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Since the US administration had begun to call for a mid-east peace conference on July 16 and 17 it has become more and more clear that US politics finally were heading for peace instead of war. Rove's resignation today fits into this picture.

This tendency towards peace was the root cause for the credit crisis which rattled stock markets since mid July because traumatic feelings among the population and among investors were no more warded off by US war politics.

The main tendency of the group process towards more rationality in politics and towards depression in the economy should therefore continue. Nevertheless we might see an opposite move in politics and stock markets first before this process of rationality in politics and depression in stocks will resume.

There are mainly 2 reasons for such a development. First the central banks have started to inject liquidity into the economy and gave relief to the financial markets, although this cannot undo the loss of strength feeling among the investors which happened because of the peace politics of the US administration. Second traumatic rage and anxiety feelings have been acted out to a sufficient degree in stock markets and politics. Investors lost a lot of money during the downswing in stocks since mid July and the political sacrifice of Rove's resignation is considerable.

Therefore it seems possible that the political process might temporarily turn towards more irrationality and strength among investors might restore to a certain amount during this time.