

Investing for Successful Retirement

UD Osher – OLLI

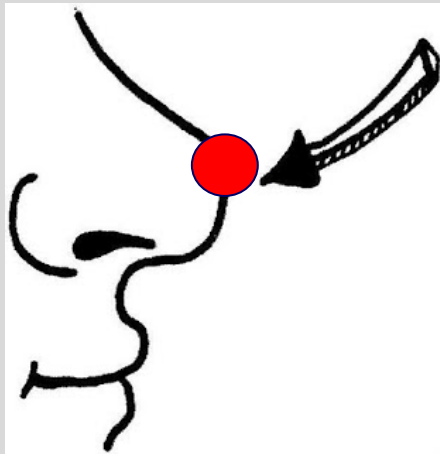
Spring 2025

□ **Rajeev A. Vaidya**

□ **Ron Materniak**

Disclaimer in plain language

Disclaimer – in plain language:



Opinions are like noses, everyone has one !

You are going to see mine in this course !!

We are simply sharing our perspective.

This is not investment advice or recommendation.

Ron, and I are not a financial advisors.

This course is for educational purposes only.

Form your own opinion, make your own investment decisions.

Second Class – Feb. 12th

- Market Update
- What does 2025 bring
 - Fundamental Analysis
 - Technical Analysis
 - Sectors of Interest

This presentation
is not investment
advice

Factset(R) - S&P 500 Calendar year earnings forecast

320

https://advantage.factset.com/hubfs/Website/Resources%20Section/Research%20Desk/Earnings%20Insight/EarningsInsight_020725A.pdf

300

Factset Earnings Estimates 2/7/25

- Q424 62% reported, 77% show earnings above estimates
- Q424 S&P 500 EPS 16.4% .. Was 14.6% at start of quarter.
- EPS for 2024 \$240.64, 9.3% rise over 2023, \$1.24 higher than last week.
- EPS for 2025 - \$272.10, \$1.53 lower than last week.
- Fwd. looking P/E = 22.1
- Calculated P/E/G would be $22.1/13.35 = 1.655$
- 12-month target for the S&P 500 6889, 14.3% higher than close on 2/7

280

260

Axis Title

240

220

200



- CFRA data on 2/7 - EPS for 2024 \$242.59, EPS for 2025 \$267.91.. Calculated Fwd P/E = 22.5
- Factset increased 2024 EPS by \$1.24 since last week, decreased '25 EPS by \$1.53, decreased 26 by \$1.83
- CFRA increased 2024 EPS by \$1.86 since last week, decreased 2025 by 57c.

13-Jan 18-Feb 18-Mar 14-Apr 13-May 10-Jun 8-Jul 5-Aug 23-Sep 21-Oct 18-Nov 6-Jan 3-Feb 3-Mar 31-Mar 28-Apr 26-May 30-Jun 28-Jul 15-Sep 13-Oct 10-Nov 15-Dec 26-Jan 29-Feb 28-Mar 26-Apr 24-May 21-Jun 19-Jul 16-Aug 27-Sep 25-Oct 22-Nov 3-Jan 31-Jan

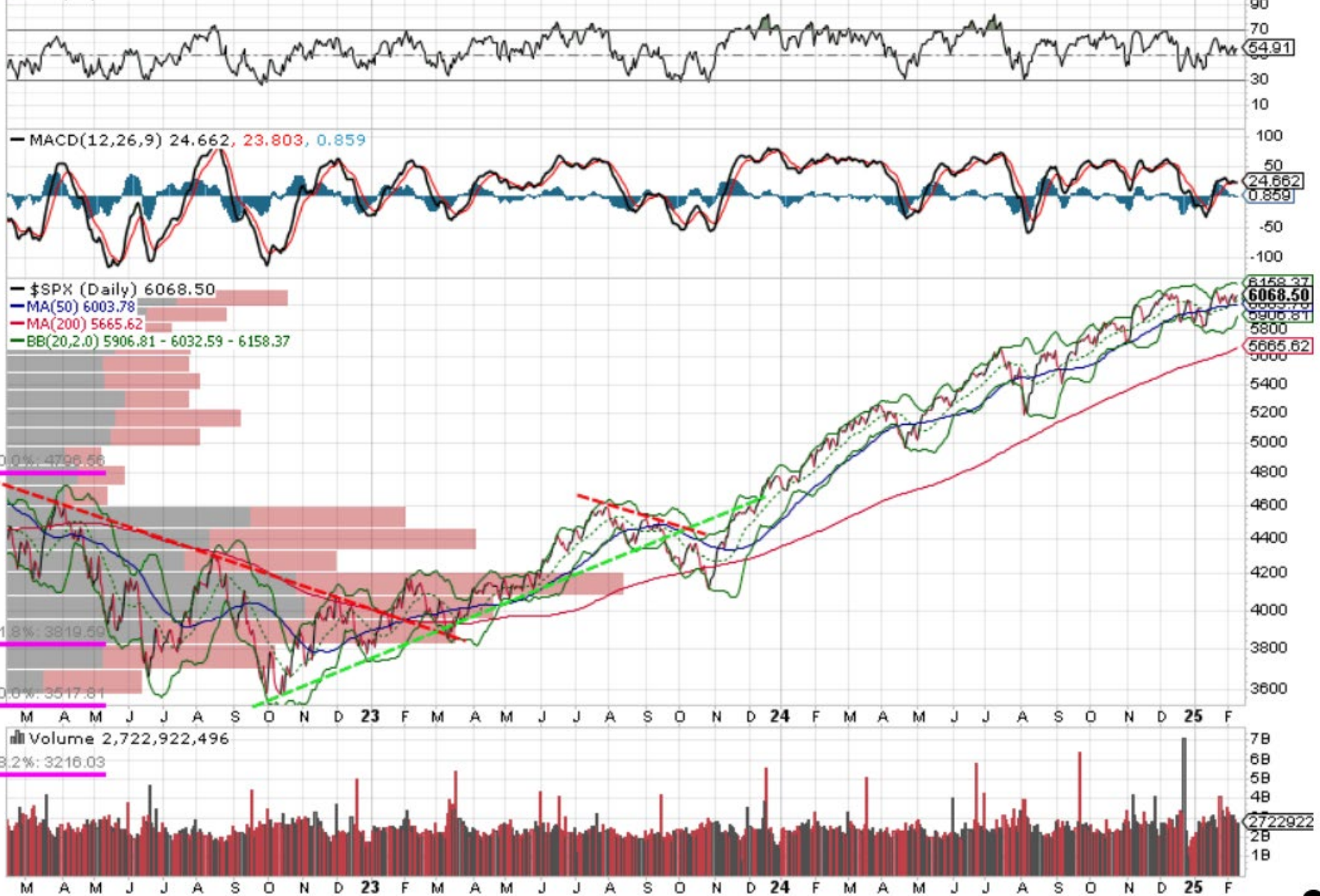
\$SPX S&P 500 Large Cap Index INDX

11-Feb-2025

Open 6049.32 High 6076.28 Low 6042.34 Close 6068.50 Volume 2.7B Chg +2.06 (+0.03%) ▲

