



The End of Trump's Market Honeymoon

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NEW YORK – When Donald Trump was elected President of the United States, stock markets rallied impressively. Investors were initially giddy about Trump's promises of fiscal stimulus, deregulation of energy, health care, and financial services, and steep cuts in corporate, personal, estate, and capital-gains taxes. But will the reality of Trumponomics sustain a continued rise in equity prices?

It is little wonder that corporations and investors have been happy. This traditional Republican embrace of trickle-down supply-side economics will mostly favor corporations and wealthy individuals, while doing almost nothing to create jobs or raise blue-collar workers' incomes. According to the nonpartisan Tax Policy Center, almost half of the benefits from Trump's proposed tax cuts would go to the top 1% of income earners.

Yet the corporate sector's animal spirits may soon give way to primal fear: the market rally is already running out of steam, and Trump's honeymoon with investors might be coming to an end. There are several reasons for this.

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