

June 2025

Dear Client,

As we approach the halfway point through 2025, here we are, trying to catch our breaths from the significant volatility in the stock market.

January and February started off with such promise, as the market soared to all-time highs, only for the **S&P 500** to dip, intraday in April, 20% from its peak, into a Bear market.

(Note, technically this was an unofficial Bear Market, as it did not close the day 20% down from Peak). Since then, it has rebounded significantly, as both the **Dow** and **S&P 500** index are now positive for 2025, (even after the strong returns for 2023 & 2024).

So, if you checked things on January 1st and didn't look again until the end of June – you would think, so far it was a very quiet year; and boy, you would have been so wrong!

That's the good news... The bad news is that we are probably in for more volatility (although hopefully, not to the level we witnessed over the past few months). The **Kiplinger Letter** noted that President Trump's first 100 days in office, which ended on April 30th, delivered the second worst market performance for a presidential debut since 1945, behind only Richard Nixon's second term. The financial markets roiled amid a barrage of executive orders on federal workforce firings, and on & off-again tariff rulings.

At this point, it's important to understand that most of the volatility was based around uncertainty. Tom Essaye, from the **Sevens Report**, noted that there is a ton of perceived uncertainty on numerous aspects of the economy and peoples' lives. Tariff and trade policies are totally unknown and the headlines reflect that. This has led to what was a collapse in investor and consumer confidence. Markets are afraid that all of this uncertainty will cause a dramatic reduction in consumer and business spending, which will cause an economic slowdown or worse, a recession. I mention this because we are not in a recession and the economy isn't falling off a cliff - but the longer we stay stuck in this chaotic environment around policy, the more risk we have in seeing a real slowdown, or worse.

(OVER)

Interest rates have also had volatility, with the push and pull of policy headlines. Through all the noise, the 3 Month Treasury yields about 4.35% while the 30-year Treasury yields about 4.85%. That's a very narrow spread from 3 months to 30 years. Interest rates have been in this narrow range, caught between worries of inflation and out of control government spending, to fear of a significant economic slowdown and anticipation of the Feds needing to ease rates to offset that slowdown.

For now, I think it's more of the same – we have to wait and see how things will evolve over the coming months. Our investment strategy here is the same as always, reap the market returns over time and trim allocations as needed to match your risk tolerance. Volatility can make you feel like you need to take some action, yet that is usually the worst possible time to do so! I know that I continue to repeat this advice, letter after letter, but it's simply a reminder, as I know that most of you are “battle tested” and understand that volatility is simply a part of investing.

Recently, I had the opportunity to attend an event at the **New York Stock Exchange**. Some of the brightest minds on **Wall Street** held informational sessions, including: Daniel Ives Managing Director, Global Head of Technology Research at Wedbush Securities; Thomas Lee, CIO and Portfolio Manager, Fundstrat Capital Co-founder, and Head of Research, Fundstrat; Dan Niles, Founder and Portfolio Manager, Niles investment Management; and Carter Worth, CEO and Founder of Worth Charting, LLC. Then, following these sessions, I attended a cocktail hour on the floor of the iconic **New York Stock Exchange** with some of the CNBC Correspondents.

This was such a great experience for me on so many levels. After being immersed in this business now for over 25 years, conferences and industry events like this continue to show me that our business persists on being in the forefront of comprehensive wealth management. Our mission here continues to be your trusted partner for all of your family's wealth related needs, today, and into the future.

Please remember, our team is only a call away should you need anything at all!

Sincerely,

A handwritten signature in black ink, appearing to read 'Bryan Bastoni', with a long horizontal flourish extending to the right.

Bryan Bastoni, CFP
CERTIFIED FINANCIAL PLANNER, TM