

Investment Views

SEPTEMBER 2025

89 Seconds or less?

The Doomsday Clock is a symbolic timepiece, maintained by the Bulletin of the Atomic Scientists since 1947. It is intended to represent how close humanity is to global catastrophe, with midnight symbolising annihilation from manmade threats such as nuclear and biological weapons, climate change (added in 2007), and disruptive technologies such as AI (added in 2018).

The clock is not a literal prediction intended to inspire fear but a metaphor to warn both the public and their policymakers, urging them to action in order to "turn back the hands."

The time is set annually every January, by the Bulletin's Science and Security Board (SASB), a group of experts including Nobel laureates, after reviewing global events, trends and data. On its debut, it was set at seven minutes to midnight, since which it has been adjusted on 26 occasions to reflect shifts in global security.

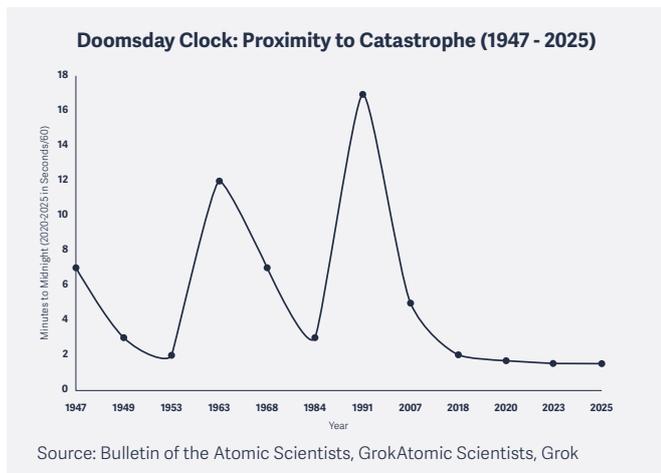
The graphics on the left really tell the story of the nuclear arms race, with the time reaching as low as 2 minutes to midnight in 1953 as the superpowers jostled for supremacy by developing as many nuclear weapons as possible, under the curious doctrine of Mutually Assured Destruction (MAD). Cooler heads eventually prevailed, although it took a long time, and the clock reached as high as 17 minutes to midnight by the early 1990's as the Cold War came to an end, the Berlin Wall fell and Russia embraced Glasnost under President Gorbachev.

In hindsight, that was a great time to be in your twenties, with risks decreasing and major stock markets about to soar as the world economy embarked on a transformative decade of robust economic growth and technological innovation, culminating in one of the longest bull markets in history. The S&P 500 rose 26% in 1991, 34% in 1995, 20% in 1996, 31% in 1997, 27% in 1998 and 20% in 1999. Wow.

Since those heady days, we seem to have moved in the wrong direction once more, and the clock has steadily edged ever closer to midnight. By 2018, we were all the way back down to 2 minutes as the international order began to creak and North Korea conducted several nuclear tests. Today, it is one of nine countries with nuclear weapons, a list that also includes India, Pakistan and Israel.

By 2020, the clock was forced into using seconds rather than minutes and in January this year its hand were moved from 90 to 89 seconds to midnight. This is the closest we have ever been, signals "extreme danger" and warns that "every second of delay in reversing course increases the probability of global disaster". Good times.

Are things better or worse today than they were in January? Since then, the Ukraine War has entered its third year. Far from resolving the situation within 24 hours as repeatedly promised (53 times, apparently), Trump looks to have been warned off by Putin. The lack of concrete outcomes from their August meeting at the White House - the first time Putin set foot in the US for a decade, coming not long after the embarrassing spat with Zelensky - combined with a lunch hurriedly cancelled and the event ending earlier than anticipated, suggest the reality of



