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This cycle is quite similar to the 2000-2002 TMT bust...

Lots of sharp bear market rallies, tech underperformance and similar to the TMT bust, very high odds that recession will land about a year after the start of the bear market in stocks.

Earnings declines are not priced in!

To make matters worse, during the TMT bust, at this point of the macro cycle the Fed was already aggressively easing...

This time around, it is still hiking rates and doing QT!

Recession seems inevitable and highly likely the stock market is about to get a wake up call.

The stock market has NOT discounted the recession.

$SPX consensus EPS estimate for '23 is still flat vs. '22 and most money managers are anchored off this unrealistic number.

$SPX earnings likely to decline materially during '23 + this is likely to be the final shoe to drop.

During late 2001, $SPX did climb above its 200-day ma (head fake) whereas $NDX couldn't (similar to now).

Back then, semiconductors also rallied sharply but then the final leg down of the bear-market started and crushed all stocks.

Will be interesting to see how it plays out!