

Leading Indicators Indicate a Lagging Economy

By [The Mogambo Guru](#)

06/02/10 Tampa, Florida – The Conference Board’s Leading Economic Index for the US declined 0.1% in April, which was not too bad, especially since it followed a 1.3% gain in March, which is not to mention a 0.4% rise in February.

This is, being that it is the Leading Economic Index and is supposed to forecast the future six to nine months out, not very good news, although the Coincident Index (a measure of current economic conditions) was up a paltry 0.3% in April, following a negligible 0.1 percent increase in March, and a 0.1% increase in February, which kind of zero each other out.

The Conference Board’s Lagging Index is the one that keeps me interested, as this is where inflations and burdens lurk, and which increased 0.1% in April, following a 0.1% increase in March, and a 0.2% rise in February, which is in a kind of continual upward pattern, as far as I can tell just by looking at three numbers and doing no more work than that.

[Bill Bonner](#) here at *The Daily Reckoning* is apparently unimpressed with my lazy, lackadaisical ways of looking at data, and asks, “Has the bear market/Great Correction resumed – as we said it would? Or is this just more ‘noise’ – with no particular meaning?”

Of course, always trying to impress Mr. Bonner, I jump up and say, “Yes! You are exactly right, Mr. Bonner, sir, no matter which way the market goes! If it goes down, inflation makes the losses worse, and if the market goes up, then inflation and taxes will negate any illusory nominal gains! It’s all a part of what I have said all this time, you see, about how the Federal Reserve is creating too, too much money, for too, too long, so that the federal government can deficit-spend the too, too much money, basically borrowing and spending us into bankruptcy and a future full of angry, angry people, one of them being me, not only about this pure monetary insanity of the Federal Reserve, but about how some of that money goes to government goons spying on me and shooting strange energy beams into my head with some kind of ray gun so that I will, I assume, be silenced, censored from informing people of the inherent insanity of the Federal Reserve in conducting monetary policy as opposed to adhering to the Constitution and requiring that only gold shall be money! They’re coming to get me, and they’re coming to get you, too, Mr. Bonner!”

I looked at him. He looked at me. The silence was, as they say, deafening, although way off in the distance I thought I heard wolves howling and banshees wailing, just as you would expect from the collapse of the dollar and the reordering of the world’s economic system.

So I said, “I hear banshees and wolves, probably werewolves! Listen!”

It was all perfectly clear to me that the government is evil and insane, which explains why they let the Federal Reserve create more and more fiat money, inflating the money supply which will make inflation in prices go up, which is The Thing To Be Feared (TTTBF) in economics, instead of insisting that money be only of silver and gold, as per The Constitution, and how that means that we should march on Washington DC, throw them all out of office, and install me, The Marvelous Mogambo (TMM), to rule as a living god whose every wish is a command.

Mr. Bonner is apparently not so sure, and, instead, humorously demurs, and says, “We don’t know. But we intend to be in cash and gold when we find out.”

I couldn’t, of course, argue with that, and have myself many times said, “Buy gold when your government is acting irresponsibly by allowing the satanic Federal Reserve to create So Freaking Much Money (SFMM) that ruinous inflation in consumer prices is guaranteed!”

And, as the previous paragraph so richly attests, I just did again! Whee! This investing stuff is easy!