

Hillary Clinton cannot win US election: Libertarian

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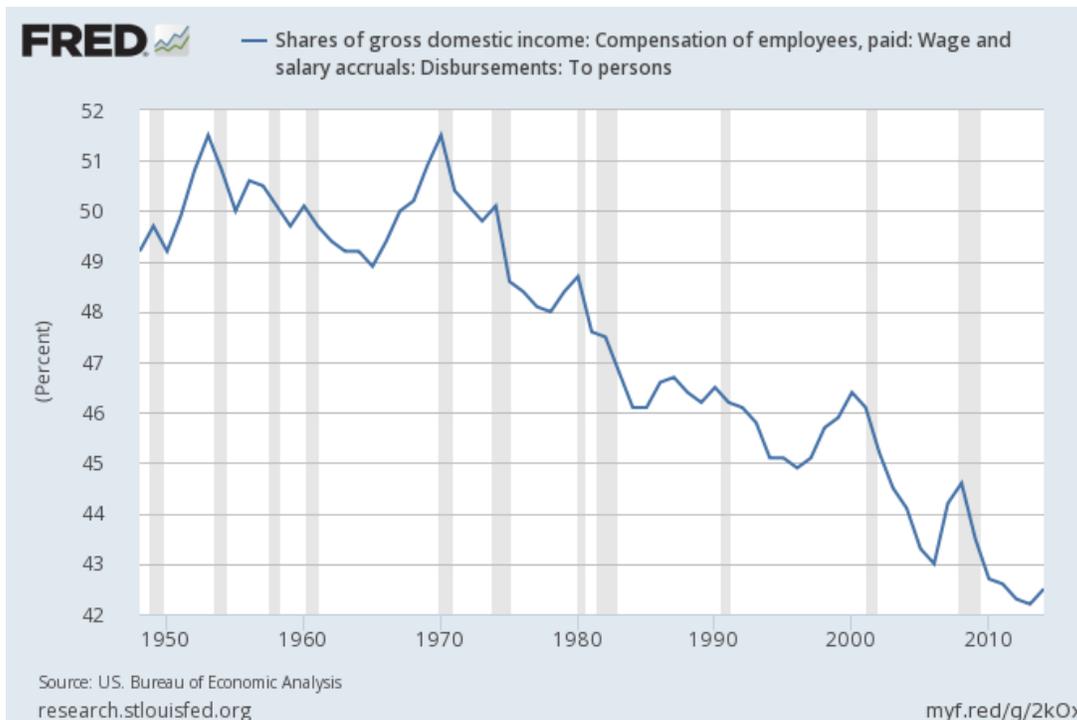
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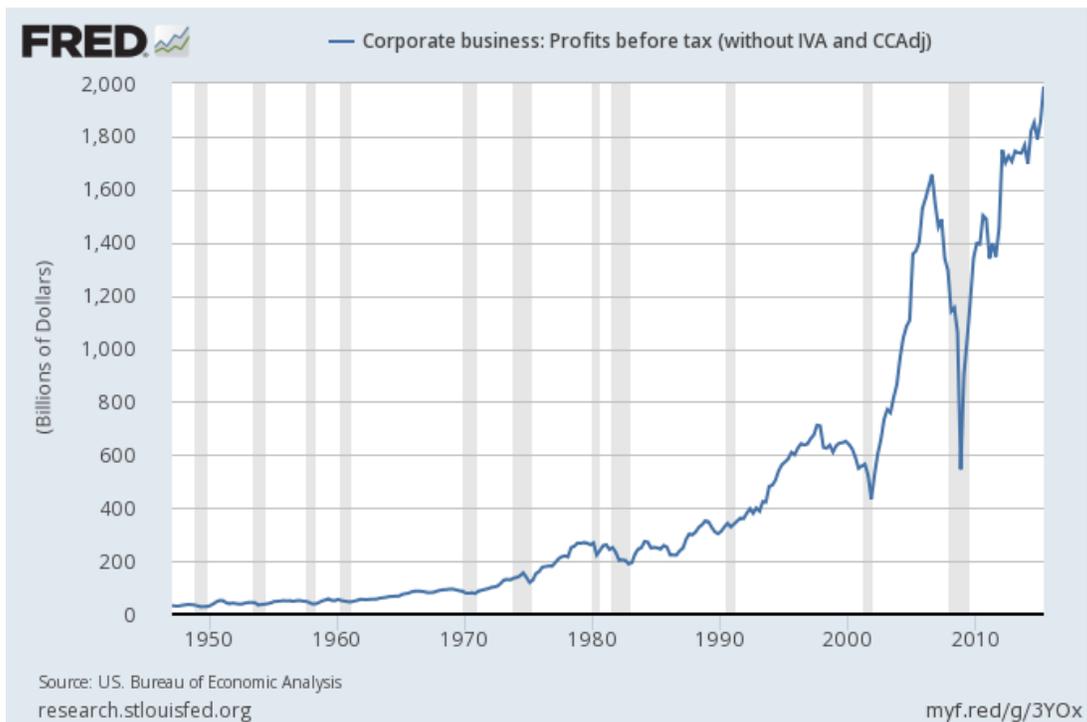
The rise of anti-establishment movements around the world will hit global investment, Wall Street profits and [Hillary Clinton](#)'s chances of winning the presidency, according to a self-described libertarian economist.

Steen Jakobsen, chief economist at Danish investment bank Saxo Bank, believes the "social contract" — the agreement between the ruled and the rulers — is now broken, and this can be seen in the rise of [Donald Trump](#).

Jakobsen says we may have reached a nadir in terms of political ambitions, investments, capital expenditure, employment, inflation and growth. He sees this as the end of "planned economies" that were adopted after the fall of the Berlin Wall.

In a recent research note, he said the ratio between employee compensation to [gross domestic product](#) in the U.S. is the lowest in history and corporate profits are at their highest-ever point. This, he believes, is a key reason why U.S. citizens now want anything but the traditional establishment.





"Hillary Clinton cannot win the U.S. election. She is the epitome of the establishment class, of the elitist order," he said. "Trump, on the other hand, is so far away from being a politician that he represents chaos in a world of order, and this is what U.S. voters want."

Trump, the 2016 [Republican](#) presidential front-runner and chairman and president of The Trump Organization, needs 1,237 delegates to lock down the nomination before the GOP convention in Cleveland in July. Trump is leading with 752 delegates to Sen. Ted Cruz's 470, according to NBC News' count.



Democratic presidential candidate former Secretary of State Hillary Clinton greets voters outside of a polling station at Parker Varney School on February 9, 2016 in Manchester, New Hampshire.

This break in the "social contract" can also be seen in the antipathy to how the world's central banks handle the economy, Jakobsen added.

"No one cares about the (Federal Reserve). No one knows about the anchoring of inflation expectations. No one knows what the Fed is doing," he told CNBC Tuesday.

"We have glorified central bankers in the world today who have behaved like rock stars. Some of them like (European Central Bank President Mario) Draghi clearly enjoys being in the limelight. But the effect of what they do, the marginal impact of what they do, is deteriorating and massively so."

Jakobsen sees the rise of antipolitics and Trump in particular as part of the same movement as the nationalist politics in France and the U.K. referendum on June 23 on whether to leave the European Union. Across all countries, the far left and far right will do better simply because they are far away from the middle, according to the economist.

"The market will not like this, and as stated, the price for this transition is that Wall Street will need to do worse, partly because of a transfer of income to Main Street and partly due to the need for an increase in capex, but this is a good thing," he said in his note.

"The alternative is more of the same emergency nonsense we have lived with over the last eight years."