

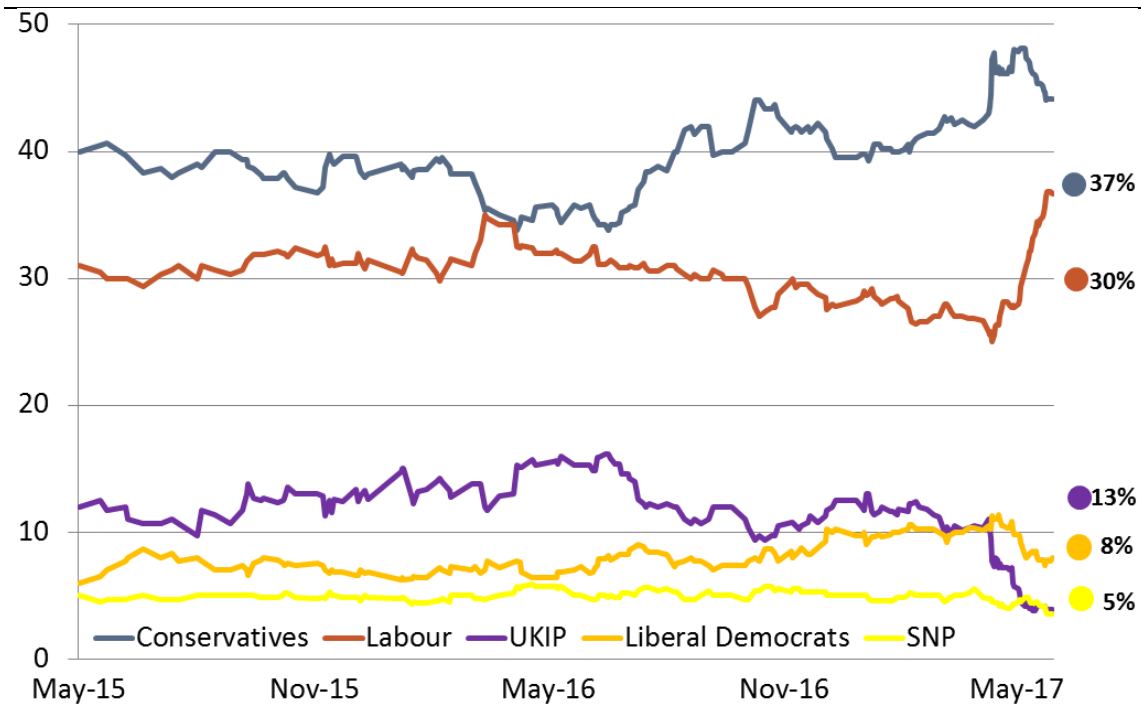


Kallum Pickering, Senior Economist | Kallum.pickering@berenberg.com | +44 20 3465 2672

UK ELECTION: FINAL POLLS, ELECTION TIMETABLE, WHAT HAPPENS IF

Berenberg Macro Flash

Opinion polls for the UK general election and 2015 general election results



SNP: Some data points include voting intentions for Plaid Cymru. Source: National opinion polls, Berenberg calculations. Rolling average shown. The dots and % to the right of the chart correspond to the total vote share of each party at the 2015 general election.

ONE LAST LOOK AT THE POLLS BEFORE BRITAIN VOTES

Unless the polls are badly wrong Theresa May’s Conservatives should win tomorrow. But as polls have narrowed sharply in the past month, a decisive victory and ultimately a bigger majority for the Conservatives looks a lot less likely than it did just one month ago. The latest handful of polls puts the Conservatives 7% ahead of rivals Labour, who haven’t come first in any of such polls in over a year. But the sharp recent reduction in the Conservative party’s lead, poor poll reliability in past votes, plus an unusually high level of uncertainty about the key issues and the rate of voter turnout among key demographics, make this election tricky to call. A high voter turnout among the young (<25) is crucial if Labour is to do well.

Unlike elsewhere in Europe – think France, Spain and Italy – where the traditional parties have lost ground against fringe parties in recent years, Britons are set to return to more familiar voting patterns. As our chart shows, both of the UK’s major parties, the Conservatives and Labour, are set to add around 7pt each compared to their 2015 share of the vote. By bringing the popular issues – EU membership and migration - into the centre of British politics, Brexit has removed the voter impetus to back populists. If the polls are anything to go by, far-right UKIP is set to be the major loser at tomorrow’s vote.



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The critical point is that, even in the most likely scenario of a Conservative win, politics will remain front and centre for analysis of the UK economy for the foreseeable future. Brexit negotiations will begin in late June, ending in March 2019. Negotiations will be difficult. The stances of both the UK and the EU27 have hardened recently. By late 2018, the UK could face a tough choice between a hard Brexit or accept the potentially unfavourable terms – maintaining free movement of labour – of a transitional deal largely set by the EU27. This promises to set the grounds for a turbulent domestic political debate. Even though the election will be over by tomorrow, the long and hard summer ahead for UK politics is just starting.

