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McFee Financial Group March 12, 2025 Market Comments

'Keep calm and carry on' Winston Churchill

Global growth remains strong.

'Trumpcession' announced News headlines March 3rd as the Atlanta Federal Reserve Bank's gauge called 'GDP Now' which tries to keep a 'real time' US GDP forecast posted a -2.8% reading. One of the worst readings since COVID. Panic followed.

The Atlanta Federal Reserve's GDP Now estimate for real GDP growth in the US hit 2.4% on 6 March 2025, up from -2.8 percent on 3 March, based on new economic data around consumption, private domestic investment growth and net exports.

Seems that US companies imports skyrocketed ahead of Tariffs being added in March and April causing a false alarm for US GDP calculations.

US stocks are volatile, but still solid.

Barron's Dec 19, 2024 article, 'Why stocks will fall 10% in 2025.'

'The last 10% slide took place in October 2023, according to Dow Jones Market Data.

US stocks historically drop 10% every 1.2 years with the typical drop being 15%.'

'S&P 500 -10% and -16% Nasdaq Feb 3-March 11' Market Watch

Our opinion mirrors Wall Street, we fully expected one or two 10% declines this year and a higher market at the end of the year.

March 11, 2025 Wall Street median forecast for the year ahead for Dow Jones industrial average +20% and for tech heavy NASDAQ +33%. MarketWatch March 11, 2025.

International stocks remain solid.

'The MSCI global ex US up 6.5% YTD. Wall Street median forecast is +15% for the year ahead' MarketWatch March 11, 2025.

Bonds remain stable with inflation falling.

'US Inflation PCE 2.5% past year' WSJ March 3, 2025. Two years ago, US Federal Reserve targeted 2% in 2025.

Energy is a notable contributor to inflation. 'This year WTI oil had fallen 23%.' MarketWatch March 11, 2025. If oil and energy stay lower, inflation comes down further.

The Artificial Intelligence (AI) Revolution continues.

'It looks like AI is working its benefits as US worker productivity increased 1.5% over the past year. This is the highest reading since 2004.' WSJ January 17, 2025.

Deja vu?

Consider that we have seen this Trump chaos before. In 2017, the Federal Government began historic new tariffs and we saw low inflation and a solid growing economy.

Enjoy your Spring!

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