

# The Antidote to Conventional Wisdom

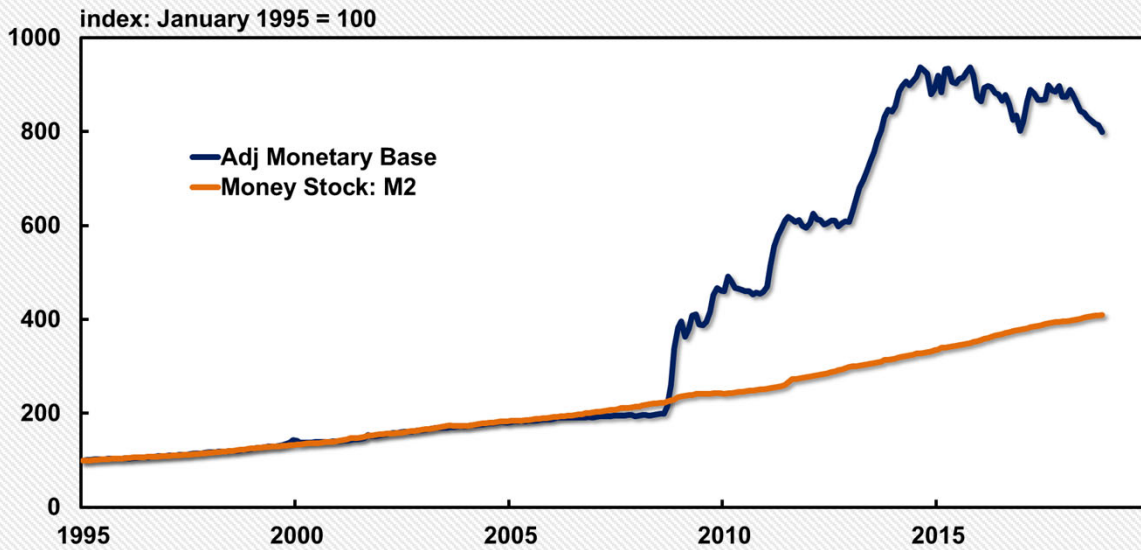
Brian S. Wesbury  
Chief Economist



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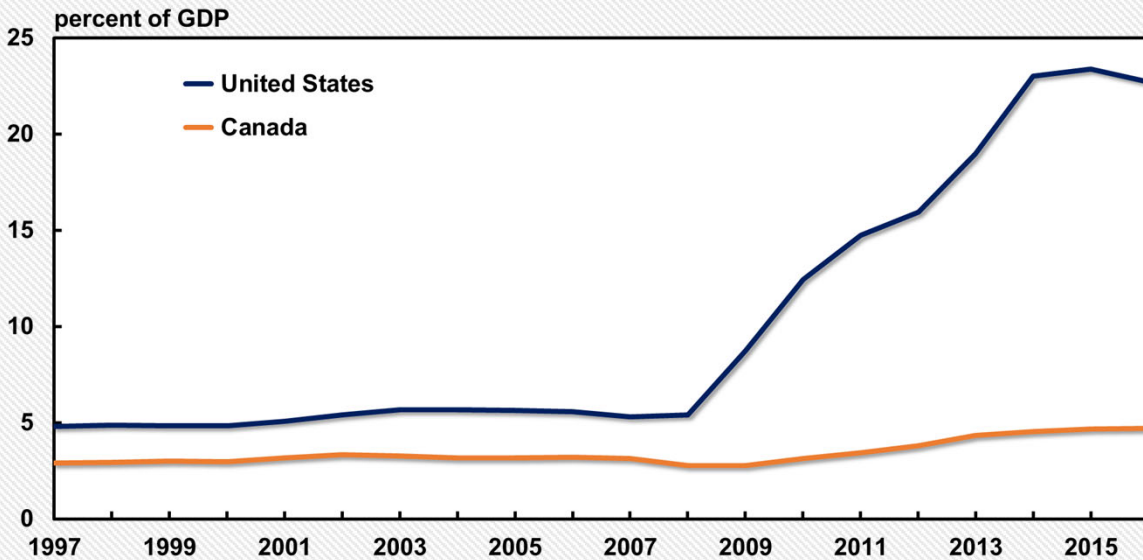
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## Adjusted Monetary Base & M2



