

Week In Review

OLLI-GMU Investment Forum

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Today: Bonds on sale – highest yields since 2002

Stock market earnings season begins - watch for guidance

Market tokenization

AI companies revisited

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Disclaimer: I am not a certified financial analyst.

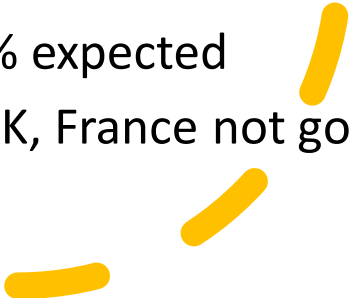
Any trading decisions you make are your responsibility

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US Economic commentary

We have a strong
economy amid
considerable
uncertainty

- Sum of all fears: wars, oil prices, inflation, government debt, AI goes rogue
 - New fear: France, UK national debt crises
 - New fear: Tokenization of stocks, bonds
 - Bonds are on sale: best yields in 25 years
 - Housing market suffering with high interest rates
 - Inflation steady at 3.4%
 - Unemployment steady at 4.2%; labor is stable
 - Gas \$4.34; diesel is \$6.27 / gal
 - 30-year mortgage rates hit 7.4%; 8% expected
 - Government bond auctions in US, UK, France not going well
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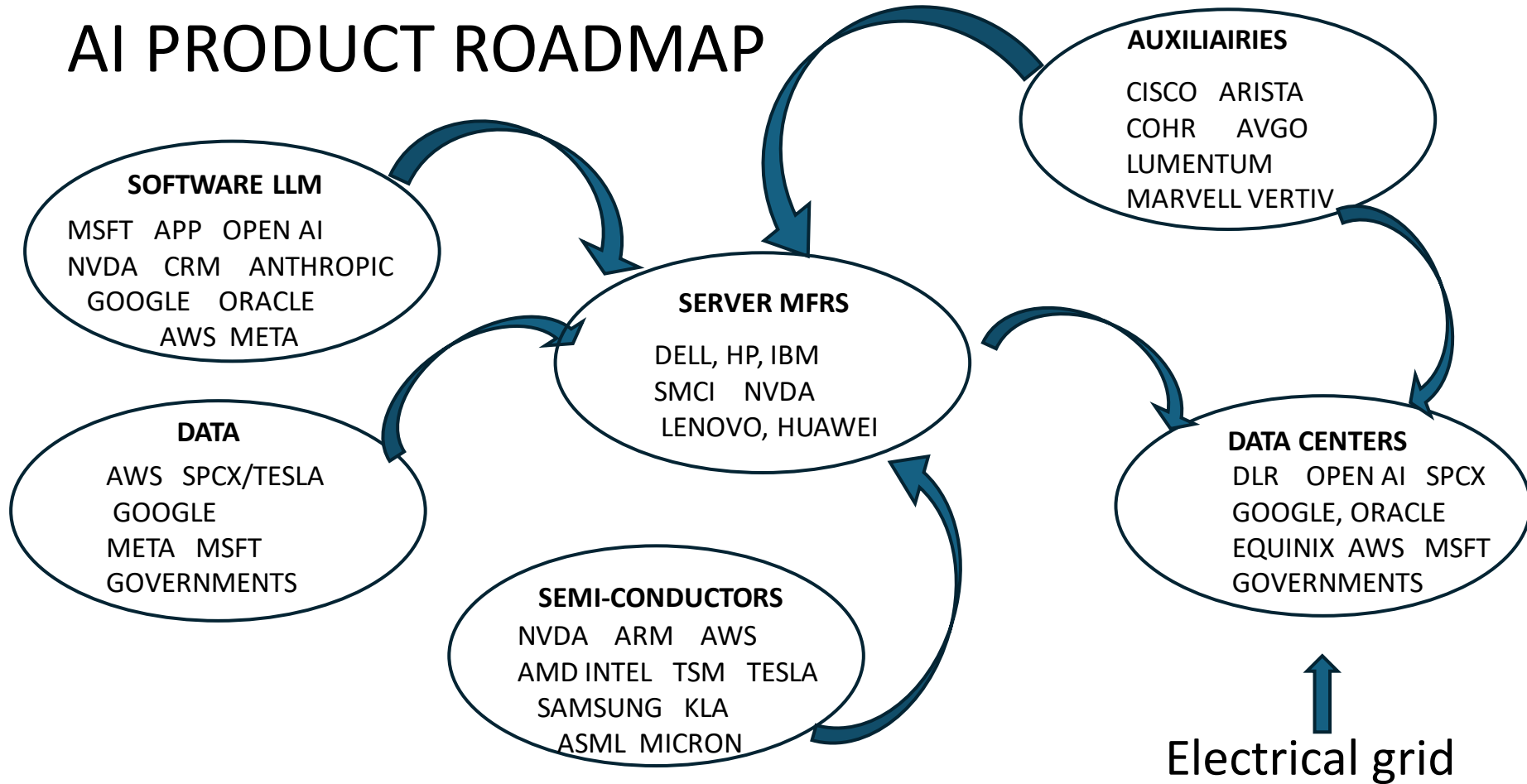
Market Commentary

Stocks getting nervous

Bond prices are dropping; yields looking ever more attractive

- Stock markets at near record levels, sustained by very high earnings;
 - Q3 profits expected 29% higher, YoY
 - Nervousness pervades
 - Pay close attention to Q3 reports
- Will bond market drop affect stock market?
- AI getting a bad name
 - Data centers, safety, security, spending
- Goldman Sachs, Wells Fargo, JP Morgan, Citi reported mixed results for Q3
- Micron reported blockbuster Q3 results but stock is falling due to China competition
 - Most semi-conductor stocks are falling
- CNN fear gauge: 32; fell to fearful
- VIX: rose to 16; neutral
- AAI Investor survey: 33% bullish; 48% bearish

AI PRODUCT ROADMAP



By 2030, AI alone is projected to contribute more than \$15 trillion to the global economy. (SIA)

Now what?

- US economy is strong amid significant uncertainty:
 - War with Iran, Russia-Ukraine war; oil prices, inflation; government debt, AI goes rogue
- Fed interest rate increase may not matter, for now
- Bond market yields rising; highest since 2002
- Stock market is getting nervous
- Protect yourself through diversification, stop loss orders and put options

Quote of the day:

“Invest in inflation! It’s the only thing going up.” Will Rogers, 1909

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