

As seen on Forbes by RealInvestmentAdvice.com?s Jesse Colombo: "When The Stock Buybacks Go Bye-Bye."

Debt-funded stock buybacks have been one of the major drivers of the U.S. stock market boom since the Great Recession. Ironically, 2018 was the most active year on record for buyback activity, yet the stock market faltered and experienced its first annual loss since 2008. If the stock market performed as poorly as it did in 2018 with record amounts of buybacks to prop it up, just imagine how much worse it would be if buybacks were to slow down significantly or grind to a halt? Well, that is the risk that I'm going to address in this piece.

From the bear market low in March 2009 until the recent peak, the S&P 500 surged by approximately 300%:



Read the full article on Forbes.