



Wall Street's
Great Rotation

THE GREAT ROTATION:

**What Investments Will Do Well in the Trump Era,
and What to Avoid**

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Wall Street is Optimistic

Wall Street's average S&P 500 forecast for 2025: 14%

UBS holds the most bearish view, while Oppenheimer is the most optimistic among the 16 firms tracked by Opening Bell Daily.



Firm	S&P 500 Outlook	Change from Current Levels
UBS	6,400	8.81%
Goldman Sachs	6,500	10.52%
Morgan Stanley	6,500	10.52%
Citi	6,500	10.52%
JPMorgan	6,500	10.52%
Evercore	6,600	12.21%
Barclays	6,600	12.21%
Bank of America	6,666	13.34%
BMO Capital Markets	6,700	13.91%
HSBC	6,700	13.91%
RBC Capital Markets	6,700	13.91%
DataTrek Research	6,840	16.29%
Yardeni Research	7,000	19.01%
Deutsche Bank	7,000	19.01%
Wells Fargo	7,007	19.13%
Oppenheimer	7,100	20.71%

Percent change from 2024 closing price of 5,881.63.

Table: Phil Rosen, Opening Bell Daily • Created with Datawrapper

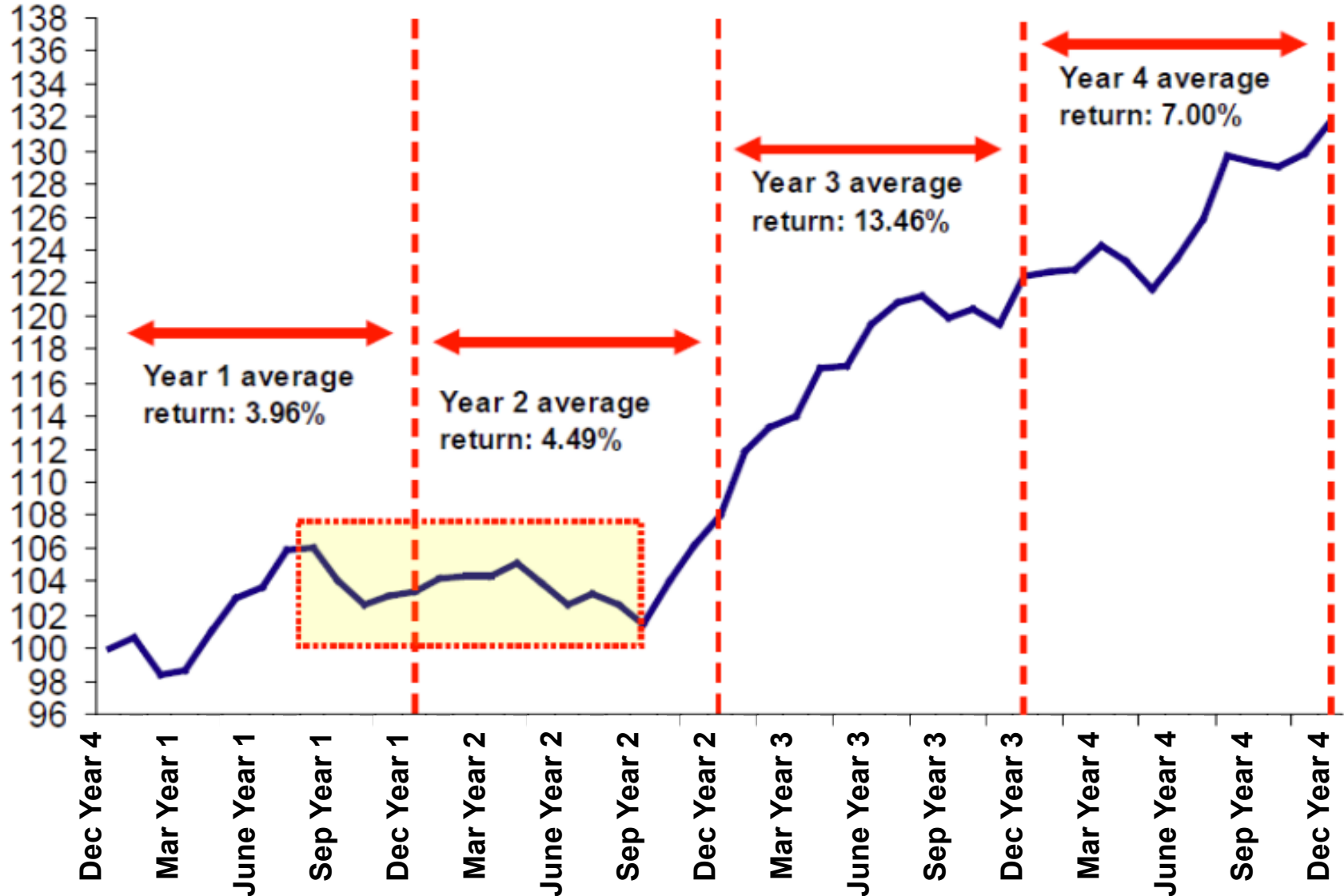


- Increased corporate earnings due to potential tax cut (15% corporate rate)
- Deregulation under Trump
- Protectionism of US firms against foreign competition
- Higher output may mean lower price inflation, lower interest rates

Graph source:

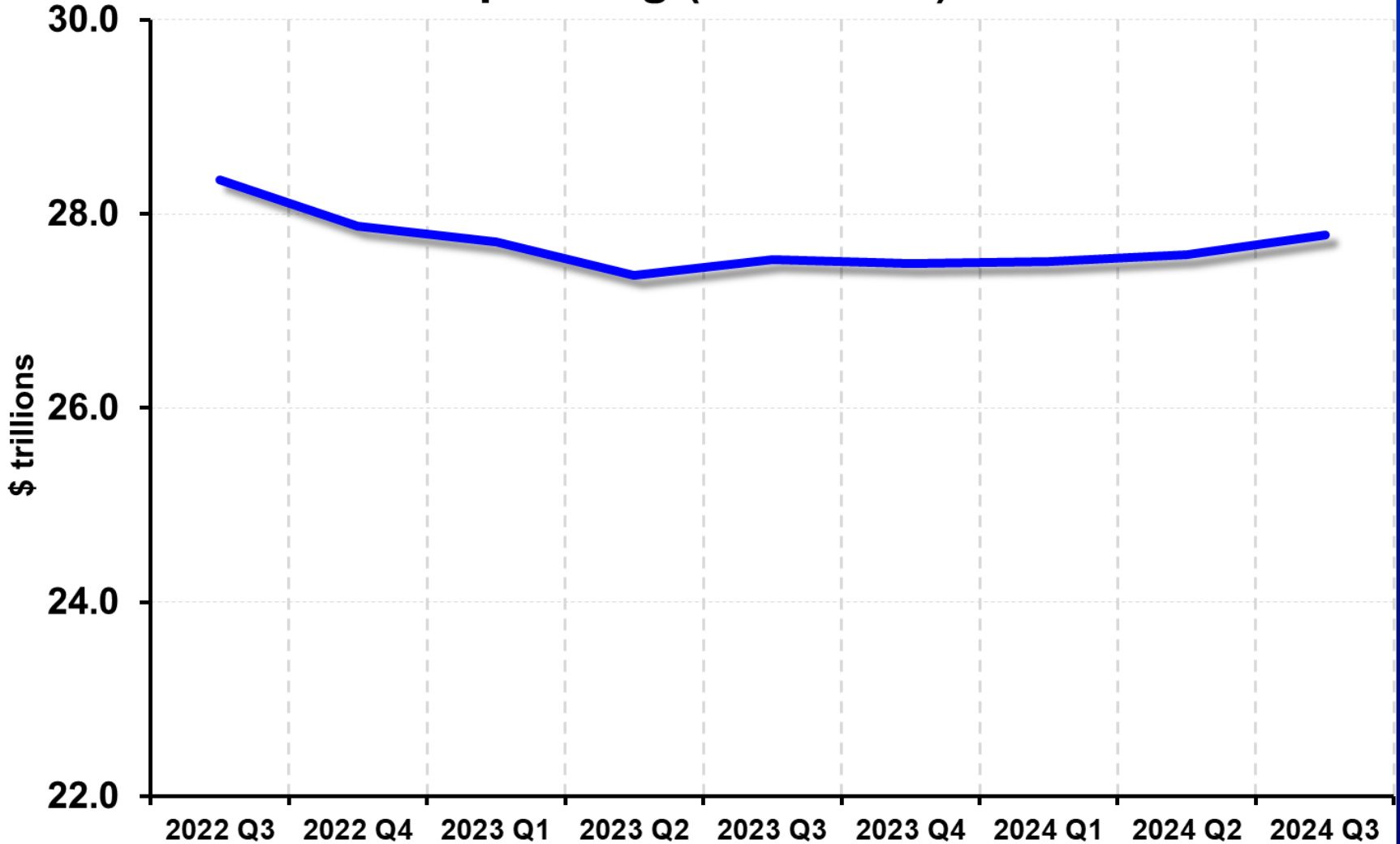
<https://www.inc.com/phil-rosen/stock-market-outlook-economic-investors-fed-rate-cut-earnings-inflation/91101687>

