



The Bear Market in Stocks Is Over, Says Wall Street Guru

Ed Yardeni, president of Yardeni Research, reviewed last week's market action on Wall Street and [concluded that the bear market in stocks is over](#): "Not too long ago we were in the midst of a terrible meltdown in the stock market. But it turned out to be a 33-day bear market lasting from February 19 to March 23. Ever since then, we've had a melt-up."



Yardeni has been here before. A 50-year veteran of making prescient market calls (he predicted the sharp market selloff in October 1987, now known as Black Monday, when stocks lost almost 20 percent of their value in one day), he has spent decades plotting investment strategies for powerhouse investment firms such as Prudential and Deutsche Bank. He now presides over his own firm, which provides global investment strategies for firms across the globe.

In a conversation at CNBC on Sunday, Yardeni said that the surprisingly strong jobs market report released on Friday "made sense": "With the benefit of hindsight, [the jobs report] kind of makes sense because we had the Paycheck Protection Program that was ... implemented in April [that] encouraged small businesses to keep people on their payrolls."

He said he sees a V-shaped recovery in the economy and the stock market hitting new highs over the next few months.

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As if on cue, the Nasdaq Composite Index, which is heavily weighted toward information technology companies (think Apple, Google, Microsoft, and IBM), notched a new all-time high on Monday and continues to move higher as this is being written.

The precipitous fall and rising of the Nasdaq has been breathtaking. On February 18, the index was trading at 9,817 (February was when the U.S. economy peaked, according to the National Bureau of Economic Research, or NEBR). A little over a month later, on March 23, the index was trading at 6,860, a decline of 30 percent. On Tuesday, the Nasdaq Composite Index is trading at 9,947, a gain of 45 percent.

The other popular market indexes aren't far behind: The Dow is less than seven percent away from an all-time high, while the S&P 500 Index is less than five percent away.

Sam Stovall, the chief investment strategist at CFRA Research, confirmed the end of the bear market in stocks as well: "[The market's rise reflects] optimism surrounding the reopening of the global economy,



Written by [Bob Adelman](#) on June 9, 2020

and the likely confirmation that the U.S. economy will experience a V-shaped recovery in the second half” of the year.

Jeffrey Saut is even more optimistic, if that’s possible. Saut is the chief investment strategist for Capital Wealth Planning (CWP). Prior to joining CWP, Saut was Raymond James’ chief investment strategist and a managing director of the firm’s equity research department.

Saut has said that Wall Street has been in a long-term bull market since March 2009, and says it could continue, despite the COVID hiccup, for at least another four years. And it could continue to 2030.

Saut builds his case on several key elements: There is nearly \$3 trillion on the sidelines waiting to get back into stocks. There is enormous pent-up consumer demand thanks to the shutdown. He thinks the recovery will be V-shaped as well. And he thinks Trump will win in November.

Said Saut: “I think we’re working up to a near-term trading peak in June ... and then you get another leg up to make new all-time highs.”

An Ivy League graduate and former investment advisor, Bob is a regular contributor to The New American, writing primarily on economics and politics. He can be reached at badelmann@thenewamerican.com.

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