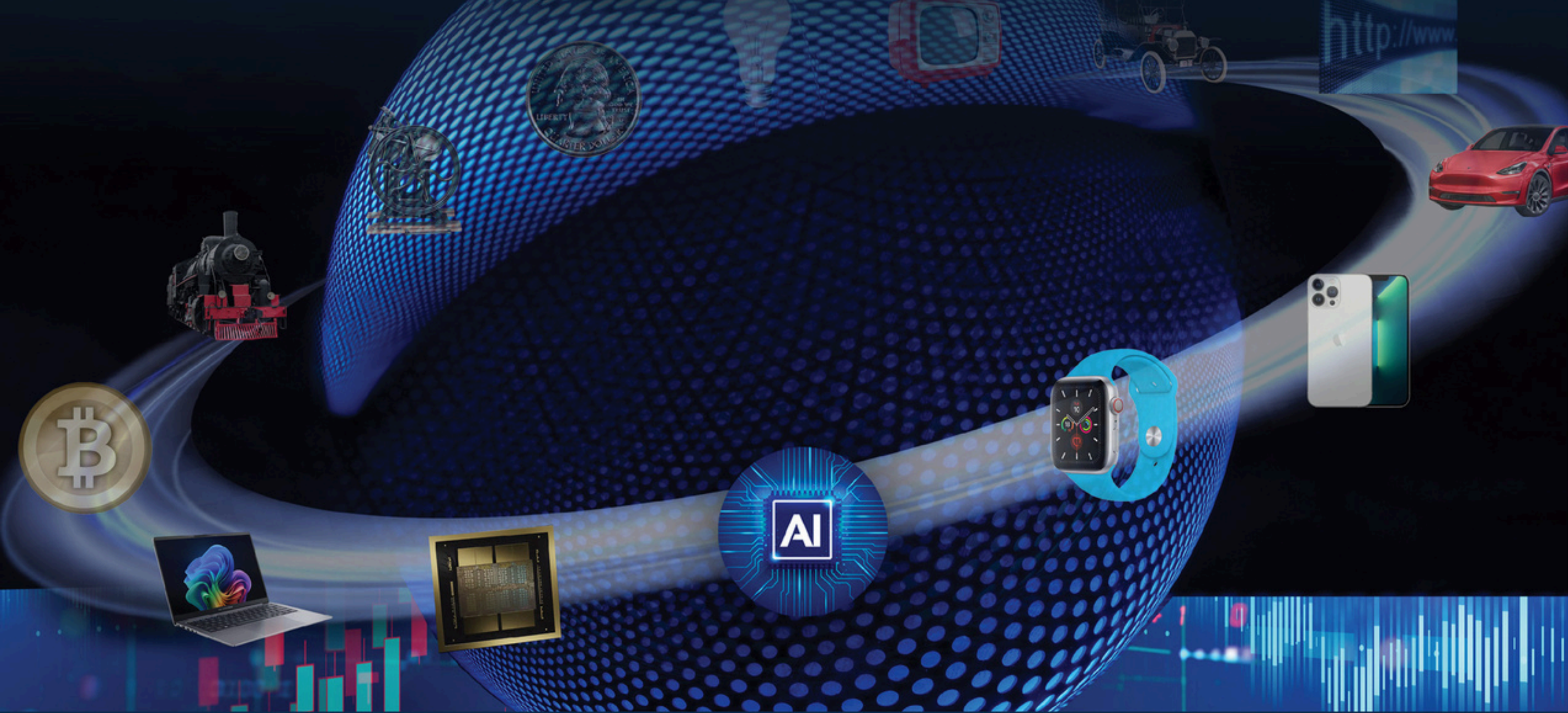
All That's New Is Old

2025 Year Ahead Report



M&K LEGACY WEALTH

Executive Summary

Heading into 2025, we are embarking on a new era of innovation as technologies like Blockchain, Artificial Intelligence (AI), Quantum Computing, Internet of Things (IoT) in Smart Cities, and Augmented Reality represent just a few of the advancements that stand to transform how we live our lives and revolutionize the way we do business. What sets these innovations apart is that they are all developed in the United States, making the U.S. the leader of these industries. Yet, what stands out as truly exceptional is that we have been here before. This cycle of growth is not new, it is old, and this is a trend that has repeated itself throughout history.

From the introduction of the printing press to the rise of the internet, the Model-T to the Tesla, and the lightbulb to the information highway, cycles of innovation have spurred growth, driven economies and inspired investment opportunities. Usually spanning transformative periods over decades, these innovations – although often met with uncertainty at first – go on to spark historic eras of growth, resulting in new industries, efficiencies and generations of wealth.

The US As The Global Leader

Critical to defining this new era of innovation is the fact that the U.S. remains the global leader in these technological advancements. Home to the Magnificent 7 tech giants (including Nvidia) and expanding Blockchain and AI hubs located from San Francisco to Baltimore, the U.S. houses both the development and the deployment of these life-changing technologies. Within our nation, you'll find the creators and

2025

Executive Summary

owners of the intellectual property, springboarding America's role as the global leader of this new innovation era.

Capital Flows To The US

The world is turning in a new and redefined way, thanks to tech including AI and Blockchain. As history has shown, cycles of growth, like this period of U.S. advancement, drive investment. We can expect that these developments will spur not just domestic investment, but foreign investment, injecting capital expenditure (CapEx) into U.S. companies to support their growth, efficiencies and improvements. For the U.S., this investment could mean more jobs, increased productivity, and a stronger economy. It also can equate to earnings.

A Lens Into History & Investment Cycles

When considering the transformative era of today, we look to history and how technological revolutions have impacted equity markets specifically. Since the 1800s, inventions and economic cycles, which typically last for hundreds of years, have led to a long-term uptrend in equities.

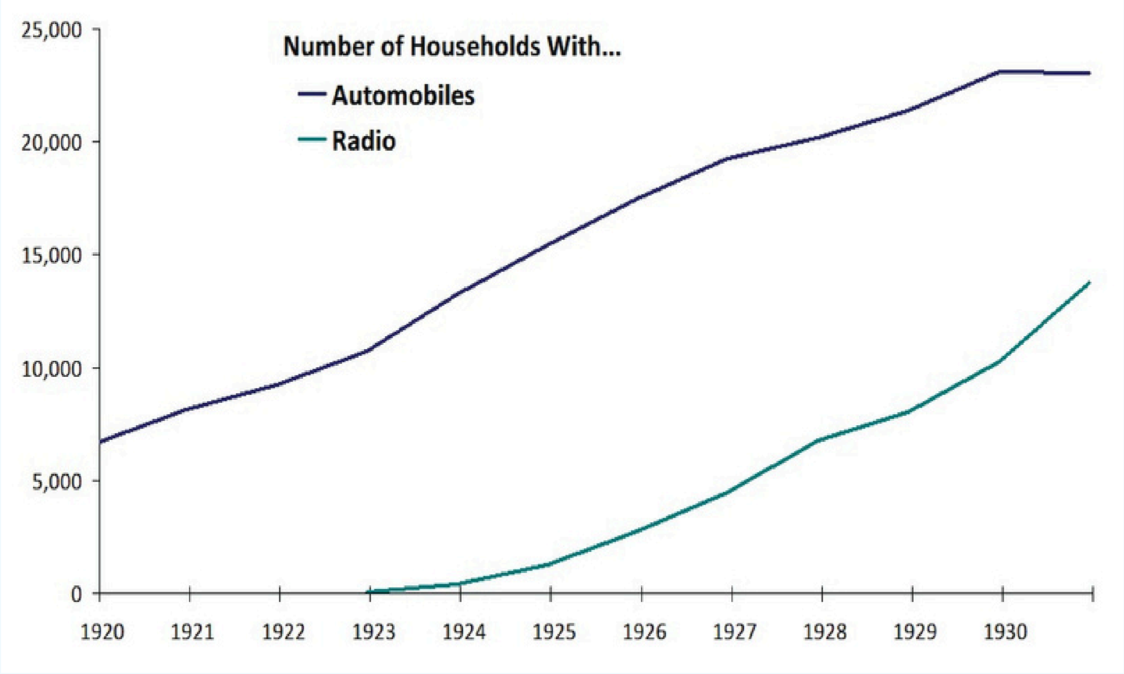
Source: Sanctuary Wealth September 2023

All That's New Is Old

Booms and busts occur in markets as innovations appear and are integrated into society and the economy. First, the full potential return of the innovation is discounted to its present value, usually with significant overestimation, for example, the internet from the 1990s. When growth slows and before it ceases to expand, more realistic estimates of future earnings come into view. At that point, stock prices decline and leveraged positions are unwound, sometimes causing prices to fall sharply. But this whole process evolves over many years, and significant equity returns can boost portfolios sharply.

Immediately following the end of World War I, the Federal Reserve (Fed) – a relatively new institution then (it was founded in 1913) – provided ample liquidity to the economy. In the 1920s, many new technologies came to the fore, such as automobiles, airplanes, and radio.

Use Of New Technologies Proliferated During The 1920s

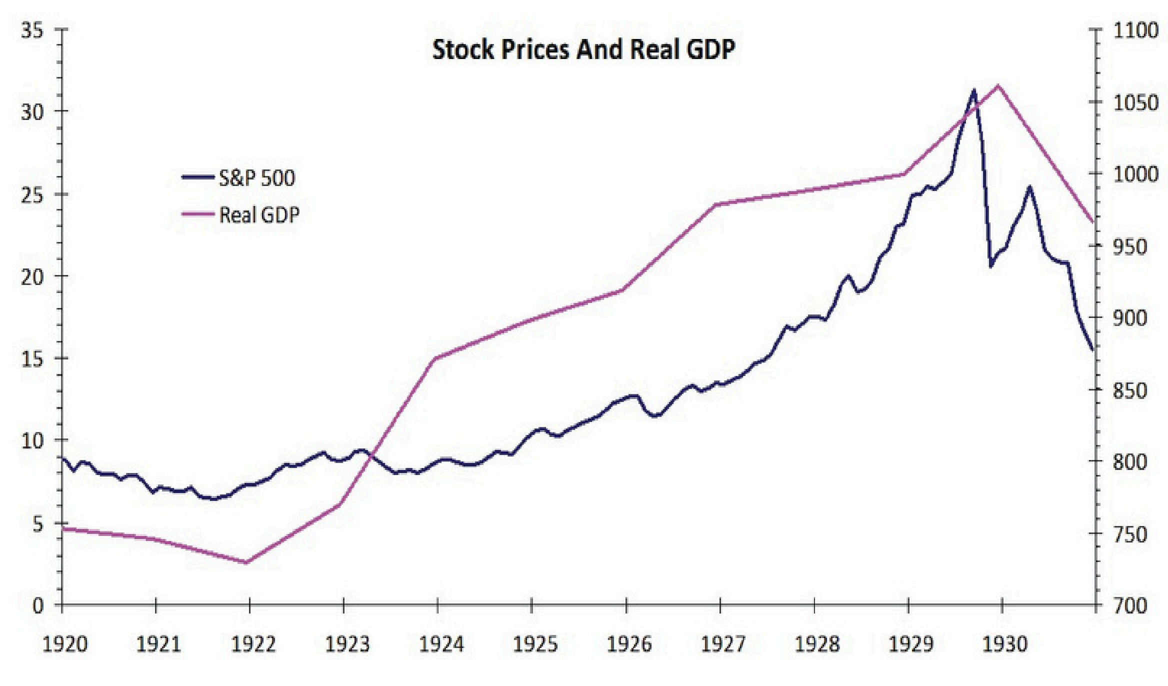


Source: Statista. Sanctuary Wealth November 2024

These technologies built upon the infrastructure established during the nineteenth century, including railroads, the telegraph, and telephones. People were more productive, and there was a strong return on investment.

The combination of the new innovations and a Fed that provided easy monetary policy drove the economy to grow by 45%, and the stock market to rally by 328% from 1921 to its peak in September 1929 – a time when the markets were also heavily leveraged.