© StockCharts.com

▲ RSI(14) 54.91

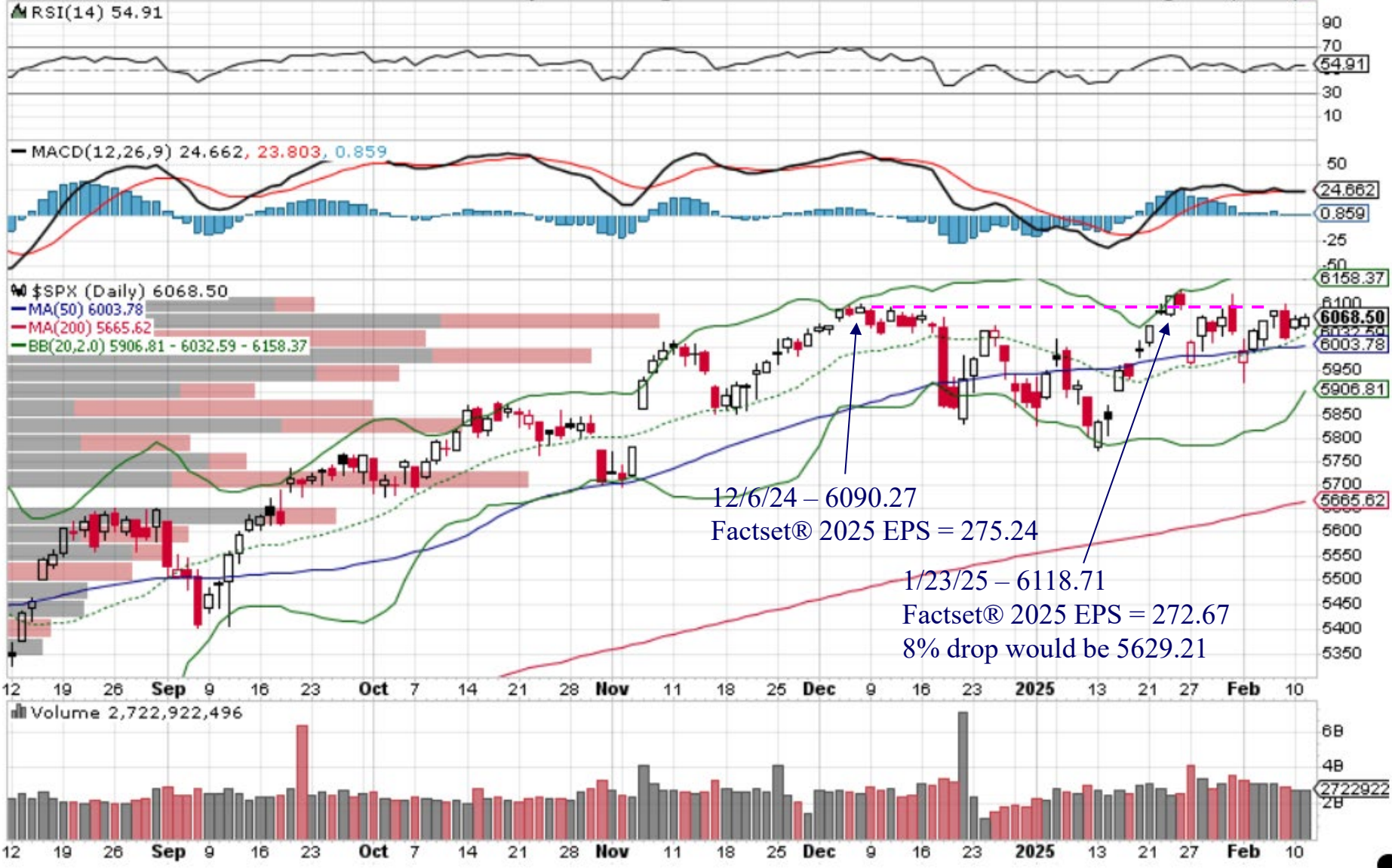


\$SPX S&P 500 Large Cap Index INDX

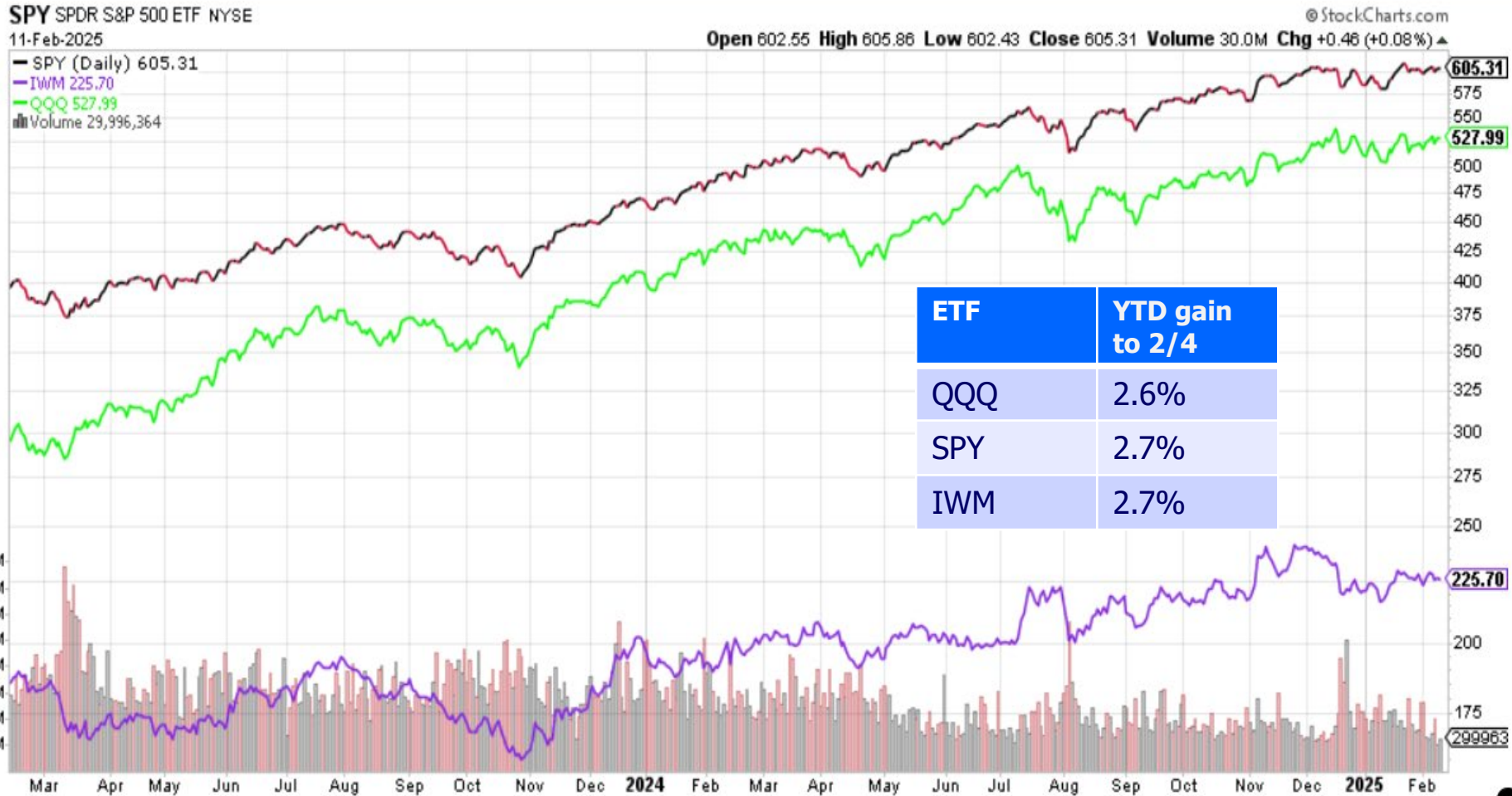
11-Feb-2025

Open 6049.32 High 6076.28 Low 6042.34 Close 6068.50 Volume 2.7B Chg +2.06 (+0.03%)

© StockCharts.com



Market Breadth – another way



\$NYAD NYSE - Advance-Decline Issues INDX

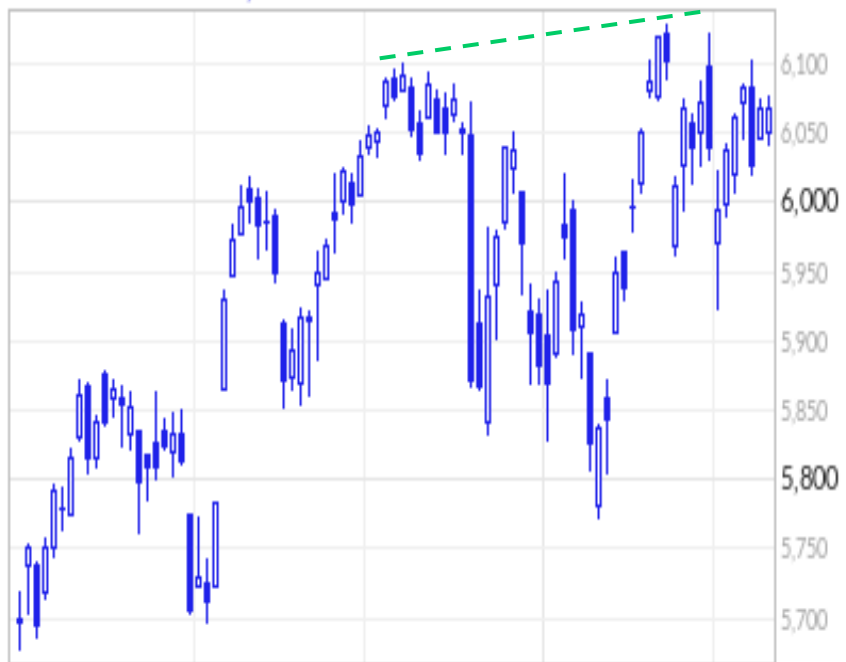
11-Feb-2025

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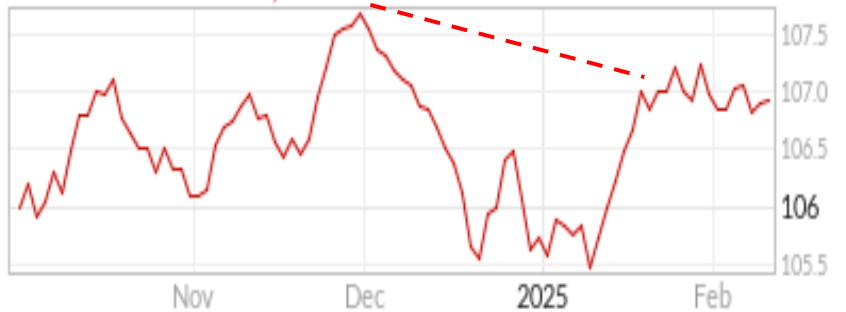
Open 54162.00 High 54162.00 Low 54162.00 Close 54162.00 Chg +50.00 (+0.09%) ▲