Four-Year Presidential Stock Market Cycle



Chances of a Recession in 2025

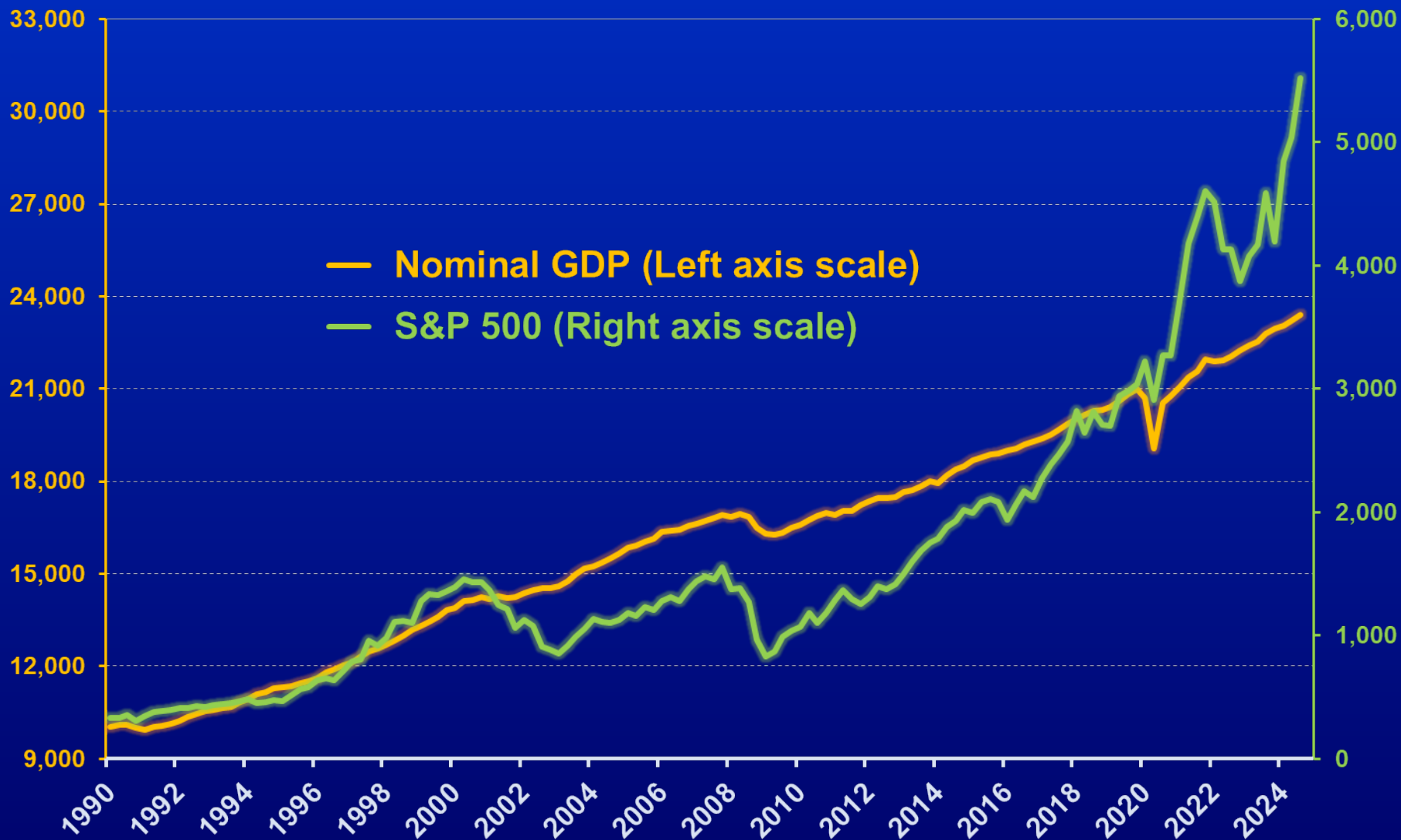
B2B Spending (real terms) 2022-2024



Data Sources: U.S. Bureau of Economic Analysis; U.S. Census Bureau

Graph: Ned Piplovic

Wall Street vs. Main Street



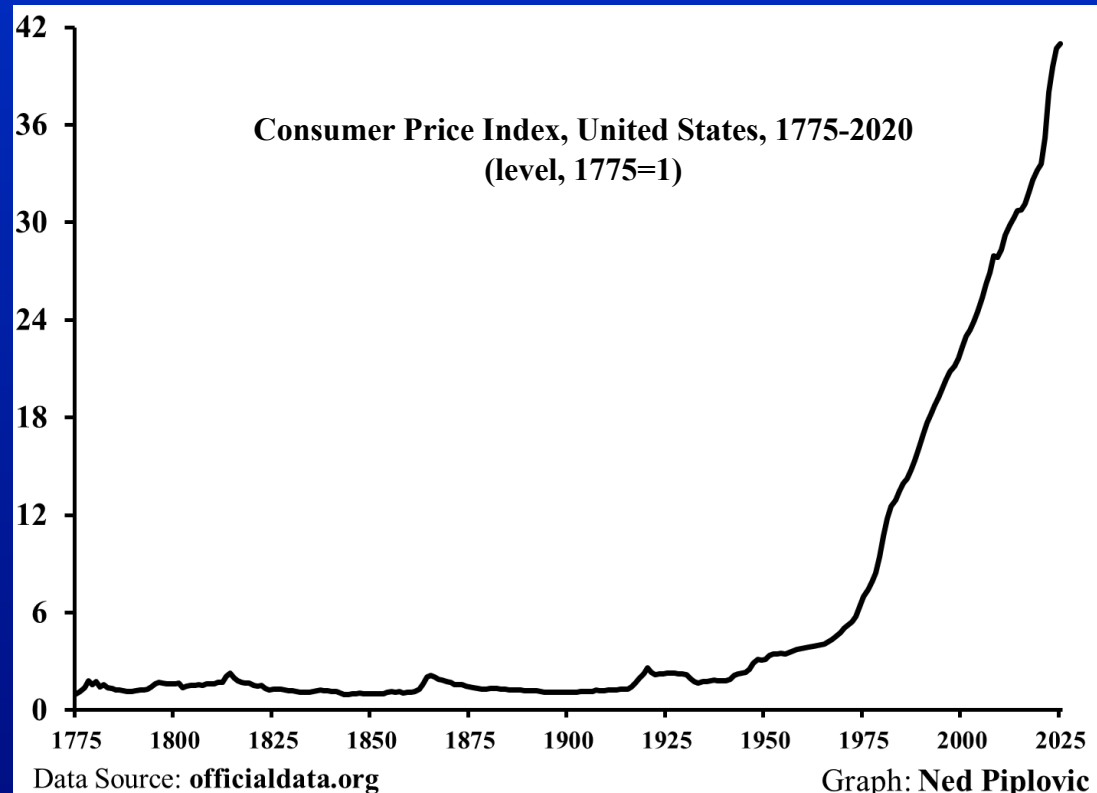
GDP Data Source: BEA; S&P 500 Data Source: Yahoo!Finance

Graph: Ned Piplovic

The Permanent Inflation Hypothesis: The Declining Purchase Power of Money Since WWII

1. What is the cause of inflation prior to World War II?

2. What is the cause of permanent inflation after World War II?



Graph source: "Shifting Mandates: The Federal Reserve's First Centennial", American Economic Review: Papers & Proceedings, Reinhart and Rogoff (2013)

- A. Neverending wars
- B. Creation of the Federal Reserve in 1913
- C. Going off the gold standard in 1933 and 1971
- D. Adopting Keynesian economics in 1948
- E. The Bretton Woods Agreement in 1944

