Wealth Enhancement®

Financial Wellness Quarterly Newsletter

From The Sadoff Team At

Wealth Enhancement Group

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This financial wellness quarterly newsletter contains a Market & Economic snapshot along with informational articles on a variety of financial planning and financial wellness topics.

Quarterly Market Snapshot

	Returns		
	YTD	1-year	3-year
S&P 500	1.1%	12.1%	12.2%
Dow Jones	0.1%	9.5%	9.4%
Russell 2000 (Small caps)	-6.8%	0.9%	3.3%
Bonds - BarCap Aggregate	2.4%	8.0%	2.0%
	Current	1 year ago	3 years ago
CPI	2.3%	3.0%	9.1%
Federal Funds Rate (effective)	4.3%	5.3%	0.8%
Oil	62.69	81.11	117.03
Gas Prices (National Average)	3.08	3.51	4.79

YTD data as of 5/31/25, 3-year returns are annualized

Charts: S&P 500, Oil, Mortgage Rates & Unemployment Rate

Charts Courtesy of Stockcharts.com

The Tariff Correction and Rebound

On Wednesday April 2, President Trump announced tariffs against trade partners that were much higher than expected. The announcement led to one of the worst two-day drops in the history of the S&P 500.

A week later April 9, President Trump lowered the new tariff rates from most U.S. trade partners to 10% for 90 days allowing trade negotiations to continue. That day, the S&P 500 rose by 9.5%, the third largest single day gain since 1950. Large one-day spikes in the S&P 500 have historically been good news. Going back to 1950, the average one-year return for the S&P 500 after the largest 10 one-day gains averaged 36.9%!

The VIX, a stock market volatility index, measures the market's expectation for volatility over the next 30 days. The VIX, also known as the 'fear gauge, closed at 52.3 on April 8. The only other time periods with higher readings since 2000 were during the global financial crisis and Covid-19.

For the VIX, this was the 75th reading above 50, since 1990. One year after the other 74 readings above 50, the S&P 500 was always higher, by an average of 35%. The chart below shows that the market was bottoming when the VIX exceeded 50.

Chart: S&P 500 with the VIX - volatility index.

As you can see when the VIX spikes above 50, the S&P 500 is near its low.

Since the post tariff announcement S&P 500 low on April 8, the S&P 500 gained 18% over the following 25 trading days. Going back to 1974 the S&P 500 has gained 18% or more over 25 trading days only five other times. 250 trading days later (essentially one calendar year) the S&P 500 was higher by an average of 30% with a minimum gain of 11%. Other times when this happened included:

- After the 2020 post-Covid market lows
- After the Great Financial Crisis 58% S&P 500 drop
- Near the end of the Gulf War at the end of the 1990-91 recession
- Near the end of the 1982 recession.
- After the low of the 1974 stock market collapse.

On April 24, for just the 11th time since 1970, the S&P 500 rose by 1.5% or more three days in a row. Historically, this has been an extremely positive signal with the S&P 500 always higher 12 months later by an average of 20.7%.

S&P 500 Performance After Three Consecutive Gains Of >1.5% (1950 - Current)

	S&P 500 Future Returns			
Date	1 Month	3 Months	6 Months	12 Months
5/29/1970	(4.8%)	5.9%	11.2%	29.8%
10/11/1974	5.6%	1.6%	20.3%	24.0%
10/8/1982	7.2%	10.8%	16.6%	29.9%
8/3/1984	1.6%	3.2%	10.0%	17.9%
11/2/1987	(8.7%)	(0.1%)	2.8%	9.1%
12/9/1987	3.6%	10.4%	13.1%	16.4%
8/8/2002	(0.3%)	2.0%	(8.4%)	8.0%
10/6/2011	7.6%	9.7%	18.6%	25.4%
2/17/2016	5.9%	6.2%	13.0%	21.9%
11/5/2020	5.2%	11.5%	19.3%	33.8%
4/24/2025	?	?	?	?
Average	3.1%	6.2%	11.7%	20.7%
Median	5.2%	6.2%	13.1%	21.9%
% Positive	77.8%	88.9%	88.9%	100.0%
All Years Since 1950				
Average	0.7%	2.2%	4.5%	9.2%
Median	1.0%	2.6%	4.9%	10.4%
% Positive	60.7%	66.0%	70.1%	73.8%

Source: Carson Investment Research, Ned Davis 04/24/2025 (1950 - Current)
@tyandetrick

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Client Reminder

Please remember to keep us informed of any significant changes in your personal financial situation.

SOME IMPORTANT CHANGES MAY INCLUDE:

- Change in your job or job status
- Change in you health status
- Change in your beneficiaries
- Purchase or sale of a home
- Change in you planned date of retirement
- Change in your marital status
- Receipt of a major inheritance

Remember, we have tailored your investment objectives based upon your personal situation. It is possible we may need to alter your investment objectives or cash flow requirements based upon changes in your personal financial situation. If you do have any significant change, please contact us.

Understanding QCDs Qualified Charitable Distributions

As most retirees know, starting at age 73 (75 if you are born in 1960 or later) you must withdraw a required minimum distribution (RMD) from your retirement account each year. This may result in paying taxes on retirement income you don't need. If you are charitably inclined, however, a qualified charitable distribution (QCD) can help you contribute to causes you're passionate about while also potentially reducing your tax burden.

Click below to learn more:

Learn more.

A Home Insurance Claim: To File Or Not To File

Insurance is meant to protect you against financial loss. But is it really meant to protect you from any and all financial loss? When it comes to filing a loss claim on your home insurance, there may be times when not filing may be the wisest course of action.[1]

According to one study, the national average premium increase after filing a homeowners insurance claim is 9%, although this number varies depending on your specific location.

Click below to learn more.

Learn more.

The Benefits of an Energy-Efficient Home

As temperatures heat up, explore the halls of an energy-efficient home.

Learn More

We are growing our practice and welcome referrals. Please click here to refer a friend or a family member. Thank you.

This information is not intended as a recommendation. The opinions are subject to change at any time and no forecasts can be guaranteed. Investment decisions should always be made based on an investor's specific circumstances.

The Sadoff Team
Sadoffinfo@wealthenhancement.com
414-352-8460

Wealth Enhancement Group

http://www.teamsadoff.com

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414-352-8460
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