International Affairs Manager
uehara-so@marubeni.com

The 2024 U.S. presidential election is in full swing. This quadrennial event will begin with each of the major parties holding a presidential preference primary, culminating in their respective national conventions where the candidate is officially nominated. Following the nomination, presidential debates are held prior to Election Day in November, until finally, the winner is inaugurated in January.



A month into the primaries, a key theme have emerged: a 2020 rematch is on the horizon. Despite low approval ratings and age-related concerns, President Joe Biden is likely to become the Democratic nominee barring unforeseen circumstance. Meanwhile, former President Donald Trump, after dominating in New Hampshire, Iowa, and Nevada, is poised to secure the Republican nomination shortly after Super Tuesday (March 5), outpacing a field that once included 12 major candidates.

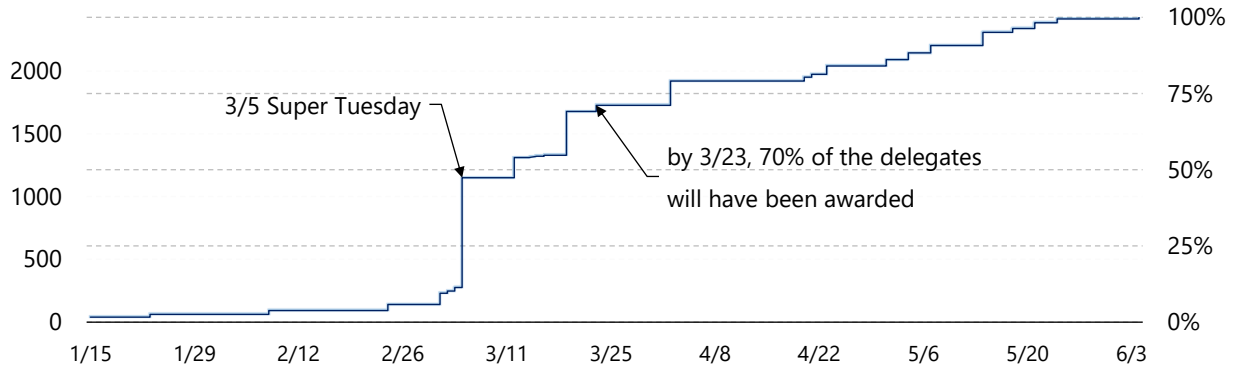
This memo provides an update on the current state of the Republican primaries.

1. GOP Primaries – a Primer

The goal in the Republican primaries is simple. Amass a simple majority of 2,429 delegates (1,215). After each primary, candidates are awarded “delegates” based on the results of the presidential preference event (either a primary or caucus, depending on the state). Delegates are usually party insiders who are chosen to represent their state or community at their Republican national convention where they will vote for the Republican presidential nominee. This year, the Republican national convention will be held on July 15-18 in Milwaukee, Wisconsin. Whoever wins a simple majority at the convention becomes the presidential nominee. Also worth mentioning is “Super Tuesday” on March 5 when candidates compete for 826 delegates (or 36% of the total) across 16 states and territories.

Republican Primaries - Goal is to win 1,215 delegates

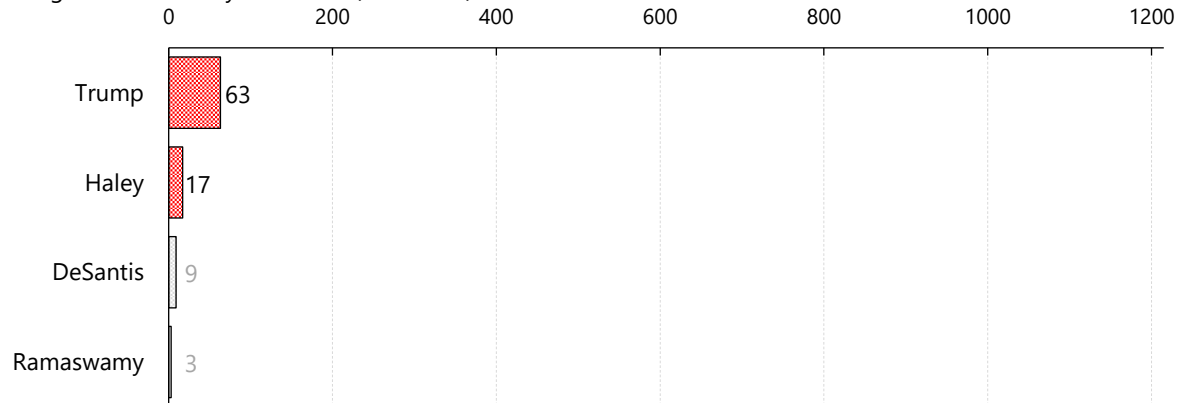
Republican delegates awarded over time



Source: Marubeni Washington Office, based on public information

Delegate Count

Delegates awarded by candidate (as of 2/22)

