

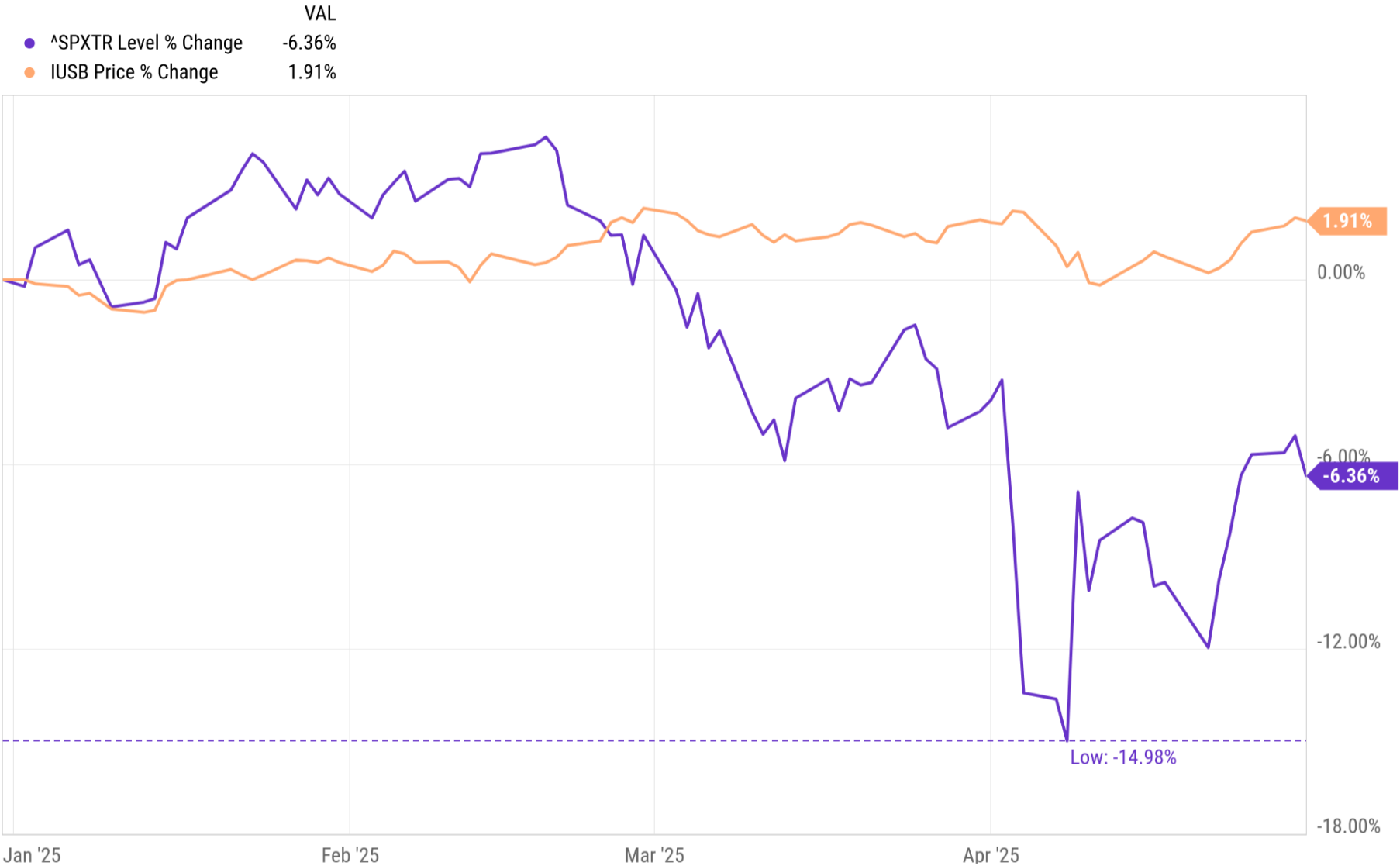
Market Update

Q2 2025

A large, light gray decorative swirl graphic that loops around the company name.

THE WEALTH GROUP
AUSTIN B. COLBY & ASSOCIATES

Stocks & Bonds YTD (as of 4/30/2025)



Many Mocked It When It Happens, But It Works

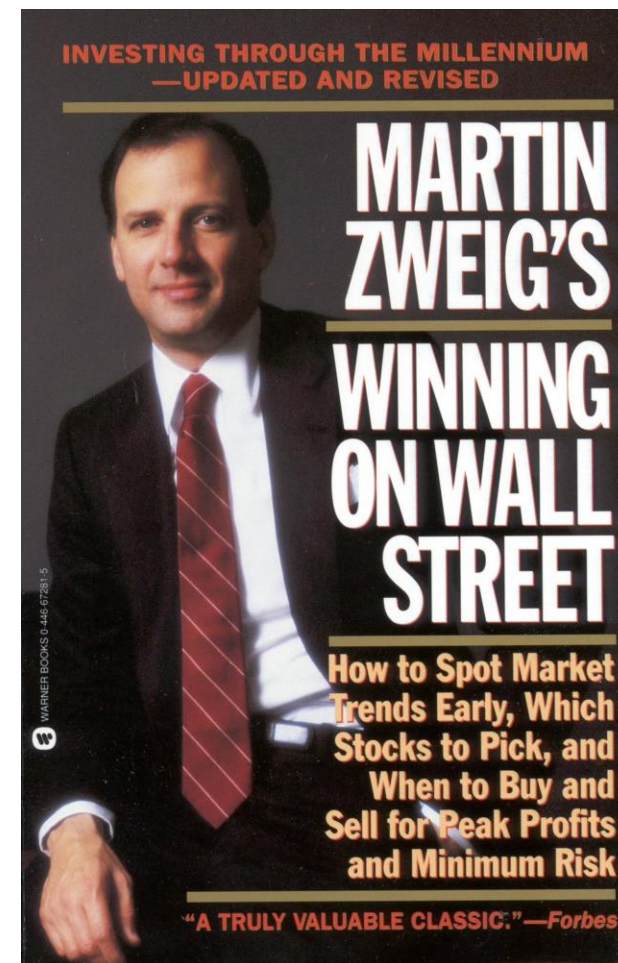
Zweig Breadth Thrust (ZBT) Signals Since WWII

