History rhymes

1999	2020
■ Young people quit stable jobs to make more money day-trading stocks	■ Robinhood provides zero cost trading, causing significant abnormalities (car-rental company Hertz issues new shares while in bankruptcy, and its stock rises from 80 US cents to US$6 in three trading days, before falling back to US$1).
■ Tech IPOs are the new mania, frequently doubling or more on day one	■ Tech IPOs start again, with a number of stocks doubling on day one
■ Valuations are stretched and traditional metrics dismissed, such as Palm owner 3Com being worth significantly less than its holding in Palm after spinning it off in an IPO	■ Valuations are stretched and traditional metrics dismissed, such as Tesla and Apple gaining +50% after announcing a stock split.
■ Many prominent value investors throw in the towel on the strategy, either retiring, or completely reversing track and buying tech stocks, as George Soros famously did in the middle of 1999.	■ Growth outperforms value this year by a staggering +30% in a single year, doubling the outperformance of the previous 13 years. There is tremendous pressure on value-oriented managers by their investors to shift to growth.

Source: AL Wealth Partners