

## The Outlook: Dec. 21, 2021

### *Micron's stone-cold facts. The market's Sea of Green.*

It makes sense that this Crazy Year—the second Crazy Year in a row—should end like the last 60 seconds of Fourth of July fireworks, when the Park District staff go all out for “Shock and Awe”, firing off everything they’ve got. Today’s Sea of Green, below, followed yesterday’s Sea of Red, which followed who knows how many rapid-fire Seas of Red or Green over the past couple of weeks. It’s easy to lose count.

OCM Core Stock List SECURITY		Updated 17:46 EST			
Symbol	Name	Price	Change	% Chg	
CAT	Caterpillar Inc	198.31	+2.85	+1.46%	12/21
CME	CME Group Inc	225.26	+3.35	+1.51%	12/21
CMI	Cummins Inc	211.91	+4.92	+2.38%	12/21
COP	ConocoPhillips	70.68	+2.08	+3.03%	12/21
FCX	Freeport-McMoRan Inc	39.18	+1.76	+4.70%	12/21
LMT	Lockheed Martin Corp	340.79	+3.37	+1.00%	12/21
MSFT	Microsoft Corp	327.29	+7.38	+2.31%	12/21
MU	Micron Technology Inc	90.69	+8.66	+10.56%	12/21
TXN	Texas Instruments Inc	186.36	+2.12	+1.15%	12/21
XOM	Exxon Mobil Corp	60.53	+1.37	+2.32%	12/21

But it’s certainly felt like Red has dominated during this year-end flurry of fireworks. The trigger, for all the world’s markets, has been “Omigod, it’s Omicron!” which took the stage in early December as the speculating crowd’s latest scare. Investors (like Outlook) who’d begun to think the market’s capacity for running with another Virus scare might just be waning . . . were proven wrong.

Yet this month’s “Roller Coaster Gone Nuts” behavior has shown us something kind of new. The betting mob looks sharply divided. A great part of the crowd is as willing as ever to jump on the latest Virus Scare and see how far it can run; but an almost equal chunk of the crowd has been mighty quick to put its money down in the other direction. We’ve had a lot of one-day Seas of Red . . . followed by remarkably broad Seas of Green.

Why?

Micron Technology answered that question today. There it is, circled in green: up 10% to \$90-plus—within a stone’s throw of its all-time \$97 high this past spring. Micron announced its quarterly results today (being on an off-month calendar.) Theresa will soon be shining a light, as usual, on the details . . . but CEO Mehrotra’s basic message was simple: “We’re making a lot of money. We are seeing strong, continuing demand for memory chips. We think we’ve succeeded in finding a path, for Micron, past the global Supply Line Crisis, and we think that will become more and more obvious as 2022 moves along.”

That looked very much like the trigger for today’s Sea of Green for the whole market. Yet there was absolutely nothing surprising about Mr. Mehrotra’s message. He’s been saying the same thing all year—

as Micron has come out with quarter after quarter of solid earnings and cash flows. “We don’t see our market caving in,” he’s said again and again. “Maybe it will—none of us has a crystal ball—but if it does, it’ll come back very strong . . . because the long-term engines driving our business are much too strong to slow down for long.”

At Outlook we always call Quarterly Earnings Season by another name: “Reality Season.” We learn a great deal more about what the world is actually doing—versus what the media and/or politicians may say it’s doing—when we can see, every 3 months, just how sales, profits and cash flows have been acting. Those numbers aren’t infallible guides to stone-cold reality—nothing is—but compared to everything else (economic statistics, media stories and, especially, *headlines*) they’re the Rock of Gibraltar compared to wispy clouds blowing by, high up in the sky. Micron just stood up in the midst of December’s 60-second fireworks display and reminded us of something we already knew: Main Street is *not* huddled under a rock waiting for the latest Scare to pass; it is working, coping with obstacles, and moving forward.

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