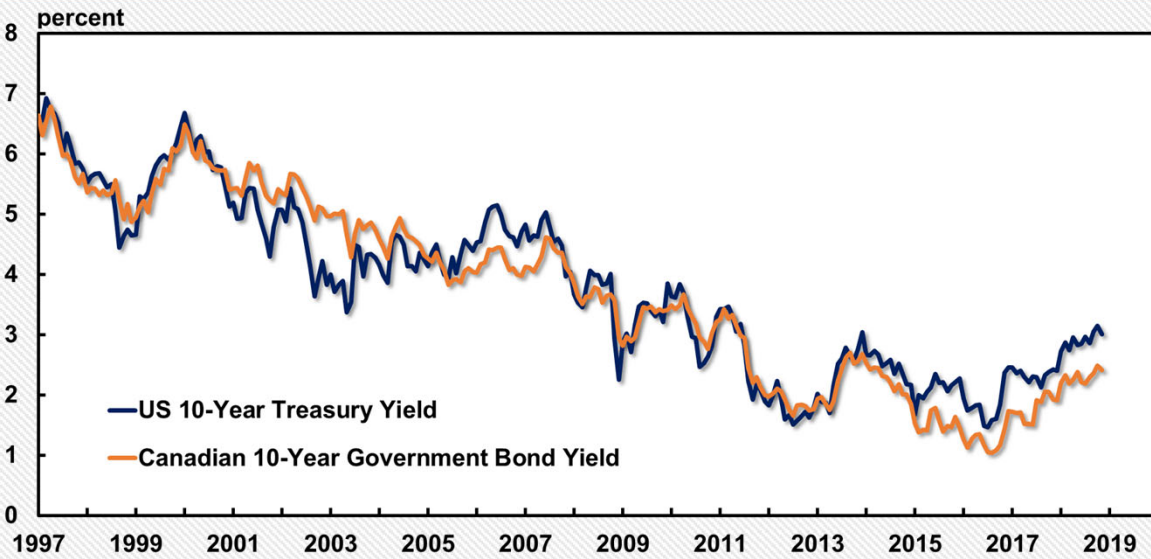
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## Central Bank Assets to GDP



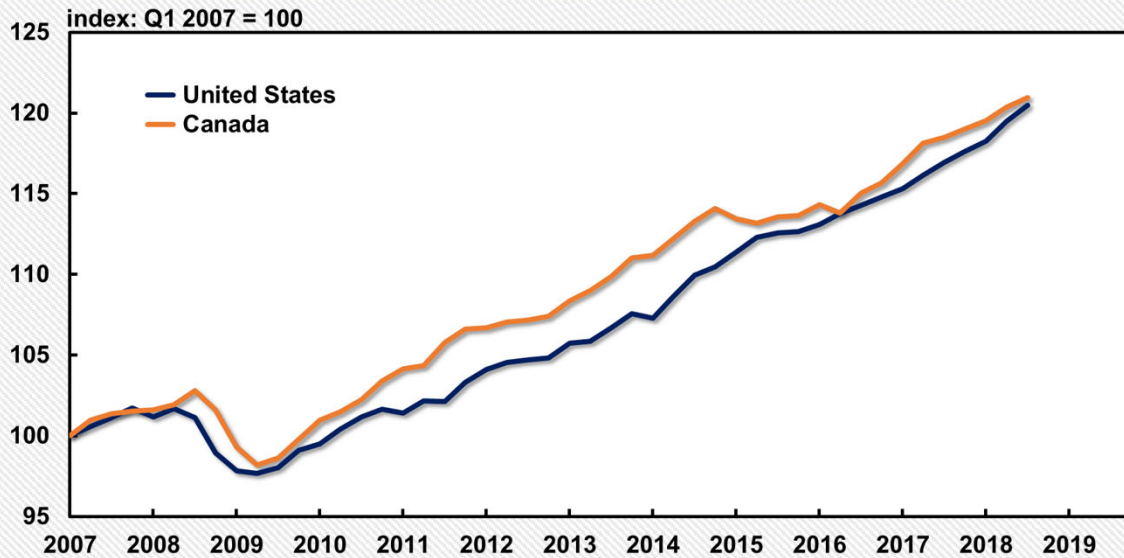
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## 10-Year Government Bond Yields



