

“Pfizer’s Vaccine Is a Pick-Me-Up for Value Stocks”, *Wall Street Journal*, November 12, 2020

https://www.wsj.com/articles/pfizers-vaccine-is-a-pick-me-up-for-value-stocks-11605175592?mod=searchresults_pos1&page=1

Summary: On Monday, November 9th value stocks had the single best day of performance relative to growth stocks since the 1930s. Currently value stocks are dominated by “lockdown losers”; banks that did badly due to low interest rates, and economically sensitive cyclical stocks, such as Caterpillar and oil producers. Currently the price-to-book ratio of the Russell 1000 Growth index trades at more than five times that of value, and the forward price-to-earnings ratio is close to twice as high, the biggest premium for growth since the dot-com bubble of 2000.

LS Comment: *Investors are paying up dearly for “growth”, not so much for cyclical and industrial stocks. The differential in valuation is as big as it has been since 2000 (remember what happened then?)*