Institutional Investor

Bill Gross Is Back... Kind Of.

The retired bond king has returned not to investing, but another favorite pastime: writing about the market.

By Amy Whyte
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Bill Gross (Patrick T. Fallon/Bloomberg)

What's a former bond king to do in retirement? Bill Gross, co-founder of Pimco, is getting back to an occupation he was once well known for: writing investment outlooks.

Gross, who stepped down as a portfolio manager at Janus Henderson Investors in February, first rose to fame while managing the Pimco Total Return fund. But he gained notoriety for his colorful investment outlooks. These monthly essays were ostensibly written about the bond market, but were as likely to include an original poem or reference to the "half erotic" release of a sneeze as they were to discuss interest rates. One post, published in April 2014, was a eulogy to his then-recently deceased cat, Bob.

Now, eight months into his retirement from managing client capital, Gross has resurfaced with a new website containing an archive of his past writings, as well as a new piece published Tuesday.

"These outlooks represent life as I saw it, and in many cases, lived it," Gross said in a statement Tuesday. "The monthly preambles about living were what I enjoyed writing the most and were almost always laborious painful inquisitions into our daily lives and in some cases the meaning of life itself."

Tuesday’s post, titled “The Fixx,” is a brief discussion of whether central banks can continue to stave off a recession by lowering interest rates. In typical Gross fashion, the title of the blog references a rock band.

“It is obvious to me that asset markets have benefited tremendously and have been ‘Saved by Zero’ as the rock group the Fixx rather ironically sang way back in 1983,” Gross wrote. “But can bull market equities be sustained even with additional easing on the part of central banks? Probably not.”

According to Gross, the “presumably prescient” monetary policymakers are “becoming wise to then negative effects of rates at zero (or less) that literally rob small savers and larger financial institutions such as banks, insurance companies, and pension funds of their ability to earn historically ‘guaranteed’ carry.” These concerns are the “unspoken fears of central bankers everywhere,” Gross added.

“In the absence of substantial fiscal stimulation, the economic and asset boost from negative interest rate yields may have reached an end,” Gross warned. “Prepare for slow economic growth globally and an end to double-digit market price gains of months and years past.”