

12 VIEWS FROM THE TOP

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THE old Wall Street saying, "a rising tide lifts all boats" is true.

Bear market rallies are seen as an immediate remedial factor by most policy makers. All stock indicators show a very strong upswing and are lasting longer than initially anticipated by most. It's not an easy call to make at this point whether the rally is sustainable, or whether we are advancing still further into a bear market.

Most analysts believe the sector (banks, homebuilders, commercial real estate, and so on) that started this whole economic mess eventually must lead the market back into recovery.

Bear market rallies are by their very nature powerful and impressive. But in the past, bear markets have collapsed after the initial glimmer of hope. Most analysts feel that the current stock market surge is due to the rally. Time is the only factor that can confirm if the market is ready for a more secular change in trend, thus creating a launch pad for a new bull market.

Until then, it is wiser for investors to believe that we are still in a bear market and be cautious rather than get carried away by the "green shoots" that bear market rallies offer.