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A Golden Rule . . . and 5,000 Satellites.

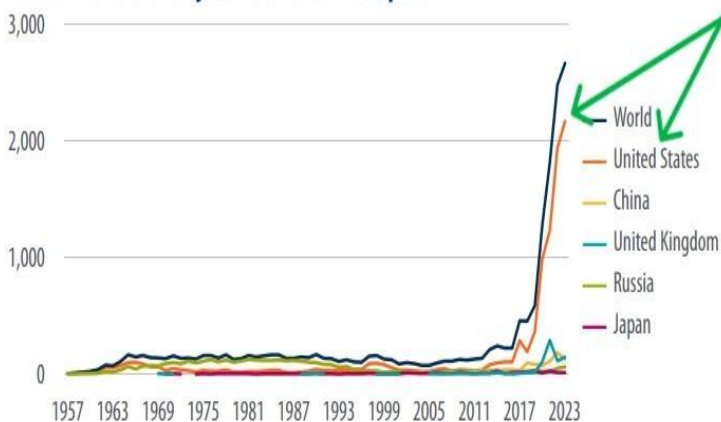
Friday evening is often a good time for Golden Rules. Here's one from Outlook Capital Management.

- ***Everything good—in investing and in every single area of life—happens because of the determined, sustained, often courageous actions taken by very good individual people in the teeth of big problems or fears.***

Of course there are a great many people who don't see the world that way . . . especially people on Wall Street. To those people, "good things" are the result of somebody's cleverness; or random events; or mega-trends washing over the world, next to which individual people's hard work and courage mean nothing much. In the investment world, very many of them believe not in people but in "the market," so one way or the other they're always searching for the "message" hidden inside the market's current behavior. What this really means is that they don't know *what* to believe in, but they really like to make money, and they really hate to lose it, so they latch onto whatever sounds most convincing among the daily "explanations" of the market's behavior.

As always, though, the truth about what makes for good is found on Main Street, not Wall Street. Let's glance at this picture, courtesy of economist Brian Wesbury.

Annual Number of Objects Launched Into Space



Source: United Nations Office for Outer Space Affairs, First Trust Advisors, Annual data through 2023.

Chart includes satellites, probes, landers, crewed spacecrafts, and space station flight elements launched into Earth orbit or beyond.

The space launch industry witnessed an unprecedented boom in 2023, setting a new record for the number of objects sent into space. Incredibly, the total number of objects launched in the last five years—including projections for 2024—exceeds the combined total from the beginning of space exploration in 1957 through to 2019. The United States has been at the forefront of this surge, accounting for most of these launches, largely driven by SpaceX's remarkable achievements. SpaceX has played a pivotal role, deploying thousands of Starlink satellites into low-earth orbit. These satellites, a technological breakthrough, not only helped the U.S. claim 81.3% of all global launches in 2023 but also revolutionized global connectivity by providing affordable internet access to remote areas. In contrast, the United Kingdom, the second-highest contributor, accounted for a distant 5.4% of launches in the same year.

Determined people who never give up on solving Big Problems are still pretty abundant in America, thank goodness. As in every measure of "people"—from athletics to business to even show biz, for heaven's sake—the Bell Curve of exceptionalism stretches way, way out on the x-axis . . . so those we find at work out there have a beneficial impact many times their weight in gold, so to speak. The picture above shows us the impact of Space X's Mr. Musk. It's pretty amazing. As Mr. Wesbury notes, his company has revolutionized the business of launching satellites . . . mainly by finding a way to make it so cheap (with re-usable rockets among other things) that thousands and thousands of Starlink satellites are now orbiting the earth—so that the U.S. is so far beyond the rest of the world that it's not even a race.

That highlighted sentence up there—“providing affordable internet access to remote areas”—is a very big deal, especially when we also ponder “Artificial Intelligence.” As Outlook has noted a few times, a good half the world’s 8 billion people are either fairly poor . . . or desperately poor. Starlink satellites, universal internet (and eventually cell phone) access, and Artificial Intelligence will help those people help themselves more powerfully and much sooner than they ever could, waiting for the slow buildout of universal electricity and the rest of the Western World’s “infrastructure.”

When 8 billion people have a concrete chance to better themselves, instead of only 4 billion, the world economy grows faster and our companies sell them more products and services and make more money. Yes . . . a long-term tailwind . . . and one of the many reasons Outlook never worries much about whether the Fed will cut interest rates $\frac{1}{4}$ or $\frac{1}{2}$ percent next month, or not at all, or anything else. The Federal Reserve is not Main Street’s engine. People with Mr. Musk’s kind of determination and persistence are the engine . . . and always will be.

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