



## **Rumored names for Trump's Treasury Secretary and what they might mean for markets**

*Five men have been connected to the top economic post in Trump's White House*

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The four key posts in Trump's cabinet are Secretary of State, Attorney General, Secretary of Defense and Treasury Secretary.

For financial markets, Treasury Secretary is easily the most-important appointment. He or she (who are we kidding, it will be a man) will lead financial, debt and certain regulatory arms. If there is another financial crisis, he will be the point man.

JPMorgan CEO Jamie Dimon reportedly turned down the job. Wilbur Ross was also in the running but has been connected to job of Commerce Secretary.

Here is a look at the top candidates and what they will mean for markets.

Steven Mnuchin

The name that's long been rumored to be Trump's top pick now is Steven Mnuchin who was a Trump fundraiser and worked at Goldman Sachs for 17 years after his dad got him a job at the firm.

He later got into film production including the X-Men franchise and Avatar. What might make it hard for Trump to pick him was that his firm bought failed lender IndyMac in 2009 from bankruptcy, ran it for six years and then sold it to CIT Group.

Bloomberg wrote this:

The bank carried out more than 36,000 foreclosures during Mnuchin's reign, according to the California Reinvestment Coalition, a San Francisco-based nonprofit whose deputy director, Kevin Stein, dubbed the bank a "foreclosure machine."

David McCormick

McCormick is from Ray Dalio's Bridgewater Associates where he is President and a member of the Management Committee. He wins out on experience as he was formerly Under Secretary of the Treasury for International Affairs under Paulson during the crisis.

Jonathan Gray

Gray met with Trump and is a real-estate golden boy so he was definitely in the running. However, he's also in the running to take over Blackstone, which is the world's biggest asset manager and where he works. That job is going to pay a heck of a lot more than Treasury Secretary and at 46, he has plenty of time for public service. He also donated the maximum legal amount to Hillary Clinton and some reports say he's already turned down the job.

John Allison

Allison is a late entrant to the field but is on Trump's short list, according to Bloomberg. He was named CEO of financial holding company BB&T Group in 1989 and was there until 2008. He later became CEO of the Cato Institute.

"He's been a critic of the Federal Reserve and the Troubled Asset Relief Program, the government's effort to purchase toxic assets from financial institutions following the sub-prime mortgage meltdown," Bloomberg reports.

He is heavily against regulation and has called for the repeal of 95% of regulations, including all of Dodd-Frank.

Jeb Hensarling

The establishment candidate is Jeb Hensarling. You probably remember him from Yellen's Humphrey-Hawkins testimonies because he has Chaired the House Financial Services Committee since 2012.

He said Dodd-Frank "was a grave mistake" and has traveled to Trump Tower to meet with the President-elect.

"I told him that if he is interested in putting me in somewhere else, I'm on his team. So, whether I'm playing half back or tight end, I'm just there to help," Hensarling said after the meeting. "He asks a lot of questions ill tell you that."

The problem with Hensarling is that Trump wouldn't exactly be draining the swamp, especially if he names Mitt Romney as Secretary of State as well. Hensarling was elected to the House in 2002.

He's a fiscal hawk (but they all are until they have the chequebook).

My guess is that Trump picks Mnuchin. He's the least-qualified but Trump values and rewards loyalty so he's the natural pick. He's a true Trump believer so he might be seen as a wild card and spook markets.

Most interesting would be Allison. If he's picked the trade is to buy financials.

Hansarling may raise questions about fiscal restraint so that could put some worries in markets.

McCormick may be seen as more of a consensus builder. That would send positive messages about Trump's governing style and he's also more likely to be seen as someone open to spending.