Stock Prices Trend With Economic Growth



Sources: Standard & Poor's, Bureau of Economic Analysis, Maddison-Project at the University of Groningen

Similarly, in the 1990s, new technologies and innovations emerged, enhancing the existing infrastructure. Already in place were significant technological developments in:

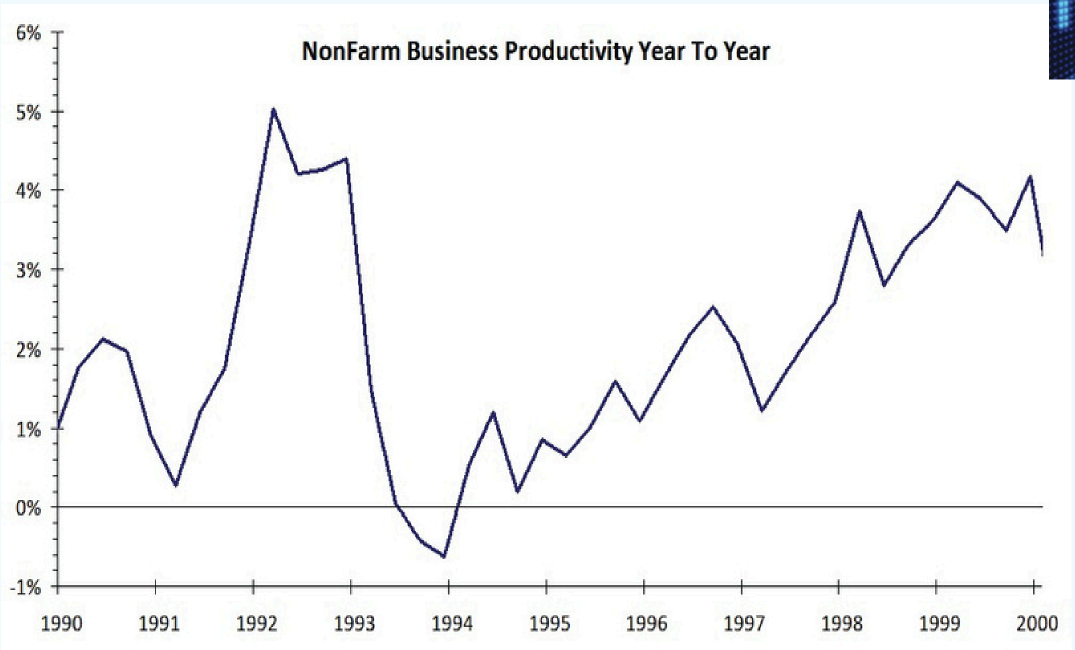
- Computing (yes, even personal computers)
- Computer communication via modems in the nascent internet, developed during the Cold War for military purposes but widely used for research collaboration and data exchange
- Primitive websites (though mostly bulletin boards)

Also, fiber optic communication technology had been developed, tested, and deployed in the previous decade, permitting faster communication with significantly greater data capacity.

As personal computers in the 1990s became faster and more powerful with greater storage capacity, new technologies also emerged. HTML introduced the ability to link to other sites, images, and data files, and Mosaic enabled seamless embedding of images within web pages. Together, these developments marked the birth of the modern web browser. Information began to flow across companies, between companies and customers, from the government to institutions that could process that information into making business decisions, and, of course, between individuals, who could now build their own websites.

Moreover, stores began centralizing sales data; banking and finance were connected to the internet for faster, more reliable transactions; manufacturers further implemented widespread computerization of their manufacturing processes, and were able to more nimbly and more quickly respond to changes in demand. Online retailers first appeared, such as Amazon, and search engines became more robust, accelerating the discovery of information that previously might have taken hours or days to uncover. Google was founded in 1998 and the verb " to google" (describing an online search) became so prevalent, it was added to the Oxford English Dictionary in 2006. By the end of 90s, daily newspapers were widely available late at night, so that intrepid readers need not wait for morning delivery. Mobile phones, which had been around for decades as heavy, unwieldy instruments, were now small enough to fit conveniently in a pocket or purse. Amid this whirlwind of technological advancement, productivity soared. Fed Chairman Alan Greenspan said in 1995, that "recent gains in real output ...[suggest] a tilt up in the underlying trend of labor productivity that promises sustained and substantial benefits to standards of living in the future."

Productivity Soared During The Late 1990s

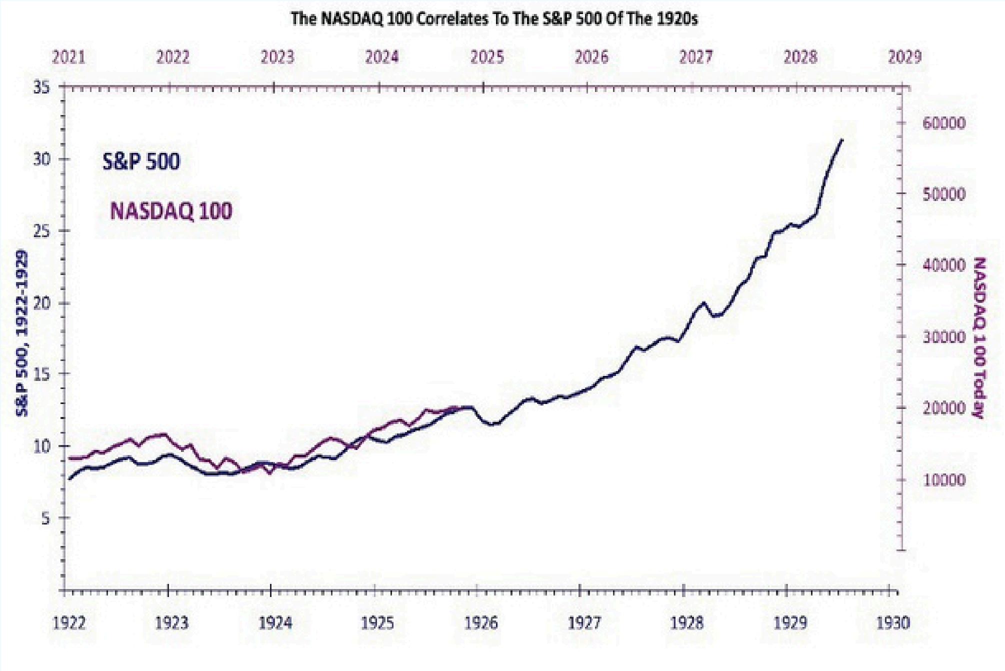


Sources: Bureau of Labor Statistics

As a result, the economy grew rapidly, and because of productivity gains, returns to capital improved markedly. The stock market expanded by more than 20% for five years in a row. The Fed provided ample liquidity during the 1997 Thai baht crisis, which initially destabilized the Bank of Thailand and then spread to other Asian Tiger economies. The crisis reverberated globally, impacting countries in Latin America and eventually leading to the 1998 Russian financial crisis. This series of events culminated in the collapse of Long-Term Capital Management, which required a bailout to prevent a broader solvency crisis among American financial firms. In 1999, there was the Y2K panic that computers would freeze on the first of January 2000. The hysteria proved groundless, but American central bankers were so convinced of the threat that they required banks and brokers to purchase new computers, drawing demand forward from the next several years. The Fed began providing enormous amounts of liquidity in place of commercial banks for fear the imagined computer bug would disrupt commerce and banking. The Nasdaq 100 index was up 1064% from 1995 to its peak in March 2000. During this period the S&P 500 was up 229%. And in 1999 alone, the Nasdaq 100 more than doubled (up 102%) as a result of Fed liquidity and the Dot-Com Boom, when it seemed that any stock connected to a company with an internet presence could never decline in price. Of course, the equity market was also heavily margined at its peak in 2000.

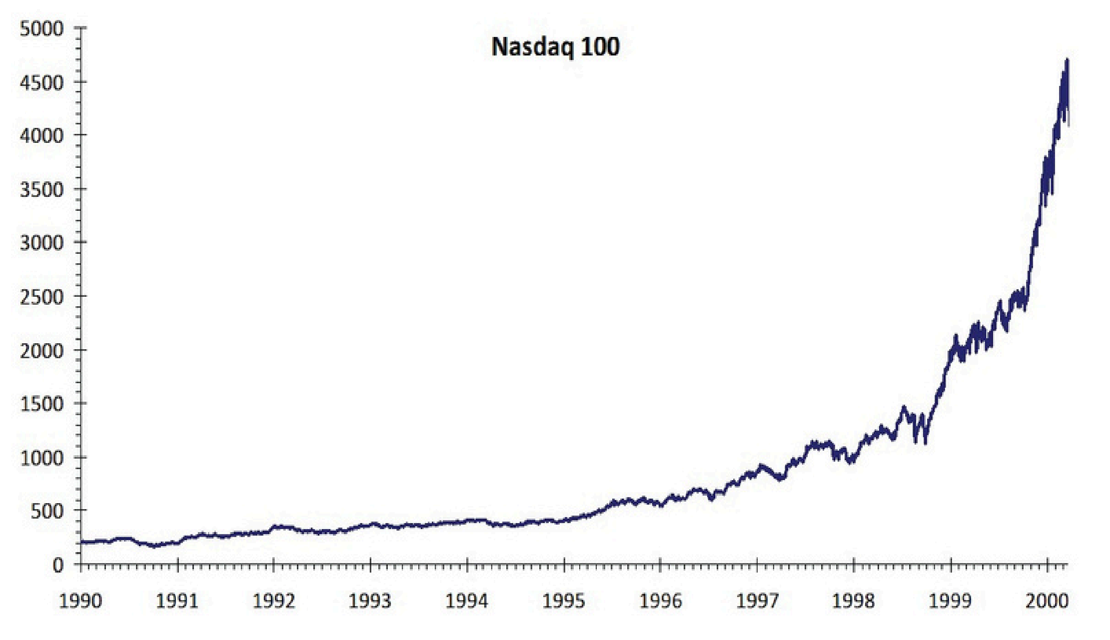
If we are to repeat this cycle of boom-bust similar to the 1920s, 1950s, 1960s, 1980s and 1990s, we believe we are in the early stages of the boom and that the equity market will not peak until 2029-2030. Applying a rally of just 200% at the end of the decade would put the S&P 500 at 13,000 (up 117%). We technically measure the equity market to 8000 over the coming 18-24 months. If we are correct, this would be the Golden Age of Investing for the second time in 50 years.

For 2025 We Expect The S&P 500 To Continue Its Gains With A Target Range Of 7200-7400.
What If We Do Repeat The 1920s? Nasdaq 100 Is Tracking The S&P 500 From 1920s



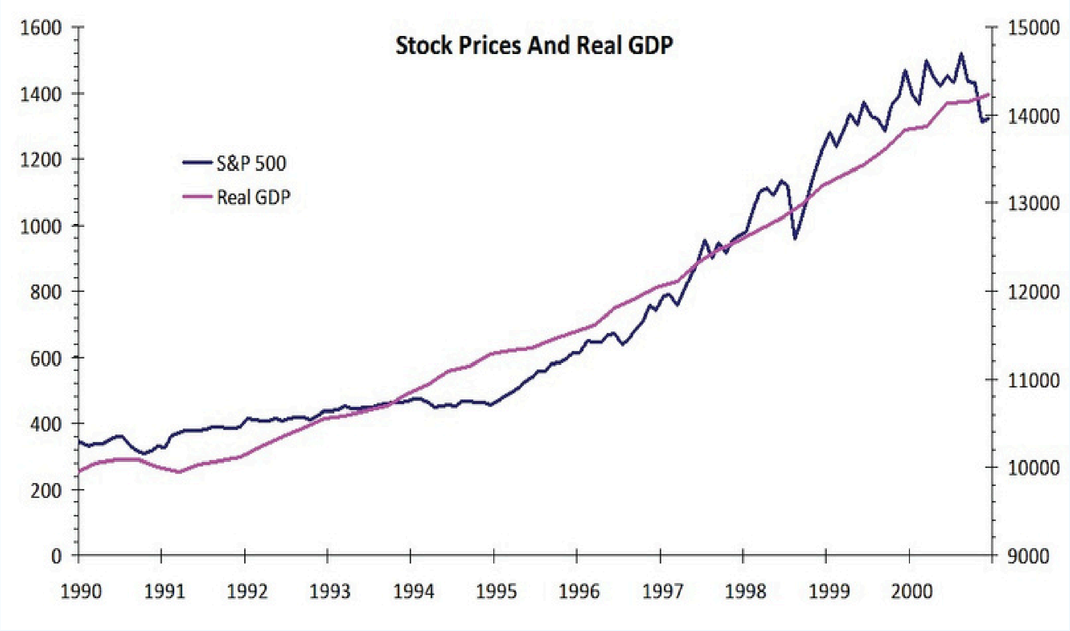
Source: Bloomberg, Sanctuary Wealth, November 2024

The Tech-Heavy Nasdaq 100 Grew Over 1000% In The 90s



Source: Bloomberg, Sanctuary Wealth

The Economy And The Stock Market Performed Extremely Well During The 90s



Sources: Standard & Poor's, Bureau of Economic Analysis

Golden Age Of America Translates To The Golden Age Of Investing

Could We Be Following The Path Of The Roaring 20s?

