

Semi-Annual Outlook: January 2025 – Pragmatic Optimism

Looking back, 2024 clearly echoed many of the themes from the prior year. By and large, the economy continued to defy expectations and surprised once again to the upside. Stocks continued their strong performance, driven by powerful trends in artificial intelligence and technology. On the other hand, the bond market experienced another lackluster year amid policy ambiguity and uneasiness over rising debt levels.

As LPL Research looks to 2025, we're cautiously optimistic. We're cautious because no market environment is ever permanent, yet optimistic since constructive long-term technology trends are in place. Plus, potential tax policy and deregulation efforts in 2025 could provide some tailwinds. While growth asset returns are not expected to be as robust in 2025, the investment environment should prove to be favorable for investors.

We leverage the expertise of the [LPL Research leadership team](#), who identify potential risks and opportunities. For 2025, new fiscal and regulatory policies will need to be digested, and relatively rich valuations may get tested. For the time being, this backdrop favors a constructive, but also a conservative and balanced approach, when it comes to tactical stock and bond allocations.

LPL Research is committed to supporting our financial advisors, our institutions, and their clients throughout every market cycle. We remain incredibly grateful for the confidence bestowed upon us. To view the complete Outlook 2025: Pragmatic Optimism, [click here](#). (link to <https://www.lpl.com/content/dam/edam/series/outlook/outlook-2025-digital.pdf>)