

Market Update

Q3 2025

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

THE WEALTH GROUP
AUSTIN B. COLBY & ASSOCIATES

stocks & bonds YTD (through 06/30/2025)



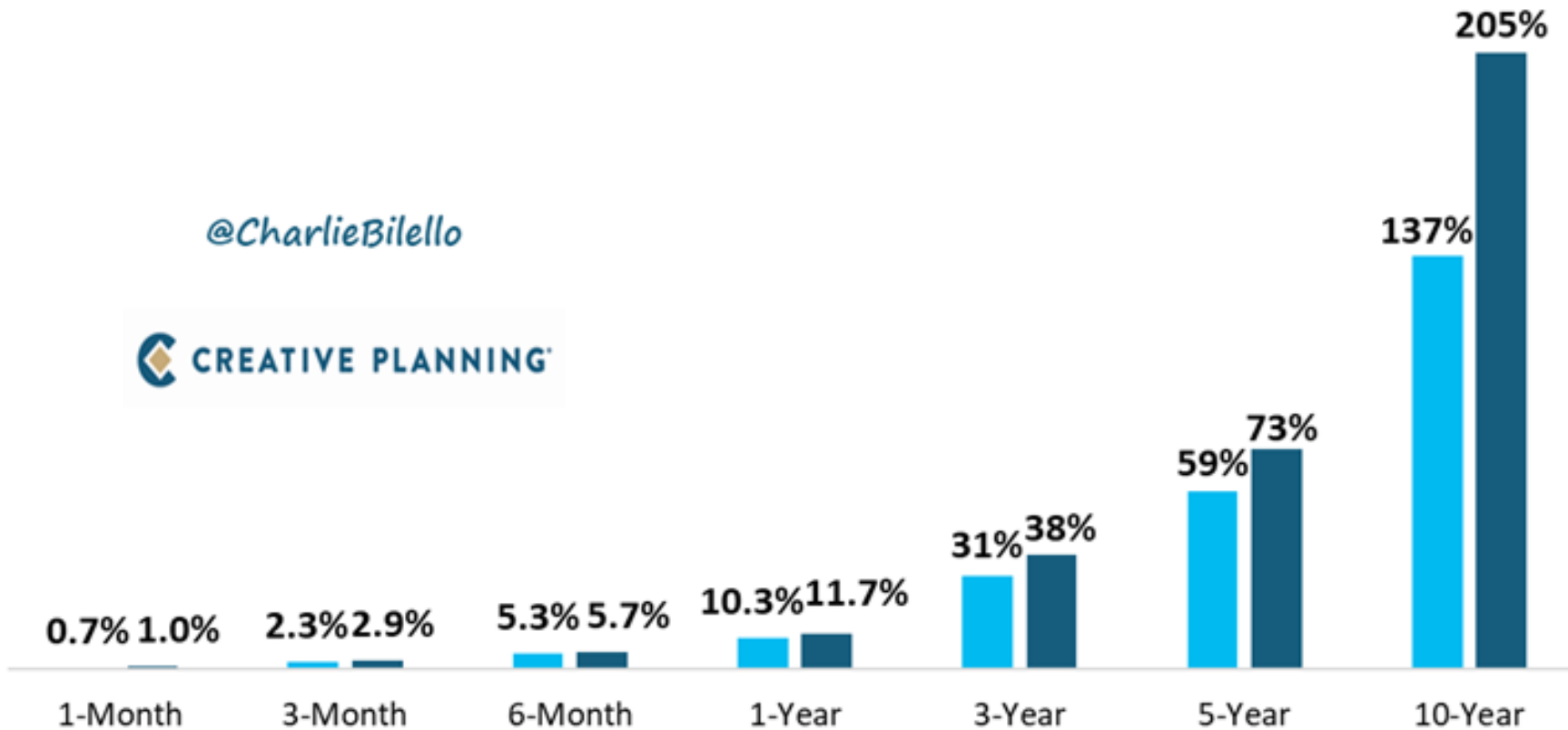
back to all-time highs in the US stock market



it's good to stay invested at all-time highs

S&P 500 Average Forward Total Returns (Jan 1929 - Dec 2024)

■ New All-Time High ■ All Other Time Periods



another valuable technical market signal just hit

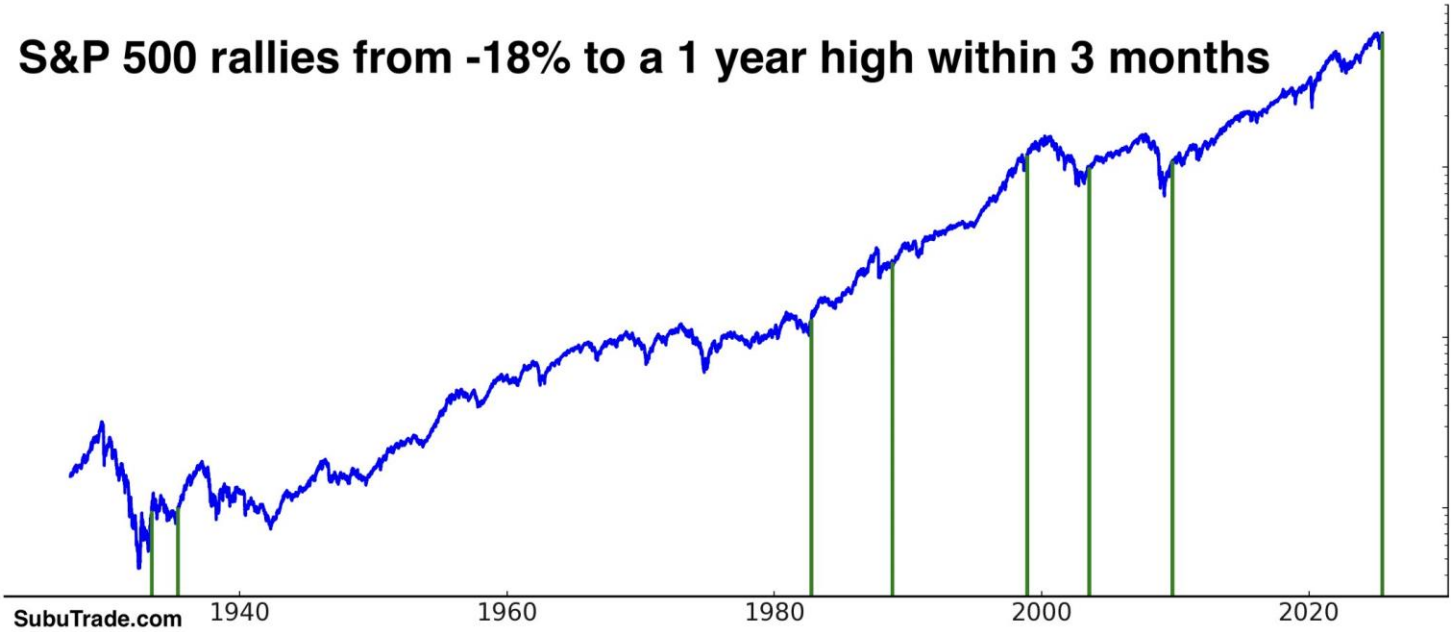
S&P 500 after it forms a "Golden Cross"