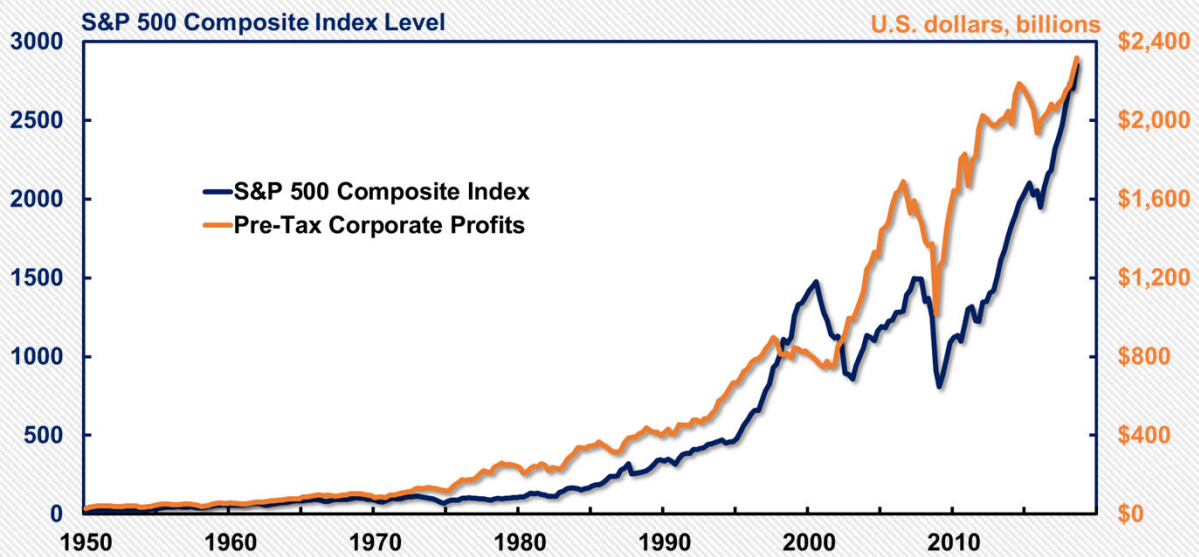
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## Real GDP



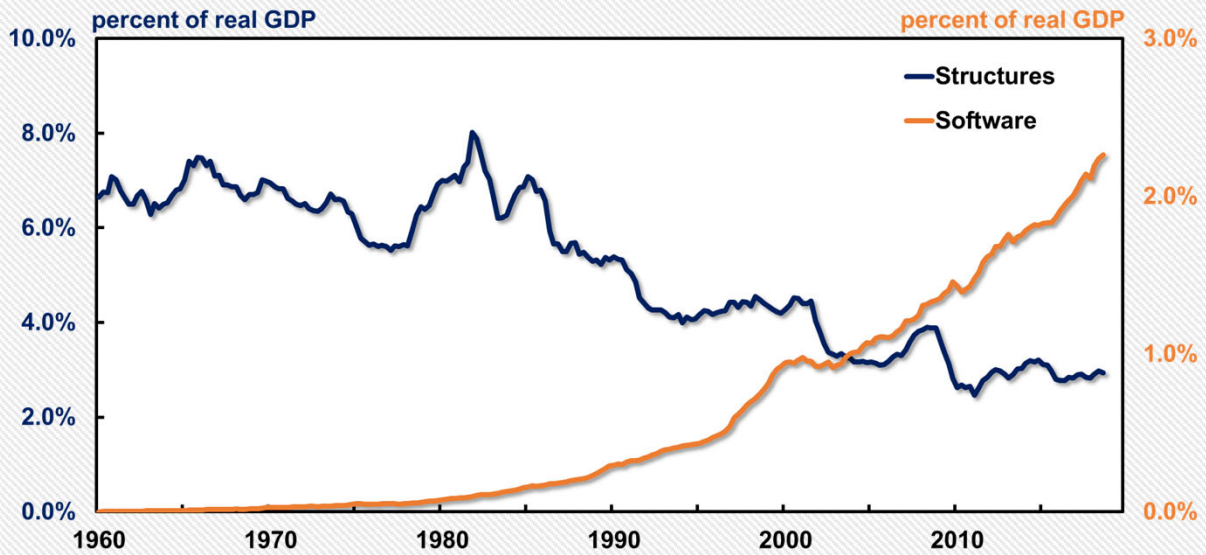
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## Corporate Profits Drive Stocks