Date	S&P 500 Index Returns			
	1 Month	3 Months	6 Months	12 Months
2/3/1945	5.7%	9.8%	8.2%	32.2%
3/8/1949	0.2%	-7.1%	2.6%	15.0%
7/21/1950	6.3%	13.5%	20.9%	26.9%
7/11/1962	-0.5%	-0.9%	12.1%	20.8%
11/5/1962	7.8%	13.8%	20.0%	24.8%
12/3/1971	5.3%	11.3%	13.2%	21.1%
10/10/1974	7.3%	4.0%	20.6%	26.6%
1/3/1975	10.1%	14.4%	33.4%	28.6%
8/20/1982	10.5%	22.4%	30.5%	44.7%
8/3/1984	1.5%	3.2%	10.0%	17.9%
5/25/2004	1.9%	-0.7%	5.7%	6.9%
3/18/2009	9.5%	14.6%	34.5%	46.8%
10/14/2011	2.2%	5.6%	13.6%	17.6%
10/18/2013	2.7%	5.7%	7.7%	9.1%
10/8/2015	4.3%	-4.5%	1.4%	7.0%
1/7/2019	7.1%	13.6%	16.9%	27.0%
3/31/2023	0.2%	8.4%	4.4%	26.8%
11/3/2023	4.8%	13.7%	19.0%	32.7%
Average	4.8%	7.8%	15.3%	24.0%
Median	5.1%	9.1%	13.4%	25.7%
% Higher	94.4%	77.8%	100.0%	100.0%

Source: Carson Investment Research, Ned Davis Research, FactSet 04/23/2025

ZBT= 10-day EMA of NYSE advances/(NYSE advances + declines) moves from below 0.4 to above 0.615 within 10 trading days or less

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contrarian indicator?