SubuTrade.com, 1975-present

	1 Week Later	2 Weeks Later	1 Month Later	2 Months Later	3 Months Later	6 Months Later	9 Months Later	1 Year Later
March 6, 1975	0.06%	-0.10%	-3.99%	5.91%	10.75%	3.00%	4.67%	18.20%
January 4, 1977	-1.49%	-2.25%	-3.16%	-4.26%	-7.07%	-5.31%	-9.15%	-11.52%
May 22, 1978	-2.25%	1.24%	-3.11%	-1.35%	4.84%	-4.71%	0.33%	1.06%
March 21, 1979	0.86%	1.38%	-0.02%	-1.10%	0.38%	6.94%	6.96%	3.02%
June 17, 1980	-0.77%	-0.95%	4.66%	8.35%	9.23%	12.56%	15.68%	14.90%
September 28, 1982	-1.02%	9.09%	9.78%	9.44%	14.22%	23.21%	36.69%	38.00%
September 12, 1984	1.37%	0.97%	-1.15%	1.77%	-0.98%	8.20%	13.92%	12.36%
November 25, 1986	2.29%	1.12%	-0.50%	10.31%	14.02%	17.16%	34.81%	-0.72%
June 28, 1988	-0.11%	-1.10%	-2.31%	-4.64%	-1.49%	1.66%	7.36%	20.61%
May 25, 1990	3.62%	1.99%	-0.71%	0.38%	-12.15%	-11.13%	3.58%	6.46%
February 15, 1991	-0.49%	0.07%	-0.67%	5.26%	0.90%	4.48%	7.61%	11.77%
September 15, 1994	-2.85%	-2.65%	-1.20%	-1.85%	-4.18%	4.34%	13.12%	22.91%
December 8, 1998	-1.57%	1.88%	7.93%	2.94%	9.84%	10.28%	14.08%	18.83%
November 11, 1999	3.15%	2.55%	2.44%	3.68%	0.41%	2.86%	6.54%	1.35%
May 14, 2003	-1.69%	1.10%	5.25%	6.51%	4.76%	11.42%	22.66%	16.73%
November 5, 2004	1.54%	0.36%	0.93%	1.86%	3.05%	1.09%	4.88%	4.63%
September 12, 2006	0.35%	1.78%	2.81%	4.98%	7.62%	6.04%	15.99%	13.02%
June 23, 2009	2.71%	-1.74%	9.07%	14.64%	19.73%	24.46%	30.46%	22.00%
October 22, 2010	0.02%	3.62%	1.25%	6.40%	9.11%	12.86%	13.05%	4.66%
January 31, 2012	2.64%	2.90%	4.70%	7.32%	7.12%	5.10%	7.60%	15.30%
December 21, 2015	2.83%	-1.53%	-5.65%	-4.94%	0.77%	3.18%	7.02%	12.35%
April 25, 2016	-0.30%	-1.39%	-0.56%	1.22%	3.86%	2.56%	9.21%	14.41%
April 1, 2019	1.00%	1.34%	1.97%	-4.02%	3.39%	3.82%	12.35%	-9.86%
July 9, 2020	2.02%	2.65%	6.32%	5.70%	8.48%	20.68%	30.99%	38.63%
February 2, 2023	-2.35%	-2.14%	-3.14%	-1.89%	-2.84%	7.14%	3.30%	18.26%
July 1, 2025								
Average:	0.38%	0.81%	1.24%	2.91%	4.15%	6.88%	12.55%	12.29%
% Positive:	56%	64%	48%	68%	76%	88%	96%	88%

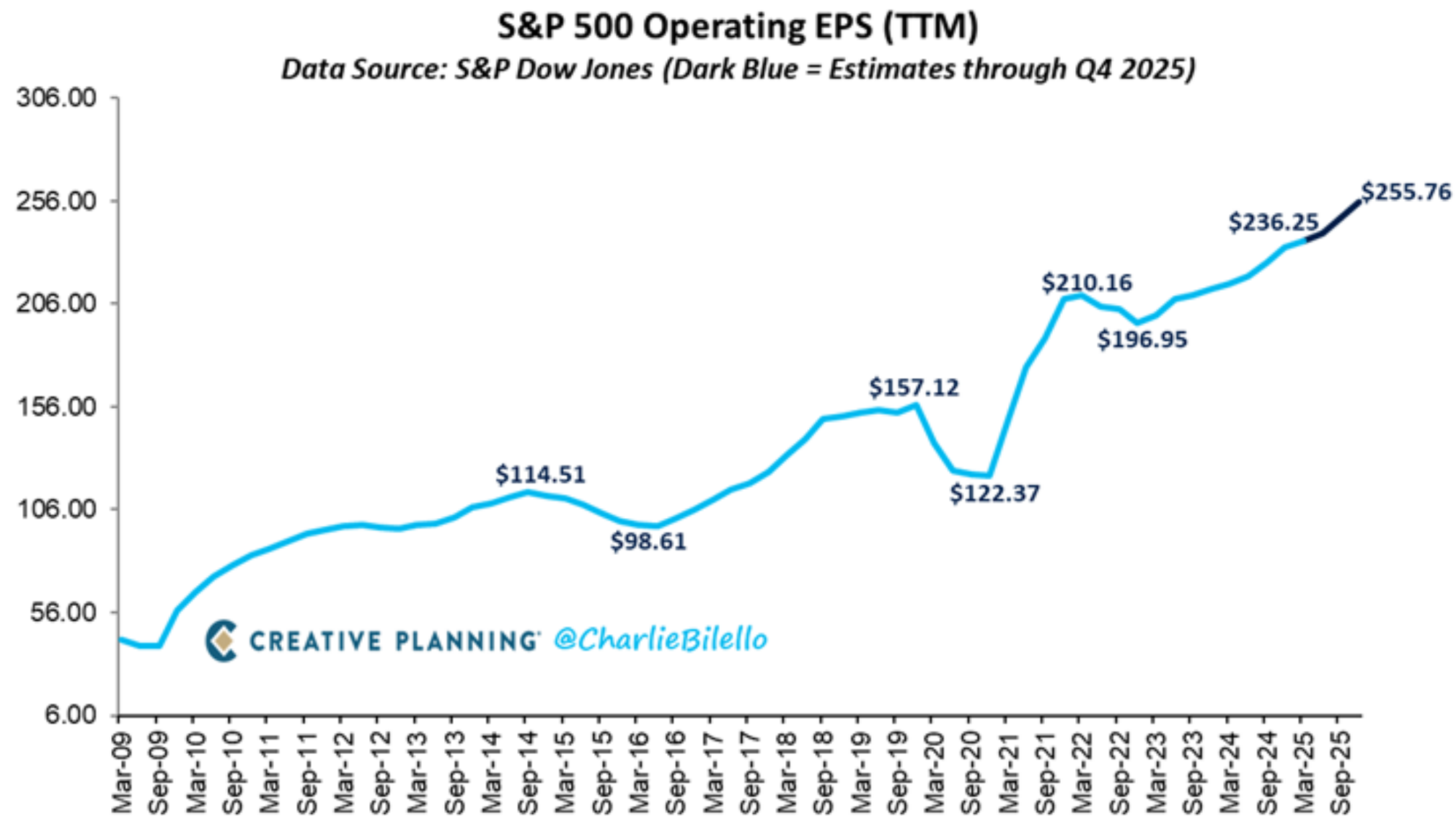
more encouraging historical precedents

S&P 500 rallies from -18% to a 1 year high within 3 months



S&P 500 after it rallies from -18% to a 1 year high within 3 months								
SubuTrade.com, 1927-present, using daily HIGH \$								
	1 Week Later	2 Weeks Later	1 Month Later	2 Months Later	3 Months Later	6 Months Later	9 Months Later	1 Year Later
May 27, 1933	2.18%	7.99%	6.02%	26.56%	8.71%	-4.36%	13.38%	13.59%
May 16, 1935	0.20%	-1.89%	0.90%	4.28%	10.36%	19.12%	33.47%	48.01%
October 7, 1982	4.48%	7.97%	10.37%	10.81%	12.79%	17.83%	30.09%	30.23%
October 18, 1988	1.07%	-0.11%	-5.57%	-1.11%	2.56%	9.94%	20.17%	22.11%
November 24, 1998	-0.99%	0.04%	3.66%	5.09%	4.68%	8.32%	15.13%	19.79%
July 14, 2003	-2.50%	-0.73%	-1.35%	1.25%	3.41%	12.29%	12.51%	10.72%
October 14, 2009	-0.97%	-4.52%	-0.44%	2.02%	5.17%	9.17%	-2.49%	7.49%
June 27, 2025								
Average:	0.50%	1.25%	1.94%	6.99%	6.81%	10.33%	17.47%	21.71%
% Positive:	57%	43%	57%	86%	100%	86%	86%	100%
Average Max Loss	-1.09%	-1.79%	-3.33%	-3.33%	-3.33%	-4.92%	-5.09%	-5.09%
Average Max Gain	2.04%	2.75%	4.39%	8.07%	9.88%	16.32%	22.90%	26.54%

earnings growing, albeit a slower rate in Q2 (5% YOY)



