

POTOMAC RESEARCH GROUP
BY HEDGEYE

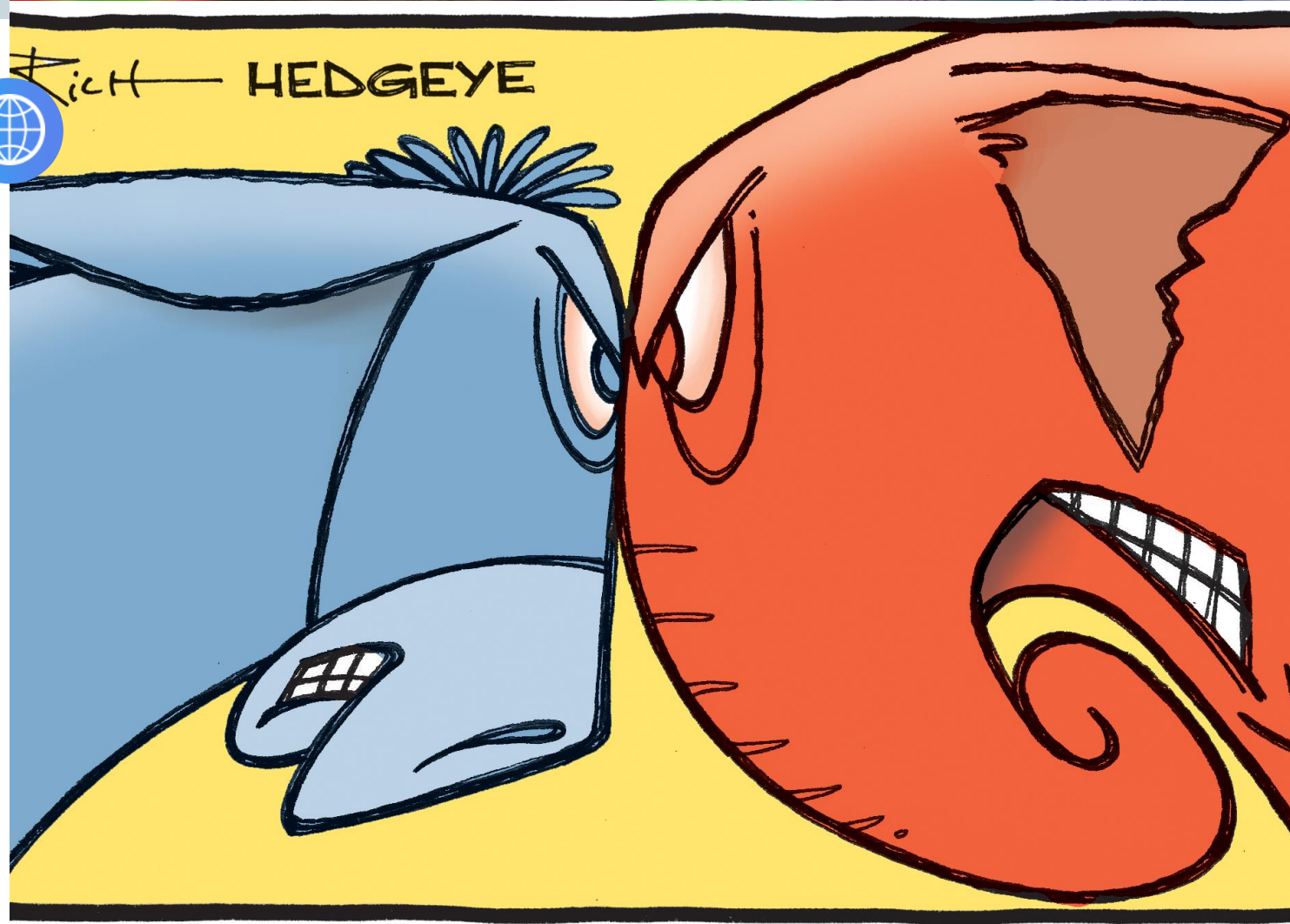
SURVIVAL POLITICS:

HOW DOES THE 2024 ELECTION
CHANGE THE INVESTMENT
ENVIRONMENT ?

