

What a Real Bear Market Looks Like

copyright©

Fantasy Free Economics, James Quillian

Posted on [July 30, 2018](#) by [Fantasy Free Economics](#)



I will be clear. The economy in the United States is much worse now than it was in 1929 or in 1973. This will be the first economic collapse to occur following forty years of government intervention in the economy. Government has been supporting asset prices since 1987, off and on at first and finally on a daily basis. Given the gravity of the current circumstances, the coming trouble will likely exceed what was experienced following 1929

and of course 1973.



To gain perspective I am posting charts of stocks 1929-1933 and 1973-1975. Both of these bear markets occurred because given the respective resource distributions the economy could no longer grow. That is the situation today. When looking at an economy, remember that the present cannot be explained with numbers. It is all folks acting on incentives. Understand incentives and what to expect next becomes very clear. The

next bear market will likely take several years to completely hit bottom. After that there will likely be stops and starts for about ten years. This is what happens when an economy resets. The US. economy is way over financed. This means there is more money chasing investments than there are legitimate opportunities. On the bright side, if the country survives, this will be the stock buying opportunity of

the century.