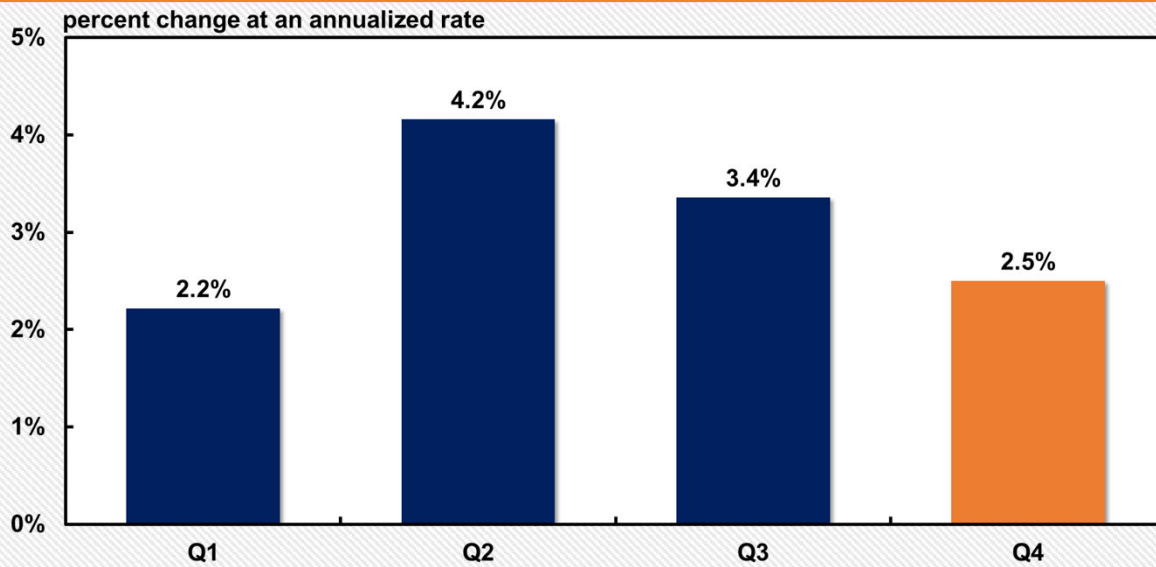
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## The App Economy



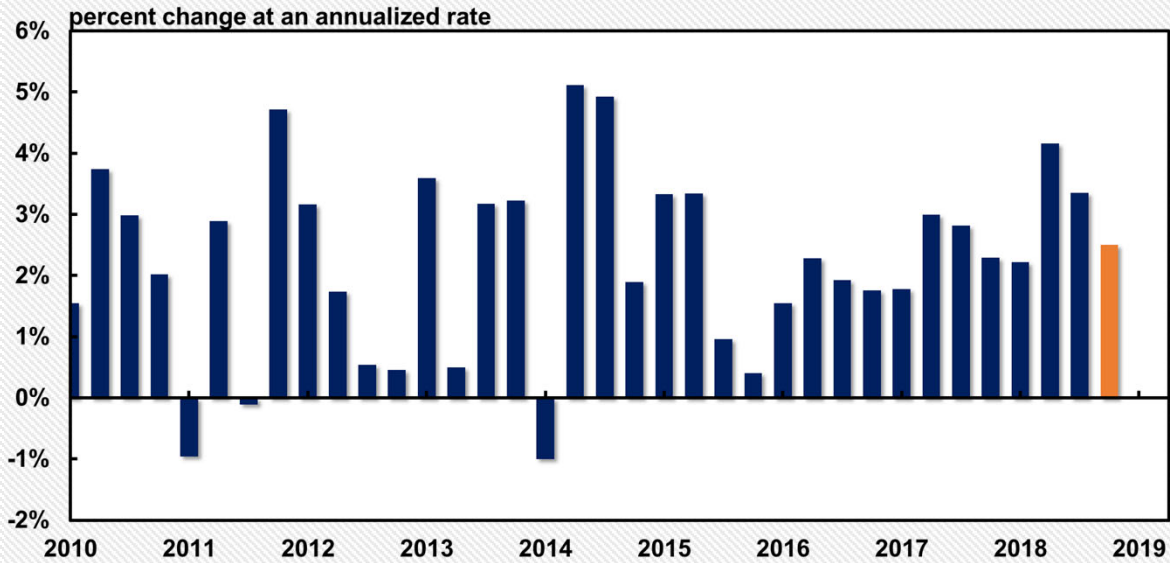
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## Quarterly Real GDP Growth: 2018



