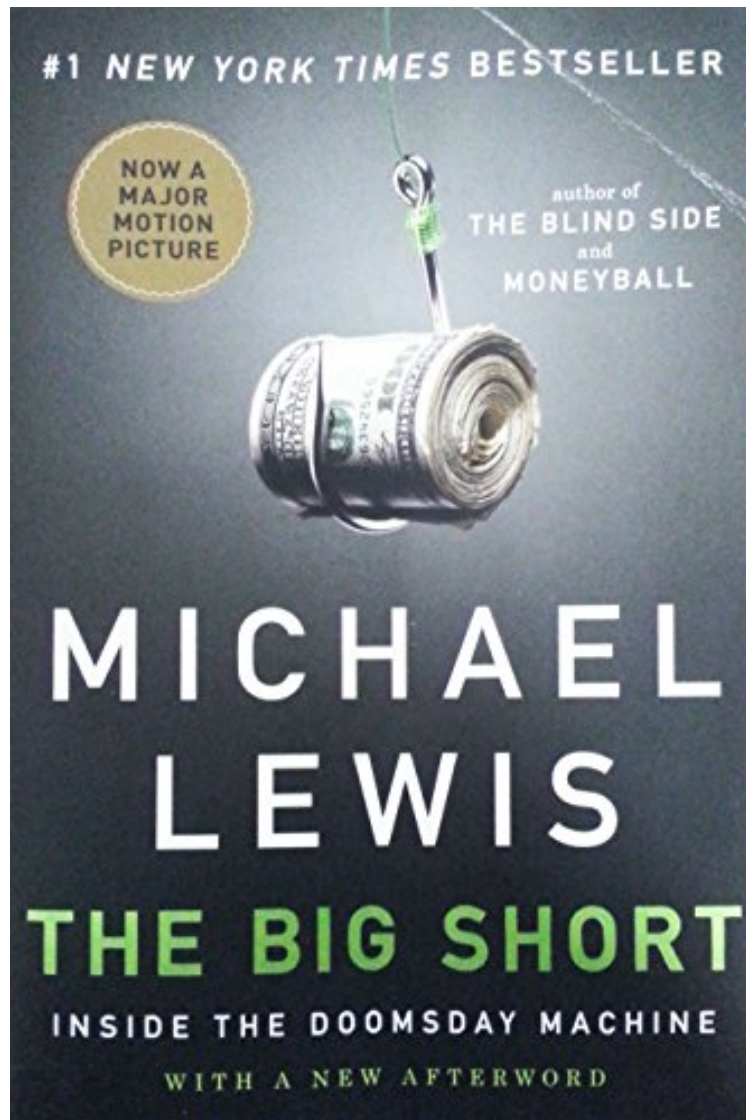


(Download ebook) The Big Short: Inside the Doomsday Machine

The Big Short: Inside the Doomsday Machine

Michael Lewis

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Michael Lewis : The Big Short: Inside the Doomsday Machine before purchasing it in order to gage whether or not it would be worth my time, and all praised The Big Short: Inside the Doomsday Machine:

1 of 1 people found the following review helpful. Good look inside the Wall Street manipulations of the mid 2000s By Trainman95630I first read Michael Lewis' The Big Short in 2010. I went and saw the movie version a few weeks ago and decided to read this book again. I probably got a little more out of it having seen the movie. Also in order to better understand the exotic financial derivatives I took a lot of Khan Academy classes in their economics division which covered mortgage backed securities, collateralized debt obligations etc. That made understanding the book a little

more easy. The book covers the stories of several different investment fund managers who recognized the coming implosion of the housing market of the mid 2000s and figured out a way to profit from the collapse of the financial instruments which had put the money into the hands of recent home buyers who in any other time of less easy credit would not have been lent the money. These managers were believed that the coming collapse in housing prices, defaults, and repossessions would dwarf even the Great Depression. They basically bought insurance that would pay them if the housing bonds they owned or were betting against were to lose their value. Huge entities who supposedly hired the best and brightest financial minds agreed take their insurance payments with the promise to pay off the fund managers the value of the bonds if they lost money. The amount of money these insurers were obligated to pay in was many times their liquidity, but they blindly continued to write these credit default swaps which made the fund managers fabulously wealthy when the bonds collapsed in 2007. The book covers the dysfunctional position that investment banking has taken in our economy and the way in which it has evolved from efficiently collecting and allocating capital, to a highly leveraged house of cards, offering products which do little to help customers, provide an outsized share of the GDP to financial firms while providing little of value to the overall economy. Reading this book makes one wonder about the future of the economy, considering the concentration of wealth in the top 1%. The trillion dollars that went into bonds that funded housing from 2000 to 2007. We now all know that many many people who ended up borrowing that money to move into homes ultimately could not afford those borrowing costs. And yet the economy of the early 21st century in America was driven by the overheated housing market. Many, many carpenters, cement finishers etc were put to work building those houses for people who ultimately couldn't afford them. How much GDP was driven by home equity loans people borrowing on unjustifiable rising house values, buying boats, vacations, kitchen upgrades on borrowed money. So now look at the scenario where that trillion dollars isn't made available for housing, where does that money go? If only the top 20% can afford to carry loans for houses, where is that trillion dollars invested in order to move the economy along? Is our problem that not enough money is in the hands of potential consumers? Charles Murray in his book thinks that our societal problem is more an 80-20 problem with the top 20% pulling so far away from the bottom 80%. At any rate if not enough money is in the hands of consumers, then not enough is invested in serving them, nor are the rates of returns on invested money very attractive to the majority of middle class investors (via 401Ks) that need the investments to work in order to fund their longer life spans after their working lives end. 0 of 0 people found the following review helpful. Amazing Detailed Look into one of the Darkest Financial Times in U.S. History By Kevin O'Sullivan I saw the movie first and was so impressed/interested I decided to read the book and I'm very glad I did. It can be hard to keep up with all the financial jargon of all these complex instruments but it's meant to be that way. As the author expresses Wall Street makes things complicated so that outsiders will think they are the only ones smart enough to make sense of it. The scary thing this book illustrates is that they made it so complicated even they had no clue what was going on. Only a hand full of people that did the detective work to figure out what was really happening were the ones able to profit from this nightmare scenario. It's sickening how all the people who destroyed our economy not only got away with it but walked away with huge sums of cash and taxpayers in the end paid the price. I loved this book for delving so deep into this unfortunate situation. The only way to learn from mistakes is to truly understand what you did wrong in the first place. 2 of 2 people found the following review helpful. laissez-faire - not so much By F. Afzal For those claiming we need less regulations, one should ask: How do you deal with greed that spurns chaos and collapse in the financial market like the one like from 2007? How do you ensure people act in good faith as they churn out new financial products? And who to hold responsible when the system is at stake when collapse of such magnitude faces us next time? Why such lack of accountability? This book views how things unraveled before the crash of financial crash of 2007. What you already know by now, and it touches on, is that those experts packaging these products knew full well these products were not solid or, at least, should have known! It still leaves out detail role of many others, including the Fed, Treasury, and other players but is a good start. What one should get out of this book? Don't follow herd mentality as risk detection and aversion should be everyone's responsibility :)

