



Campanology

Campanology (from Late Latin *campana*, "bell"; and Greek *-λογία*, *-logia*) is the study of bells. It encompasses the technology of bells – how they are cast, tuned, rung, and sounded – as well as the history, methods, and traditions of bell-ringing as an art.

A campanologist is one who studies campanology, though it is popularly misused to refer to a bell ringer.¹

Many investors look to us to 'ring the bell' on the markets. We are not bell ringers; we are campanologists. We do not try to predict the nature of a financial crisis or the day it will occur. Instead, we study the bells of the markets: how crises are cast, tuned, rung and sounded in the context of market history and behaviour. We listen for the faintest sound of bells, and we prepare for them to ring.

Firstly, I try to adopt the mind-set of a traditional 60/40 bond equity manager. They must be sitting on tidy performance for this year. Why would they not at least put something in place to capture performance gained thus far?

- Gold is looking like an earnest bull for the first time in ages.
- A big hedge fund in London has gated.
- There is a lot of chatter about mass lay-offs/redundancies at banks.
- The Eurodollar is pricing in hearty rate cuts reminiscent of a pending crisis.
- Earnings/consumer spending fundamentals are weakening.
- The S&P's recent eye-watering rise is more reminiscent of a short covering bull market rally than a dyed-in-the-wool bull market.
- Volatility in most asset classes is at very low levels (one canary in the coalmine is that volatility counterintuitively falls to its lowest level at the trough and peak of super-cycles).
- Geopolitics now seems to trump ecopolitics (excuse the pun!).
- There has been significant narrowing of market leadership, i.e. FANGS.
- These same leading stocks have been exhibiting increasing "air pocket" turbulence.

In yesteryear, when the village bell rang continuously it was to warn villagers and anyone within earshot of some yet to be determined risk/emergency.

Bell ringers are in a risky profession. Ringing the church bells in alarm for no reason is likely to raise the villagers' ire.

Yet ring they must... And we are listening.

*No man is an island,
Entire of itself.
Each is a piece of the continent,
A part of the main.
If a clod be washed away by the sea,
Europe is the less.
As well as if a promontory were.
As well as if a manor of thine own
Or of thine friend's were.
Each man's death diminishes me,*

¹ Accessed at <https://en.wikipedia.org/wiki/Campanology>

*For I am involved in mankind.
Therefore, send not to know
For whom the bell tolls,
It tolls for thee.*

For Whom the Bell Tolls by John Donne²

Disclosure

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² Accessed at http://www.yourdaily-poem.com/listpoem.jsp?poem_id=2118