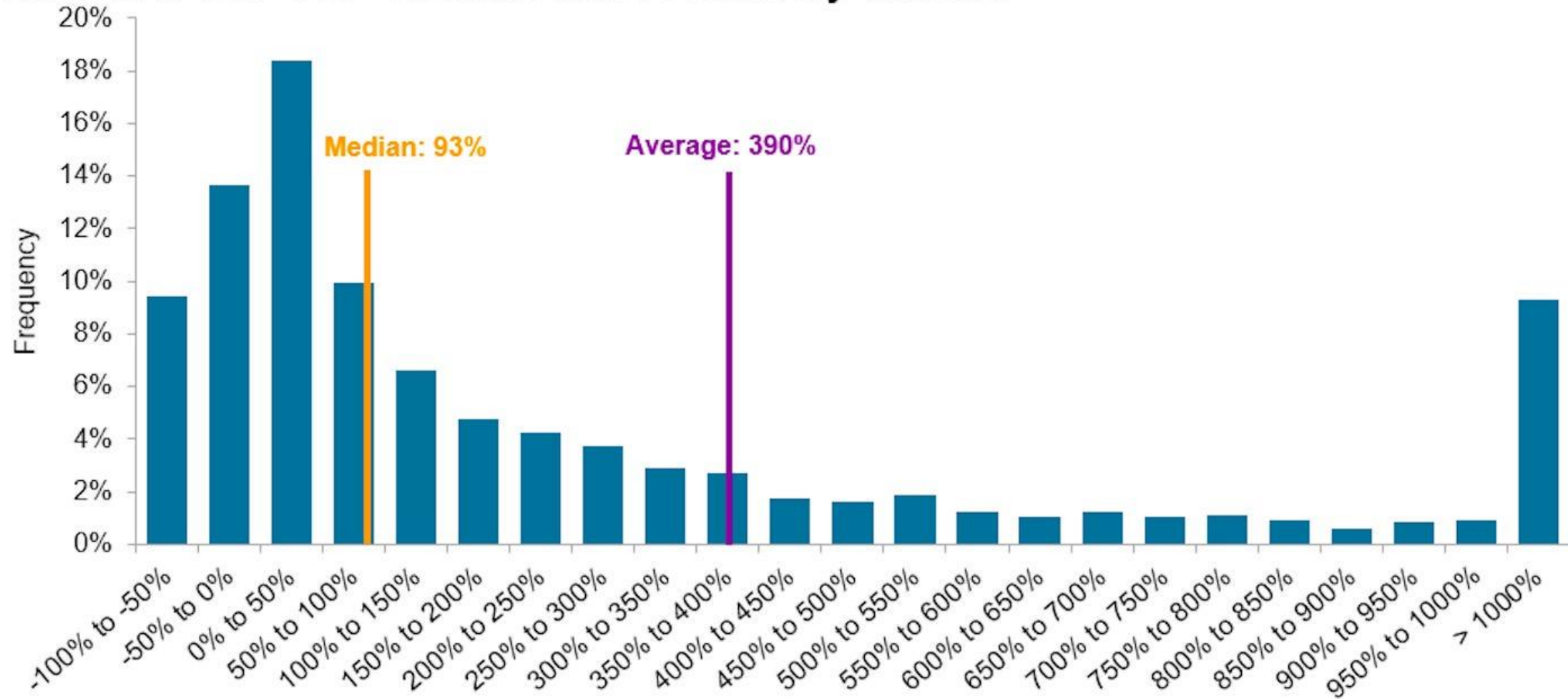
the stock market is [mostly] rational



Data source: FMRCo, Bloomberg, Haver Analytics, FactSet. Data as of 01/02/2022. Past performance is no guarantee of future results.

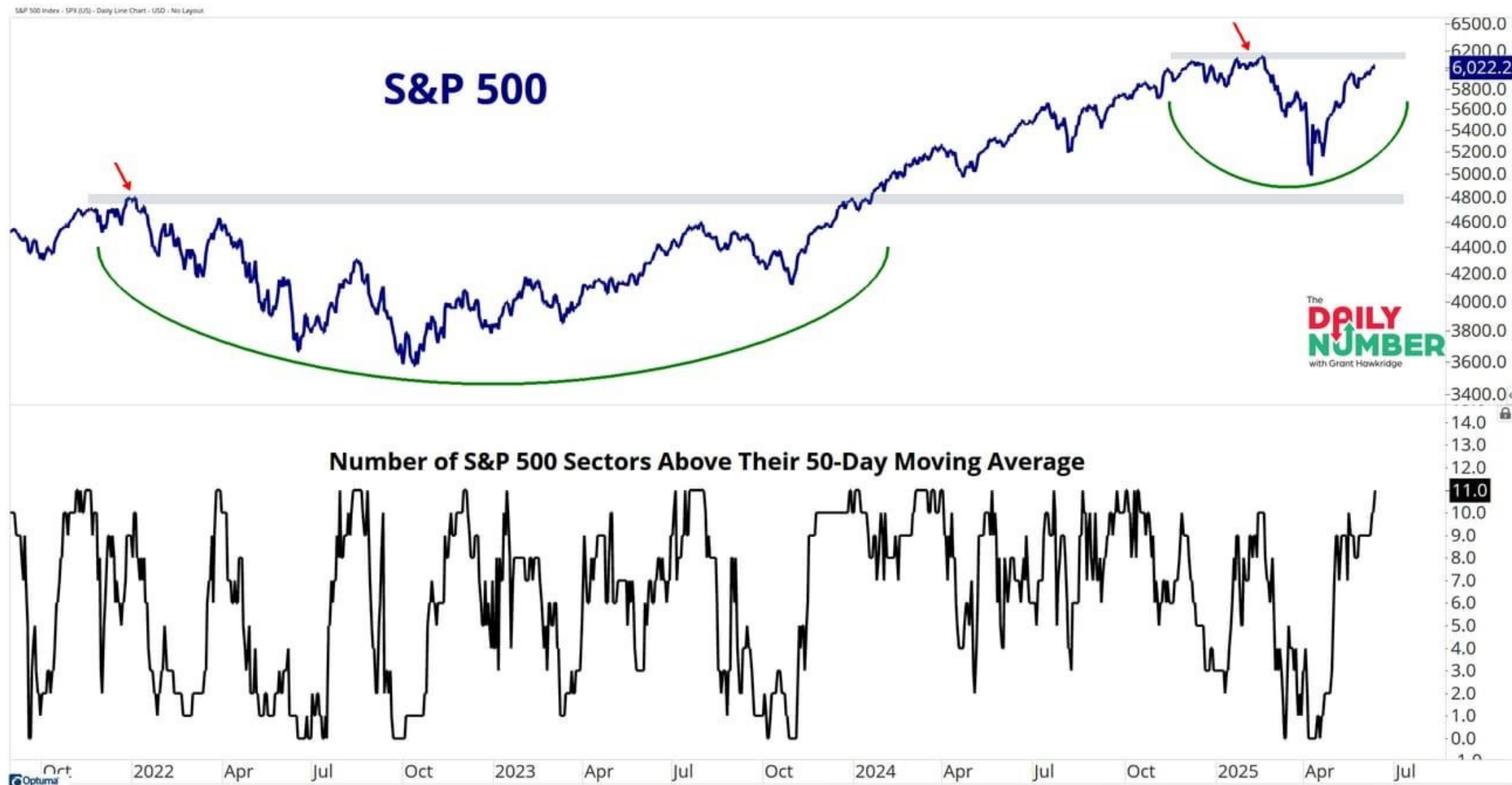
why stock-picking is so hard

Exhibit 1. S&P 500® Returns Were Positively Skewed



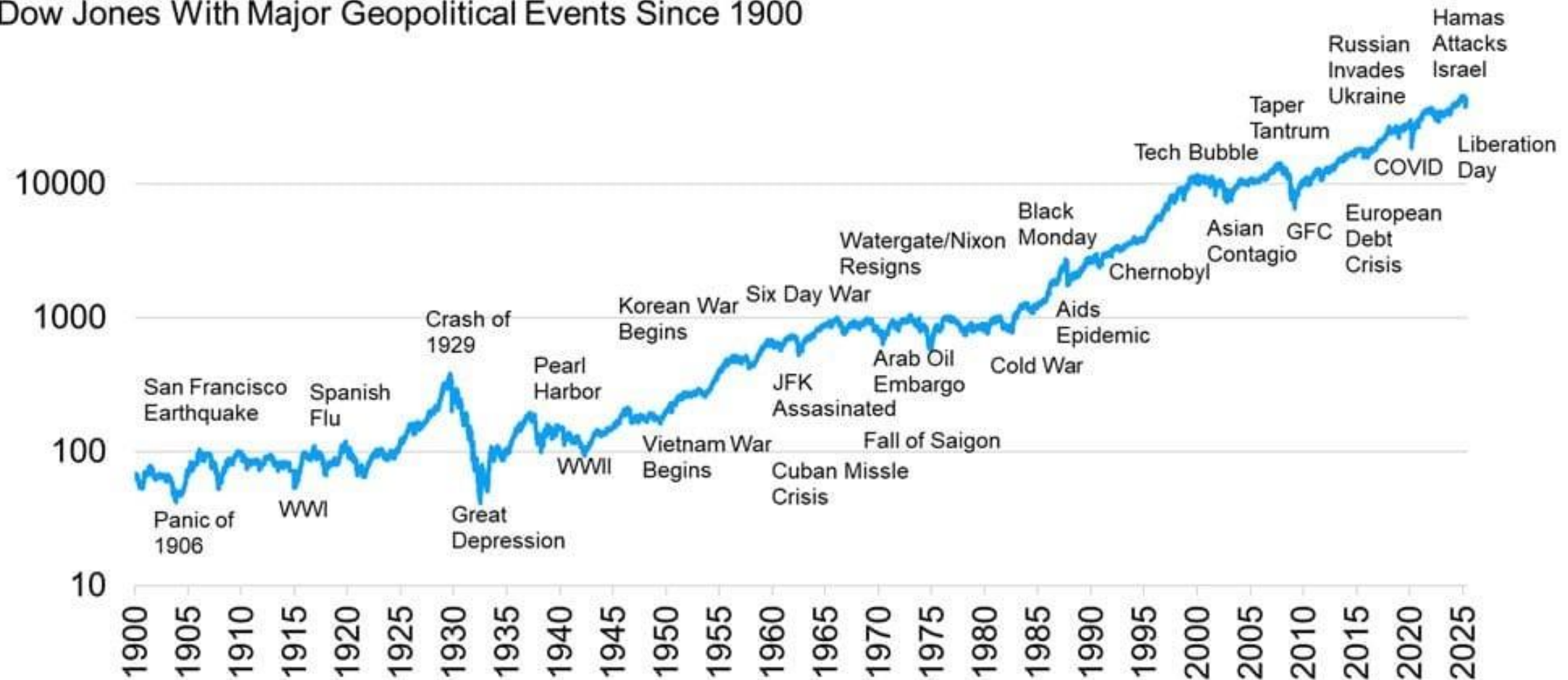
Source: S&P Dow Jones Indices LLC. Data from Dec. 31, 2002, to Dec. 31, 2022. Index performance based on total return in USD. Past performance is no guarantee of future results. Chart is provided for illustrative purposes.