Secular Bull Charging Ahead: 2025 Can Produce Another 20% Gain

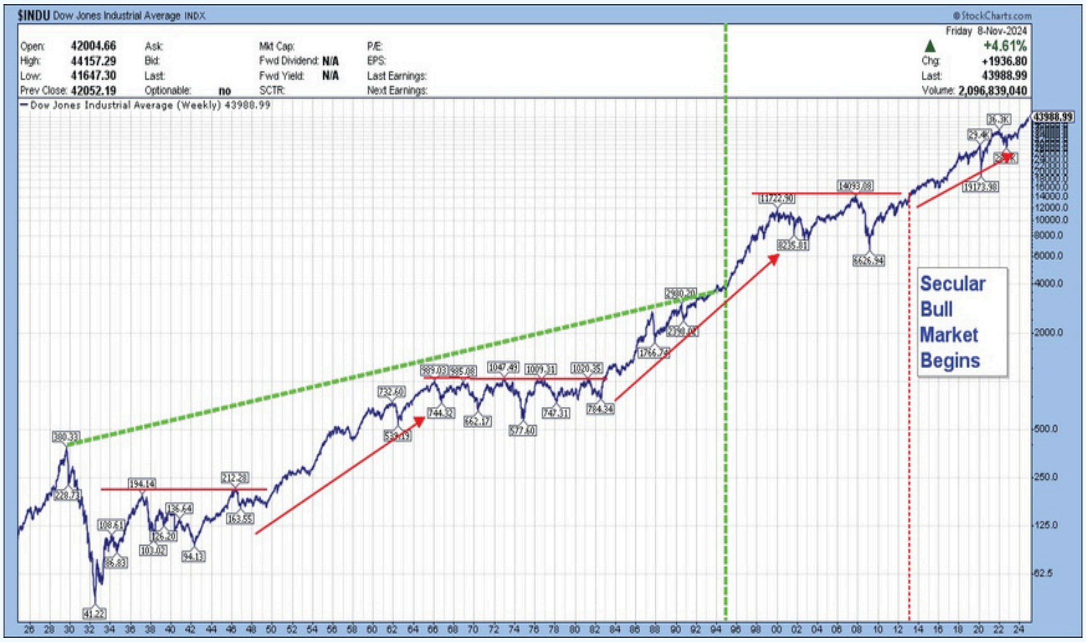
Market history does repeat itself, but with new developments and insights.

Considering market history, let's examine the long-term structure of the equity market by looking at the Dow Jones Industrial Average (INDU) back to 1926. We see that the equity market has long-trend cycles known as secular bull and secular bear markets that last 15 to 20 years. A secular bull will include bear markets (corrections of 20%-30%), but the bull will recover and hit new record highs. In secular bear markets, the market is trendless but has severe bear corrections of up to 50%. Today we are in a secular bull market. We believe this bull trend has another five years and the current phase is similar to the period of 1995-2000 and possibly from 1925-1929. During 1995-2000 (the first advancement to the Digital Era), the equity market rallied 20% or more for 5-years in row with big intra-year corrections in 1997 (Thai baht currency crisis) and 1998 (Long-Term Capital Management financial crisis). The Fed cut rates during this cycle and provided liquidity later in 1999, due to concerns over Y2K.

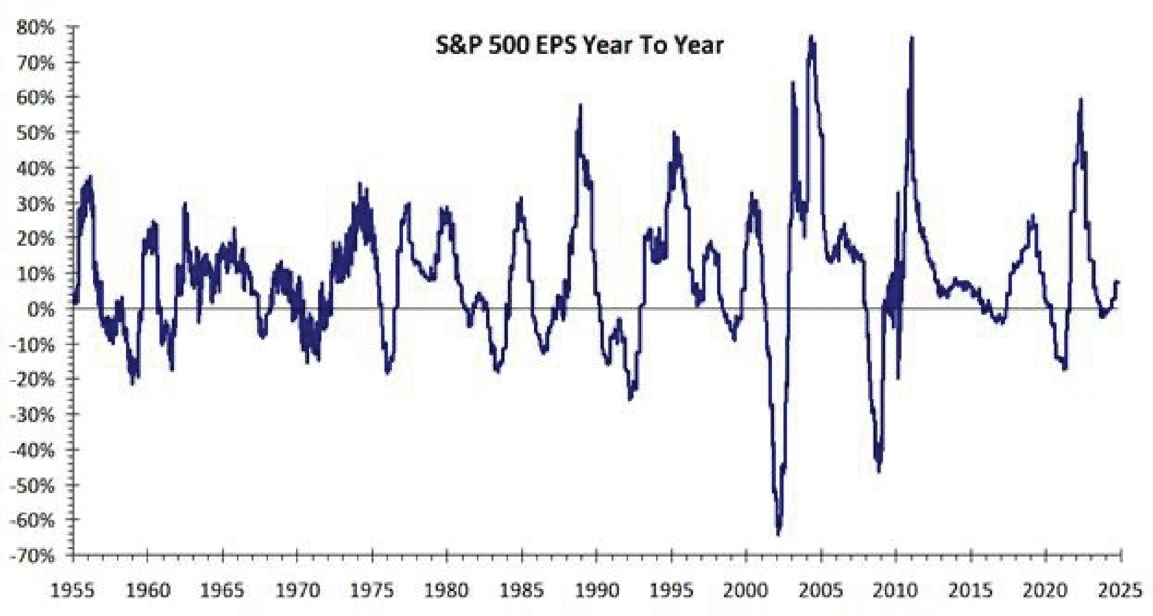
We Believe 2025 Can See The S&P 500 Rallying Another 20% With A Range Of 7200-7400.

But we believe the longer-term track is for the S&P 500 over the back end of the decade to reach 8000-10,000. We believe this is fundamentally driven by the productivity gains from AI and a strong U.S. economy, aided by maintaining lower corporate taxes, lower interest rates, and the ongoing stimulus from the Biden Administration's pieces of legislation (i.e., Infrastructure & Jobs, Inflation Reduction, CHIPs) that allows companies to continue to post strong earnings growth.

Dow Jones Industrial Average In Secular Uptrend

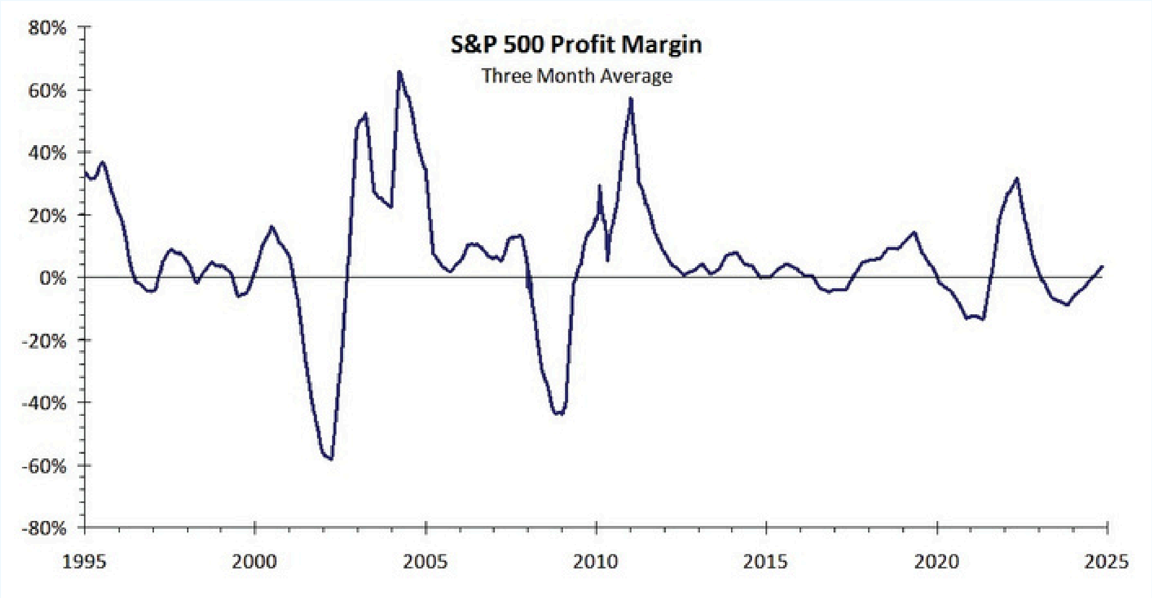


S&P 500 Earnings To Continue to Grow Into 2025



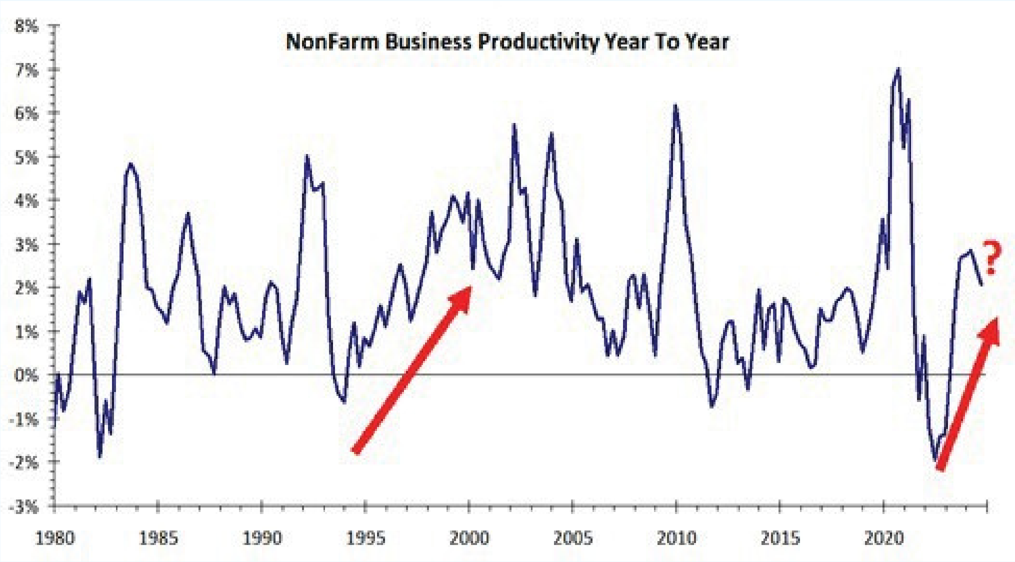
Source: Standard & Poor's, Sanctuary Wealth, November 2024

Corporate Profit Margins Are Set To Expand



Source: Standard & Poor's, Sanctuary Wealth, November 15, 2024

Productivity Looks To Improve Similar To The 90s



Source: Bureau of Labor Statistics, Sanctuary Wealth, November 2024

Equity Market Valuation Not Cheap But Can Expand

We have been making the case that in a secular bull market, price-earnings (P/E) multiples expand. Looking historically, one would say the equity market today is expensive; however, looking at the 5 year z-score on P/E multiples, we are not near extreme valuations; we are near neutral. Earnings have been the strongest in Tech and Tech-related, which has provided them with higher multiples and higher return on equity (ROE).

We are anticipating that P/E multiples will continue to expand in the secular bull market and likely, in time, reach new records. For 2025, we expect earnings to continue to expand, particularly in technology-related companies, so we don't believe valuations will constrain equity prices from moving higher.