Confronting the Inflationist Ben Bernanke at the AEA meetings in 2025

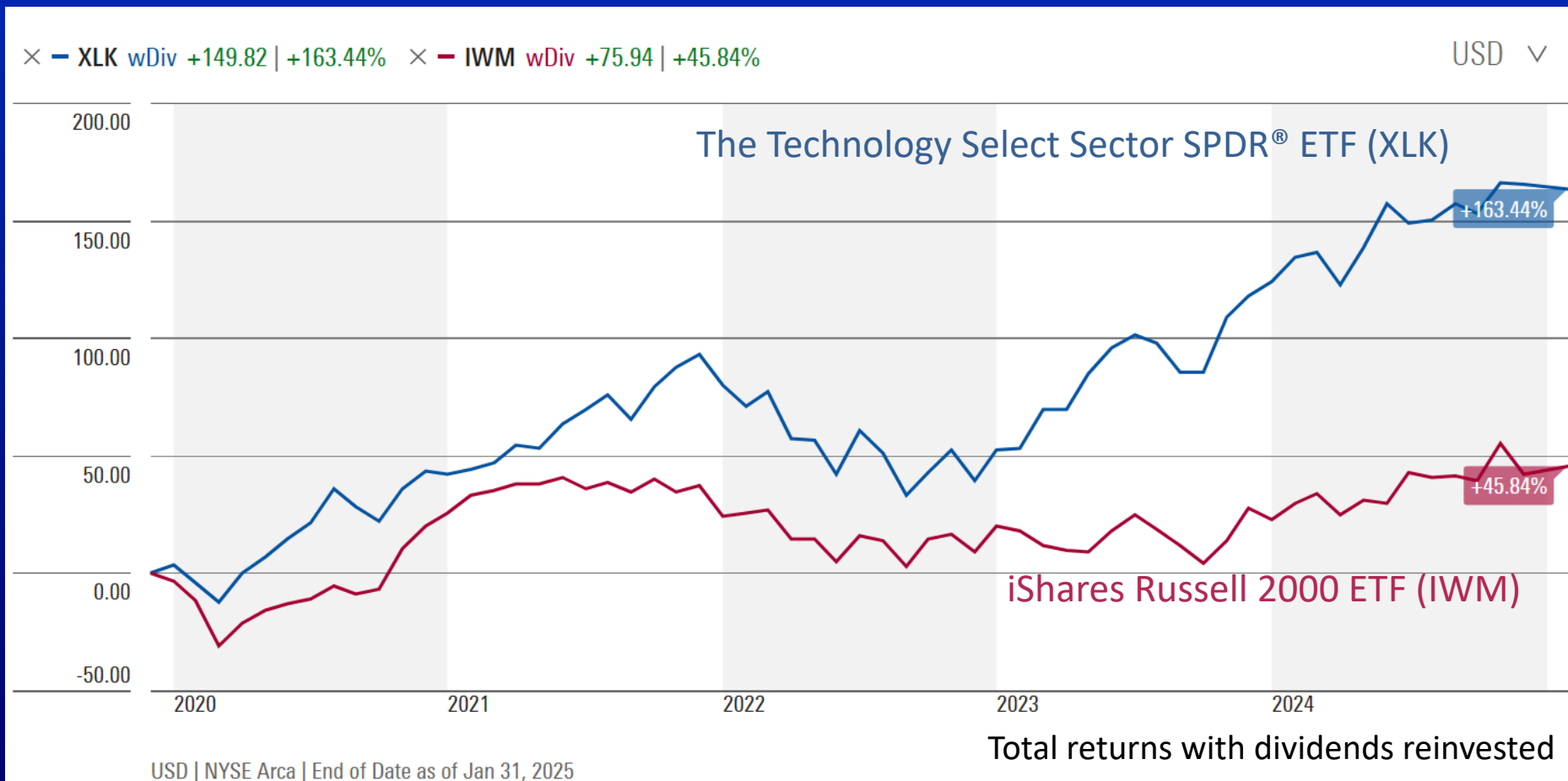
The Fed's new tools for easy money:

- 1. Focus on fed fund rates**
- 2. 2% inflation target rate**
- 3. Quantitative easing (QE)**



What are the Best Inflation Hedges for 2025?

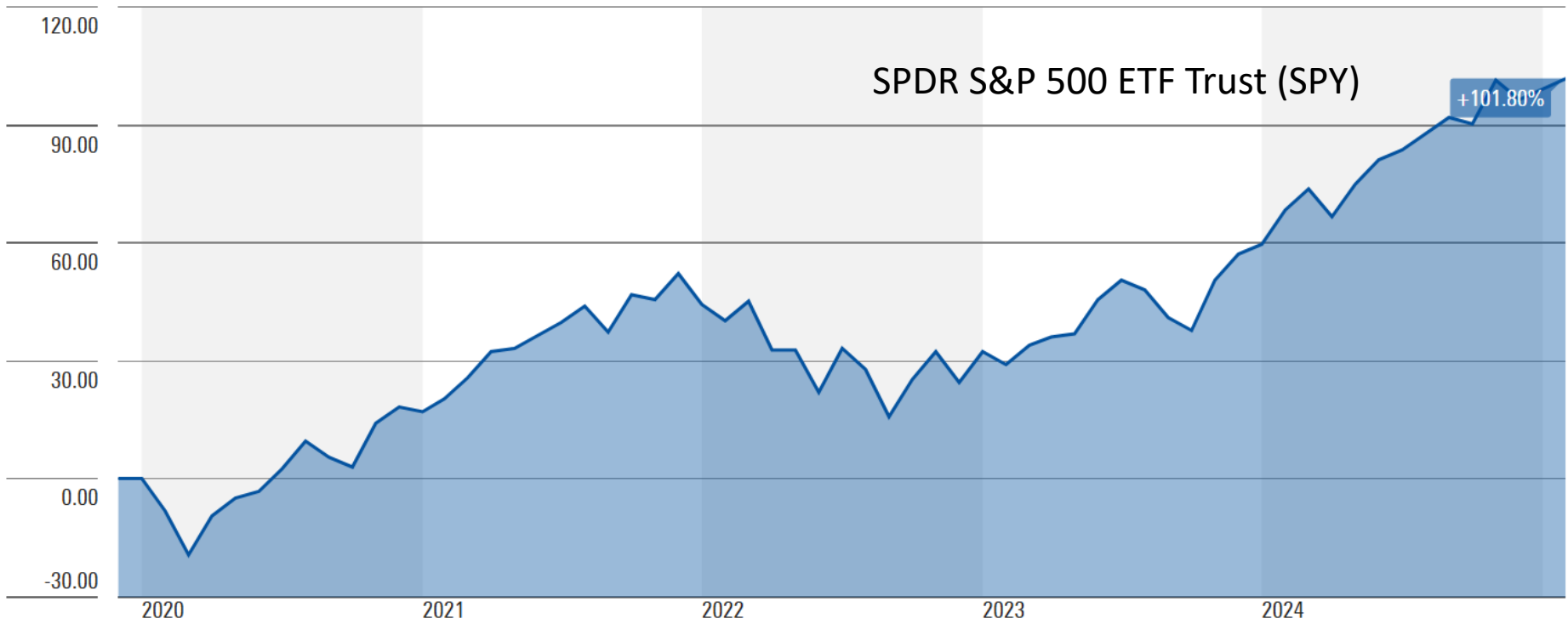
Rotation from the Magnificent Seven tech stocks to small stocks (Russell 2000)?