Apr 19th 2025

How a dollar crisis would unfold



Apr 12th 2025

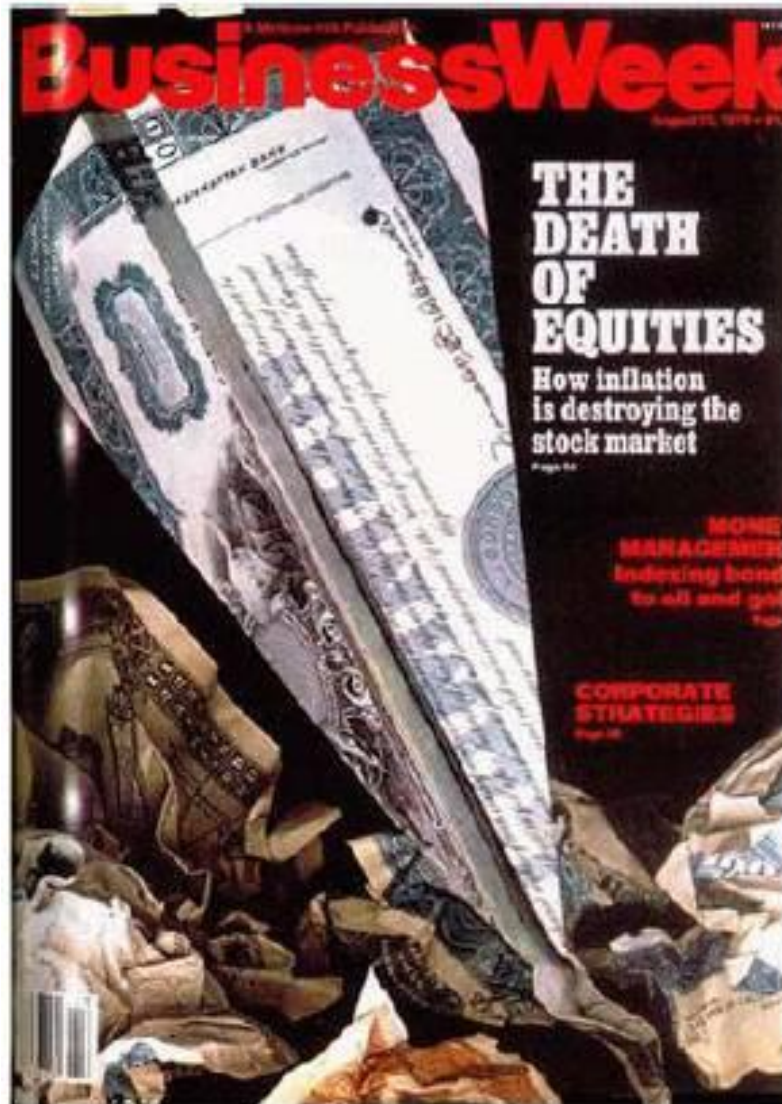
The age of chaos



Apr 5th 2025

Ruinination day: How to limit the global damage

headlines are often not helpful to investors



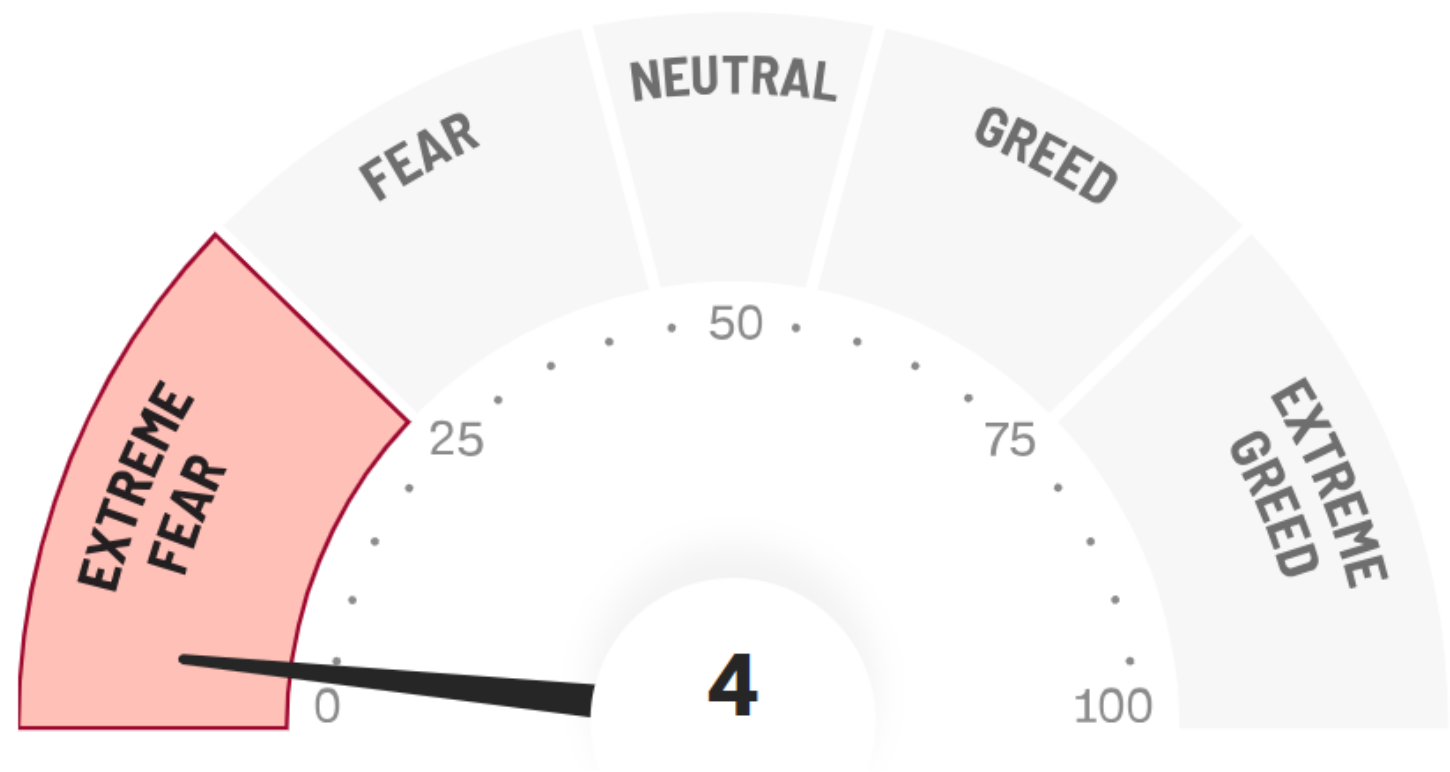
channeling the Oracle of Omaha



"Be fearful when
others are greedy
and be greedy when
others are fearful"

Warren Buffett

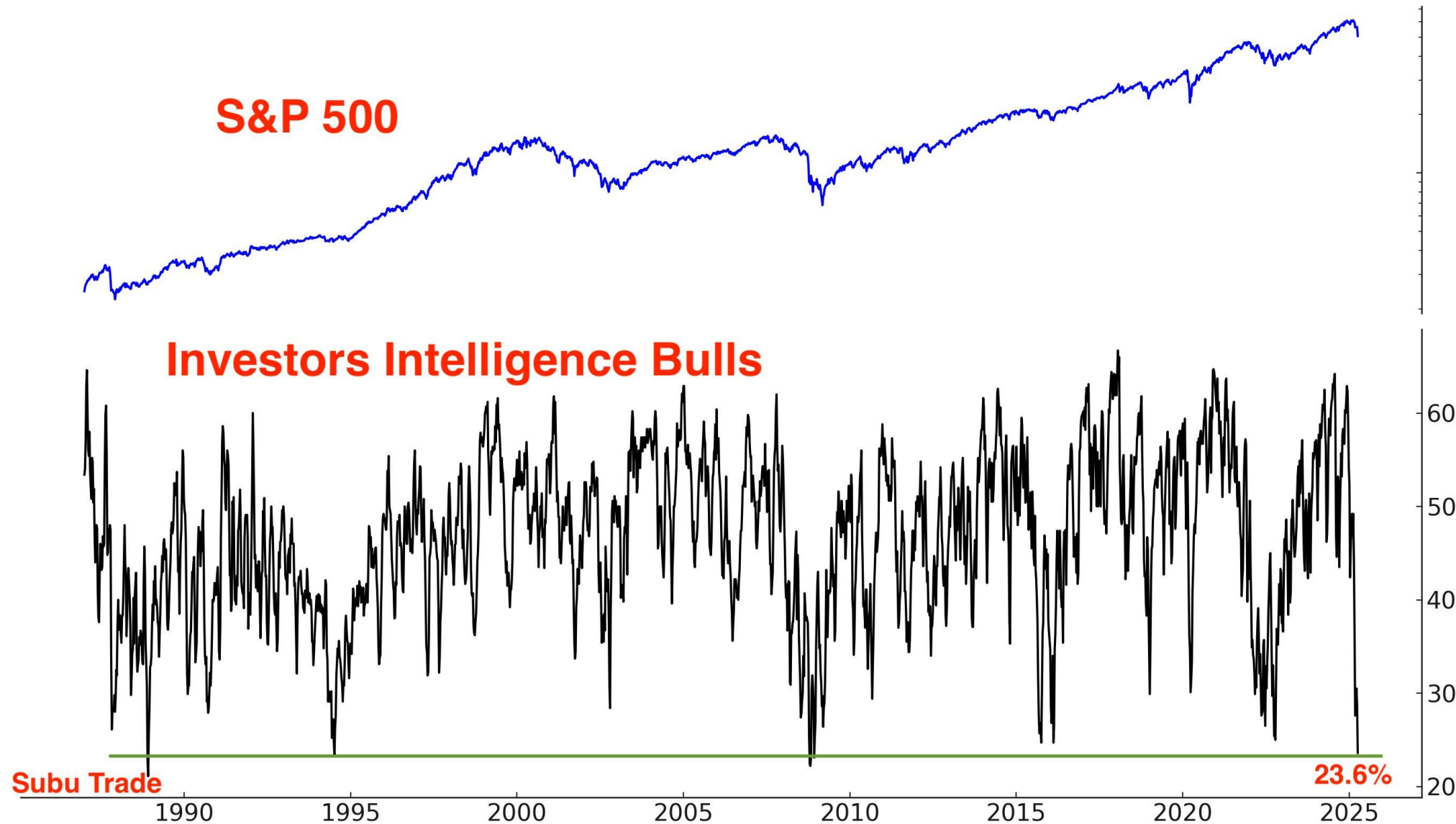
in early April we reached extreme fear



Last updated Apr 8 at 7:22:52 PM ET

Previous close	
Extreme Fear	4
1 week ago	
Extreme Fear	15
1 month ago	
Extreme Fear	17
1 year ago	
Greed	64

buy stocks when the bulls are nowhere to be found



a big part of our job is zooming out



There is always a reason to sell

Market pullbacks, corrections, and bear markets happen more often than most realize

