

# Week In Review

OLLI-GMU Investment Forum

March 25, 2026

Today: Market whiplash

Sum of all fears: Wars + AI + Tariffs + Private Credit + Inflation + Fed = ???

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Disclaimer: I am not a certified financial analyst.

Any trading decisions you make are your responsibility

# Economic Commentary

- How long will the war in Iran last?
  - Beyond 90 days: recession likely in my opinion
  - Oil, Nat Gas, fertilizer most affected
- Survey of economists sees 30-40% chance of recession (WSJ)
- Interest rates are rising in response
- Home sales flat in February at 4M; median price rises to \$398K
  - Homebuyers waiting for mortgage rates to decline
- Gasoline up \$1.02 nationwide to near \$4/gal
- Unemployment steady at 4.4% (BLS)
- Inflation in February rose to 0.3% from 0.2% in January (BLS)
- **Fed Chief Powell: (Mar 18)** “Federal Reserve Chair Jerome Powell started his press conference by touting “solid” economic growth. ....The impacts of the war in the Middle East on the U.S. economy are “uncertain,” he added. Consumer spending and business investment are healthy, Powell said, but the housing market is showing weakness. “ (WSJ)

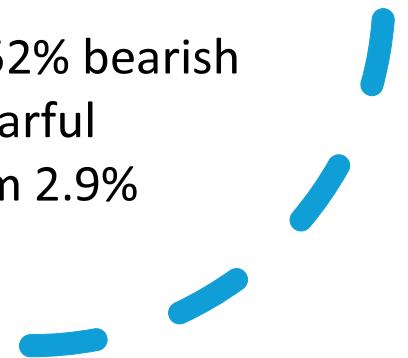
# Let's look at housing

- Average 30-year mortgage 6.2% and rising
- Listings are up 8% YoY
- Prices in Miami, Denver, Austin and SoCal are declining sharply
  - Price reductions rising rapidly
  - Home prices are up 40% since 2020
- Sales of newly built single-family homes fell 17.6% in January – bad weather
- New single-family home inventory in January rose to 476,000 units, **4.0% lower than a year earlier. This represents a 9.7 months' supply** at the current building pace.
- The median new home sale price is \$400,500, down 6.8% from a year ago.
- On a year-to-date basis, nationally, new home sales rose 1.4%.
- Contract cancellations and price cuts running about average
- KB Homes quarterly report very weak – missed earnings, revenue

# Market commentary

Flight to safety and dividends last week

- Stock market is very fearful right now
  - Oil spike may lead to higher inflation
  - Rotating away from risk assets toward hard assets
- Software firms under the gun from AI effects
  - Layoffs emerging: Oracle, Block, Meta et al
- Private credit market continues selling off – overblown?
  - Market fear vs actual performance
- Gold sold off, down 15% in 30 days; profit taking likely
- Dividend, value, real estate stocks back in vogue
- VIX: rose to 27: moderately fearful (oblivious?)
- CNN fear gauge: 14: extremely fearful
- AAI investor sentiment: 30% bullish; 52% bearish
- Put/Call ratio rising to .9; extremely fearful
- Junk bond spreads: Rising to 3.3% from 2.9%



# Who is Global Leisure Properties?

- Triple net lease REIT
- Own 71 “experiential” properties
  - 100% occupancy
- Strong pipeline of new investments (\$2B)
- Investment grade balance sheet by S&P, Moody’s, Fitch
- Geographically diverse: 21 states
- 20 employees total, based in NYC
- Cash flow yield: 6.5%
- Debt to equity: 54%
- Return on equity: 6.9%
- Price to FFO: 11.9
- Price to book value: 2.8
- Beta: 0.70
- Morningstar: \*\*\*\*\*, fair value \$53
  - Current price: 46
- Value Line: Timeliness 3, Safety 2
- Simply Wall St fair value: 97
- SA: \$54

# Now what?

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- Maybe NO Fed interest rate cuts in 2026 – inflation returning?
- Best places to hide: Cash, dividend stocks
- Markets will turn depending on which way oil prices turn
- **US economy is strong but....with overwhelming geo-political uncertainty**
  - Strong stimulants in place – OBBB tax relief
  - Consumer spending is split among haves and have nots; overall strong
- Labor market is stronger than expected
- Inflation seems to be under control - for now
- Stock market is still very expensive: Forward PE = 22
  - Diversify!
  - Protect yourself with automated stop loss orders; or put options as insurance

If you would like to acquire these slides, email me at:

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# Commonly Used Tools and Sources

- Wall St. Journal
- **Barron's**
- Bloomberg
- Reuters
- BEA/BLS
- FRED: St Louis Federal Reserve Bank
- Simply Safe Dividends
- StockCharts.com
- Seeking Alpha
- Yahoo Finance
- Fidelity, Vanguard, Schwab tools
  - Other financial advisors' trades
- Fairfax County Library (free Morningstar and Value Line access)
- TipRanks.com
- Portfolio Pilot