SP500.I S&P 500 6,068.50 +2.06 +0.03% D



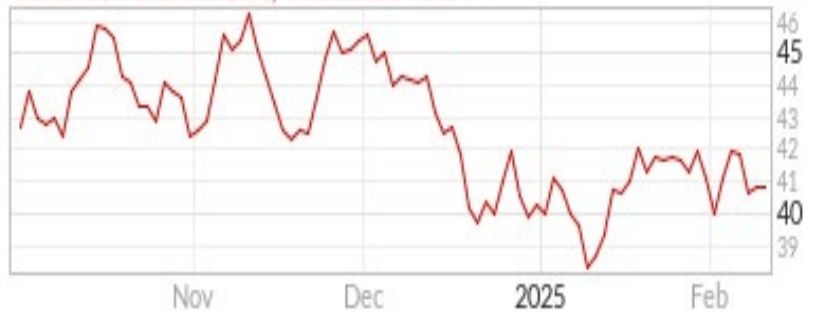
Advance / Decline Line, thousands 106.92



RUSSELL2000.I Russell 2000 2,275.70 -12.24 -0.53% D



Advance / Decline Line, thousands 40.84





This is NOT investment advice

Weekly market direction

Prof. Guy Werner

Guy.werner@verizon.net

COLUMNS CD&E ARE FROM IBD AND ARE PROVIDED BY DAVE (IN THE NORTH) SMITH

COLUMNS C,D AND E ARE FROM IBD AND PROVIDED BY DAVE (IN THE NORTH) SMITH			DISTRIBUTION DAYS		S&P 500 TRIPLE SCREEN						NASDAQ TRIPLE SCREEN					
	DATE	MARKET PULSE (IBD)	S&P 500	NASDAQ	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE	8-20 EMA	MACD	RSI	CLOSING	Δ	%CHANGE
SAT	01/25/25	FOR THE WEEK							105	1.75%					324	1.65%
SUN	01/26/25	YTD							220	3.74%					644	3.34%
MON	01/27/25	CONFIRMED UP (60% -80%)	5	7	P	P	P	6,012	-89	-1.46%	P	P	F	19,341	-613	-3.07%
TUE	01/28/25	CONFIRMED UP (60% -80%)	4	6	P	P	P	6,067	55	0.91%	P	P	P	19,733	392	2.03%
WED	01/29/25	CONFIRMED UP (60% -80%)	4	6	P	P	P	6,039	-28	-0.46%	P	P	P	19,632	-101	-0.51%
THUR	01/30/25	CONFIRMED UP (60% -80%)	4	6	P	P	P	6,071	32	0.53%	P	P	P	19,681	49	0.25%
FRI	01/31/25	CONFIRMED UP (60% -80%)	5	7	P	P	P	6,040	-31	-0.51%	0	0	0	19,627	-54	-0.27%
SAT	02/01/25	FOR THE WEEK							-61	-1.00%					-327	-1.64%
SUN	02/02/25	YTD							159	2.70%					317	1.64%
MON	02/03/25	CONFIRMED UP (60% -80%) YES TARIFF	5	8	P	P	F	5,994	-46	-0.76%	0	F	F	19,391	-236	-1.20%
TUE	02/04/25	CONFIRMED UP (60% -80%) NO TARIFF	5	8	P	P	P	6,037	43	0.72%	0	F	P	19,654	263	1.36%
WED	02/05/25	CONFIRMED UP (60% -80%)	4	7	P	P	P	6,061	24	0.40%	P	F	P	19,692	38	0.19%
THUR	02/06/25	CONFIRMED UP (60% -80%)	3	6	P	P	P	6,083	22	0.36%	P	P	P	19,791	99	0.50%
FRI	02/07/25	CONFIRMED UP (60% -80%)	3	6	P	0	P	6,025	-58	-0.95%	0	0	F	19,523	-268	-1.35%
SAT	02/08/25	FOR THE WEEK							-15	-0.25%					-104	-0.53%
SUN	02/09/25	YTD							144	2.45%					213	1.10%
MON	02/10/25	CONFIRMED UP (60% -80%)	2	6	P	0	P	6,066	41	0.68%	P	0	P	19,714	191	0.98%
TUE	02/11/25	CONFIRMED UP (60% -80%)	2	6	P	P	P	6,068	2	0.03%	P	0	P	19,643	-71	-0.36%

https://drive.google.com/drive/folders/0B6Qc_gipshXMelkzQ245d2R1eTQ?resourcekey=0-5pWglNqaJPJ12L2qYurMWg

TLT – 20 yr U.S. Treasury ETF

TLT iShares 20+ Year Treasury Bond ETF Nasdaq GM

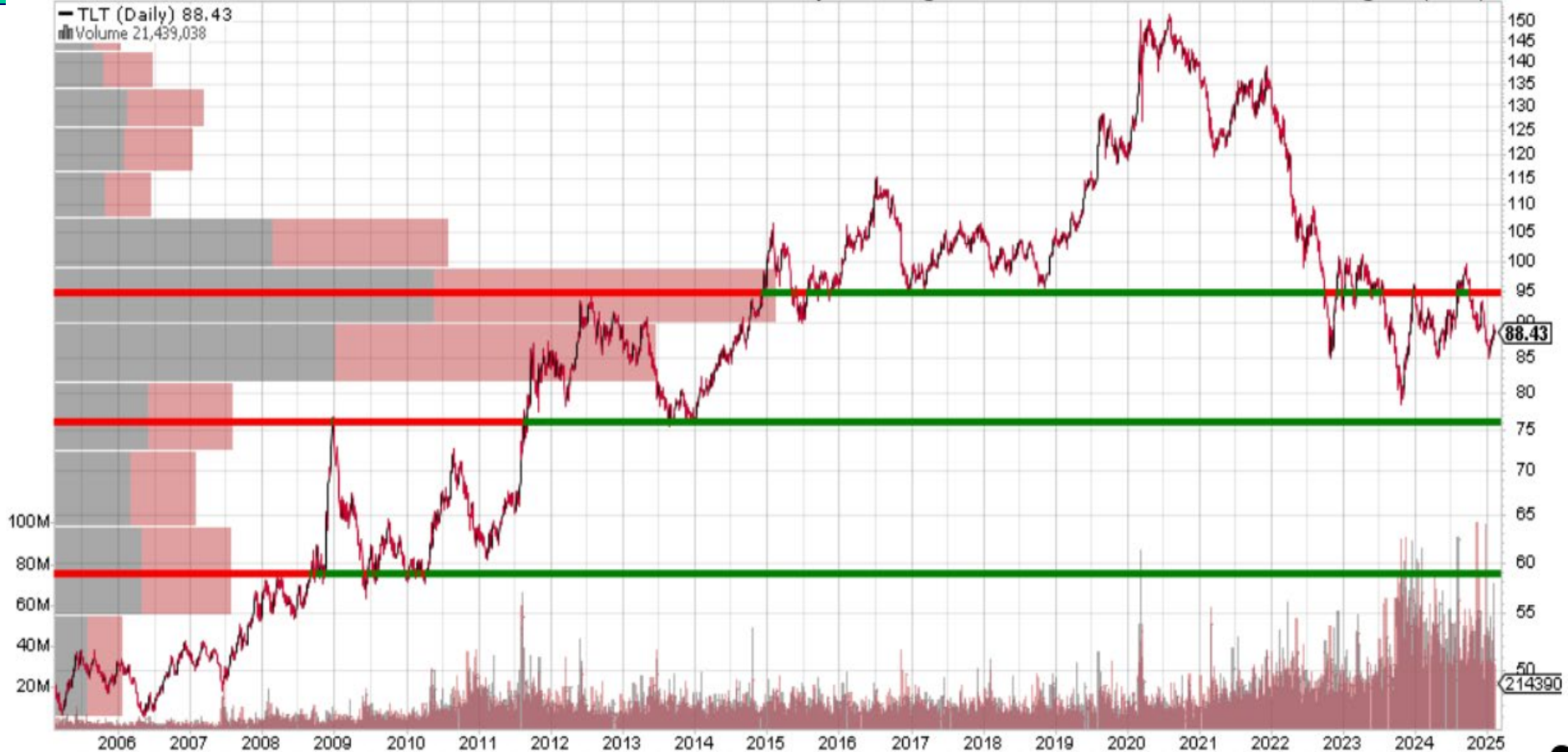
11-Feb-2025

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Open 88.53 High 88.68 Low 88.38 Close 88.43 Volume 21.4M Chg -0.57 (-0.64%)

TLT (Daily) 88.43

Volume 21,439,038



U.S. Dollar



Second Class – Feb. 12th

- Market Update
- What does 2025 bring
 - Fundamental Analysis
 - Technical Analysis
 - Sectors of Interest

This presentation
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advice

Predicting the market in 2025

- Predicting what the market will do in 2025 is a fool's game.
- "Market returns for the next year are unpredictable" – Jason Zweig, WSJ 2/8/2025
 - Many have tried and failed miserably
- I am not going to predict what happens in 2025
 - I don't want to join the many who have failed.
 - WH policy – in flux, unpredictable, and has a significant impact.
- I am going to do what can be done
 - Show you the current state in the context of historical data
 - Show you some technical indicators
- Teach not preach or predict.
 - Links for all data sources are defined or live, so you can track them as you want and make your own decisions.