Growth of \$100k and recent market and economic headlines

12/31/08 - to 3/31/25



Investing at the worst times in history

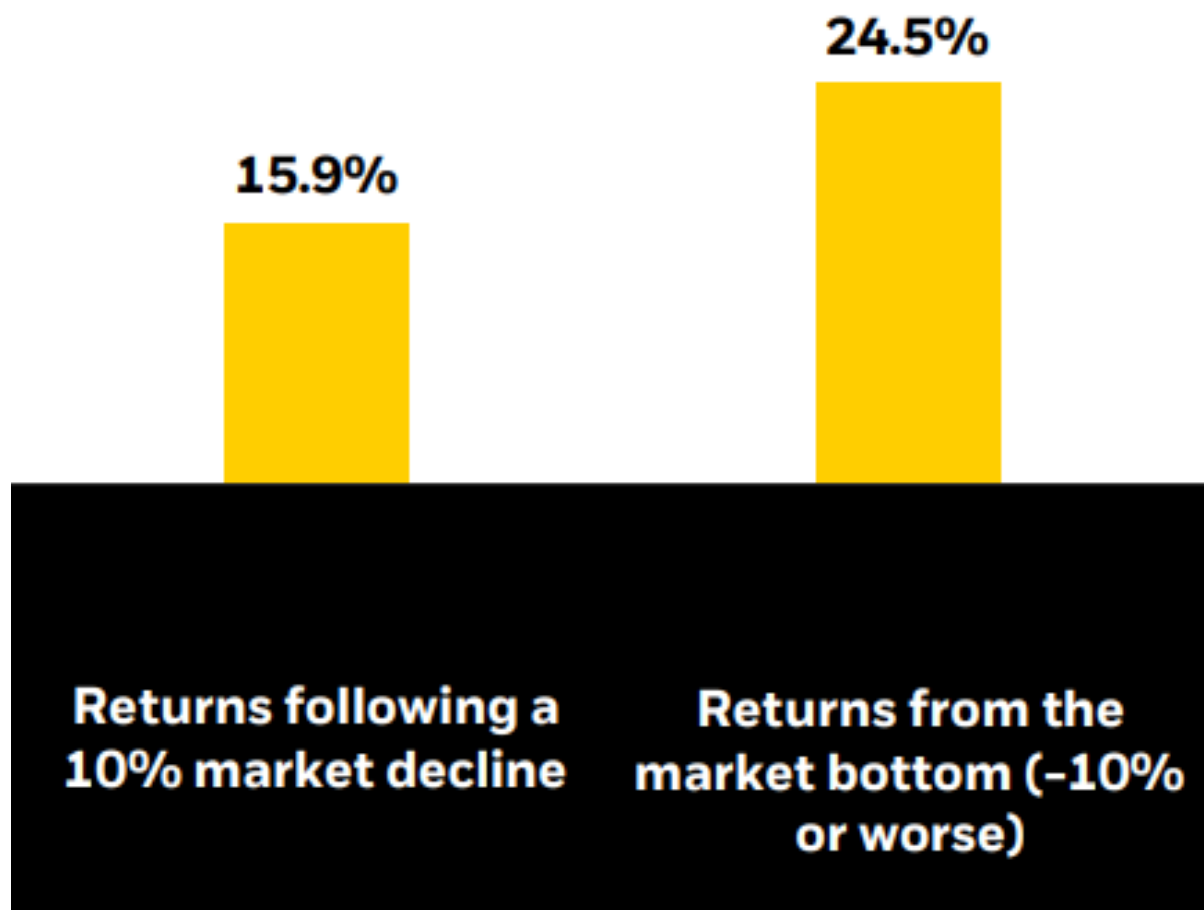
Average annual returns if you had been invested when event occurred, %

Avg since 1926	10.4
1929 Great Depression	9.8
1940 World War 2	11.3
1973 Bear market	11.0
1987 Market crash	10.4
2000 Tech bubble bursts	7.7
2007 Global financial crisis	10.2
2020 Covid	14.3
2022 Inflation shock	8.9

investing after a -10% decline usually looks good a year later

Median return following a -10% decline

Last 20 years, performance next 12 months



Recent investor sentiment is very bearish

Historically, periods with high bearish sentiment have led to outsized performance

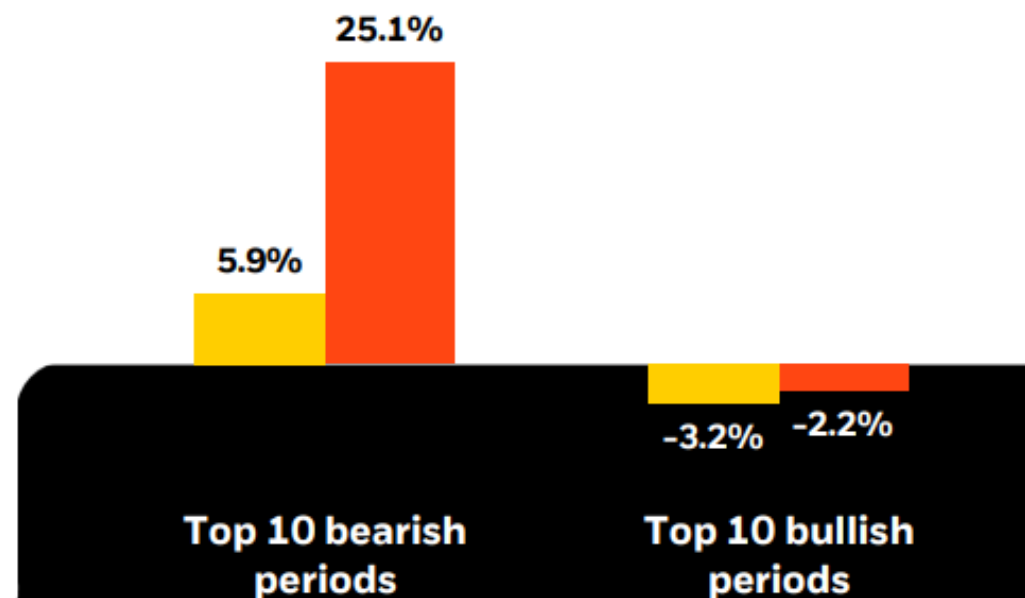
Top 10 bearish investor sentiment periods