S&P 500 is Heavily Invested in Tech

× - SPY wDiv +327.67 | +101.80%

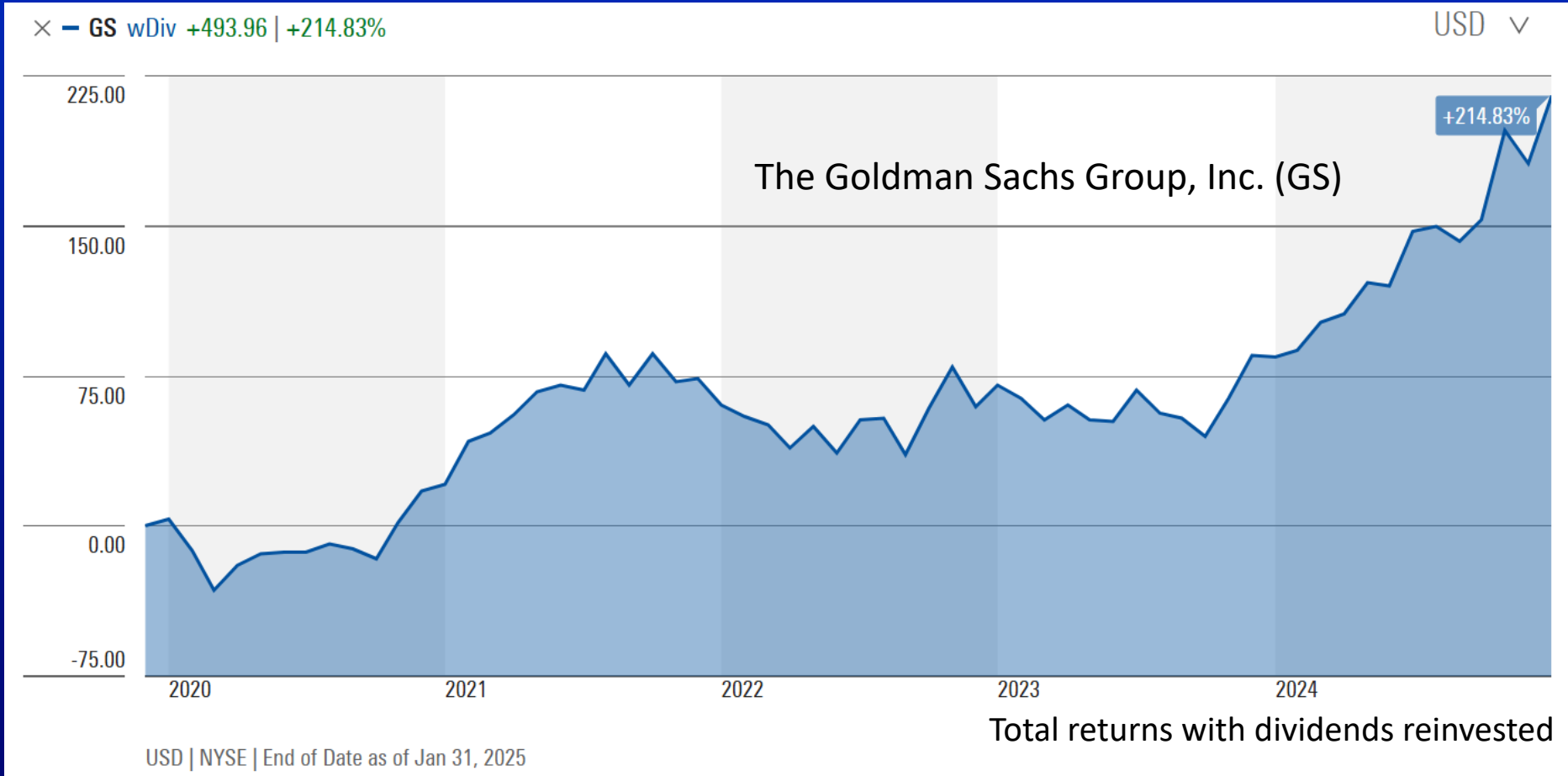
USD ▾



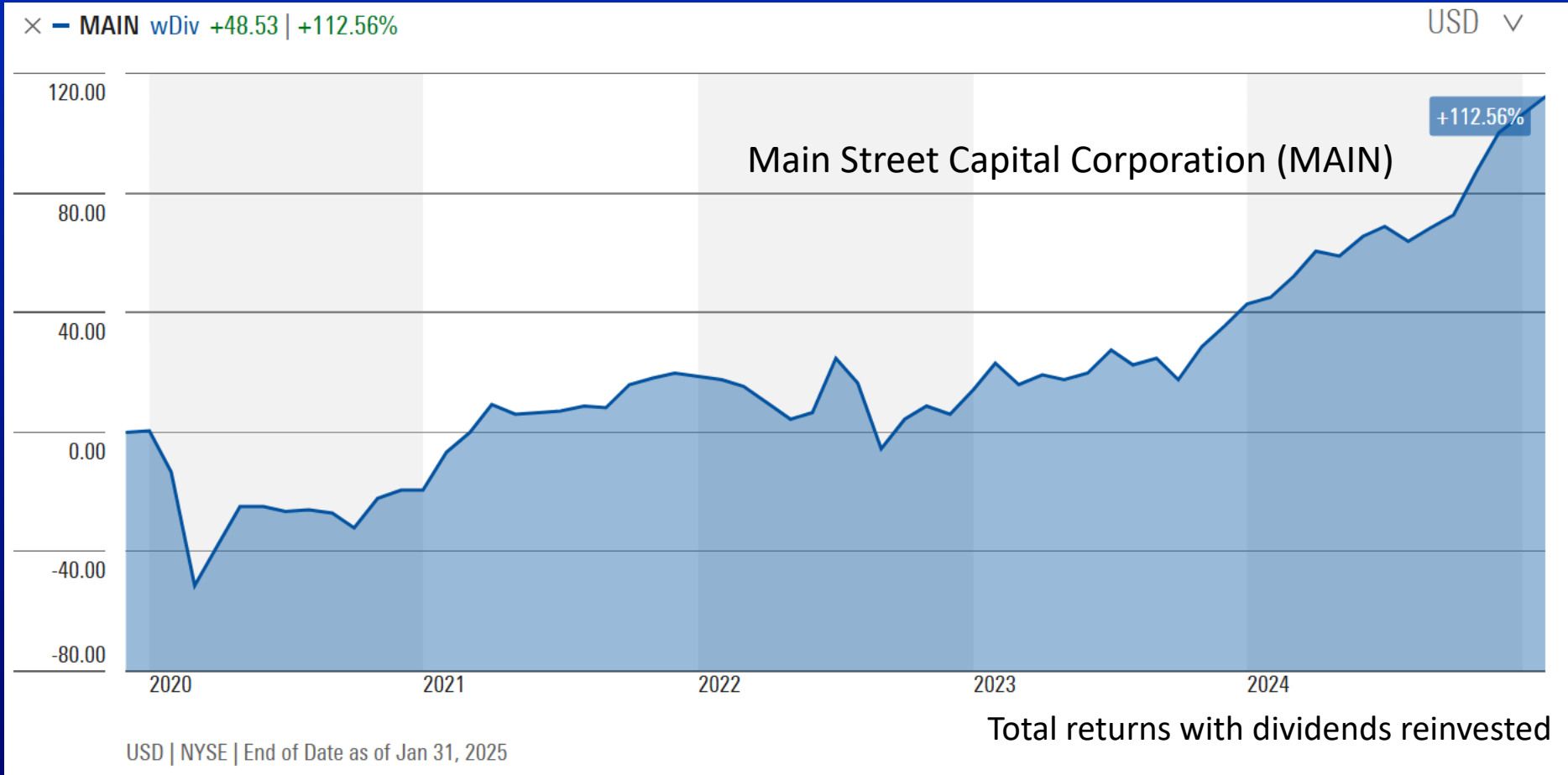
USD | NYSE Arca | End of Date as of Jan 31, 2025

Total returns with dividends reinvested

The Booming Financial Stock Market



“The gain in MAIN is simply insane”

