



Written by [Bob Adelman](#) on November 2, 2020

Three More Indicators Suggest Trump Victory on Tuesday

The report released Monday morning by the Institute for Supply Management (ISM) once again exceeded forecasters' expectations, and added to the momentum of the Trump reelection campaign. That campaign has touted the V-shaped rebound from the COVID shutdown for months, and today's report confirms it.

The ISM's index of purchasing managers (PMI) reflects their optimism in the manufacturing sector of the U.S. economy, and any number above 50 reflects expansion. Forecasters had expected a reading of 55.7. ISM reported it rising to 59.3, nearly four full points in just the last month. It's also the highest reading since September 2018 when the economy was already in full throat.



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The index not only reflects how purchasing managers are viewing the economy at the moment, it's also a harbinger for the expansion continuing well into the new year, according to Timothy Fiore, head of the survey. "This figure indicates expansion in the overall economy for the sixth month in a row," Fiore said, adding:

Manufacturing performed well for the third straight month, with demand, consumption and inputs registering growth indicative of a normal expansion cycle.

While certain industry sectors are experiencing difficulties that will continue in the near term, the overall manufacturing community continues to exceed expectations.

Of the 18 industries reflected in the ISM's latest survey, 15 reported growth in October.

This comes on the heels of the triggering of the highly accurate "stock market indicator" that was generated on Monday as Wall Street rebounded strongly from its recent sell-off. According to research by the Socionomics Institute that goes back more than 200 years, when the stock market rises prior to a presidential election, the incumbent wins reelection 87 percent of the time.

As Stephen Gandel of *CBS News* explained:

The research, going back to George Washington, found 16 times in U.S. history when an incumbent president ran for reelection and the stock market was up more than 20% in the preceding three years. In 14 of those 16 times, the incumbent won reelection, giving a success rate of 87%.

If the trend holds, Mr. Trump could be No. 15.



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The trend holds, despite the shock to the economy and Wall Street that was caused by the COVID-inspired shutdown. Three years ago the Dow Jones Industrial Average traded at 23,400. At the March 2020 low the Dow traded at 18,600. On Monday the Dow is trading at 26,900.

Put another way: Despite losing a third of its value this past spring, the Dow has rebounded strongly, coming close to its prior all-time high before the recent selloff.

For those picky enough to point out that, strictly speaking, Wall Street doesn't qualify for the 200-year indicator, there's another one that does: the S&P 500 three-month performance indicator prior to the election. Its discoverer, Dan Clifton of Strategas Research, learned that if stocks are higher in the three-month period before the election than they were at the beginning of the year, the incumbent wins reelection almost 90 percent of the time.

On January 2, 2020, the S&P 500 Index closed at 3,257. On Monday it is trading at 3,310.

Wall Street is reflecting a healthy economy, which reflects a happy and optimistic consumer. He is not very likely to change horses in the middle of such a run.



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