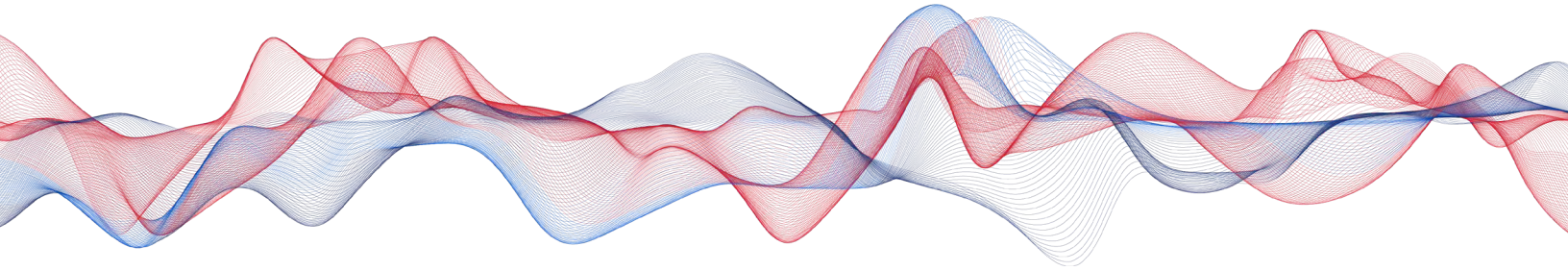


THE GLOBAL INVESTOR SUMMIT ROME 2024

Mapping the Political Risk Landscape in 2024



What does the political landscape look like after countries representing the bulk of global GDP choose new – or not so new – leaders? This is the question confronting business and investors in 2024, as voters select who occupies the White House and European Parliament, and with general elections in many other key economies, from the United Kingdom to major emerging markets like India.

At its Global Investor Summit in Rome in March, Bank of America convened some of the world's sharpest strategic thinkers to evaluate what this potentially seismic political realignment will mean for trade, growth and global diplomacy.

The impact of Ukraine

Politics have never gone away, but in 2024 the sense is that they've rarely been more important. The Russia-Ukraine conflict, the escalation in the Middle East and tensions between the U.S. and China have raised fears of the world being further split into competing camps, with mounting implications for trade and technological development.

The stakes could scarcely be higher for the private sector. **"In 2024 nations representing 80% of the global equity markets go to the polls,"** noted Michael Hartnett, chief investment strategist, BofA Global Research, in a presentation on BofA's Global Investment Atlas. **"Historically elections don't matter too much to markets – but this year they will matter a lot."**

