

February 6, 2025

Good Morning,

Volatility is theme of investment markets over the past several weeks. Political news is influencing investor sentiment and uncertainty is on the rise. However, tech investors have shown they are willing to “buy the dip.” Large drops in the prices of the big tech stocks have attracted new buyers looking for better prices. Quarterly corporate earnings have been generally strong, with a few exceptions. US manufacturing grew in January for the first time since 2022, and the job market remains steady. While stock valuations are historically high, investors seem confident that earnings growth will justify those elevated values.

The tragic fires surrounding Los Angeles are finally under control. Thirty percent of firefighters in California are prison inmates who earn between \$0.16 to \$0.74 an hour. They are tasked with cutting underbrush and vegetation to starve fires of fuel. While the inmates are volunteers, their ultra-low-wage labor is permitted under the 13th Amendment to the US Constitution, which reads, “Neither slavery nor involuntary servitude, except as a punishment for crime whereof the party shall have been duly convicted, shall exist within the United States, or any place subject to their jurisdiction.”

The Super Bowl is this Sunday, and the Bills came up just short – again. What’s even worse for Bills fans? In five of last 6 Super Bowls, Patrick Mahomes has been the quarterback for the AFC team. Before that, 5 of the last six Super Bowl games saw Tom Brady as the QB for the AFC team. They win everything and Buffalo fans are pretty sick of them. However, Brady did lose \$30 million when the crypto firm FTX went bankrupt, so that helped a little. (Sorry Tom.) And for this weekend only, Go Eagles!

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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.

Enjoy your weekend!

Wade

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