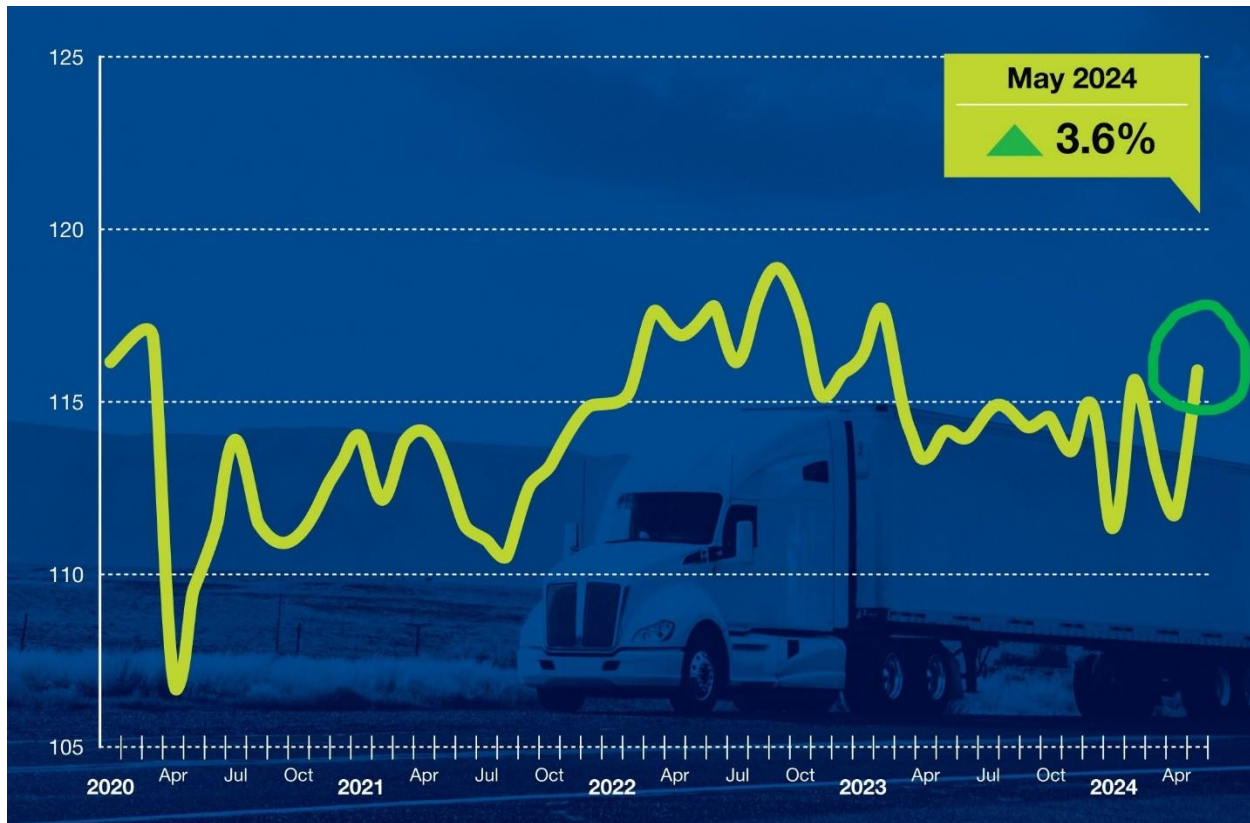


The Outlook: June 19, 2024

Not a Science!

“Truck Tonnage Index” is the name atop this picture. Our eyes instantly begin to glaze over, don’t they? Here’s a more useful title: “Not a Science!”

Truck Tonnage Index



We can let “Truck Tonnage” stand in for any number of other eye-glazing attempts—by the “scientists” in the investment and economic worlds—to inform us exactly how strong or shaky Main Street has been, moment by moment since 2020. Now, in most worlds including investments and economics, there’s an ocean of items to scrutinize and analyze. That’s not a bad thing; we are normal people, and we all have a certain yen to scrutinize and analyze. The breakdown only comes when we tell ourselves—and everyone else—that our brand of scrutiny and analysis is, well, kind of infallible. And life’s pressures being what they are, we’re all tempted to suggest exactly that, sometimes.

A long time ago there was a subject called “Social Studies.” It covered a lot of ground, from politics and government to culture and economics: all interesting stuff. Then, back in the mists of pre-history, maybe, some professor at some university thought, “It would sound a lot better if we called it “Social Sciences.” And Pandora’s Box was opened.

As the real scientists knew, of course, absolutely nothing under the heading of “Social Studies” was a science. Why not? Because molecules, chemicals, light waves and the like all do the same thing every single time. (We can ignore quantum physics for this discussion.) Doing the same thing every time, scientists can analyze the daylights out of them . . . and come up with all kinds of useful things, from myriad inventions to figuring how long it’ll take to get to Mars. But the “Social Sciences” were a different kettle of fish. They are all about us people, one way or another; and we do not do the same thing every time . . . no matter how many of us you study.

“Truck Tonnage Index”, up there, is about people. It’s about how much “stuff” we are shipping to buyers and/or buying from shippers. Trucks are the lifelines of the Main Street economy. They carry an awful lot of stuff. So the “Social Scientists” in the investment world like to analyze this Index, among a thousand others, to warn us when Main Street’s about to roll over and faint (Recession) or get back on its feet and start running (Expansion.) And that jagged “sort-of-downtrend” since mid-2022 kept signaling to all those “scientists” something dire: “Recession Around the Corner.”

But it didn’t. The Recession we’ve awaited for two years now, more or less holding our breath, just hasn’t shown up. Of all the Social Scientists annoyed at this lack of cooperation with their analysis, the Federal Reserve’s people are surely the most frustrated. The Fed triggered one of the steepest interest-rate-hikes in history—figuring, mistakenly, that only “Recession” could kill “Inflation”—but Main Street just won’t play the game. The Fed and all those scientists think Main Street should have stumbled and fallen long since. But Main Street doesn’t much care what the Fed and scientists think—it cares about selling old products, inventing new ones, and making money . . . so that Truck Tonnage Index finally spiked right back up, leaving the scientists grinding their teeth. When it comes right down to it, thank goodness, Main Street deals in people and their cash . . . not Science.

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