'Mini-boom' or 'dead cat bounce' – fear and greed will prevail

Twitter, the social networking site that has yet to turn a profit, is mooted to be worth $1bn, property shares have recovered on average 65% from their trough, as has pricing by 30% for prime and yield covenant stock. Canny investors are buying now, following a drastic over-correction from near-global financial breakdown only 12 months ago.

Interest rates will be low for the foreseeable future, so for war chest-filled funds, quoted vehicles and private investors, leaving cash on deposit is a heinous crime punishable by poor returns. This liquidity and attitude will ensure prices continue to rise, so, for those waiting for the double dip, jump on board now or miss the boat. That's before we factor in non-sterling investors filling their boots on a 20%-30% currency play.

If you go along with all that bull(ishness), you must be bonkers. What about the fundamentals?

This nation and its people have never been so in debt. The ripple effect from global meltdown has yet to surface or "be felt". But the longer the ripples remain underwater, the more violent the eruption when they break through – and we don't have long to wait. Next year post-election reality and pain will dawn as the new government will want to get any bad stuff out of the way early.

Sentiment will change fast. People will become scared as they realise that a 0.5% increase in interest rates could mean up to 100% increase in repayments. Consumer spending will plummet, causing retailers, restaurants, service industries and their suppliers to struggle or go to the wall, translating into widespread tenant default and bottomless rental deflation.

Add to that the banks, whose sole concern is capital building. This "dead cat bounce" in values means receiver sales are on the increase, as they take the view they can now reclaim their loans – something that seemed impossible nine months ago But for Mr Equity in the deal – sorry, it's goodnight.

Sit on or realise your equity, as it will have far greater spending power in 12 months' time, especially if investors keep overpaying for stock now.

So which camp are you in? Are we at the start of a long-term bull market or in a bear market rally that will violently correct?

From a transactional perspective the beauty of this diversity of opinion, which we are witnessing within our own client base, means deals are happening – a good thing for the industry.

Whatever the stats, charts and cyclical precedents tell you, throw them all out the window. We are in uncharted waters and direction will be dictated by behavioural economics – the basic tenets that drive people's decisions – fear and greed.

Whatever your view, let us know and put it out into the market. I'm confident we can deliver you the perfect tweet.

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