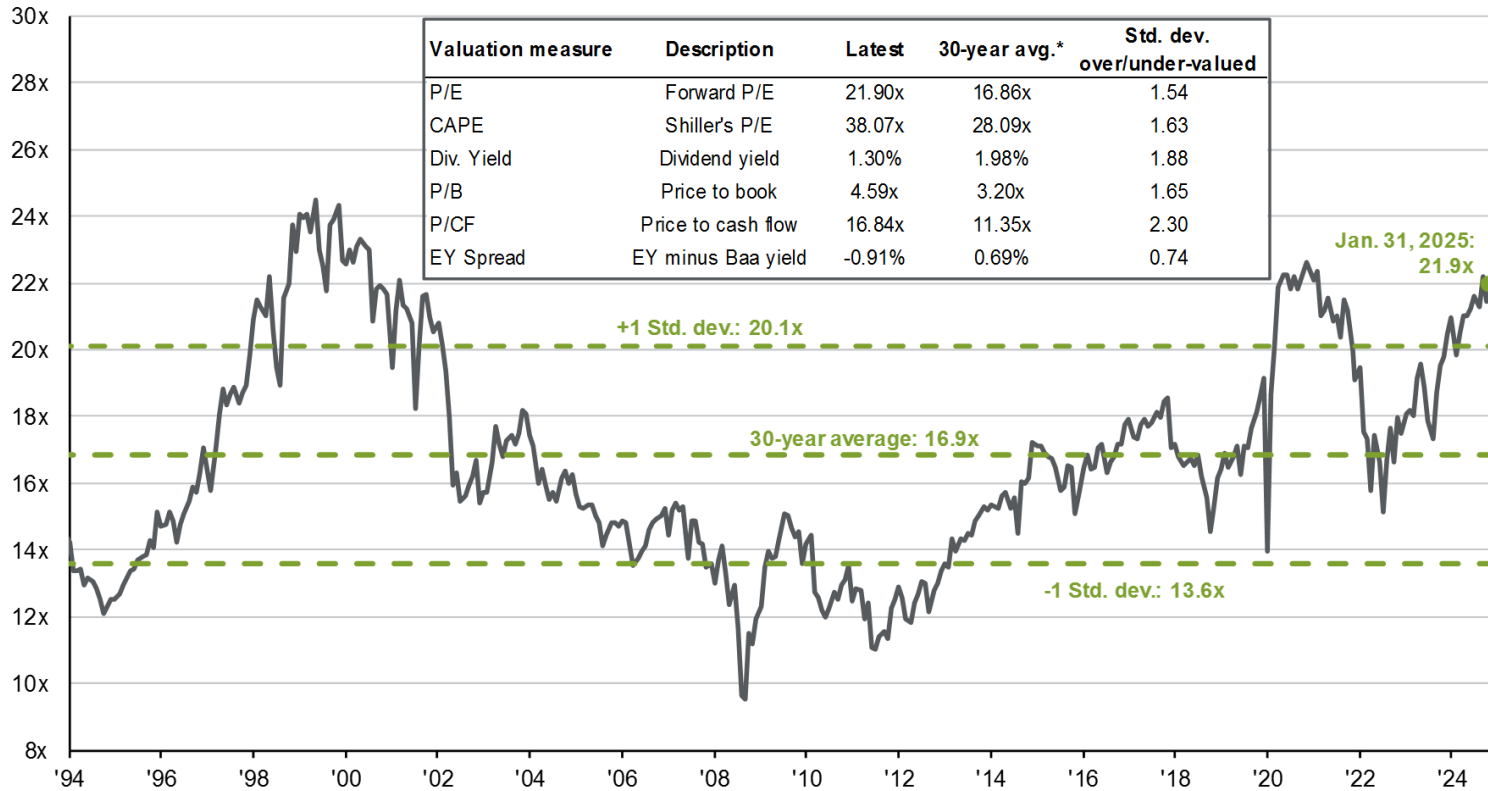


S&P 500 valuation measures

GTM | U.S. | 5

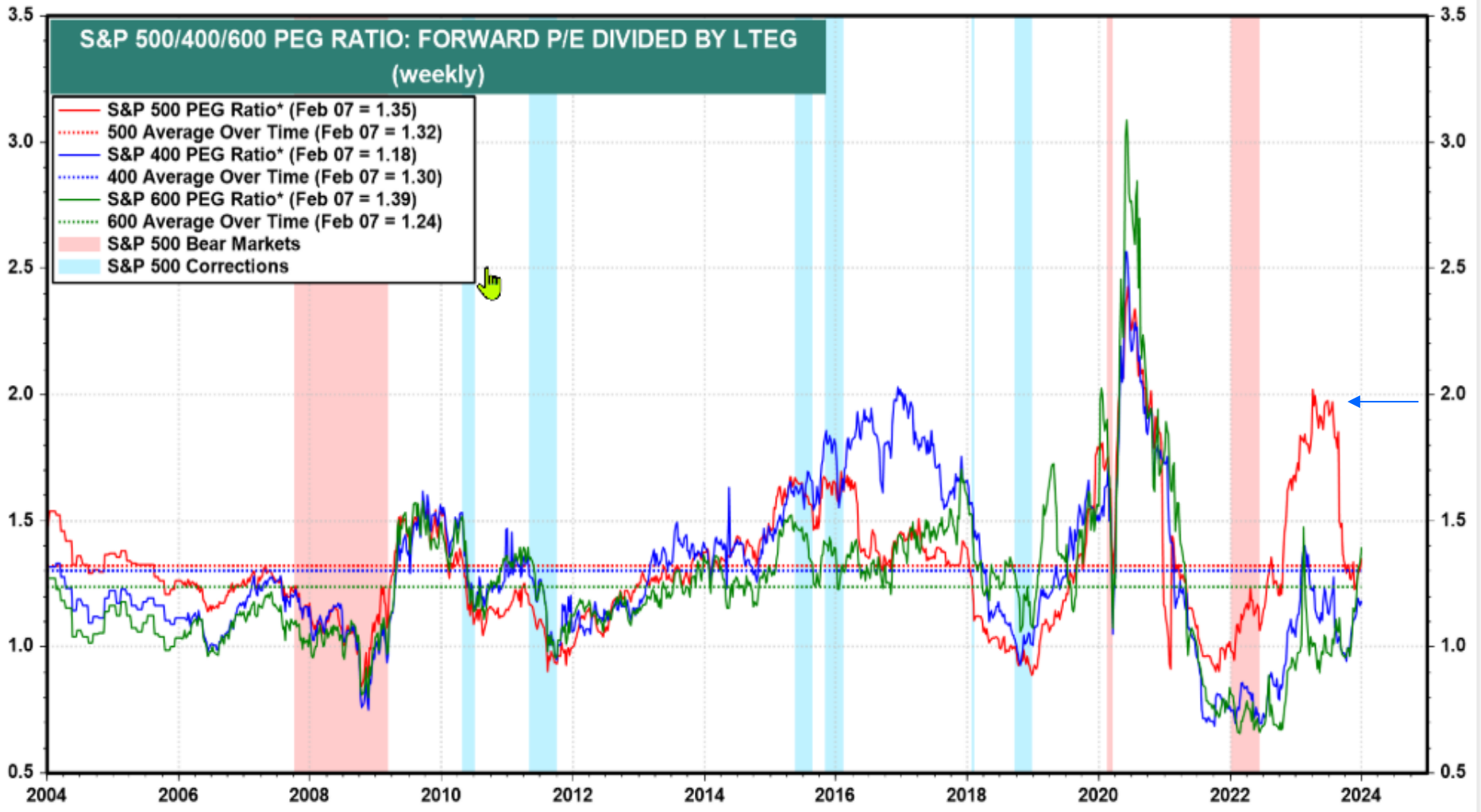
Equities

S&P 500 Index: Forward P/E ratio



Source: FactSet, FRB, Refinitiv Datastream, Robert Shiller, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management. Price-to-earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by IBES since March 1994 and by FactSet since January 2022. Average P/E and standard deviations are calculated using 30 years of history. Shiller's P/E uses trailing 10-years of inflation-adjusted earnings as reported by companies. Dividend yield is calculated as the next 12-months consensus dividend divided by most recent price. Price-to-book ratio is the price divided by book value per share. Price-to-cash flow is price divided by NTM cash flow. EY minus Baa yield is the forward earnings yield (consensus analyst estimates of EPS over the next 12 months divided by price) minus the Bloomberg US corporate Baa yield since December 2008 and interpolated using the Moody's Baa seasoned corporate bond yield for values beforehand. Std. dev. over-/under-valued is calculated using the average and standard deviation over 30 years for each measure. *Averages and standard deviations for dividend yield and P/CF are since November 1995 due to data availability.