P/E Multiples Expand In Secular Bull Markets

Source: Standard & Poor's, Sanctuary Wealth, November 2024

Return On Equity Superior for Technology Companies

Return on equity (ROE) is an important metric for a stock or group of stocks. It measures the profitability of capital put to work. Capital put to work in the S&P 500 has earned 14% over the past 25 years. Capital put to work in tech companies earned 18% in the same time, but earnings were more volatile. For example, you lost money on capital in technology from the middle of 2001 until the middle of 2003 – that was the Dot-Com Bust which followed the Boom of the 1990s. Once the sector recovered, ROE also recovered, and the sector has proven a market leader; this is where investors have found the biggest bang for their buck. We think this is likely to continue for several more years. We added the stocks Amazon, Alphabet (Google), Meta (Facebook), Netflix, and Tesla to the S&P Information Technology index because Standard & Poor's no longer includes those issues in that index. We believe they're tech companies and their stocks should be included in the index.

2024 S&P 500 Q3 Return On Equity

18.35% | S&P 500

31.31% | S&P 500 Technology

30.67% | S&P 500 Technology (+ AMZN, GOOG, META, NFLX, TSLA)

Technology & Tech-Related ROE Is Higher Than The Market & Is Expected To Accelerate

Source: Standard & Poor's, Bloomberg, Sanctuary Wealth, September 2024

Statistically Using A 5-Year Z-Score On P/Es Shows Valuations Neutral

Source: Standard & Poor's, Sanctuary Wealth, November 2024

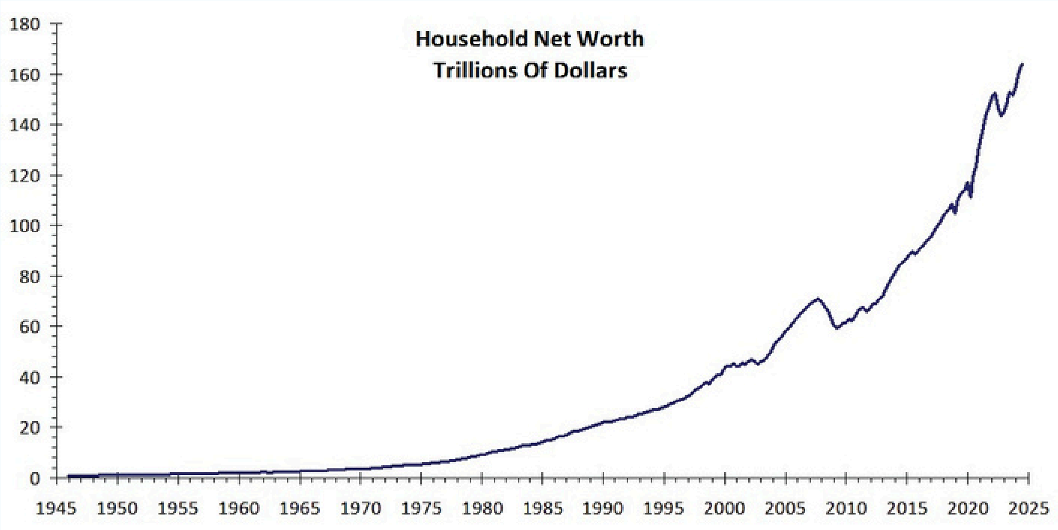
There Is A Mountain Of Cash That Continues To Build

Equity markets peak when investors are all in and the markets are heavily leveraged. Today there is $6.6 trillion dollars in cash that we call the Money Mountain, and this mountain is still building. Investors are not all in. We look at Margin Debt as a measure to determine the amount of leverage in the market, and margin is low. So, we don't have any measure signaling a major top in the market. In fact, we have the complete opposite. We believe this cash needs to get deployed and leverage needs to build. If we are correct, this will drive equity prices to levels that are almost incomprehensible today. We are estimating the S&P 500 at 10,000-13,000 (a return of 70%-100%+) before we see a peak in the market.

This is truly the Golden Age of Investing, in our view.

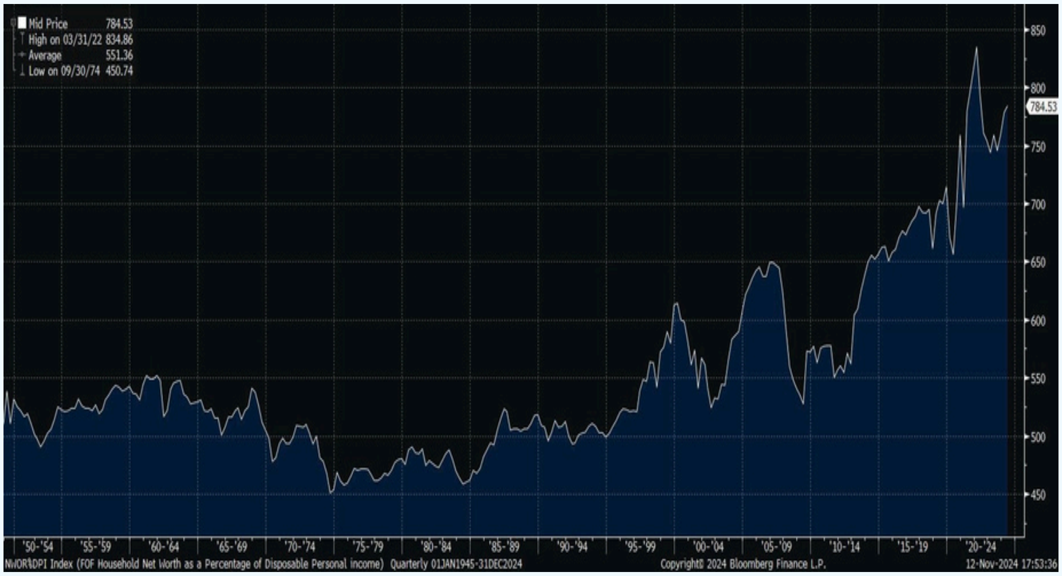
ICI Money Market Fund Mountain Builds To $6.6 Trillion

The Consumer Has Money To Spend To Keep The Economy Strong
Household Net Worth Has Grown To $164 Trillion



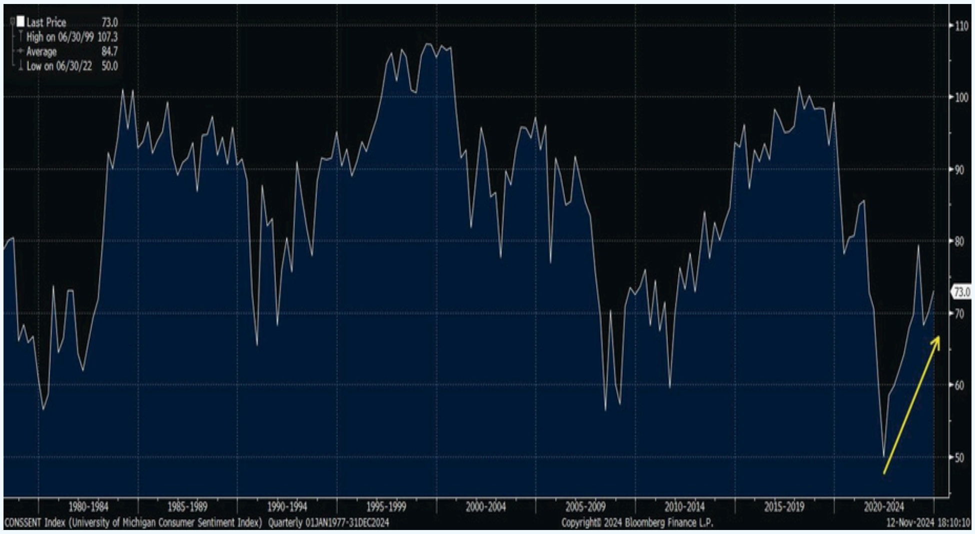
Source: Federal Reserve Board Flow Of Funds, June 2024

Household Net Worth As % of Disposable Income Near Record Highs

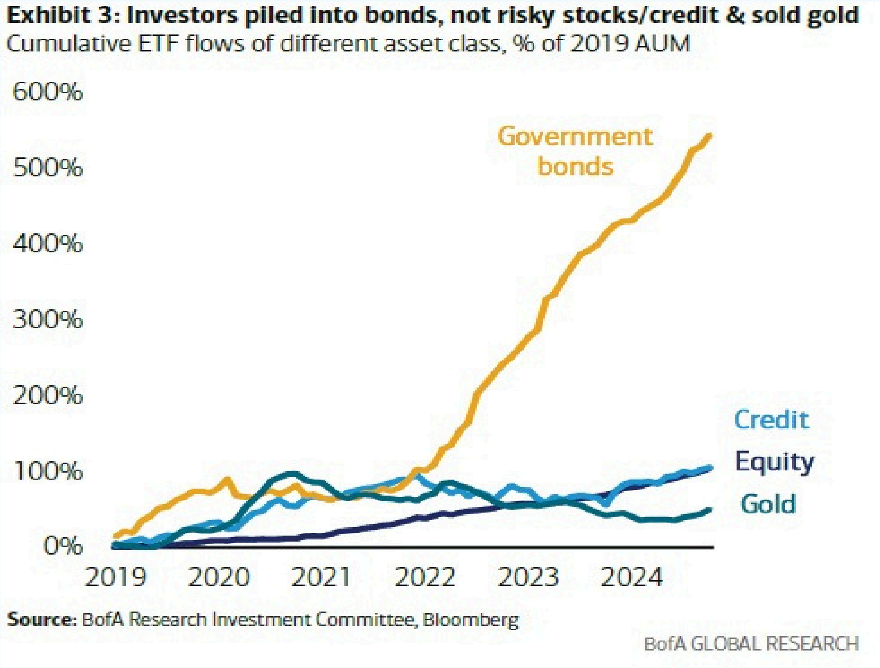


And Consumer Confidence Is Improving: Happy Consumer, Happy Spending

University Of Michigan Consumer Confidence Index

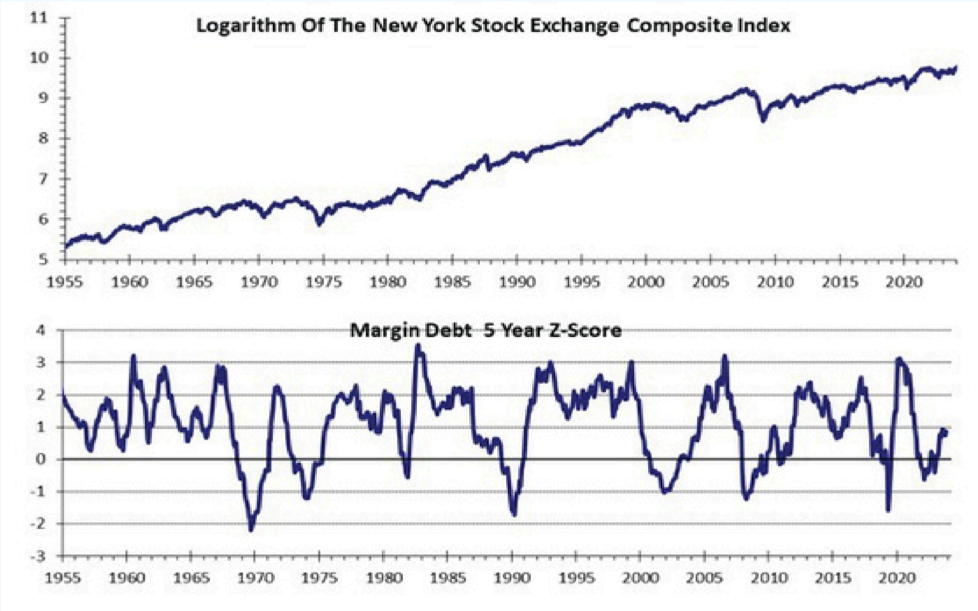


Positioning Is Bullish For Stocks As Investors Have More Government Bonds Than Stocks



Source: BofA, November 12, 2024

Margin Debt Remains Low – Equity Market Is Not Heavily Leveraged



Source: Financial Industry Regulatory Authority (FINRA), October 2024

Will 2025 Be A Year That IPOs Come Back? We Say There Is A Strong Likelihood They Do

