

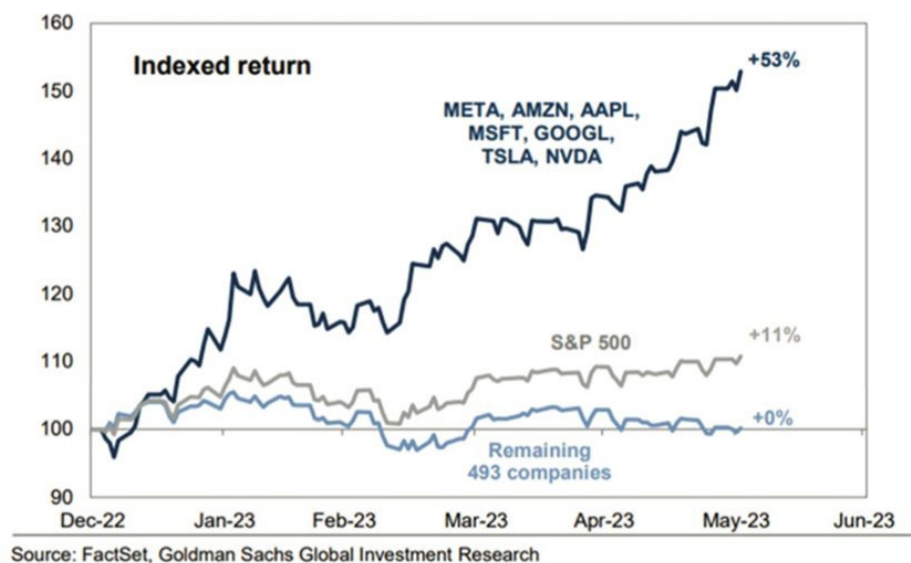
## J. Michael Locke

### Musings

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#### #227: Musing June 10, 2023

While we have technically hit a bull market with the S&P up over 20% from its bottom, don't be fooled and get too mad at your financial advisor if you don't have similar results. The run in the stock market is all about seven stocks: Meta (Facebook), Amazon, Apple, Microsoft, Google (alphabet), Tesla and Nvidia. See chart from MidContinent Capital showing the amazing narrowness of the rally:



Big announcement by Apple at their developers conference on their new augmented reality headset. First, I love how Apple courts the development community. Their "open platform" approach is brilliant as the developers write apps that make the Apple device more valuable. The iPhone serves as a conduit to all of the apps the developers have written. Secondly, I like that they are focused on "augmented reality" (AR) vs Facebook/Meta's focus on "virtual reality" (VR). In VR, you put on a headset and are totally closed off from the immediate world – you are immersed in a digital/virtual world. With AR, you are still in the present world but it is enhanced by digital items. For example, some cars have key data illuminated onto the window right in the driver's eyesight so they don't have to look down. My understanding is the new headset announced by Apple is more like ski goggles and you can still see where you are in the "real world" but add digital/virtual items to it. While I think AR has more promise than VR, I still am not bullish on the space. The headsets have been dubbed "nerd helmets" by some and the whole idea of "spatial computing" where you no longer look at a screen but rather have the computer putting things into your "space" is Orwellian.

I think one of the negative things about mobile technology is now every kid has unlimited entertainment in their bedroom. This dynamic, exacerbated by Covid and at home learning, means the number of hours teens are in their bedroom is up significantly. Some call a day in bed "self-care" but I like this

articles author term of “bed rotting.” From Fast Company: *“The latest Gen Z self-care trend, bed rotting, which has over 305 million views on TikTok, is not as gross as it sounds. It’s a fairly accurate term for a good old-fashioned day of wasting away in bed after a chaotic week, and maybe a hangover to top it off.”* [bed-rotting-doesnt-mean-gen-z-is-lazy-but-is-it-really-self-care](#) How about some good old fashioned summer camp fishing!

Housing prices are staying surprising high considering the increase in mortgage rates. The issue is lack of supply with the number of homes listed down double digits. People are “stuck” in their current homes with their low cost mortgages with years of refinancing at 3-4% --- they can’t afford to buy a new house and take out a 6-7% mortgage.

In those houses with Gen Zrs rotting in bed, think about their great grandfathers who at 18 might have been hitting the beach in Normandy 79 years ago on June 6, 1944. If you are ever in France, I strongly encourage you to visit Normandy, the cemetery and Omaha beach. We had the chance some years ago and it is very impactful. Puts it all in perspective (as does watching the first 15 minutes of Saving Private Ryan which gives an accurate portrayal of the invasion.)

Generative AI is bringing back Socrates. Worried about students cheating on written exams with ChatGPT et al., some professors (like my great college economics professor Gary Lemon who is still teaching!) are turning to oral exams like that in Greece centuries ago.

I hate the normalization of retail theft. Most retailers are now telling employees to get out of the way and not to try and stop shoplifters. Thieves now just walk in and take what they want. Lululemon took things to next level and fired employees for trying to stop the theft for violating company policy. We are punishing the wrong people. [lululemon-fires-employees-stop-robbery](#)

Fascinating retail stat. Top four sellers of clothing in North America: 1) Nike, 2) Old Navy, 3) Lululemon and 4) Shein.

I am not a “Swiftie” but you have to be impressed by the “event” that Taylor Swift concerts have become. She sold out three nights here in Chicago at Soldier Field at 75,000 people a night and folks also buy tailgate spots who can’t make it into the stadium. She performs for over three hours (in the rain in Nashville) and by all reports puts on an awesome show. She is also a great businesswoman fighting to control her masters and own her music.

Good quote from Scott Galloway: *“Tenure is Latin for student debt.”*

I don’t have any real insights on the merger of PGA tour and LIV. Pretty amazing development. I think it is unfortunate that the PGA “loyalists” who did not take the big money and go to LIV now ended up missing out and the “sell out for the money guys” got a windfall. IMO pretty embarrassing for the head of PGA.

RIP AM radio? Some EV carmakers cutting out the AM radio because electromagnet emissions from the battery mess up AM reception. Some lawmakers in Washington want to require carmakers to have AM radio ostensibly for emergency purposes. No one is counting on AM radio for emergency communications and most have a smart phone. Say goodbye to AM.

Jml