all eleven sectors are participating in this rally (this is good)



Happy 129th Birthday, Papa Dow (May 26, 1896)

Dow Jones With Major Geopolitical Events Since 1900

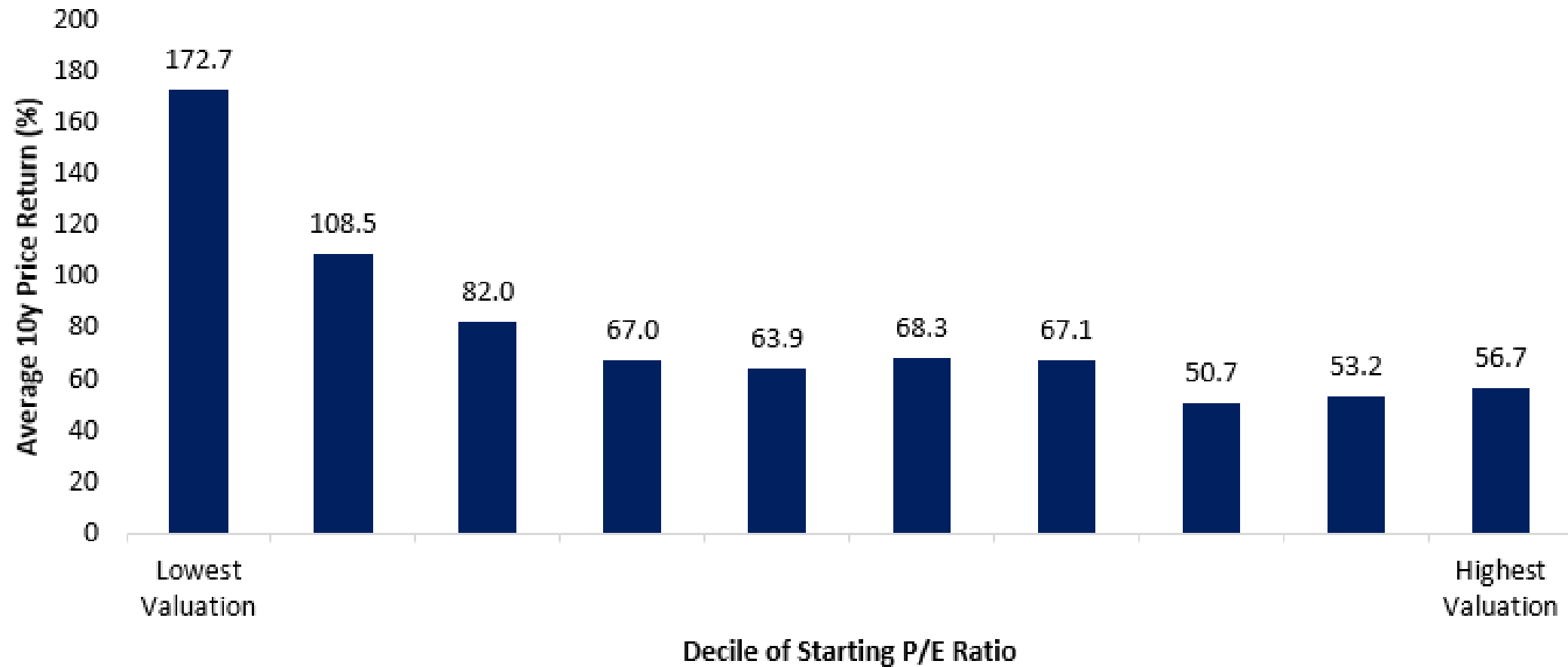


Source: Carson Investment Research, FactSet 06/01/2025

@ryandetrick

don't be frightened by slightly higher P/E ratios

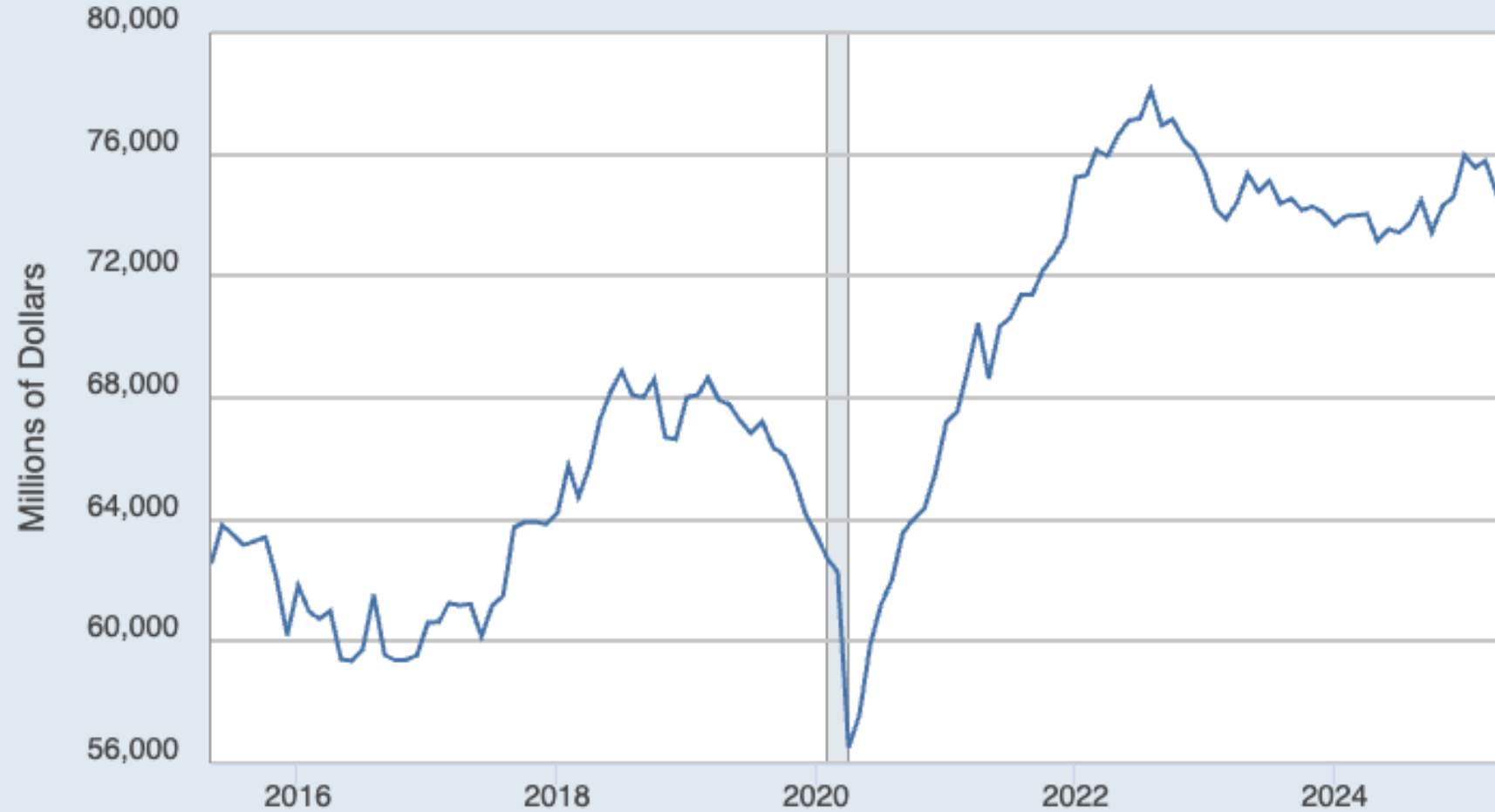
Returns Are Highest When Multiple Are Lowest, But Otherwise Matter Little