Renaissance IPO ETF (IPO) With Major Breakout Pointing To Further Strength

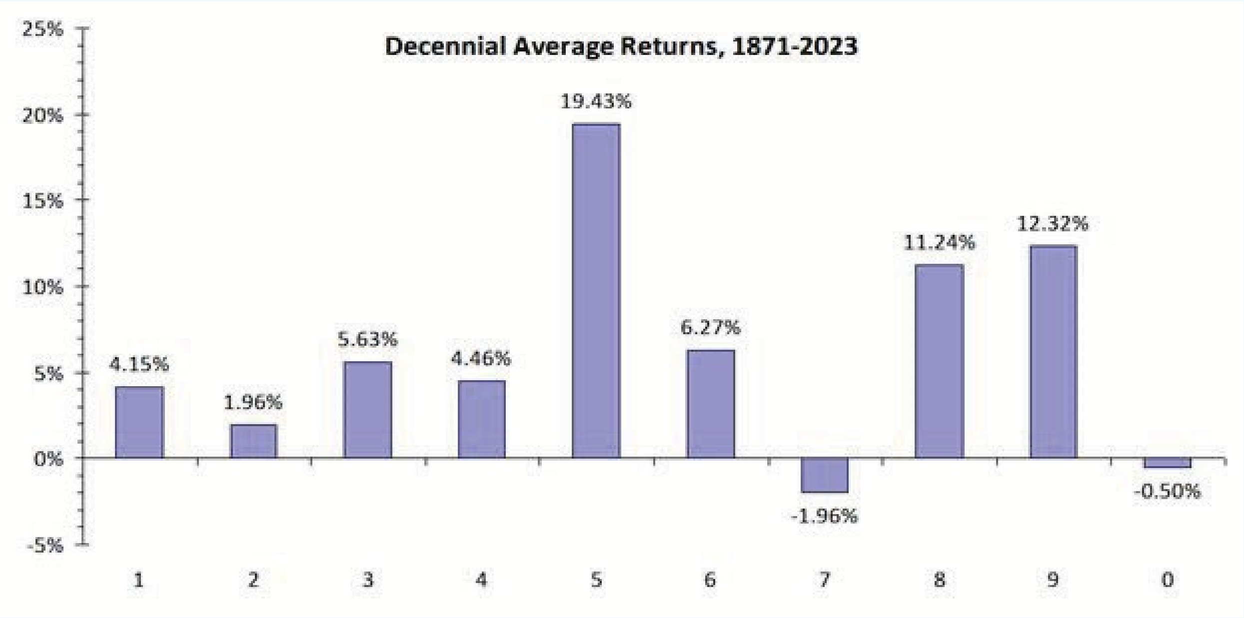
Year 5 Best Year In Decennial Pattern

The history of market analysis has found that many different types of patterns tend to repeat. One is called the "Decennial Pattern," discovered by Edgar Lawrence Smith. In his book Tides and the Affairs of Men (1939), he presented the notion of a 10-year stock market cycle. Smith's theory resulted from combining two other theories, Wesley Mitchell's 40-month cycle theory and the theory of seasonality. Combining these two periods, Smith theorized that there must be a ten-year, or 120-month, cycle. This would result from ten 12-month, annual cycles and three 40-month cycles coinciding every 10 years.

When Smith investigated prices more closely, he found that indeed there appeared to be a price pattern in the stock market that had similar characteristics every ten years. This pattern has since been called the "Decennial Pattern."

A pattern has developed over time and Year 5 historically has the best return of the decade, returning 19%, on average. Our work supports the strong return repeating in 2025 .

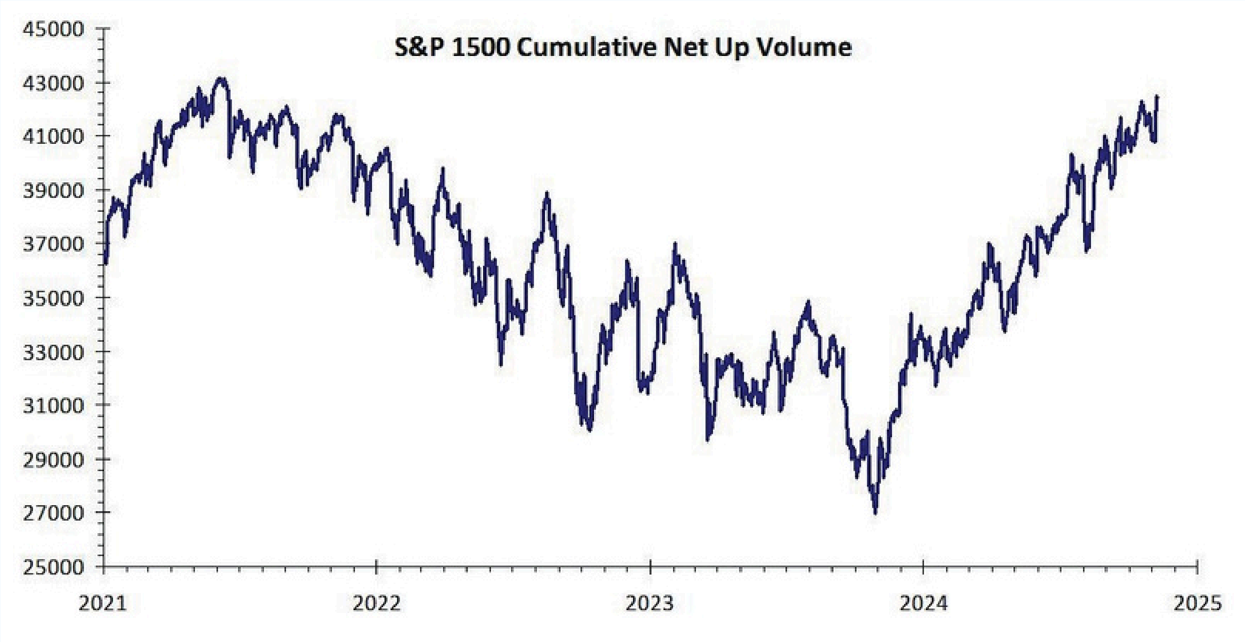
Year 5 In The Decade Has The Best Performance



Source: Bloomberg, Sanctuary Wealth

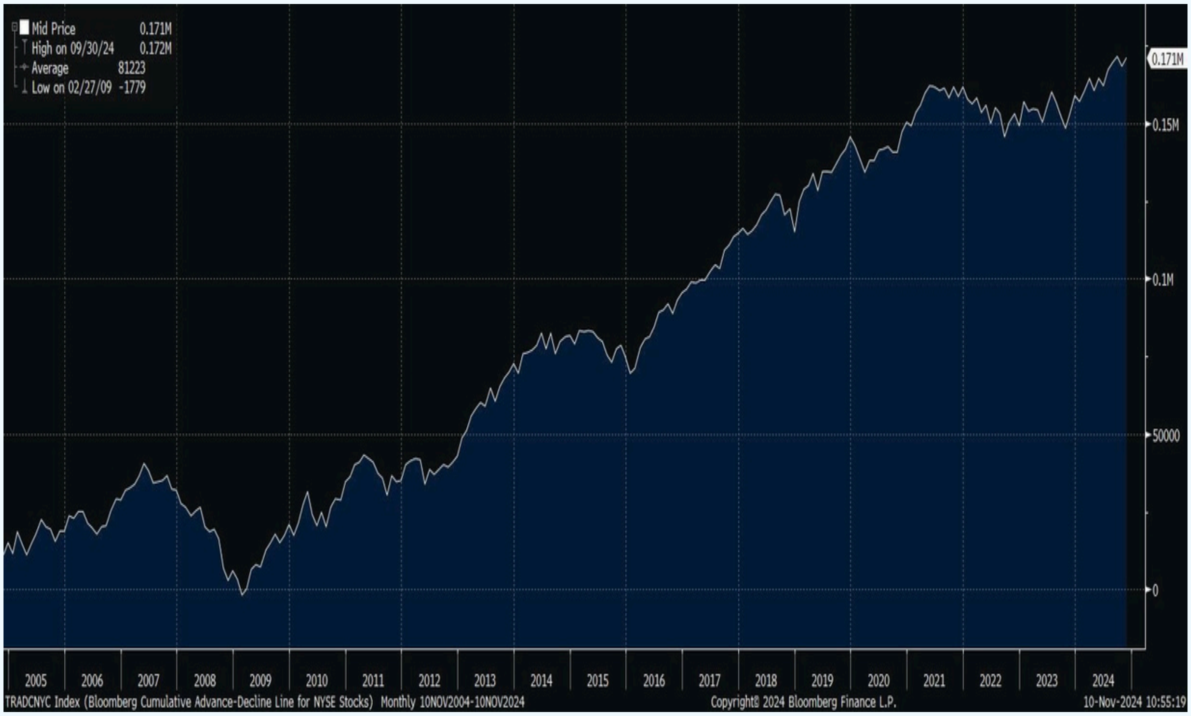
Market Breadth & Volume

Volume Continues to Expand With Record Breadth – Confirms S&P 500 Record Highs



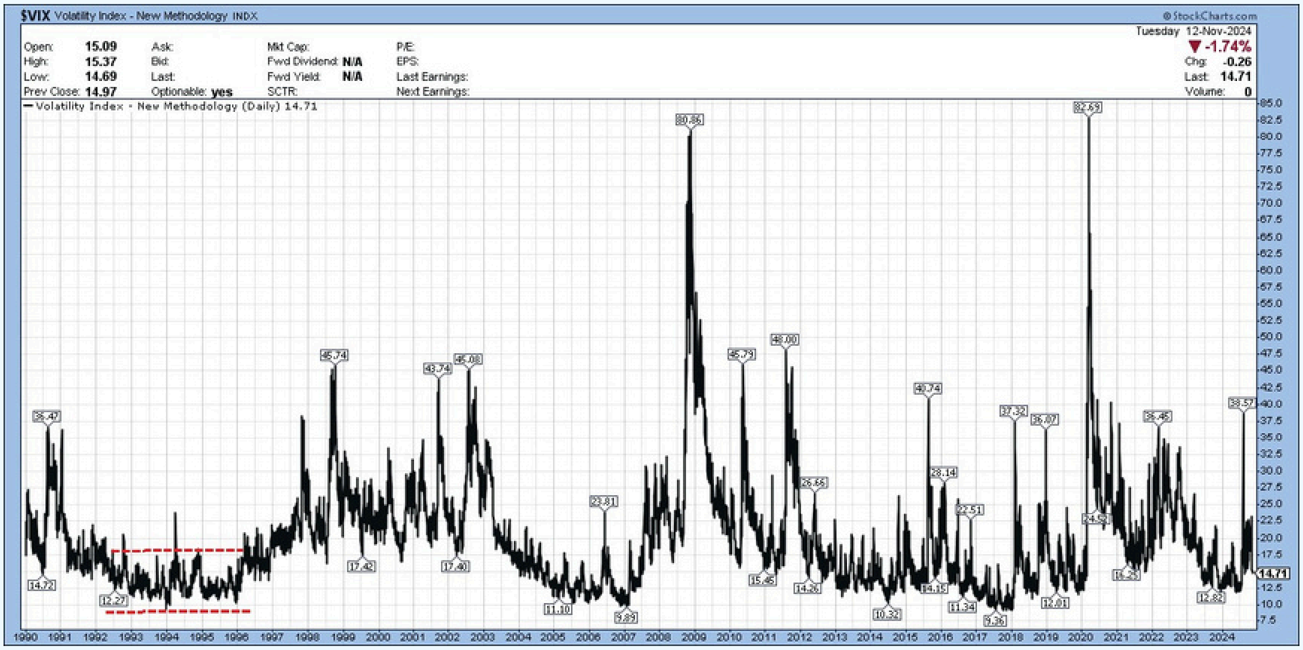
Source: Bloomberg, Sanctuary Wealth, November 2024

Bloomberg Cumulative Advance-Decline Line Hits Record High



Volatility To Be Lower In 2025 Like The Mid-90s

VIX Volatility Index (VIX)



