



Bubble Reality - Checklist 1

A quick reality check before convincing yourself its a bubble. Focus on the data, not the drama.

[] Does the chart look scary only because it's on a linear scale?

Switch to log. If the terror disappears, it wasn't a bubble - just a misleading axis.

[] Does the long-term log chart still sit inside its normal rising channel?

If yes, nothing unusual is happening - that's the long-term trend ticking along as expected.

[] Have valuations actually broken from reality?

A real bubble needs disconnected, extreme valuations. If growth and earnings roughly support price, it's enthusiasm, not delusion.

[] Is the market euphoric - or just noisy?

True bubbles require mania: universal certainty, invincibility, and 'this time it's different.' If people are still arguing, and headlines are mixed, you're not in a bubble.

[] Are newcomers piling in with magical thinking?

Day-job quitters, TikTok prophets, and FOMO stampedes all mean bubble territory. If you're not seeing this, relax.

[] Are fundamentals deteriorating while prices rise?

Bubbles ignore reality. If earnings, margins, and liquidity support the move, it's strength, not madness.

[] Is the entire argument based on vibes?

'It just feels...' is not analysis. Vibes are not evidence.

