**Whitney Tilson – My Favorite Stock Ideas**

Whitney looks back on a year ago…

Last year was carnage. The average individual’s portfolio was down 40%. But this was good news for long term investors…

Whitney was bullish at the time. He thought inflation peaked, and that was good for stocks. His recommendations last year included Berkshire-Hathaway (BRK.A), which outperformed over the S&P. He liked Netflix, which has outperformed slightly. And he liked Meta, which has tripled since then. All three are still buys.

Whitney finds frauds, fads and things investors should avoid (or even short). His least favorite twelve stocks are down another 49% on average, while the S&P 500 is up 14%.

Whitney’s view today is generally bullish – or constructive – on the markets.

Inflation *has* peaked and come way down. But what’s interesting is one third of that is shelter costs. So how do you measure that?

The government uses owner’s equivalent rent. This makes up a rent payment for homes that actually pay mortgages.

When COVID hit, apartment prices hit the roof. But now they’re negative, year over year. And owner’s equivalent rent (which, again, is a made-up figure) is pushing up the inflation data. But if you strip this out, inflation is right about at the Fed’s 2% target. Whitney expects it to fall further.

Plus, business’ inflation expectations are low. And these expectations have a real effect on inflation.

Unemployment is near all-time lows. The recession has not happened. Wages are growing slightly faster than inflation. That’s good for the economy.

Manufacture construction spending is booming too…

But our government debt is currently $33 trillion and rising. That sounds bad. But we’re not the worst when you compare that to GDP. We’re still less than Japan in this metric. And folks who bet against Japan using the same thesis in the past lost a ton of money. So this is not a worrying metric to Whitney.

Our tax burden is low relative to the globe. So we can raise taxes to pay debt if needed. It won’t be a calamity.

Households have tons of assets, $4 trillion in cash, and an all-time high in residential values. Owners’ equity in real estate is at an all-time high too.

Consumer spending is back to all-time highs, too… so things may not be as bad as some other speakers believe. Don’t get shaken out.

Whitney remains constructive. And after a big pullback last year, the average stock is flat. So it’s not bubble territory.

In the long run, stocks are the best place to be. But you can’t bail based on short term volatility.

Sometimes people invest more or less depending on which political party is in power. This is a mistake. Timing the market based on politics lead to a fraction of the returns you’d have if you just left your cash in the market. So it’s important not to let politics affect your investing thesis either.

Be holistic with media intake to avoid getting shaken by politics. Stay off social media, too.

Whitney has a new sector he’d like to talk about… electric vertical takeoff and landing (eVTOL) companies. The two stocks in the sector are Joby Aviation (JOBY) and Archer Aviation (ACHR).

These guys build electric helicopters that are wildly innovative.

eVTOLs are for one pilot and four passengers. They’re battery powered and super quiet. They have shorter range than helicopters, due to batteries. And they cost about 2/3 less than traditional helicopter manufacture.

They’re safer, too, because there’s no single point of failure. They have multiple rotors… and wings. Plus, they’re lightweight. So you can glide into a landing if there’s a failure.

The quiet is critical too. Sound ordinances make helicopters hard to use in many areas. But eVTOL makes that irrelevant. The military is interested in this quiet tech too. The first JOBY brand evTOL was delivered to the U.S. military.

What’s more, it’s easy to fly them. It’s as simple as a video game. Helicopters require great mastery.

Both companies sell aircraft and run air taxi services.

The two eVTOL companies (JOBY and ARCHER) have a few differences. Joby produces everything in house. Archer outsources some components. Joby is like Ferrari, and Archer like Honda.

If Whitney were running a hedge fund, he’d put 3% in JOBY and 1% in Archer. But these companies aren’t generating revenue yet.

But Whitney thinks they’re not stocks you want to short. They’re innovative. They’re easy for a bigger entity to buy. And the government is very supportive.

Engineers are building new lightweight batteries and motors. So a company might quickly snap them up if they succeed. And the U.S. government is pulling out all the stops to make sure the evTOL breakthrough an American technology.

Whitney lost a lot of cash shorting Netflix and Tesla. And he feels the same kind of energy with evTOL companies as he did with these disruptors. But this time he’s bullish.

Archer and Joby have great CEOs, and radical products. Consider adding Joby or Archer to your portfolio today.