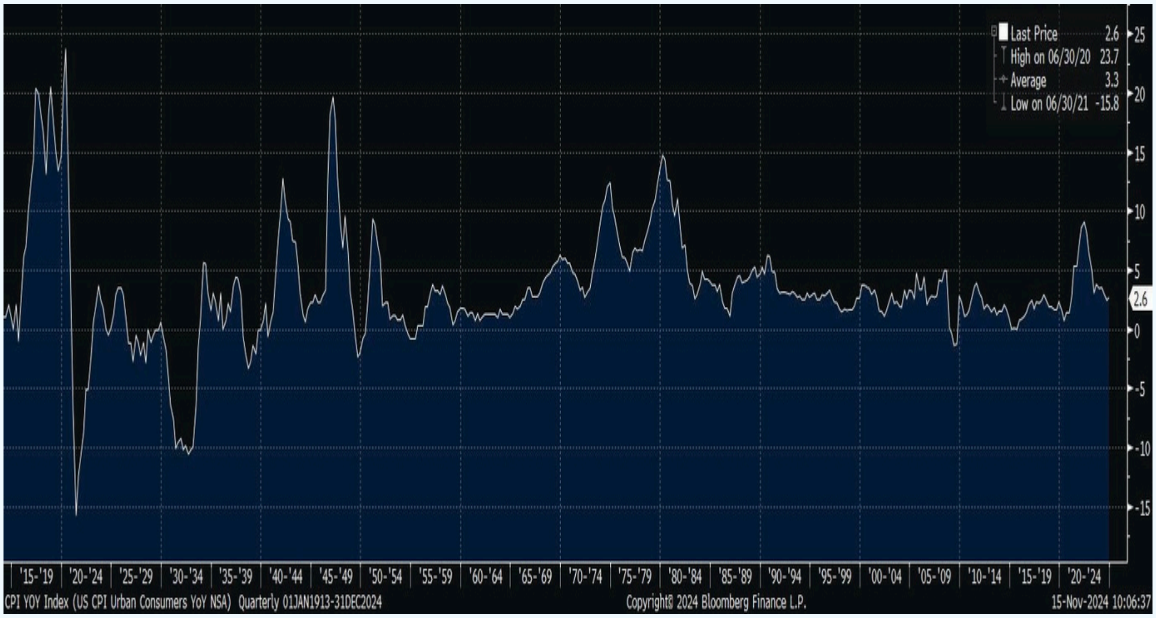
Will Tariffs Cause Inflation? Well, It Depends

During Donald Trump's first term as President (2016-2020), he did impose tariffs, particularly on China. But when he left office, the Consumer Price Index was at 1.4%. Those tariffs did not create inflation. Why? China did not pass-through the higher costs. So, higher tariffs may or may not cause inflation. The interest rate market is saying the 2-Year Treasury yield is on a path to lower rates. This matches the Fed's plan to continue to get rates to neutral, near 3.5%. We believe, in time, the 2-Year Treasury could fall to 2.0%-1.5%. If the economy remains strong, we believe the 10-Year Treasury yield might be more range-bound, between 4.0%-5.0%, or if the economy is weaker, the rate could fall to 3.0%-2.5%. Stable to lower yields on the 10-year would be bullish in our view. The key is the yield curve is positioned to steepen. This would be very bullish for the Banks.

Inflation To Trend Lower

We expect inflation to tumble into 2025. The Consumer Price Index (CPI) has been trending lower, albeit in a choppy, sticky way since reaching 9%. We anticipate the trend will remain the same. WTI crude oil has been falling on the expected lower demand by China as its economy remains very weak. There is also anticipation that the Trump administration will resume the policy of making American energy independent again. We expect Liquid Natural Gas (LNG) exports to pick up as the industry will likely face fewer regulations.

Consumer Price Index (CPI) Year To Year Is Still Falling – Currently 2.6%



WTI Crude Oil To Remain Low Helping Inflation – Support $65-$60

Lower Interest Rates Should Allow The Economy To Continue To Expand

Expect A Steeper Yield Curve

2-Year Treasury Yields Secularly Up, Cyclically Down: 2.00%-1.50%

10-Year Treasury Yields Secularly Up, Cyclically Stable To Down: 4.0%-3.0%

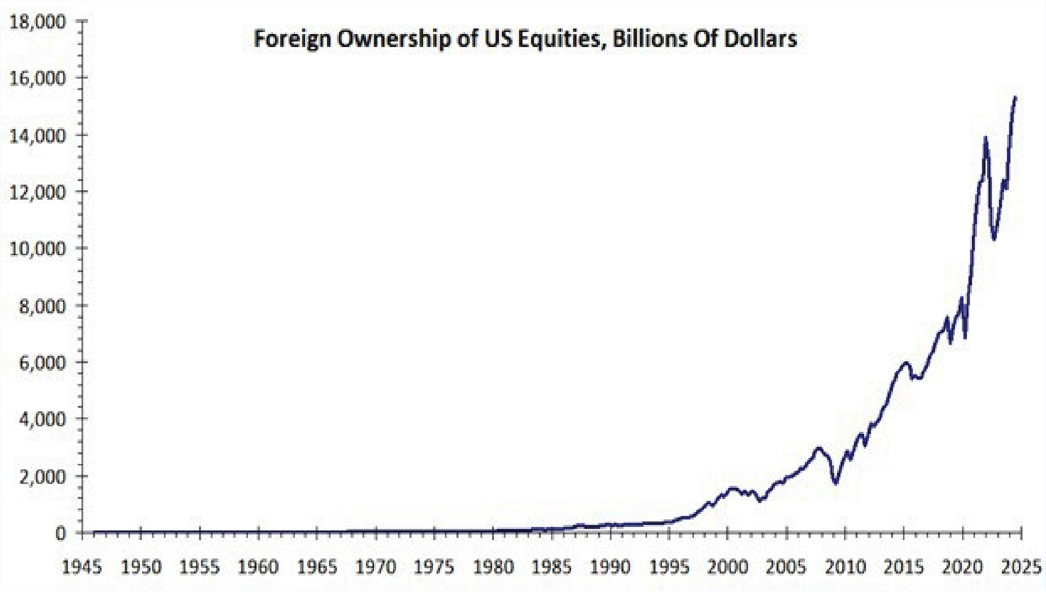
Yield Curve Steepening & Should Continue Into 2025

US Dollar Firm To Higher – Foreign Flows A Benefit

We have been of the view that the U.S. Dollar would be stronger as U.S. interest rates are higher than other Developed countries, along with the U.S. economy being stronger than other major developed markets. This has proven true as the Dollar has been strengthening. The market is also pricing in that the new administration of President-elect Trump will provide an environment for deregulation and more mergers & acquisitions (M&A), bringing more capital to the U.S. Technically, the Dollar has broken above a key downtrend line, reversing the downtrend and pointing to a stable to stronger Dollar.

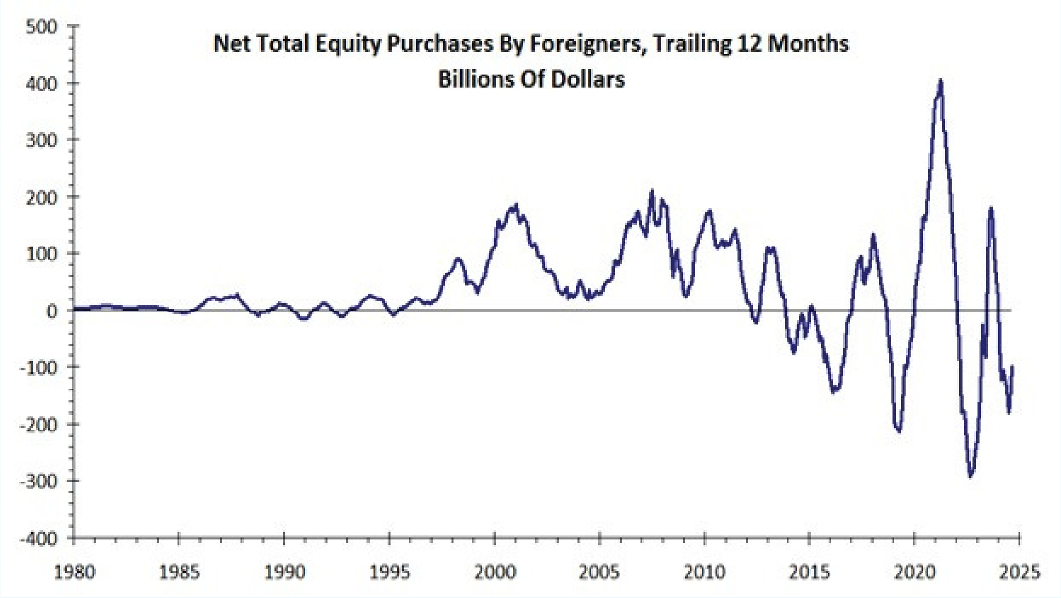
US Dollar Reverses Downtrend: Range-Bound To Higher

Total Flows Of Foreign Capital Into The US Is At A Record....



Source: Federal Reserve Board, June 2024

...But Net Flow Into Equities Has Collapsed – Expect Flows To Pick Up Driving US Stocks Higher



Source: Department of the Treasury, August 2024

Demand For Gold Has Risen Sharply, Especially By Central Banks Driving Prices Higher

Glittering Gold In Major Bull Run Toward $4000

Silver Also Joining the Glittering Gold Higher

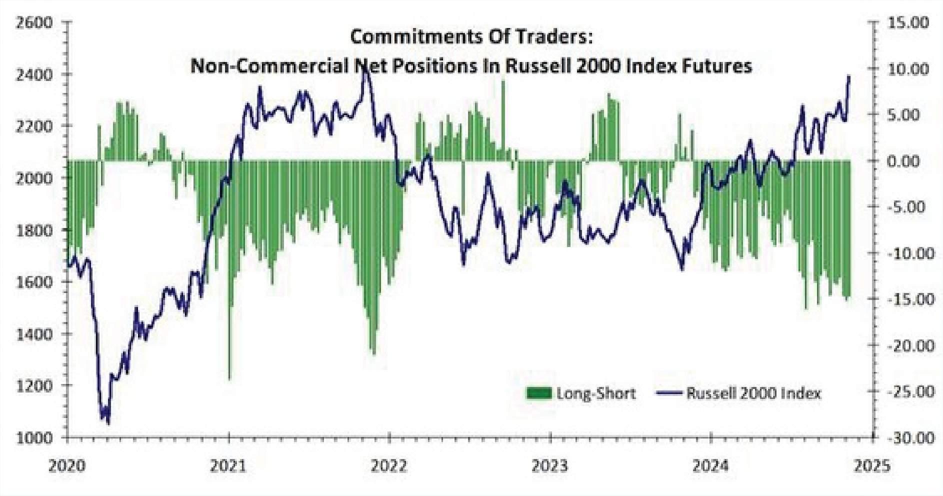
Silver Breaking Out To Test Record Highs

Small Cap Stocks To Outperform For The Next 6 to 12 Months Small Caps Surge With The Focus On Making America Great Again

Small caps surged 6% on the Trump win. With the expected continuation of deglobalization (Make America Great Again) and a focus on getting manufacturing back to the U.S., small caps rose sharply. The S&P 600 Small Cap Index broke out of a major saucer base (think "smile" shape), pointing toward continued highs. Historically, small cap stocks outperform the broader market (S&P 500) in January, and this has come to be known as the January Effect. It can arrive early, and we believe we are already experiencing the January Effect. We also believe small caps can continue to outperform into the end of the year and into early next year. First, the valuation of small cap stocks vs. large cap stocks is more attractive based on the price-earnings ratio (18x vs. 23x). Second, fast money, i.e., hedge funds and CTAs, are short small cap stocks. They may begin to cover these positions, driving small caps significantly higher. But we are not convinced small caps will outperform throughout the secular bull market. We maintain Mega-Caps are the leaders of the secular Bull market, but we are willing to own small caps for the next six to twelve months.

Small Caps Breakout & Have Huge Rally On Seasonals & Short Covering

Hedge Funds Have A Significant Short Position In Small Caps (Green Bars)
If Hedges Funds Cover This Short, Small Caps Will Be Driven Higher



Source: Commodity Futures Trading Commission, Sanctuary Wealth, November 8, 2024

Sectors Leaders Of The Pack – Relatives Tell The Story

In this section we look at the sectors and industries we believe can have performance stronger than the overall market. This is called relative performance. We expect a strong economy, which points to Cyclical stocks outperforming Defensive sectors.

