



Stratos S&P 500

Market Analysis

Bull Confirmation:
6144

Final Resistance
6015

Primary Resistance:
5927

Intermediate
Support:
5462

Primary Support:
5211

Line in the Sand:
4972

June 26, 2025

WEEKEND AT BERNARD'S



Bulls & Bears Watch Out! No Man's Land is Dangerous

Since last month, the S&P 500 (6141) has drifted higher, breaching Stratos' final resistance level of 6015, and is now in the zone I call "No Man's Land". For those who are not historians, "No Man's Land" is defined as disputed ground between the front lines or trenches of two opposing armies, the bulls and the bears. The current risks from a technical standpoint are too high to have a strong opinion on who will win this battle. Sooner or later, some of the 1001 uncertainties, that continue to grow on a daily basis, will have to be addressed. Next month there will be fiscal concerns about taxes and funding the U.S. government debt that are likely to create further worries. As I predicted, the honeymoon phase with this new administration is coming to an end this month. It may become more difficult for U.S. stocks to advance if the U.S. government chooses to pursue unfounded economic strategies.

In February's blog "Democracy is Over For U.S. Stocks", I forecasted the possibility of a major correction in the S&P 500. During this period, Stratos significantly reduced equity exposure by raising cash. Based on my Line in the Sand of 4972, Stratos equity portfolios became fully invested on April the 7th, the day S&P traded this year's low of 4835. I recently have increased cash near my final resistance level by selling under performing stocks, there by reducing risk, and taking some profits! I expect my intermediate support level of 5462 or my primary support level of 5211 to be tested again and may prove to be good re-entry points if the S&P 500 does make another technical correction this year.

Every year since 2008, I have been able to project a year-end target in the S&P 500, and in most cases, I have done quite well in my predictions. This year I still have not been able to project a higher year-end target. Even though two closes above 6144 in the S&P 500 would confirm the bull market is still intact. I still have trouble projecting stronger earnings and profits for most of the sectors within the S&P 500. Given the number of wars currently going on, investing in industrial, energy and material stocks is working and makes sense. The industrial sector has broken out to the upside. These sectors are showing strength and continue to look attractive. Stratos research indicates that the health care and energy sectors appear to be the most undervalued. Stratos is now looking to add to the health care sector.

As I suggested last month, oil stocks have risen as the price of oil is up from \$61 to \$65. Any disruption in oil could push the price above \$90 and create the "perfect" storm for inflation, higher interest rates, and a weaker dollar. My initial resistance of \$3,400 in gold (\$3,350) was successfully tested and I now expect gold to test \$3,800, my intimidate resistance level, by year-end. Stratos continues to recommend buying silver(\$36), which is up nicely. My target is \$56, so there's a lot more upside. Stratos continues to recommend palladium and platinum as part of my precious metal strategy.



Good Trading for the Long Term



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Stratos Global Commodity Portfolio has excelled year-to-date, so I do not believe inflation is going away. As part of the big picture, energy and material prices are more likely to go higher. As most assets have recovered since April's lows, the dollar continues to stay weak, in spite of recent geo-political events. U.S. short-term treasuries yields also did not go down, which typically happens. I continue to be fundamentally against long-term U.S. fixed income strategies that go beyond five years. Stratos expects the interest rate trend to continue much higher and I see no reason to forecast anything else. I am suggesting investments in U.S. long-term treasury bonds could become potential high-risk assets.

Stratos is leaning towards being conservative when looking for upside in the S&P 500 for 2025. Most investors are hoping for the best but have difficulty in understanding how we're going to get through "No Man's Land". As the clock slowly ticks towards the likelihood of more tariffs being enforced, negative results are more likely for the short-term. New highs would remove some of the uncertainty that I worry about, but not necessarily solve the problems we've created. With the U.S. in potential war, another uncertainty makes investing for the short-term risky. Be prepared to lighten up if the S&P 500 fails to make new highs soon because the downside risk is real.

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