

March 21, 2025

**STRATOS**  
Investments of OneSeven

# WEEKEND AT BERNARD'S THE BULL MARKET MAY BE OVER FOR US STOCKS



The U.S. stock market benefited from record earnings from last quarter pushing the S&P 500 (5675) to new highs (6147) on February 19<sup>th</sup>, 2025. For the last four years the U.S. markets has had consistent policies that allowed the stock market to flourish. A strong GDP and low unemployment is no longer a given, based on the uncertainty that new U.S. government policies have created. Last year our country had one of the highest GDP's in decades. Continuation of these policies could have been favorable for investors. Unfortunately, the foundation for the stock market is no longer stable. Consumer confidence, GDP numbers, and unemployment claims have reacted significantly over the last month to the new political direction.

**Stratos S&P 500**

**Market Analysis**

**Stratos Initial Resistance:  
5892**

**Intermediate Support:  
5652**

**Primary Support  
5402**

**Base Camp Support:  
5191**

**Line in the Sand:  
4972**

Based on the uncertainty created by these economic policies, we expect the S&P 500 could fall at least 25% to 50%, with our initial downside target of 4610. Until the U.S. equity markets suffer these types of losses, we do not expect any change to the new extreme policies to take place.

The war on democracy for U.S. stocks is over. Over the last 10 years we have seen a struggle for democracy, which no longer exists in our eyes in S&P 500. Last year is a great example of how the top 10 companies dominated returns within the index. Most other companies seem to have become less important over the last 10 years. Large monopolies do not support a free market. U. S. politics and businesses are now more likely to continue this trend. What we recognize is the rules are changing each day, so it is harder for us to predict future market returns given the market uncertainty that seems to be based on lies. Markets historically do not like uncertainty. The foundation of trust is built on honesty and at some point, deception and lies will destroy all trust.

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The S&P 500 has already broken our initial support level of 5892 and our intermediate support level is 5652. We are raising our primary support to 5402 which we believe will be a normal technical correction.

We now consider our Stratos base camp support of 5191 as a possible re-entry point. Our Line in the Sand is 4972 and if broken, would confirm to us a new bear market.

Stratos thinks investing in long-term bonds is a mistake. We forecast interest rates will go up for the next 10 years or even longer. Any interest rate declines, even due to a recession, will be short term.

We now consider investing in bonds as high risk and may not meet your income needs nor protect you from inflation. The question is how soon will it be, before we see double-digit interest rates?

We continue to recommend alternative investments such as gold, silver, and commodities to move higher. Our initial target is gold (\$3,000) is \$3,400, which we predicted when gold prices were around \$1700 and \$47 for silver (\$32).

We also recommend exposure to Master Limited Partnerships and high equity income securities to generate income with potential growth. With oil (\$69) undervalued, Stratos anticipates energy prices will move higher in 2025 testing our initial resistance level of \$96.

Stratos remains bearish on U.S. stocks for the short term. Strong earnings and low unemployment may not enough to support a positive U.S. stocks market for 2025.

Good Trading for the Long Term.



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**Bernard K. Semon VICE PRESIDENT, INVESTMENTS  
PORTFOLIO MANAGER – STRATOS INVESTMENTS**

✉ [bernard@stratosoneseven.com](mailto:bernard@stratosoneseven.com)

🏠 210 N. Stanton St, Suite 3  
El Paso, Texas, 79901

