

Week In Review

OLLI-GMU Investment Forum

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Today: Winners: Semi-conductors; green energy

Loser: Transport

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Disclaimer: I am not a certified financial analyst.

Any trading decisions you make are your responsibility

Economic commentary

- Persian Gulf violence flares up – oil prices fluctuating
- Fed holds interest rates steady
- Consumer price index rose 0.9% in March, led by energy
- Gasoline average price rose to \$4.47 nationally
- Consumer discretionary/ transport items are under pressure
- Consumer staples are steady thus far
- Unemployment steady at 4.3%; unemployment claims dropping
- Housing market steady
 - Housing starts rose 10.8% in March while building permits fell 10.8%
- S&P500 Q1 earnings coming in at 19% above YoY
- National debt exceeded GDP for the first time
 - US “fiscal incontinence”
- 63% of S&P500 companies have reported Q1 earnings
 - Averaging 27% higher YoY; best in 4 years
- Airlines and cruise lines under pressure given high fuel costs

Market commentary

- Bloomberg: “earnings momentum remains strong enough to absorb higher yields and geopolitical risk.”
- Barron’s: “Goldman Sachs analysts suggest fears of AI disruption for some software and data services firms are “overdone,” despite significant stock pullbacks.”
- Apple reports record revenue, profits
- Mag 7 profits very healthy driven by private equity investments
- Mastercard reported strong Q1: revenue up 16%
- Gold has had its worst two months in history
- Amazon launches Amazon Supply Chain Services (ASCS)
 - FedEx and UPS stocks crushed
- Norwegian Cruise Lines issues profit warnings: high fuel costs
- CNN fear gauge: 67 - greedy
- VIX: 17 - neutral
- Recent suggestions:
 - GLPI: up 4% since March 25
 - FRDM up 14% since April 1
 - IGV: up 12% since April 8
 - XLK: up 19% since April 8

Now what?

- NO Fed interest rate cuts in 2026 – inflation returning?
- US economy is strong but....with overwhelming geo-political uncertainty
- Stock market is expensive: Forward PE = 27

GLTA

"The difference between death and taxes is death doesn't get worse every time Congress meets." Will Rogers

If you would like to acquire these slides, email me at: David.Toms@comcast.net