Note: 1871-current, monthly using representative proxy for S&P 500 prior to 1928. Simple price return trailing 12m P/E ratio.

business investment activity improving (leading indicator)

FRED — Manufacturers' New Orders: Nondefense Capital Goods Excluding Aircraft

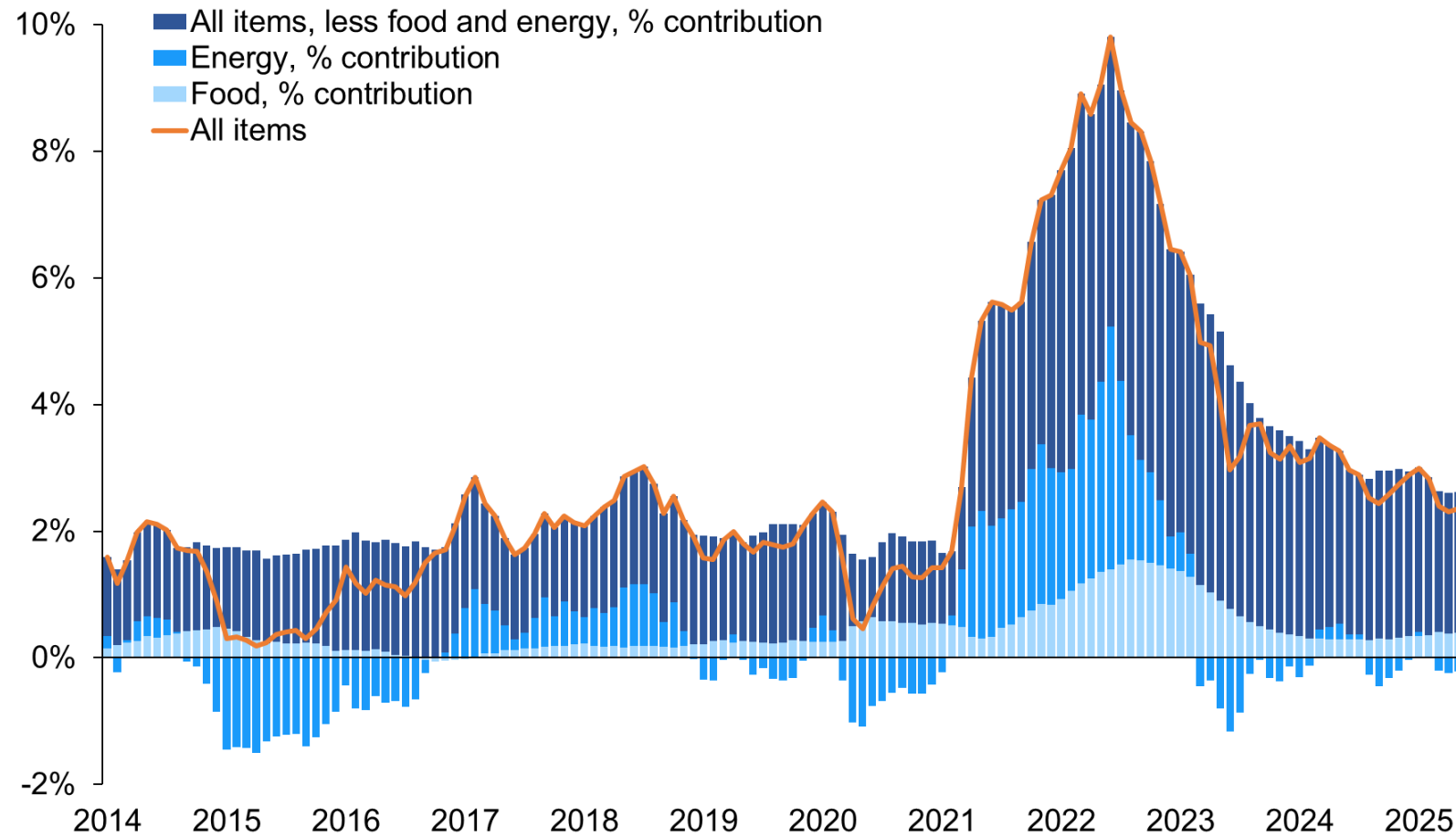


Source: U.S. Census Bureau via FRED®

inflation update