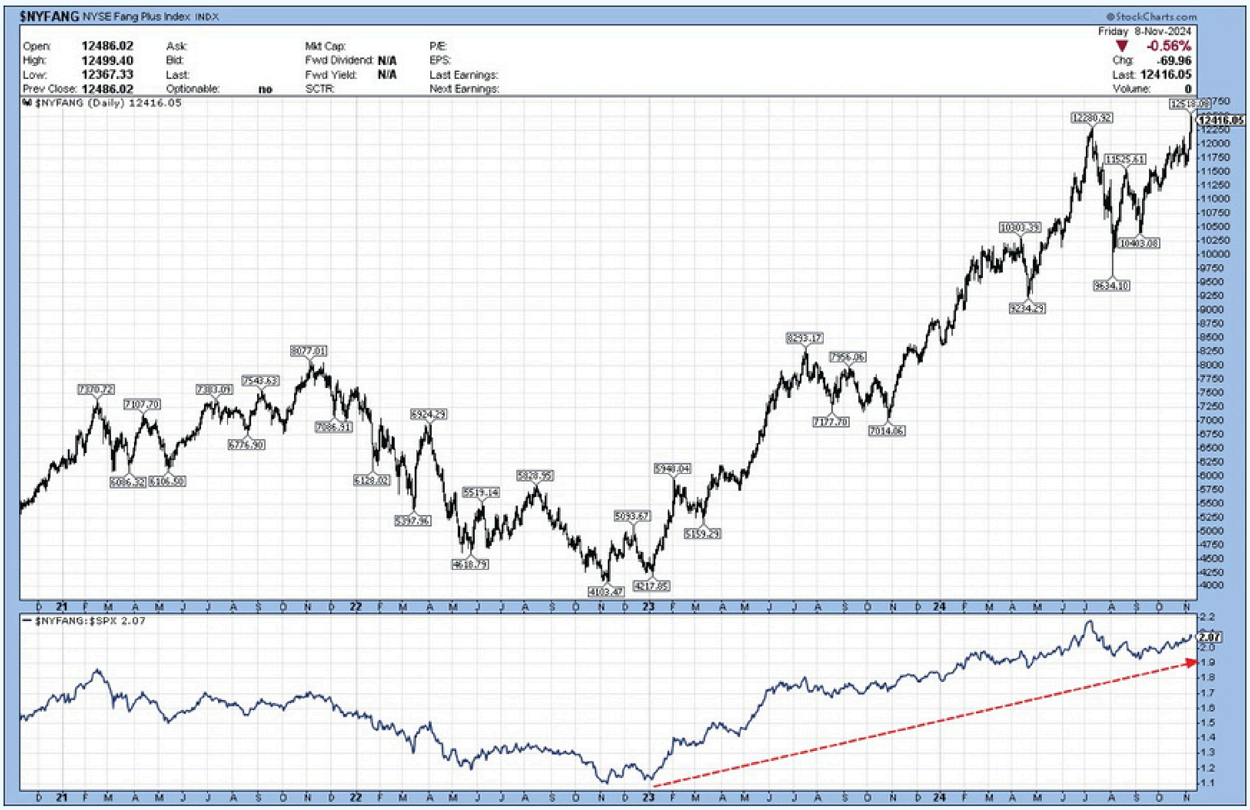
Cyclicals Continue To Outperform Defensive Sectors In 2025

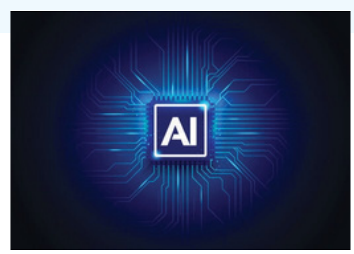
S&P 500 Consumer Discretionary Versus Consumer Staples

Technology And Tech Related To Remain Key Leadership: Software Favored In 2025

Technology is again transforming the landscape of our economy, and specifically, Artificial Intelligence and Blockchain are transforming how we do business communicate/source information. Tech and Tech-related sectors were the leadership with semiconductors taking the industry leadership in 2024. In 2025, we expect to see a broadening out of the areas of Technology that will outperform. Semiconductors will continue to do well, but the pace of their acceleration is likely to slow. Software looks to pick up its pace of relative outperformance in 2025.

NYSE FANG+ With Relative To S&P 500: FANG Leading

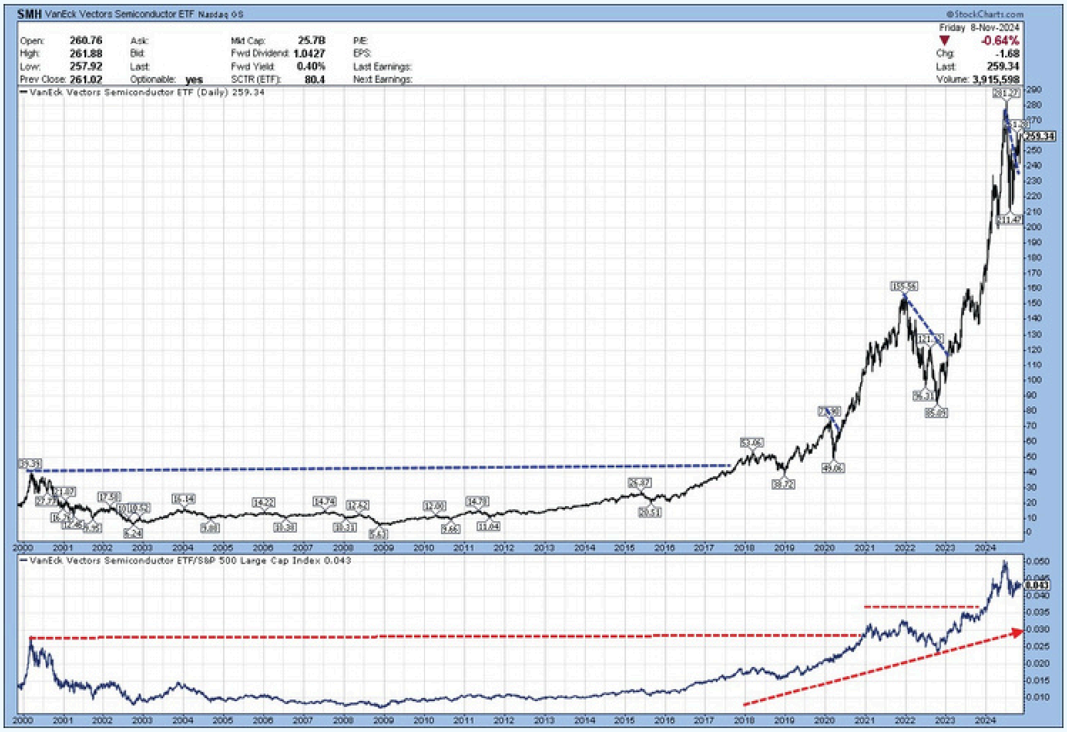




Technology Clear Leader Of All 11 S&P 500 Sectors

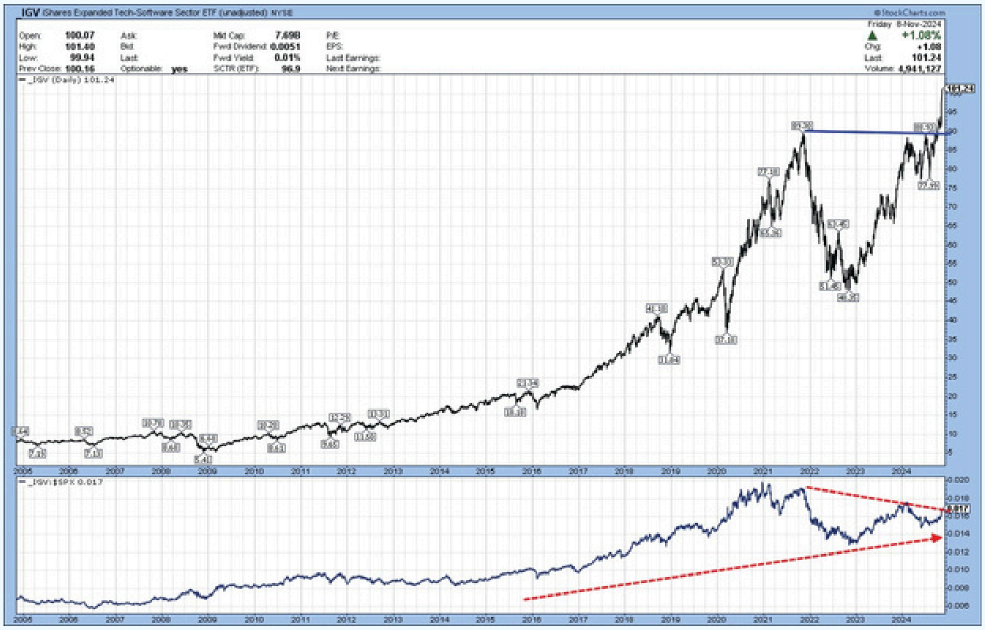
S&P 500 Technology With Relative To S&P 500

Semiconductors Remain Key Leadership



Technology Software Emerging Leadership

iShares Expanded Tech Software ETF (IGV) With Relative To S&P 500



Growth To Continue Outperform Value In 2025

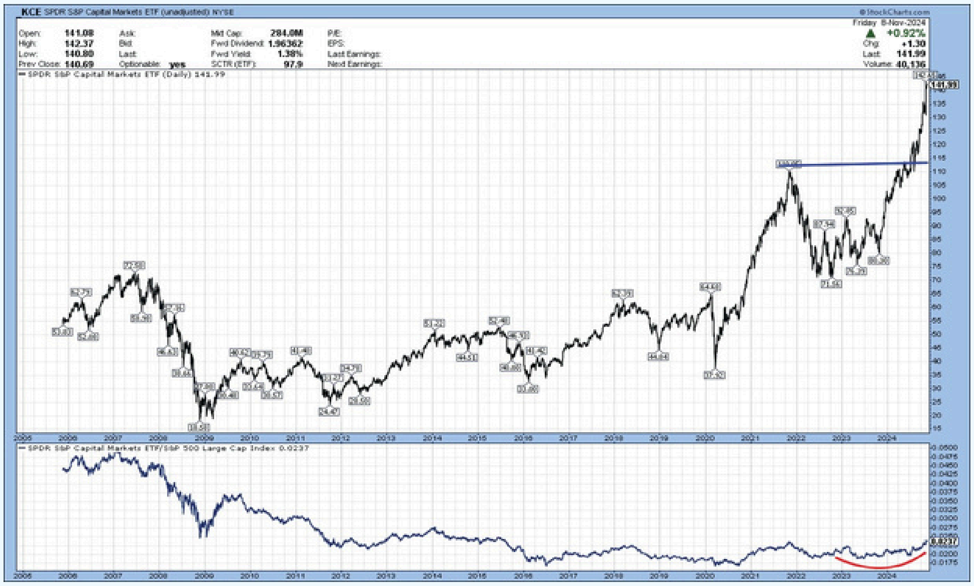
iShares Russell 1000 Growth Vs. iShares Russell 1000 Value

Financials To Perform Well In 2025: Capital Markets & Banks Favored

Banks & Capital Markets To Perform Well With More Relaxed Regulation & Steeper Yield Curve

S&P 500 Banks Attempting A Major Breakout With Relative Stable

Capital Markets To Outperform The S&P 500 And Relative Is Improving

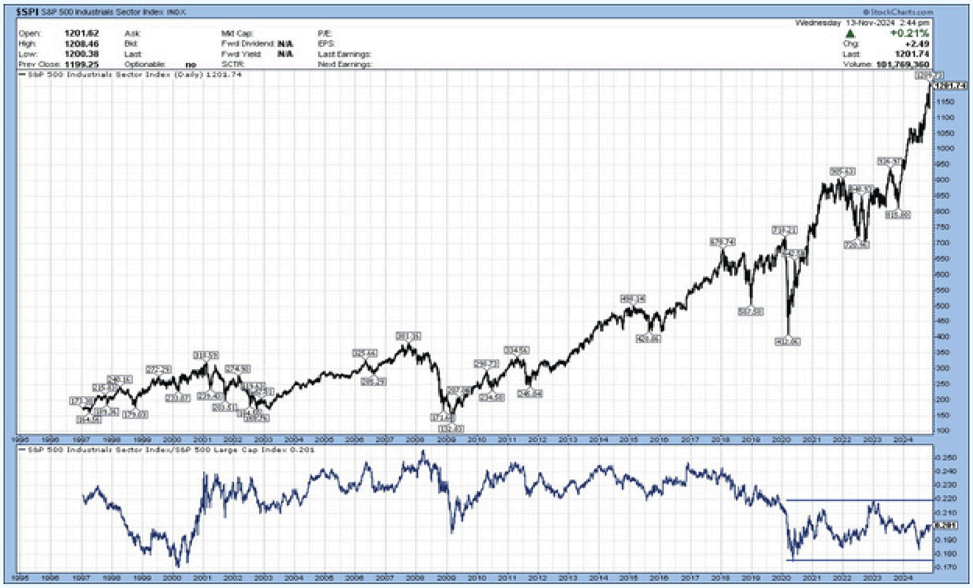


Gold Mining Stocks In An Early Bull Trend With Gold Trending Toward $4000

S&P Metals & Mining SPDR Relative To S&P 500

We Continue To See Investment Opportunities In The Industrial Space, Leveraging The Growth In Infrastructure

