

Week In Review

OLLI-GMU Investment Forum

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Today: Watching for some great buying opportunities

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Disclaimer: I am not a certified financial analyst.

Any trading decisions you make are your responsibility

Economic Commentary

Markets have been whiplashed by multiple uncertainties

When will Iran war end? Difficult to judge

Inflation is expected to jump above 3%

Interest rates will likely rise

Watching out for margin calls; earnings revisions; profit warnings

- Earnings downward revisions are starting: UAL, Carnival
- Gold is down, but Dollar is up (safe haven)
- 10-year bond at 4.5% - big trouble at 5%
- Survey of economists sees 30-40% chance of recession (WSJ)
- Consumer credit card and mortgage defaults are rising (CNBC)
- Gasoline up to \$4.02/gal nationwide
- Unemployment steady at 4.4% (BLS)
- Inflation in February rose to 0.3% from 0.2% in January (BLS)
- Bond market is selling off. If the 10-year reaches 5%, look out below!

Market commentary

Flight to safety and dividends continues

- NASDAQ and Dow were in correction territory (down 10%)
- Rotating away from risk assets toward hard assets (HALO)
- **Warren Buffet says: “market still too expensive” (WSJ)**
- Credit market continues selling off – overblown?
 - Market fear vs actual performance
- Gold price is steady; profit taking over (for now)
- Mag 7 stocks are down 17% from the high; looking cheap
 - Microsoft down 33%; Meta down 26%
- Dividend, value, real estate stocks back in vogue
- VIX: declined to 24: neutral
- CNN fear gauge: 13: extremely fearful
- AAI investor sentiment: 30% bullish; 50% bearish
- Put/Call ratio rising to .9; extremely fearful
- Junk bond spreads: Rising to 3.5% from 2.9%
- MOVE index (VIX for bonds) rose to 108; fearful

My Watchlist

	B	C	D	E	F
	Watchlist Alerts				
	Capital Southwest BDC		<u>CSWC BULLISH MACD</u>		
	Fidelity Enhanced Small Business ETF		<u>FESM BULLISH MACD</u>		
	Freedom 100		<u>FRDM BULLISH MACD</u>		
	Gold ETF		<u>GLD BULLISH MACD</u>		
	* Gaming and Leisure Properties REIT		<u>GLPI BULLISH MACD</u>		
	Google (Alphabet)		<u>GOOGL BULLISH MACD</u>		
	Goldman Sachs NASDAQ 100 Premium Income		<u>GPIQ BULLISH MACD</u>		
	* Hercules Capital BDC		<u>HTGC BULLISH MACD</u>		
	iShares Tech-Software Sector		<u>IGV BULLISH MACD</u>		
	Main Street Capital BDC		<u>MAIN BULLISH MACD</u>		
	Microsoft		<u>MSFT BULLISH MACD</u>		
	S&P500		<u>SPY BULLISH MACD</u>		
	Tesla (SpaceX)		<u>TESLA BULLISH MACD</u>		
	Vanguard Emerging Markets		<u>VEA BULLISH MACD</u>		
	Vanguard World ex-US		<u>VWO BULLISH MACD</u>		
	* VICI Properties REIT		<u>VICI BULLISH MACD</u>		

Now what?

- Maybe NO Fed interest rate cuts in 2026 – inflation returning?
- Best places to hide: Cash, HALO stocks, dividends
- Markets will turn depending on which way oil prices turn
- **US economy is strong but....with overwhelming geo-political uncertainty**
 - Strong stimulants in place – OBBB tax relief
 - Consumer spending is split among haves and have nots; overall strong
 - Labor market is stronger than expected
 - Inflation seems to be under control - for now
 - Housing market is weakening
- Stock market is still very expensive: Forward PE = 20
 - Diversify!
 - Protect yourself with automated stop loss orders; or put options as insurance

If you're going to sin, sin against God, not the bureaucracy. God will forgive you; the bureaucracy will not. Admiral Hyman Rickover

If you would like to acquire these slides, email me at:

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