

## J. Michael Locke

### Musings

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#### #205: Musing January 2, 2023

What a year in the markets. I hope others were better than me as my roughly 60/40 (equity/bonds) got crushed with S&P down 19%. (We need the public to start using S&P btw and not the Dow which is only 30 stocks). Good quote on markets from Dan Lieb: *"I tend to be more of a bottoms up analyst but 2023 should prove to be a year of a battle of two narratives. Rates and inflation on one hand versus GDP growth, margins and ultimately earnings on the other. Markets will be further determined by participant's outlook from current company performance versus '24 and beyond. I don't think camping out in the last decade's darlings, with rosaries in hand, hoping for a comeback, will be the winning strategy. We have already seen the revenge of the value nerds. I think more to come."* IMO, 2023 will be much more positive as inflation is coming down and Putin will take an off ramp.

One positive is the diminishing adoration of big tech. I liked this thought from Scott Galloway: *"As search engines and iPhones replace mythical and spiritual beings as our sources of truth, our worship shifts to the gods responsible — the wealthiest person in tech has a 1 in 3 chance of being Time's Person of the Year. Our new gods: Bill Gates, Steve Jobs, Larry and Sergey, Elon Musk, Elizabeth Holmes, Sam Bankman-Fried...Our gross, nonsensical adoration of tech innovators may have peaked. It's been a tough couple of months for the Church of Technology: Elizabeth Holmes was sentenced to 11 years, and her colleague to 13 years; Nikola founder Trevor Milton was convicted of fraud; Celsius Network went bankrupt and faces federal investigations; and SBF's Oops I Did it Again apology tour was cut short due to an outbreak of law. I hope a fresh round of bankruptcies, margin calls, and orange jumpsuits dethrones our modern-day gods and sobers up the media, the public, and elected leaders who worship them."*

TikTok is democratizing book reviews. The majority of the New York Times Best Seller list is driven by the book talk on the social media platform. So we have gone from publisher promotion, to Oprah choosing to the viral book crowd on TikTok. This is a positive use of social media. [tiktok-books-booktok](#) Thanks Annie Locke.

Someone at Southwest Airlines should be fired. Must have accountability in your culture to get performance. Don't delay mission critical software upgrades.

Congrats to the Horned Frogs! I love that a small private school (only 12,000 students) can compete with these huge public universities in sports.

My New Year's resolution— pass out more compliments.

Happy New Year

Jml