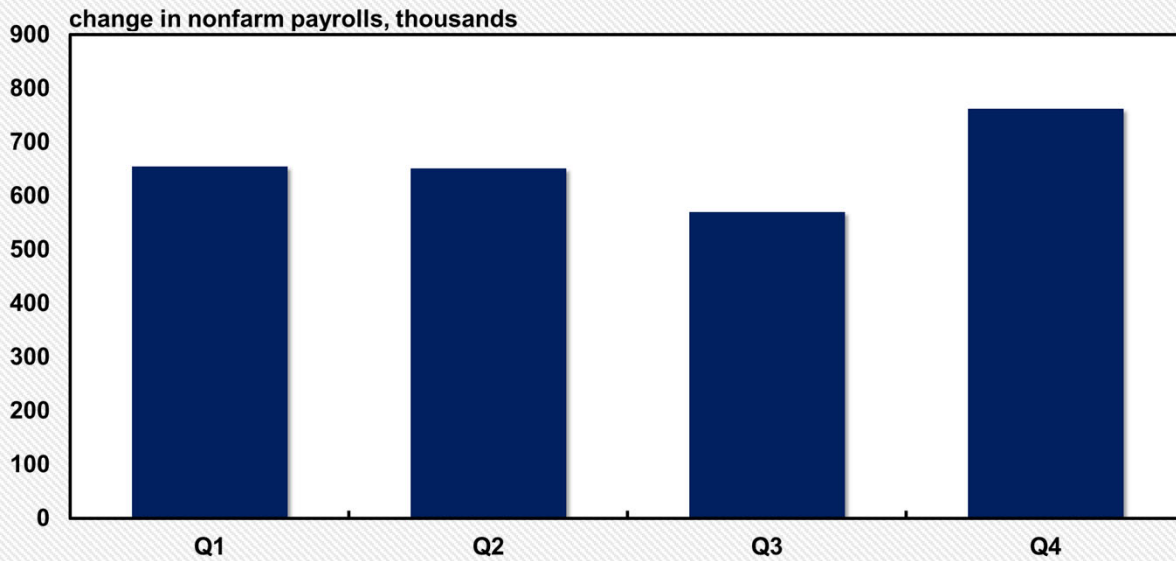
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## Quarterly Real GDP Growth: 2010-2018



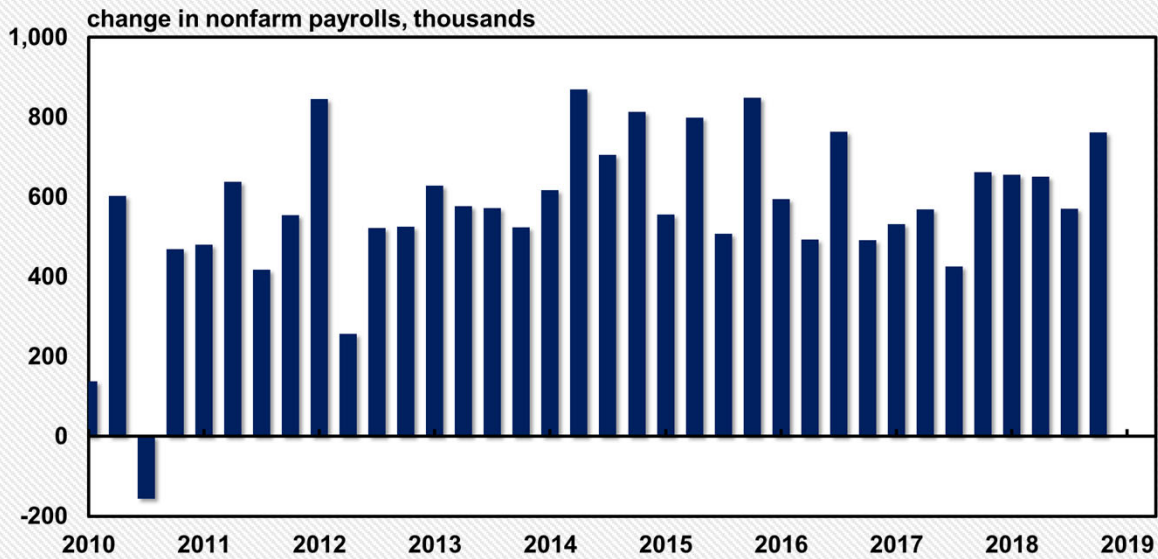
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## Quarterly Employment Growth: 2018



