

Week In Review

OLLI-GMU Investment Forum

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Today: AI selloff boosts the bond market

Inflation review

What is a discounted cash flow (DCF) analysis?

David Toms

Disclaimer: I am not a certified financial analyst.

Any trading decisions you make are your responsibility

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David.toms@comcast.net

US Economic commentary

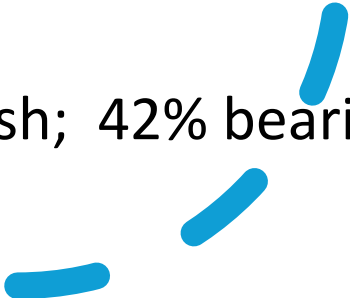
We have a strong economy amid considerable uncertainty

- Sum of all fears: wars, oil prices, inflation, government debt, AI goes rogue
- US national debt reached \$40T in Sep.
 - Up \$2T this year vs. \$1.75T last year
- Bonds are on sale: best yields in 25 years
- Retail sales for Sep up 0.8%, vs 0.7% est
 - Consumer is in good shape
- Housing market is suffering with high interest rates
- Inflation rose to 3.7% from 3.1% last month
- Unemployment steady at 4.2%; labor is stable
- Gas \$4.34; diesel is \$6.27 / gal
- Social security COLA 3.6%

Market Commentary

Stocks getting
nervous

Bond prices are
dropping; yields
looking ever more
attractive

- Stock market torn between AI fears and lucrative bond yields
 - Semi-conductors making a comeback
 - Earnings season is going well
 - Energy and technology are leading
 - Banks struggling to keep up
 - CNN fear gauge: 23; extreme fear
 - VIX: rose to 19; fearful
 - AAI Investor survey: 39% bullish; 42% bearish
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Now what?

Quote of the day:

“I am a member of no organized political party. I am a Democrat.” Will Rogers, 1909

- US economy is strong amid significant uncertainty:
 - War with Iran, Russia-Ukraine war; oil prices, inflation; government debt, AI goes rogue
- Stock market is getting nervous about AI
- Bond market yields have dropped, but still highest since 2002
- Protect yourself through diversification, stop loss orders and put options

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