

“Growth Stocks Outperforming Value by Widest Margin in Decades”, *Wall Street Journal*, May 10, 2020

<https://www.wsj.com/articles/growth-stocks-outperforming-value-by-widest-margin-in-decades-11589904864>

Summary: Growth Stocks are set to have the widest margin of outperformance over value stocks since the dot-com era. As of May 18th, the Russell 1000 Growth Index is up 1.2% on the year while Russell 1000 Value Index is down 21%. Value tends to outperform growth when an economic rebound is just beginning. According to one Wall Street Analyst, “Many Value stocks trade at lower-than-average valuations but are delivering above-average returns on capital at the moment.”

LS Comment: Investor psychology is incredibly anti-value. Expectations too high for growth stocks when the rest of the economy is tanking...