

Source: AI generated

Trump's scorecard ahead of the midterms

Donald Trump has delivered on some of his biggest promises, from border security to tax cuts and deregulation. But as Americans prepare to vote in the midterms, rising prices, stubborn borrowing costs and two unresolved wars have exposed the limits of his agenda.

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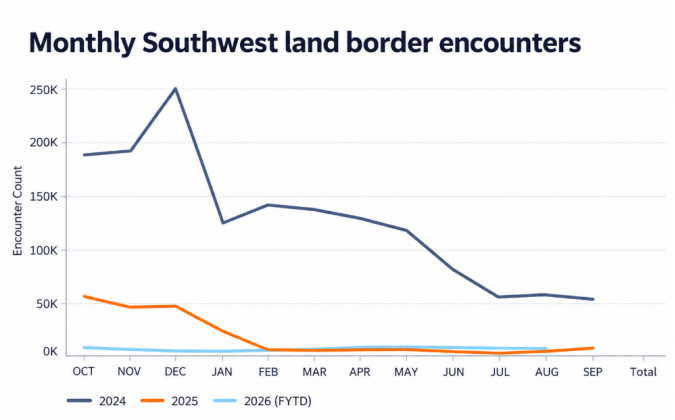
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On 3 November, Americans will cast their first nationwide verdict on Donald Trump's second term, and the President has invited them to treat the vote as a referendum on himself. Twenty-one months in, the record is sharply divided. The administration has largely done what it said it would do on the border, taxes and regulation, yet it has fallen well short on the promise that mattered most to voters: making everyday life more affordable. A Washington Post-ABC-Ipsos poll conducted on 9-13 October puts Trump's approval at 33%, the lowest of this term, with only 28% approving of his handling of the economy. The same survey gives Democrats an eight-point lead on the generic congressional ballot, and an AP-NORC poll found that just 17% of Americans approve of his management of the cost of living. For investors, the scorecard matters mostly as a guide to which policies are likely to last and what a divided Congress could change.

Promises kept on the border, taxes and regulation

The border is where the administration has made the most progress. According to the Department of Homeland Security, Border Patrol recorded 98,708 apprehensions at the southwest border in fiscal year 2026. That is roughly 95% below the annual average of the Biden years and the lowest level since the late 1960s. Nationwide encounters, at 379,243, were the lowest on record. US Customs and Border Protection (CBP) reports that about 250 miles of new barrier have been built since January 2025, supported by USD $34.3bn committed to "Smart Wall" projects. The wall itself is unfinished, but the flows it was meant to stop have largely dried up.



Source: US Customs and Border Protection

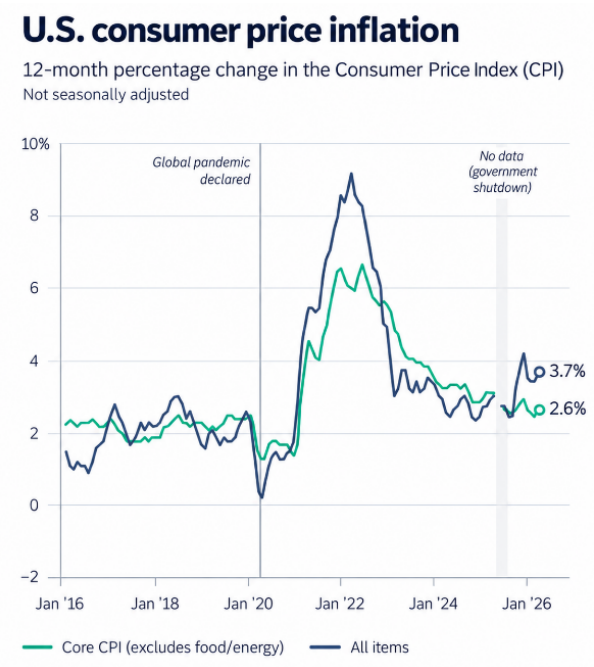
Deportations have also increased sharply, with ICE arrests averaging more than 1,400 a day in July, according to federal records reported by Bloomberg Government, more than four times the roughly 300 daily arrests recorded at the end of the Biden administration. The cost has been political and human, from confrontations in US cities to labour shortages in construction and agriculture. One pledge has also clearly failed: the Supreme Court blocked the executive order ending birthright citizenship in June.

