

GENIUS HAS FAILED AGAIN

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When, oh when, will Wall Street come to the understanding that modern portfolio theory, black boxes, Harvard MBAs, and Nobel Prize economists don't have any idea how markets do what they do. Things may work in a test tube, but not in an arena where human beings operate. What is needed is a reasonably clear understanding of human nature.

We have no idea how bad things will get. We do know that debt liquidation has commenced, and there is a hell of a lot of it.