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# Tom Lee: It's just 'a matter of time' until we hit record highs

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Alex Rosenberg | @AcesRose  
Friday, 1 Jul 2016 | 7:30 AM ET



## Tom Lee's bullish case for stocks

Thursday, 30 Jun 2016 | 4:00 PM ET|05:06

After a rocky first half of the year, stocks are set to end 2016 strong, according to market strategist Tom Lee.

"I think it's a matter of time before we break to new highs," Lee, of Fundstrat Global Advisors, said Thursday on CNBC's **"Trading Nation."**

With the **S&P 500** closing Thursday at about 2,099, record high levels are less than 2 percent away. But the oft-bullish Lee won't be content there — he thinks the index will climb all the way to 2,325, which would represent an 11 percent gain from current levels.

For the strategist, the market's startling recoup of its losses after the U.K.'s vote to leave the European Union is a perfect illustration of why stocks are set to sail.

"There's this perception that investors are all in, but I think this is an example of how there's so much money sitting on the sidelines," particularly as bond yields continue to drop, Lee said.

After pointing out a few more potentially bullish factors, such as fiscal



concluded by turning again to the potential for a great deal of money to enter or re-enter the market.

"Investors have been reducing their exposure to equities at a time when inflation in the U.S. could be picking up," he said. "That's the 1990 scenario — that's the time when you'd expect equity [valuations] to

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A Jordanian goldsmith places gold

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Even as bond yields plumb record low, there's still big money to be made in bonds, according to Evercore ISI technical analyst Rich Ross.

An Argor-Heraeus SA stamp sits on a one

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Gold surged to two-year highs Wednesday, and one technician believes that the yellow metal can climb even higher.

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start to accelerate. And if inflation picks up, we get earnings acceleration. So I think there's a fundamental story in the U.S. that doesn't have to be hurt by Brexit."

To be sure, investors who take the view contrary to Lee frequently make the case that valuations are already high, and that the outlook for global growth does not appear to be improving.



Alex Rosenberg  
Producer

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Symbol	Price	Change	%Change
S&P 500	2097.90	---	UNCH

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**Robert Paulson** • 2 days ago  
New highs, huh?  
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**ConfuciusSaid** • 3 days ago  
"I think it's a matter of time before we break to new highs," Lee, of Fundstrat Global Advisors, said Thursday on CNBC's "Trading Nation." This is like saying, at some point in the future we will go to a new low that we haven't seen for a while. It's a matter of time? Of course it is. How long? It's vague enough to be true. Confucius Say Buy Gold now.  
^ | v • Reply • Share >

**Dot Plotzing** • 4 days ago  
Does Lee ever say anything different? And why does he always show up after a rally?  
^ | v • Reply • Share >

**alfred james** • 4 days ago  
I'll bet many of you bears sold out in the Brexit stock collapse, like you did when the Nigra President was elected. Thank you from us that bought low. Warren Buffett said that if we could count on record low  
  
^ | v • Reply • Share >

**ChierDuChien** → alfred james • 2 days ago  
Interest rates are unlikely to rise very much for the foreseeable future. There are too few good jobs paying great salaries to large segments of the population for inflation to increase by any great amount. There will be little need to raise rates and lots of

ABOUT TRADING NATION

Trading Nation will offer enthusiast traders insights from a group of "Trader Coaches," a collection of expert CNBC Contributors who are well-versed in the daily challenges of trading. Each "Trader Coach" will have a different area of expertise, and will share their unique perspective on the markets, allowing new insights to emerge from this collaboration. Trading Nation is not simply about finding that next trade; it's a forum where enthusiast traders can hear and compare investing ideas in order to build confidence in their trading decisions.

HOST



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amount. There will be little need to raise rates and lots of reasons to keep them low or negative.

^ | v · Reply · Share >



**Independent Observer** · 4 days ago

Technically isn't it 'just a matter of time' before all assets hit record lows and record highs? Time being relative. So yeah true statement.

^ | v · Reply · Share >



**seth starkadder** · 6 days ago

"I think it's a matter of time before we break to new highs". You don't say. This statement has been self evidently true since the beginning of time. How much time ! - that's the question.

^ | v · Reply · Share >



**Peter North** · 6 days ago

And gold is spiking today for no fukin reason right tom?

