You Will Get 80 Trillion Dollars If You Read This Closely

Oct 11, 2023 • Christopher Kalitin

It's true that an author will do just about anything to keep your attention, but I am serious about the title of this post.

You must apply the Law of Accelerating Returns to your investment philosophy.

If you bought Tesla stock 10 years ago and held you'd be up 21x
If you bought Apple stock 10 years ago and held you'd be up 9x
If you bought Amazon stock 10 years ago and held you'd be up 7x

With this data is it obvious that predicting the next companies to 10x is the best investment strategy. 10% per year in the S&P 500 is fine, 2.6x over 10 years. However, a 25% CAGR with companies that 10x every decade will make you a billionaire.

Now the question has been reframed.
It is no longer: "How do I invest." This is obviously a question for dumb people.
Now the question is: "Which industries will undergo exponential growth over the next 10+ years and which companies will be the winners in those industries."

It is important to start with industries, not companies. Companies are individual entities so they are difficult to predict individually. Entire industries are much larger and thus easier to predict.

The Law of Accelerating Returns and S-curves can be applied to any segment as a method of understanding if that segment will undergo exponential growth.

The only method I've found for predicting which companies will be the winners in a segment is to extrapolate the future progress of current companies. I have made models of Tesla, SpaceX, RocketLab, and NVIDIA. As opposed to industries, these models require much more thought and effort. It is much more difficult to predict the future of a company than the future of an industry, there is a reason Kurzweil predicted industries and not companies.

I am making many predictions now so that in 10 years I will understand if I was correct or not.

That is the purpose of this post.

These are my predictions for the future:

1. EV adoption will follow an S-curve and will be greater than 80% of new car sales by 2030.
2. More than 50% of total kilometres driven will be autonomous by 2033.
3. The growth of renewable energy will follow an S-curve.
4. In 2050, solar will be the largest source of energy on Earth. Barring any fusion breakthroughs.
5. Space Applications (eg. Starlink) will grow exponentially long into the future.
6. AI Robot's takeover of labour will follow an S-curve. This will be the largest economic paradigm shift in human history.

A note on fusion: If there is a fusion breakthrough that allows for cheaper energy generation than future solar, its adoption will follow an S-Curve. Currently the S-curves of renewable energy are much clearer than that of fusion, as fusion is an R&D project. In the future, it may make sense to invest more in fusion but currently it is high risk and difficult to invest in.

With the predictions I made above, I can now make predictions about the future of industries and companies.

1. There will be a paradigm shift in the automotive industry away from personal ownership of ICE vehicles to Autonomous Robotaxi EVs.
2. The energy industry will be dominated by solar and wind.
3. Space Applications will grow exponentially.
4. The use cases of AI will grow exponentially.

Which companies are poised to be the winners in these industries?

1. Tesla - Leader in EVs, Autonomous Driving, Solar Energy Generation, and Energy Storage
2. SpaceX - Leader in Space Launch and Space Applications
3. Rocket Lab - Second Place in Space Launch and Space Applications Hardware
4. NVIDIA - Leader in AI Training Hardware and Software, although hopefully not for long

You don't need to invest in the industry leader. If you want to be safe, go ahead and buy to S&P 500 too.

To illustrate this point, Rocket Lab is starting from a much lower base than SpaceX. $2B vs $150B market caps. Easier to compound at a lower base. I'd bet that Rocket Lab's launch business will compound more than SpaceX's in the next 10 years. 4x vs. 7x by 2031 in my Models.

Comma AI is worth ~$100M, Tesla is worth ~$800B. Comma will hopefully never "sell out to the bankers" so good luck investing in them.

Ease of investment is also a concern. Rocket Lab and Tesla are public.

Short-term investing is for idiots, obviously.

Short-term investing is predicting the stock market.
Long-term investing is predicting the company and the segment.

It is possible to successfully invest short term. But it is much more difficult and less interesting. Do you really want to worry about what the FED will do to interest rates next month? I'd rather model the future of humanity.

To further illustrate this, consider the CAGR/time ratio. What is the point of day trading 10hr/day when you can get similar returns in the S&P 500 for 1s/day.

The economy is growing exponentially, this is what allows for seemingly impossible predictions.

In 1980, the company will the highest profit was Exxon Mobil with a profit of 4.2 billion dollars.
In 2000, it was General Motors with a profit of 6 billion dollars.
In 2022, it was Saudi Aramco at 300 billion dollars. Apple in second place with $122B.

In 2000, Microsoft was the most valuable company at ~400 billion dollars.
Now, Apple is worth 2.8 Trillion dollars.

This is why you will get 80 Trillion dollars. Extrapolate these exponential trends into the future.

If the investment philosophy laid out above is correct, I will be a billionaire.

One million is only 3 10x's away from one billion. This will take 3 decades from the point where I have one million dollars to become a billionaire. That is a long time, but it is achievable.

you - pronoun
Used to refer to the person or ***people*** that the speaker is addressing.

Kurzweil began the chapter 'The Singularity as Economic Imperative' in The Singularity is Near the same way I began this post. "You will get 80 Trillion dollars just by reading this section and understanding what it says"

You collectively will all get 80+ trillion dollars if you understand this post. Although, depending on how far you look, this number could be orders of magnitude higher.

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