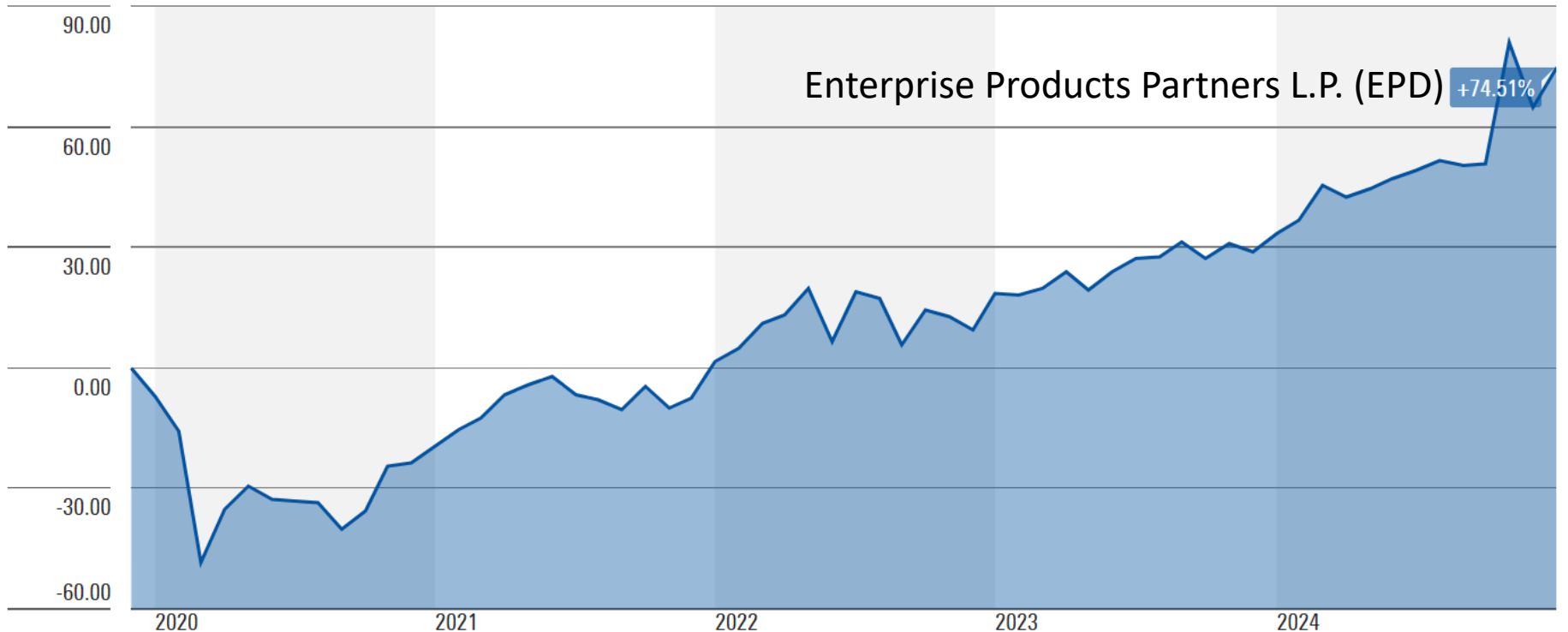


Will Oil & Gas Rise or Fall?

My Two Favorite Energy Stocks

× — EPD wDiv +20.98 | +74.51%

USD ▾



Enterprise Products Partners L.P. (EPD)

+74.51%

Total returns with dividends reinvested

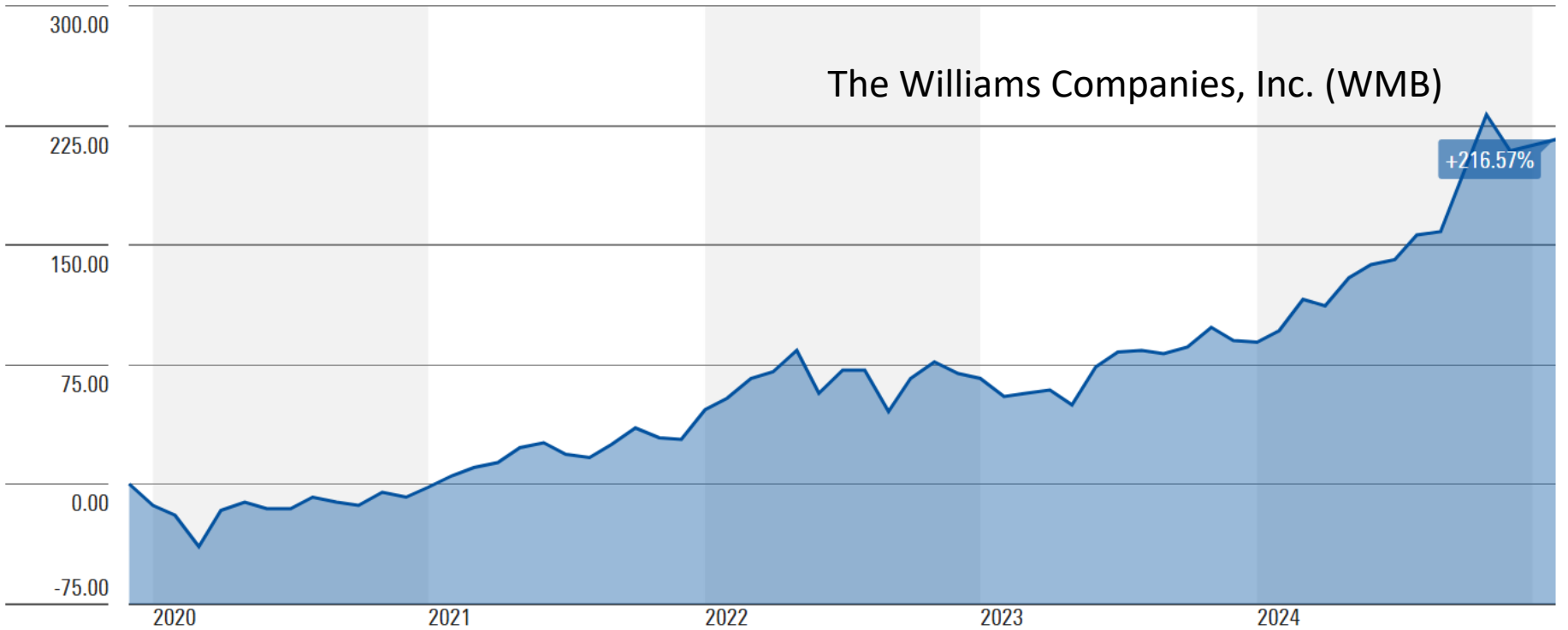
USD | NYSE | End of Date as of Jan 31, 2025

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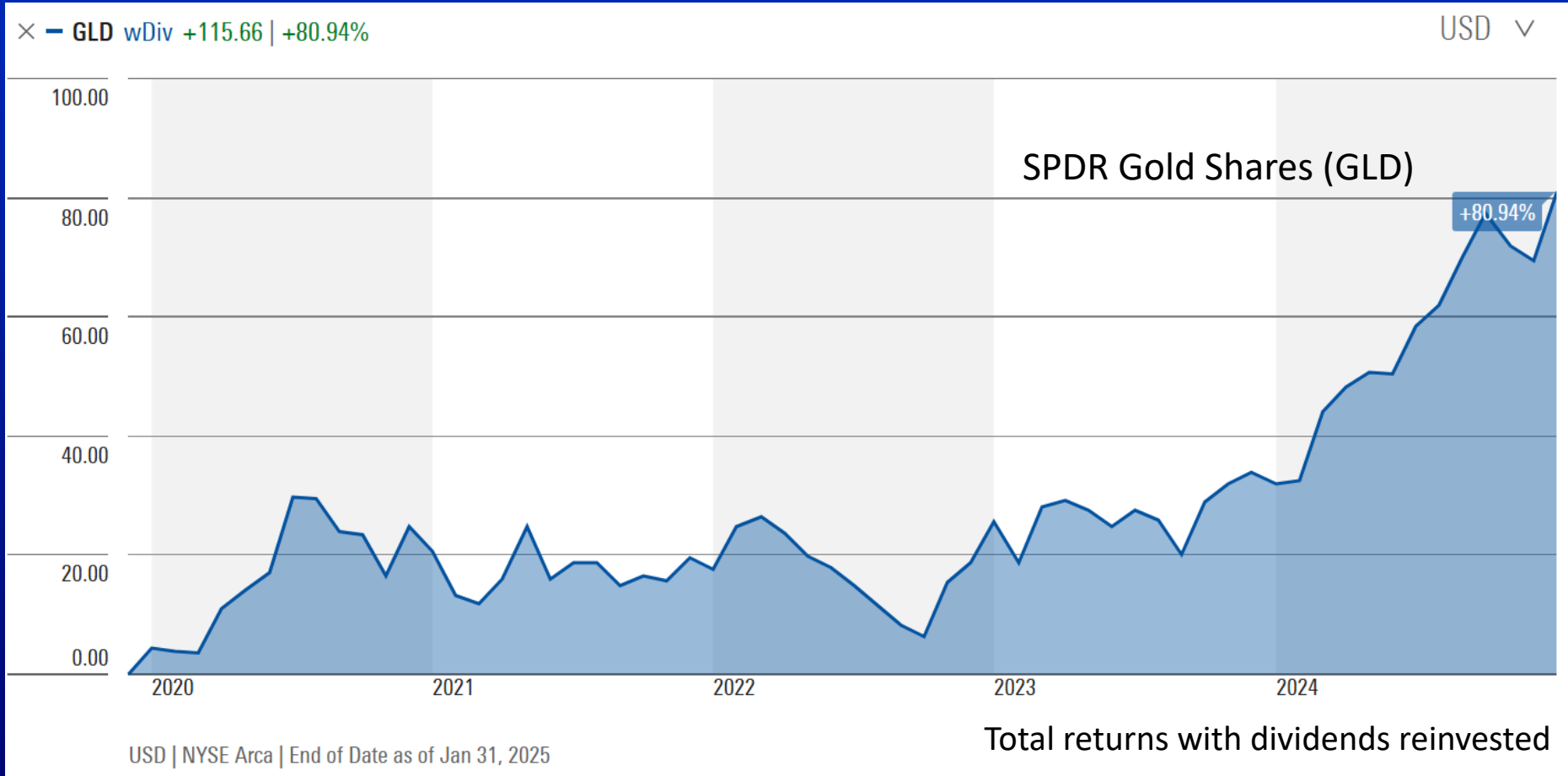
× — WMB wDiv +51.37 | +216.57%