Guide to the Markets – U.S. Data are as of January 31, 2025.



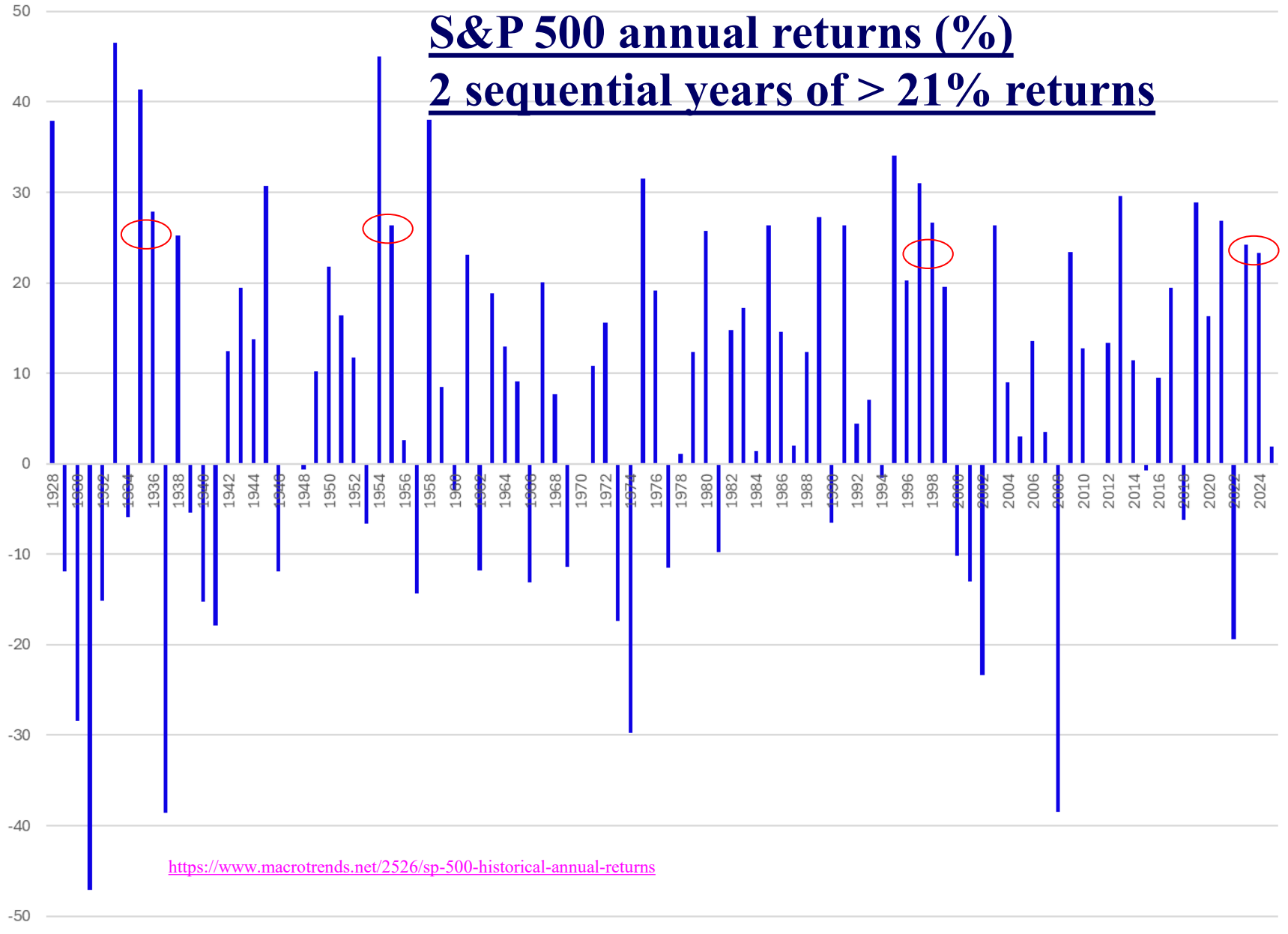
Source: LSEG Datastream and © Yardeni Research.

* Forward P/E divided by LTEG, which is 5-year forward consensus expected annual earnings growth. Monthly through 2005, then weekly.

<https://yardeni.com/charts/pe-earnings-growth/>

S&P 500 annual returns (%)

2 sequential years of > 21% returns



Forward returns on previous occurrences

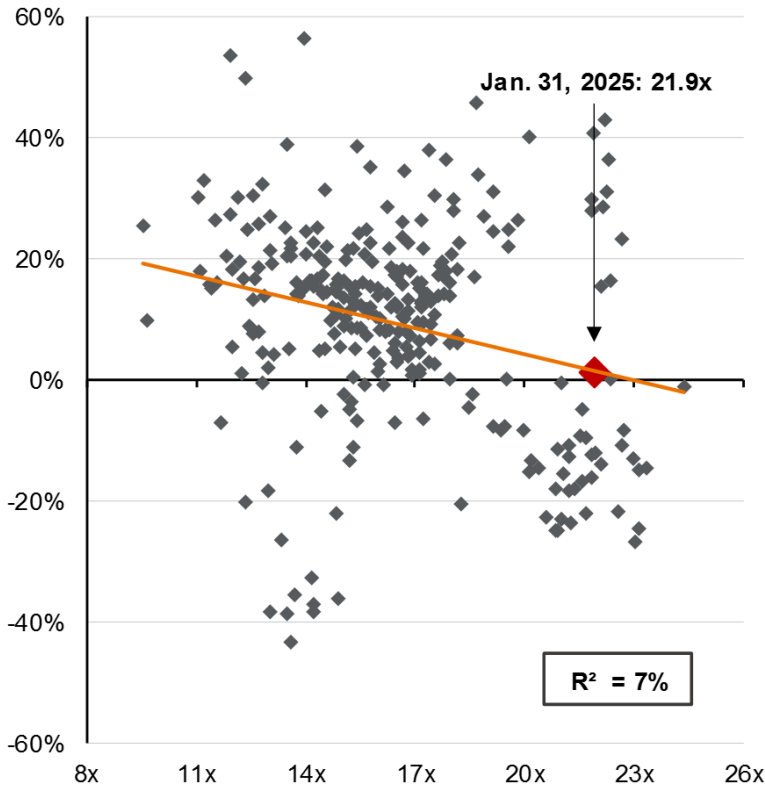
Previous instance	1 year	3 years	5 years
1935-36	-38.59%	-10.1% /year at end -27.3% in total	-12.75%/year at end -49.4% in total
1954-55	2.62%	+6.68%/year at end +21.4% in total	+5.025%/year at end +27.8% in total
1997-98	19.53%	-2.25%/year at end -6.4% in total	-1.98%/ year At end -9.55% in total



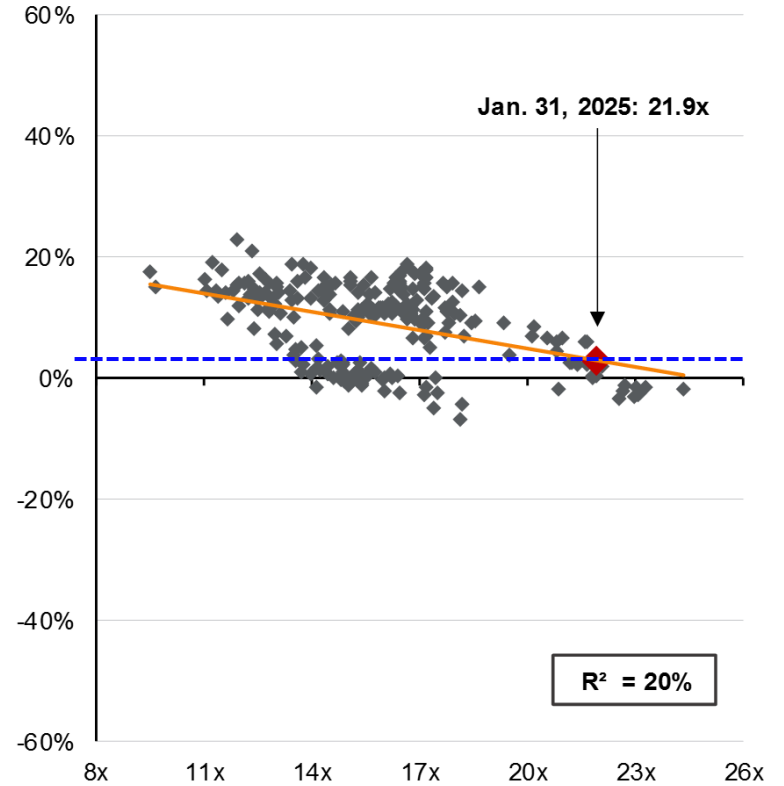
P/E ratios and equity returns

Equities

Forward P/E and subsequent 1-yr. returns S&P 500 Total Return Index



Forward P/E and subsequent 5-yr. annualized returns S&P 500 Total Return Index



Source: FactSet, Refinitiv Datastream, Standard & Poor's, Thomson Reuters, J.P. Morgan Asset Management. Returns are 12-month and 60-month annualized total returns, measured monthly, beginning 12/31/1999. R^2 represents the percent of total variation in total returns that can be explained by forward price-to-earnings ratios. Price-to-earnings is price divided by consensus analyst estimates of earnings per share for the next 12 months as provided by IBES since May 1999 and by FactSet since January 2022. *Guide to the Markets - U.S.* Data are as of January 31, 2025.