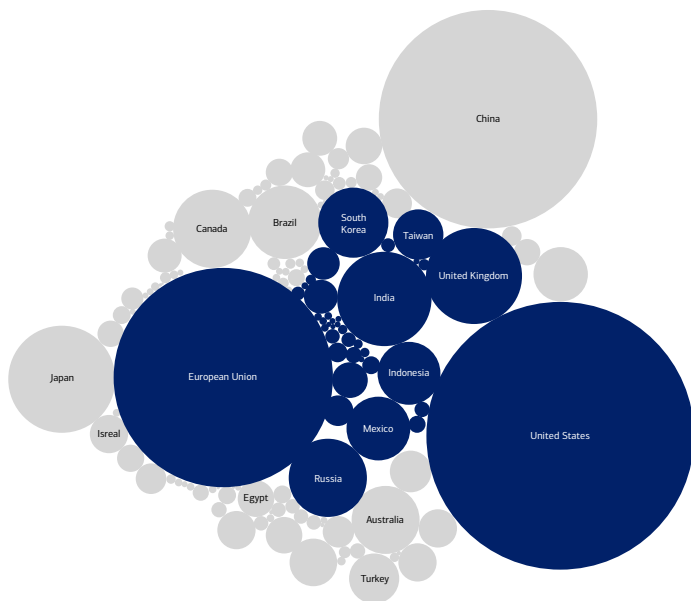


Michael Hartnett, Chief Investment Strategist, BofA Global Research

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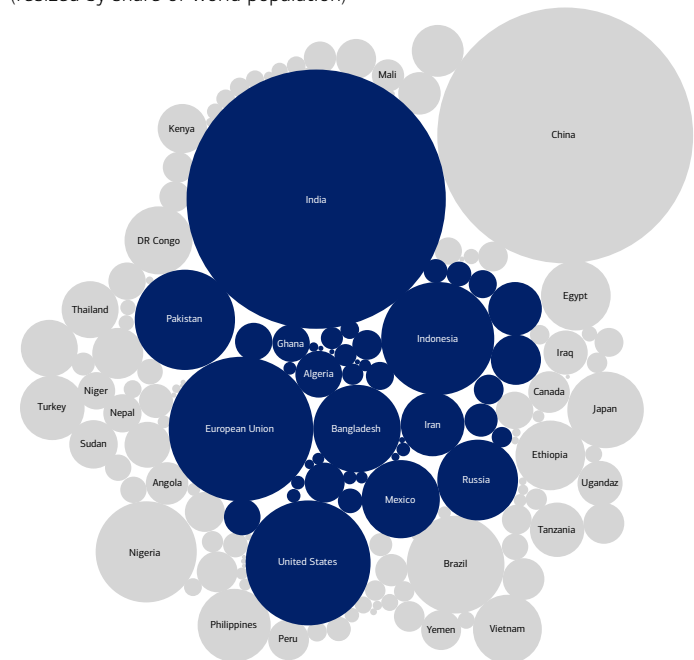
Elections in 2024 in countries representing 60% of GDP

(resized by share of world GDP)



Elections in 2024 in countries representing 40% of world population

(resized by share of world population)



Source: BofA Global Investment Strategy

Two packed sessions at the Summit in Rome brought the urgency of these issues to life. In the first, Candace Browning, head of Global Research for BofA Global Research, hosted a panel on 'Global Challenges in Times of Uncertainty' that featured speakers such as Kolinda Grabar-Kitarović, former president of Croatia and former assistant secretary-general of NATO, and Mike Pyle, senior advisor at Macro Advisory Partners and former U.S. deputy national security advisor for international economics in the Biden administration.

Panelists weighed the prospects for a resolution to the Ukraine conflict, with one observing that the implications for European unity could be positive: **"The pandemic and Russia's actions acted as catalysts for the European Union to start thinking like a global player in terms of our defence,"** said Grabar-Kitarović.

They also noted that the spectrum of risks is evolving as technology reshapes the way conflicts play out. The nexus between cybersecurity, artificial intelligence and quantum computing, for example, could pose significant challenges to both defence and societal resilience.

All eyes on the White House

In the minds of many, the most significant election on the horizon is the contest in the U.S. between incumbent President Joe Biden and former president Donald Trump, with the outcome likely to set the tenor of the West's wider approach to issues of trade, foreign investment and diplomacy.

"We're in a moment when the U.S. election season will place real stress on a range of high-profile global economic and security issues," said Pyle.

For an expert view of the dynamics of the U.S. presidential race, the summit turned to political strategists with direct experience of such campaigns. Among them was Karl Rove, former deputy chief of staff and senior advisor to President George W. Bush.

Rove joined a panel chaired by Laura Chepucavage, head of Global Financing and Futures, BofA Securities, to weigh the global implications of the U.S. polls.

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Chepucavage noted that the outcome of the U.S. election is of profound interest in Europe, given President Trump's uncompromising stance on tariffs during his previous term in office, and President Biden's intervention in the U.S. economy via the Inflation Reduction Act. This was billed by the White House as the largest-ever investment in climate action and green energy, but criticised in Europe for its 'Buy American' provisions¹.

“There’s a lot of concern in Europe about what the U.S. election will mean for trade,” Chepucavage said.

The experts assembled in Rome said that in terms of the outcome of the race, the decisive factor is likely to be which side has the most energised base. Earlier, BofA's Hartnett had noted that President Biden faced an unusual situation, inasmuch as low unemployment rates of the kind that the U.S. currently enjoys normally translate into much higher polling numbers for an incumbent.

