PVG Asset Management
LOSS AVERSE INVESTING

Market in a Minute

May 13, 2025

Index Performance: As of May 9, 2025			
Index	**Price**	**Last Week**	**YTD**
S&P 500	5,659.91	-0.47%	-3.77%
Dow Jones	41,249.38	-0.16%	-3.04%
NASDAQ	17,928.92	-0.27%	-7.16%
Russell 2000	10,987.93	0.14%	-8.89%
Russell 2000 Growth	9,814.94	-0.07%	-9.01%
Russell 2000 Value	16,030.01	0.36%	-8.76%
Russell 1000 Growth Total Return	3,900.62	-0.61%	-6.45%
SPDR Gold Shares	306.84	2.97%	26.73%
Powershares US $ Index	27.66	0.47%	-5.98%
Ishares EAFE Index	85.97	-0.15%	13.70%
Barclays Aggregate Bond Index	97.76	-0.19%	0.89%
iShares Barclays 20+ Yr Treasury Bond	87.05	-0.78%	-0.32%
Utilities Select Sector ETF	80.24	0.61%	6.01%
Vanguard REIT ETF	89.16	-0.61%	0.09%
iShares Mortgage Real Estate	21.15	-0.47%	-0.94%
Alerian MLP ETF	48.44	0.06%	0.58%
iShares Global Telecom	99.7	-1.16%	3.13%
ETFMG Alternative Harvest ETF	19.38	-6.83%	-27.90%
Grayscale Bitcoin Trust	81.47	6.43%	10.06%
Shanghai SE Index	3,342.00	1.68%	-0.29%

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

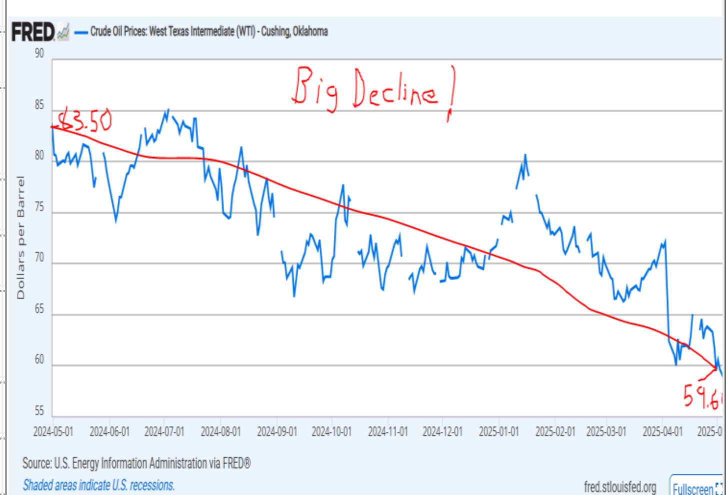
A Word on the Market

By: Patrick Adams, CFA

CPI on Tuesday and PPI on Thursday:

- **Both are expected to be up 0.3%. CPI expected to be up 2.3% year-over-year** in April while March was up 2.4% and PPI up 2.7% versus 2.7%.
- **The killer to CPI is the roughly -29% drop in oil prices in the last 12 months.** Energy is such a large contributor to CPI as it impacts other categories. **Shelter was still up 4% in March and expect this large component to start to show a slow decline.**
- **President Trump is in the Middle East this week. We believe for two reasons, to discuss keeping oil prices low and secondly the plan for Iran.**
- **M2 is growthing on a year-over-year basis at 3.7%. It is difficult have much inflation and growth with this amount of M2 growth.**

Oil



S&P Sector Performance: As of May 2, 2025			
Index	**Price**	**Last Week**	**YTD**
Information Technology	4,233.71	0.26%	-8.15%
Consumer Disc.	1,617.63	0.81%	-11.66%
Consumer Staples	891.19	-1.05%	4.40%
Health Care	1,545.09	-4.26%	-3.72%
Financials	828.59	0.08%	3.00%
Industrials	136.11	1.14%	3.30%
Energy	630.94	0.42%	-3.65%
Communications Services	326.13	-2.42%	-4.55%
Utilities	407.2	0.53%	5.78%
Materials	533.96	-0.38%	0.79%
Real Estate	261.02	-0.76%	1.99%

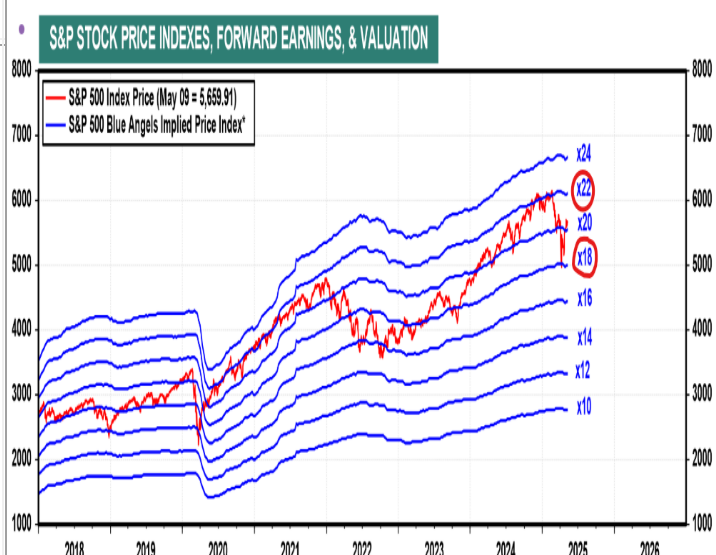
Source: Bloomberg website, Returns are appreciation only

