



The dead parrot

Mr. Praline: Never mind that, my lad. I wish to complain about this parrot what I purchased not half an hour ago from this very boutique.

Owner: Oh yes, the Norwegian Blue...What's wrong with it?

Mr. Praline: I'll tell you what's wrong with it. It's dead, that's what's wrong with it!

Owner: No, no it's resting, look.

Mr. Praline: Look, my lad, I know a dead parrot when I see one, and I'm looking at one right now.

Owner: No, no it's not dead it's resting!

Mr. Praline: Resting?

Owner: Yeah. Remarkable bird, the Norwegian Blue. Beautiful plumage!

Mr. Praline: The plumage don't enter into it. It's stone dead.

...

Mr. Praline: Look, I took the liberty of examining that parrot, and I discovered that the only reason that it had been sitting on its perch in the first place was that it had been nailed there.

From Monty Python: The dead parrot sketch

This incredibly funny sketch with John Cleese has an interesting grain of truth. A delusion, when rebutted again and again, causes the observer to wonder who holds the monopoly on the truth!

When markets are "dead", we ask whether the world is safe to invest in at the current levels.

Central banks, the pet shop owners of finance, reply in unison: "the parrot is alive and well and what a beautiful Norwegian Blue."

We are not convinced... the claws being nailed to the perch (low interest rates) being a bit of a tell-tale sign.

"The market is not dead, it is just resting," the central banks argue.

Well the acid test is going to be when the nails are removed and we get to see whether the parrot is dead or not. We suspect we might see a resounding thud as the market "parrot" falls onto the cage floor.

What happens when everybody suddenly realises that the parrot is dead and not resting?

The parrot will display movement but only because the client, once the delusion is broken, will probably throw the parrot cage (along with the dead parrot) at the pet shop owner!

So too will the general investing public when they realise the parrot is demised... and not just resting.

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