—
MAY 2, 2024



Rich — HEDGEYE



MACRO/TMT/HEALTHCARE

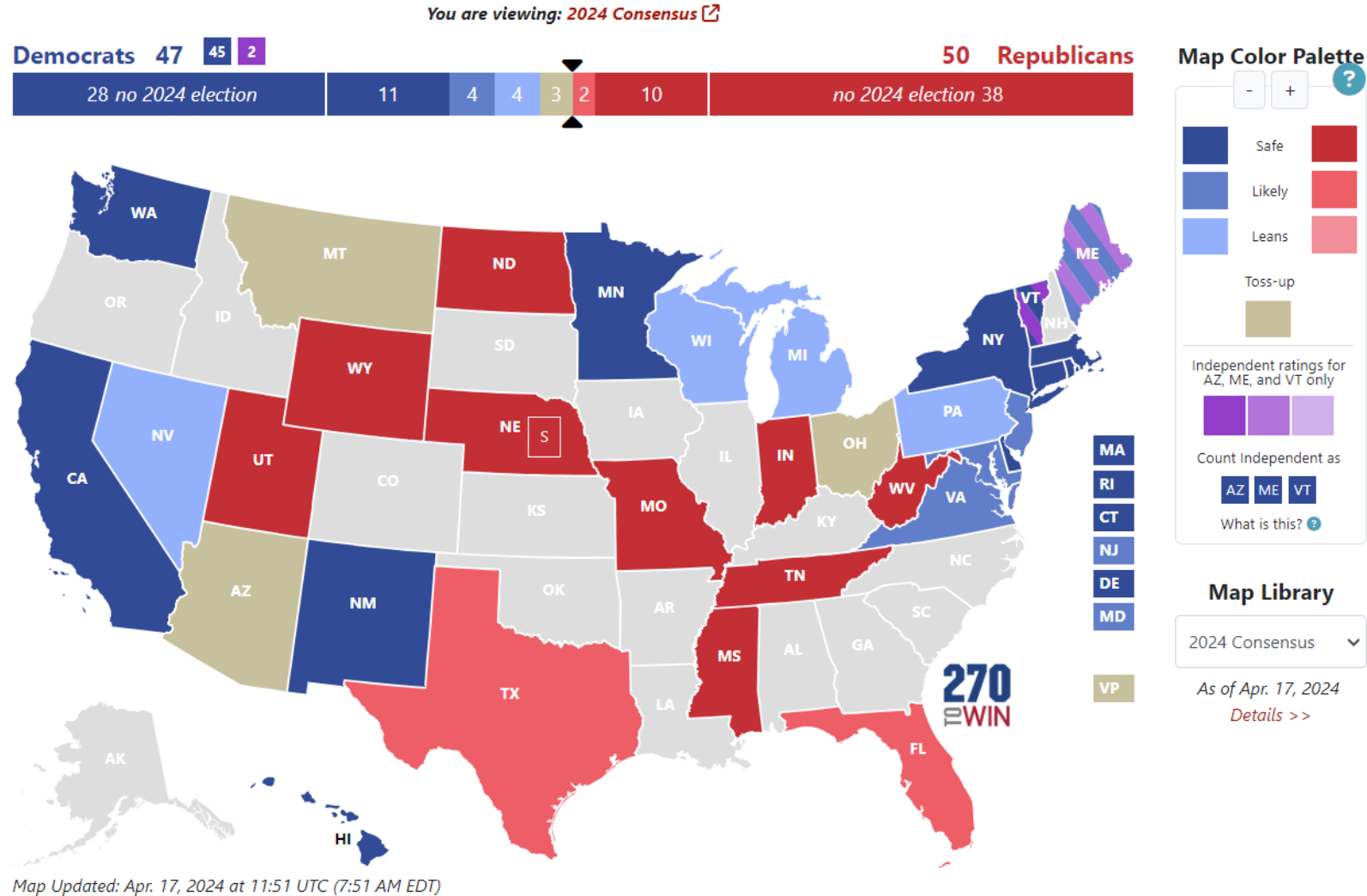
Taylor

Glenchur

Evans

SENATE VERY LIKELY TO FLIP REPUBLICAN...