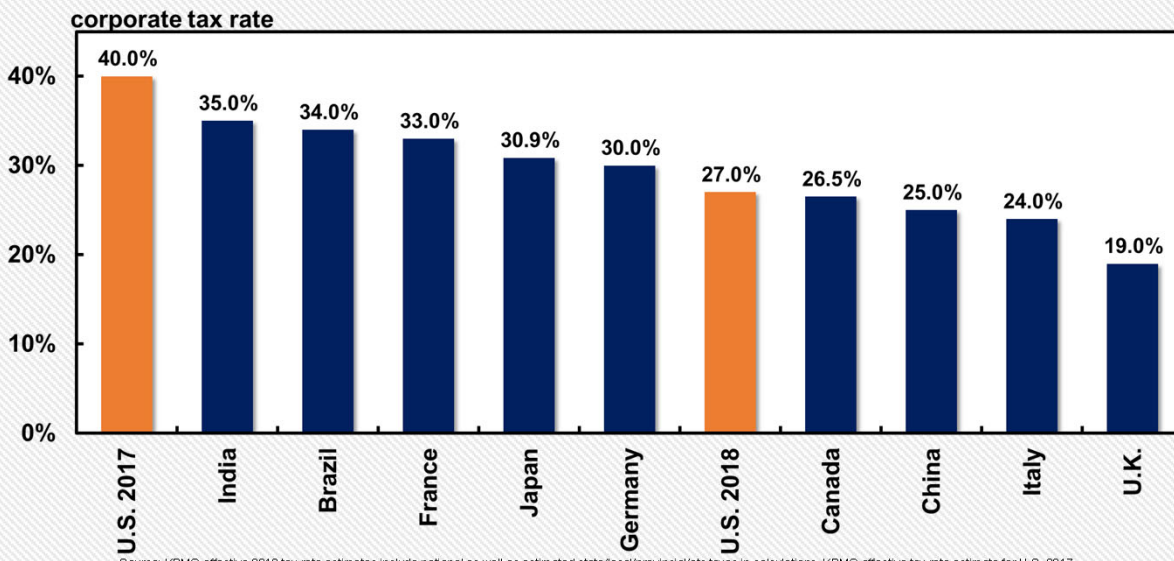
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## Quarterly Employment Growth: 2010-2018



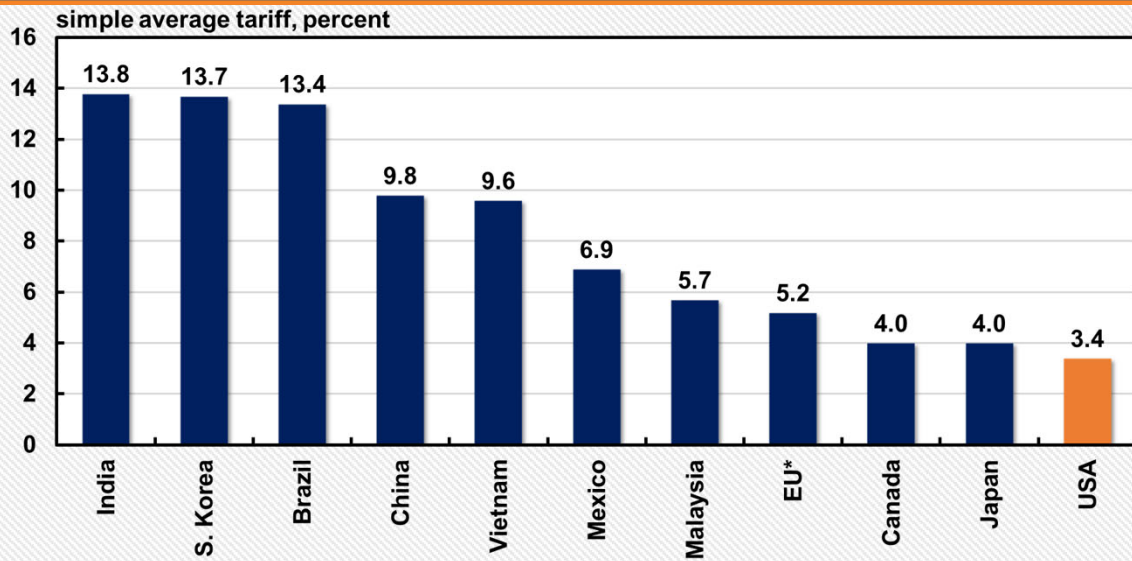
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## Corporate Tax Rates for 10 Largest Economies