Year	Time to Midnight	Key Reasons for Adjustment
1947	7 minutes	Initial setting; post-Hiroshima/Nagasaki nuclear fears and arms race onset.
1949	3 minutes	Soviet union's first atomic bomb test, starting the nuclear arms race.
1953	2 minutes	U.S. and Soviet hydrogen bomb tests; closest until 2018.
1963	12 minutes	Partial Test Ban Treaty bans atmospheric nuclear testing.
1968	7 minutes	Escalating Vietnam War, nuclear proliferation (e.g. China, France).
1984	3 minutes	Heightened Cold War tensions, Soviet-Afghan War, U.S. arms buildup.
1991	17 minutes	End of Cold War; START treaty reduces U.S./Soviet arsenals (farthest ever).
2007	5 minutes	Climate change added; North Korea's nuclear test, U.S. missile defense plans.
2018	2 minutes	Breakdown in nuclear order, climate inaction; tied for closest pre-2020.
2020	100 seconds	Nuclear treaty lapses, climate crises, misinformation; first use of seconds.
2023	90 seconds	Russia's Ukraine invasion and nuclear threats; record heat.
2025	89 seconds	Ongoing wars, nuclear modernizations, AI/bioterror risks, hottest year on record.

the situation remains alarming. Lest we forget that Putin has repeatedly threatened to use nuclear weapons in Russia's full-scale invasion of the country.

Meanwhile, at the end of August the emboldened President of China, Xi Jinping, hosted the largest ever Shanghai Cooperation Organisation, a regional security forum. The subsequent military parade in Tiananmen Square to mark the 80th anniversary of victory over Japan and the end of the Second World War is the first time that the Chinese, Russian and North Korean leaders have all gathered in the same place. Other attendees included Pakistan, Iran and Belarus, plus India's Narendra Modi, Prime Minister of a nation recently belittled by the imposition of higher US tariffs than those on China, and by the rapid unravelling of two decades of diplomacy due to America's embrace of Pakistan following its recent conflict with India. Meanwhile, the much-vaunted sanctions on Russia ("massive sanctions or massive tariffs or both") are yet to materialise.

Hedge fund grandee and Bridgewater Associates founder Ray Dalio recently warned that the US is sliding towards 1930's-style autocracy, as gaps in values and wealth drive more extreme policies, leaving many people too scared of Trump to speak out. State intervention in the private sector (via a 10% stake in chipmaker Intel), threats to the Federal Reserve's independence, including unprecedented moves to sack one of its governors, campaigns against US universities, assaults on judicial independence and attacks on anyone perceived to be an enemy occur seemingly every day.

This confrontational approach, even if right, goes some way to explaining why gold continues to trade at new record highs. For the first time in 30 years, global central banks held more gold than Treasuries, described as "a significant transformation in global reserve management, influenced by risks associated with sanctions, apprehensions regarding debt, and an ongoing pursuit of diversification." (Source: Comexlive)

Closer to home, UK long-term borrowing costs hit their highest level since 1998 on concerns over the state of the country's finances and the potential for a slow-moving but vicious cycle where rising debt concerns push yields higher, worsening debt dynamics, which in turn push yields higher again. Not to mention that disruptive technologies are amplifying misinformation, blurring the truth and preventing sensible discussion aimed at long-lasting solutions to genuine issues (immigration and asylum seeking, for instance).

If time has moved on since January, surely it has moved even closer to midnight than further away. Will future generations look back and determine that we had the wrong kind of leader in place at the wrong time in key areas of the world (China, Russia, US, Middle East, Turkey)? The "strongman" type, who wants to reshape the globe and advance autocracy at the expense of democracy, taking us into a world very different – and as Hal Brands at Bloomberg argues, far nastier than the one we have come to know.

Not that markets have noticed. By some measures, the S&P 500 has never been this expensive or this concentrated. The PSR (Price to Sales Ratio) hit a record high of 3.2 at the end of August, which compares with a low of 0.8 in 2009 and to 2.8 in 2001. The more important PE ratio is less elevated at 22.5x forecast earnings, due to the immense profitability of several members of the index, but it remains almost 35% higher than the average over the last 25 years.

Viewed positively, there is no real correlation between the Doomsday Clock and investment markets. Valuation has never been a good timing indicator, inflation is largely under control, interest rates should fall, global growth reaccelerate and earnings rise. Viewed negatively, there is probably far greater correlation between the time on the Clock and the world we end up living in.

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