

QUANTCUBE TOP NEWS

Newsletter - October 22, 2020

Electoral College Projection



279



164



95

National Vote Projection



54.0%



46.0%

SPECIAL EDITION ON THE US ELECTIONS

- ▶ **UPDATE ON THE US ELECTIONS PREDICTIONS**
- ▶ **THE US JOB MARKET IS SLOWING DOWN**
- ▶ **GERMAN OUTPUT IS STILL ON THE RISE**
- ▶ **FRENCH CONSUMPTION IS DECLINING FOLLOWING THE CURFEW ANNOUNCEMENT**
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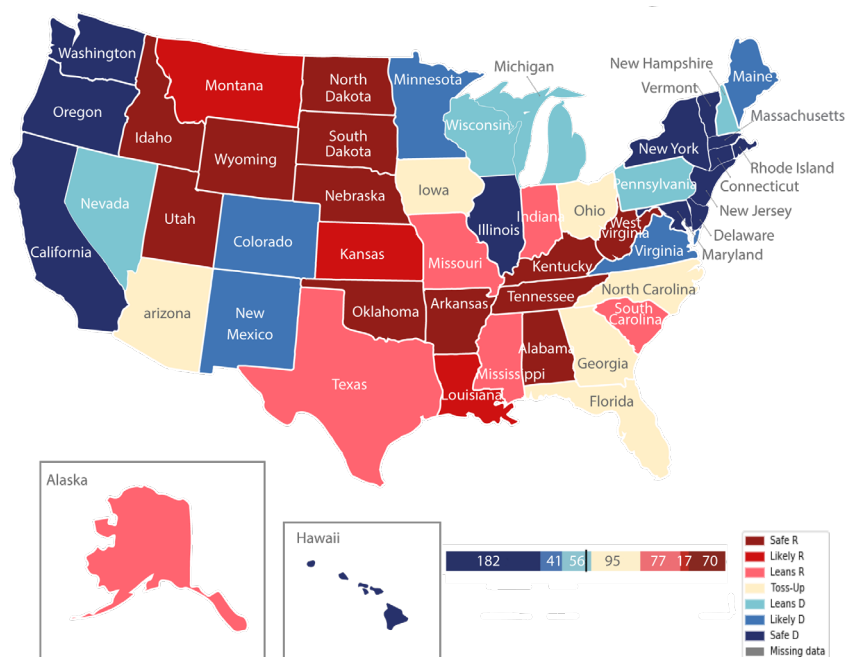
US ELECTIONS PREDICTIONS

As presented in our previous newsletter, QuantCube Technology has developed an innovative methodology to **predict the US 2020 presidential elections by combining high-frequency macroeconomic data and social media sentiment analysis models.** On the one hand, the economic analysis aims at taking account of “rational” variables by leveraging Quantcube’s high frequency macro data, the US GDP and private consumption. On the other hand, social media analysis captures the “emotional” aspect of the vote by analyzing the reactions to important campaign events. Those models are then mixed. As Election Day gets closer, we expect that emotions would take the lead on economic issues. Therefore, the mix model has a dynamic weight to give more weight on social media analytics.

Following up on the results we shared in late September, we already used the mixed-model to yield US election predictions back then. However, we amended the model to improve accuracy, especially in swing states. Indeed, the outcome of the Presidential Election relies on a few states which are highly disputed. This year, they are located in the Rust Belt (Wisconsin, Michigan, Ohio and Pennsylvania) or have changing demographics (Georgia, Arizona or Florida). **We use granular social media data to see the impact of events in some swing states.**

Based on our proprietary model, **we predict a Joe Biden’s victory at the national vote having 54.0 % vs. 46.0 % for Donald Trump** (compared to 54.4% and 45.6% in the previous newsletter). As the candidate who gets the most votes is not necessarily the one who wins the elections, we compute predictions at the state level to allocate Electoral votes. Were the presidential election to take place today, Joe Biden would win the election with **279 electors while Trump would get 164.** Six states representing 95 electoral votes - Arizona (11 votes), Florida (29), Georgia (16), Iowa (6), North Carolina (15) and Ohio (18 votes) - are undecided.

Compared to the last QuantCube prediction, **three states (Florida, Iowa and Ohio) go from ‘Lean Democratic’ to ‘Toss-Up’** and appear to be more disputed than three weeks ago. This is also linked to the fact that we used more granular data in swing states. Nevertheless, Biden is still leading the race since he carries states which voted for Trump in 2016 with a small margin (Wisconsin, Michigan and Pennsylvania) and threatens republican strongholds (Arizona and Georgia). Hence, Trump needs to focus on those traditional Republican states and the states he barely won at the last election while Biden’s strategy is to get those Northern states back.