PVG Strategies

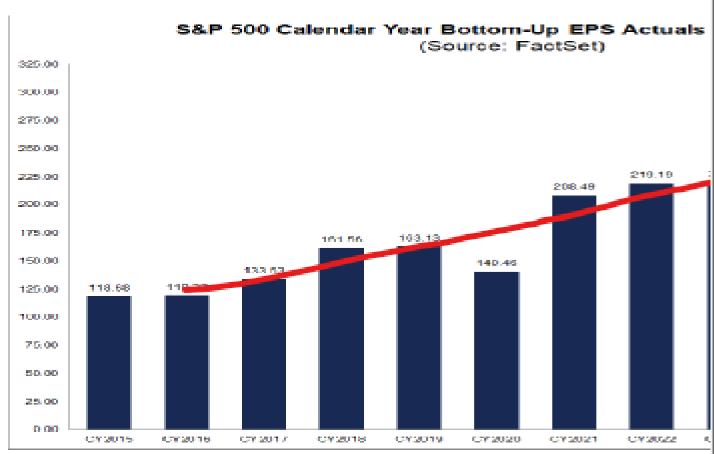
Tactical Strategies	**QTD**	**YTD**	**Average Annual Return as of 3/31/25**
Tactical Total Return	1.08%	-3.63%	7.21%
Dynamic Core	-1.32%	-4.92%	7.71%
Tactical Growth	0.17%	-4.86%	18.50%
Loss Averse			
Loss Averse Equity Income	-3.47%	-1.60%	3.77%
Specialty			
Emerging Healthcare	2.22%	3.22%	62.43%
Focus			
High Income Focus 10	-0.81%	1.39%	6.25%
Growth Focus 10	0.46%	-1.94%	8.17%
Emerging Healthcare Focus 10	7.74	-2.15%	10.15 %
Strategic			

Market Outlook:

- **The technicals have turned up.**
- **Tariff risk has been lowered.**
- **Odds of a recession have dropped with underlying growth from the GDP report.**
- **Big investment growth will drive GDP.**
- **Tax cuts coming.**
- **"Hopefully", lower federal budget deficits.**
- **Confidence in 2026 earnings is less negative. The market should look through tariff related earnings issues as it is being resolved. We think 285 in S&P 500 earnings seems appropriate the consensus is 300.**
- **Market is now fairly valued, so the 10-Year Treasury needs to remain below 5%. We think the market will trade between 19x-22x.**
- **Valuation is important, buy openened stories where the valuation is less important, and stocks with reasonable valuations as the economy will reaccerate in the second half of year and will rotate.**



Bottom-Up EPS Estimates: Current & Historical



Tactical Aggressive	2.12%	0.00%	13.97%
Tactical Moderate	-1.14%	-3.65%	10.21%
Tactical Conservative	-0.73%	0.30%	7.57%
Tactical Income	0.29%	2.50%	6.94%

Interest Rates			
Fed Fund	4.33 %	**5-Year**	4.00%
3-Month	4.34%	**10-Year**	4.37%
6-Month	4.28%	**30-Year**	4.83%
2-Year	3.90%		

Source: Bloomberg.com

Economic Events This Week

Date	Report	Forecast	Previous
May 13	Core CPI	0.3%	0.1%
May 13	CPI	0.3%	-0.1%
May 15	Retail Sales	0.2%	1.4%
May 15	Retail Sales ex-auto	0.5%	0.5%
May 15	PPI	0.3%	-0.4%
May 15	Core PPI	0.3%	-0.1%
May 15	Philadelphia Fed Index	-6	-26.4
May 15	Industrial Production	0.3%	-0.3%
May 15	Capacity Utilization	77.9%	77.8%
May 15	Business Inventories	0.2%	0.2%
May 16	Housing Starts	1383K	1324K
May 16	Building Permits	1450K	1467K
May 16	Univ. of Michigan Consumer	55.0	52.2

Technicals:

- **The S&P 500** has been bouncing off a bear market type of decline, down more than -20%. The big question is this a counter trend rally (ultimately going lower) or is this rally going to carry higher into a new cyclical bull. We are leaning on a new cyclical bull, but it is constrained by valuations. **Go to where there are openended stories, or attractive valuations.**
- **The S&P 500 and Nasdaq are now above the 200-day and is a big positive as the trend "should be" higher.**
- **Remember the sentiment is still very negative and there is a lot of cash on the sidelines.**
- **The Russell 2000 (IWM) has significant upside still.**

S&P 500

QQQ

	Sentiment – Prelim		

Economic Events Last Week	
May 5	The main engine of the U.S. economy, the services sector, strengthened in April
May 5	S&P global US services PMI shows slowest growth in 17 months with subdued demand and slump in business confidence
May 6	The trade deficit hit a record in March as companies rushed to import goods ahead of tariffs
May 8	U.S. productivity falls for first time in almost three years

Russell 2000

Wealth Management:

- Fixed Income and income stocks we continue to focus Baby Bonds that are investment grade, mature in 5-years or less and have yields around 8%.
- The income stocks we favor are mortgage REITS, closed-end funds, and deep value cyclical stocks.
- **Technology is back and will run with the market.** We like the **autonomous driving commercialization theme and think MBLY has big upside as the visibility of the technology is in the news more in the second half of 2025.** Kick ourselves on not pulling the trigger on TSLA.
- **Banks** have strong fundamentals, there will be big spending on **factory automation**, the **basic industies** are great values, **housing** stocks will be big movers as the Fed will ease off their quatitative tightening, **consumer stocks besides WMT and COST. Small cap stocks** will rip higher with tax cuts and lower short-term rates. As China is less bad energy should recover.

MBLY

Phone:(303)874-7487
Email: madams@pvgasset.com
Website: www.pvgassetmanagement.com