

All to play for!

The fight for the White House is closer than many think.

What started as an armchair run-in to the White House for President Obama, rapidly changed into a close race as the polls on 9th October put Mitt Romney ahead 49% to 46% after the first debate in which Romney's strong debating performance appeared to catch Obama napping. The poll was a small one, taken nationally and gave no indication of the view in the crucial swing states. However, it is always the first debate that sets the tone of the battle ahead and the 11 point swing from before the election race even started signalled that it was game on.

By the time the televised debate got to the swing states a few days later, Romney was only 6 points behind Obama in Ohio (45% vs. 51%) but had edged ahead in Virginia (48% vs. 47%) and just a point behind in Florida (48% vs. 47%) with the media wondering if or when Obama would up his game.

In the next debate in Long Island, momentum had gathered for Romney who was lining up an attack on

Obama's foreign policy following the bombings in Benghazi. Hillary Clinton took a bullet for Obama ahead of the debate by taking full responsibility for the lapse in security and in the end it was a closely fought contest with the polls giving Obama the edge.

However, it's generally considered that Romney would have to win all three debates to have an overall fighting chance for the White House and the final debate in Florida was where Obama appeared to have recovered his poise sufficiently to give a polished yet relaxed performance, finding the confidence to land some pithy one liners mocking Romney's simplistic claims that the US had fewer ships than 100 years ago: "Well, we have fewer horses and bayonets because the nature of our military has changed". Romney came back strongly with an upbeat summary of his record in balancing budgets for both the Olympics and his state Governorship. The domestic economy is Romney's strength which comes across as more businesslike with an emphasis on growth and jobs but he is hindered by what is perceived to be an aggressive stance on China and the perception that, on foreign policy, he walks in the shadow of George W Bush and the uncomfortable feeling of a danger to failed policies of the past.

After the final debate, the NBC and Wall Street Journal confirmed a strong final run in for Romney with the two neck and neck at 47% apiece. Interestingly, Romney is more popular with men (53% vs. 43%) and Obama more popular with women (51% vs. 43%).

So now we face the final furlong before the election. What is certain is that the election will now dominate the media as both candidates throw unprecedented funds at the campaign. Obama has something just short of $100 million in campaign funds and Romney over $75 million. With it all to play for, not a penny will be spared. Stock markets are now pondering the possibility of Romney winning the election and what this would mean. Broadly speaking, one would expect a Republican victory to be positive for equities but Romney would want to replace Ben Bernanke for starters with a view to unwinding QE. It's hard to imagine the markets reacting favourably to that although the dollar would probably strengthen.A win for Obama would be seen as business as usual and, on balance, is what the markets are still pricing for. Ironically, the market took a reasonably positive view of the Democrats previously losing control of the upper house. After all, a President that cannot easily put through policy changes at least gives some degree of certainty which is what markets like.

Transcript of the summing up speeches in the third debate at Lynn University, Florida:

THE PRESIDENT: Well, thank you very much, Bob, Governor Romney, and to Lynn University. You've now heard three debates, months of campaigning and way too many TV commercials. And now you've got a choice. Over the last four years, we've made real progress digging our way out of policies that gave us two prolonged wars, record deficits, and the worst economic crisis since the Great Depression.

And Governor Romney wants to take us back to those policies -- a foreign policy that's wrong and reckless; economic policies that won't create jobs, won't reduce our deficit, but will make sure that folks at the very

top don't have to play by the same rules that you do. And I've got a different vision for America.

I want to build on our strengths. And I've put forward a plan to make sure that we're bringing manufacturing jobs back to our shores by rewarding companies and small businesses that are investing here, not overseas. I want to make sure we've got the best education system in the world, and we're retaining our workers for the jobs of tomorrow.

I want to control our own energy by developing oil and natural gas, but also the energy sources of the future. Yes, I want to reduce our deficit by cutting spending that we don't need, but also by asking the wealthy to do a little bit more so that we can invest in things like research and technology that are the key to a 21st-century economy.

As Commander-in-Chief, I will maintain the strongest military in the world, keep faith with our troops, and go after those who would do us harm. But after a decade of war, I think we all recognize we've got to do some nation-building here at home rebuilding our roads, our bridges, and especially caring for our veterans who sacrificed so much for our freedom.

We've been through tough times, but we always bounce back because of our character, because we pull together. And if I have the privilege of being your President for another four years, I promise you I will always listen to your voices, I will fight for your families, and I will work every single day to make sure that America continues to be the greatest nation on Earth. Thank you.

MR. SCHIEFFER: Governor.

GOVERNOR ROMNEY: Thank you. Bob, Mr. President, folks at Lynn University, good to be with you. I'm optimistic about the future. I'm excited about our prospects as a nation. I want to see peace. I want to see growing peace in this country. It's our objective. We have an opportunity to have real leadership. America is going to have that kind of leadership and continue to promote principles of peace that will make the world a safer place, and make people in this country more confident that their future is secure.

I also to want to make sure that we get this economy going. And there are two very different paths the country can take. One is a path represented by the President, which, at the end of four years, would mean we'd have $20 trillion in debt, heading towards Greece. I'll get us on track to a balanced budget.The President's path will mean continuing declining in take-home pay. I want to make sure our take-home pay turns around and starts to grow. The President's path means 20 million people out of work, struggling for a good job. I'll get people back to work with 12 million new jobs.

I'm going to make sure that we get people off of food stamps, not by cutting the program, but by getting them good jobs. America is going to come back, and for that to happen, we're going to have to have a President who can work across the aisle.

I was in a state where my legislature was 87 percent Democrat. I learned how to get along on the other side of the aisle. We've got to do that in Washington. Washington is broken. I know what it takes to get this country back, and we'll work with good Democrats and good Republicans to do that.

This nation is the hope of the Earth. We've been blessed by having a nation that's free and prosperous thanks to the contributions of the Greatest Generation. They've held a torch for the world to see, a torch of freedom and hope and opportunity. Now it's our turn to take that torch. I'm convinced we'll do it.

We need strong leadership. I'd like to be that leader with your support. I'll work with you. I'll lead you in an open and honest way. And I ask for your vote. I'd like to be the next President of the United States to support and help this great nation, and to make sure that we all together maintain America as the hope of the Earth. Thank you so much.

MR. SCHIEFFER: Gentlemen, thank you both so much. That brings an end to this year's debates. And we want to thank Lynn University and its students for having us. As I always do at the end of these debates, I leave you with the words of my mom, who said, go vote. It makes you feel big and strong. Good night.

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