



# *Harry's Take*

February 6, 2024

## **Rise in Soft Landing Mentions Higher Than Before 2007-2009 Crash and Great Recession**

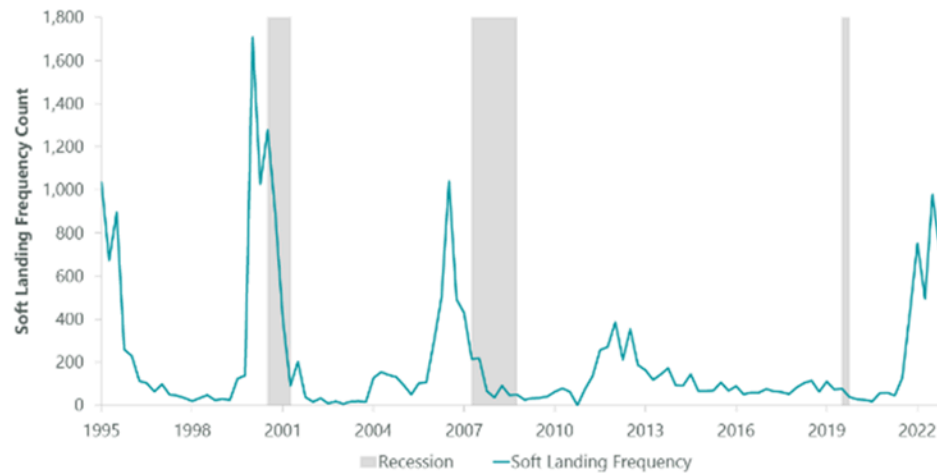
I'm speaking at the Anthony Robbins Platinum Conference in Whistler, Canada. It's one of my favorite audiences of mostly entrepreneurs: my type of people. It's not a great time for skiers, as there is little natural snow.

Talk of recession has actually receded, as a recession clearly has not hit yet although it was expected to by now. But for the first time, I think the markets are nearly as confused as investors, given that the Fed went full accommodative after COVID, and then went back to the largest tightening since 1980-1981. Many now expect the Fed to loosen again soon, but that would look reckless after these two extreme moves since March 2020.

I still think a recession is coming, but it won't be as clear until the tightening hits fully by late 2024 to early 2025 on the natural lags. But here's another indicator that suggests not only a recession but something even larger from late 2007 into mid-2009.

## Rise in Soft Landing Mentions Precedes Recessions: Greater Than in 2007

Exhibit 1: It Always Starts as a Soft Landing



Note: Soft landing frequency is the count of mentions of the term "soft landing" in company filings, transcripts, and presentations since 3Q95. Data as of Sept. 30, 2023. Source: NBER and Bloomberg.

Source: <https://www.bloomberg.com/opinion/articles/2023-11-17/soft-landing-or-hard-it-comes-down-to-the-pilot-the-fed>

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Mentions of soft landings are now around 1,250, higher than coming into late 2007 when they got to around 1,000. They are still lower than before the first tech wreck crash from 2000 to 2002, but this surge likely has not peaked yet.

This should be clearer by year-end, but investors could see a lot of pain if this overdue third wave down has begun, as I project stocks will be down 55% to 60% from their all-time high after it hits fully and there should still be a fifth wave down to follow...

Caution ahead!

Harry

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