Bull!

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In 1982, the Dow hovered below 1000. Then, the market rose and rapidly gained speed until it peaked above 11,000. Noted journalist and financial reporter Maggie Mahar has written the first book on the remarkable bull market that began in 1982 and ended just in the early 2000s. For almost two decades, a colorful cast of characters such as Abby Joseph Cohen, Mary Meeker, Henry Blodget, and Alan Greenspan came to dominate the market news.

This inside look at that 17-year cycle of growth, built upon interviews and unparalleled access to the most important analysts, market observers, and fund managers who eagerly tell the tales of excesses, presents the period with a historical perspective and explains what really happened and why.

Bull! Details

Date	:	Published October 13th 2009 by HarperCollins e-books (first published 2003)
ISBN	:	
Author	:	Maggie Mahar
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From Reader Review Bull! for online ebook

Joel Gray says

THE EXPLOSION OF INFORMATION CAN MASK THE FEW FACTS THAT ARE TRULY IMPORTANT.

Platforms make it easier to switch funds and shares - encourages short-termism.

Men go mad in herds, while they only recover their senses slowly and one by one.

The nifty fifty hit their high in 1972 of 80x. The nifty fifty shed on average 54% of their value in 1974.

All day you wait for the pitch you like, then when the fielders are asleep you step up and hit it.

In 1982 the Dow was at 8x.

By 2001 the average 401(k) would have 40% of assets in the company they worked for. Defined benefit plans had a limit of 10%.

Deals give companies more ways to play with their accounting.

Taleb made his living betting on unlikely events.

By early 2000 technology and telecom companies accounted for 45% of the s&p500.

IF you can find the right analogy suddenly people understand.

Laura (Kyahgirl) says

I was torn between rating this book as 'ok' or 'I liked it'. On one level, it was an excellent book in terms of being packed with details about the people and events of the 1982-1999 bull market. The author did an excellent job of keeping all the facts straight, making the story flow, and keeping it interesting. On the other hand, it didn't meeting my expectations in terms of education about the stock market. I would highly recommend that an investor read Juggling Dynamite and A Short History of Financial Euphoria in order to get a more direct message.
I would say that if you want to read this book, read the first 50 pages or so then read the last chapter. The 200 pages in the middle are only for those who like soap operas.

David says

Interesting read and an important read if you are too young to remember it. I read this book sometime around graduating college in 2006 and it {in combination with a few other reads} made me skeptical enough to turn down a job opportunity in financial services.

Vonetta says

Great overview of the causes and effects of the bull and bust of the 90s and early 00s. Mahar is definitely a journalist: I liked the way she integrated personal stories with the facts. I think Michael Lewis does a better job with creating a compelling narrative, but this was well researched and enjoyable. An update would be awesome, though. I'd love I see how Mahar explains the events of the past 5 to 7 years.

Tirath says

The book is a fantastic review of what happened leading up to the 2000 IT bubble and how crazy things really became. Surprisingly easy read. Not technical or jargonny; is almost like a chapter out of a history of financial markets.

- Great Book.
- Will be referring to it again

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pavana Kumar Varanasi says

A nice history of financial markets in USA.

Henrik Haapala says

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• "In truth, a knowledge of history is an investor's best defense against error. Despite all the financial engineering that attempts to eliminate risk, cycles appear to be as inevitable as the seasons. Investors who understand these cycles are more likely to survive the winter of a bear market and to avoid its final phase - despair. They know that eventually, summer always returns, and more than that, they know that somewhere on the planet it is always summer." p. 384
• Individuals made up the market: "As early as 1992 Americans with incomes under 75000 dollars owned 42% of all publicly traded stocks." p.105
• Invest in neglected asset classes. When stocks are going down, gold/commodities is probably going up.
• "Even in the seventies, when both Treasuries and the S&P 500 disappointed, shrewd investors put their money to work by investing in real assets. From 1970 trough 1980, oil returned an average of 34,7%, gold 31,6%, US coins 27,7%, silver 23,7%, stamps 21,8%, Chinese ceramics 21,6%, US farmland 14%, and housing 10,2%, staying nicely ahead of inflation in a decade when the consumer price index rose by an average of 7,7% a year." p.354

• "For the greater the mania in one sector of a market, or in one stock market, the more likely that neglected asset classes elsewhere offer huge appreciation potential." p.357
• "The hard truth is that the market cannot grow that much faster than GDP. In March of 2000, stocks were valued at 181% of GDP - up from 60% at the beginning of the decade." p.360
• "After a bubble has burst, the classic pattern is for the market to trade sideways for years." p.361
• "There is always a disposition in people's minds to think the existing conditions will be permanent. When the market is down and dull, it is hard to make people believe that this is the prelude to a period of activity and advance. When prices are up and the country is prosperous, investors are even more loath to believe that the years of plenty will end." p.362
• Bear market stages: "the earliest stage is characterized by denial, increased anxiety, and fear. The second stage is panic. People suddenly say, 'I've got to sell'. The third phase is despair." p.364
• Primary trend of 10 to 20 years: "whether the tide is coming in or going out."
• "losers game, not winners game": In a bear market, this is what is most important: not making mistakes. The goal is to conserve capital. When a long bear market finally ends, those with cash will find bargains galore." p.367
• Taleb: Focus not on the odds, but on the size of the risk.
• Mistaking probability for certainty.
• Diversify and managing portfolio: "Getting the right asset class is so much more critical as a protector or a driver of your returns than focusing on individual stocks." Individuals make a big error by spending too much of their time worrying about the names, and too little thinking about how their portfolio is structured and whether they are diversified enough." p. 372
• Getting dividends important: "In 50-odd years of investing Richard Russell had never bought a stock that did not pay a dividend. Russell called compounding "The Royal Road to Riches"." p.381
• Wealthy mindset: The wealthy investor never feels pressured to 'make money' in the market.
Waiting for opportunity: "And, if no outstanding values are available, the rich man sits on his hands. 'Periods of inactivity' can be painful, as Warren Buffett acknowledged in the spring of 2003, but not nearly as painful as watching savings evaporate." p.382

Nishant Sampat says

Book recommended by Warren Buffett

David says

from motley fool

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kc says

read this a while back.. and now we are experiencing exactly what this book said would happen (WRT the stock market)...

Vitalijus Sostak says

History is one of the most important mediums to understand market workings and this book is a fine piece of financial history: detailed, showing different aspects of 1980-1990s markets (individual investors, fund managers, analysts, media etc.) and giving plenty of amusing numbers just to put the euphoria in perspective. Highly recommended!

It's telling, though, how events are clear in retrospect and with hindsight. Great bull market of 1990ies is presented in "crystal clear" manner with each and every part falling into neat place in the bigger puzzle. However, in the epilogue author tries to forecast what's coming (starting from late 2003) and this part of the book is an obvious failure: every pundit agrees that cyclical bear market is not over, that any rise will be limited to 20-40% or so and will be a sucker rally, sees problems and threats where (with hindsight) there were none and so on. "It's hard to forecast, especially about the future". ;)

Cytokine says

I read up to p. 262. It appears to be a very well researched book, but that is my impression only - I have not checked footnotes. But I could not finish. Given the current state of the market, this book is applicable ... and probably needs a new edition.

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grundoon says

Exactly what the full title advertises - an approachable and well written history, if a bit subjective. The edition I have is unfortunately the first, rather than the one published less than a year later with another 40-ish pages, and I've no idea what was added/changed.

Angela says

Excellent historical summary of financial markets and the role of media

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Brian says

I like value investing and this book supports that, but I just didn't like reading about some of the characters.
