

## What We're Seeing Right Now - June 2025

*Produced exclusively for clients and friends of Triad Investment Management*

Welcome to Tariff-ville, a non-fictional place of global loneliness where the U.S. fights everyone to reclaim its rightful spot atop the international trading world.

Okay, that's a bit tongue in cheek. We do like to amuse ourselves with the doings of one Donald John Trump. We aren't historians, but we'd guess that the Republic hasn't seen in its 250-year history a president quite like DJT. Love him or not, you gotta admit that the man has an agenda and he's pursuing it. The countdown continues...only three and a half years left to go.

As we mentioned many times, Mr. Trump is a poker player. We see this playing out in his most recent machinations where he revealed absurdly high tariffs on "Liberation Day" in early April only to reverse course after both the stock and bond markets revolted. Perhaps there is a higher authority than Mr. Trump, after all.

Some folks have recently taken to calling Mr. Trump Mr. Flip-Flop. A Financial Times columnist dubbed the back-and-forth policy changes as the "**TACO Trade**." As in **Trump Always Chickens Out**. Just for fun we asked ChatGPT to whip up an illustration of Mr. Trump portraying him as the king of the TACO trade. We were delighted at how well artificial intelligence can convey our conversation into actions. As John Prine sang "pretty good, not bad, I can't complain."



To be fair, we agree with some of Trump's agenda, specifically rational control of U.S. borders, rebalancing of global trade, increased defense spending by our allies including European and Asian partners, confronting the Chinese-led global dictatorship of China, Russia, Iran, North Korea, etc.

But as the character Margo said in the classic movie "All About Eve", ***"Fasten your seat belts. It's going to be a bumpy night."***

We suspect the rest of this year could in fact be a bit bumpy. No, we're not hoping for such an outcome. But we must be realistic. Trump has a very full plate—no not of tacos—of policy objectives and unless he succumbs to taco overload, the next 6 to 12 months could be the most eventful of the Trump presidency. Remember, congressional elections are in November 2026 and the campaigning will start in the spring of 2026. Once the campaigning begins the policy making likely slows.

On the other hand, there's no recession on the horizon, consumer spending is holding up, inflation is moderating, and the Fed might reduce interest rates a bit before year-end. All in all, the resilient United States economy has been holding up well...so far.

We'll also remind you that your investments in some of the world's best companies are a strong defense against economic adversity. Many of these businesses are global leaders with enormous potential for long-term growth and prosperity.

Are you concerned about inflation? Here's some further good news. Common stock investments in great businesses have historically been excellent protection against higher inflation, as these dominant companies can raise prices to offset higher costs. We'd expect our businesses to exit an economic downturn largely unscathed.

We appreciate your loyalty and patience during these periodic—but always temporary—setbacks.

Now, turn off the bloviating, blabbering, babbling talking heads on television. Go grab a couple of tacos.

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