

AI-00798 Market as Voting Machine

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In the short run, the market is a voting machine, but in the long run, it is a weighing machine.

Here are a few ways to rewrite the quote:

- **Shorter and simpler:** Stock prices swing on popularity in the short term, but settle on a company's true value in the long run.
- **More descriptive:** In the immediate timeframe, the market reacts to emotions and trends, driving prices up or down. However, over time, the market considers a company's fundamentals, like its earnings and growth potential, to determine its fair value.
- **More metaphorical:** Think of the market as a popularity contest initially. Everyone casts their vote (buys or sells) based on what's hot. But eventually, the market transforms into a scale, where a company's weight (its true worth) is measured.