

RIWI Ratiocination: Predicting Trump, Brexit and An Italian Knockout

Ratiocination: “all reasoning by which, from general propositions previously admitted, other propositions equally or less general are inferred” – John Stuart Mill, *A System of Logic, Ratiocinative and Inductive*, 1843

[RIWI \(CSE: RIW\)](#) staff does not predict global geo-political risk; you do. RIWI technology asked more than one million [truly random](#) Americans to forecast who would win the **US PRESIDENTIAL ELECTION**: 147,248 people offered forecasts. [RIWI forecasters predicted an Electoral College win for President-elect Trump](#) on the Friday before the vote and right up to election night on November 8th. How? RIWI invests its trust in the real public – not the establishment. In addition to forecasting a Trump win, RIWI forecasters predicted that Secretary Clinton would win the popular vote by 1.9%^T. As of this date, Mrs. Clinton has won the popular vote by 1.7%.

Unlike [traditional sample pollsters](#), our [patented technology](#) captures a [random and diverse](#) group of survey respondents anywhere in the world. Traditional public pollsters reliant on panels or telephone samples that have ceased to be random are [now struggling to explain their missteps](#). They can exhibit [herd bias](#); pollsters thereby tend to reflect conventional wisdom and promote an echo chamber effect.

BREXIT was also a sucker-punch to traditional pollsters whose antiquated practices systematically ignore the voices and choices of the un-pollled masses. *Soi-disant* expert influencers – from [Christine Lagarde of the IMF to Mark Carney of the Bank of England to Nobel Laureate economist Paul Krugman](#) – botched their Brexit prognostications. RIWI’s crowd forecasts were from everyday people; RIWI’s Brexit data were advance-reviewed in [independent examination](#)* by Jonathan Mellon of Oxford University and Christopher Prosser of the University of Manchester, who put forth analysis that disengaged voters 40 and under would decide Brexit. Thus they concluded, one day prior to the vote: “Our results suggest that the Remain campaign is right to worry about weak turnout among young voters.” Remain evidently did not worry enough.

What does the RIWI random crowd forecast say about the December 4th **ITALIAN REFERENDUM**? The ongoing RIWI signal of over 3,500 random Italian forecasters as of today predicts a blowout loss for Mr. Renzi, with 58% against, and 42% in favour (+/- 2%)^T. (The RIWI signal will grow to over 5,000 forecasters by December 4th). Some economists and traders argue a ‘No’ loss has been [priced into the market](#). Has it?

Many [FX experts](#)* and [niche finance experts say otherwise](#)*. If there is one thing that we learned post-Brexit and post-Trump, it is that traders should assume the precise opposite of what prominent pundits in the media think will happen to the markets. There is a big difference between a punishing loss and a narrow loss for Mr. Renzi – a narrow loss being 5-10%. [The vast majority of pollsters](#) predict a narrow loss.

Seventy percent of RIWI forecasters predicting the outcome of the Italian referendum are somewhat confident or very confident in their Italian referendum predictions. RIWI’s 16% (+/- 2%) current loss margin prediction for ‘No’ may [crush Italian bank stocks more than they have already suffered](#).

RIWI will deploy its forecasting technology after what we now see as a huge ‘No’ loss in Italy to predict the winner of the **FRENCH PRESIDENTIAL ELECTION** in April 2017. We envisage an Italy knockout to presage a momentum boost for the National Front’s **Marine Le Pen**. [As HSBC warned in a note to clients](#), Mr. Trump’s win and Brexit signal a surge of anti-establishment sentiment. As Italy goes, the Euroskeptics rise in force.

^T To request limited future access to RIWI’s live data dashboard, please contact the author, below. * Requires login to the media/ social media site.