

The Outlook: Oct. 4, 2016

Intel breaks out: in the market and the future world.

10 Years of Intel: Dividends and Share Price



Intel has been getting some startled looks from Wall Street's finest, lately. They've been writing articles with headlines like, "Intel *Finally* Breaks Out of Its 15-year Doldrums," and so on. That's the usual exaggeration, but it's absolutely true it's been a long, trying wait for us Intel investors . . . except for collecting Intel's dividends, which have grown well enough.

The apparent cause for the market's recent enthusiasm has been news that Personal Computer sales might possibly be showing a little strength lately . . . or at least pausing for a while before resuming their seeming long-term plunge toward insignificance. Like almost every "Tech Giant" of the 1990's, Intel became a prisoner of its own spectacular success in those early days. It so dominated the market for the "brain chips" inside desktop computers that it's taking the company many years to grow its other product lines enough to offset the major slowdown in that Personal Computer market, over the past 5 to 10 years.

Outlook kept buying Intel through these years of its "slump" because we believe the company is the best chip manufacturer in the world, and its strong leadership team would eventually succeed in using that strength to grow new product lines, or accelerate old product lines which still have a lot of growth left—like server chips for computing-intensive businesses, and innovative memory chips for the entire memory industry (in partnership with Micron.) Also, and most important, we bought Intel because the market was generally valuing the company as if it had no future to speak of—as the market always values companies working to fix serious problems.

If we're going to succeed with Intel, we're going to have to be right about its ability to create chips for the next stages of the Tech Revolution which began in those 1990's. So a recent press release caught our eye. "Luxottica and Intel Launch Smart Eyewear: Radar Pace." Here are the key explanations from the item:

Radar Pace's natural voice interaction, powered by Intel® Real Speech, allows athletes to ask Radar Pace questions, receive real-time feedback and improve their understanding of the performance metrics tracked by the eyewear and external sensors. The device is intuitive, natural and hands-free so athletes can communicate with the system in a live, natural way during workouts.

With smart technology, external sensors and the Radar Pace app, the device collects and analyzes personal performance data (including power output, heart rate, speed, cadence, time, pace and distance) and equips athletes with rich information and real-time, audio coaching. The customized running or cycling programs calibrate based on performance, track performance compliance and adjust to make up for missed workouts. Instead of just giving athletes data, Radar Pace provides actionable feedback that is easy to digest, understand and implement.

In other words, Radar Pace glasses “see” what a runner is actually doing, “know” what he is trying to do, and tell him how to do it better.

As a lifetime distance runner, we are completely uninterested in buying Radar Pace. If by now, with all those decades of aching miles behind us, we don't know when we're running well and when we're running badly, and why . . . then we're probably not going to take Radar Pace's advice with good grace, as it tells us just how miserably we're performing. But this press release says something much, much more important. It gives us a flash of insight into how powerful and life-changing the famous “Internet of Things” will actually be. There are all kinds of physical activities far beyond running, on the seriousness scale: like learning surgery in med school; driving a car at 16; flying an F-35 fighter at 25; repairing a furnace or a gas engine; and on and on for a very long list. It strikes us at Outlook that the tools built into Radar Pace will surely be extended to “coaching” a remarkable array of skills, in business and personal life.

The world quite often seems to limp along, just barely, under an incredible burden of awful political leadership and the anti-growth economic burdens imposed by that so-called leadership. But the main things which have offset those burdens throughout modern history are human determination and ingenuity. The “Tech Revolution” begun decades ago is the creation of such ingenuity, and at Outlook we are certain that its benefits and life-changing surprises are far from over. We think we'll be seeing many more positive surprises in the years to come. Intel's “Radar Pace” item shed some welcome light on the likelihood and nature of those surprises.

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