



13th May 2013

## The tulip harvest is in !

“When the cover of a major financial magazine features a cartoon of a bull leaping through the air on a pogo stick, it’s probably about time to cash in the chips.”

- John Hussman of Hussman Funds in his [April letter](#).

**Amsterdam, March 1637 (Ruyters):** The latest Dutch tulip harvest is in, and experts confidently predict another bumper year for tulip growers and tulip investors alike. Billionaire hedge farmer Jon Paulsen is rumoured to have added hyacinths to his multi-strategy offering and has just launched a fund denominated in daffodils. Tulip stocks climbed by a few millimetres, as they are prone to every day if they grow at their normal organic rate; *Couleren* bulbs rallied another 2 guilders in heavy Antwerp trading; *Rosen* and *Violetten* bulbs ended the trading session more or less unchanged, albeit a bit squashed, and at record highs. The market has been further buoyed in recent weeks by a tide of manure issued by the leading tulip advocate Pol Krugman from his op-ed column in the New Amsterdam Times, ‘Witterings of a Tulip Fanatic’. Krugman promised to keep the manure coming, whether anybody wanted it or not.

The popularity and rising value of this colourful perennial plant evidently know no bounds and this is surely a golden age that is never likely to end. Future generations will evidently marvel at the effortless wealth on offer to investors committing their capital unreservedly to tulips today. Dutch housewives bedecked in tulip hats, tulip scarves, tulip dresses and tulip shoes danced gaily in the streets of Tuliptown (formerly Amsterdam) whilst smoking tulip cigarettes, slurping tulip soup, and drinking tulip beer from tulip beer glasses with tulip straws. Given that the anthocyanin Tulipanin is toxic to horses, cats and dogs, the inhabitants of Amsterdam have long since stopped rearing horses, cats and dogs; they have chosen to rear tulips as pets instead.

Many Dutch households have also abandoned the traditional export trades in herring, gin and cheese in order to concentrate their energies where the action is: tulips. Tulip promoter Dirck Pieter Tulip commented:

“Tulip tulip tulip ! At my tulip worship museum and emporium, ‘All Things Tulip’, you can see the very latest in tulip technology, tulip breeding and tulip trading strategies.”

Dirck Pieter Tulip is offering courses in tulip cash / futures arbitrage. Price: One Tulip. Mr Tulip was formerly a stockbroker. In addition to curating his tulip museum he also edits the specialist tulip fanciers’ magazine, ‘Bulb !’

“I have just sold my house, its contents and all my family in order to speculate indefinitely in tulips, heavily on margin, and advised all my friends to do the same,” he added. “What can possibly go wrong?”

Tulip Reserve Bank Governor Ben Berninckje agreed, and greeted the news of the tulip harvest warmly.

“There has never hitherto been a nationwide fall in tulip prices,” he pointed out,

“So evidently that can never ever happen.”

And Governor Berninckje pledged to support tulip prices down to the very last taxpayer, now that the tulip-related economy accounted for about 99.6% of Dutch GDP. Lending against tulips accounted for the other 0.4%.

Analysts at the business network ZeeNBZee were quick to voice their compliance with the almost universal approbation for the pretty, multi-hued offspring of *Tulipa gesneriana*.

“Tulips are definitely the way forward,” said one.

“Although I have only been in the market since about 7.30 this morning, this is the most incredible and exciting thing I have ever seen. So I recommend long tulip positions to anyone witless enough to listen to me.”

New derivative markets in tulips are sprouting up daily to enable people to speculate in tulip price appreciation without having to worry about the tiresome fuss of actually taking delivery of the attractively patterned flowers. And prices are continually reaching new highs, even in new digital-only varieties of the plant, or bit-tulips. Talk of tulip millionaires is all the rage. Popular balladeer Jostin Beebor is said to have been an early investor, but he is rumoured to have sold all his tulip positions now.

Sceptics of the tulip cult are obviously fusty-minded dullards who lack imagination, vision or a healthy sense of disbelief. One sceptic, speaking on condition of anonymity although his name is Cornelis Tromp and he resides at 33 Medomsley Road, Utrecht, remarked,

“Something about this environment feels dreadfully wrong to me – a contradiction in terms of logic, common sense and fundamental economics. Every day new tulips come onto the market and the supply of them has never been higher, and yet every day the prices also reach new records. But the market is drowning in tulips and there is almost nobody left who doesn’t already own them. There’s not a whole lot you can do with them. And they only bloom for a week. Unless the laws of supply and demand have been magically rescinded, this fantastical bubble in ~~dotcom stocks~~ ~~US property bank stocks~~ ~~subprime credit~~ ~~government bonds~~ ~~equities~~ tulips is likely to end very badly, particularly for neophyte investors who have been urged by irresponsible reserve banks and an unregulated financial media into the tulip market to the exclusion of just about everything else.”

Commentators aside from Mr Tromp, however, were unanimous in their confidence that for as long as the tulip reserve banks stood ready and willing to throw liquidity at the tulip market, and for as long as that market was going up, there were no clouds on the horizon, although the weather correspondent for the New Amsterdam Times pointed out that there was actually a gigantic, dense, threatening mass of clouds on the horizon.

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