




Wall Street Analyst: Stocks to Move Higher, Enhancing Trump's Reelection Chances

In a note to his clients on Monday, LPL's  Chief Market Strategist Ryan Detrick [said](#) his company has raised its stock market expectations even higher, advising its clients to stay fully invested and enjoy the ride.

He said, "When the S&P 500 [index] has been up five straight months, as it was in April through August, stocks have historically kept going higher." Historically, he told his clients, the last 26 times the market traded higher for five straight months, it was higher a year later 96 percent of the time.

Furthermore, "We also know from history that bull markets tend to run for years, and the one that started on March 23 [2020] is very young."

Wall Street, it is said, is merely a reflection of main street, and main street is doing very well. Detrick reviewed some of the evidence: 1) the economy is recovering faster than most forecasters expected; 2) COVID cases are falling; 3) momentum breeds momentum on Wall Street; 4) earnings are rising and likely to improve further; and 5) "We expect the winners to continue to carry us."

The *Wall Street Journal* concurs. It reported that retail spending in August rose for the fourth straight month, by 0.6 percent, or more than seven percent on an annualized basis. And that report "doesn't track spending on most services ... which make up most of U.S. consumer spending."

Industrial production also increased in August for the fourth straight month, reflecting consumer enthusiasm. Retailers are reporting that employees working from home are driving the sales of big-ticket items as they refurbish their work spaces with major remodeling improvements.

The Federal Reserve Bank of Atlanta's GDPNow forecasting model estimates that the growth rate of gross private domestic investment in the third quarter will be 35.1 percent, matching the forecast from Goldman Sachs released last week.

But these are just current numbers that reflect a rebound from the sharpest economic decline since the 1930s. A broader picture of the impact the Trump administration has had on the economy was provided by *Issues & Insights (I&I)*: "Households have seen the biggest jump in real median income in at least 52 years" under Trump. "The poverty rate," it added, "is 'lower than it's been since at least 1959.'"

Lower income families gained the most: "Despite the endless chants about how President Donald Trump's policies benefited only the rich, the truth is that lower-income families made the biggest gains in his first three years in office."

Nearly three million women entered the workforce over those years, reported *I&I*, "hitting an all-time high of 52 million. By comparison, 2.1 million women joined the workforce in Obama's last three years in office."

Minorities "gained more than whites ... [and] poverty plunged. From 2017 to 2019, nearly 6 million people escaped poverty, driving the poverty rate down to 10.5 percent by 2019. That's lower than it's been since at least 1959."

All of which bodes well for Trump's reelection chances. Wall Street is a reflection of main street. And



Written by [Bob Adelman](#) on September 16, 2020

main street is happy.t

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