



# Harry's Take

October 5, 2021

## A Succession of All-Time Highs Points to Imminent Peak

As bull markets get into their late stages, more dumb money comes in, and it migrates to narrower leading stocks and indices. I'm not sure I've ever seen a trail of fewer and fewer indices making new highs like this one.

### Series of Peaks Thus Far Points to Likely Climax in September or Soon

	Date of Peak	Intraday High	% from High
<b>HYG-High-Yield Corporate Bonds</b>	1/15/2020	88.5	-1.6%
<b>DJU-Dow Jones Utility Average</b>	2/18/2020	963.8	-8.1%
<b>LQD-Investment Grade Corporate Bonds</b>	8/07/2020	139.4	-4.2%
<b>SSEC-China Shanghai Composite</b>	2/18/2021	3,731.7	-4.4%
<b>RUT-Russell 2000</b>	3/15/2021	2,360.2	-6.0%
<b>BTC-Bitcoin</b>	4/14/2021	64,374.0	-24.0%
<b>IBB-Biotech</b>	8/10/2021	177.4	-12.2%
<b>DAX-Germany</b>	8/13/2021	16,030.3	-6.2%
<b>XLF-Financials</b>	8/30/2021	39.0	-3.0%
<b>SPX-Large Caps</b>	9/02/2021	4,545.9	-5.4%
<b>XLV-Health Care</b>	9/03/2021	137.0	-8.5%
<b>NDX-Nasdaq 100</b>	9/07/2021	15,701.4	-7.8%
<b>N225-Japan Nikkei</b>	9/14/2021	30,795.8	-7.6%

Source: Yahoo! Finance; Investing.com

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Bonds always start sensing a major top and downturn earlier than stocks, as they focus more on risk and stocks more on return. So, it's no surprise that the bond indices peaked first here.

The high-yield bonds (HYG) peaked all the way back on January 1 of 2020. That was followed by the Dow Utilities (DJU, which are more bond-like) on February 18, 2020, and then the corporate bonds (LQD) on August 7, 2020.

The second series of peaks, still all-time highs, were on the China Shanghai Composite (SSEC) on February 18, 2021, the Russell 2000 small caps (RUT) on March 15, and Bitcoin (BTC) on April 14.

Since August of this year, the rest have piled on quickly in succession: IBB Biotech 8/10, Dax Germany 8/13, XLF Financials 8/30, SPX (S&P 500) 9/2, XLV Health Care 9/3, NDX Nasdaq 100 9/7, and Japan Nikkei 9/14.

These peaks are getting closer together, which suggests we are at or very near a top... possibly from September 2–7 already, and I would say by late October at the latest. Indices like the XLF that is only 3% from its high could make new highs still, as could some of the recent ones peaking in September. But the end looks nigh here!

This is another clear sign that we are closing in on both the greatest stock bubble peak in modern history and the second tech bubble after the March 2000 extreme top and crash. This crash will be the last one and will be more extreme.

For example, the Nasdaq was the most extreme crash from 2000–2002 at 78%. Now, just a crash back to the 2009 lows would be a whopping 93%! I'm expecting more like 85% on the broader S&P 500.

Sell into rallies and be quick on the trigger if the markets suddenly get weak.

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Got a question or comment? You can reach us at [info@hsdent.com](mailto:info@hsdent.com).