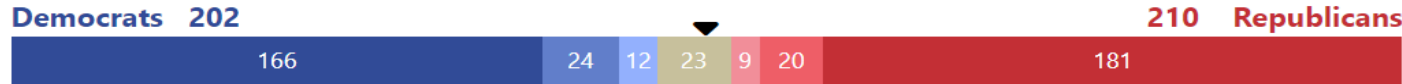
W VA All But Certain to go R: Red States Are Battlegrounds For Control of Senate



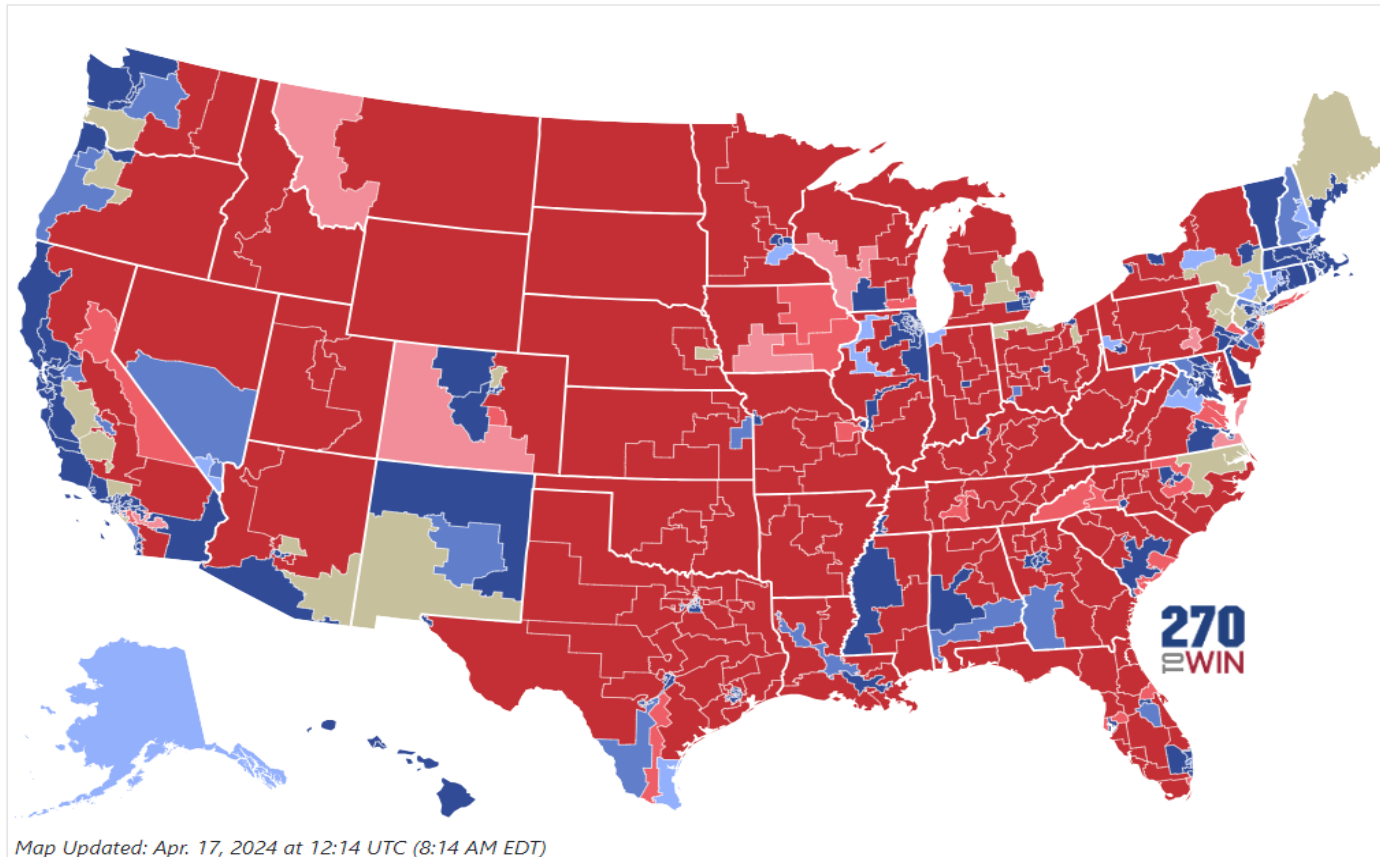
...AND THE HOUSE PROJECTED TO FLIP TO DEMS

CA | NY | NJ – Blue States May Be Deciding Factor

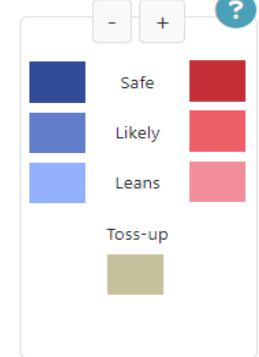
You are viewing: **2024 Consensus**



United States + - Full Size



Map Color Palette



District Details

Hover over a district for details.

