# Perma-Arguments

> "Never argue with stupid people. They will drag you down to their level and then beat you with experience." – Mark Twain

No one knows what's going to happen in the future, especially when it comes to the financial markets. That's why there will always be topics up for debate.

There are some people in the financial industry that look at both sides of an argument and make their decisions using realistic probabilities. The problem is you won't hear many of this level-headed reasoning because it will get drowned out by the overconfident prognosticators that make their forecasts with complete certainty.

These perma-bulls and perma-bears don't like to see both sides. They have their views and nothing you say will change them. It's always either perfection or Armageddon with these crowds when reality is usually somewhere in the middle.

So here are some perma-arguments on the markets from each side of the aisle as well as some that fall in the middle and get construed in a way that fits with either agenda depending on the context.

**Perma-Bull Arguments:**
Cash is on the sidelines.
Forward P/E ratios are low.
Low interest rates.
The Fed Model.
Stocks are down? Buy the dip.
We see this as a buying opportunity.
We're cautiously optimistic.
It's a second half story.
Sure the market is a bit stretched here but we think the companies we own are extremely undervalued.

**Perma-Bear Arguments:**
Anything from the latest Hussman weekly commentary.
CAPE ratios are above average.
Marc Faber's latest crash call.
Did you read the latest from Zero Hedge?
The financial system is built on trust and once that trust is gone it's over.
Our crippling government debt obligations.
Have you seen the long-term stock chart on an inflation or gold-adjusted basis?

Did you see how much gold the Chinese government is buying?
Have you seen this chart that looks exactly like 1929 or 1987?
The market always crashes eventually.
Stocks for the long run? What about Greece, Japan and 1966-1982?
Hyperinflation is coming.

**Perma-Confirmation Bias Arguments:**
*Oil prices are up.*
Bulls: The economy is doing better.
Bears: Consumers have less discretionary spending.

*Oil prices are down.*
Bulls: Consumers get a boost in their pocketbook.
Bears: The economy is doing worse.

*Economic growth is stagnating.*
Bulls: Expectations are low.
Bears: There's a huge disconnect between Wall Street and main street.

*Economic growth is picking up.*
Bulls: Company profits should increase.
Bears: The stock market is not the economy.

*The Fed and QE.*
Bulls: Don't fight the Fed.
Bears: You can't fight debt with more debt.

*Demographics.*
Bulls: The Millennials are coming in hoards.
Bears: The Baby Boomers are going to destroy the stock market when they retire.

*Market sentiment is bullish.*
Bulls: Follow the trend.
Bears: The crowd is always wrong.

*Market sentiment is bearish.*
Bulls: Mom and pop are always wrong.
Bears: Stock up on canned food and gold, the system is finally going down.

As always, remember that the majority of the arguments you hear (mine included) have a strong case of confirmation bias. Do your own homework when making any investment-related decisions and don't blindly follow anyone's advice just because their argument sounds intelligent and lines up with your current investment posture.