



Weekly Wire

Chad Heberly

Founder | Financial Advisor

06/18/2025

06/18/2025

Weekly Wire

Be Greedy When Others Are Fearful...

By Tim Holland, CFA, Chief Investment Officer

- Is – for most investors – easier said than done, considering we are social creatures that have a difficult time separating ourselves from the crowd...so, when it comes to the market when other investors are fearful, we tend to be fearful and when other investors are greedy, we tend to be greedy (the full bit of wisdom is from Warren Buffett who said it is wise for investors to “Be fearful when others are greedy and to be greedy when others are fearful,” which makes sense from a contrarian perspective...if everyone on Wall Street is bullish, stocks likely are overpriced and if everyone on Wall Street is bearish, stocks likely are underpriced). Which brings us to this week’s note, and a topic we have touched on more than once this very volatile year, and that is sentiment.
- The American Association of Individual Investors Sentiment Survey, produced by the AAI weekly since 1987, asks individual investors if they are bullish, bearish or neutral on US stocks over the coming six months. Now, typically, bulls outnumber bears, which makes sense considering that markets go up more than they go down, and if one is investing in or following the market, one is likely rooting for a rise in prices. However, every once in a while, the AAI Sentiment Survey registers an extreme bearish reading (60%+); not surprisingly, those readings have come during very difficult periods for the market. But, more important than the extreme bearish reading itself, is that 12 months on from six of those eight readings US stocks were meaningfully higher (see chart, below).
- The jury is still out on two of those 60%+ bearish readings as they were recorded only this year, on February 27th (60.62%) and April 3rd (61.92%), the day after President Trump’s “Liberation Day” tariff announcement. While we are less than four months and three months on from those readings, we think it is worth pointing out that the S&P 500 is up approximately 3% and 12% from those survey dates (as of 6/12/2025). Be greedy when others are fearful.

Weekly Wire

Almost There...

Times the AAI Bearish Sentiment Indicator Hit 60+%			
Date	Reading	S&P 500 TR 12mo Forward Return	Events Occurring
8/31/1990	61.00%	26.90%	Gulf War
10/19/1990	67.00%	29.94%	
10/9/2008	60.84%	20.92%	GFC
3/5/2009	70.27%	70.53%	
9/22/2022	60.87%	16.91%	Inflation Shock
9/29/2022	60.81%	19.79%	
2/27/2025	60.62%	?	Tariffs and Trade Wars
4/3/2025	61.92%	?	

Source: American Association of Individual Investors, April 2025

Weekly Wire

Looking Back to Last Week

By Ben Vaske, BFA, Senior Investment Strategist

Markets were on a calm uptrend last week until Friday, when geopolitical tensions rose with attacks between Israel and Iran. Global equity markets gapped down, and oil prices rallied nearly 8% on Friday, US equities ended the week with just slight losses but remain positive YTD. Oil and gold prices pushed the broad commodity index up over 2% on the week, providing a ballast to equity declines for broadly diversified portfolios. Markets responded favorably earlier in the week to a light Consumer Price Index (CPI) report, which gained just 0.1% in May. With tariffs and other inflationary pressures in place, inflation reports have yet to show any meaningful increases (for a deeper dive on recent inflation trends, check out this new article from Orion research analyst Nolan Mauk: [Benign Inflation Amid Tariffs: What to Watch Going Forward](#)).

Weekly Wire

Looking Ahead to This Week

As for this week, all eyes will be on the Fed as their June interest rate meeting is scheduled for Wednesday afternoon. Jay Powell and the Fed have remained in a “wait and see” mode as it pertains to inflation and labor data, pointing a lot of attention to US policy and tariffs, before making any decisions on changing the policy rate. Thus far, unemployment and inflation have seen no meaningful increases, but our expectation is that the effects of US tariffs will likely have a lagged effect, resulting in probabilities of a cut this meet remaining very low. Also on the economic calendar this week is US Retail Sales, which will give us another glimpse of the US Consumer and any potential effects of price increases. Continued strength in retail sales along with low inflation and employment will likely push the Fed’s hand on interest rate policy within the next few meetings, if these trends remain. Also important to watch this week will be any developments geopolitically, as increased uncertainty along with higher commodity and oil prices could put pressure on business inputs.

