

DECEMBER 2025

36 South Views

By Richard "Jerry" Haworth

Hard to be bearish... especially at the end of a bull market...

It is really hard to be a bear.... full stop. You are often wrong, and even when you are right, most investors still dislike you. Bearish investors are simply losing less, which does nothing to lessen their irritation.

It is a bit like being an anti-vax, anti-quarantine doctor at the height of Covid. Nobody wants to hear it at the time and if proven right, people still don't want to hear it!

To give me succour, I reread an article¹ talking about an interview given by Ron Insana with legendary investor Julian Robertson, which actually made me laugh out loud, he was so bearish.... It was held in 2004...

Here is an excerpt...

Specifically, he is very worried about a world that is sustained by American consumer spending, which is in turn a quarter sustained by a property bubble. He predicts that 20 million people could lose their homes once the property bubble bursts. Even more worrisome, he thinks central banks around the globe, out of desperation, will try to re-inflate the world economy with more liquidity, which will create an inflationary spiral unseen in the economic history of mankind.

"Where does it end?", Insana asked Robertson.

"Utter global collapse," he answered.

But not just economic collapse, a collapse of epic proportions. Collapse and disintegration of all infrastructure, including government. Inflation will run into the double and triple digits. "Food production will fall. People will be carrying around U.S. dollars in wheelbarrows like Germany," he said.

There will be "total collapse of public infrastructure. Total collapse of medical care systems. All public pension plans, Social Security will collapse. All corporate pension plans will collapse."

He was right on the property market and nearly right about the rest. I think September 15th, 2008 was the day when the money markets "broke the buck" and nearly took the whole financial system with it.

¹ <https://freerepublic.com/focus/f-news/1447026/posts?page=70>

Legendary Funds Manager Predicts Utter Global Collapse Stemming from Bursting of Property Bubble

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I feel somewhat legitimised somehow that such a renowned financial expert could be so bearish.

But until the facts change, I am sticking to my guns. The fragility of the financial system is such that the flap of a butterfly's wing in Venezuela could set in motion the collapse of the financial sandpile.

What makes it palatable to be bearish is our methodology. We don't need a short time frame in which to be right.

Like I often say, we are like trappers, not hunters. We lay our traps (long-dated options) and we wait for the trap to be sprung. No risk of being gored with that strategy.

January is always a good "tell" for the rest of the year. As goes January, so goes the rest of the year.

We watch with interest...

Disclosure

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