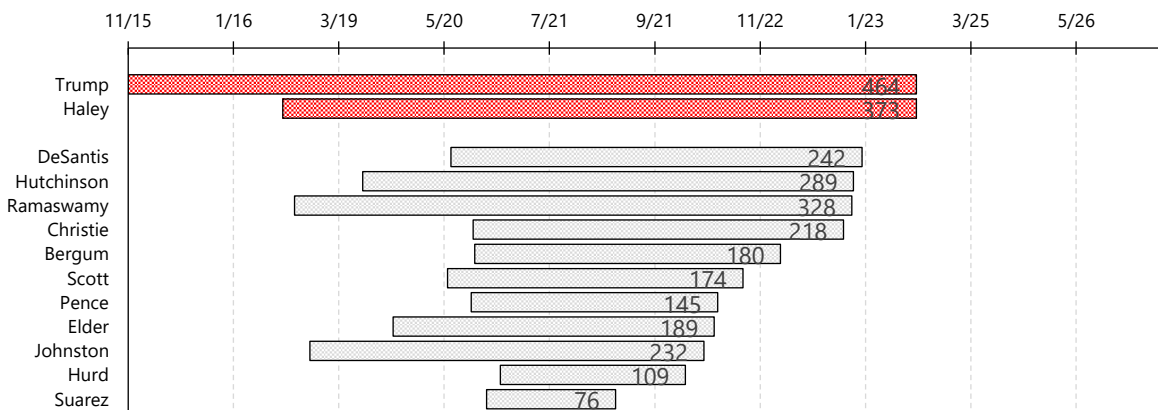


Note: both Ramaswamy and DeSantis have suspended their campaigns. Both have endorsed Trump.

Source: Marubeni Washington Office, based on public information

Two candidates left standing after NH

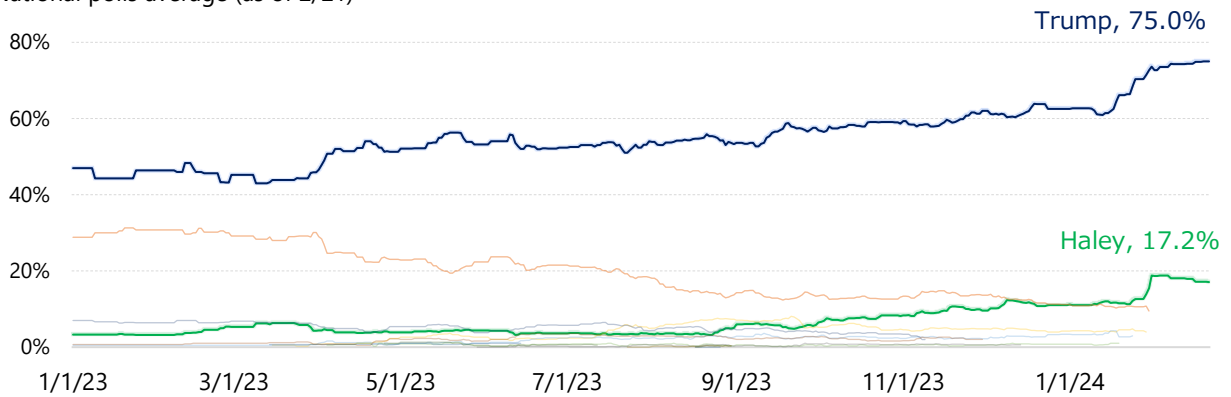
Days active for each campaign (grey denotes suspended campaigns as of 2/22)



Source: Marubeni Washington Office based on public information

Trump's one man show

National polls average (as of 2/21)



Source : Real Clear Politics

2. Why did Trump invite so many challengers?

Initially, 13 major candidates competed for the Republican nomination, but this number dwindled to five by the Iowa caucus. After New Hampshire, only former President Trump and former UN Ambassador and once Governor of South Carolina Nikki Haley remained.

