



Would the market crash if Trump were impeached?

Brittany De Lea

August 23, 2018

President Trump said he thinks the stock market would crash if he were ousted from office, but some experts say not so fast.

When asked during an interview on Fox & Friends on Thursday whether he expected adversaries to try to impeach him as his legal troubles mount, the president said if that ever were to happen “the market would crash” and “everybody would be very poor.”

The market has cheered the president’s pro-growth, pro-business policies – including lower taxes and less regulation. But because those policies are already in place, the market may not react as badly as the president thinks.

“The market isn’t sentimental,” Art Hogan, chief market strategist for B. Riley FBR and Wunderlich Securities, told FOX Business. “[Vice] President [Mike] Pence is probably in favor of lower taxes and less regulation, and not a midnight tweeter, nor a trade war hawk. Markets care about economic growth, corporate earnings and good policies.”

Ryan Bourne, R. Evan Scharf Chair for the Public Understanding of Economics at the Cato Institute, agreed that Pence would continue Trump’s pro-business agenda, likely debunking the president’s theory that the market would crash.

“At previous times when odds of an impeachment have spiked, markets have fallen but then swiftly recovered,” Bourne noted. “It seems unlikely that an impeachment would cause a sustained stock market ‘crash.’ While political uncertainty can be a drag, the historical evidence doesn’t shed much light given other lots of confounding factors.”

During the Watergate scandal, from October 1973 through President Nixon’s resignation, the S&P 500 lost about 27 percent. However, during President Clinton’s impeachment proceedings, the S&P 500 gained 28 percent.

The stock market marked its longest bull run ever at the end of Wednesday's trading session. After about nine and a half years, the S&P 500 has climbed more than **320 percent**, while the Nasdaq Composite surged 522 percent since the bull market began in March 2009.

On Tuesday, Trump's former campaign chairman Paul Manafort was found guilty on eight of 18 counts against him, including on tax and bank fraud charges. Around the same time on Tuesday, the president's former personal lawyer, Michael Cohen, pleaded guilty to eight criminal charges, including campaign finance violations.