

Market Outlook:

Feeling guilty, yet?

A little over a week ago, most Americans were getting up from their Thanksgiving dinner table, surrounded by friends and family, perfectly sated by a terrific meal. In this instance, gorging ourselves on turkey, ham, vegetables, and dessert was an example of “giving thanks” for our bounty. In another context, however, let’s ask if you, at any moment during the feast, thought of those less fortunate who had little or no food at all?

Food is a topic fraught with emotional levels that cannot be summarized in one paragraph or analysis. Food is a necessity of life, acknowledged to be a human “right” by most. Not having a car, for example, might be an *inconvenience*, not having enough food to eat can be *fatal*. Nearly one third of the world’s population experiences hunger or food shortages at some point, according to United Nations studies. To classify food as one might any other commodity is a cruel offense that is unacceptable.

But how does one reconcile the difference between one person’s excesses and another’s suffering? Too often we fall victim to a lack of introspection, direction, and compassion from our leaders. *Forging a solidarity with those less fortunate is simply a matter of empathy*, not something about which you should feel ashamed or in some way put upon. Yes, your pleasures are your right, too. After all, how does your meal really *take something away from* someone else? And why should you care?

Curiously, the pandemic exacerbated this conundrum by nearly closing the entire hospitality/food industry. What once was an extravagance (dining out) became as rare for the well-off as for those who wouldn’t/couldn’t consider it anyway. In both instances the super-rich and the indigent became communally marginalized by scarcity.

Finding the link

The burden of solving poverty and starvation doesn’t fall on just one person. Hunger is a systemic global issue. It is also a moral issue, one which requires willpower of the many to overcome obstacles imposed upon a few. It is not a sin for you to enjoy your caviar every once in a while. But what do we owe to others who are bereft of such luxuries?

ArlingtonEconometrics, my proprietary research model and database, has spent decades in search of investment possibilities related to these subjects. As recently as 2017, we constructed a **Global Food and Agriculture** model portfolio, consisting of over 50 publicly traded entities, whose efforts to explain issues related to farming, production, delivery, and sale of agricultural products were vital to their businesses. The “bench” is quite deep, as more companies come online looking at *macrobiotics*, *hydroponics*, *ecology (climate)*, and *geography*. Our watch list consists of corporations with accelerating earnings and expanding profit margins. As the markets recoil with uncertainty we have to adjust our risk tolerances commensurate to market activity and data. Thus, we are always seeking to complement our portfolios with “silos-specific” opportunities that also do good for society as a whole.

The global food and hunger dilemma’s significance is incontrovertible. Beating the broad market averages is a fine goal, but we prefer to make money for our clients by finding earnings potential in sustainable themes. Above all, *relevance and resilience* creates demand for shares, technologies, and industries when markets turn uncertain or disjointed, as they are now.

Foregoing a night out of dining may mean you save a few dollars...and perhaps a bloated belly and a hangover!! But working towards a world in which everyone shares the same “right” to eat still allows for your indulgences without denying the privilege from anyone else. It may sound burdensome....or perhaps trite.....but wrestling with socially responsible generational change (whether in the financial markets or the societal landscape) is not a 9 to 5 job but, rather, a full time exercise. I think we’re up for the task.

Arlington Econometrics is a quantitative market tool. Utilizing proprietary algorithmic equations, AE offers solutions for market-timing, asset allocation, and macro economic analysis. Using historical time-series measurements, Arlington Econometrics optimizes the analytical process and forecasting coefficients to make economic forecasting more objective.

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