

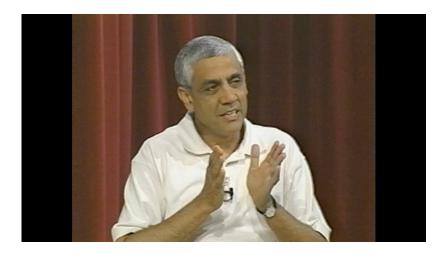
Stanford eCorner

Cycles of Fear and Greed

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URL: https://stvp.stanford.edu/blog/videos/cycles-of-fear-and-greed

Khosla claims that investors only have two emotions: fear and greed. He has seen the trend of investing, which bounces between cycles of fear and cycles of greed.



Transcript

In today's environment and it's probably true for the next two or three years but I have no question we will see the cycle of too much money again sometime in the next five or six year guaranteed.. Tom reminded me, I talk in this Harvard Business Review article, investors have only two emotions because they don't have a fundamental belief system by and large.. It's fear and greed and they bounce between the walls of fear and greed and when they're in the fear cycle and I think it was two years ago that I said as surely as we are having a greed cycle, we will have a fear cycle.. All adhered to that.. As surely I will tell you as we are having a fear cycle, we are going to have a greed cycle.. When everybody gets so conservative that they don't want to invest in anything or don't want to believe in any upside, a few things will squeak by.. And as soon as they do, everybody is going to follow that role model.. I missed that boat; I could've made money.. And you will start the beginnings of a fear of a greed cycle.. It will happen...