



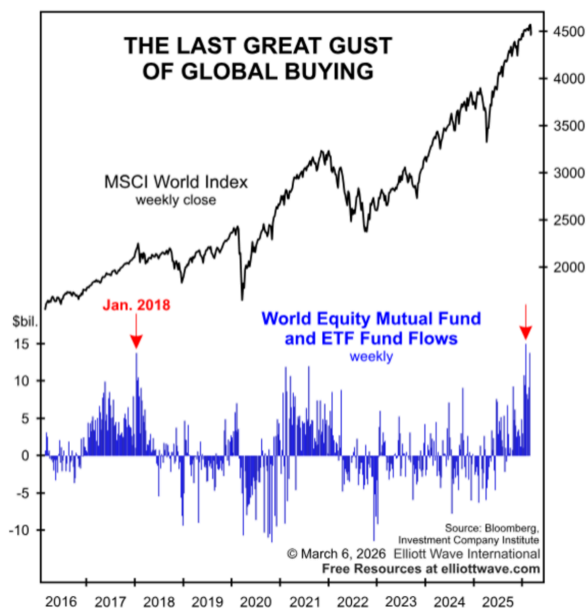
Harry's Take

April 14, 2026

Another Sign This Record Bull Market May Be Running Out of Steam for Now

Stocks in late 2007 peaked because consumers slowed in spending for demographic reasons. This was something that I was forecasting all the way back to the mid-1980s when I started lecturing to small business owners at Vistage (called TEC back then). That forecast came from the simplest forecasting tool I ever came up with: a 46-year lag for the peak in spending of the average household in America. It's proven to be more like 47 in Europe and East Asia. Our high immigration pulls our average down a bit. The real truth is that almost all of the developed world is either peaking, or plateauing at best in this most basic of fundamental trends which stems from entering the workforce on average at age 20 between high school and college graduation. Only Australia, New Zealand, Singapore, Norway, Sweden and Finland are smaller countries that still have longer-term rising demographic spending trends. This is the most basic reason the developed world is slowing. Another thing that happens in any bull market, especially for stocks, is that the more they go up, the more marginal or everyday investors pile into them until there aren't more new investors to pile in. This chart is another sign of that, but on a global basis, not just in the U.S. that is leading this stock bubble.

Global Equity Flows Highest Ever in Late 2025: Peak in Momentum?



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

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We are now seeing peaks in such equity flows similar to those we've seen in the past, like into early 2018, early 2020, late 2021 and NOW... from Bloomberg Investment Company Institute and Elliott Wave International. This could continue a bit longer, but it's just another of many signals along with the second highest valuation on the Shiller CAPE ratio ever, that is second only to the first tech bubble in early 2000 (and both are well higher than 1929, 1968 or 1987). Although it doesn't pay for most investors to jump in and out of the markets every time they get frothy or overvalued, this time is extreme and the Fed made the first step to reduce the Balance Sheet by \$2.7T that they added \$8T to as part of their collective \$30T in stimulus since 2008. Let's just take a breather on this record 17-year stock bubble into the fall of this year when stock crashes are most likely to occur, especially on the 4-year cycle that we have entered in 2026. We can get back in late this year if the markets continue more sideways or up... I simply don't see that as likely from these elevated levels.

Harry

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

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