# My Quest For Company
## Don's Blog 2018.03.21

One of the more interesting regular guests on CNBC and other financial venues is Dennis Gartman. I do not know him personally, although I have friends that do. They respect his opinion and of course he has been at it for a long time. You have heard me lament the fact that we old timers are prone to what I call the “old man’s disease.” You know—things aren’t what they used to be and everything is going to hell in a handbasket. Anyway, I thought this recent piece about Gartman’s recent opinion might be of interest. As you may recall, it has been my thought that the top in stocks is in for this cycle. I guess I just want company—thus Dennis Gartman. By the way, does anyone know what or who is “Old Turkey?”

# Gartman Makes "Watershed" Call: "Equity Markets Have Hit A Multi-Year Top"

by Tyler Durden

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Today is a "**watershed day"** according to Dennis Gartman, who just hours after "covering his small remaining short position" has flip-flopped **again** and is staking his "reputation" that the market top for stocks is finally here.

The "world-renowned commodity guru" writes that his "*long-time clients know that we do not write WATERSHED reports often and indeed we've not written one in many years... in fact we cannot remember when we put forth the last one but it was several years ago certainly"* but today is one of those days when **"*we put our reputation hard upon the line... and we are doing so today, calling for a major, multi-year top on the equity markets following the recent volatility and following the reversals to the downside that took place yesterday in the Dow Industrials; the NASDAQ; the S&P and the Russell 2000."***

What is amusing is that as even Gartman notes "Market tops are hard to call; they take time to develop; they are messy, confusing, often embarrassing events that make those of us in the prognostication business appear beyond foolish at times as we try to fit an evolving thesis into an even more difficult evolving environment." Which is ironic because as readers know, all it takes for Gartman to change his opinion is a 1% move in either direction for the "guru" to change his mind.

However, he adds, "the more we consider what we've written and what we've said in speeches and on television  regarding the movement by the monetary authorities to slowly removed the excess reserves they'd added to the banking systems and to the economies, and the violently random has been the trading environment of the past two or three months, with volume coming in as prices weaken and waning as prices advance, the more certain we are that henceforth when we trade equities we shall trade from the short side or we shall not trade at all."

So what, according to Gartman, happens next?

> *We have lived through several great bear markets and perhaps that colors our thinking too egregiously, but we remember that the Dow fell from just over 1,000 to nearly 400 back in the early 70's... and yes, the Dow really did trade down to triple digits back then, noting that recently the Dow "moved" more in one trading session than it actually was in the summer of '74! At the peak, everyone was bullish; at the peak the Nifty Fifty were the FANGS of the day and everyone, everywhere owned them, believing them to be invulnerable.* ***Many fell by 50, 60 even 80% when the bear market inevitably ran its course.***

The reminiscences continue:

> *We remember that bear markets on the early 80's and the "Double dip" recessions then as stock prices fell by more than 50% between the peak in '77 and the bottom in the summer of '82. We lived through the Crash of '87 when the stock market fell 25% in the matter of a few days and when some individual stocks fell by 90+% in a few moments! Most of all we remember well the plunge in the stocks everywhere in the Dot.com collapse at the century's turn when Microsoft's shares fell by more than 60%; when Oracle and Nokia fell by nearly 80%; when Cisco's shares fell by almost 90%...and these were the leading lights of the day. These were the FANGS of the time.*

Closer to the present, Garmtan says that "we needn't talk about the bear market of '07-'09 for even the young among us should remember what happened then."

> *The sky had previously been the limit; the economy was strong; euphoria was abundant. The "music" was pleasant; the women were beautiful and elegantly dressed; the world was viewed through a jaded lens. But soon the music stopped; soon the champagne went flat; soon the men grew rowdy and troublesome and soon the great party ended… badly.*

Putting the above together, Gartman declares triumphantly that "**this then is our WATERSHED comment; it is time to hold cash; it is time to sell rallies; it is time not to buy weakness. As T.S. Elliot Said, "Hurry up now, it's time."** We can trade other things bullishly, but equities we'll not and as he markets rally this morning we shall watch from the sidelines… waiting to act."

Which would be great, if in the very same letter Gartman essentially admits he has no idea what he is doing:

> *We know that we have vacillated in our regard for equities of late,* ***moving from bullish to bearish to bullish to bearish with too great regularity, but such is the demeanor of markets as they make important peaks:*** *they make us* ***appear foolish and ill advised,*** *wearing out our margins and more importantly wearing out our psyches. But with the multiple "reversals" to the downside note above and with the volumes swelling each time as the markets fell and with the failures in so many instances well below the previous peaks, the stage finally is set for continued, manifest and perhaps material weakness going forward. Eventually, even "Old Turkey" is proven wrong.*

Sorry bears?