Map Library

2024 Consensus

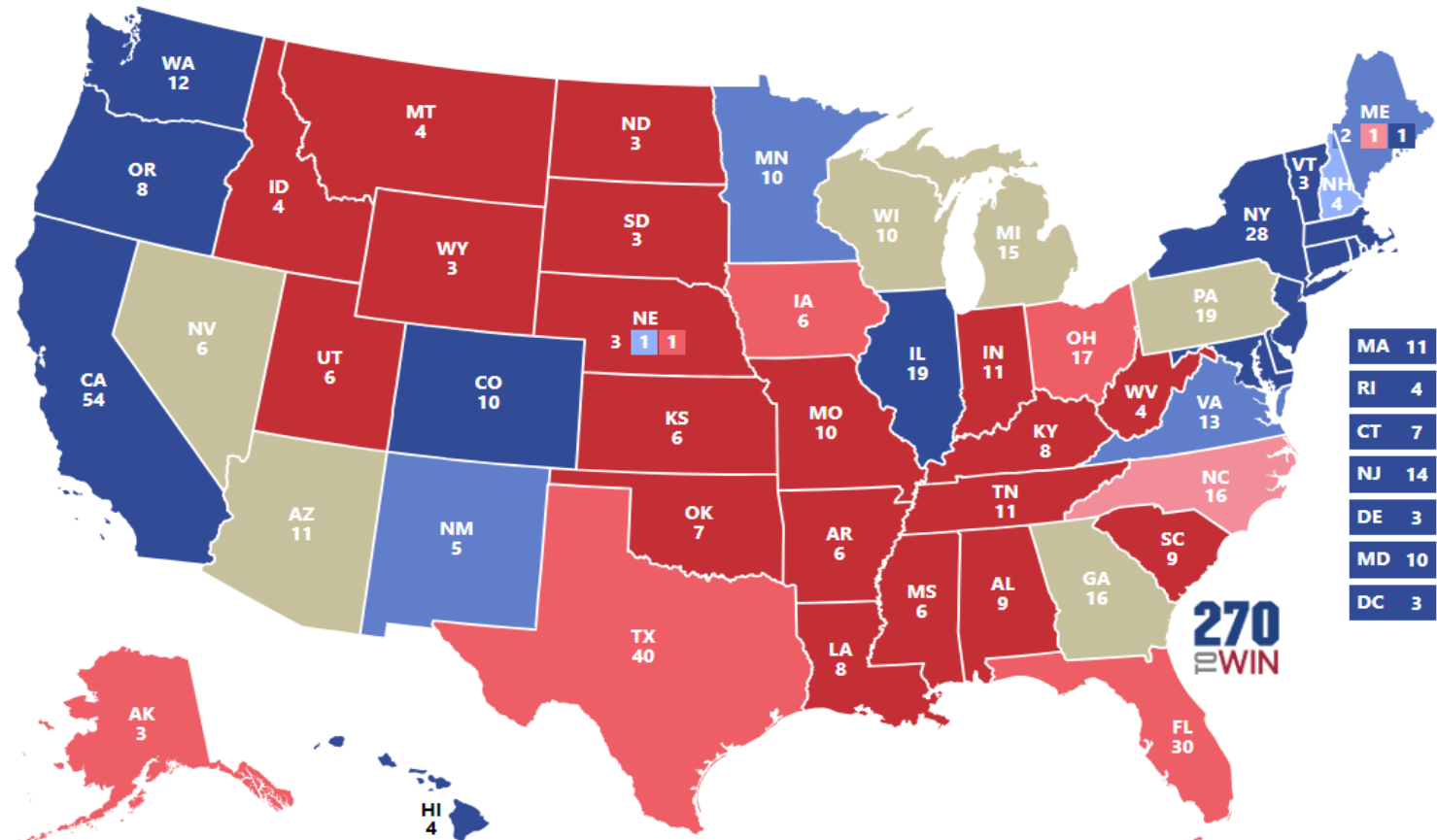
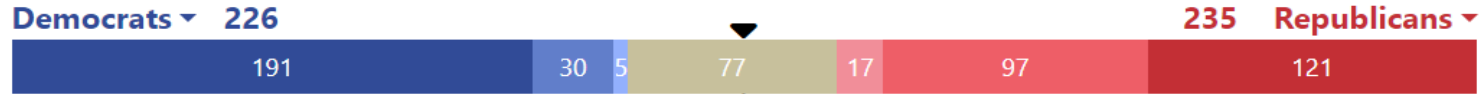
As of Apr. 17, 2024
[Details >>](#)