Date	Bearish sentiment (%)	Avg annual return next 3 mo.	Avg annual return next 1 yr.
3-5-09	70.3%	38.6%	70.5%
10-19-90	67.0%	7.3%	29.9%
8-31-90	61.0%	0.9%	26.9%
9-22-22	60.9%	2.2%	16.9%
10-9-08	60.8%	-1.4%	20.9%
9-29-22	60.8%	6.2%	19.8%
2-27-25	60.6%	?	?
4-28-22	59.4%	-4.6%	-1.1%
6-23-22	59.3%	-2.3%	16.6%
3-13-25	59.2%	?	?
Average	55.9%	5.9%	25.1%

Performance following periods of top 10 bearish and bullish periods

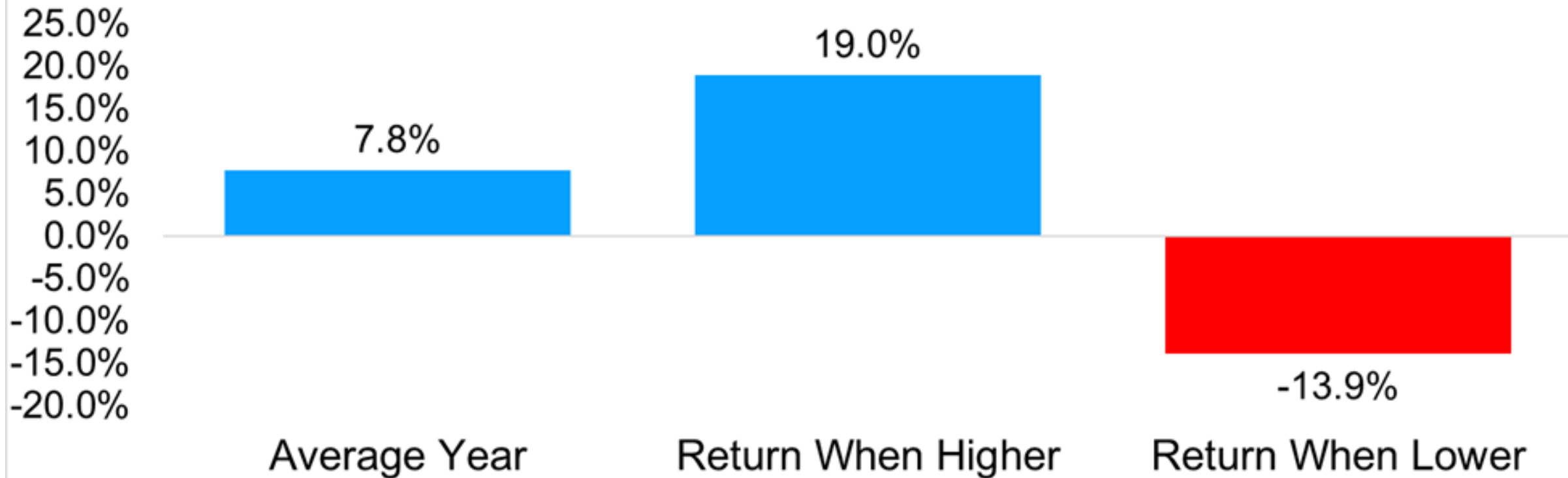
Average annual returns if you had been invested when event occurred

■ Next 3 mo. ■ Next 1 year



When The S&P 500 Is Higher For The Year, Big Gains Are Perfectly Normal

Average Annual Returns For The S&P 500 (1928 - 2024)



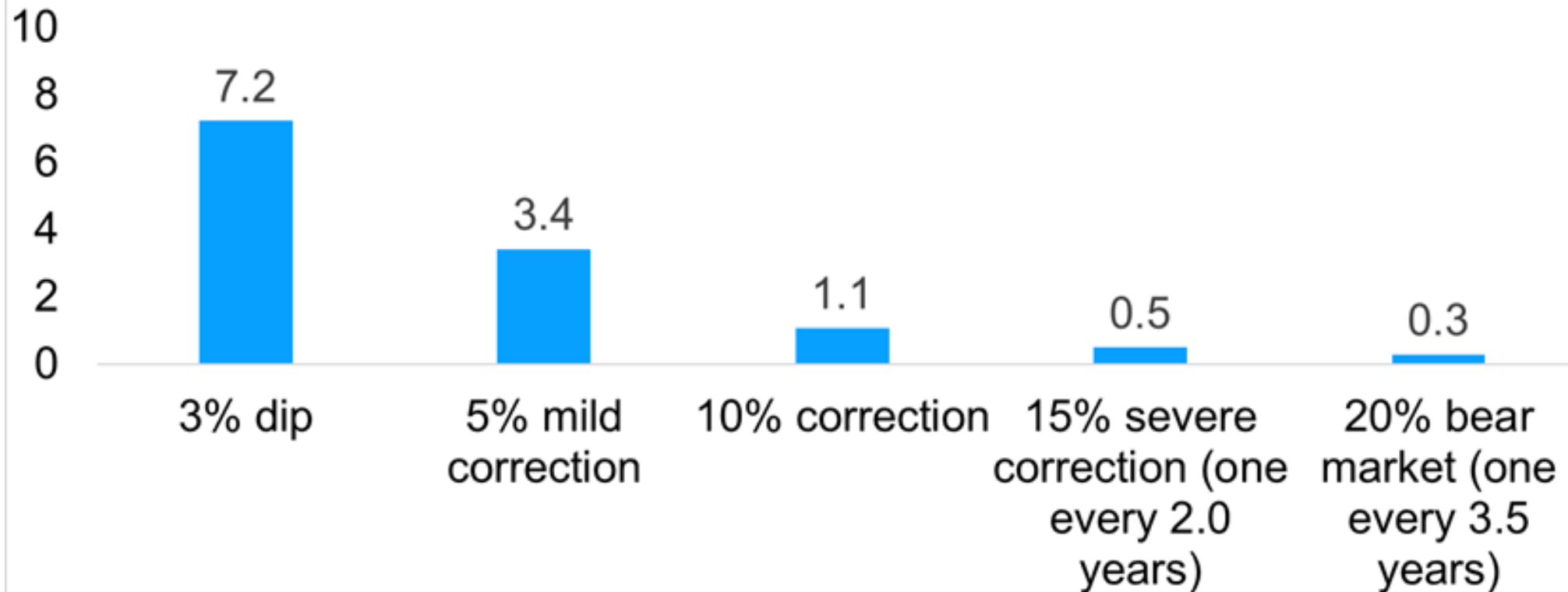
Source: Carson Investment Research, FactSet 04/07/2025

