In this file photo, people stand online next to the PlayStation booth at the 24th Electronic Entertainment Expo E3 at the Los Angeles Convention Center. (AP)

Sony's new $500 PlayStation 5 will launch Nov 12

Sony's upcoming PlayStation 5 video game console will cost $500 and launch Nov. 12, the company said Wednesday, setting up a holiday battle with Microsoft's Xbox Series X over whose new console will turn up under more trees this year.

Video game fans have been chomping at the bit for the new consoles, and not just because they've been stuck inside since March. The roughly 7-year life cycle of a video game console has been nearing an end. Both predecessor consoles, the Xbox One and the PlayStation 4, launched in 2013.

The new consoles promise faster load times, souped up graphics and new games. Sony's console is also more expensive this time around; the PS4 launched for $400 in 2013.

Sony's PS5 will come in two different models - a standard version with an Ultra HD Blu-ray disc drive for $500, and a digital-oriented version with no disk drive that costs $400. While you can still buy games on optical disks, it's increasingly common for gamers to download them in digital form instead. The US, Japan, Mexico, Australia, New Zealand and South Korea will see the console on Nov. 12; everywhere else will get it a week later.

In a presentation Wednesday, Sony previewed games including "Spider-Man: Miles Morales," which will be available at launch, and a Harry Potter game, "Hogwarts Legacy," which will be out in 2021. It gave a sneak peak of "Final Fantasy XVI," which will be exclusive to PlayStation, but did not specify when that game will launch. Last week, Microsoft said its Xbox Series X will cost $500 and debut Nov 10, just ahead of the holidays. A stripped down version, Xbox Series S, will cost $300 and be available at the same time. Pre-orders begin Sept. 22. New video games at launch include "Assassin's Creed Valhalla," "Gears Tactics," "Dirt 5," and "Watch Dogs Legion." (AP)

Business Plus

Fires unlikely to make much of a dent in overall $20 trillion US economy

Wildfires intensify economic pain in the West

Smoke from wildfires fills the sky over Pasadena, Calif, in this view looking east down Colorado Boulevard in a Sept 12, 2020 file photo. The fires consuming the forests of California and Oregon and darkening the skies over San Francisco and Portland are also damaging an economy already struggling with the coronavirus outbreak. In the communities where they are raging, wildfires are destroying property, running up huge losses for property insurers and putting a strain on economic activity that could linger for a year or more. (AP)

'We know that the damage is widespread, but we don't really know how many homes, how many structures have been destroyed'

By Paul Wiseman

The fires consuming the forests of California and Oregon and darkening the skies over San Francisco and Portland are also damaging a regional economy already singed by the coronavirus outbreak.

Wildfires are destroying property, running up huge losses for property insurers and putting a strain on economic activity along the West Coast that could linger for a year or more.

The credit rating agency A.M. Best estimates that insured losses from the blazes in California could top the unprecedented $13 billion recorded in 2017 when the state was hit by three of the five costliest fires in US history.

"We know that the damage is widespread, but we don't really know how many homes, how many structures have been destroyed," said Adam Kamins, an economist who tracks natural disasters for Moody's Analytics. "I imagine the number is going to be an unbearably high one.''

The fires are unlikely to make much of a dent in the overall $20 trillion US economy. The financial fallout will be measured in the low billions of dollars, not in hundreds of billions or trillions. To make a nationwide impact, Kamins said, it would take something like Hurricane Katrina in 2005, which disrupted oil supplies.

But the economic pain will be intense in areas decimated by fire, especially poor towns in rural Oregon and California, piling on at a time when many businesses have already succumbed to the pandemic-induced recession. US economic activity collapsed at a record 31.7% annual pace from April through June. The virus and the steps meant to contain it have thrown millions of Americans out of work.

Fire wiped out much of the small community of Phoenix, in southern Oregon, including downtown businesses like La Tapatia, a Mexican restaurant opened in 1992.

"Good places like our own La Tapatia, but so many other family run businesses, (were) destroyed by the massive fire," its owners informed patrons in a Facebook post, adding there was "lots to do" but they hoped to some day reopen.

Five hours away in coastal Lincoln City, Oregon, the Autobahn 101 survived, but the couple who own the German-style pub lost their home, their chickens and nearly all of their personal belongings to fire. They sleep in a back room of the roadside business.

The pub had already scaled back hours because of the pandemic, but co-owner Roy Baker was optimistic about its future and still has dreams of opening a small brewery inside a shipping container out back.

"We're getting back on our feet," said Baker, who temporarily reopened Sunday after rewiring the pub's electricity and discarding food that spoiled after days without power. "Everybody's coming together and helping each other."

The Bakers were among thousands of Oregonians who evacuated; dozens are missing and feared dead.

In California, nearly 17,000 fire-fighters are battling 29 major wildfires. Since mid-August the blazes have destroyed 4,100 buildings and killed 22 people in the state. Fires have engulfed 3.3 million acres of land in California this year – desolation greater in size than Connecticut.

"This is like living through an apocalypse, '' said Sarah Trubnick from San Francisco, where smoke from the fires has blotted out the sun.