Table View

State View

2024 PRESIDENTIAL → 2020 REPEAT?

ELECTORAL COLLEGE VIRTUALLY TIED. WI/PA/AZ/GA/NV/MI + NC



Map Color Palette

Safe Likely Leans Toss-up Show 3rd Party

Split Votes

State	District		
	1	2	3
ME	2	1	1
NE	2	1	1

User-Created Map

Reset Map

Map Updated: Apr. 6, 2024 at 16:08 UTC (12:08 PM EDT)

2025

2025 WILL USHER IN POLICY EXPOSURE +
UNPREDICTABILITY NO MATTER WHO IS IN THE
WHITE HOUSE

The 2024 Election: Will the Outcome Boost or Inhibit Tech Platform Growth?

Paul Glenchur (TMT and Legal Policy)
pglenchur@hedgeye.com

May 2, 2024



PotomacResearch
Group

by Hedgeye

AI Drives Cloud Growth and Innovation (MSFT, AMZN, GOOGL)

- Cloud infrastructure leaders – Microsoft Azure, Amazon AWS and Google cloud – are poised to extend leadership to AI deployments and applications (AI Infrastructure as a Service). Leaders have data, compute capacity, skilled workforce, and access to capital.
- Oracle and IBM also positioned to benefit
- Massive revenue growth ahead – 60% CAGR in AI Infrastructure revenues; \$247 Billion by 2032 (Bloomberg Intelligence guesstimate, June 2023)
- Investments and partnerships expand AI opportunities for dominant cloud providers
- BUT: Regulators fear vertical relationships will distort innovation and competition, allowing cloud incumbents to extend market power, entrench dominance and contour innovation to their competitive benefit, foreclosing entry by disruptive innovators.
 - Regulatory resistance and potential challenge to cloud provider investments in foundation models (Microsoft/OpenAI; Amazon and Google investments in Anthropic)
 - Cloud provider strategic investments are legal, but enforcers may creatively stretch the law

Biden Tech Policy Priorities

- Competition Policy Objective: Prevent dominant tech platforms from entrenching market power in the transition to AI products and services
- Push legislation to regulate AI; Potential creation of federal agency to regulate tech platforms
- Pursue enforcement agenda supporting more aggressive interpretation of existing antitrust laws, including ambitious liability theories embodied in new antitrust merger guidelines. Recognize network effects and scale as market entry barriers
- Propose *ex ante* FTC regulations to define “unfair methods of competition” and apply such regulation in lieu of enforcement litigation against tech platforms. Note: recent FTC ban on non-compete clauses is a test case for FTC assertion of novel competition rulemaking power.
- Encourage aggressive regulation of U.S. tech platforms in the EU and the UK (e.g., EU Digital Markets Act and pending UK legislation -- Digital Markets, Competition and Consumers bill)
- With four more years, nominate and confirm progressive federal judges willing to embrace the Administration’s antitrust agenda

Potential Election Impact

- Return to pre-Biden Antitrust Philosophy?

Three leading cloud platforms - absent collusion - constitutes a competitive market. Oracle, IBM and other players further discipline the market. Let the market work.

- Return to U.S. centric trade policy (Biden USTR no longer recognizes EU discrimination against U.S. tech companies under the DMA)
- Abandon ambitious enforcement theories in Biden Administration merger guidelines
- Allow acquisitions and investments driving efficiencies and consumer benefits. Big is not inherently bad.