

The Horse The Economy Rides, The Stock Market

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The theory is that a controlled perpetual uptrend in stocks that is unshakable will carry the economy with it. It has, as long as folks are happy the upper one percent grows in prosperity while the rest of the country suffers from shrinking real incomes. And, yes, GDP, is quite malleable because there are so many wild cards used in its method of calculation. It can be anything it needs to be in a given quarter. GDP cannot be managed statistically forever.

Eventually the headwinds of reality make manipulating numbers impossible.

No, no president or anyone else has or ever will go on television and announce that government is guaranteeing ever rising stock prices for the good of the country. It is strange that citizens see government as where all of the voter's fairy god mothers go to make life better for everyone. That is so untrue, it is comical. Realistically, Washington is a predators playground. All news is persuasion and Americans have no relevant information at all with respect to what is really going on. If your group, whatever it is, has no political power, every law that is passed and every government policy is going to hurt you, regardless of how good it sounds. A chain letter sounds good. Just buy a few chain letters and see how rich you get. Laws and government policy are of the same nature as that of a chain letters. The hope and expectations are one thing but the outcomes are not and never will be what is promised or expected.

How do I know the stock market is managed or allowed to be managed? I know this in a similar way to the way astronomers figured out that Pluto was out there but had not yet been seen. I know the stock market is managed higher because I see trading patterns that can only be created artificially. The most obvious is the constantly gaping up or down on the opening almost every single day. The fact is that gaps in averages, historically have only occurred a few times a year and in some years not at all. Then it is almost certain any gap down will land in a basket and then there will be a, usually successful attempt, to ratchet prices higher for the rest of the day so as to close positive for the day. Going all the way back to Edwards and Magee, there is no other time in history when these trading patterns have ever occurred at all. Do yourself a favor and know that with respect to the stock market there are thumbs on the scale. These thumbs on the scales will not disappear.

A bear market will destroy those whose thumbs are on the scale. It takes massive political power to use the government as a tool for financial enrichment. That privilege will not be relinquished

voluntarily. Don't think the market will just drop because of natural forces. The efforts will continue until finally the Federal Reserve unapologetically starts buying up supply so as to "save the country and the world.

There is a moral reasoning that goes into this. It goes something like this. "Hey I have a great idea. Lets create a perpetual bull market. We will get even richer ourselves but we will be doing everyone else a favor because everyone else in the economy will benefit also even if it is only a little. Our getting richer is also good for everyone else. They would not be better off at all if we didn't. Aren't we wonderful? " As silly as that sounds, that is really the kind of thinking that goes into these things. So, there really is a moral reason for doing these things. However, the moral reasoning seriously limps. It is about as good as justifying murdering someone and then feeling good about it because you only prevented that person from the experiencing suffering that goes along with living.

Don't expect efforts to rig the stock market to disappear.