Compared to usual polling institutes, **QuantCube Technology leverages Social Media analysis to capture the impact of some events on the national vote in real time.** Indeed, in 2016 Trump’s election bewildered as polling institutes did not take into account social media and may have had some lags in detecting the impact of latest events on voting intentions. For our social media model, **we use hashtags classification and sentiment analysis on tweets to determine the users’ political orientation.**

Electoral College Projection



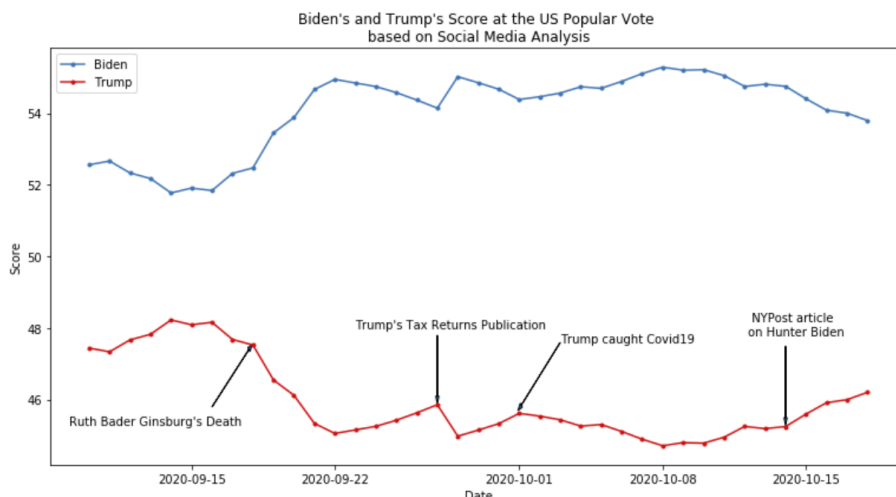
National Vote Projection

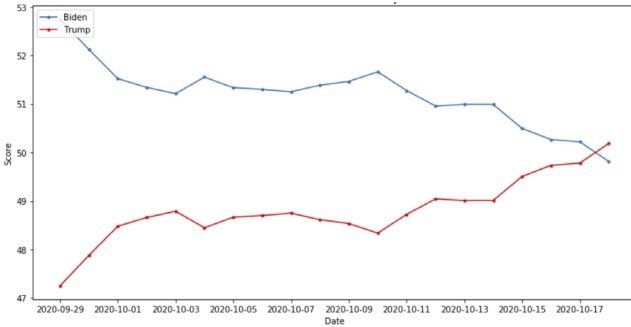


We can detect four events which have had a significant impact on the national vote prediction. The first one is **the passing of Ruth Bader Ginsburg.** With her death on the 18th of September 2020, the Supreme Court became a burning issue in the Election all the more so as Trump decided to nominate a conservative judge, Amy Coney Barrett, to replace her. This has mobilized Democratic supporters since Republican senators are rushing to confirm Trump’s pick. Next was **the publication of Trump’s tax returns by the New York Times.** Indeed, the fact that the President paid 750\$ in federal taxes caused an uproar in Democratic troupe and Americans who are having a hard time in making ends meet. **Trump was catching up when he caught Covid19.** The trend reversed since health issues and Trump’s Covid19 handling were at the center of the debates.

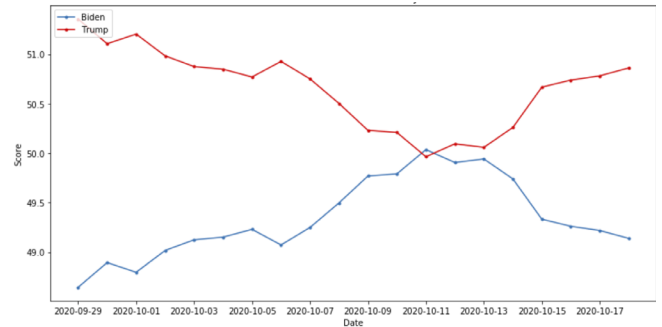
Last week, **Trump’s vote intention rose more than 1% with the New York Post article publication on Hunter Biden,** Joe Biden’s son. This is the unique value of capturing social media since no classic polling institutes has detected the impact of this event in real time.

As we continuously improve our social media analysis, **Quantcube Technology is able to see changes in Social Media at the state level.** In the last weeks, some important changes were detected in swing states like Arizona and Georgia.





Biden and Trump's score in Arizona based on Social Media Analytics



Biden and Trump's score in Georgia based on Social Media Analytics

Trump is having a hard time in Arizona, a Republican stronghold. Indeed, the state has voted only once for a Democratic candidate in 68 years (in 1996, for Bill Clinton). However, in the last decade, demographics have changed in the Grand Canyon state : latinos are becoming one the biggest community. In the last weeks, Joe Biden has been leading the race on social media but recently, **the trends changed and Trump gained ground, especially after the New York Post publication.**

Another battleground state is Georgia, in the south east of the United States. This state has voted once for a Democratic candidate in 36 years (for Bill Clinton in 1996). The Peach State has been at the center of political analyses since 2018 with the fight between Stacey Abrams, the first African-American woman to run for governor in the state, and Brian Kemp, the republican candidate. Indeed, the Democratic candidate mobilized the minorities, in particular the black minority, in this state in which **legal measures are implemented to deter minorities from voting.**

Since then, the Democratic Party has been deploying efforts to incent leaning Democratic communities to vote instead of abstaining. As a consequence, while Trump won Georgia in 2016 with 5% margin, the economic and the sanitary crises combined with Democratic efforts has helped Biden to close the gap with Trump. We can see this in the graph : results became closer until the beginning of October. However, the New York Post publication on Hunter Biden's mail has increased the differences between Biden and Trump.

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