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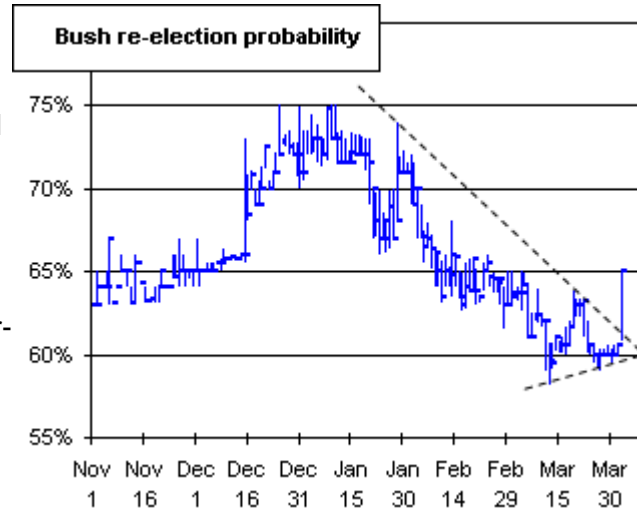
On Bush and Jobs

Friday, April 2, 2004

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We will have much more to say on today's payroll jobs report. But for now, two quick takes.

First, as we said it would be in yesterday's report, today's big number is big news for President Bush (see ["More At Stake Than Jobs"](#) April 1, 2004). According to the political futures contracts [traded on Tradesports.com](#), Bush's probability of re-election jumped to 65% shortly following the release of the payroll report this morning. Not to get overly "technical" about this, but we now have a definitive breakout of Bush's year-to-date downtrend (see the detailed high/low/close chart of the contract, at right). This strengthens the case for buying into the year-to-date weakness in the most growth-sensitive sectors, such as technology (see ["The Bush Breakout"](#) March 19, 2004). Today we are increasing the **Model Position long the NASDAQ 100** initiated two weeks ago.



Second, readers of our reports will find it no surprise to learn today that this booming economy is generating jobs. We've been saying for months that the payroll report is structurally flawed, and too slow to detect employment trends at key reversal points (just when you need the best data). So far as we know, the report's structural flaws have not been fixed. It is surely the case, then, that even today's report is underestimating the true pace of job growth in the economy. **TM**