USD ▾



USD | NYSE | End of Date as of Jan 31, 2025

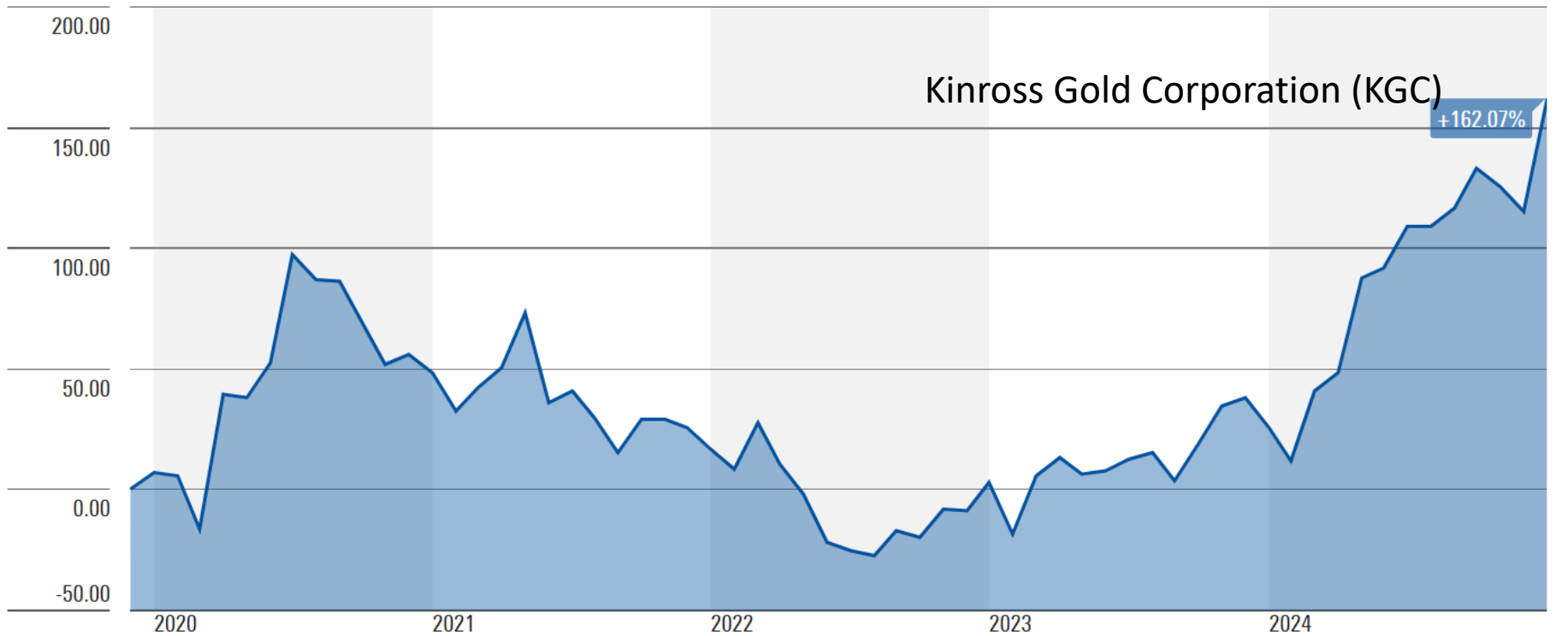
What about Gold?



What about Gold?

× — KGC wDiv +7.68 | +162.07%

USD ▾



Kinross Gold Corporation (KGC)

+162.07%

USD | NYSE | End of Date as of Jan 31, 2025

Total returns with dividends reinvested

What about bitcoin and blockchain technology?

Bitcoin vs Other Major Asset Classes

- BTC** Bitcoin
- AGG** S&P U.S. Aggregate Bond Index
- CMT** Dow Jones Commodity Index
- EM** Dow Jones Emerging Markets Total Return Index
- HY** U.S. High Yield Corporate Bond Index
- SPX** S&P 500 Total Return Index

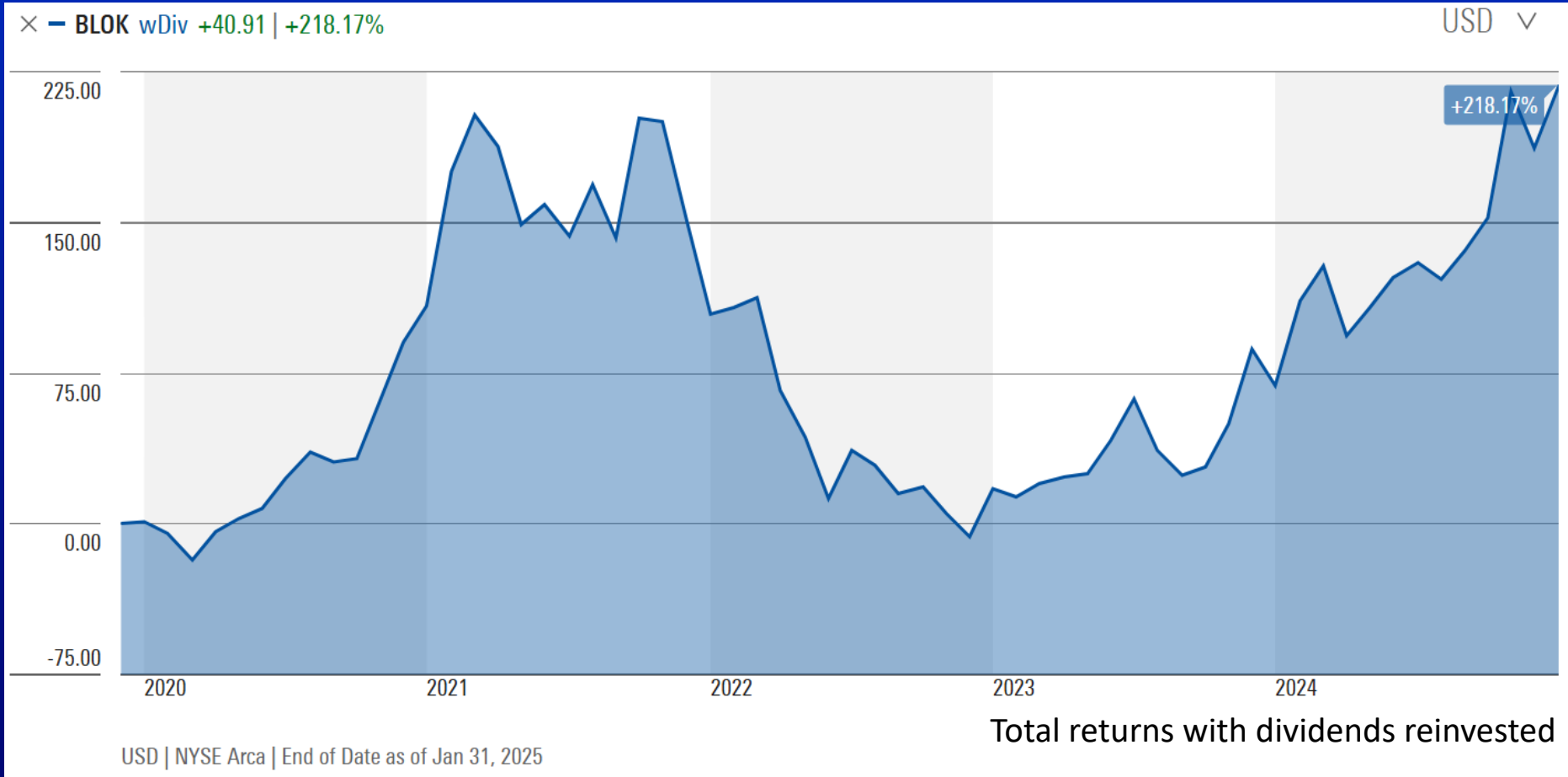


Data source:
iShares

Graph:



Amplify Transformational Data Sharing ETF (BLOK)



Best Foreign Country Fund



HOW JAVIER MILEI SAVED ARGENTINA ECONOMY

× — ARG T wDiv +66.34 | +249.51%

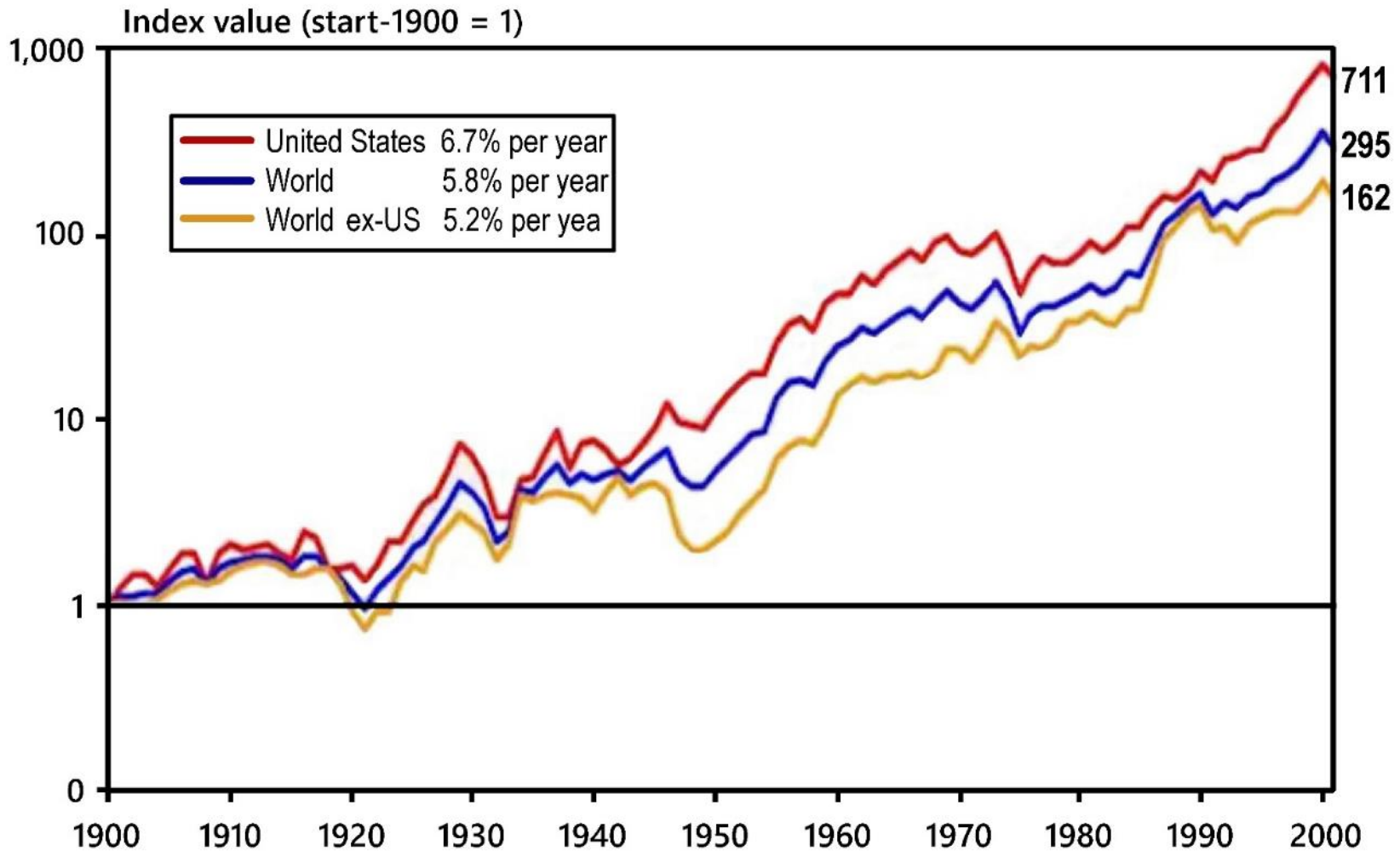


USD | NYSE Arca | End of Date as of Jan 31, 2025

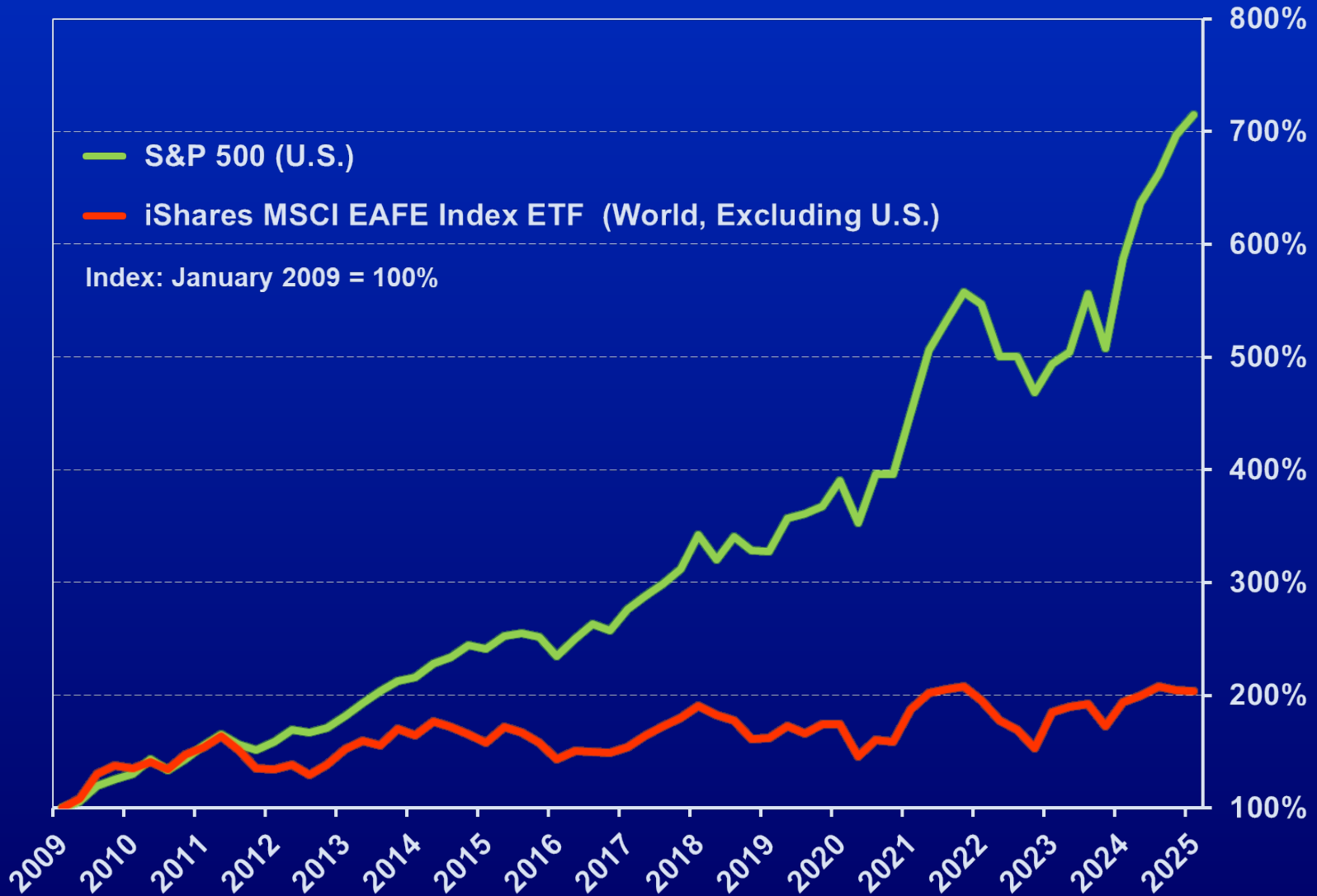
Total returns with dividends reinvested

The Triumph of the Optimist: American Exceptionalism

Figure 8-2: Cumulative returns (in real dollars) on the world equity index, 1900-2000