The #1 New York Times bestseller: "It is the work of our greatest financial journalist, at the top of his game. And it's essential reading." Graydon Carter, Vanity Fair The real story of the crash began in bizarre feeder markets where the sun doesn't shine and the SEC doesn't dare, or bother, to tread: the bond and real estate derivative markets where geeks invent impenetrable securities to profit from the misery of lower- and middle-class Americans who can't pay their debts. The smart people who understood what was or might be happening were paralyzed by hope and fear; in any case, they weren't talking. Michael Lewis creates a fresh, character-driven narrative brimming with indignation and dark humor, a fitting sequel to his #1 bestseller Liar's Poker. Out of a handful of unlikely-really unlikely-heroes, Lewis fashions a story as compelling and unusual as any of his earlier bestsellers, proving yet again that he is the finest and funniest chronicler of our time.

From Publishers Weekly Although Lewis is perhaps best known for his sports-related nonfiction (including The Blind Side), his first book was the autobiographical Liar's Poker, in which he chronicled his disillusionment as a young gun

on Wall Street in the greed is good 1980s. He returns to his financial roots to excavate the crisis of 2007/2008, employing his trademark technique of casting a microcosmic lens on the personal histories of several Wall Street outsiders who were betting against the grain to shed light on the macrocosmic tale of greed and fear. Although Lewis reads the book's introduction, narration duties are assumed by Jesse Boggs, a veteran narrator of business titles (including Lewis's own 2008 book *Panic!*). Boggs's rich baritone is well suited to the task and trips lightly through a maze of financial jargon (CDOs, derivatives, mid-prime lending) and a dizzying cast of characters. Lewis returns on the final disc for a 10-minute interview about the crisis's aftermath, including a savvy assessment of the wisdom of the financial bailout and where-are-they-now updates on the book's various heroes and villains. A Norton hardcover. (Mar.) Copyright Reed Business Information, a division of Reed Elsevier Inc. All rights reserved. From *Bookmarks Magazine* Michael Lewis has written from the perspective of a financial insider for more than 20 years. His first book, *Liar's Poker*, was a warts-and-all account of Wall Street culture in the 1980s, when Lewis worked at the investment bank Salomon Brothers. Everything Lewis has touched since has turned to gold, and *The Big Short* seems to be another of those books, combining an incendiary, timely topic with the author's solid, insightful, and witty investigative reporting. Only the *Pittsburgh Post-Gazette* criticized what it felt was a rush job of writing and a failure to integrate the individual stories. Few readers will care for the message here (despite laugh-out-loud moments of absurdity), but Lewis is a capable guide into the world of CDOs, subprime mortgages, head-in-the-sand investments, inflated egos--and the big short. However, as *Entertainment Weekly* points at, if you're only going to read one book on the topic, perhaps this should not be the one. No one writes with more narrative panache about money and finance than Mr. Lewis....[he] does a nimble job of using his subjects' stories to explicate the greed, idiocies and hypocrisies of a system notably lacking in grown-up supervision.... Writing in faintly Tom Wolfe-ian prose, Mr. Lewis does a colorful job of introducing the lay reader to the Darwinian world of the bond market. - Michiko Kakutani, *The New York Times* Superb: Michael Lewis doing what he does best, illuminating the idiocy, madness and greed of modern finance. . . . Lewis achieves what I previously imagined impossible: He makes subprime sexy all over again. - Andrew Leonard, *Salon.com* One of the best business books of the past two decades. - Malcolm Gladwell, *New York Times* Book I read Lewis for the same reasons I watch Tiger Woods. Ill never play like that. But its good to be reminded every now and again what genius looks like. - Malcolm Gladwell, *New York Times* Book