^ | v · Reply · Share >



**mike** · 6 days ago

"investors who take the view contrary to Lee frequently make the case that valuations are already high, "

Valuations are high because interest rates are low - also, bond prices are high for the same reason - this is not news (that interest rates are low)

^ | v · Reply · Share >



**gordon smith** · 7 days ago

Wow. Insightful. Did he get that quote off of the #shitmydadsays twitter feed?

^ | v · Reply · Share >



**Richard Schwartz** · 7 days ago

Jack: Why do you hotshots seem to disappear why wrong?

^ | v · Reply · Share >



**Richard Schwartz** · 7 days ago

Hey Tommie: 2nd term of presidency? 7 years since last new guy took control? We are on the way to the shitter. Bet on it !!!!!!!!!!!!!

^ | v · Reply · Share >



**John Q Governor** · 7 days ago

Technicals sure disagree. Charts have looked bad for 2 years now, anyone who hasn't noticed by now \*deserves\* what they're going to get.

^ | v · Reply · Share >



**BERINGER** · 7 days ago

Yeah, don't let that 5-6 straight quarters of declining profits and 3 straight years of declining revenue get in the way.....

1 ^ | v · Reply · Share >



**RADICAL\_1** · 7 days ago

>>Tom Lee: It's just 'a matter of time' until we hit record highs // HE's been on that train for over a year and a half, why change now? BTW, what ever happen to DOW 20K by end of 2015? And just like a broken clock he will eventually be right, the question is will it hold those highs



cnbc.com



**John Smith** · 7 days ago

Given that the S&P is less than 2% away from and all time high this "call" is not exactly going out on a limb. Why does this guy ONLY appear when the market is going parabolic? Where is he when markets are crashing (like last week). Zero credibility. He has just assumed that Auntie Yellen will never raise rates and CB's will destroy

the world financial so as to keep world markets levitating and so far its been a good thesis.

^ | v • Reply • Share >



jack • 7 days ago

Laugh as you might, but this guy has been nailing it for many years. It drives people crazy but he just sees glass half full, as do most investors.

^ | v • Reply • Share >



John Q Governor → jack • 7 days ago

Easy to do with Obama dumping the cash in to the markets to make the Rich Richer.

^ | v • Reply • Share >



gordon smith → John Q Governor • 7 days ago

oops. you may have mistaken this site as fox news message board.

1 ^ | v • Reply • Share >



RADICAL\_1 → jack • 7 days ago

YEA that prediction of DOW 20K by end of 2015 was spot on wasn't it?

1 ^ | v • Reply • Share >



jack → RADICAL\_1 • 7 days ago

Moving in right direction, and far more accurate than doom and gloom types.

^ | v • Reply • Share >



BERINGER → jack • 7 days ago

Let's face it Jack you bought gold around all time highs, sold near the lows and bought into stocks.

You're account would be higher now if you just held the gold instead of selling - of course you'll never admit that, but we all know it's true.

The market has been down since mid-2015.

^ | v • Reply • Share >



jack → BERINGER • 6 days ago

I bought from 07-09 at about 1050. I held for years and watched it go to 1909. But, since the big crash hadn't come and because the gurus were calling for 3-5k gold, how could I cash in. I wasn't a trader but was buying in on long gold theory of Weimar Republic, USD is confetti and all the powers that be are, like Schiff told us, morons. I wanted the great and unique benefit of both safe haven insurance combined with appreciation certainty of 3-5k\$\$\$.

So, I held like a fool and ended up tying up 1/3 of my investment dollars in gold for five years and ended up selling it all for something around a 1% gain (not per annum; TOTAL). meanwhile, my other 2/3 was in 50-50 bond stock funds and raked it in. but I estimate mv gold venture cost

USD).

You either need to read what else I have said over past two years or get a new puup orifice to talk out of.

^ | v • Reply • Share >





**Brennan Graves** · 7 days ago

Hilarious!

^ | v · Reply · Share >



**GreasyPizzaZitsOnMyBack** · 7 days ago

ISM manufacturing PMI was up beyond expectations today. And if the unemployment rate meets expectations next week, I might believe this guy.

^ | v · Reply · Share >



**RhinotheFoppa** · 7 days ago

Yeah Tom Lee... This "matter of time," has lasted about 18-24 months now.

^ | v · Reply · Share >



**Mikepaa** · 7 days ago

1990 scenario? 1990 to 1991 was a recession starting in July 1990.

1 ^ | v · Reply · Share >



**buck** · 7 days ago

Oh yeah, throw the rest of your money at the market.. then the rich guys can buy up your losses next time the world gets nervous...