Wall Street Outperforms Since the Financial Crisis of 2008-09: America vs. the World

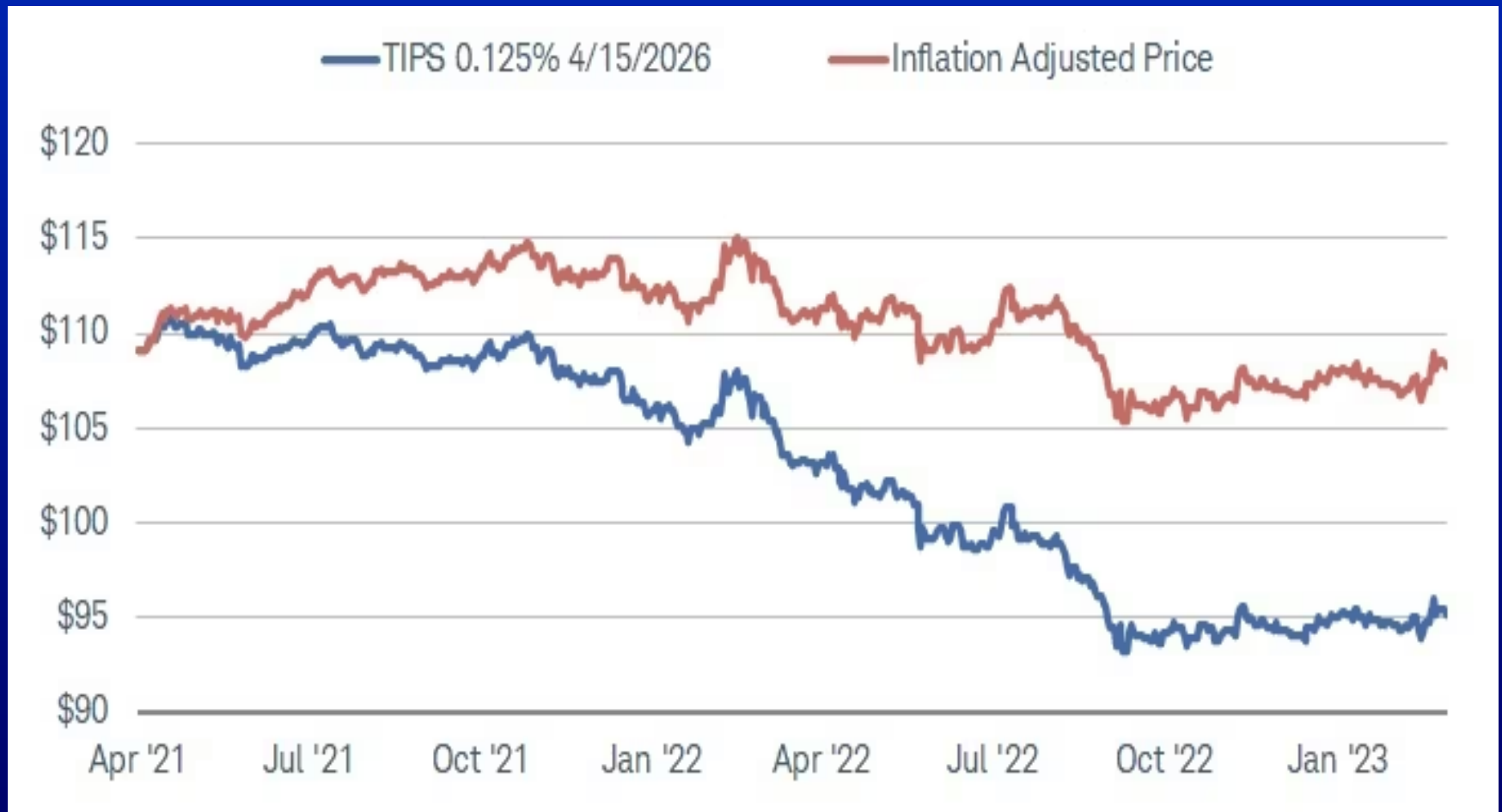


Data Source: Yahoo! Finance

Graph: Ned Piplovic

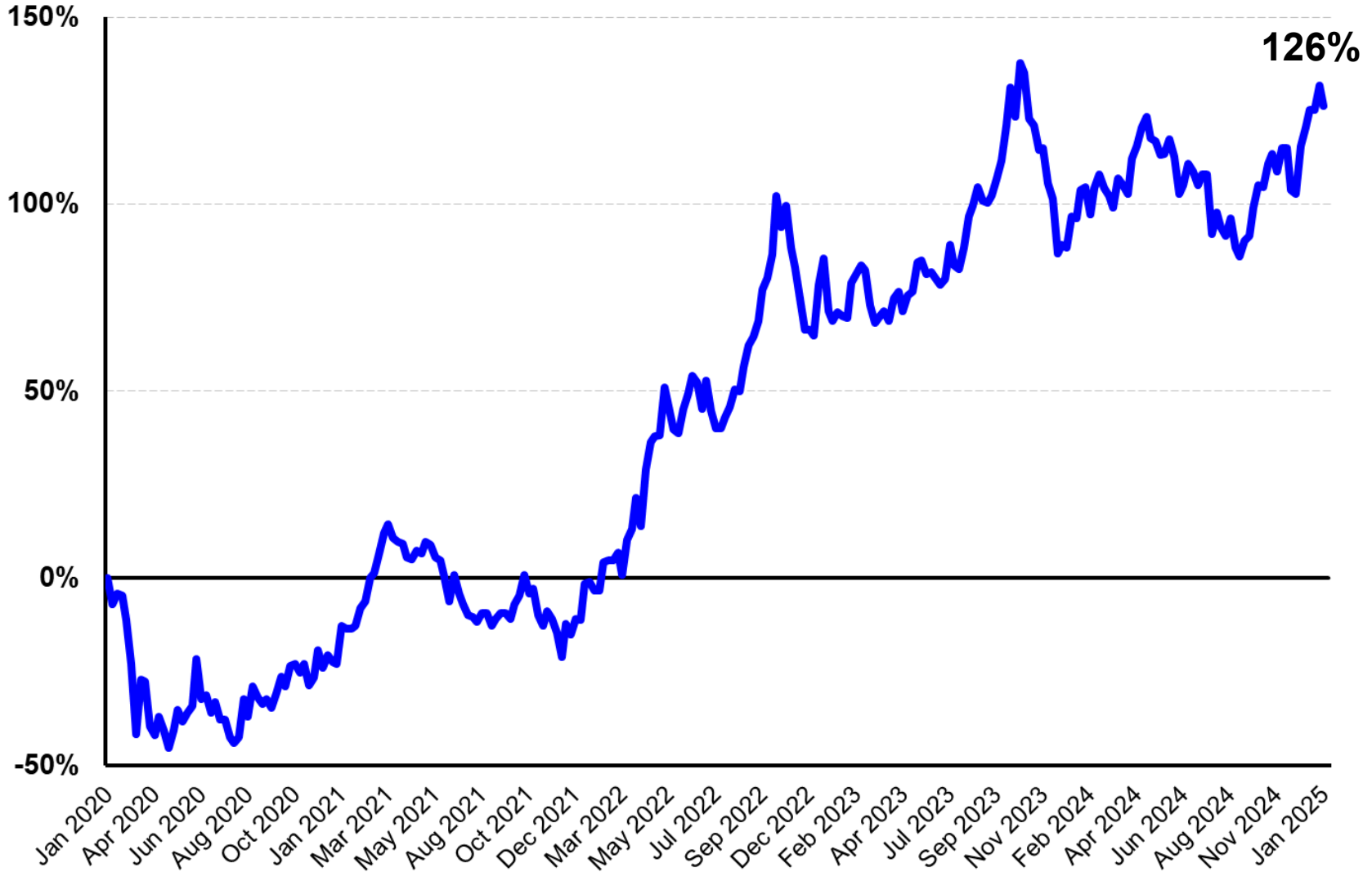
Investments to Avoid

Treasury Inflation Protected Securities (TIPS) Have Underperformed Since 2022



U.S. 30-Year Treasury Bonds

Total return 2020-2025



Data source: **Source: Board of Governors of the Federal Reserve**

Graph: **Ned Piplovic**

Warren Buffett's Favorite Quote Book



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Harvard



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