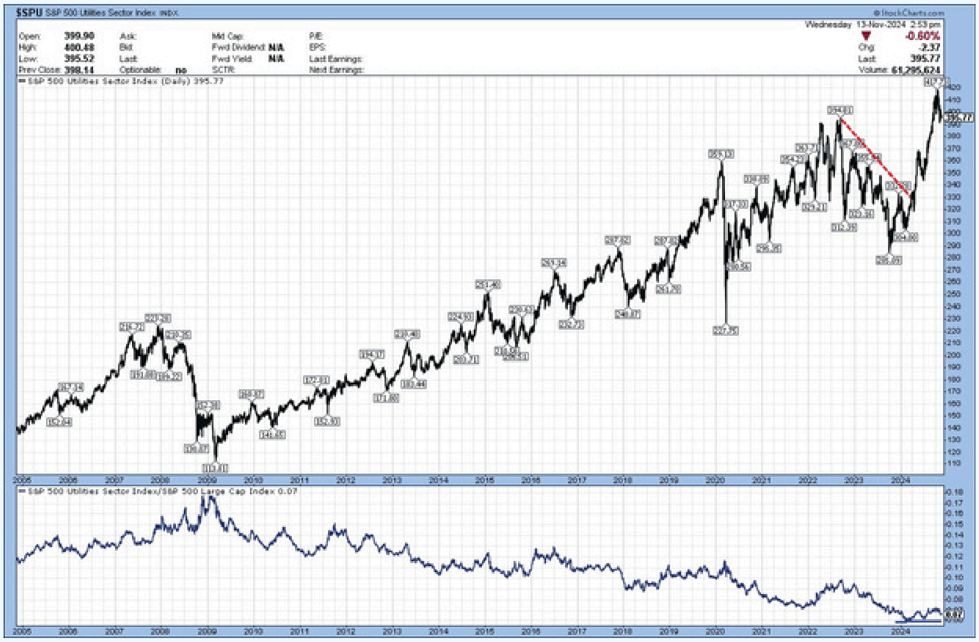
S&P 500 Industrials Relative To S&P 500: Industrials Continue To Perform Well



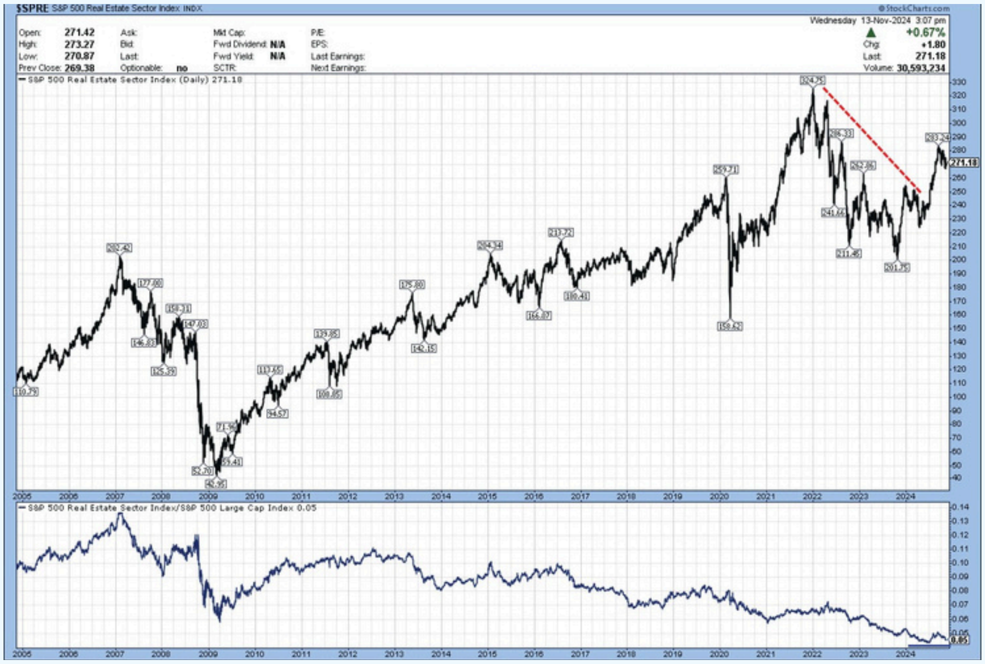
If Longer Interest Rates Remain Elevated, Utilities & Real Estate To Struggle – Take Profits

Utilities Favored Longer-Term With Demand For Electricity Rising

S&P 500 Utilities With Relative To S&P 500



S&P 500 Real Estate With Relative To S&P 500



Crypto A New Innovation – Expect More Focus Under Trump Administration

High risk/high return explains the crypto market. It has the highest volatility of any asset class today. Crypto, particularly Bitcoin, signifies the shift from paper and coin to the world of digital currencies. This space is embraced by the younger demographics. It's new and a big change. But this is a strong movement that will continue to march higher, in our view. To measure the space, we look at the Coin 50 Index, which is a benchmark representing the top 50 digital assets listed on Coinbase Exchange that meet the index's fundamental criteria for inclusion. The Cryptocurrency index aims to provide diversified exposure to the digital asset market. It functions similarly to traditional index funds, tracking the behavior of a specific cryptocurrency index. It has broken out to record highs, indicating further appreciation for the space.

With President-elect Donald Trump advocating for the crypto markets and aiming to position the U.S. as a global hub for cryptocurrency, we anticipate continued strong performance in the sector. This is an extremely volatile market – the most volatile asset class we have today. So, we do expect this volatility to continue. But our view remains constructive and bullish.

The technicals point to Bitcoin (BTC) to trade at $100,000-115,000 over the near-term, 3-6 months. But over the coming 12-18 months, BTC could push up to $150,000.

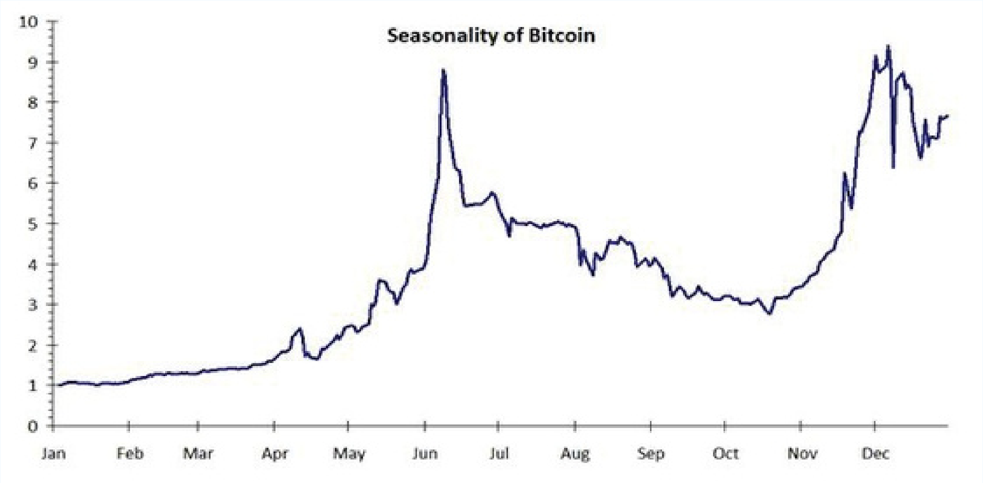
New Capital Formation Under Blockchain and Crypto Market

One of the newest innovations is what's called "Web 3." It's not quite ready for widespread implementation, but over the rest of this decade, it likely will be, and its use should spread quickly, just as the use of the internet did 30 years ago. "Web 1" was the original internet. People built websites, and other people could come and read them. "Web 2" is what we have today: companies have built websites, and people come and post comments and exchange information on them – Facebook (META), Reddit and X (formerly Twitter) are prime examples – or they can engage in commerce, as with Amazon or eBay. Web 1 was a "read" environment, Web 2 is a "read/write" environment.

"Web 3" is a "read/write/own" environment. Individuals can digitally mark their intellectual property, and using blockchain, they can sell it, lease it out, and derive an income from it as it passes from user to user (NFT, non-fungible token). People are already engaging in what are called "smart contracts," where the terms of an agreement are tracked and enforced automatically. The contract and its execution are documented on a blockchain, and although some of the information on the blockchain is encrypted, it is open for public inspection. Public records (such as births, marriages, deaths) and transactions (such as real estate transactions, bond transactions, stock transactions, automobile sales, etc.) can all be dealt with this way. More and more information is going to be on a blockchain.

Bitcoin (BTC) is on the blockchain, is a store of value, and is being treated as a medium of financial exchange. The younger generation accepts this. Ethereum (ETH) is very different, it is a technology platform designed to support the development and execution of smart contracts. So, it is a very different token from Bitcoin.

The crypto market is extremely volatile with 100%+moves up or down being common. The Bitcoin algorithm limits the amount of supply to 21 million, in an attempt to make it scarce like gold. In a world of 8 billion people, that is not a lot of supply. Going into next year, the technicals point to Bitcoin hitting $100,000 to $113,000, with a longer-term target of $150,000. There are strong seasonals to BTC, with strong bull trends from April-March and November-December. So, we are currently in a strong bullish seasonal trend.



Source Bloomberg, Sanctuary Wealth, November 2024

Currently Ethereum is the leader, but this could change over time as it does have competitors, for example, Solana. In our view, Ethereum could test resistance at $3800; a break would indicate a move to near $6000.

Crypto Is A Growth Market With *High Risk* Stakes

Coin 50 Index Breaks Out To Record Highs In 2025

Bitcoin To Continue Its Surge Toward $100,000-$113,000

Ethereum To Test $3800; A Break Points To A Move Near $6000

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Comments regarding Cryptocurrencies or Cryptocurrency-based securities are for informational purposes only. No part of this communication should be construed as investment advice and is not to be considered a solicitation with respect to the purchase or sale of any Cryptocurrency-related product.

US To Lead Global Markets But Trend Could Remain Choppy

The U.S. is the center of technological innovation and where most of the investment is taking place. If this remains intact, the U.S. should maintain its equity performance relative to the rest of the world.

S&P 500 Versus MSCI All Country World Ex US Index

A Roundup of What We Expect In 2025

1. Bull Goes From Bucking To Charging
2. Lower Volatility Environment
3. Technology Still The Leadership
4. Tech Software To Take A Lead
5. Small Cap To Outperform Over The Next 6 to 12 Months
6. Lower Short-Term Interest Rates With Sticky Longer Term Rates
7. Strong Economic Growth With Steeper Yield Curve
8. Banks And Capital Markets To Perform Well With Fewer Regulations & Steeper Curve
9. A Pickup In M&A And IPOs
10. Energy Independence With A Pickup In LNG Exports
11. Gold Mining Stocks Just Emerging As Gold Has Entered A Major Bull Market
12. Crypto Market To Continue To See Adoption From Investors
13. U.S. Equity Market To Remain Global Leader

What Could Derail The Charging Bull In 2025

If interest rates go much higher, it would choke off capital to the equity market.

- This could be driven either by inflation moving back up or by concerns that tariffs will cause inflation or by concerns over the U.S. deficit that would bring in the bond vigilantes.

If President-Elect Donald Trump attacks the Federal Reserve over policy and attempts to remove Fed Chair Powell, this would create equity market volatility.

Lastly, if concerns related to geopolitics escalate causing market volatility and/or oil prices reach $100 a barrel or higher, we would expect a sharp correction - but this should not derail the secular bull market.

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