

# Opinion: ‘Donald Dud’ won’t be able to help the economy much

By **Tim Mullaney**

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It showed there certainly is no animal-spirits-driven surge of optimism and investment. It also showed that the president, who hasn’t gotten a blessed thing that matters through a Congress run by his own party, may be less threatening than supposed, at least to the economy and financial markets. Call him Donald “Dud” Trump.

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### **The upshot**

So where does that leave a small investor?

Exactly where they were Nov. 7.

The right way to think about the GDP number, and the 100 Days, is that they leave us in the same place: an economy growing 2% to 2.5%, biased toward the higher number.

It's simple: 2016 growth was 1.6%, and the two years before that averaged 2.5%. Last year was held down by slower oil drilling and lower exports early in the year as China wobbled, both correcting now. Seeing those revert toward the mean makes the economy do the same, leavened by a slightly concerning slowdown in consumer-spending growth and vehicle sales. Plus, Trump keeps making noises about trade wars, most recently threatening to reopen a trade deal with our ally South Korea even as a diplomatic showdown with North Korea over nuclear weapons drags on. The slow first quarter isn't really worrisome, since real wages are still rising slowly near all-time peaks reached last decade, and consumer balance sheets are in good shape, economist **Bernard Baumohl** said. Consumer fundamentals feed the widespread belief that growth in the middle of the year will bounce back, especially because the government has underestimated first-quarter data for several years running, he added.

But if you're betting on more than that, be careful.

Institutional Wall Street's post-election book on Trump has been: He can goose growth about half a point with tax cuts and infrastructure spending if he avoids doing even more harm by starting a trade war. The 100 Days suggest the president is too politically unskilled, and has too little attention span, to accomplish either.

It could be worse: 2.5% growth has brought us to the cusp of record inflation-adjusted median incomes and full employment, though it has taken nine years since the financial crisis. It has also fueled a huge bull market, probably overvalued now, and let the Federal Reserve begin raising interest rates, which Naroff says it will likely do again by July. But since Trump has accomplished nothing of note, nothing's coming down the road to change the picture.

*Tim Mullaney covers politics and economics for MarketWatch.*