

Highest Unemployment Rate Since Great Depression

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A Bloomberg sub-headline: “U.S. April Jobs Report was Full of Records – the Bad Kind.” No matter. The markets loved it supposedly because they were expecting 15.2% rather than 14.7%, and had an excellent end to a pretty good week when one considers that there is no legitimate positive data to support it. At least we have learned that there is no degree of tragedy that can make the investor class miss their buy cues.

To be counted as unemployed one must have actively sought work in the previous 4 weeks. I wonder if there is something going on right now that is keeping those folks from running around seeking non-existent work. They must be some of what were once termed discouraged workers that doubled their number to 10 million in the last couple of months.

In recent years the US has had the lowest unemployment rate since 1969 because so much of the nominal labor force has disappeared for various reasons from the officially sanctioned labor force. The Labor Force Participation Rate is now at its lowest point when compared to total workers available since 1973. Suffice it to say that with more than 33 million workers filing for unemployment in recent weeks, and with many of them not being in any position to qualify as unemployed (the Establishment Survey counted 20 million jobs fewer jobs last month, the Household Survey 22 million) the real unemployment rate is actually much higher than either the reported or expected.

But Wall Street did add some cheer to a saddened New York City. It is heart warming to see exuberant investors pile into the markets and doing such things as to completely wipe out Nasdaq's losses for the year. But while losses are recovered on the Street, they continue to be through the roof in the community. Our nation of 330 million has so far suffered 76,000 Covid-19 deaths. Our 8.4 million of NYC has accounted for 19,000 of that total. If only the warm beating hearts of those parasites could be used to replace the stopped hearts of those who have died before the death of the system that killed them.

Economic Info

JP Morgan Chase has created something called the Volfefe Index (name derived from a 2017 Trump tweet) to monitor the relationship between his tweets and

treasury yields as measured in degree of sensitivity. Currently it has jumped to more than 60%. Genuine, though typically inaccurate reports on the state of the economy still are important sources for decision making by old school traders. But nowadays quantitative analysis, algorithms and high speed trading are the dominant tools for doing most deals. They collect and analyze a mass of data that relate to past market moves which is then used or sold to traders for daily dealing. Thus Trump's tweets which are typically lies or a lesser sort of misinformation, are employed to move vast sums of wealth. It's a modern form of childish behavior like when children pretend to do things they have seen their elders performing. Only difference is that kids know that it's not real. They haven't the adult capacity to make the unreal real.

– Warren Buffett lost \$54.5 billion in the first quarter almost matching the \$56.3 billion he made all of last year. Given that April was the best market month since 1987 he has no doubt had the pendulum moving in the a profitable direction. This is what billionaires call a life.

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