But if Trump was dominating the polls, why did he invite so many challengers? This stems from his previous election losses. The GOP struggled in the 2018 midterms, barely holding the Senate, and faced significant losses in the House and key gubernatorial races. In 2020, Trump lost reelection, and the GOP lost control of both the Senate and the House. The expected "red wave" in 2022 did not materialize, with Trump's endorsed candidates, such as Dr. Oz, Blake Masters, and Kari Lake, underperforming. This trend suggests that while Trump and his candidates excel in primaries targeting party loyalists, they struggle in general elections, failing to appeal to independents and moderate Democrats. This was a key argument from rivals like Governor Ron DeSantis and former UN Ambassador Nikki Haley.

3. All eyes on South Carolina

In retrospect, both DeSantis and Haley were running the same strategy - winning sufficiently in the early states to build momentum, get donors to pay attention to you, and compete from a strong position going into Super Tuesday. It's clear now, with Trump's insurmountable dominance, that arguments that point to Trump's weakness in the general election and calls for a 'return to a Republican party that can win" ring hollow for many primary voters. Those voters who go out of their way to vote in the Republican primary want

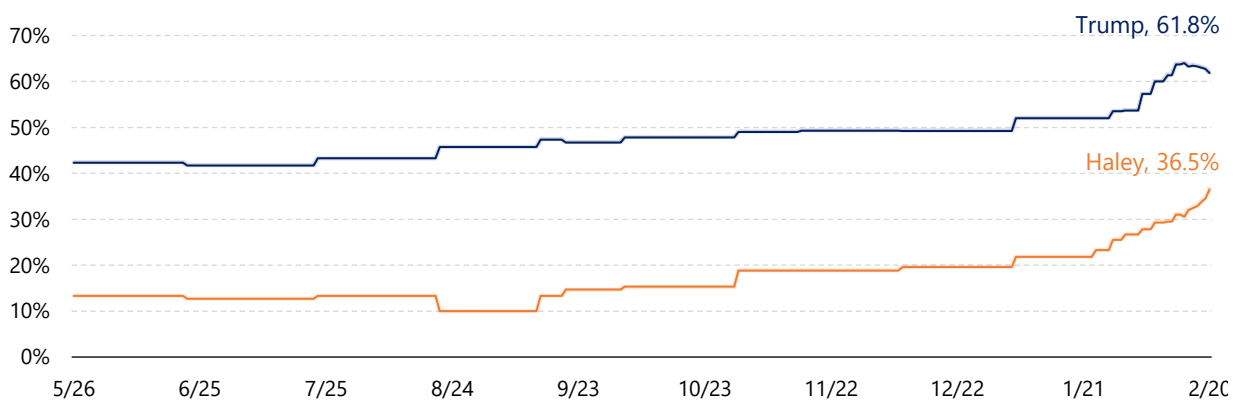
vindication for the “stolen election” of 2020. Showing fealty to Mr. Trump over the 'electability' of a candidate is more important. Yet, Haley continues to campaign. In a speech last Tuesday, she clarified her intent to stay in the race at least until Super Tuesday. Her campaign website already shows campaign stops in Super Tuesday states. Why?

In that speech, she said that the country is in danger of spiraling out and cannot afford another four years of chaos under Trump. That may be true. But running for president is an enterprise. It requires a clear strategy to achieve objectives. If outright defeating Trump is an unachievable goal, there must be a different angle. The commentariat suggest Haley is positioning herself as a contingency candidate in the event that Trump is unable to either seek or hold the office of the president. Others say that is publicity exercise to establish her credentials among traditional conservatives ahead of 2028. Both can be true at the same time.

In any case, she is heading into a likely defeat in her home state of South Carolina. Trump’s lead in the polls, while tightening, looks insurmountable. Candidates who have withdrawn are endorsing Trump. The vast majority of the Republican establishment in South Carolina has endorsed him as well. Among those is Senator Tim Scott who Haley appointed to the Senate to fill a vacancy when she was governor. If, however, she outperforms the polls, which have been tightening in recent days, that would provide much needed publicity, and perhaps a hint of hope that mobilizes fundraising ahead of Super Tuesday. Yet, overcoming Trump's lead seems to require more than just funds, hinting at the need for a significant shift in her campaign's direction, or perhaps, a miracle.

Trump's lead in South Carolina widens

South Carolina poll averages, as of Feb 21



Source: Real Clear Politics

Marubeni America Corporation Washington Office

1717 Pennsylvania Ave., N.W., Suite 375, Washington, DC 20006

<https://www.marubeni.com/jp/research/>

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