On taxes, the One Big Beautiful Bill Act made the 2017 individual tax cuts permanent and added targeted relief through deductions for tips, overtime and seniors. These items did not become fully tax-free as promised on the campaign trail, but the substance was delivered, at a price. The Congressional Budget Office (CBO) estimates that the law adds USD $4.7tn to deficits through 2035 once interest and macroeconomic effects are included. It also projects the fiscal 2026 deficit at USD $1.9tn, or 5.8% of GDP. The administration disputes these figures and argues that stronger growth will pay for the cuts.

Deregulation has gone further than promised. The White House Office of Management and Budget counted 218 deregulatory actions against five significant new rules in fiscal 2025, well beyond the ten-for-one target. The US has left the Paris Agreement for a second time. The Environmental Protection Agency has rescinded the endangerment finding that underpinned federal greenhouse-gas rules, and much of the Inflation Reduction Act's clean-energy credit structure has been scaled back.

Energy output tells a more nuanced story. The "drill, baby, drill" agenda has kept production at record levels, with crude output forecast at 13.9 million barrels a day in 2026 and marketed natural gas production at a record 122.5 billion cubic feet a day, according to the US Energy Information Administration (EIA). Per the EIA, LNG exports are expected to average 17.6 billion cubic feet a day in 2026, nearly 50% more than in 2024, after the export licensing freeze was lifted on day one. Yet US shale was already reaching record highs under the previous administration, and crude growth has since slowed.

Promises broken on prices, rates and peace



Source: US Department of Labor

"Ending inflation on day one" was the centrepiece of the 2024 campaign. Instead, headline consumer prices rose 0.6% in September alone and 3.7% year on year, according to the Bureau of Labor Statistics (BLS), up from 2.9% when Joe Biden left office. Energy drove much of the increase, with gasoline up 9.1% in the month and accounting for more than half of the overall rise. Core inflation also exceeded expectations at 0.3% month on month, suggesting that price pressures extend beyond oil. The Federal Reserve's September projections put 2026 PCE inflation at 3.7%. Tariffs and the construction boom fuelled by artificial intelligence had already added to inflationary pressures before the war with Iran amplified them.

The pledge of gasoline below $2 a gallon has gone into reverse. The conflict that began in late February and the near-closure of the Strait of Hormuz triggered the largest oil supply shock on record. Brent hit an intraday high of $126.41 on 30 April and is back above $110. Pump prices averaged $4.33 a gallon in September, above the previous September record of $3.83 set in 2023. Trump himself has conceded that relief will probably not come before the election. Electricity, which he promised to halve within 18 months, is about 18% more expensive than at his inauguration, according to the EIA, as grid investment and data-centre demand push bills higher. To cushion the shock, the Strategic Petroleum Reserve, which he vowed to refill, has been drawn down to its lowest level since the early 1980s, according to Department of Energy data.

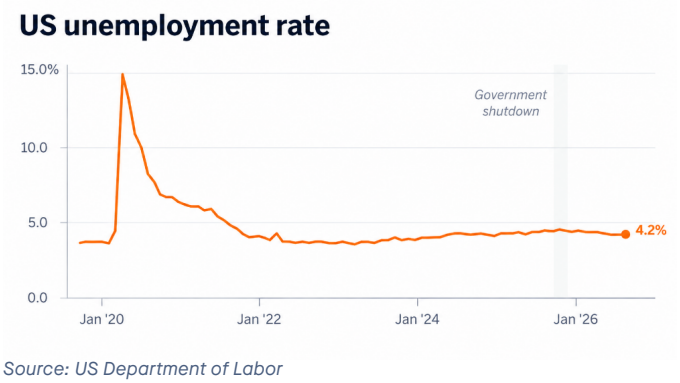
Borrowing costs have moved in the wrong direction too. Mortgage rates were supposed to fall back towards 3%. Freddie Mac data showed that the 30-year fixed rate averaged 7.4% in mid-October, higher than in January 2025. Far from cutting as the President demanded, the Federal Reserve raised its policy rate in September to a range of 3.75-4.00%, marking its first hike in more than three years. Long-dated Treasury yields have climbed alongside inflation and deficit concerns.

