



Rational but Exuberant?

I saw a recent chart, posted below, from an *ISI* survey showing a record level of bullishness on stocks at current levels.

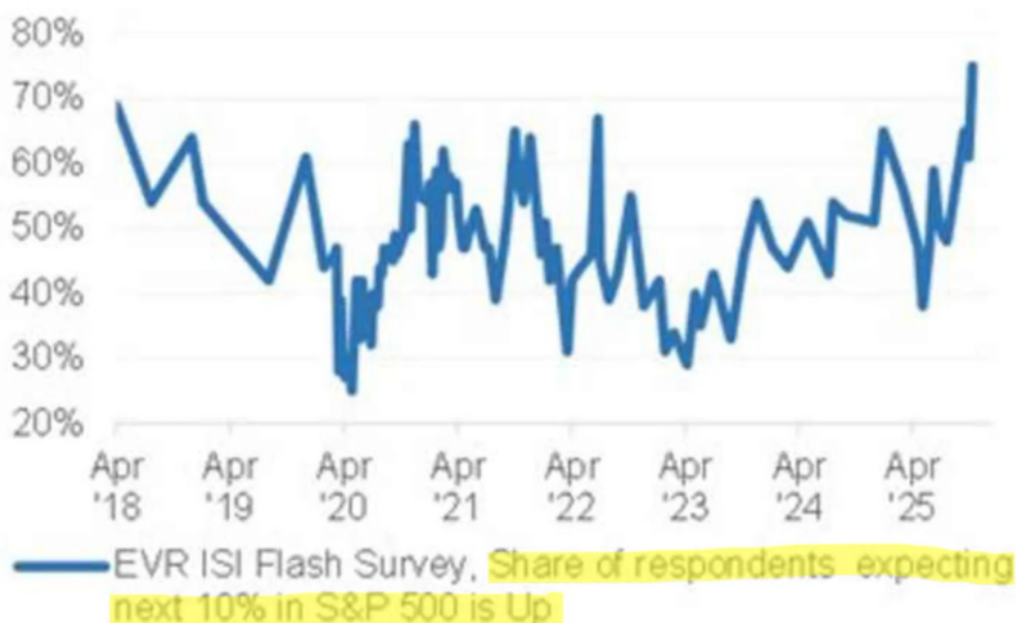
The title of the chart is “Rational, but Exuberant Nonetheless...”

I don't know what's so rational about that.

The trends are positive, and the trend is your friend. Stocks could push higher.

But the risks are *elevated* here.

Figure 1: Rational, but Exuberant Nonetheless – Record Bullishness on Stocks



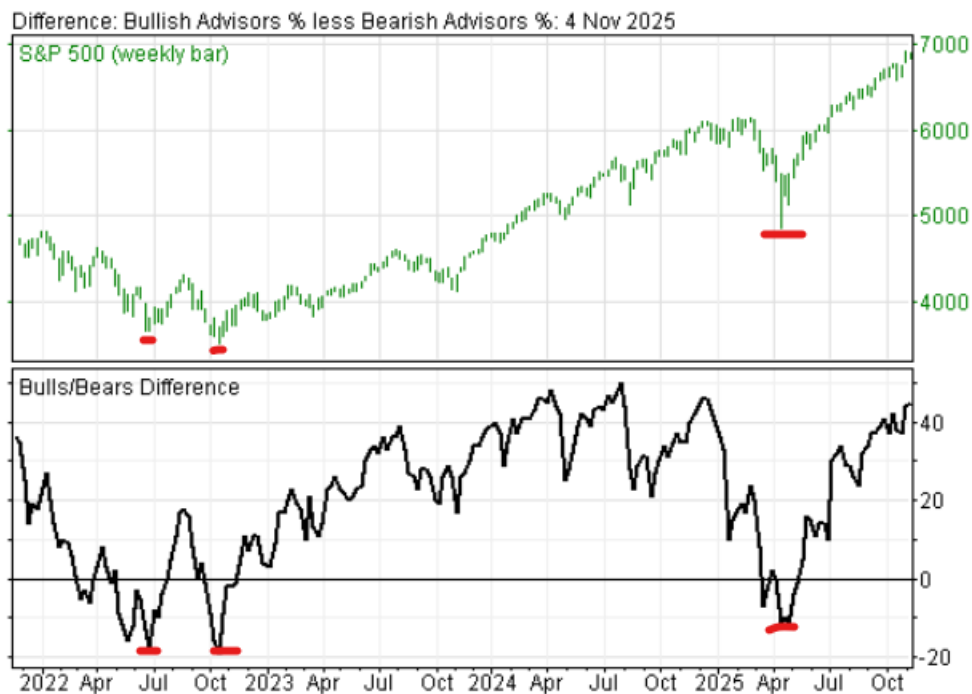
Specifically, 76% of *ISI's* clients expect the next 10% move in the S&P 500 to be **up**.

This is the highest percentage since at least 2018.

Sentiment is clearly too bullish. Here's the Bulls / Bears spread from *Investors' Intelligence*. It's at 44.5%. Anything above 40 is considered the "danger zone".

Of course, nothing is perfect. There is no magic formula. As you can see from eyeballing the chart, the market can still trend higher even with levels above 40%.

Often for months. But then a good old ass-kicking comes along, *and those gains are wiped out*.



Then the pendulum swings the other way. When the ratio reaches -10%, I perk up and start buying. The lower it goes, the more I buy.

I've marked those levels in red above. We are far from those levels, so in the meantime, I prefer to sit on my hands.

But that's my plan. It's in place. And, I'm sticking to it!

DISCLAIMER:

THIS COMMUNICATION IS FOR EDUCATIONAL AND INFORMATION PURPOSES AND DOES NOT CONSTITUTE INVESTMENT ADVICE. Any Publishing Service offered by HSD Publishing is for educational and informational purposes only and **should NOT be construed as a securities-related offer of solicitation or be relied upon as personalized investment advice.** HSD Publishing strongly recommends that you consult a licensed or registered professional before making any investment decision.

THE RESULTS PRESENTED ARE NOT TYPICAL OR VERIFIED. HSD Publishing has not verified information regarding the historical trading performance presented. Subscribers' trading results have **NOT been tracked or verified.** past performance is not necessarily indicative of future results, **and the results presented in this communication are NOT TYPICAL.** Actual results will vary significantly due to various factors, including experience, skill, risk mitigation practices, market dynamics, and the amount of capital deployed. Investing in securities is speculative and carries a high risk; you may lose some, all, or possibly more than your original investment.

HS DENT IS NOT AN INVESTMENT ADVISOR NOR A REGISTERED BROKER. Neither HSD Publishing nor its owners or employees is registered as a securities broker-dealer, broker, investment advisor (IA), or I.A. representative with the U.S. Securities and Exchange Commission, state securities or regulatory authority, or self-regulatory organization.

WE MAY HOLD THE SECURITIES DISCUSSED. HSD Publishing has not been paid directly or indirectly by the issuer of any security mentioned in the Services. However, HS Dent, its owners, and its employees may purchase, sell, or hold long or short positions in securities of the companies mentioned in this and future communications.

John Del Vecchio is not an employee or partner of HSD Publishing. HSD Publishing serves solely as the marketing arm for John Del Vecchio – who provides research to HSD Publishing via Parabolix Research, Inc.-- and Unbounded Wealth.

© 2025 HSD PUBLISHING. ALL RIGHTS RESERVED. 15016 Mountain Creek Trail, Frisco, TX 77573.