

Key Words

'The world is more screwed up' than the stock market is currently reflecting, warns billionaire investor

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Howard Marks, co-founder at Oaktree Capital Group LLC Bloomberg News/Landov

DJIA **-2.44%** SPX **-1.79%** COMP **-1.03%**

'We're only down 15% from the all-time high of Feb. 19... it seems to me the world is more than 15% screwed up.'

That's Howard Marks, the billionaire founder of Oaktree Capital, [commenting in a CNBC interview Monday](#) on what he sees as a huge disconnect between what the coronavirus pandemic is doing to the global economy and what we're seeing in the stock market.

"It took seven years to get back to the 2000 highs in 2007. It took 5½ years to get back to the 2007 highs in late 2012," Marks explained. "So, is it really appropriate that, given all the bad news in the world today, we should get back to the highs in only three months? That seems inappropriately positive."

Separately, he echoed that bearishness in a recent memo, saying that the chances are high that the Dow, S&P and the Nasdaq Composite Index will all slip below those recent nadirs.

“It’s not easy to buy when the news is terrible, prices are collapsing and it’s impossible to have an idea where the bottom lies,” he wrote. “But doing so should be the investor’s greatest aspiration.”

The S&P 500, getting a boost from an unprecedented stimulus has bounced back nicely from its March 23 low, but it’s still down more than 15% from its record as the U.S. economy continues to grapple with historic job losses and plunging retail sales.

“People are traumatized, and not just because of the performance of their stocks,” Marks told CNBC midway through the trading session. “Everybody’s life is hugely changed.”

At last check, the Dow Jones Industrial Average **DJIA**, **-2.44%** was down almost 300 points while the S&P 500 index **SPX**, **-1.79%** was also in the red. The Nasdaq **COMP**, **-1.03%**, however, managed to crack into positive territory.



Man who warned of the coronavirus crisis months ago says ‘gut’ tells him ‘a 50% or deeper decline,’ in stock market from the February top likely



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