



PWhat We're Seeing Right Now - September 2025

Produced exclusively for clients and friends of Triad Investment Management

So far in 2025, the business landscape has been, well, like a summer roller coaster. On one hand, the labor market—which had been chugging along nicely through early spring—is now showing some real signs of slowing: only 22,000 jobs added in August, and the unemployment rate climbed to 4.3%, its highest level since 2021. That’s raised some red flags. With weak job growth, a stalling manufacturing sector, and waning confidence, markets are now pricing in a probable Federal Reserve rate cut, possibly as soon as the September 16-17 meeting—though nothing’s official yet.



But here’s the interesting twist: despite the grim headlines, not everyone’s throwing in the towel. Consumers, especially higher income households, are still spending, saving, and even chipping away at credit card debt—all at levels that outpace pre pandemic norms. Meanwhile, businesses aren’t sitting idly by—investment, especially in technology and R&D, is running well above trend, fueling a kind of “silent” productivity push. Bank of America, for instance, suspects we might dodge stagflation entirely and even head into a mini boom—thanks in part to huge AI-related capital outlays and infrastructure spending.

So, what lies ahead over the next 6 to 12 months? If we were to hazard a friendly guess: it appears the Fed will start nudging rates lower—assuming inflation continues to ease and job gains don’t improve. That could help reignite investment more broadly, especially in sectors already leaning into AI and productivity tools. Still, we can’t ignore the dark clouds—trade tensions, stubborn immigration and labor-supply challenges, and tariff uncertainty remain real headwinds. If those don’t ease up, we may still be in for a trickier stretch come early 2026.

You want to know what’s weird about all the above? Despite all the challenges, stock market investors have focused on the positives and largely disregarded the negatives. Not that we’re complaining. All too frequently we advise our clients to stay focused on long-term results and not worry about the inevitable short-term problems that always occur. Yes, always occur. Nobody has a magic crystal ball. Trust us, as we’ve been seeking one for decades. Still looking.

What’s odd right now is that many investors are being complacent and less disciplined in their investing efforts. On second thought, it’s not that odd. We’ve been investors for decades and we’ve seen this movie before. It’s the periodic re-release of an occasionally popular but ultimately a horror movie: ***The Return of the Rampant Speculators***. We’re seeing signs of excessive exuberance, jubilation, and even downright speculation.

We don't do that. While we can't control what happens in the short-term, we feel very comfortable with our selection of your investments over the long-term. This is critical. We've seen episodes in the past where some investors have been wiped out because they jumped in with the crowd and bought anything that was rapidly increasing in price. Only to find that they purchased an empty promise and permanent depreciation.

Our choices for you lead to a well-diversified portfolio of outstanding businesses that we expect will provide respectable results over the next 5 to 10 years. Without the wipeout scenario.

Notice we specifically said outstanding businesses. Not common stocks. Businesses. As a shareholder you are a minority owner of a business, not just a bunch of stock certificates. This is how we think about investing. Businesses are not pieces of paper. As the businesses prosper you as a shareholder prosper. Unless the global economy falls into the abyss—spoiler alert, not happening absent nuclear annihilation—as a shareholder in a well-diversified slice of the global economy through mostly United States based businesses, you benefit from that growth.

While we can't guarantee specific investment return numbers, we feel very confident that this approach has a higher probability of success compared to many investors today who don't really know what they own but are simply buying stocks because stocks are appreciating in price. Hello Nvidia and Palantir.

Armed with this knowledge, you should feel more comfortable that your money isn't going to disappear. Furthermore, **common stocks such as you own have historically provided strong inflation protection**, unlike many fixed income and money market funds.

The greatest threat to this scenario? You probably guessed it. Wait for it...here it comes—our emotions. Keeping control of our emotions when economic and market conditions get difficult is critical. Emotional fortitude can be the difference between a successful, long-term investment future and resorting to eating cat food.

Actually, cat food is expensive. And that's a dumb joke.

In any case, keep in mind that we will eventually have short-term problems, and our advice is always the same. Always.

Resist the temptation to panic while those who bought because prices were going up now have no idea what to do. You can sit tight knowing that **your financial plan includes a solid investment portfolio of durable businesses**, and we believe based on our experience that recovery is inevitable...it always has been.

We appreciate the opportunity to work with our clients and never take lightly our responsibility to serve their interests first and not ours. We also welcome the opportunity for introductions to friends, relatives, neighbors, business associates, and others who we might be able to assist in creating a long-term plan for financial security.

Operators are standing by. Actually, that's us.

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