Trubnick had to temporarily close her restaurant and wine bar, the Barrel Room, in the city's financial district two weeks ago because of the pandemic. Even her restaurateur friends who managed to stay open are now struggling with smoke that makes outdoor seating impossible. "It's like every day is something new,'' she said.

Wildfires once did little economic damage because they occurred in remote forests. But Americans increasingly have moved into what was once wilderness, leaving themselves, and their homes and businesses more vulnerable.

In 2014, Max Nielsen-Pincus, chair of the environmental science and management department at Portland State University, and researchers from the University of Oregon and the US Forest Service studied the economic impact of wildfires. They found the fires actually generated short-term economic gains in small communities as fire-fighters checked into local hotels and ate at local restaurants. Local laborers cleared roads and helped rebuild.

But such economic bumps are usually short-lived. By spring, affected economies typically lost momentum and fell into a period of slower growth that could last up to 18 months. Tourism could suffer because "visitors may not want to return fearing a blackened landscape,'' according to the paper published in the journal Forest Policy and Economics. And economic activity such as logging can be wiped out.

Rebuilding can kick start a local economy, but a lack of resources to see those plans through can lead to "a period of limbo.''

"Urban areas like the suburbs of Portland – they'll probably recover pretty quickly," Nielsen-Pincus said in an interview. "But these rural communities that are impacted by nearby fires – this could be a drag on their economy that lasts months or years.''

He said poor rural communities, like those in Oregon's hard-hit Santiam Canyon east of Salem, will need federal and state aid.

Wildfires have grown increasingly common. California, for instance, recorded 43 from 1980 to 1999 – but 300 from 2000 to 2019. Oregon had no wildfires from 1980 to 1999 but 63 from over the past 20 years, according to federal data analyzed by the insurance website QuoteWizard.

All five of the costliest fires in US history, measured by insured losses, have occurred in the last three years, all in California, according to the Insurance Information Institute. That includes the November 2018 Camp Fire that destroyed Paradise, California, and left more than 80 people dead and up to $10.7 billion in insured losses. (AP)

Fund managers rank another tech bubble as the No. 2 risk

Yes, stocks are pricey. But too expensive?

'Stocks have climbed this high on expectations that profits and the economy will resume growing after a vaccine for the new coronavirus hits the market.'

NEW YORK, Sept 17, (AP): Yes, stocks are expensive. Most everyone along Wall Street agrees on that following their amazing return to records despite the still-raging pandemic.

But whether that's something to worry about? Another question entirely.

Analysts have many ways to measure whether a stock is over- or under-valued, rather than simply looking at its price. Because stocks tend to move with corporate profits over the long term, one favored method is to divide a stock's price by how much profit per share the company made over the prior 12 months. The higher that number is, the more expensive - and less attractive - the stock is.

By that measure, the S&P 500 this month hit its most expensive level since late 2000, shortly after the dot-com bubble burst.

The index also looks pricey by other measures. Compared to what analysts are forecasting for its earnings in the upcoming 12 months, the S&P 500 earlier this month also was at its highest level since 2000.

The 'Fearless Girl' bronze sculpture looks towards the New York Stock Exchange on Sept 10, in New York. Most everyone along Wall Street agrees that stocks are expensive following their amazing return to records despite the still-raging pandemic. (AP)

A third measuring stick, popularized by Nobel prize-winning economist Robert Shiller at Yale University, says the S&P 500 was recently trading at more than 30 times its average earnings over the last 10 years, adjusted for inflation. That's above its average of 26.1 over the last decade or of 20.5 over the last 50 years.

High valuations are nothing new, when seen through the lens of what's often called the "Buffett indicator," which is named after famed value investor Warren Buffett and looks at the total market value of stocks relative to the overall size of the economy. It's been higher than the U.S. gross domestic product from 2010 onward.

The argument for being worried about such numbers is simple: When stock prices are high, compared with corporate profits, they leave little room for error and mean stocks may not be worth their price tags. Such worries got some validation in recent weeks after stocks with some of the highest valuations - technology stocks - slumped sharply for no clear reason.

Global fund managers rank another tech bubble as the No. 2 risk that could swamp investments, just after a second wave of coronavirus infections, according to the most recent monthly survey by BofA Global Research.

"The argument for being OK with high valuations is more nuanced. Stocks have climbed this high on expectations that profits and the economy will resume growing after a vaccine for the new coronavirus hits the market." That may come as early as the first three months of 2021, according to many investors.

Also, interest rates have almost never been this low before. The Federal Reserve has said it will keep short-term rates pinned at nearly zero for a while to help the economy recover, and it may even wait to raise rates until after inflation rises above its target level. On Wednesday, it voted again not to touch short-term rates.

Lower interest rates generally mean higher valuations for stocks. For one, it means bonds are paying less in interest, which makes them relatively less appealing than stocks. It also means the future cash flows that companies are expected to generate are worth more in today's dollars than they would have been if interest rates were higher.

That's part of the reason why Goldman Sachs strategists say the S&P 500 could end the year at 3,600, a nearly 6% rise from Tuesday's close, although they acknowledge today's valuations are already high.