

## ***MONEY IN MOTION***

March 24, 2023

### **On The Cusp**

The S&P 500 Information Technology Sector is on the cusp of finally recouping all of its relative losses to the S&P 500 Information Technology Sector since the Dot-com peak in March of 2000.

Twenty three years is a long time, to be sure, but at least now the S&P 500 Information Technology Sector finally can put the Dot-com bubble (and bust) in the rear view mirror.

The bubble was the most pronounced instance of ‘wealth creation’ in history (rivaled only by the bubble of the 1920’s).

The bust was the most pronounced instance of ‘wealth destruction’ in the history (exceeded only by the Crash of 1929).

The ratio charts herein – depicting the S&P 500 Information Technology Sector’s relative performance to the S&P 500, back to the Dot-com peak – are remarkable.

Trade well,

-Carter

Carter Braxton Worth

Kimberly Simon



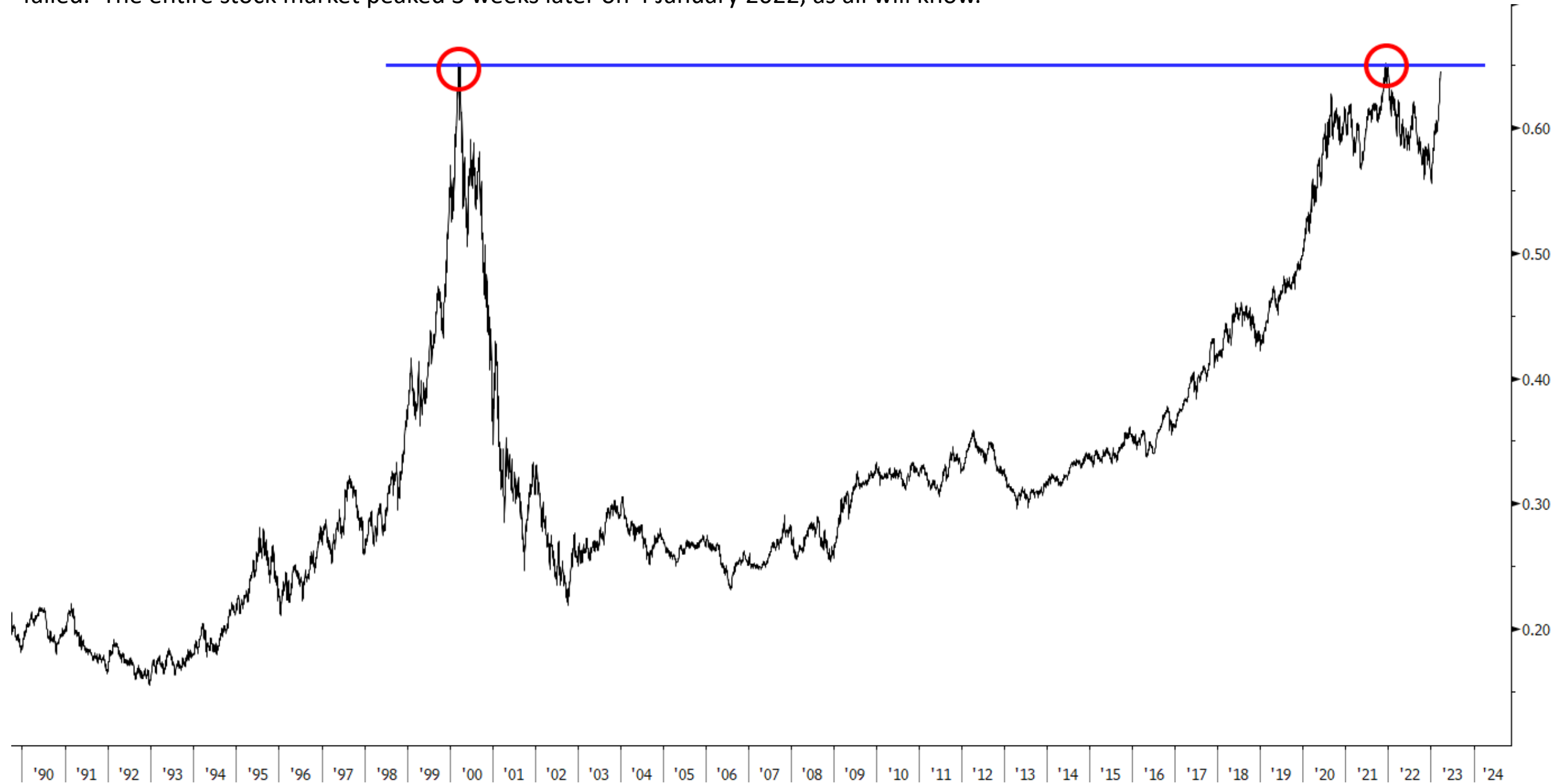
Ratio Chart:  
S&P 500 Information Technology Sector's Relative Performance to the S&P 500 Index



## Ratio Chart:

### S&P 500 Information Technology Sector's Relative Performance to the S&P 500 Index

The Tech Sector attempted to make a new relative high some 15 months ago, on 10 December 2021, but hit its head “to the penny” and failed. The entire stock market peaked 3 weeks later on 4 January 2022, as all will know.