^ | v · Reply · Share >



**Dr. Cube** · 7 days ago

There he is! I knew he'll pop out of the woodworks sooner than later.

1 ^ | v · Reply · Share >



**buck** · 7 days ago

When does the bottom fall out??

^ | v · Reply · Share >



**Verbal Kint** · 7 days ago

The greatest con in the history of man.

1 ^ | v · Reply · Share >



**jack** → Verbal Kint · 7 days ago

Greatest con is that world is coming to an end, so go buy...GOLD!

1 ^ | v · Reply · Share >



**BERINGER** → jack · 7 days ago

See above Jack - Gold started going back up right after you sold all of yours at a huge loss.....

^ | v · Reply · Share >



**jack** → BERINGER · 6 days ago

bought from 07-09 and unloaded all almost five years ago.

^ | v · Reply · Share >



**richjerk1929** · 7 days ago

somebody has to call them on this BS

^ | v · Reply · Share >



**Rob** · 7 days ago

I read through a lot of comments. Seems like most are pessimistic with the financial markets. So what are you all doing here?



7/8/2016



**John Q Governor** → Rob · 7 days ago

Watching the Buy and Hold cats for when they get scared and panic sell, so I can step in and relieve them of their pain.

1 ^ | v · Reply · Share >



**BERINGER** → Rob · 7 days ago

Long - Metals, Miners, MUNIs, Long dated Treasuries,

mREITS, MLPs,

Short - Japan, financials, Nasdaq

Of course this has already run its course for 6-12 months - so perhaps it's close to time to rebalance, but this has been solid for a while now

^ | v · Reply · Share >



**ScubaSteve5150** · 7 days ago

you need real growth to continue this charade. the Fed and other central bankers are out of ammo. even most of the CNBC talking heads were shrugging their shoulders yesterday on camera saying..."we have NO idea why the market is rebounding at this level...it shouldn't, but it is" I think even most astute economists are dumbfounded and have no idea how this will continue. that is scary.

1 ^ | v · Reply · Share >



**CLARRU** → ScubaSteve5150 · 7 days ago

No. You don't need growth. All you need is corrupt unaudited, unelected, unaccountable Central Banks and fraudulent government reports. GDP dropping? Just add the intangible 'value' of patents, art, and research. Real CPI too high? Simply sprinkle in new heuristics and substitutions. Banks failing? Remove Mark-to-Market and backstop them with stealth 'swaps'. Bank balance sheets failing? Exempt 'bad stuff' with Section 23A exemptions. "Real" has no meaning, just like "Fed balance sheet" has no meaning.

1 ^ | v · Reply · Share >



**bob hofer** → ScubaSteve5150 · 7 days ago

It's fallen massive fiat printing. QE1,2,3 etc etc

^ | v · Reply · Share >



**KLINTB** · 7 days ago

His premise is simple, and may for once be right...but danger signs are everywhere and the fed cant even raise a quarter pt....? And no one is even talking about earnings and its the end of the quarter. So much garbage being pushed by wall street,,,,,so much manipulation in markets, this doesnt bode well. Also, china manuf numbers down, puerto rico defaults, venezuela crashing, japan flat lining, brexit, global economy is flashing orange and no one is listening.

1 ^ | v · Reply · Share >



**John Q Governor** → KLINTB · 7 days ago

And the Demicrats are demanding our borders remain open to Terrorists.

1 ^ | v · Reply · Share >



**bob hofer** · 7 days ago

Isn't he the drummer for motley crue

1 ^ | v · Reply · Share >



**Joseph Siew** · 7 days ago

Money has been on the sideline forever....time to get it.

^ | v · Reply · Share >



so lol

^ | v · Reply · Share >



**sezwhom** · 7 days ago

The Central Bankers are my friends. Let's do this!

^ | v · Reply · Share >





spark · 7 days ago

and they got this d\*\*\*\*\* out again!!!...just the look of him want me to puke...lol

^ | v · Reply · Share ›



Ryan Delpew · 7 days ago

Once again not a single mention of earnings. As if we needed more proof that markets no longer function as they were intended.

2 ^ | v · Reply · Share ›



cytrax → Ryan Delpew · 7 days ago

That is the amazing piece of these stories. No one is even talking about fundamentals anymore. It's all about the Fed and Central Banks. So it just becomes number chasing - let's just keep chasing record highs REGARDLESS of what is going on around us. It is actually super amazing!!

^ | v · Reply · Share ›

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