Harry's Take

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Tech Stocks Are Now the Most Speculative Ever, Even More Than the 2000 First Bubble Top

I keep reminding people that the last major top was in late 2007. That was the peak of the Baby Boom Spending Wave I had been forecasting since the mid-1980s with my 46-year lag on births way back then. And that was a major peak on an exact 39-year lag to past generational spending peaks with the Henry Ford generation in 1929 and the Bob Hope in 1968 (inflation-adjusted for stocks). At the last bubble-era peak in 1929, the generational Spending Wave and the Innovation/Technology Cycle were closely in synch, even though that tech cycle is 45 years vs. the 39-year generation cycle. By the next generation peak in 1968, the tech cycle peaked in late 1972, just over 4 years later. Since, the gap between the two cycles keeps on widening. The 2007 generation peak was followed by the 45-year tech cycle peak that should have been due between late 2019 and early 2020. So now the spread between the two peaks is just over 12 years just from the natural cycles. What is that? The double 45-year cycle forms the infamous and most powerful 90-year Super Bubble Cycle. The double generation cycle (2X39) would add up to 78 years… hence the late 2007 Spending Wave peak, and late 2019 "should have been" the Innovation Wave or Super Bubble peak.

But then the other big thing happened: That $31T and still rising $2T per year in combined fiscal deficits and money printing to date since the **"Great Over-Reaction"** to the 2008 Great Recession. That has not only greatly inflated stock prices overall, but stretched the boom from its natural late 2019 peak now to mid-to late 2026… exactly that 12-year mark past the

2007 peak. The best way to understand the long-term topping process is that early 2000 and now in 2026 are from the Innovation Cycle, and 2007 in between was from the Spending Wave peak. There are two surges in each technology cycle: a growth boom and a maturity boom. Those are part of a 4-stage lifecycle in everything, including a human lifetime with youth, early adulthood, mid-life and retirement over about 80 years. The one final and unnatural addition is that 7-year extension from the final peak of both by late 2019, forward into 2026… That's purely from the totally artificial $31T, 7% average of cumulative GDP… the beyond unprecedented stimulus program of all stock market history!!!

How Speculative Are Tech Stocks? Way Beyond the 2000 Tech Bubble

Source: Elliott Wave International's *Elliott Wave Theorist*, June 18, 2026 (https://www.elliottwave.com/HarryDent)

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This chart measures the ratio of one of the most speculative stock indices, the tech-oriented Nasdaq 100 (NDX), to one of the most conservative, the Dow Utilities (DJUA). At the 2000 top that ratio was 17X, now its 28X. That's 1.65 times the greatest bubble we've seen since 1929, and that bubble was a good bit more-bubbly than 1929…

The best way to see this entire bubble boom with its bubble phase starting in late 1994: 2000 first tech bubble peak; 2007 Baby Boom generation spending peak; and now on a 7-year stimulus extension, 2026 as the second and final tech and overall bubble peak… and there's only two surges in each tech cycle, especially in the exalted 90-year Super Bubble Cycle, that peaked 1836, 1929 and 2026 (2019 +7 stimulus extension).

Harry

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