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The Median of Estimated
PRICE-EARNINGS RATIOS
of all stocks with earnings

17.9

26 Weeks Ago	Market Low	Market High
17.4	11.0	18.3

The Median of Estimated
DIVIDEND YIELDS
(next 12 months) of all dividend
paying stocks

2.1%

26 Weeks Ago	Market Low	Market High
2.2%	3.7%	2.0%

The Median Estimated
**THREE-TO-FIVE YEAR PRICE
APPRECIATION POTENTIAL**
of all stocks in the VL Universe

45%

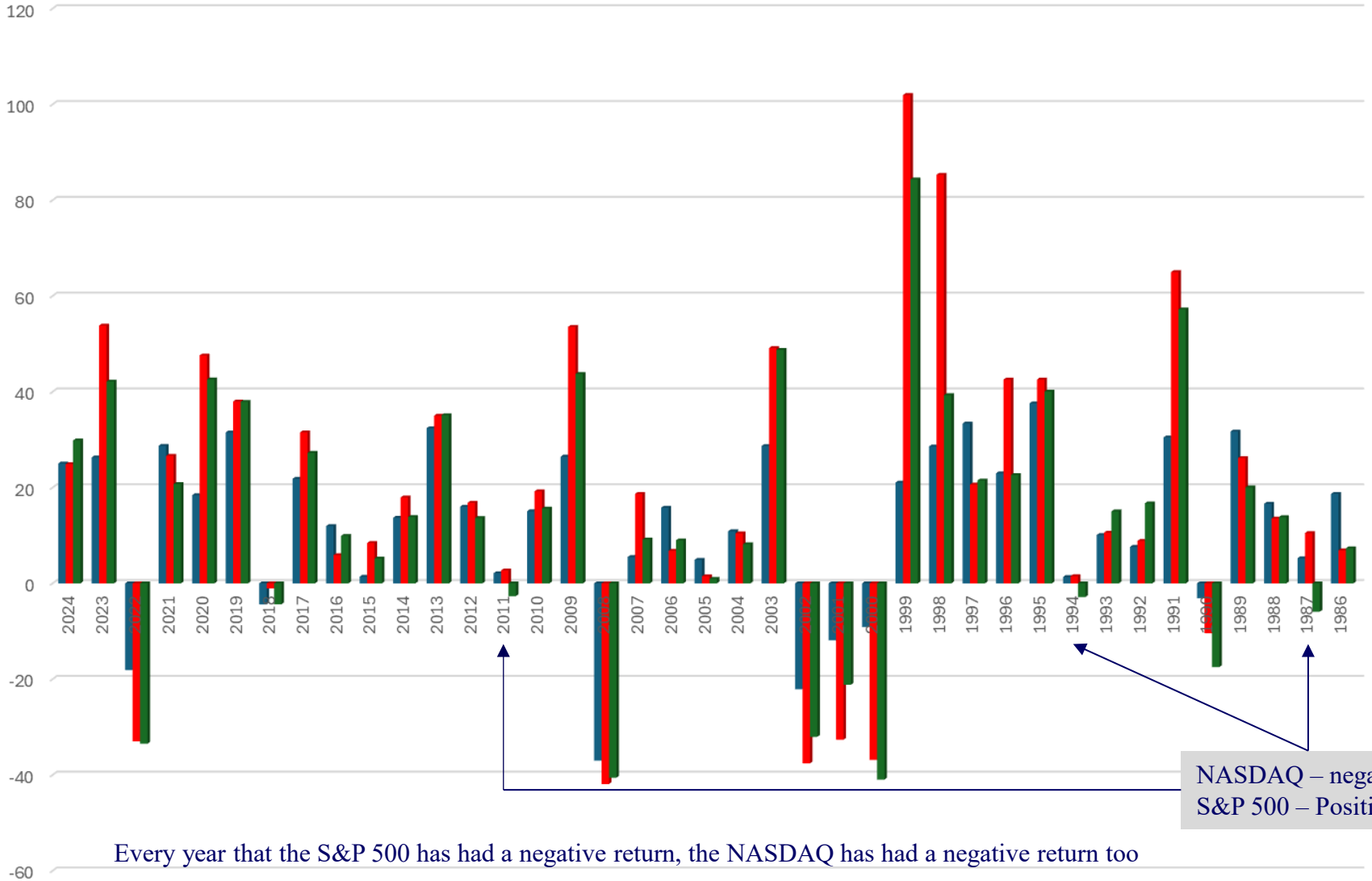
26 Weeks Ago	Market Low	Market High
50%	145%	45%

The Median Estimated
**18-MONTH APPRECIATION POTENTIAL
TO TARGET PRICE RANGE**
of all stocks in the VL Universe

15%

26 Weeks Ago	Market Low	Market High
18%	72%	14%

Annual Returns by Index

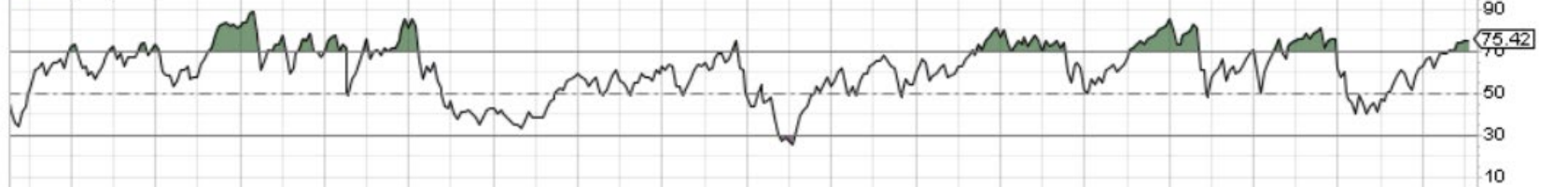


NASDAQ – negative
S&P 500 – Positive

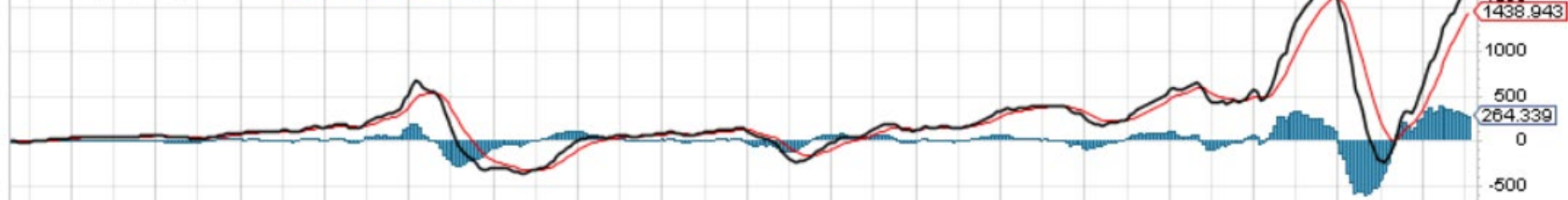
11-Feb-2025

Open 19215.38 High 19862.54 Low 19141.15 Close 19643.86 Volume 54.7B Chg +16.42 (+0.08%) ▲

