

WEEKEND AT BERNARD'S



The Ride is Up For Now

The U.S. stock market continues to show resilience and strength in spite of increasing domestic and global uncertainties. Our markets have been running in place this year, but momentum continues up as I expect my Intermediate Target of 7056 on the S&P 500 (6862) to be tested soon. I'm predicting momentum to dominate for the next few months. I'm forecasting the possibility of one step higher, testing Stratos Primary Target of 7348. I'm looking for a short-term sugar high based on recent tax legislation that is providing equities with a continued tailwind at least until May. With domestic and international tensions up and consumer confidence at multi-year lows according to the Federal Trade Commission, I am planning on the possibility of long-term unemployment becoming more and more of a reality based on artificial intelligence advances. I'm also anticipating a technical correction, or more, sometime starting in the summer.

Starting with COVID, I have watched the Federal Reserve apply market-driven analysis that helped provide, what many market experts refer to, a "soft landing" to the U.S. economy through 2024 by bringing inflation back under 3%. During chairman Fed Powell's leadership, I believe the Fed has been considered independent despite political pressures regardless of administration. I think this has been a positive for U.S. stocks given the instability elsewhere. I anticipate this is about to end as the Fed chair is about to be replaced with someone who, I know, is going to cut interest rates because it's politically correct, and not necessarily market driven. Market cuts are not usually needed when U.S. stock markets are near record highs. My basic logic is we do not need to be cutting short-term interest rates when we have high stock prices and the government is projecting huge GDP growth.

Since the beginning of 2024 up until now, based on J.P Morgan, the Euro was trading at \$1.02 during January of 2025 and based on today's price from Mroningstar, the Euro is up to \$1.19 which is more than 1% per month. 36 more months of dollar weakness is a major concern that needs to be addressed. With tariffs, this will probably result in inflation and higher interest rates and technology may no longer be able to lead the U.S. equity markets if the dollar continues this downward spiral into the future.

I expect that material and energy stocks will continue to provide protection from a weaker dollar and higher interest rate environment. These investments may continue to pass on increased costs based on tariffs and dollar weakness and remain profitable because we as consumers need access to precious metals, industrial metals, food, commodities, chemicals, and all types of energy products. I recommend, based on my perceptions that these type of companies are undervalued and now may offer growth, with a few excellent dividend opportunities. Industrial stocks in certain sectors, like the Defence, continue to have opportunities in a market that may go sideways or down later this year. Historically, the 2nd year of any presidency is the hardest and toughest for investors.

I expect interest rates will continue to go higher for the foreseeable long-term future, I predict short-term rates lower first because I see the potential of a recession towards the end of the year if unemployment numbers continue to lag.

Stratos S&P 500

Market Analysis

Primary Target:
7348

Intermediate Target:
7056

Today's S&P Level:
6862

Initial Support:
6701

Intermediate
Support:
6421

Primary Support:
6142

Base Camp:
5892

Line in the Sand:
5671

Today's S&P Level

6862 7000.00
6941.47

Initial Support

6701 6750.00

Intermediate Support

6421 6500.00

Primary Support

6142 6250.00

Base Camp


5892 6000.00

Line in the Sand

5671 5750.00

Disclosure: Investors cannot invest directly in an index. Past performance is not a guarantee of future returns.

Good Trading for the Long Term

 210 N Stanton St Suite
3 El Paso, TX 79901

 (915)-312-6117

 weekendatbernards.com



Investing in commodities may provide above-average returns and a hedge on bonds. I recommend moving assets away from long-term fixed income strategies into commodity investments like Stratos Global Commodity Strategy, which has equal exposure to energies, materials, equities and alternative investments. I expect the trend of higher commodity prices to continue as the dollar weakens.

I am now forecasting U.S. stocks continue to ignore potential risk as stock prices are historically expensive. I'm expecting some positive news this quarter to help lift the S&P 500 one more step higher before it becomes apparent that stock earnings cannot keep up with current prices. Momentum is still the key market driver and I expect new highs until at least May. Enjoy the volatile ride up because I'm not sure how long it's going to last. Good Trading for the Long Term

Stratos Investments is a DBA of OneSeven, an investment adviser in Ohio. OneSeven is registered with the Securities and Exchange Commission ("SEC"). Registration of an investment adviser does not imply any specific level of skill or training and does not constitute an endorsement of the firm by the Commission. OneSeven only transacts business in states in which it is properly registered or is excluded or exempted from registration. A copy of OneSeven's current written disclosure brochure filed with the SEC, which discusses OneSeven's business practices, services, and fees, is available through the SEC's website at: www.adviserinfo.sec.gov.

Please note, the information provided in this presentation is for informational purposes only and investors should determine for themselves whether a particular service or product is suitable for their investment needs. Please refer to the disclosure and offering documents for further information concerning specific products or services. Investments in securities entail risk and are not suitable for all investors. This is not a recommendation nor an offer to sell (or solicitation of an offer to buy) securities in the United States or in any other jurisdiction.