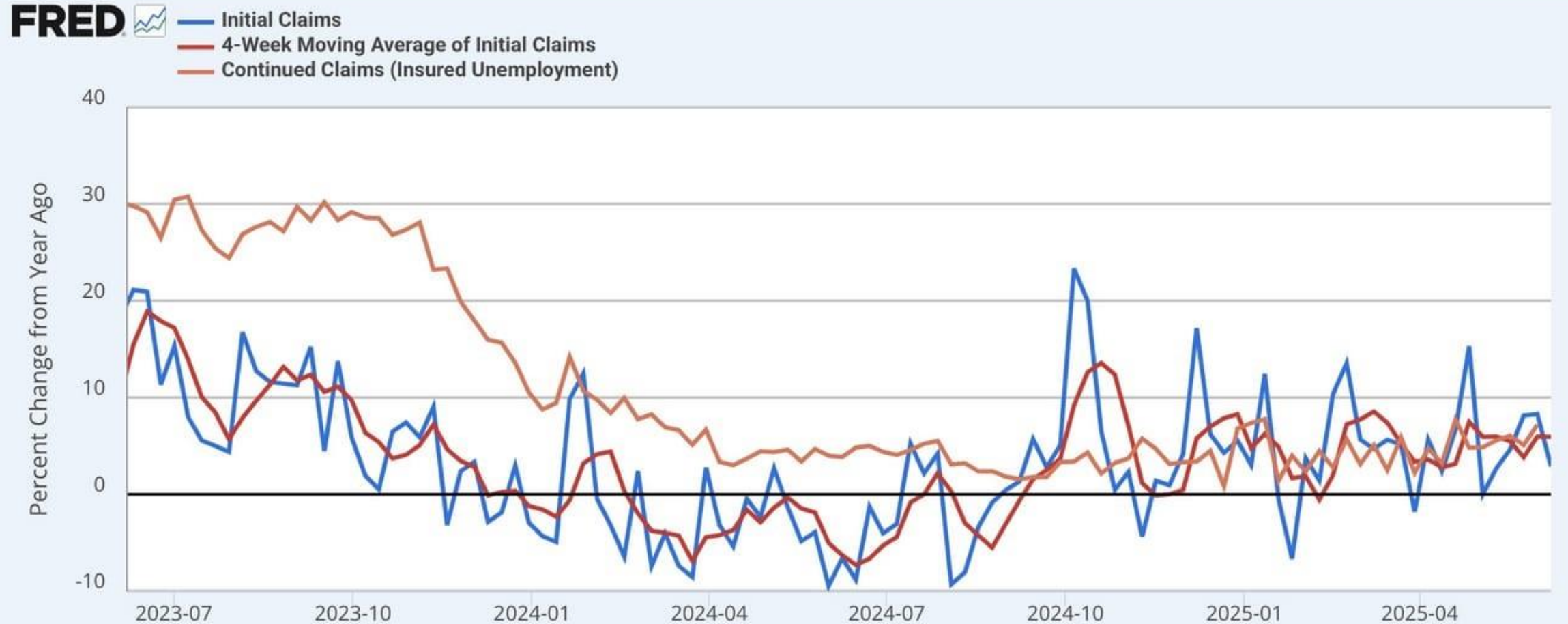
Year-over-year percent change in CPI

January 2014 - May 2025



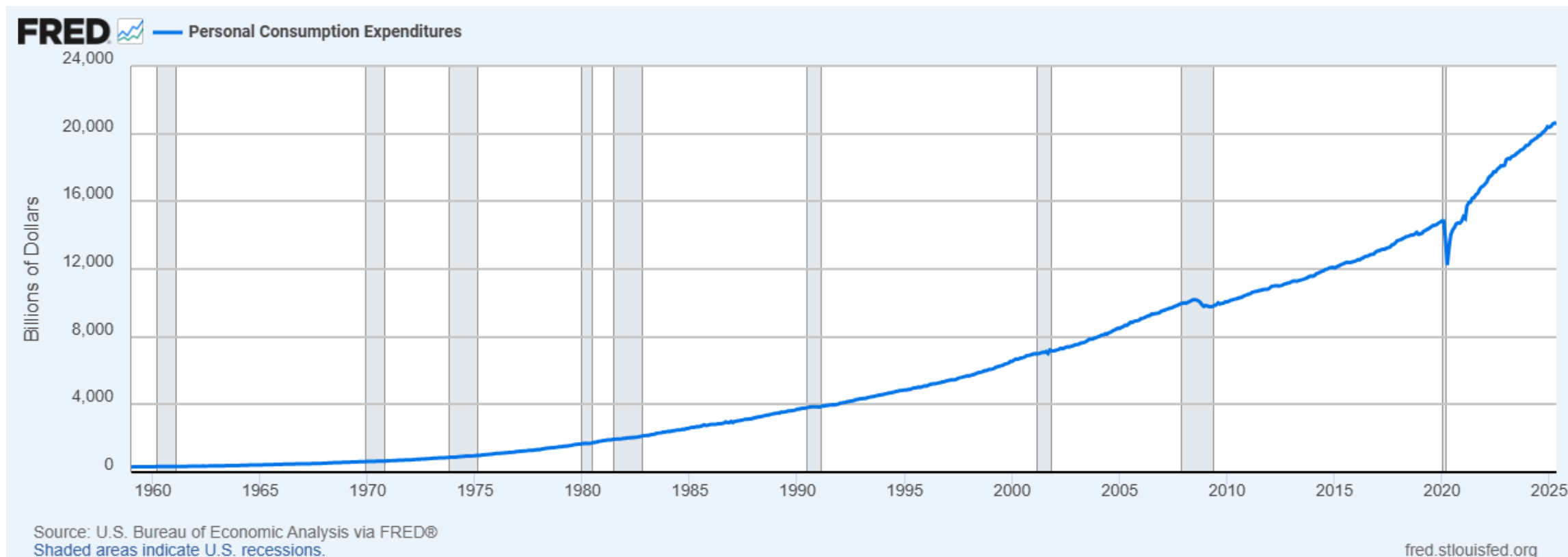
Source: BLS; EY-Parthenon

job market holding strong

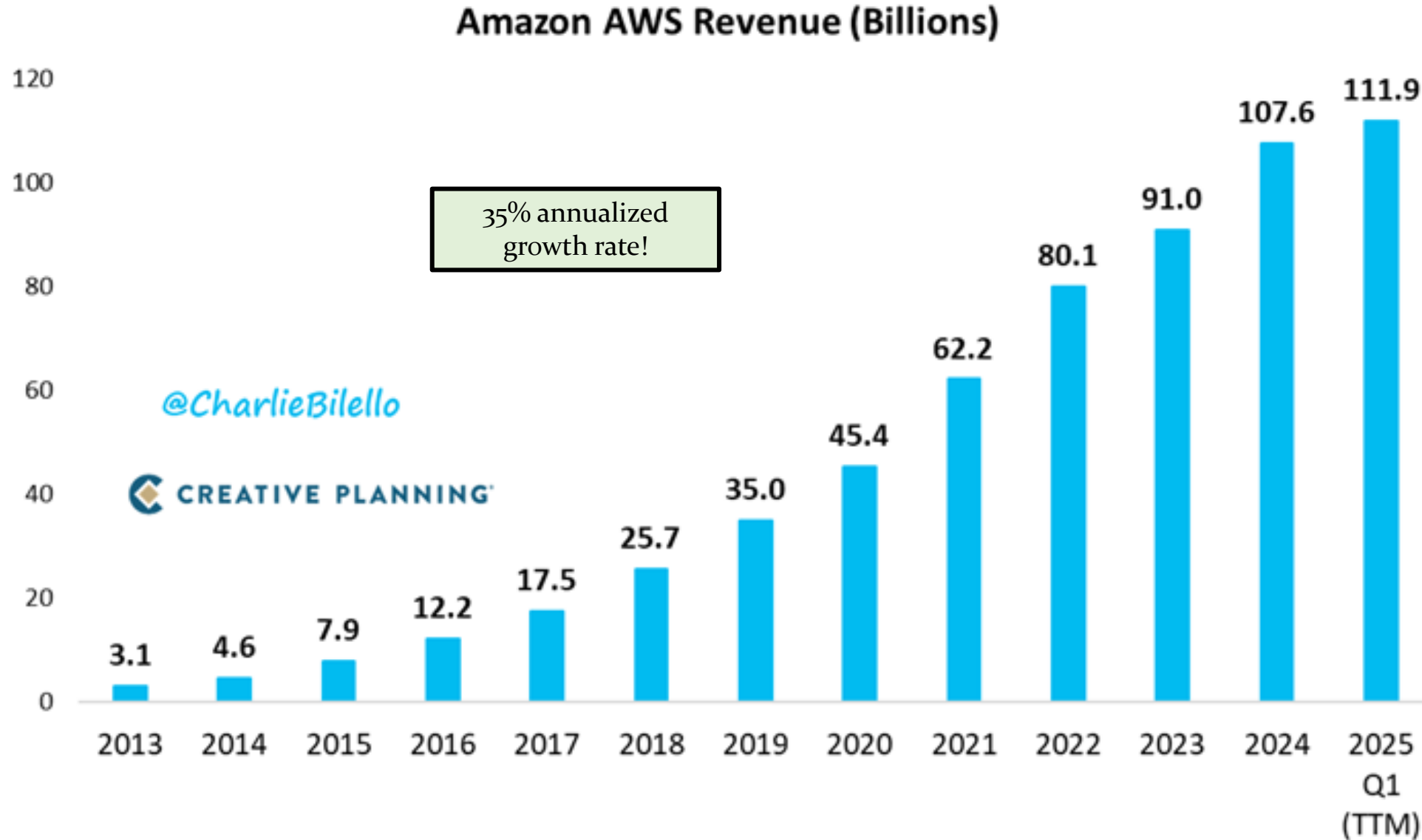


Source: U.S. Employment and Training Administration via FRED®

and the consumer spending [almost] always marches higher...

