

WHAT TO WATCH

Bull run could last 20 years, optimists say

Adam Shell

@adamshell

USA TODAY

Aging bull? No way. Two Wall Street pros say this bull market, which turns 9 on Friday, is just getting started. The long-term trend of rising stock prices could last a total of 20 years or more before the uptrend ends. But that doesn't mean short-term swoons won't spook investors along the way, they warn.

"I don't think this is an aging bull," says Brian Belski, chief investment strategist at BMO Capital Markets. "Our market call, which we initiated in 2009, is that this bull will last 20 to 25 years. We are not even halfway through it."

Tune out the negativity, says Belski. "The expansion in the economy and corporate earnings is just beginning" after years of malaise, he says. There's no real signs of euphoria in the broad market like in bitcoin or marijuana stocks. And rising interest rates isn't the death knell for stocks that bears say it is, he adds.

Mike Wilson, U.S. equity strategist at Morgan Stanley, is calling this a "secular" bull market — or one that lasts decades, not years, similar to the long upturn that began in the early 1980s and didn't peter out until 2000 (despite some brief, yet sizable drops along the way, such as the 1987 market crash).

The next bear market, or 20% drop, won't be like the mega-bears of 2007-09 or the dot-com crash in 2000, Wilson says. Instead, the market's major trend will be up for years to come, despite periodic bouts of weakness like the 10% plus drop in February and short bouts of despair and even bigger drops.

Still for the next 18 months, investors should brace themselves. "Expect more volatility and 10% drops," Wilson says.