

Dan Ferris, *Extreme Value*

This. Is. A. Bubble!

To the crowd, Dan told the crowd to repeat after me, "This is a bubble!"

This is how Dan Ferris opened his talk.

Stocks have never been more expensive, ever... when you look at the S&P 500's price-to-sales ratio. When the ratio is high, you should expect low 10-year returns.

There have been a record number of IPOs and SPACs and that's just one sign of a top... Mergers and acquisition is at an all-time high, too... Bonds are yielding near 5,000 year lows.

There are so many reasons why folks should be worried, but investors don't seem worried at all. They are actually buying stocks on margin because they are so bullish.

We are in a bubble but that doesn't mean stocks are going to crash right away. Dan actually thinks we'll see new highs before it does.

Inflation might be a cause of the bubble popping, though. Gas prices are up, so are our grocery bills, and even the Dollar Tree is now selling items for more than a dollar.

We are at a huge inflection point and Dan likes **commodities and value stocks**. Specifically, gold and silver stocks look good for the next five to 10 years.

Dan makes the point that the economy isn't the biggest driver in stock returns. Over time, even with high economic growth, stock returns can be flat if there's inflation or high valuations.

Dan says that the Fed does not support the stock market. "The market does not give a crap when the Federal Reserve does."