Speakers also voiced concerns over the polarising effects of social media on political discourse, but Rove downplayed the

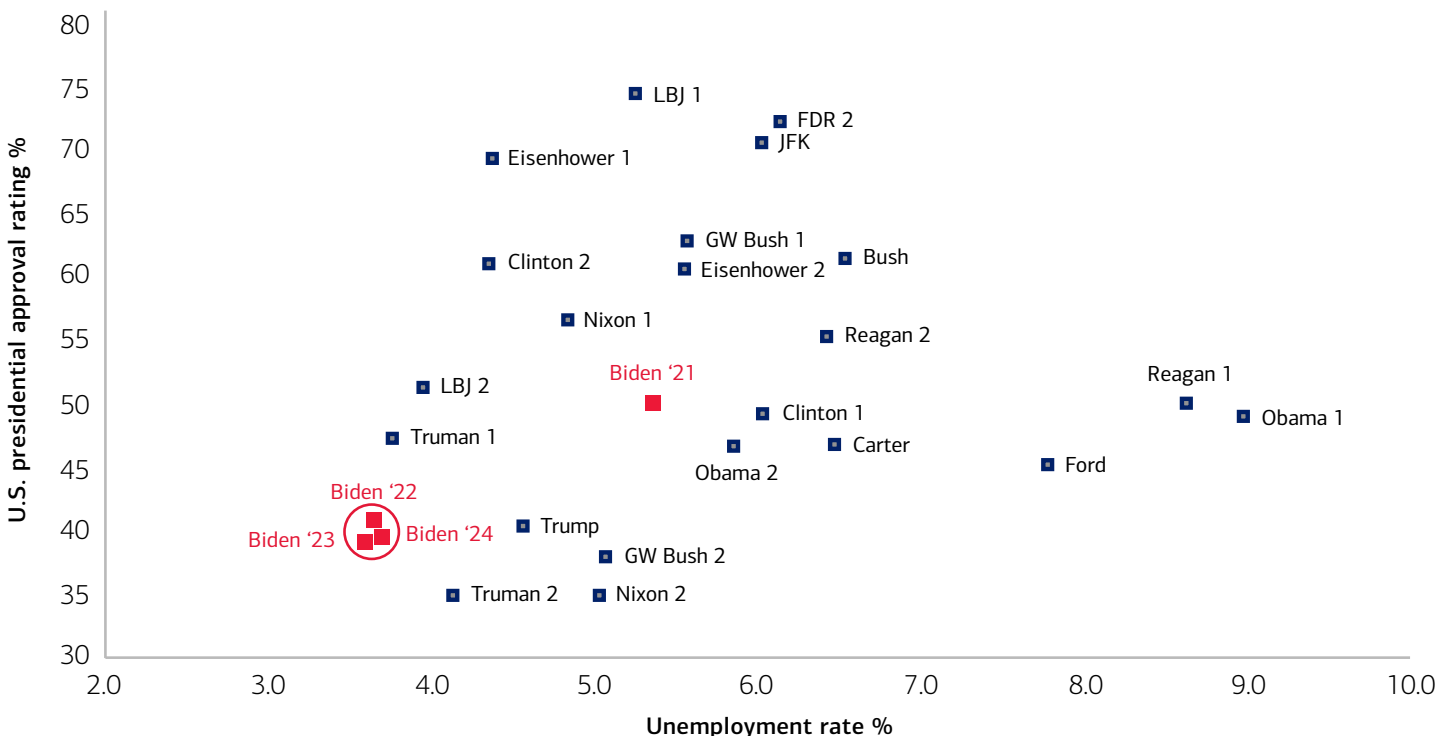
possibility of any systemic impact, expressing faith that **“the guardrails of American society are strong.”**

“What keeps me optimistic is that we are a great country for innovative people,” he added.

The many notes of optimism that emerged from the discussions in Rome showed that even though the world must brace for some disruption from a year of elevated change, many economies, societies and business models remain resilient at their core. Importantly, delegates attending the Global Investor Summit also highlighted our collective capacity to innovate, and to come together to find common ground in order to solve challenging issues.

To learn more about Bank of America's international business, please get in touch with your relationship manager or [click here](#).

U.S. presidential approval rating vs unemployment rate



Source: BofA Global Investment Strategy, Bloomberg

¹European Parliament

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