

February 27, 2025

Good Afternoon,

Have we seen the start of a market correction? It's likely too early to tell, but the S&P 500 Index has fallen more than 4% in the past week. The tech heavy NASDAQ Index has gone negative for the year after surging to strong start in January. Recent data show that consumer confidence has dropped sharply as people are beginning to worry about persistent inflation, the business environment, and future income (jobs). Markets are paying attention as the consumer drives the lion's share of the economy. Government spending contributes, as well, and there are doubts about that sector.

Last Wednesday, February 19th, marked the five-year anniversary of the "COVID Crash," the 23- trading day fall of 33.9% for the S&P 500 after its peak. That was a rough time for investors as we had never experienced a situation when the world's economy was shut down intentionally to fight a pandemic. Fortunately, we recovered our footing, and in the five years since that pre-COVID peak, the S&P has posted an annualized total return of 14.4%. So, even if we are entering a correction now, history tells us to be patient as we invest for the long term.

The US State Department's procurement forecast for 2025, which details purchases the agency expects to make, included [\\$400 million](#) for armored Tesla vehicles. Tesla is owned by the world's richest man and special government employee, Elon Musk. Last week, as this story started to make headlines, the document was [updated](#), changing "Armored Tesla" to "Armored Electric Vehicles," but the contract value remains the same. Meanwhile, the richest man in the world is cutting aid to the poorest citizens in the world. It seems there are better ways to make the US government more efficient.

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http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm

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.

The ice on my driveway is finally melting! Have a great week!

Wade

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