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No retreat . . . only attack.

As we might expect when the market plunges 500 points in a typical day, lately; then wakes up the next morning thinking, “Can we top that?” and gets right down to it with another 700 points or so, we are seeing an absolute tidal wave of gloomy, fearful predictions by every “expert” who can get people to listen. At Outlook we’ve listed them quite a lot recently: “Killer Interest Rates!”, “Fatal Inflation!”, “Deep Recession—Global for Sure!”, and of course, “War!”

To the market’s big betting crowd, that kind of tidal wave means only one thing: “Sell!” and “Sell Some More!” That is the polar opposite of what it actually means, of course.

Let’s dial the WayBack machine to the year 1864—the climactic year of the Civil War—where US Grant, having taken command of the Federal army, is fighting his first battle against Robert E. Lee. It’s not going too well on the first day, with Lee’s Confederates more or less surprising the Federals in a terrible, thick forest called the Wilderness. As General Grant sat on a stump, smoking cigars and whittling, along came an excited general to say, “Sir, you don’t know what Lee can do. He’s beating us, and if we don’t retreat he’ll wipe us out for sure.” That was how it had looked to the previous four or five Union generals. But Grant was not like them. He looked at the general and snarled something like this:

“Oh, I am heartily tired of hearing about what Lee is going to do. Some of you always seem to think he is suddenly going to turn a double somersault, and land in our rear and on both of our flanks at the same time. Go back to your command, and try to think what we are going to do to him, instead of what Lee is going to do to us.”

Grant didn’t retreat. He attacked; and never stopped attacking until Lee surrendered at Appomattox.

But that excited, spooked general—and most of his fellow generals in the Army of the Potomac—was not capable of thinking like that. He had one notion of reality in his mind—that Lee was unbeatable—and everything that happened reinforced that notion in his own mind.

It is exceedingly easy, today, when thinking about the market to think like the spooked general. 500, 600, 700 points down per day; and waves of negative headlines. How could it mean anything else than “The sky is falling?” Here was a little news item about John Deere this week:

Deere this year introduced technologies such as self-driving tractors and its See & Spray system that can tell the difference between weeds and crops when applying herbicide.

At Outlook the first thought crossing our minds when we saw this item was: “Hmm. Those kinds of inventions will be “must buys” for farmers the world over, eventually. They produce more crops in less time, at lower cost.” And the second thought was: “Just like hundreds of other inventions—by Outlook’s core companies and tons of others—which will be “Must Buys” because they produce more with less.”

Yes. Wall Street dithers and panics. Main Street works and invents. Wall Street calls the market’s tune today. Main Street calls it over the years. When the market tune is: “When in panic or in doubt, run in circles, scream and shout,” it tells us investors one thing, perfectly plain and clear: “Attack, don’t

retreat. Buy, don't sell." And oh yes: like General Grant, don't *stop* attacking and buying, no matter how excited and spooked the "experts," the headlines, or the market's gambling crowd happen to be.

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