



Confident? Consiliatory? Resilient—Apparently!

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Did You Know? Glass

Glass is made from sand: Sand is mixed with lime and soda ash, then heated to extremely high temperatures. Once it cools, the result is glass.

It can be formed by lighting: Glass can naturally be formed when sand is struck by lightning because of the high temperatures.

When glass breaks, the cracks move at 3000mph: That's 5 times faster than the average airplane, which travels at 575mph!

Glass windows were invented in the 17th century: Prior to that, people made windows out of flattened animal horn.

Glass is different: Glass is not classified as a solid, liquid, or a gas. When cooled, glass forms an "amorphous solid" that allows molecules within the glass to continue moving around.

The "Portland Vase" is one of the oldest and most valuable glass art pieces in the world: Experts estimate that the Vase was made sometime between AD 5 and AD 25 in Rome.

Glass is 100% recyclable: Glass can be recycled endlessly without losing any quality or purity.

Source:
Techni-glassllc.com



For the month of June, the markets provided some radiant sunshine. The Dow gained 4.3% for the month and rose 5% in the second quarter while the S&P 500 gained 5% for the month and 10.6% for the quarter. Its largest quarterly percentage gain since the fourth quarter of 2023. The Nasdaq finished June up 6.6% and at 17.8% for the quarter. Its largest quarterly percentage gain since the second quarter of 2020.

International equities haven't exactly been relegated to the shade. While the 3% June return for the MSCI EAFE Index trailed its S&P 500 counterpart, international stocks outperformed the US with a 13.6% second quarter return.

Looking at the full first half of the year, it was a story of two sharply contrasting quarters for U.S. equities. In February, chaos erupted as tariff fears gripped investors, sending stocks into a downward spiral. By April, the S&P 500 had shed nearly 20%, while the Nasdaq dipped into bear market territory, falling 23.4%. Bearish forecasts flooded the airwaves, with pundits warning of a prolonged downturn. The story's tone carried across the globe, with international stocks dipping in similar fashion.

The script flipped mid-year with a U.K. trade deal, an initial trade framework with China, and the ceasefire between Israel and Iran. Investors were relieved as the administration put a 90 day pause on its sweeping tariff agenda. By June, stocks were back in a bullish mood as the S&P 500 and Nasdaq soared to record highs. The S&P 500 ended the first half of the year up 5.5%, the Nasdaq Composite gained 7.5%, the Dow Jones Industrial Average rose 4%, and the MSCI EAFE rose 20%.

In the end, the first half of 2025 was a wild ride from a tariff-induced plunge to a record-setting rebound. Which begs the questions, where do we go from here? Does the second half of the year offer more growth or will renewed tariff threats and geopolitical concerns put a lid on markets for the remainder of 2025?

When you look at historical market behavior, this year's first half gyrations become less alarming. Since 1950, we've experienced eight similar periods which encompassed the third year of a bull run AND had followed back-to-back years with 20%, or greater, returns for large cap stocks. According to AAIL, six of those eight periods were followed by years generating positive returns averaging over 12%. The Stock Trader's Almanac adds that the third year of a bull market is often choppy, with stagnant patches, and periodic pullbacks of 5–10%. History never guarantees the future, but, halfway into 2025, the S&P 500 is up 5.5% or about half of the historical norm.

We definitely like the sound of more 2025 gains, but it's tough to put both feet into that camp. The markets' have been surprisingly resilient to trade friction and geo-

Trivia

- 1) With sunscreen, what does SPF stand for?
- 2) What three Zodiac signs occur during the Summer?
- 3) How long does a watermelon take to grow?
- 4) Where was the first public beach in the U.S.?

New Tax Act

What's your plan?

The OBBB Tax Act recently signed into law contains something for everyone. Here are two provisions helpful for workers and retirees, alike.

Increased SALT deduction: The cap on the state & local tax (SALT) deduction is temporarily raised from \$10,000 to \$40,000 for filers with adjusted gross incomes (AGI) below \$500,000. This temporary relief reverts to \$10,000 in 2030.

Enhanced additional standard deduction for seniors: The Act gives qualifying individuals aged 65 or older a temporarily extra deduction of \$6,000 on top of their standard deduction. So, for tax year 2025, a married couple, ages 65+, with income under \$150,000 could take a total standard deduction of \$46,700 (\$31,500 base standard deduction + senior extra deduction of \$3,200 + \$12,000 (\$6,000 each) new bonus deduction). This magical math expires in 2028.

Don't Delay: With less than six months left in 2025, and expirations just around the corner, time is short. These, and other provisions, can super-charge how you live, give or grow wealth in ways most important to you. We'll share more ideas soon, but don't hesitate to call us for a personal conversation.



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-litical instability, but the continuing bull case rests on some rosy scenarios and hopeful breaks, as uncertainty around tariffs, immigration crackdowns, and federal spending cuts remain. Who will pay for tariffs? How will immigration enforcements affect the labor force? Where will spending cuts be felt the most?

Offsetting that uncertainty was the clarity from the signing of the Big Beautiful Bill Act for tax and spending. While the Act offers benefits to some and concerns for others, it provides ALL with the path forward on tax legislation. (We've highlighted just two of its provisions in the sidebar.) The Act also served to raise the debt ceiling, staving off the annual theater and battles around government shutdowns. These near-term certainties from the Act do come with a darker companion as the Act failed to rein the U.S.'s ballooning debt.

With all the attention on tariffs and tax law, we don't want to overlook interest rates and Fed policy. The Federal Reserve continues its "show me the data" attitude toward its mandates to control unemployment and inflation. Labor market numbers remain solid in the face of a volatile first half, and concerns under the surface aren't consistent enough to call a trend. Inflation sits above the Fed's target, but remains benign given initial worries about tariffs. So far, the source of dollars gathered from tariffs (a tax on imported goods), seems to be shared through global supplier price negotiations, absorption into corporate profits, and some price increases to consumers. The Fed is watching how this sharing may shift, and so should you.

So, back to our question: Where do we go from here? Continuing consumer resiliency and consistent (though slowing) corporate profitability keep us positive on US stocks. Big Tech drove much of the mid-quarter bounce back, but other sectors have shown gains. And while AI is most associated with the Big Tech names, its implementation is hitting the bottom line of other companies. We remain positive on stocks, but continue to dial back on the pure growth factor in favor of growth AND growing dividends.

We would need two more pages to share all our thoughts on international stocks, but suffice it to say we are directing a bit more of our equity exposure overseas. There are three main drivers: a weakening US dollars, valuations (as foreign market are less expensive than US markets), and a US driven trade war that has foreign countries/companies upping the game within their own borders.

Lastly, we see interest rates trading in a range for the remainder of the year. As expressed by the 10-year Treasury, we see rates continuing to fluctuate between 4% and 5%. Stocks may offer the sex and sizzle to market conversations, but intermediate fixed, as well as preferred stocks, continue to play an important role in client portfolios.

Simply put: We believe the US and global economies will retain their resilient attitudes, in navigating the rest of the year, and will continue to position client portfolios accordingly . . . and with caution, of course.

Trivia Answers

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| 1) SPF = Sun Protection Factor | 2) Cancer, Leo, and Virgo |
| 3) Approximately 90 days | 4) Revere Beach in Revere, MA |