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Volatility Is The Toll We Pay To Invest

S&P 500 Various Declines Per Year (1928 - 2024)



Source: Carson Investment Research, Ned Davis Research

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VIX Spikes Above 50 Are Rare, But Potentially Bullish

S&P 500 After VIX Spikes >50 (Intraday), First Instance In A Month (1990 - Current)

Date	S&P 500 Index Returns			
	1 Month	3 Month	6 Months	12 Months
10/6/2008	-4.8%	-11.6%	-22.8%	-0.2%
1/14/2009	-1.9%	2.7%	11.6%	36.3%
2/17/2009	0.7%	15.3%	24.1%	39.3%
8/24/2015	2.4%	10.4%	1.9%	15.5%
2/6/2018	1.6%	-0.9%	6.1%	0.4%
3/6/2020	-10.4%	7.5%	16.2%	28.6%
8/5/2024	6.4%	10.5%	16.9%	?
4/7/2025*	?	?	?	?
Average	-0.9%	4.8%	7.7%	20.0%
Median	0.7%	7.5%	11.6%	22.0%
% Higher	57.1%	71.4%	85.7%	83.3%
All Years Since 1950				
Average	0.7%	2.2%	4.5%	9.2%
Median	1.0%	2.6%	4.9%	10.4%
% Higher	60.7%	66.0%	70.1%	73.8%

Source: Carson Investment Research, FactSet 04/04/2025

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max pain typically leads to healthy gains

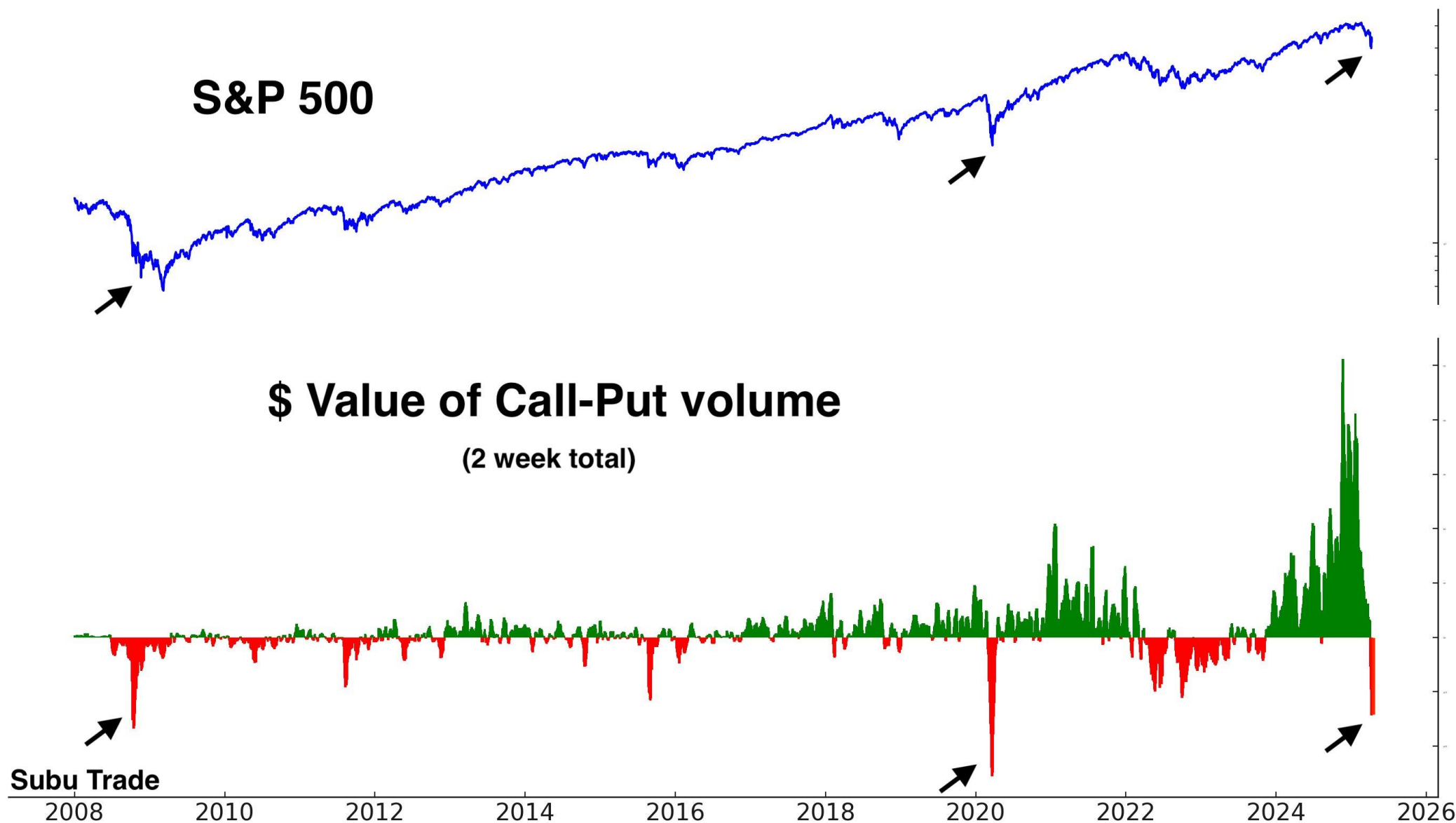
US stocks were down
4.8% on 4/3/25 and
down 6% on 4/4/25.