## Ratio Chart:

### S&P 500 Information Technology Sector's Relative Performance to the S&P 500 Index

Here's the chart magnified, zeroing in on the past 2 years. See the attempt on 10 December 2021, and how close we are now, for the second time, to being able to say that all relative underperformance since the Dot-com peak has been reversed.



## Ratio Chart: S&P 500 Information Technology Sector's Relative Performance to the S&P 500 Index

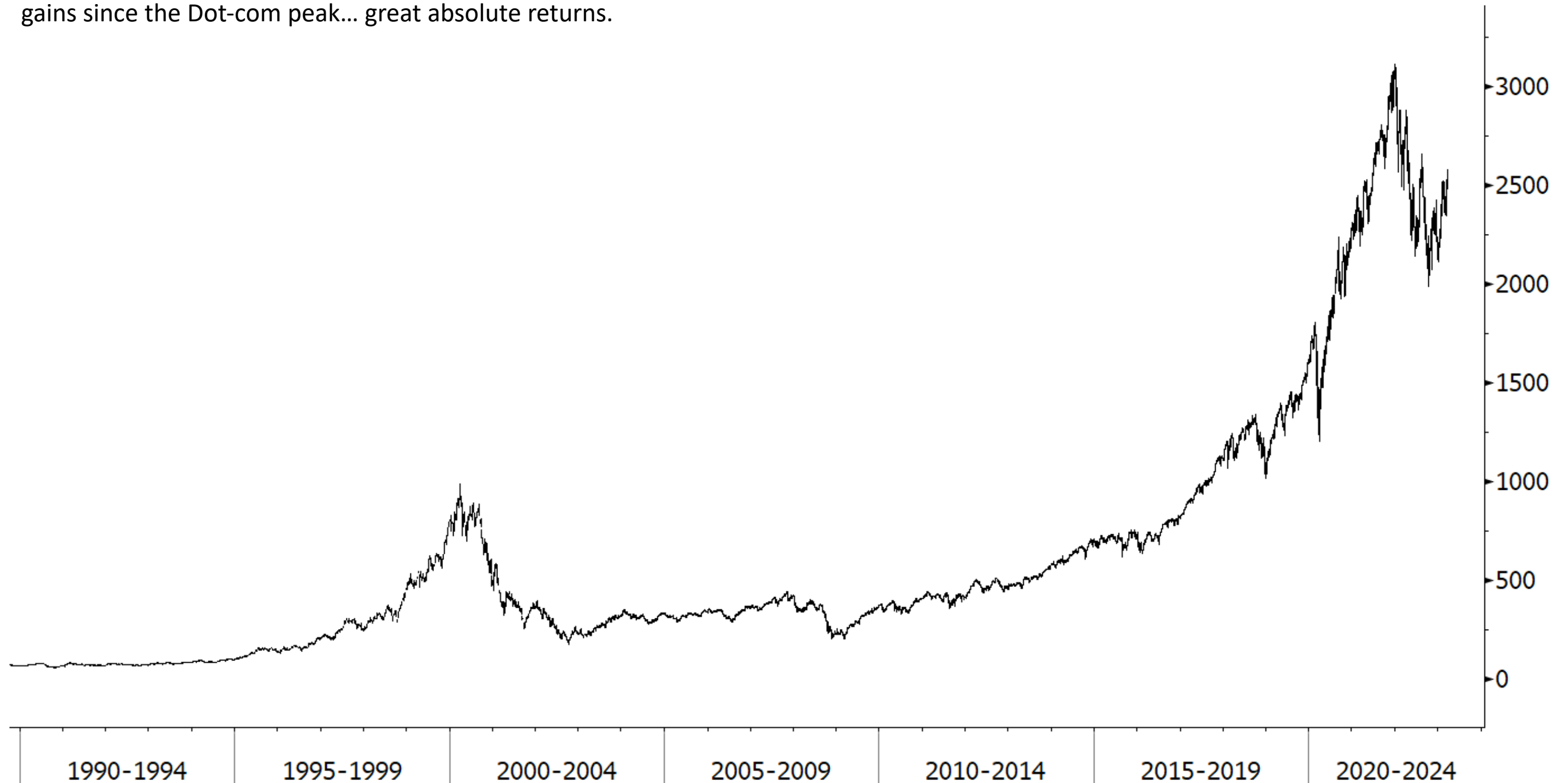
Here's the all-data chart...