Weekly Wire

Stocks, Bonds, Alternatives, & Real Assets as of June 13, 2025

Security Name	Risk Score	1 Week	1 Month	QTD	YTD	1 Year	3 Year Ann.
Global Equities (60% US, 40% Intl)	100	-0.21%	2.38%	8.55%	7.52%	13.55%	16.34%
S&P 500 Total Return	102	-0.36%	1.70%	6.81%	2.25%	11.50%	18.62%
Dow Jones Industrial Average	97	-1.30%	0.40%	0.87%	-0.01%	11.13%	13.64%
NASDAQ 100 Total Return	122	-0.58%	2.15%	12.39%	3.32%	11.36%	25.25%
TV Benchmark	107	-0.75%	1.42%	6.69%	1.85%	11.33%	19.17%
Morningstar US Large Cap	102	-0.23%	2.21%	7.96%	2.48%	12.13%	20.51%
Morningstar US Mid Cap	113	-1.29%	-0.33%	4.34%	1.71%	11.29%	12.67%
Morningstar US Small Cap	125	-1.34%	-1.20%	3.55%	-2.74%	6.40%	10.47%
Morningstar US Value	98	0.09%	1.02%	-1.18%	3.21%	10.99%	11.98%
Morningstar US Growth	126	-1.29%	1.25%	13.29%	2.83%	15.21%	20.33%
MSCI ACWI Ex USA	98	0.19%	3.65%	10.09%	15.99%	16.01%	13.21%
MSCI EAFE	101	-0.17%	3.48%	10.25%	17.97%	15.50%	15.31%
MSCI EM	98	0.76%	3.33%	8.95%	12.23%	14.00%	8.77%
Bloomberg US Agg Bond Index	27	0.67%	0.93%	-0.09%	2.69%	4.00%	2.78%
Bloomberg High Yield Corp Bond Index	41	0.15%	0.61%	2.14%	3.17%	8.80%	8.87%
Bloomberg Commodity Index	70	2.01%	2.39%	-0.16%	8.71%	7.30%	-3.13%
Wilshire Liquid Alternative Index	25	0.03%	0.80%	0.82%	1.58%	2.47%	3.82%
US Dollar	10	-0.83%	-3.80%	-6.03%	-9.74%	-6.43%	-2.03%
Bloomberg US Treasury Bill 1-3mo	1	0.08%	0.39%	0.90%	1.95%	4.83%	4.62%

Source: Morningstar.

The TV Benchmark represents an average of the S&P 500, Dow Jones IA, and NASDAQ 100 return indexes

The Orion Risk Score represents risk relative to the global equity market.

Interest Rates as of June 13, 2025

Rate	This Week	1 Week
13-Wk Treasury Yield	4.24%	0.01%
10-Yr Treasury Yield	4.42%	-0.09%
Bloomberg US Agg Yield	4.75%	-0.09%
Avg Money Mkt Yield	4.10%	-0.02%
Avg 30-Yr Mortgage Rate	6.89%	-0.08%

Sources: Yahoo Finance, S&P Global, Crane Data, BankRate

Key Economic Data Last Week

Data Point	Expectation	Actual
Wholesale Inventories	0.2%	0.2%
Consumer Price Index (CPI) YoY	2.4%	2.4%
Core CPI YoY	2.9%	2.8%
Producer Price Index (PPI) YoY	--	2.6%
Core PPI YoY	--	2.7%

Source: MarketWatch, First Trust

Key Economic Data This Week

Data Point	Expectation	Release Date
US Retail Sales	-0.6%	6/17/25
Housing Starts	1.37M	6/18/25
Federal Reserve Interest Rate Decision	Hold	6/18/25
U.S. Leading Economic Indicators	-0.1%	6/20/25

Source: MarketWatch



PROSPERA
INVESTMENT ADVISORS

Thank You

As always, if you have any questions, we are here to help you navigate the path forward. Please feel free to contact us at
ContactUs@ProsperaInvestmentAdvisors.com.

This endorsement of Orion Portfolio Solutions is provided by an investment advisor who refers clients to Orion Portfolio Solutions. A conflict of interest exists because this investment advisor receives a portion of the annual management fee charged by Orion Portfolio Solutions, based on the assets under management of this investment advisor's clients. This endorsement could assist in the investment advisor increasing the assets placed with Orion Portfolio Solutions, and therefore their compensation. These investment advisors are not affiliated with or supervised by Orion Portfolio Solutions.

Chad Heberly offers Investment Advisory Services through Gradient Advisors, LLC (Arden Hills, MN 877-885-0508), an SEC Registered Investment Advisor. Gradient Advisors, LLC and its advisors do not render tax, legal or accounting advice. Prospera Investment Advisors, LLC is not a registered investment advisor and is independent of Gradient Advisors, LLC. Insurance products and services are offered through Chad Heberly, independent agent.

This communication may contain information that is proprietary, privileged, or confidential, or otherwise legally exempt from disclosure. If you are not the named addressee, you are not authorized to read, retain, copy, or disseminate this memo or any part of it. If you have received this memo in error, please notify the sender immediately by Email or fax, and destroy all copies of this communication. Please be further advised that, pursuant to the Bank Secrecy Act, the USA PATRIOT Act, and similar laws, any communication in this e-mail is subject to regulatory, supervisory, and law enforcement review.

Prospera Investment Advisors, LLC, Chad Heberly, and Gradient Advisors, LLC are not affiliated with or endorsed by the Social Security Administration or any government agency.