

Stock Market Indicator in US Presidential Elections

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Since 1928, rising stock market valuations favored incumbent US presidents 86% of the time, according to Bloomberg News. Results this year are mixed.

Investment strategist Sam Stovall noted that in US presidential election years since 1944, rising equity prices from July 31 – October 31 usually correspondent to an incumbent's electoral triumph.

Results for the S&P 500 this year were down but nearly flat for this period.

Compared to the July 31 close at 3,271.12, the S&P 500 stood at 3,269.96 on October 31.

On election eve November 2, the S&P 500 rose 1.78%. Other major averages were also sharply higher.

When polls closed Tuesday, S&P futures rose. According to Stovall's "Presidential Predictor," Tuesday's rally was positive for Trump.

Real Clear Politics noted that polls, on average, from October 25 – November 2 gave Biden a 7.2 point advantage over Trump.

Polls were wrong in 2016. Defying the odds and predictions of most pundits, Trump defeated Hillary.

It's too early to tell after polls closed Tuesday in what's shaping up to be a close race. It's unclear if he'll surprise again.

The stock market predictor isn't perfect. In 1956, despite a 7.7% S&P decline from 7/31 – 10/31, Dwight Eisenhower defeated challenger Adlai Stevenson for a second term.

It was wrong in 1968, Republican Richard Nixon defeating Dem Hubert Humphrey.

It was wrong again in 1980 when Ronald Reagan defeated incumbent Jimmy Carter.

Despite falling from a record high on September 2, the Dow, S&P 500 and Nasdaq Composite gained around 2% last week.

After pulling back on Friday, the averages posted sharp election eve gains.

According to market analysts, these results favor Trump.

Yet pre-election events this year are unlike any others in modern memory — notably because of economic collapse.

Real unemployment is 26.9%, not the phony BLS 7.9%.

For 32 straight weeks, over one million jobless Americans filed for unemployment benefits.

Nothing remotely like what's gone on ever happened in US history, not even during the depths of the 1930s Great Depression.

Congressional wrangling failed to extend vitally needed aid to the nation's unemployed.

The great majority of Americans are experiencing the hardest ever hard times in their working-age lives.

It's at a time that David Stockman called "fiscal and monetary madness...the nation spiraling toward the mother of all financial disasters" no matter how election 2020 turns out.

Republicans and Dems both one-sidedly favor Wall Street over Main Street, along with whatever benefits the nation's military, industrial, security complex and other corporate favorites.

As a previous article explained, 2020 has been a bonanza for America's 644 billionaires.

Profiting hugely from economic collapse, their super-wealth increased by nearly \$1 trillion — at a time when Federal Reserve data show over 100 million working-age Americans without jobs.

An unprecedented disconnect exists between bubble-level equity prices and dismal main street economic conditions gone largely unaddressed by the US ruling class when vital help is most needed.

Presidential election 2020 results may not be known for days or longer.

Around 100 million US registered voters cast ballots in advance by mail or in-person. Tabulating the former totals will take time.

Like most often before, key battleground states will decide if Trump gets a second term or is unseated by Biden/Harris.

Early results after polls closed have the incumbent winning Ohio and Florida, two key swing states.

No Republican won the White House since the Civil War without taking Ohio.

Pennsylvania results may decide the outcome. Counting the high volume of mail-in votes only began after polls closed Tuesday.

Tabulation will take days or longer.

A Final Comment

After rising when polls closed, Dow futures fell sharply before Wednesday's market opening in response to Trump calling vote tabulations a "major fraud."

Swinging widely, they then turned slightly positive before Wednesday's market opening.

Late Tuesday, he claimed victory over Biden, telling supporters at the White House:

"We were getting ready to win this election. Frankly, we did win" — despite undecided results from key battleground states Pennsylvania, Michigan, Wisconsin, North Carolina and Georgia.

Pre-dawn Wednesday, he and Biden were short of an Electoral College majority.

Yet Trump said there's "a major fraud" going on...So we'll be going to the US Supreme Court."

With Trump ahead in Pennsylvania, Michigan and Wisconsin, tens of thousands of mail-in votes remain to be counted, most of them likely favoring Biden — whether enough to win these states unknown.

In Pennsylvania with most mail-in ballots remaining to be counted, most likely favoring Biden/Harris, Trump is ahead by a 55.7% – 43.1% margin.

With nearly all Wisconsin votes counted, it's a dead heat.

With over 80% of Michigan votes counted, Trump leads Biden/Harris by a 51.6% – 46.8% margin. Remaining mail-in ballots to be counted may or may not lose the state for DJT.

With over 90% of ballots tabulated in North Carolina, Trump is ahead by a slim 50.4% – 49.1% margin.

Biden told reporters: "I am here to tell you tonight we believe we are on track to win this election."

In Georgia, Trump leads Biden/Harris by a 50.5% – 48.3% margin with nearly all votes counted.

Trump claimed that he's "up big, but they are trying to steal the election," adding:

"We will never let them do it. Votes cannot be cast after the polls are closed!"

No evidence backs his claim.

Trump said he'll contest results at the Supreme Court. If he gains an Electoral College majority, Biden/Harris may challenge the result.

When US elections are held, dark forces — not voters — have final say over who'll be president and hold key congressional posts.

At the same time, on issues relating to war by hot and/or other means v. peace and stability, corporate empowerment, and harsh crackdowns on nonbelievers, both right wings of the US one-party state are on the same page.

Names and faces change over time. Yet dirty business as usual continuity is always assured when US elections are held.

The jury remains out on whether Trump gets a second term or if Biden/Harris succeed him in January.

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