

05:55 09 Nov 2016

Fed will sit on hands after Trump's stunning triumph

One of the first things to change with Donald Trump's stunning presidential victory is the likelihood of an interest rate rise in December, according to Chris Beauchamp at IG Index.

Talk already is that Trump and his Republican allies will remove Janet Yellen as chair of the Federal Reserve.

Beauchamp does not think that will happen before his inauguration, if at all, but the speculation it is one more reason for the Fed to do nothing at its meeting in December, he told Proactive.

"The Fed won't want to throw anything else into the mix."

He said the recovery of the FTSE100 so quickly this morning indicates the markets see this as nothing like Brexit, but, like in the UK, sustained weakness in the US dollar may boost US company earnings.

Gold's rally fizzled out after Trump's calm acceptance speech and Beauchamp believes the market will like it if this conciliatory, all-embracing tone is maintained.

Longer-term, Trump's tax cuts should benefit retailers, defence companies will get a leg-up from higher military spending and construction firms should benefit from more infrastructure.

Price: 552.2p**Market Cap:** £205704000000M

Share Information

Code: IGG**Listing:** LSE**52 week**

High	Low
916.50p	467.40p

Sector: Equity Instruments [T3]**Website:** www.iggroup.com

Company Synopsis:

IG Group Holdings plc is a United Kingdom-based company, which is principally engaged in running a spread betting market, trading as principal and market maker for foreign exchange, and contracts for difference and acting as a fixed odds bookmaker. During the fiscal year ended May 31, 2008, the Company began trading on a regulated futures and options exchange.

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