▲ RSI(14) 75.42



— MACD(12,26,9) 1703.282, 1438.943, 264.339

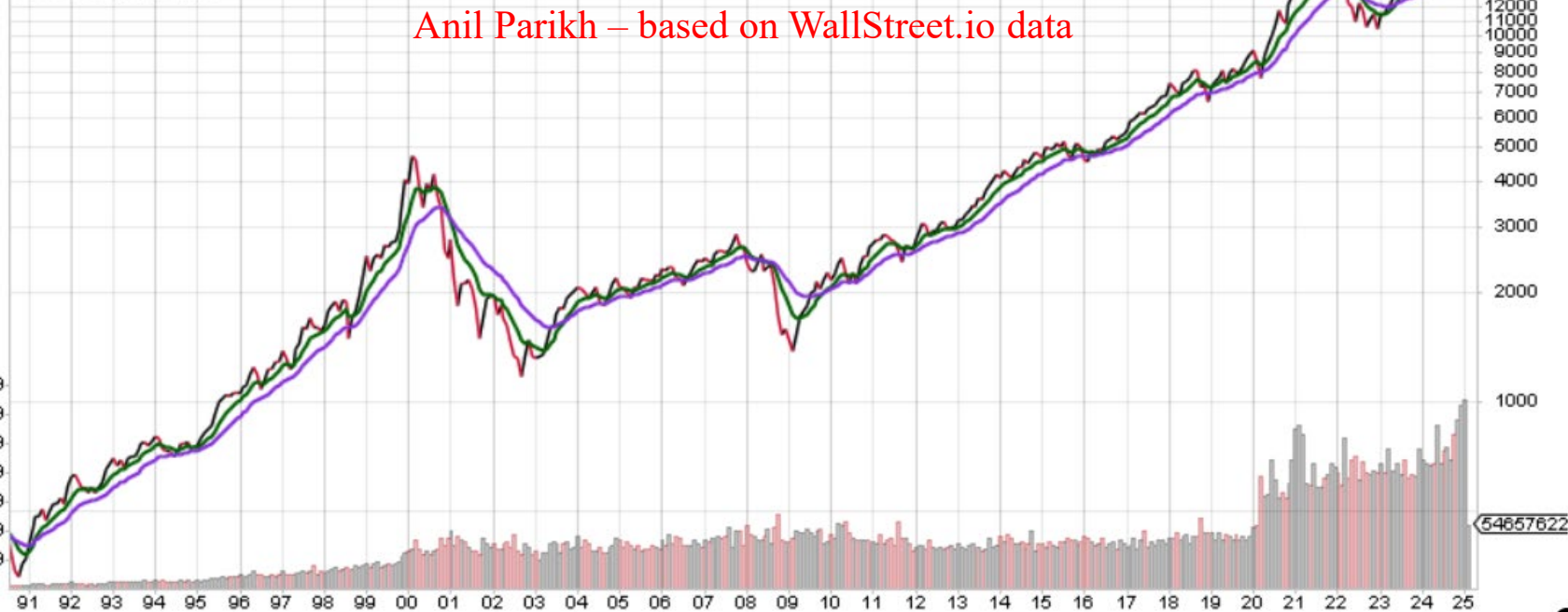


— \$COMPQ (Monthly) 19643.86

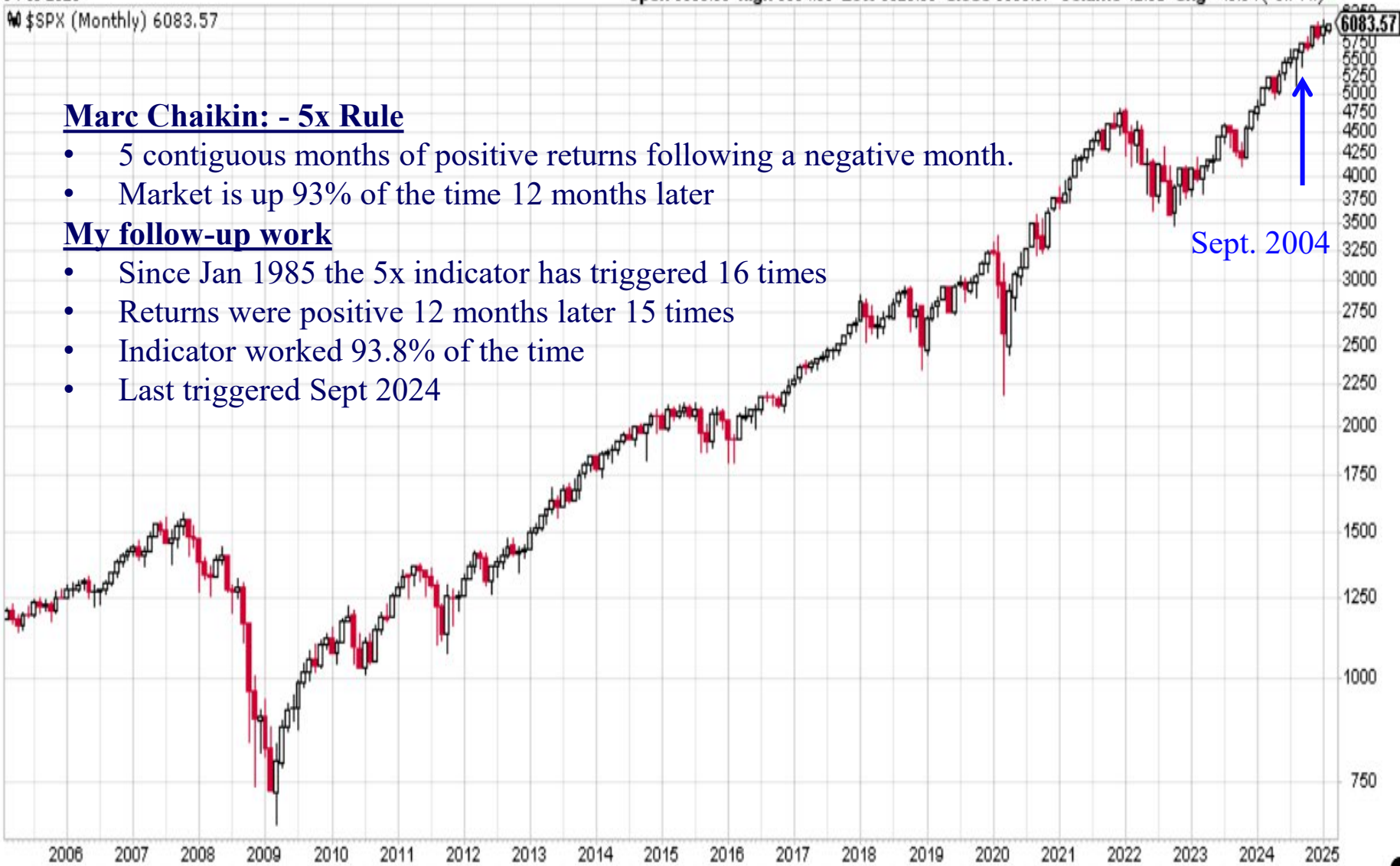
— EMA(8) 18666.27

— EMA(20) 16934.89

■ Volume 54,657,622,016



Anil Parikh – based on WallStreet.io data



Marc Chaikin: - 5x Rule

- 5 contiguous months of positive returns following a negative month.
- Market is up 93% of the time 12 months later

My follow-up work

- Since Jan 1985 the 5x indicator has triggered 16 times
- Returns were positive 12 months later 15 times
- Indicator worked 93.8% of the time
- Last triggered Sept 2024

What are the big institutions saying?

On Dec 31, 2024 the S&P 500 closed at 5881.63

Perplexity.ai - **Question**

What is the year end 2025 forecast for the S&P 500?

Answer

- JP Morgan, Goldman Sachs, Morgan Stanley and Citigroup – 6500, **10.5%**
- Barclays – 6600, **12.2%**
- Bank of America – 6666, **13.3%**
- BMO – 6700, **13.9%**
- Deutsche Bank – 7000, **19.0%**
- Oppenheimer – 7100, **20.7%**

Index funds own all sectors



Sector Weights, Price Changes, Earnings Growth, P/Es, Yields and PEGs
2/7/25

Weights & % Price Changes S&P Sectors	S&P 500			S&P MidCap 400			S&P SmallCap 600		
	% of 500	MTD	YTD	% of 400	MTD	YTD	% of 600	MTD	YTD
Communication Services	9.8	(2.1)	9.0	1.4	(0.4)	3.3	3.4	1.1	0.1
Consumer Discretionary	11.1	(3.6)	4.4	13.7	(2.4)	2.0	14.3	(3.9)	4.4
Consumer Staples	5.6	1.6	1.9	4.8	(0.5)	4.7	2.8	(1.7)	(1.5)
Energy	3.2	1.0	2.0	4.5	0.7	0.7	4.6	(3.6)	(1.4)
Financials	14.2	0.6	6.4	18.6	0.1	5.8	19.1	1.0	3.1
Health Care	10.5	(0.3)	6.6	9.0	(3.9)	5.2	12.2	(1.4)	7.6
Industrials	8.3	(0.8)	5.0	21.3	(0.8)	4.2	18.0	(1.0)	3.7
Information Technology	31.0	0.8	(2.9)	11.1	(1.3)	4.6	11.8	(2.0)	1.1
Materials	2.0	(0.6)	5.5	6.2	(1.2)	3.4	4.2	0.3	1.2
Real Estate	2.1	1.3	1.7	6.7	0.7	0.4	7.5	(0.2)	0.5
Utilities	2.3	0.2	2.9	2.6	0.6	2.1	2.1	(1.0)	(0.6)
S&P Indexes	100.0	(0.2)	2.7	100.0	(1.0)	3.8	100.0	(1.2)	2.8
S&P/Citigroup Growth	52.2	0.5	2.6	51.6	(0.4)	3.7	51.9	(0.4)	3.9
S&P/Citigroup Value	47.8	(1.0)	2.8	48.4	(1.6)	3.9	48.1	(1.9)	1.7

sectorspdrs.com → Features → Research and Documents → CFRA sector valuation report