## S&P 500 Information Technology Sector

And here's the sector chart itself...

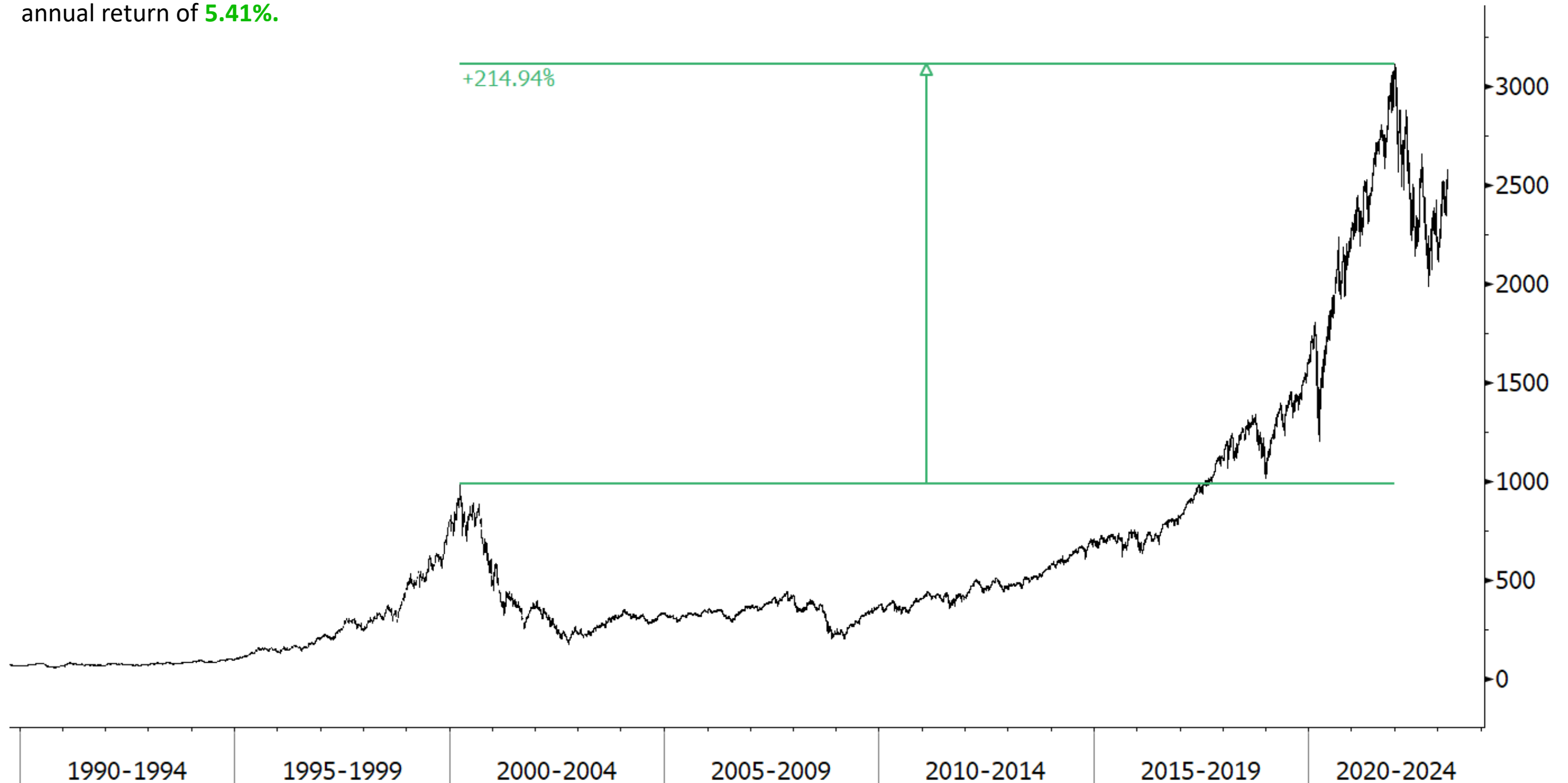
Regardless of the hardly inspiring, only-just-back-to-breakeven relative performance, the Tech Sector would appear to have made great gains since the Dot-com peak... great absolute returns.



## S&P 500 Information Technology Sector

But not really...

