



Harry's Take

October 14, 2025

Last Call to Sell Stocks and Risk Assets

The last demographic or Spending Wave boom for the Bob Hope generation peaked on a 44-year lag for peak spending back then in late 1968. But the first serious crash and reality set in from the beginning of 1972 into mid-1975. That started a long, deep recession that lasted into early 1983 with stocks bottoming adjusted for inflation in late 1982. The Great Depression followed the Henry Ford generation's peak in late 1929 and bottomed in mid-1942.

One of my simple sayings: major recessions follow normal long-term generational booms like 1942 – 1968. Depressions follow bubble booms like 1897 – 1929 (down -89%), or now late 2025. This time real estate joined as mortgage financing became much easier than in the Roaring 20s bubble.

Stock Real Earnings Yield the Lowest Since 1972-1975 Top and Crash



There are many signs of overvaluations of stocks and real estate, and here is just another good one. The earnings yield on stocks has plummeted to the lowest level in over 50 years, lower now at -2.5% than at the last low in 1974 during that last generational crash. The truth is we should have already seen an overdue crash from around late 2019 – 2022, but it's been put off 6 years by this unprecedented stimulus of \$29T and still rising. Investors are now taking negative yields adjusted for inflation for the privilege of owning stocks... that's just poor judgement. This is what happens to the greatest extreme in these bubbly booms every other generation, especially when it coincides with the larger and most-bubbly 90-year cycle.

Most investors are ignoring the obvious signs of a great bubble, like this one... You don't have to. It's clearer than ever that a major crash is overdue, and late 2025 is a good time for it to start. And Bitcoin, my best leading indicator for stocks, may have just peaked at just over \$125,000 on October 5 and has fallen 12% in just a week. Stocks are likely to follow soon! Last chance to protect your net worth.

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

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