

The Outlook: October 8, 2024

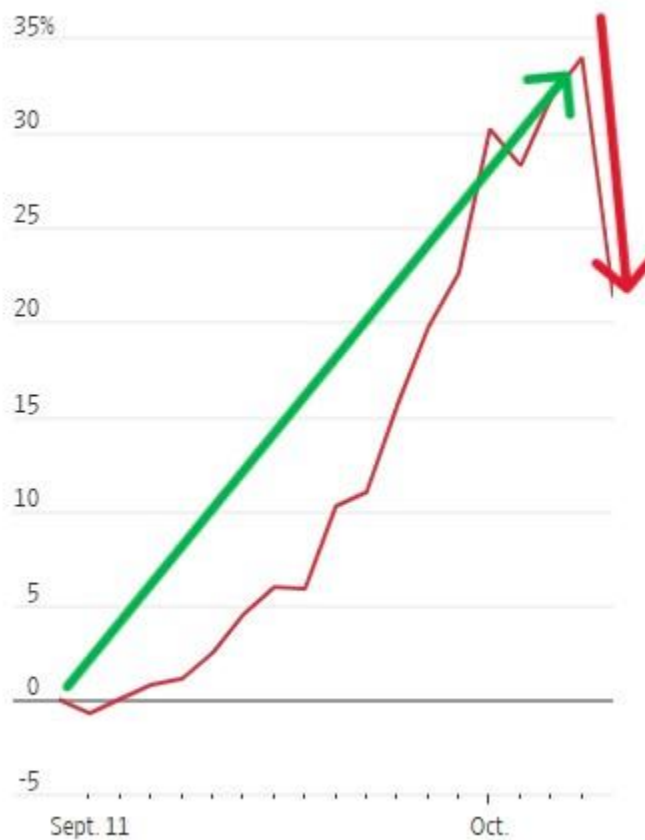
Things that go fast. Things that go slow.

Here's a deep philosophical question: "Is there anything good that happens fast?" Of course the answer is "Certainly!" but once we get past the obvious things ("It stopped raining, suddenly!") and into the world of human achievements, it'll be very, very hard to find anything really "good" that people invented, created or built . . . which didn't take a long, hard time to do.

At Outlook we've been reminded of this lately by the market's giddy enthusiasm for "China Stimulus at Last!" That green arrow below is the market crowd's delighted reaction to China's announcement—last month—of the Government's plans to give its weary economy a big boost. And the red arrow is today. That red arrow is the market crowd waking up to reality: to the profound truth that indeed, "Nothing good ever happens fast."

Sudden Crash

One-month performance of Hang Seng Index



Source: FactSet

Now, governments and politicians are a lot like the market's daily betting crowd in one way: they're head over heels in love with the idea that "good things can happen fast." Politicians like to say so, and claim credit for it; while the daily speculators just like to bet on it. Of course, the market crowd is perfectly

willing to bet on “bad things happening fast,” as well. Both crowds are dead wrong, though, good or bad. On Main Street every single good thing happening comes from years of ridiculously slow, hard work behind the scenes; and that’s exactly why the myriad of “fast, bad things” the crowd bets on always look much more terrible than they are. They cannot undo the years of work with a single sound bite. But of course both politicians and speculators make their livings on such things.

Here are two more pictures: both step back and look at the years it took to get to a good place, or a bad place.



That’s 3 years of the Chinese market. It’s been a long, dreary journey, hasn’t it . . . until the past month’s giddy party, then today’s “Lights out, party’s over!” It’s been a sad journey mainly because China’s dictator has done his level best to frighten his own Main Street for 3 years. “Don’t cross me or you’ll regret it!”, coming from an absolute dictator, is a foolproof formula for stifling Main Street’s energy and appetite for risk. Until Mr. Xi’s terror campaign, though, Main Street China did a lot of very hard work for many years, resulting in a jaw-dropping set of “good things.” Those years weren’t wasted. Their result is that Main Street can still trudge ahead no matter Mr. Xi’s threats. But it will be trudging, not running, for a good while. Last picture.

Texas Instruments: 10 Years of Good Work



Nothing particular about Texas Instruments here. We threw a dart at Outlook’s list and TXN’s number came up . . . but they all look like this. For Texas Instruments, the last decade of hard work made that “good thing” up there: 339% in 10 years. It made it with the market crowd’s usual roller coaster ride based on the “fast things:” passing headlines, cyclical downs and ups, and on and on. We’ll end with one of our “profound truths:”

The good things that matter happen slowly . . . but they always overwhelm the “fast, bad things” the market crowd loves to bet on.

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