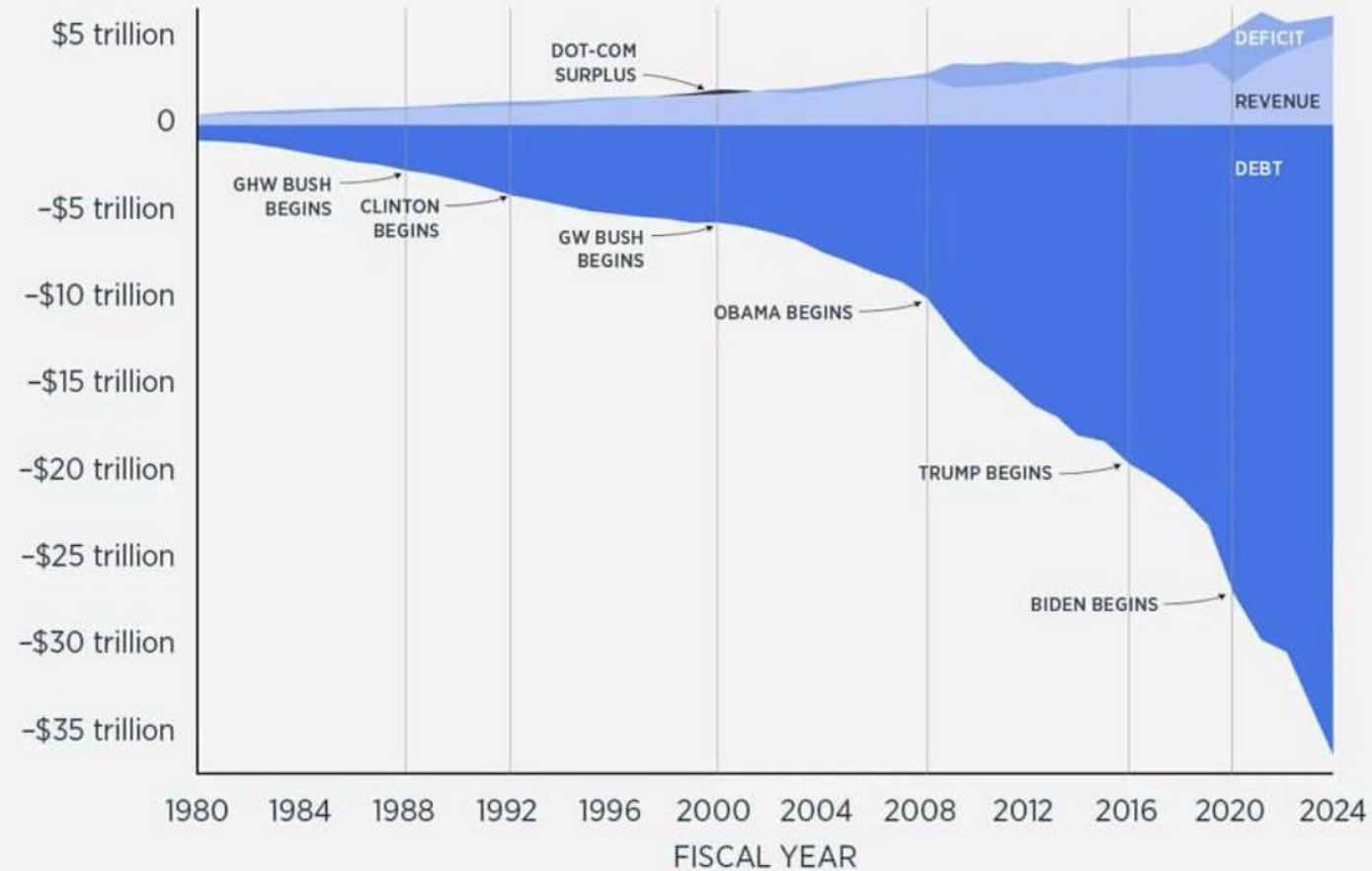


from \$3 billion to \$111 billion in 12 years



U.S. Deficit, Revenue and Debt Since 1981

The national debt has increased drastically under every recent president, regardless of political party.

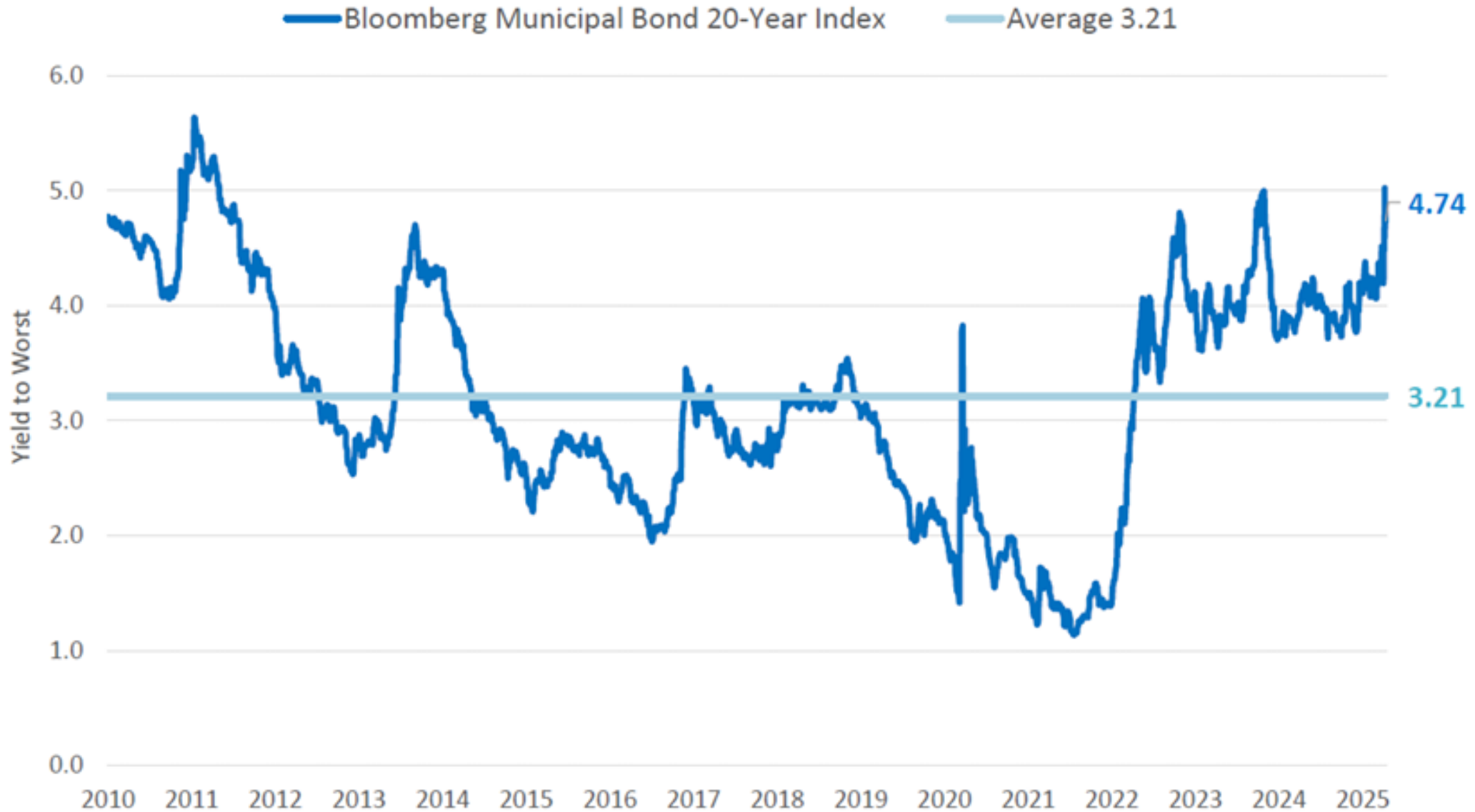


SOURCE: THE BALANCE, "U.S. FEDERAL GOVERNMENT TAX REVENUE BY YEAR," MAY 15, 2024; FEDERAL RESERVE BANK OF ST. LOUIS, "FEDERAL SURPLUS OR DEFICIT (FYFSD)"; INVESTOPEDIA, "U.S. NATIONAL DEBT BY YEAR," NOV. 4, 2024.

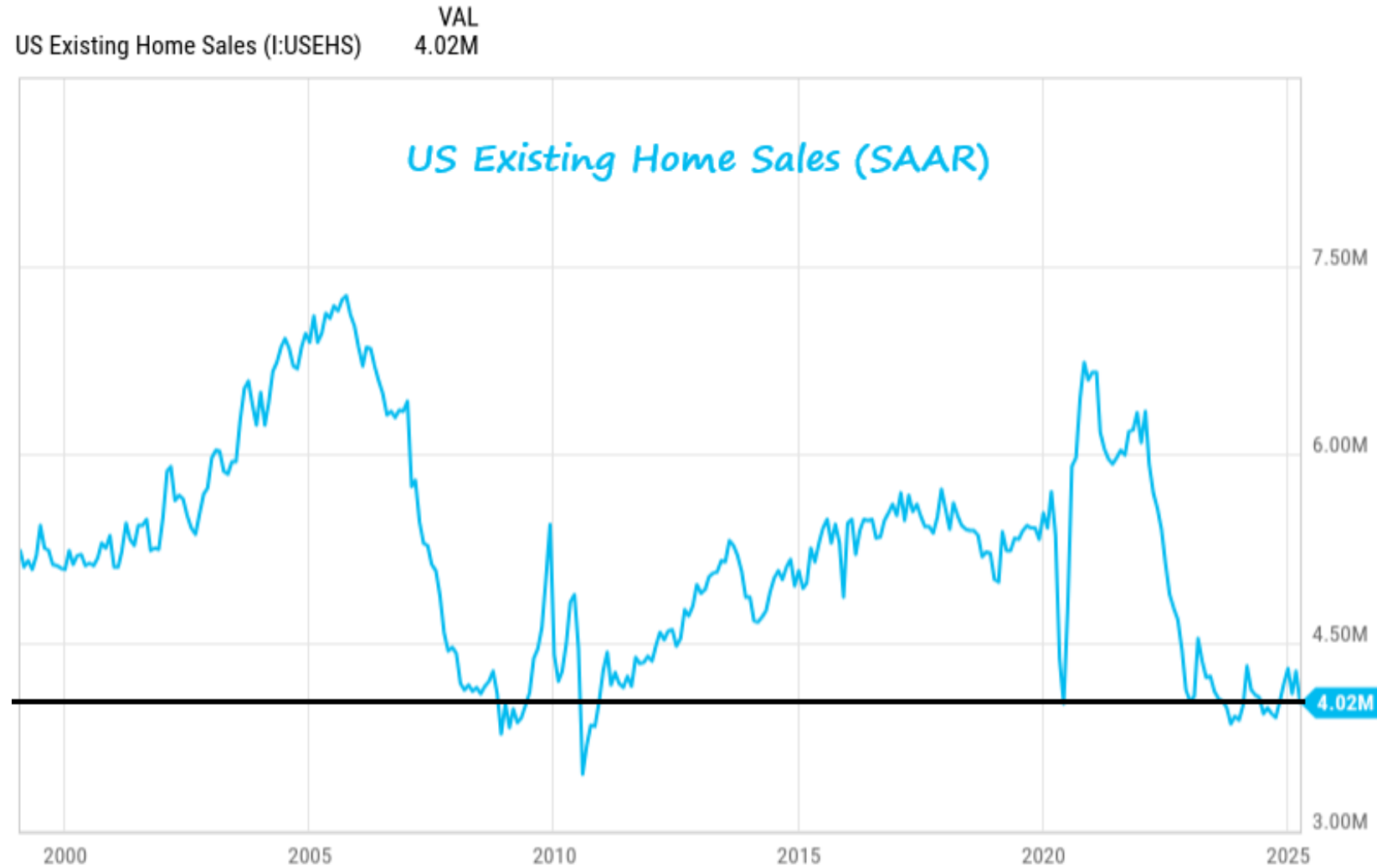
DISCOURSE

a sobering visual...

