

Profitable INVESTING Tips

Stock Market Investing Tips, Techniques, and Resources



Will the Stock Market Crash Again in 2020?

By www.ProfitableInvestingTips.com

The stock market started the year strong and then came the coronavirus pandemic and the market crashed. The stock market as a whole has largely recovered from the covid-19 crash. But, with a weak economy and no substantial stimulus, will the market crash again in 2020? If you look at how things played out in the wake of the 1929 market crash you see that the market crashed, partially recovered, fell again, and partially recovered and continued in a downward course until 1932. A major difference between then and now is that economists and especially the Federal Reserve realize that the crash turned into the Great Depression because credit was cut off and the USA picked a poorly-advised trade war by passing the Smoot-Hawley Act. Given that the Fed is “all in” doing whatever it takes to keep credit flowing, will the market crash again in 2020?

Why Is the Stock Market Doing So Much Better Than the Economy?

A few months ago we asked [why the stock market is ignoring the economy](#). As we noted at that time, the stock market anticipates the next moves of the economy. As such it has discounted airline stocks, hotels, and all tourism-related businesses among others. And, after a brief fall in prices, it has not discounted the big tech stocks which are still leading the market. Much of this makes sense in that profits continue for many tech operations as businesses move online. What concerns us is that eventually there needs to be money being spent by ordinary people to buy things and that is what eventually supports everything else. As stimulus payments go away and Republicans in the US Senate wait, the economy may well be set for a fall and that could drive the market down.

Will the Market Crash Again in 2020?

If we go back to 1929 we see that there was lots of optimism along with pessimism as people bought back into the market and repeatedly drove prices back up. Unfortunately, the things that needed to be done in terms of credit and trade did not happen and the downward course of stocks went on for three years. *New Balance* says that another crash or at least large correction, or two, is possible. They look at other market crashes, their causes, and how in each case there were partial recoveries and losses on the way down. These crashes played out over a couple of years and were typically exacerbated by a lack of appropriate response or no response.

What is unsettling now is the optimism of some investors or perhaps pigheadedness of some investors in plowing money into stocks when the economy is just as likely to weaken as to improve.

The 1929 crash was largely played out by 1932 but that is also when Roosevelt came into office and initiated stimulus programs. With elections coming up it is possible that a Democratic majority might take over the US Senate as well and hold the House of Representatives. And, if this happens along with a Democrat in the Oval Office we can expect to see impressive investments in US infrastructure and US R&D that could forestall any follow up dips in the market.

For more insights and useful information about investments and investing, visit

www.ProfitableInvestingTips.com.

Educational Resources

**Click the links below to get your
FREE training materials.**

Free Weekly Investing Webinars

Don't miss these free training events!

<http://www.profitableinvestingtips.com/free-webinar>

Forex Conspiracy Report

Read every word of this report!

<http://www.forexconspiracyreport.com>

Get 12 Free Japanese Candlestick Videos

Includes training for all 12 major candlestick signals.

<http://www.candlestickforums.com>

Disclaimer: Trading and investing involves significant financial risk and is not suitable for everyone. No content on this document should be considered as financial, trading, or investing advice. All information is intended for educational purposes only.