S&P 500 after 2 consecutive days of -4.5% declines

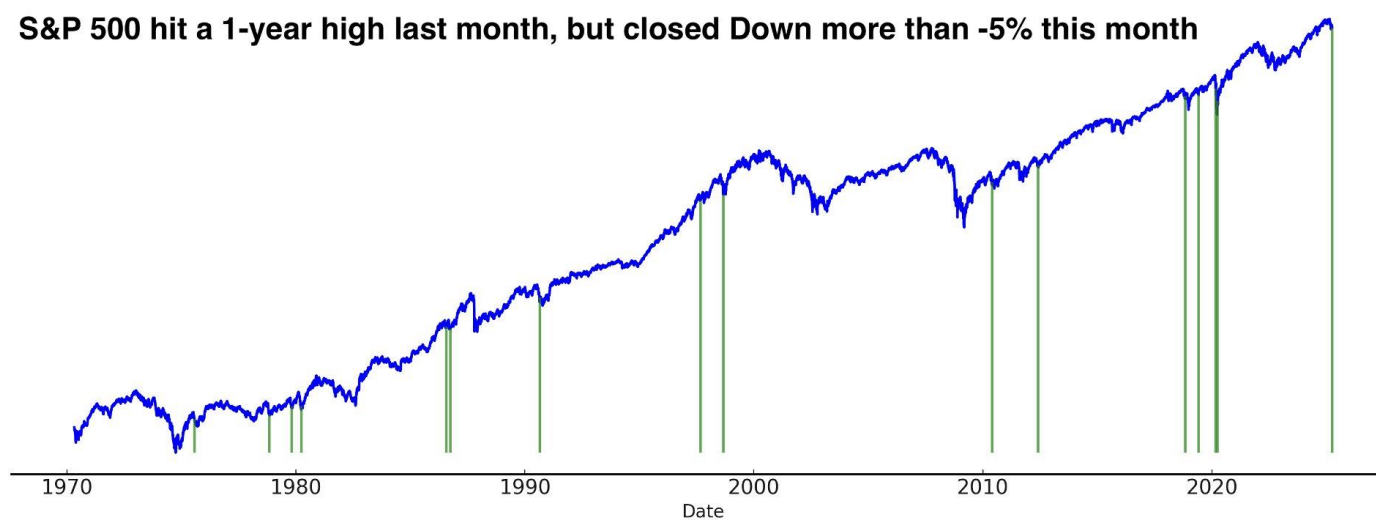
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	1 Day Later	2 Days Later	1 Week Later	2 Weeks Later	1 Month Later	2 Months Later	3 Months Later	6 Months Later	1 Year Later
October 29, 1929	12.53%	18.21%	4.60%	-5.82%	5.97%	1.13%	6.90%	26.63%	5.24%
November 6, 1929	3.69%	2.77%	-14.31%	3.20%	10.29%	3.01%	7.23%	24.84%	3.30%
November 12, 1929	-5.71%	2.72%	10.52%	10.30%	13.03%	13.67%	22.42%	35.02%	7.69%
July 20, 1933	-8.70%	-8.14%	0.19%	-0.76%	1.80%	2.37%	-3.22%	-8.14%	-7.00%
October 19, 1933	2.90%	-0.46%	11.85%	4.07%	12.54%	19.40%	13.94%	23.58%	4.18%
May 14, 1940	0.97%	1.95%	-4.77%	-10.02%	-9.24%	-3.89%	-1.95%	2.92%	-2.43%
October 19, 1987	5.33%	14.92%	1.26%	13.75%	8.09%	8.07%	10.89%	14.71%	22.94%
November 6, 2008	2.89%	1.58%	0.71%	-16.85%	0.53%	0.54%	-3.87%	0.48%	18.17%
November 20, 2008	6.32%	13.21%	19.11%	16.43%	15.84%	10.57%	2.75%	20.98%	45.05%
March 12, 2020	9.29%	-3.81%	-2.87%	6.02%	11.33%	15.70%	21.02%	34.61%	58.96%
April 4, 2025?									
Average:	2.95%	4.29%	2.63%	2.03%	7.02%	7.05%	7.61%	17.56%	15.61%
% Positive:	80%	70%	70%	60%	90%	90%	70%	90%	80%
Average Max Loss	-1.44%	-1.87%	-4.40%	-8.05%	-8.10%	-8.24%	-8.39%	-11.11%	-11.35%
Average Max Gain	4.39%	6.98%	9.26%	9.83%	12.03%	13.88%	15.33%	23.38%	30.26%