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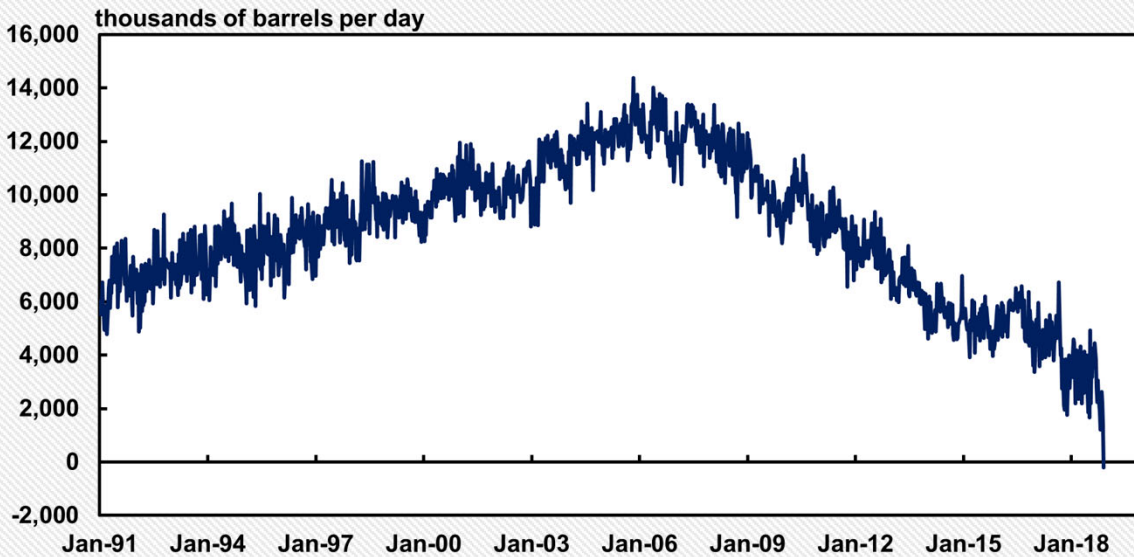
## Average Tariff Rates for U.S. and 10 Largest Trading Partners



Source: World Trade Organization Data for year of 2017. \*EU data available through 2016.

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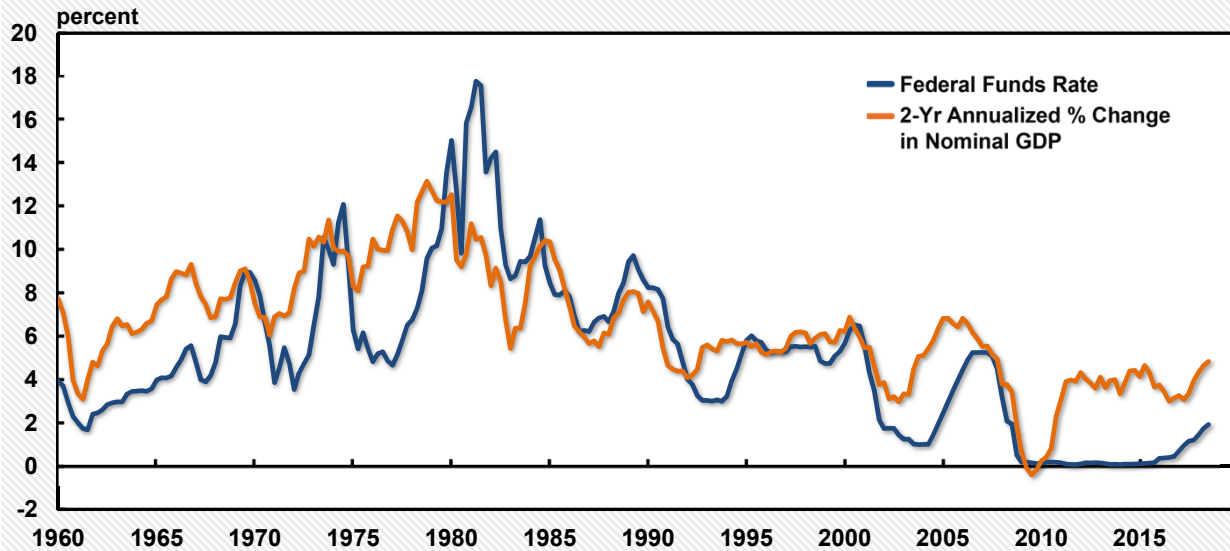
## U.S. Net Oil Imports



