Legendary Investor Jim Rogers: This Market Crash Could Get Much Worse

Description

You might not remember just how good of an investor Jim Rogers was, since he hasn't really been active in Wall Street since the 1980s. His official investing career may have been short, but his results were nothing short of spectacular.

After teaming up with George Soros and starting the Quantum Fund in 1970, Rogers helped the fund achieve an eye-popping 4,200% return from 1970 to 1980 compared to a net return of less than 50% for the S&P 500. Unlike many other investment managers, who stick around hoping to replicate a historic run again, Rogers officially retired in 1980. Jim's post-retirement life included extensive travel — including two epic round-the-world road trips — writing various books and tending to his own personal investments.

This unique life makes Jim Rogers one of the more interesting investors out there. His perspective simply can't be matched, nor can his extensive experience.

Let's check in on Jim Rogers and see what he's saying about today's markets. If you're bullish on stocks, I'm not sure you'll like what he has to say.

The skinny

Even though worldwide stock markets have already taken a beating, Rogers continues to be bearish. He told *Bloomberg* he expects the "worst bear market of my lifetime" in the next few years.

His thesis comes down to a few different factors. Rogers is convinced high worldwide debt levels are still an issue — something he has been warning about for years. He's also convinced interest rates will head higher, which will put additional pressure on debt holders. Add COVID-19-related economic weakness on top of that, and we don't have a good combination.

This isn't the first time Rogers has warned about a giant bear market. He's been notoriously bearish over most of the last decade. He went on record calling for a massive decline back in 2018 and was telling investors to invest in physical assets like farmland in the middle part of the last decade. That hasn't been a bad call, at least here in Canada. Farmland has been a terrific asset to own.

Jim Rogers isn't terribly surprised about which companies are doing well during this bear market, saying "there is absolutely no question that throughout history, when you've had bear markets, companies with low debt are the ones that people love the most because they don't have to worry about bankruptcy." He also told investors strong companies tend to emerge from bear markets relatively unscathed.

His advice echos what we've been saying at Motley Fool Canada for years now. Buying the best companies you can find in each sector is generally a pretty good idea, no matter what the underlying market is doing. These companies are currently on sale, making today an excellent entry point.

What is Jim Rogers investing in?

Jim Rogers has been a noted contrarian throughout his career, and today is no exception.

He's currently sitting on a lot of cash in U.S. dollars, capital he's waiting to put to work in some of the most beaten-up industries, like airlines, tourism, and agriculture stocks. He's not just looking at North American stocks, either. Rogers remains a long-term bull on China. He owns Russian stocks. And he's considering investing in Japan.

And like many investors, Rogers doesn't see our long-term lives impacted by this horrific virus. Life will return to normal at some point. We just don't know when.

The bottom line

Although Jim Rogers is still worried about a global economic meltdown, it's interesting that one of Wall Street's most noted bears is still finding value in today's market.

His advice of sticking with the best companies you can find with pristine balance sheets is excellent. That type of investing philosophy will serve investors well, no matter what underlying markets do.

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