Forbes

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INVESTING 6/05/2017 @ 2:59PM | 178 views

Nasdaq 10,000. Disruption. Disintermediation. Innovation. Technology

Are we ready to concede the fact that the Nasdaq will hit 10,000 in the very near future? Probably within the next couple years.

Disruption. Disintermediation. Innovation. Technology as the driver of change.

How is this different than year 1999 when the Nasdaq surged to 5000, only to crash back to earth?

Primarily the difference is profit. The companies driving technological change today have the very best revenue growth and the very best earnings growth. Wall Street investors will pay almost any price for growth. In fact, there is an acronym for it: GAAP (Growth At Any Price) and another, GARP (Growth at a Reasonable Price).

Amazon just hit $1000/share. Google $975. Apple is likely to become the first company ever to have a total valuation of

The Amazon logo is displayed at the Nasdaq MarketSite, in New York's Times Square, Tuesday, May 30, 2017. Online retail giant Amazon.com traded above $1,000 a share for the first time. (AP Photo/Richard Drew)

$1trillion dollars. If you don't think it's worth it, remember that stock ownership means you own a small piece of the company. And the company owns $250billion of cash. One quarter of the $1trillion valuation is in cold, hard cash. Only three quarters of the value is in floating stock.

Besides tech, where else can we find growth? Biotech.

It's been a tough grind for biotech for the past 18 months since the Biotech index collapsed back in Jan 2016. However, the underlying fundamentals continue to be very strong. Biotech companies are making money. Biotech companies are growing their revenue and their earnings. And what did we say about growth? Wall Street investors will pay almost any price for it.

This chart shows the Nasdaq, as measured by the QQQ ETF compared to the S&P500 so far in 2017. The Nasdaq is the mountain shown in light blue while the SP is the pink line.

Nasdaq compared to the S&P500

Do you remember what a great stock Microsoft (MSFT) was in the 1990's? It was a true darling of Wall Street with massive gains. Have you noticed that MSFT just recently exceeded its price/value from the 1990s? Sure, it took seventeen years, but finally, after chugging along for almost two decades, the stock is finally in the black again. Microsoft is making a ton of "new" money running server farms.

Another key observation:

When the tech boom started in the 1990's most of the rage was about Business-to-Business (B2B) companies greasing the wheels of commerce. The idea was that companies would use instant communications via the internet to manage their supply chains and drive profits through the roof. But something happened on the way to the roof. Business-to-Consumer (B2C) ended up winning.
It's not that B2B hasn't been happening. Industrial companies have indeed been using the internet to drive profits higher. Those companies that help industrials grease the wheels include SAP, Salesforce, Microsoft, Oracle, etc. But never have we seen growth rates of 60%, 70%, 100% in the industrial space.

We see those kinds of growth rates in the B2C space. Amazon, Netflix, and the earlier days of Apple and Google.

Choices on the Netflix Inc. application on a tablet device. Photographer: Chris Ratcliffe/Bloomberg

First the retail space has been eaten alive by a bookseller named Amazon. Next the Advertising space has been eaten alive by a B2C company named Facebook. Then the Broadcasting and Media space was eaten alive by Facebook, Twitter, Netflix, Reddit, and more.

When will the B2B space, led by industrials take the Nasdaq to the next level? It's beginning now. Self driving cars and trucks, as well as robots can do everything from fly you around (think

Jetsons) to design, build, and service jet engines. Semiconductors are taking the lead in the next leg.

The good news for you is that the next leg is just getting started and you are just reading this.

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