

CAUTION: Crash/Collapse Dead Ahead Say Faber, Rogers, Dent and Celente

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After a massive upswing in US stocks over the last six months, the recent rally may finally be coming to an end. It seems that the trend of rising stocks on bad or better than expected news may be in a reversal, as evidenced by market participants' caution over the last couple of weeks. For those that follow contrarian investors like [Marc Faber](#), [Jim Rogers](#), [Gerald Celente](#) and [Harry Dent](#), this should come as no surprise.

Marc Faber, publisher of the Gloom Boom & Doom Report, [advised his subscribers and followers to take positions in US tech stocks, the banking sector and hard assets at the bottom of the markets](#) in early March of 2006. However, he did provide [a word of caution on March 16, 2009](#), making it known that while he was a short-term bull on stocks, that eventually, the economic fundamentals would catch up:

"Probably a total collapse in the second half of the year when it becomes clear that the economy is a total disaster."

As recently as [September 3rd](#), on [Delhi TV](#), he made another call, essentially telling investors to get out

"I believe in the next 10 days to two weeks we'll get big moves in markets. And I wouldn't be surprised if the Dollar would for a change strengthen and equity markets would correct and possibly quite meaningfully so."

Gerald Celente, Trends Research forecaster and contrarian thinker, advised listeners of the Jeff Rense show on September 23rd to look out below, calling it the *Christmas Crash*. He believes that [the next collapse will come quickly, sometime this Fall, but as late as January or February of 2010](#):

"It's going to really be an ugly scene. We are really encouraging people now to take pro-active measures and prepare for the worst. Don't spend an extra dime."

Jim Rogers, who is well known for making millions during the recession and commodities boom of the 1970's, is also hesitant about acquiring more equities. He is an avid US Dollar bear, but in an interview on September 30th, he turned bullish on the dollar in the short term. His advice?

"I am not buying shares anywhere in the world as we speak."

Finally, we have economist and cyclical analyst Harry Dent Jr., who some may know for having called the real estate Bubble-Boom, and subsequent crash, years before it happened in his book [The Next Great Bubble Boom](#). Dent was also bullish on the Dow, calling for it to reach between 9450 and 10,500 after the March lows of 2009. Like Faber, Dent also cautioned investors to stay vigilant once the 9000 mark was breached. In a recent Economic Forecast Alert to subscribers, Dent indicated that the tide was changing:

"The markets are very overstretched here and we think it is very likely that we are seeing a top just above 9,800 on the Dow today."

This is the best intermediate term play we have seen in a long time. Shorting the stock market (for example, ETF symbol SH) could yield 50% to 60%+ gains over the next year with a 5% to 15% downside if the markets keep edging up for awhile, even to extremes."

Though we continue to see most mainstream analysts talk the bull market talk, it looks as if the bull may be in trouble, especially if individual investors realize what all of the big boys talking their books already know - that the economic fundamentals are simply horrific and the markets are already pricing in GDP growth of over 5% for the next 4 quarters. Considering that GDP grew at 0.7% in the 2nd quarter, that seems highly unlikely. Some estimates also suggest the the P/E of the S&P 500 right now is at [unprecedented levels of over 100!](#)

As of today, it looks as if investor focus is shifting from stocks and commodities into what some consider to be short-term safehaven assets, such as US Treasury Bills/Notes/Bonds. The yield on the 10 yr is at 3.15% as of October 2nd, significantly down since August 7th's 3.85%, suggesting that safety, not risk, is now the name of the game. Interestingly, and unlike November of 2008, gold seems to be holding strong at

around \$1000, though this may change if the US Dollar rises, as Jim Rogers, Faber and Dent have suggested it may.

For those still in equities, we believe Tyler Durdern at [Zero Hedge](#) said it best, *"Go long here at your peril."*

http://www.shtfplan.com/marc-faber/caution-crashcollapse-dead-ahead-say-faber-rogers-dent-and-celente_10022009