Blink and its Gone

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That is your investment if you are are a short seller betting that the stock valuation of this car charging firm must go down. After all this firm, headed by a man with a history of shady business dealings, and a revenue stream all of $5.5 million in 2020, must be doing something right to inflate that into a company with over $2 billion market value.

Perhaps there is something endearing about a company announcing that it's rather likely it will be bankrupt within a year. Financial regulations requires a firm that does not have enough available cash for 18 months of operations to file a warning for investors. Blink did so in May of last year announcing that business was so bad as to *"raise substantial doubt about the Company's ability to continue as a going concern within a year..."* Investors clearly did not detect a sense of defeat and doom in these words, rather it was perceived as a declaration of war, struggle, courage, never-say-die panache.

And then many investors care more about the origin of a company rather than its present state. Blink began in 2006 as New Image Concepts Inc. for the purpose of providing personal consulting services related to grooming, wardrobe and entertainment. What comes next is obvious: to boost ones appearance and entertainment enjoyment one must have charged transportation. Then in a 2009 share exchange (?!) the future CEO of Blink became the CEO of Car Charging Inc. which for a few million dollars purchased a bankrupt firm that had received more than $100 million in grants (gifts) US Department of Energy to install car chargers around the country. At that point Blink got its name.

But in America innovation is always rewarded. To make such a scheme as Blink work its founder deserves the $22 millions in shares he recently sold. The $6.5 million accrued between 2016-2019, more than half the total revenue in those years, is icing on a cake that can only be baked in America.

Economic Info

– The recent GameStop, etc., shorts playing investment schemes that saw hundreds of millions changing hands among the most preternaturally worthless people among us has led to investigations and a proposal for a transaction tax that will make high frequency trading too expensive for some investors. Representative DeFazio is proposing a 0.1% Financial Transactions Tax. A $10,000 toss of the dice would at $10 to the treasury. Sanders would prefer a 0.5% tax. Traders are screaming that it would kill the market. No it wouldn't – which is too bad.

A recent angry column in the NY Times complaining that bubbilicious market values are deceiving as to the real health of the economy. But they never reflected real economy health except by chance. If anything, they reflect after tax corporate profits, much of which probably came from stock buybacks.

– China recently developed loan schemes with poorer countries in which China will accept payment in the currency of the country receiving the loan which will be denominated in China's currency. Which, of course, will be spent doing business with China. It has now made an agreement with the EU liberalizing investments between them. Both undermine US financial domination and has much to do with the recent steady decline in the value of the dollar.

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