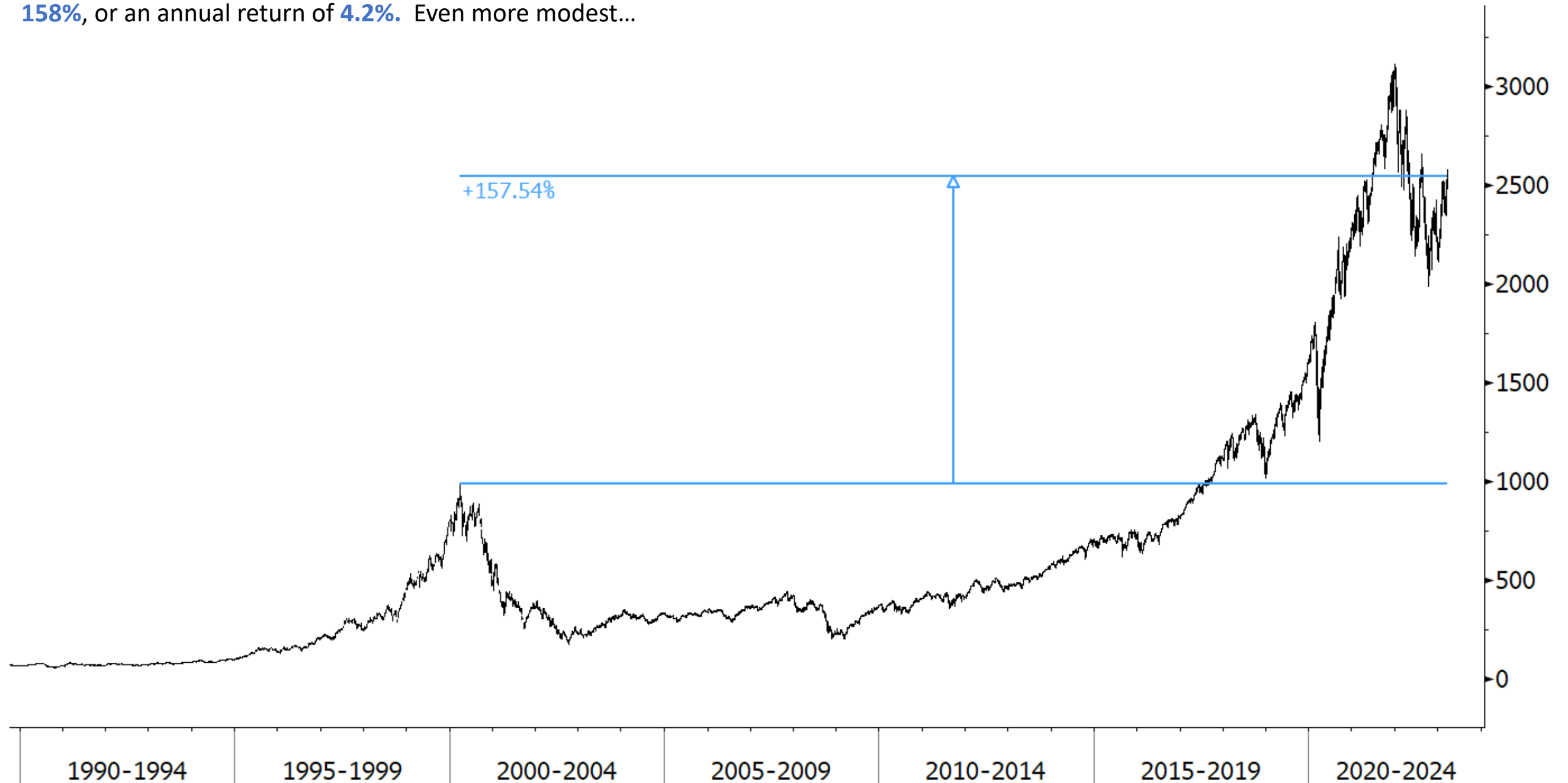
The Tech Sector has managed a gain of **215%** since the Dot-com peak in March of 2000 to the Jan 4 2022 peak... that's a fairly modest annual return of **5.41%**.



## S&P 500 Information Technology Sector

And here's the exact same chart, but...

We depict the percent change since the Dot-com peak all the way to the present (versus to Jan 4 2022). Doing so shows a total gain of **158%**, or an annual return of **4.2%**. Even more modest...





## S&P 500 Information Technology Sector

[ adjusted for inflation ]

And finally, here to same chart once again, but...

We depict the Tech Sector in real terms. Doing so shows a total gain of **45.4%**, or an annual return of **1.64%**.

Even more modest. Actually, downright paltry.

Food for thought...



# Worth Charting





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