



Harry's Take

October 22, 2024

AI Bubble Peak

Here's a chart from Elliott Wave International that shows a very clear 5-wave pattern peak in AI stocks after a 2-year rally since the late 2022 lows. Bitcoin is the larger bubble also appearing to peak recently at \$73,750 back in May, but this is the later stage bubble in the newer AI sector of technology. Both will obviously lead coming out of the likely crash of a lifetime ahead, that has been put off for 3-5 years further with even more massive stimulus since COVID, now creating an even more extended bubble since early 2009 into by far the longest bubble ever: 15.6 years. But AI is likely to become the stronger advance in this next wave up, likely into 2037 or so.

The New UBS AI Winners Index Looks Like a Major Peak Back in May



Source: www.elliottwave.com/

www.hsdent.com

This is about as good a pattern as you get in Elliott Wave analysis including the longest and most extended 3rd wave in the middle. And recently a perfect a-b-c, 2-wave bounce from the 1-wave down thus far.

As with a number of charts shown in the last month that suggest a major reversal is near, this one needs to see more follow-through to the downside as well, with Bitcoin likely leading that this morning down 3.3% from its \$69,247 peak after the close on October 20.

How can this possibly end well, especially with the tightening into July 2023 still yet to hit fully into early 2025?

Harry

Got a question or comment? You can reach us at info@hsdent.com.

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