

May 8, 2025

Good Morning,

Despite their differences, the Federal Reserve and President Trump appear to have one very important thing in common: both are on pause. Yesterday the Fed left interest rates unchanged in a range of 4.25% to 4.50%. Chair Powell cited uncertainty regarding the impacts of pending tariffs as the main reason for keeping rates steady. With Trump about one-third of the way through his own 90-day "reciprocal" tariff break, it appears the Fed remains in a holding pattern of a similar length. While the economy continues to show reasonable strength, the stated tariffs could slow growth while pushing inflation up, and lowering rates too soon could jeopardize the Fed's objectives.

Warren Buffett announced he is stepping down as CEO of Berkshire Hathaway after 60 years at the helm. Known as the "Oracle of Omaha", Buffett is considered one of the greatest investors in American history. His specialty was understanding when a great company was undervalued. He would buy shares (and sometimes the whole company) and be patient, not expecting an immediate return. One of his famous quotes is our favorite: "Be fearful when others are greedy and be greedy when others are fearful." He is worth hundreds of billions of dollars and has pledged nearly his entire fortune to charity. He recently turned 94 years old.

In the past week, two F/A-18 Super Hornet fighter jets have slid off the deck of the USS Harry S. Truman carrier into the Red Sea. While no one was hurt seriously in the incidents, each jet costs US taxpayers \$60 million. The \$120 million in lost equipment is equivalent to the savings claimed by the Department of Government Efficiency in cuts to the New York State Department of Education (local foods initiative), the New York State Department of Agriculture (NY food for NY families initiative), and the New York State Department of Health and Human Services (Dept of Health) – **in the 24th Congressional District (ours), alone!** It is ironic that the losses occurred on the Truman. As a senator, President Truman gained national prominence as the chairman of the Truman Committee, which aimed to reduce waste and inefficiency in wartime contracts.

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As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

Hope we all see the sun again soon!

Wade

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