



Harry's Take

June 17, 2025

Peak Greed Levels for Investors Before Stocks Hit New Highs

I was seeing on CNBC that investors have high allocations of their assets now to stocks outside of their home, around 50%. And why not, they are going up faster than home prices which have only gotten more unaffordable from the huge gains since the 2012 lows that followed the early 2009 lows for stocks.

Peak Greed Sentiment Hitting Over 80 Before Stocks Get to New Highs



Source: <https://www.elliottwave.com/>

www.hsdent.com

This chart of investor greed sentiment shows that it is exceeding 80 again, and this is before stocks have had the time to make new highs in this rally over the previous new highs on February 19 of 6,144 on the S&P 500. They hit 6,050 earlier yesterday.

That means that stocks will have to get even more extreme to the overbought side here to actually make new highs in the next few days or so, which it looks very likely to do. And even higher readings above 80 will make the current

rally look even more like a major top after getting to such overbought readings for the 6th time since the late 2021 top.

There's no way to call the top perfectly in the most over-stimulated stock market in all of the history of stocks back to the late 1700s. But... this is sure looking like we're getting close here, and this could even be it.

I maintain that the best place to be here is neutral. Out of stocks and out of as much real estate as you can be. **And remember, real estate is where you need to act the most decisively and quickly as it gets hard to sell fast then the weakness sets in, especially after the worst crash in history so recently experienced from early 2006 to mid-2012.**

Harry

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

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