



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

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

The U.S. economy continues to show resilience, though the pace of growth has moderated. Inflation has drifted lower from its recent peaks, but still hovers above the Federal Reserve's comfort zone, keeping policymakers cautious. Job markets remain relatively steady, but some signs of slowing wage growth have begun to appear, a potential signal that the economic engine is shifting to a slower gear. Global trade tensions remain in focus, particularly around tariffs and supply chain realignments, adding a layer of uncertainty for businesses.



Political headlines continue to stir the pot. With the 2026 midterm elections beginning to take shape, Washington has offered a steady stream of fiscal debates. The U.S. budget deficit, now running at levels unseen in decades, has become a more prominent talking point. Markets tend to digest political noise with relative calm, but prolonged battles over spending and taxation could have meaningful effects on investor sentiment as well as long-term interest rates.

Let's not forget that the United States federal government fiscal year ends on September 30, and the Democrats are threatening to shut down the government unless their demands for a temporary funding bill are met. Republicans have responded by threatening to fire federal workers. The clock is ticking.

Despite the current political stalemate and geopolitical concerns, investment markets have remained relatively constructive. The stock market has pushed higher, supported by strong earnings in technology and healthcare, though leadership has become more concentrated. Smaller companies, including some that we've invested in, have lagged, reflecting investors' preference for stability in larger, more globally diversified firms. We've seen this movie before, and nothing lasts forever.

We caution that many companies remain highly expensive in our view, and we continue to focus on outstanding businesses with attractive long-term growth prospects but importantly trading at reasonable valuations.

As you know from our many repetitive messages, ***we believe you are best served by establishing a long-term financial plan and sticking with the plan through the inevitable and expected ups and downs of the economy and financial markets.***

Volatility in the short term is the price we pay for better results in the long-term.

This has always been the case, and we see no reason why it will not continue in the future.

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