put-buying at levels seen at past market bottoms



S&P 500 hit a 1-year high last month, but closed Down more than -5% this month

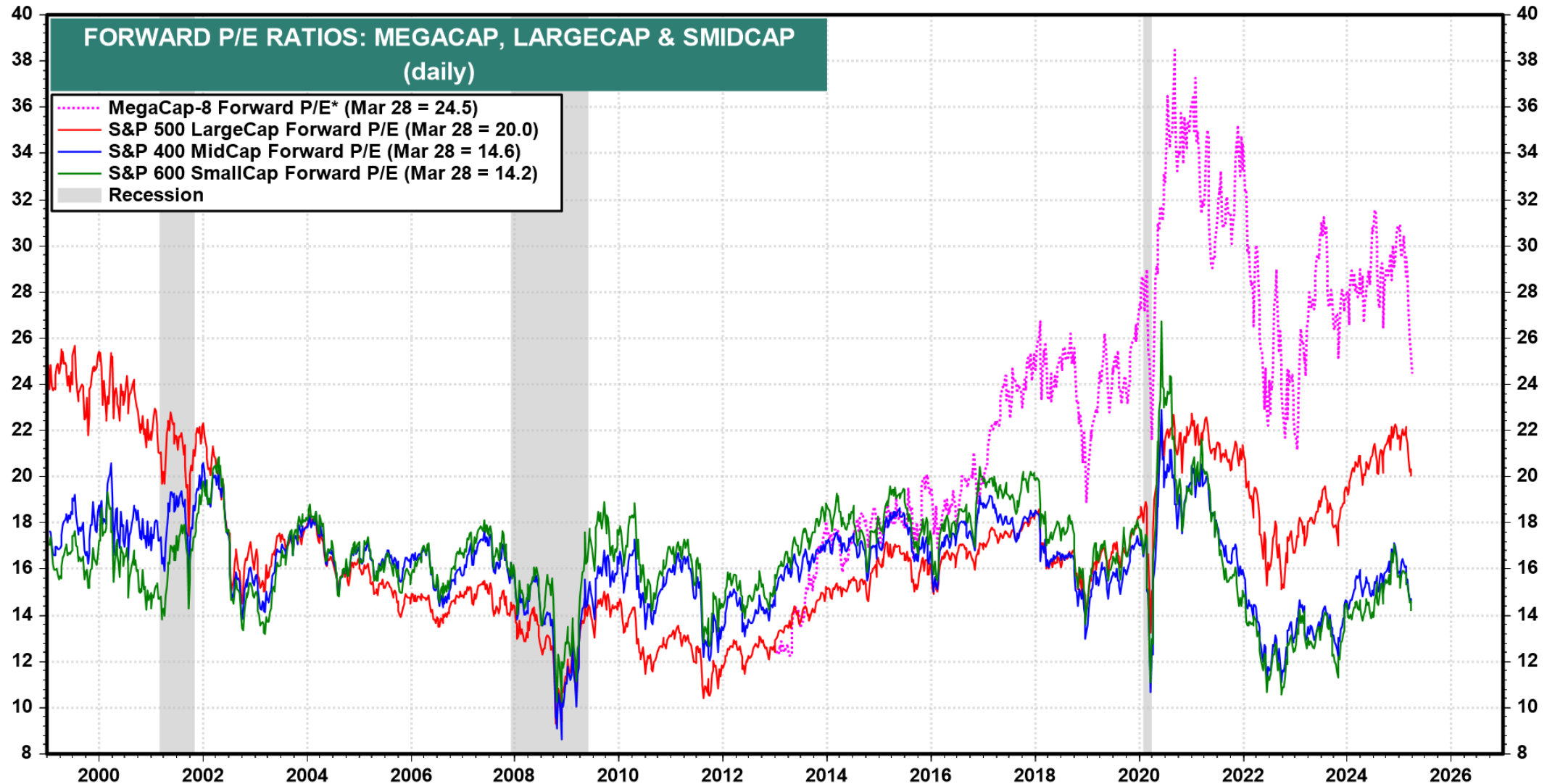


S&P 500 hit a 1-year high last month, but closed Down more than -5% this month

@SubuTrade

	1 Week Later	2 Weeks Later	1 Month Later	2 Months Later	3 Months Later	6 Months Later	9 Months Later	1 Year Later
July 31, 1975	-2.76%	-3.55%	-2.11%	-5.50%	0.72%	12.80%	15.08%	15.98%
October 31, 1978	0.75%	-0.71%	1.66%	3.84%	7.28%	9.20%	11.83%	10.22%
October 31, 1979	-1.92%	1.54%	4.26%	3.87%	12.12%	3.57%	19.50%	25.62%
March 31, 1980	-0.87%	0.53%	4.11%	8.96%	11.90%	21.01%	32.56%	33.22%
July 31, 1986	0.39%	4.29%	7.12%	-2.03%	2.04%	16.14%	22.12%	34.70%
September 30, 1986	1.34%	1.75%	4.16%	7.74%	5.21%	26.10%	31.42%	39.07%
August 31, 1990	-0.29%	-1.48%	-2.28%	-5.75%	-0.11%	14.50%	20.31%	22.59%
August 29, 1997	3.53%	2.26%	5.32%	2.19%	6.22%	16.96%	21.54%	6.43%
August 31, 1998	6.91%	8.40%	6.24%	13.44%	21.56%	28.25%	35.26%	37.93%
May 28, 2010	-3.57%	0.02%	-4.42%	1.11%	-2.28%	9.18%	21.83%	22.19%
May 31, 2012	0.36%	1.43%	3.96%	5.27%	7.64%	8.08%	17.51%	24.50%
October 31, 2018	3.77%	-0.37%	1.79%	-9.73%	0.48%	8.14%	4.90%	13.10%
May 31, 2019	4.41%	4.90%	7.71%	8.30%	6.27%	14.59%	12.29%	11.03%
February 28, 2020	0.61%	-8.23%	-11.09%	-0.50%	3.05%	17.95%	22.86%	32.08%
March 31, 2020	2.89%	7.69%	12.68%	18.23%	19.95%	29.05%	44.20%	53.71%
March 31, 2025								
Average:	1.04%	1.23%	2.61%	3.30%	6.80%	15.70%	22.21%	25.49%
% Positive:	67%	67%	73%	67%	87%	100%	100%	100%
Average Max Loss	-1.23%	-2.50%	-3.82%	-5.12%	-5.12%	-5.23%	-5.23%	-6.45%
Average Max Gain	2.46%	3.64%	5.35%	7.11%	9.86%	18.96%	25.41%	31.12%

MegaCap-8 valuations now similar to 2022 levels



Source: LSEG Datastream and © Yardeni Research, and Standard & Poor's.

* MegaCap-8 stocks include Alphabet, Amazon, Apple, Meta, Microsoft, Netflix, NVIDIA, and Tesla. Both classes of Alphabet are included.

home prices up much more than average earnings

