

Sunday, April 1, 2007

Economy BOOMING! Sorry, No Crash For You Shorts!

Oh crap.

I was wrong. Time for me to eat a serving of crow.

There is new data out today showing that home prices are rebounding - up 6% in every market in the nation. 20 tranches of mortgage debt were priced today above par - the lenders are cheering - and their stock prices look to be go to the moon tomorrow morning.

This is going to hurt bigtime - I've got a lot of short positions, and they'll all be underwater. Maybe the quick covers I've placed for the market tomorrow will save me - if not, I'm sure I can find a refrigerator box somewhere to live in.

But don't worry - the law firm of Dewey, Cheatem and Howe will take care of any spurious complaints against these lenders. The firm announced this morning that Country(Double)Wide along with the other lenders, have announced plans to offer *zero interest refinancing for the next five years!* **God, how could I have been so stupid to miss that they were going to do this for all those poor people who couldn't afford their mortgages!** In an added twist it was announced that all of this would be done as "Pay Option" ARMs with no negative AM, so if you're one of the fortunate ones with a mortgage you can just tear up the payment coupons and statements - you don't need to pay as zero interest with no principle due is, of course, zero.

Meantime, Iran has announced that they've freed the hostages and are going to *give away* oil for the next two years to anyone who has a tanker available to tie up. We'll certainly have \$1 gasoline by summer.

Tony Blair was rumored to have slept with Iran's Ahmadinejad last night, with both of them giving "manly" hugs and kisses in front of the cameras. We know what *really happened* though, right?

DOW 20,000! Nasdaq 10,000! S&P 2500! The new **BULL RUN** starts tomorrow morning!

See 'yall on my new Yacht!

Posted by Karl Denninger at 12:01