

Markets Continue to Push Higher

It was one of the busiest weeks of the year for investors. Markets absorbed geopolitical developments, inflation data, a major Federal Reserve meeting, and one of the most anticipated public offerings in history. Despite the headlines, stocks continued to advance as investors remained focused on **earnings growth and economic resilience**. *The key theme remains unchanged: strong fundamentals continue to outweigh short-term uncertainty.*

SpaceX and the Return of the Mega-Cap IPO

The biggest story of the week was the public debut of **SpaceX**. The company entered public markets at a valuation approaching **\$1.7 trillion**, but the larger story is what it represents. After years of private companies delaying public offerings, we may be entering a **new cycle of high-profile IPOs**. Investors are already looking ahead to companies like OpenAI, Anthropic, and others that could eventually follow. *The broader takeaway is that artificial intelligence is becoming increasingly investable and creating opportunities well beyond traditional technology companies.*



AI Leadership Is Broadening

One of the healthiest developments in today's market is the **expansion of leadership**. AI investment is driving demand for semiconductors, networking equipment, power generation, infrastructure, engineering, and industrial companies. *This broader participation creates a stronger foundation for market performance and reduces dependence on a small group of mega-cap technology stocks.* This remains an **earnings-driven market**, and earnings growth is increasingly coming from a wider range of industries.

Geopolitical Risks Ease as Iran Agreement Progresses

Markets also responded positively to progress toward a potential Iran agreement. Earlier concerns surrounding energy supply disruptions pushed oil prices higher and increased inflation fears. As tensions eased, **oil prices declined, volatility fell, and investors began reassessing some of the more negative economic scenarios**. *While geopolitical developments remain important, earnings and economic growth continue to be the primary drivers of market performance.*



Inflation: Better Than the Headlines & The Federal Reserve Takes Center Stage

Headline inflation moved higher, but much of the increase was tied to **energy prices**. **Core inflation remained more encouraging** and suggested that underlying inflation pressures continue to moderate. Consumers are still feeling the effects of higher prices, particularly in housing and everyday expenses. However, **the labor market remains healthy, businesses continue investing, and economic growth remains positive**. *For investors, inflation remains something to monitor, but current conditions do not resemble the broad economic weakness typically associated with major market downturns.*

Attention now turns to the **Federal Reserve**. Markets expect no immediate rate change, but investors will closely watch the Fed's outlook on inflation and growth. The central question is whether inflation continues to moderate or proves more persistent than expected. *For now, economic conditions remain supportive, and strong earnings continue to provide an important foundation for markets moving forward.*

What I'm Watching

- Federal Reserve commentary & projections
- Retail sales & consumer spending
- Housing market activity
- Newly public technology companies
- Energy prices & inflation expectations

-Scott Tremlett CEO/Chief Investment Officer