



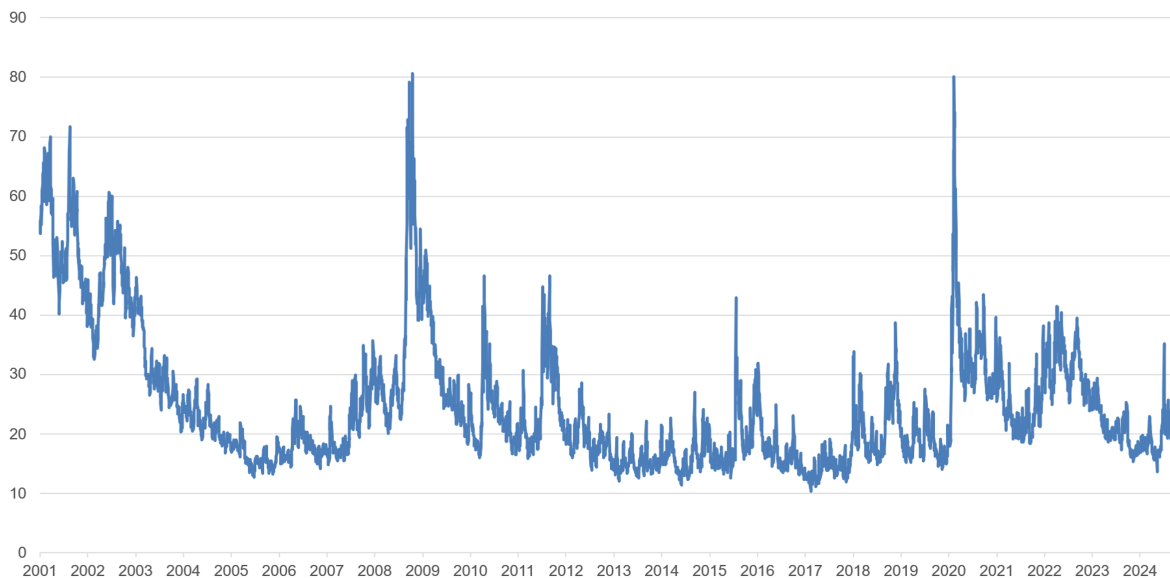
Harry's Take

November 12, 2024

Nasdaq Volatility Index Building into the Next Great Spike and Crash?

This chart shows the volatility index for the most volatile major large cap index, the Nasdaq. I am expecting the largest downturn since 1980-82 ahead, and this volatility index can serve as a good leading indicator among others.

Nasdaq VIX Looks Like Early Stages of Rally Before Next Big Spike!



Source: Investing.com

www.hsdent.com

Note that before the Great Recession of 2008 we saw the Nasdaq volatility bottom in late 2005 and then start to step up into 2007. Note that it did not make a new low on pullbacks, and then spiked up to 80 into the worst of the 2008 stock crash and recession into late 2008 (stocks bottomed in early 2009).

The same pattern occurred into the brief COVID crisis of early 2020. Volatility bottomed even longer term in early 2017 and then stepped up

more modestly without making new lows when retreating. Then we got a second spike up to 80 again in early 2020 when COVID first hit.

Now we see another Nasdaq VIX bottom in May of 2024 and we look to be starting that step-up process before a likely even larger spike into the next Great Recession or short depression into late 2026 to 2027 or so.

If that's the case, the first sign is that we should not see the Nasdaq VIX go back below 12, and the second is that it starts spiking again. Next time it should be well over 80 and the last great crash and downturn we see until after the first and largest Millennial Spending Wave peak around late 2037... and the downturn that follows that into at least 2040.

Harry

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

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