Trade is another disappointment. Tariffs are at their highest level in generations, yet the trade deficit has not narrowed structurally. According to the Bureau of Economic Analysis (BEA), the goods and services deficit widened to USD $105.6bn in August. The year-to-date gap is 19.9% smaller than in 2025, but that comparison is misleading, since 2025 was distorted by companies stockpiling imports ahead of the tariffs. The legal foundation has also weakened. In February, the Supreme Court ruled 6-3 that the International Emergency Economic Powers Act (IEEPA) does not authorise tariffs, striking down the "reciprocal" and fentanyl-related duties and opening the door to refunds. The White House has since turned to a temporary global surcharge under Section 122 and to sector-specific duties under Sections 232 and 301. Tariff policy therefore now rests on narrower legal footing and faces greater scope for a legal challenge.

The promise of peace has fared worst. The 24-hour deal for Ukraine never materialised, and the war is now in its fifth year. Despite repeated trips by envoys Steve Witkoff and Jared Kushner, the Kremlin still demands Donbas territory its army has not taken, and trilateral talks remain unscheduled. Meanwhile, the candidate who promised to "stop wars" launched one with Iran. Initially presented as a matter of weeks, the conflict is approaching its eighth month, with US casualties and a cost the Pentagon estimates at more than USD $40bn.

The grey zone of growth, factories and markets

The economy has not delivered the promised "explosion", but it has proven resilient. BEA data show that GDP grew at an annualised rate of 2.2% in the second quarter. The Atlanta Fed's nowcast points to faster growth in the third, keeping the US ahead of its G7 peers. The main engine, however, is capital spending on AI rather than the promised broad-based revival. The labour market is also cooling, with the BLS reporting only 29,000 new jobs in September and unemployment rising slightly to 4.2%.



Source: US Department of Labor

Manufacturing is a matter of perspective. According to the BLS, factory employment is up 72,000 from its December 2025 low, and the Institute for Supply Management's manufacturing index has signalled expansion for nine consecutive months. Measured from inauguration day, though, factory jobs are roughly flat at about 12.7 million, according to the BLS. Spending on new plant construction has also fallen sharply despite large headline investment pledges. The sector may be turning, but a renaissance remains some way off.

Wall Street has largely looked past the politics. The S&P 500 set a record close of 7,818.93 on 6 October and is up about 14% this year. The gains are narrow, however. AI-linked companies now account for close to half of the index's market capitalisation and have driven around two-thirds of this year's rise. The rally owes more to technology order books than to Washington's policy mix.

Markets and the midterms

The pattern is consistent. President Trump has delivered on the pledges he could enact by executive action or through a single reconciliation bill, and has fallen short where outcomes depend on markets, geopolitics or the Fed. Supporters argue that the Iran war and the AI-driven power crunch were shocks no president could have avoided, and that the border and tax record will pay off over time. Critics respond that the war and the tariffs were deliberate choices whose burden fell on the very voters who had been promised relief.

Several implications follow for the market backdrop. Inflation has become the binding constraint, and with headline CPI close to 4% and the Fed tightening, the prospect of rapid rate cuts has receded. Fiscal risk now looks structural. Permanent tax cuts, lower tariff revenue after the Supreme Court ruling, and the cost of the war all point to wider deficits and increased Treasury issuance, which tends to put upward pressure on long-dated yields. Finally, a divided Congress would be more likely to freeze policy than reverse existing policies. Should Democrats win the House, as polls suggest, oversight and budget battles would intensify, but tax law would likely remain unchanged. Trade, immigration and regulation would remain largely under the president's control.

Conclusion

Twenty-one months into his second term, Trump's record falls into two distinct categories. Where the President controlled the outcome directly, including the border, taxes and regulation, he largely delivered. Where results depended on prices, central bank decisions or foreign adversaries, the pledges have mostly gone unmet, and inflation, fuel costs and two unresolved wars now dominate voters' concerns. The November 3 vote will not rewrite this scorecard. It will instead determine how much of the next two years Trump spends governing, and how much defending his record.

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