

Title: A wide ranging and rambling analysis of where we are. Part I.

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Posting here as the signal to noise ratio over at SS is too low. Critique welcome. In no particular order, the questions been asking myself lately:

- \- Why is the real GME squeeze the 'MOASS', taking so long to crystallise?
- \- Why were so many of the hyped analyses around T+ settlement dates etc wrong?
- \- Is the MOASS theory sound? If MOASS theory is sound, what price level could \$GME reach?
- \- What are we waiting for now? Is there a conspiracy to control \$GME? If so, who is involved?
- \- Is it just \$GME? Why is \$GME 'special'?
- \- Does MOASS mean the rest of market collapses? I.e. Armageddon? What will that look like?
- \- What about silver/gold and China? What about crypto?
- \- Is Ken Griffin Public Enemy No. 1? Who else?

Some history: (Those who do not learn from history are bound to repeat it. History does not repeat itself exactly, but it often rhymes)

****The real cause of the Oct. 1987 crash:****

(<https://www.cnbc.com/2017/10/16/cause-of-black-monday-in-1987-as-told-by-a-trader-who-lived-through-it.html>)(<https://www.cnbc.com/2017/10/16/cause-of-black-monday-in-1987-as-told-by-a-trader-who-lived-through-it.html>)

Note the last sentence:

'Remember one thing. Crashes are never caused by poor earnings or lower economic growth. Those things cause recessions, but they do not cause crashes. One thing, and one thing only, can cause a crash: forced selling.' *

In other words: a black swan. Something unexpected. On the background of excessive valuations, margin lending, excessive systemic debt (both fiscal AND private), excessive risk taking. The one thing missing here, seen later in 2008 was insane leverage. The global economy recovered relatively quickly after 1987. The lack of insane leverage meant there was less to unwind.

****The real cause of the 2000 'dot com' crash:****

(<https://ideas.ted.com/an-eye-opening-look-at-the-dot-com-bubble-of-2000-and-how-it-shapes-our-lives-to-day/>)(<https://ideas.ted.com/an-eye-opening-look-at-the-dot-com-bubble-of-2000-and-how-it-shapes-our-lives-to-day/>)

Note this sentence:

'By 1999, losing money was the mark of a successful dot-com'**. ** LOL! And this one:

' By 2002, 100 million individual investors had lost \$5 trillion in the stock market. A Vanguard study showed that by the end of 2002, 70 percent of 401(k)s had lost at least one-fifth of their value; 45 percent had lost

more than one-fifth.'

The 2000 bubble was, in retrospect, far easier to predict and the subsequent crash was a 'slow burn' continuing into 2002. There was no single black swan and investors continued pouring money in during 2000 and 2001, believing they were 'buying the dip'.

The real winners were the owners behind the dot com IPOs who cashed out early. Sound familiar?

****The real cause of the 2008 GFC:****

Deregulation. Allowing banks to speculate in real estate by trading mortgages. And other 'derivatives'. The repeal of the Glass Steagal Act. Contributory factors were a global energy crisis leading to increasing interest rates, reducing the affordability of mortgages. Excessive debt, excessive risk taking on margin lending, leverage. Sound familiar?

What features of the past are present now indicating an imminent global systemic crash: all of them! Low interest rates encouraging margin lending and leverage, excessive risk taking, high levels of fiscal and private / corporate debt, high valuations of unprofitable companies, many IPOs (SPACS), with originators cashing out early. General slowdown secondary to COVID19. Will it be a slow burn like 2000 or a calamity like 1987 or 2008? It has to be calamitous.

Referring to * above, the crash will be caused by FORCED SELLING. A black swan. COVID19 resurgence? China Property / bank collapse? A war? Bond market collapse? Civil unrest? I think none of these: all known, monitored, correctable by emergency measures or 'priced in'. The wild card is crypto: poorly or totally unregulated, insane speculation and leverage. The new dot com bubble. The crash begins in crypto. Specifically Tether's demise. The crash will be followed by massive civil unrest. I see more a deflationary / stagflationary rather than hyper inflationary scenario. Regional but not global wars.