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BELIEVE it or not, the stock market is almost back to "irrational exuberance" levels - even if investors aren't feeling very jolly.

Former Federal Reserve Chairman [Alan Greenspan](#) coined the term "irrational exuberance" back on Dec. 5, 1996.

He was giving a speech about the history of the US economy when the marble-mouthed Greenspan snuck in the phrase that made Wall Street shake.

"But how do we know when irrational exuberance has unduly escalated asset values, which then become subject to unexpected and prolonged contractions as they have in Japan over the past decade?" Greenspan asked.

Wall Street really didn't think Greenspan was posing a question as much as bringing up a vital issue. Was the stock market in a bubble? Could a crash be coming?

With yesterday's 300-point decline in the Dow, stock prices are only one good thrashing above "exuberance" levels of 1996.

But while stock prices might be close to 1996 levels, investors' moods are considerably glummer.

Yet though the extreme optimism of 1996 was clearly wrong, are we being excessively pessimistic today? Are investors today becoming irrationally dispirited?

Yes and no.

Clearly the bombardment of bad corporate news will make anyone leery about investing in stocks.

And during tough times corporations tend to deliver as much bad news as possible all at once.

So perhaps investors may be a bit irrationally dispirited right now.

The Dow, after all, isn't going to drop to zero.

Bill King of Ramsey King Securities in Chicago, thinks there are opportunities to buy some carefully picked stocks. "Look for companies with little debt, plenty of cash and are in a legitimate business that will exist no matter what happens to the economy," said King.