TIMETABLE FOR ELECTION DAY

8 June 7am – polling stations open and voting begins

8 June 10pm – polling stations close and voting ends, counting begins

8 June 10pm – first exit polls are published

8 June 11pm – early publications of results by constituency begin

9 June 3-4am – early indication of result is likely as around 1/3 of results should be in

9 June 4-5am – 2/3 results should be in, unless the race is tight the winner should be fairly clear

9 June 6am – more than 600 results of the 650 constituencies should be published, expect the winner to make a victory speech

9 June 12am – counting ends

WHAT HAPPENS IF – POSSIBLE SCENARIOS AND IMPACT ON BREXIT

Conservatives win with a majority > 17 (35% chance): With a higher majority for the Conservatives, the risk of a hard Brexit would rise a little. More than before, the selection of Conservative constituency candidates has probably been driven by their Brexit views. Grass-root Conservatives are often more pro-Brexit than the average voter. While more seats for the Conservatives will serve to dilute extreme Brexit views on both sides, we expect Conservative MPs to be more pro-Brexit, on average, after the vote. Meanwhile, increased control for the PM will give her more freedom to exercise her judgement on the UK's EU exit. May's hard-line views on EU migration suggest that she harbours hard-Brexit tendencies. Nevertheless, if May strengthens her own hand in the UK, Brexit could run a little smoother as she could rely on her – potentially large – majority to push the final deal through parliament without the support of other parties. This would reduce medium-term uncertainty.

Conservatives win with a majority < 17 (30% chance): A smaller Conservative majority would strengthen the hand of pro-EU parties. The Conservatives would thus have less freedom to set the terms for Brexit. They would likely find it harder to pursue a tough stance in talks with the EU if they needed to rely on Labour, the Liberal Democrats and the SNP more than before to pass key Brexit legislation. While a weaker hand for May could soften the final outcome for Brexit, because the process could require cross-party compromise, the path to EU exit could be bumpy, to put it mildly, especially with the two-year countdown already under way. If the election result ended in a smaller majority for the Conservative party, that would be a major embarrassment for Theresa May who called the election just a few weeks ago on the back of a commanding 20+ poll lead. In such a scenario we could see a challenge to her leadership, especially following an unsuccessful election campaign that has managed to both weaken May's personal credibility and make far-left Labour leader Corbyn relevant again.

Hung parliament (25% chance): All hell could break loose metaphorically speaking, at least at first. The near-term uncertainty could be worse than it was after the Brexit vote. However, if a hung parliament forced a cross-party compromise it could lead to a softer Brexit strategy, and may turn out to be positive in the long run after some serious initial confusion. Since all key parties are currently at each others' throats over Brexit, the chance of a consensus forming on key issues, such as migration control, looks slim. While a coalition between Labour and the Lib-Dems, or the Conservatives and the Lib-Dems, would be the most politically feasible pairings, the Lib-Dems are unlikely to win enough seats to make such a compromise worthwhile for either of the two major parties. The swing party would probably be the Scottish National Party (SNP), which we expect to retain most of its



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current 54 out of 59 Scotland seats in the House of Commons. With the Conservatives and SNP diametrically opposed on Brexit, that coalition is highly unlikely. A Labour-SNP coalition might be possible, but the SNP may be reluctant as the bulk of its seats in the Commons were won from Labour in 2015. With the strong chance that parliament could not form a consensus on key issues, the decision may even be thrown back to the voters, either through a second referendum on Brexit or a repeat election.

Labour win: (10% chance): In the unlikely event that the Labour Party wins (10%), its majority would probably be very slim. Brexit would probably soften – relative to the current Conservative position - under a Labour government, but there would be major uncertainties. Under Blair and Brown, Labour was strongly in favour of keeping the UK in the EU. A core of Labour MPs is staunchly pro-EU. While Corbyn supported the Remain campaign last year, historically he has come from the far-left fringe of UK politics that typically views the EU as a capitalist conspiracy. Under Corbyn, Labour has changed its views on Brexit. Labour's current position on Brexit is unclear – as it probably is to Corbyn himself. That would allow the majority of Europhiles in his party to dominate Labour policy on Europe – implying a soft touch approach.

For more on our key predictions please see [‘UK election: Don't bet the farm on a Tory landslide’](#).

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1.1.1 Composition of the House of Commons at the end of the 2015-17 Parliament

1.1.2	Party	1.1.3	Seats
1.1.4	Conservative	1.1.5	330
1.1.6	Labour	1.1.7	229
1.1.8	Scottish National	1.1.9	54
1.1.10	Liberal Democrat	1.1.11	9
1.1.12	Democratic Unionist	1.1.13	8
1.1.14	Independent	1.1.15	4
1.1.16	Sinn Féin	1.1.17	4
1.1.18	Plaid Cymru	1.1.19	3
1.1.20	Social Democratic & Labour Party	1.1.21	3
1.1.22	Ulster Unionist Party	1.1.23	2
1.1.24	UK Independence Party	1.1.25	1
1.1.26	Green	1.1.27	1
1.1.28	Vacant	1.1.29	1
1.1.30	Speaker	1.1.31	1
1.1.32	Total number of seats	1.1.33	650
1.1.34	Working Government Majority	1.1.35	17



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1.1.36 Government majority calculated as Conservative MPs less all other parties. This calculation excludes the Speaker, Deputy Speakers (2 Labour, 1 Conservative) and Sinn Fein.*

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Joh. Berenberg, Gossler
& Co. KG
60 Threadneedle Street
London EC2R 8HP
Phone +44 20 3207 7859
www.berenberg.com
flori-
an.hense@berenberg.com