

The Outlook: Nov. 13, 2020

A “Green Day” and what it will mean, eventually.

It was a “Green Day” . . . *and* it was a Friday. “Green Days” look like this, with every single Outlook company up. They don’t happen very often, for Outlook or anyone—and when they happen on a Friday, we do tend to whistle on the way home from work.

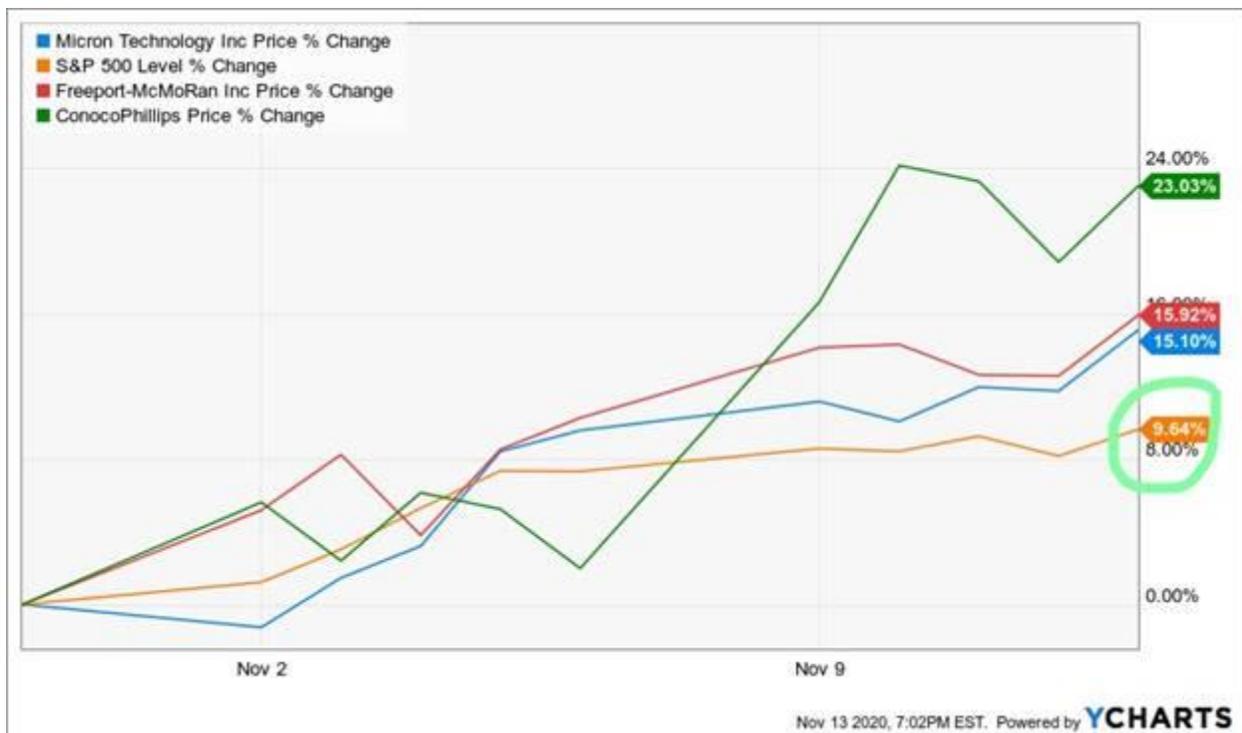
OCM Core Stock List EQUITY				Updated 16:02 E	
Overview	Data	Events	Alerts	News	
Symbol	Name	Price	Change	% Chg	
CAT	Caterpillar Inc	171.69	+2.56	+1.51%	
CME	CME Group Inc	165.88	+4.87	+3.02%	
CMI	Cummins Inc	236.63	+3.49	+1.50%	
COP	ConocoPhillips	35.37	+1.36	+4.00%	
FCX	Freeport-McMoRan Inc	20.15	+0.63	+3.23%	
LMT	Lockheed Martin Corp	375.18	+7.29	+1.98%	
MSFT	Microsoft Corp	216.50	+1.06	+0.49%	
MU	Micron Technology Inc	57.94	+1.69	+3.00%	
TXN	Texas Instruments Inc	156.62	+2.12	+1.37%	
XOM	Exxon Mobil Corp	36.08	+0.85	+2.41%	

It wasn’t a Green Day for the Celebrity Tech stocks.

Overview	Data	Events	Alerts	News	
Symbol	Name	Price	Change	% Chg	
AAPL	Apple Inc	119.26	+0.05	+0.04%	
AMZN	Amazon.com Inc	3129.08	+18.80	+0.60%	
FB	Facebook Inc	276.92	+1.84	+0.67%	
GOOGL	Alphabet Inc	1772.53	+29.71	+1.70%	
NFLX	Netflix Inc	482.10	-4.67	-0.96%	
NVDA	NVIDIA Corp	531.17	-7.10	-1.32%	
TSLA	Tesla Inc	408.02	-3.74	-0.91%	
TWTR	Twitter Inc	43.48	+0.67	+1.57%	

There’s nothing wrong with their day, up there . . . but there is something to think about. Since the safest and wisest advice in the investment business is “remember to be humble,” we’ll mustn’t call it “a message;” but we might call it “a suggestion of the possibility of a message.” First, though, our last picture:

November So Far: Market Up 10%, Some Value Stocks Up . . . More.



The Big Question these days is: “Why is the market so happy?” The investment world being filled with clever people, we’ve been getting dozens of answers to that question every day. Here is Outlook’s answer:

Third Quarter Earnings Season has just ended. It left behind exactly one real message: American companies, as a whole, are doing a pretty wonderful job of rebuilding from a 2020 Calamity which couldn’t have been dreamed up in a Hollywood fantasy: not just “Virus!” but most especially, “Lockdown!” as a global response. Second Quarter Earnings Season was a shocking story of economic devastation. Three months later, the story is one we all know: remarkable ingenuity on top of iron determination. The rubble of the Second Quarter is still lying around, here and there—but rubble isn’t what matters anymore. The kind of energy and drive shown by countless U.S. companies is what matters, as usual.

That energy and drive are what stopped the market from wallowing in its state of depression, after March 23, or returning to it. But the Pfizer Vaccine focused the market’s speculating mob on the message of the Third Quarter: “ingenuity, determination, recovery.” Suddenly it became “obvious” to that crowd that something pretty close to normalcy would really return, next year . . . and the actions taken by so many “ingenious and determined” companies will be boosting their results toward the neighborhood of “remarkable,” rather than the endless “limping along” which was the best that gloomy crowd hoped for, until lately.

What about those Celebrity Tech stocks?

Trees don’t grow to the sky. The market crowd sometimes acts as if they do, and keeps it up for an amazing long time. But they do *not* grow to the sky, no matter how hard the crowd wishes it. What matters is the nature of trees, not the nature of hopes and bets. When Celebrity stocks are valued toward

the clouds, they will eventually show that they can't make it to the stratosphere. The "Non-Green Day" in Chart 2, up there, is just a suggestion that it might be worth remembering that . . . sometime. And our "Green Day", up top, is just a suggestion that the market crowd can doubt what Main Street does best—digging out of holes—for a long time, but it might be worth remembering how much money awaits those who don't doubt it at all, and hang onto "doubtfully valued" companies no matter what the crowd thinks.

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