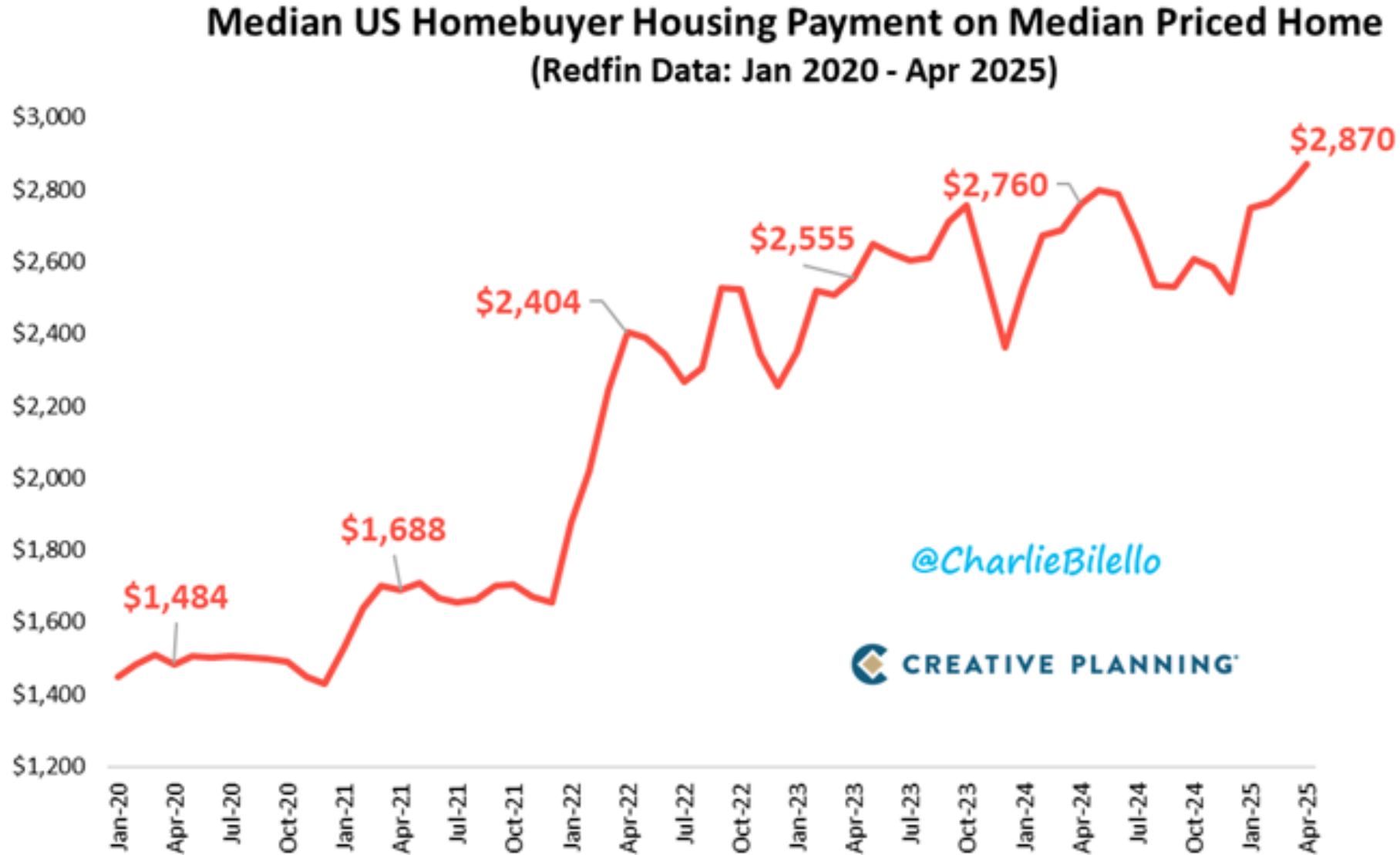
municipal bonds offering attractive yields



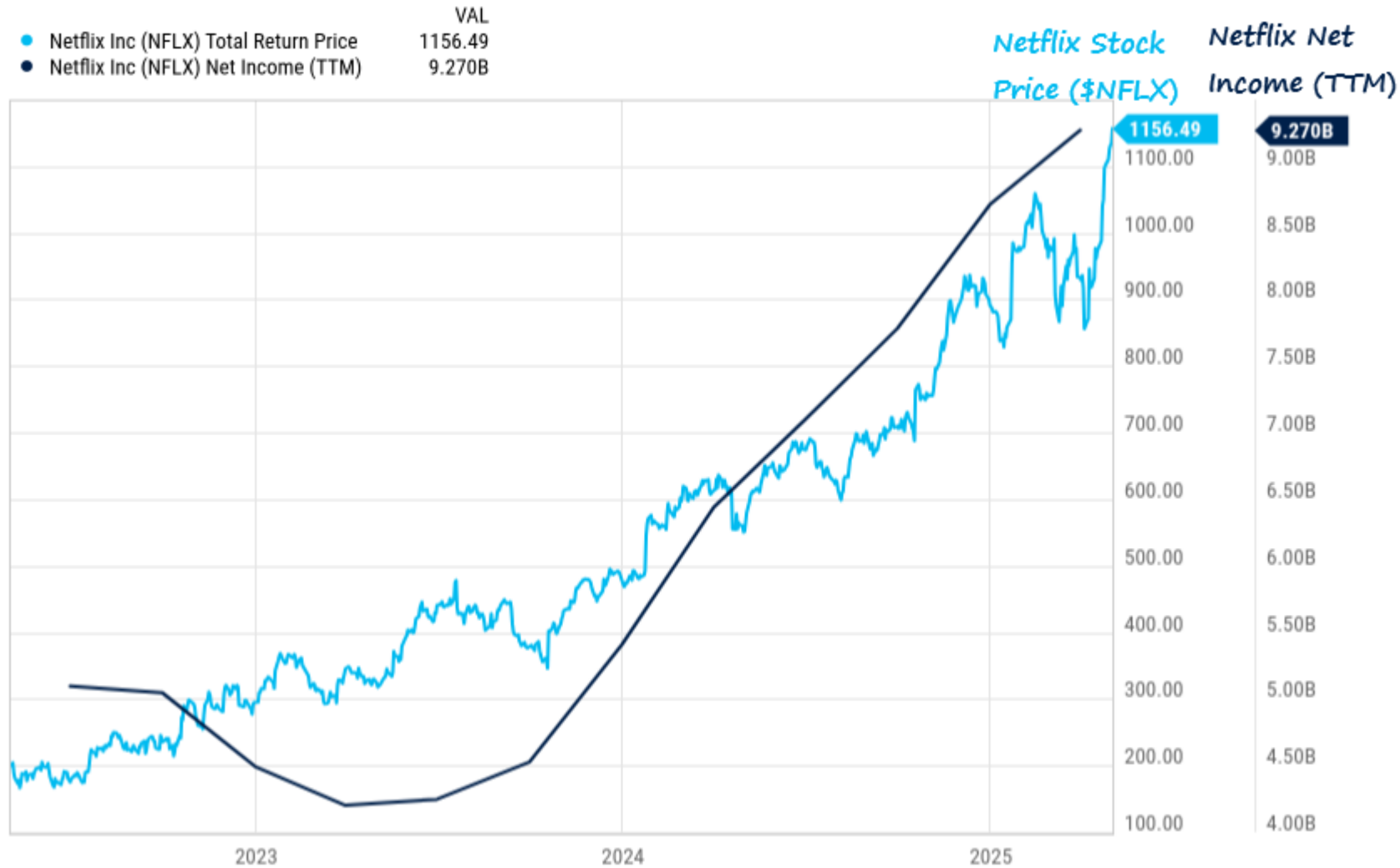
the eerily quiet housing market



this chart explains most of the quiet housing market



stock prices generally follow profits...



...but the drawdowns make it tough to HOLD an individual stock

3 Drawdowns Over 75%