Source: U.S. Department of Energy. Weekly data 1/4/1991 - 12/7/2018

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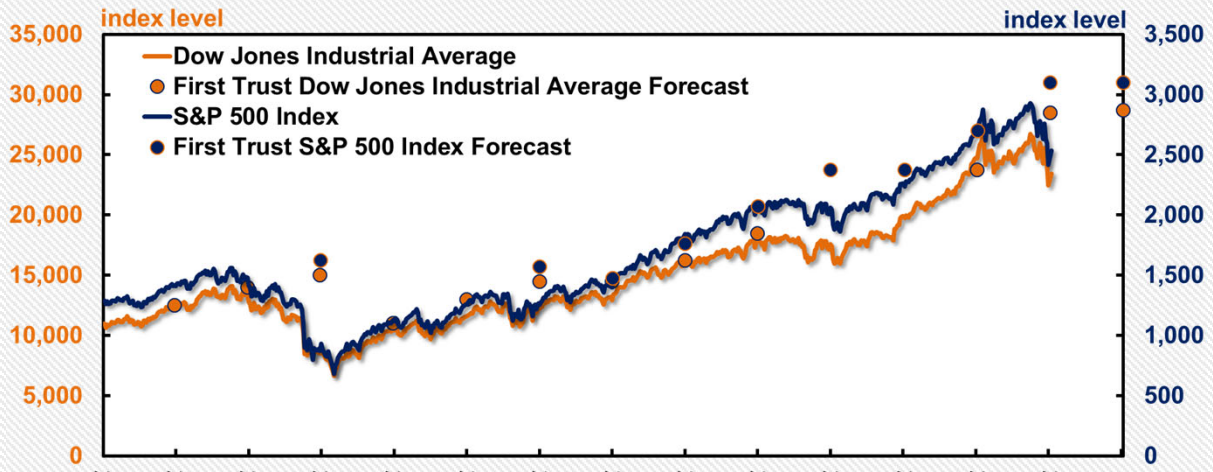
## Federal Funds Rate Model



Source: Federal Reserve Board, BEA. Quarterly data Q1 1960 – Q3 2018.

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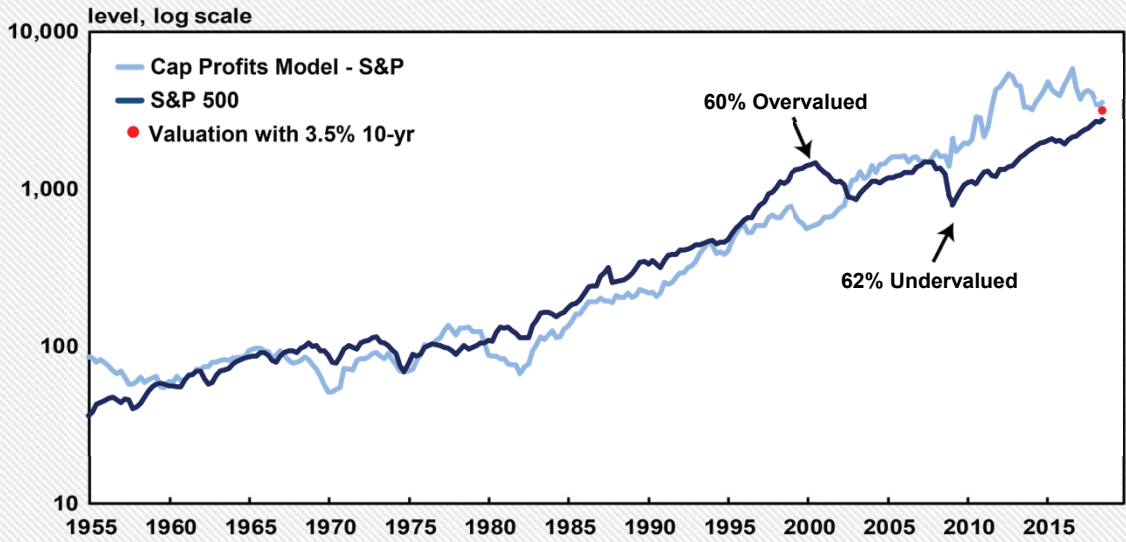
## First Trust Stock Index Forecasts



Source: Bloomberg, First Trust Advisors Economics Team Forecasts for end-of-year index levels. Forecasts were made in January of the year or December of prior year. Index data weekly from 1/6/06-1/4/19. Dow Jones Industrial Average forecasts made for the years of 2006-2014, 2017-2019. S&P 500 Index forecasts made for the years 2008 and 2011-2019. Forecasts for 2013 revised higher on 5/23/13, May forecasts displayed on chart. Not indicative of any investment. An investor cannot invest directly in an index.

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# Capitalized Profits Model: S&P 500



Source: Bloomberg, Federal Reserve, BEA, Haver Analytics, FT Advisors. Quarterly data Q1 1955 – Q3 2018