

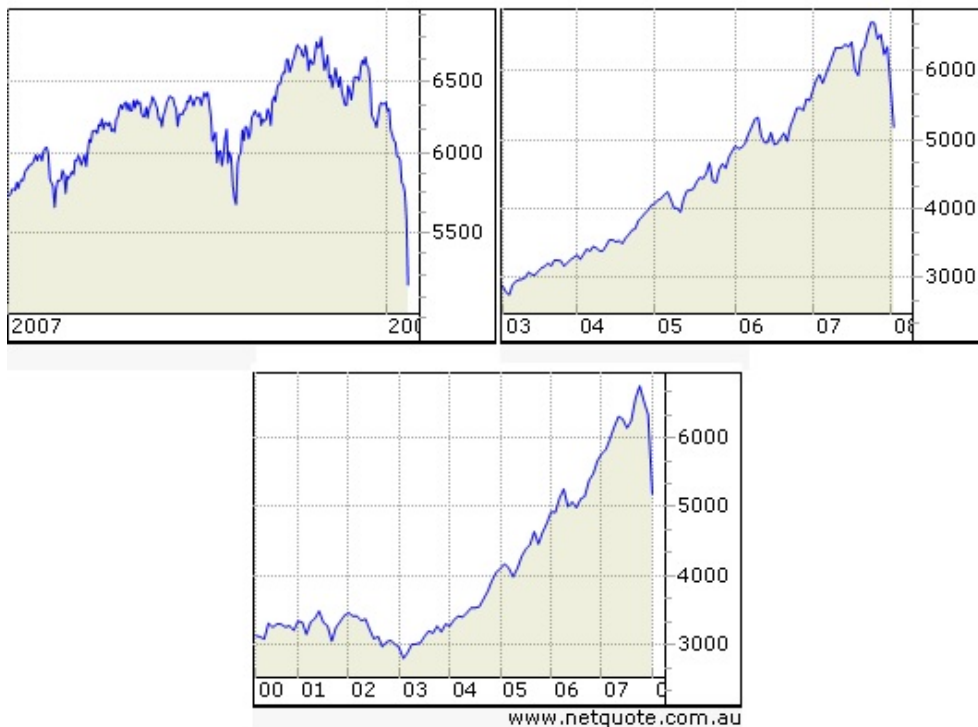


## Chart of the Day - Wednesday 23rd January 2008

Posted by [Phil Hart](#) on January 22, 2008 - 9:20am in [The Oil Drum: Australia/New Zealand](#)

Topic: [Economics/Finance](#)

The stock market avoided facing reality for most of 2007, but most of us would agree that we have now turned a corner, or passed a peak of a different kind. Not just another 'correction', we're now officially in a 'bear' market.



Whether you look at it over one year, five years or ten years, it's pretty clear that this market slump is unprecedented, presumably as far back as the 1987 crash.

I started telling people to be careful with stocks at the end of 2006. I expected this kind of crash way back then, and had to question my own judgement as the market kept soaring to new heights all through last year.

Now that we've fallen back to levels of November 2006, I can feel a bit more smug about my decision to stay out of the market. However, that we've still only fallen to 2006 levels says to me that we've still got further to fall, since the market seemed ready for a fall way back then.

What do you think? How far down is the bottom of this ride?

Lest you should think this is not directly related to peak oil, I wrote a piece on the [Shares Slump and Credit Crunch](#) back in August last year, giving my view on how the two are linked.



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