CFRA – Sector Valuation Report

P/Es S&P Sectors	S&P 500			S&P MidCap 400			S&P SmallCap 600		
	2024E	2025E	2026E	2024E	2025E	2026E	2024E	2025E	2026E
Communication Services	22.2	20.8	18.3	30.7	31.2	20.5	43.7	62.2	33.5
Consumer Discretionary	31.1	29.4	25.2	17.1	15.9	13.8	14.8	12.6	10.7
Consumer Staples	22.5	21.9	20.2	23.8	21.2	18.4	15.7	14.8	14.7
Energy	14.6	14.5	12.2	15.4	11.9	9.8	12.0	11.3	8.6
Financials	18.6	17.5	15.6	13.6	12.2	10.6	13.1	11.6	10.2
Health Care	21.2	17.8	16.1	23.9	19.6	16.4	30.8	29.7	22.3
Industrials	25.6	23.2	20.0	20.4	18.8	16.3	22.6	18.6	15.3
Information Technology	33.6	28.5	24.2	27.8	24.4	19.8	29.3	22.3	17.3
Materials	22.7	21.1	17.4	18.9	16.0	13.2	17.8	14.4	12.1
Real Estate	38.4	37.7	34.0	33.1	29.8	27.0	NM	55.4	42.0
Utilities	19.6	17.8	16.4	16.6	15.4	14.3	17.3	18.7	17.6
S&P Indexes	24.8	22.5	19.7	19.1	17.0	14.6	19.7	17.0	14.0
S&P/Citigroup Growth	33.0	28.2	24.4	22.4	20.1	17.3	23.2	20.8	17.5
S&P/Citigroup Value	18.5	18.4	16.2	16.6	14.7	12.5	17.0	14.1	11.6

STARS, Yields and PEGs S&P Sectors	S&P 500			S&P MidCap 400			S&P SmallCap 600		
	STARS	Yield	PEG	STARS	Yield	PEG	STARS	Yield	PEG
Communication Services	3.9	0.8%	1.3	3.0	1.2%	NM	2.8	0.9%	NM
Consumer Discretionary	3.6	0.7%	1.5	3.2	1.1%	1.3	2.9	1.4%	0.9
Consumer Staples	3.5	2.4%	3.1	3.4	0.4%	1.3	3.0	1.7%	1.5
Energy	3.5	3.5%	1.6	3.0	3.1%	1.6	2.6	2.5%	0.8
Financials	3.8	1.4%	1.3	3.5	2.3%	0.5	2.8	2.9%	1.3
Health Care	3.5	1.7%	1.3	3.3	0.2%	1.2	3.6	0.4%	3.1
Industrials	3.4	1.5%	2.0	3.5	0.9%	1.4	3.3	0.8%	1.3
Information Technology	4.1	0.6%	1.6	3.4	0.2%	1.3	3.1	0.3%	1.7
Materials	3.3	1.9%	2.0	4.0	1.4%	2.0	3.5	1.2%	1.3
Real Estate	3.4	3.4%	4.7	2.8	4.6%	5.5	2.0	4.3%	14.0
Utilities	3.5	3.0%	2.3	NA	3.8%	2.3	NA	2.9%	1.5
S&P Indexes	3.8	1.3%	1.5	3.4	1.5%	1.4	3.1	1.6%	1.4
S&P/Citigroup Growth	4.0	0.6%	1.5	3.3	0.8%	1.3	3.4	1.0%	1.3
S&P/Citigroup Value	3.6	2.0%	1.7	3.4	2.1%	1.5	3.0	2.2%	1.2

Other sector reports

[sectorspdrs.com](#) → [Features](#) → [Research and Documents](#) → [CFRA sector valuation report](#)

Fundamentals

- CFRA sector valuation reports
- Ned Davis Weekly Sector Briefing
- Ned Davis - Classical Market Analysis of Sectors
- Alta Vista – Sector Analyzer report

Technicals

- CFRA sector Relative Strength Charts

US Equity Markets – Sector

Sector Performance by Business Cycle Phase

The table below shows how sectors have tended to perform in each stage of the business cycle. For more information on sector performance patterns, read [The Business Cycle Approach to Sector Investing \(PDF\)](#).

37% is AMZN and TSLA

40% is AAPL, NVDA, and MSFT

46% is Meta, Google, and NFLX

- XLF
- XLRE
- XLY
- XLK
- XLI
- XLB
- XLP
- XLV
- XLE
- XLC
- XLU

Sector	Early	Mid	Late	Recession
Financials	+			
Real Estate	++			--
Consumer Discretionary	++	-	--	
Info. Tech	+	+	--	--
Industrials	++			--
Materials	+	--	++	
Consumer Staples			++	++
Health Care	--		++	++
Energy	--		++	
Communication Services		+		-
Utilities	--	-	+	++

- VHF
- VNQ
- VCR
- VGIT
- VIS
- VAW
- VDC
- VHT
- VDE
- VOX
- VPU

++ Consistently Overperform
 -- Consistently Underperform
 No Clear Pattern
+ Overperform
 - Underperform

Unshaded (white) portions above suggest no clear pattern of over- or underperformance vs. broader U.S. equity market. Double +/- signs indicate that the sector is showing a consistent signal across all three metrics: full-phase average performance, median monthly difference, and cycle hit rate. A single +/- indicates a mixed or less consistent signal. Source: Fidelity Investments (AART).

Value Line – Industry Rank Order

INDUSTRIES, IN ORDER OF TIMELINESS RANK*

Arrow (▲▼) before name indicates that a **significant change in Rank** has occurred since the preceding week.

1 Retail/Wholesale Food	26 Medical Services	51 Machinery	76 Oilfield Svcs/Equip.
2 Air Transport	27 Human Resources	52 Railroad	77 Healthcare Information
3 Industrial Services	28 Apparel	53 Homebuilding	78 Precious Metals
4 IT Services	29 Computers/Peripherals	54 Wireless Networking	79 Public/Private Equity
5 Metal Fabricating	30 Furn/Home Furnishings	55▼ Pipeline MLPs	80 Telecom. Services
6 Retail (Softlines)	31 Insurance (Prop/Cas.)	56 Cyber Security	81 Water Utility
7 Electrical Equipment	32▲ Computer Software	57 Aerospace/Defense	82 Power
8 Retail (Hardlines)	33 Tobacco	58 Trucking	83 Electric Util. (Central)
9 Educational Services	34 Retail Automotive	59 Med Supp Non-Invasive	84 Chemical (Diversified)
10 Building Materials	35 Bank (Midwest)	60 Petroleum (Integrated)	85 Electric Utility (West)
11 Heavy Truck & Equip	36 Telecom. Equipment	61 Med Supp Invasive	86 Beverage
12 Shoe	37 Environmental	62 Thrift	87 Natural Gas Utility
13 Information Services	38 Diversified Co.	63 Natural Gas (Div.)	88 Biotechnology
14 Retail Store	39 Automotive	64 Semiconductor Equip	89 Metals & Mining (Div.)
15 Financial Svcs. (Div.)	40 Insurance (Life)	65 Drug	90 Toiletries/Cosmetics
16 Engineering & Const	41 Recreation	66 E-Commerce	91 Electric Utility (East)
17 Electronics	42▲ Steel	67 Advertising	92 R.E.I.T.
18▲ Paper/Forest Products	43 Hotel/Gaming	68 Food Processing	93 Entertainment Tech
19 Reinsurance	44▼ Oil/Gas Distribution	69 Retail Building Supply	
20 Internet	45 Precision Instrument	70 Semiconductor	
21 Auto Parts	46 Petroleum (Producing)	71 Chemical (Specialty)	
22 Brokers & Exchanges	47 Bank	72 Household Products	
23 Cable TV	48 Restaurant	73 Maritime	
24 Packaging & Container	49▲ Investment Banking	74 Publishing	
25▲ Asset Management	50 Chemical (Basic)	75 Entertainment	

*Based on the Timeliness™ ranks of the stocks in the industry

Live – Stockcharts

Sector RRG – Stockcharts

Third Class – Feb. 19th

- Market Update
- Bonds
 - The basics – What is a bond and how does it work?
 - The yield curve
 - Equity Risk Premium
- Questions

Thanks !!

□ Happy Investing !!

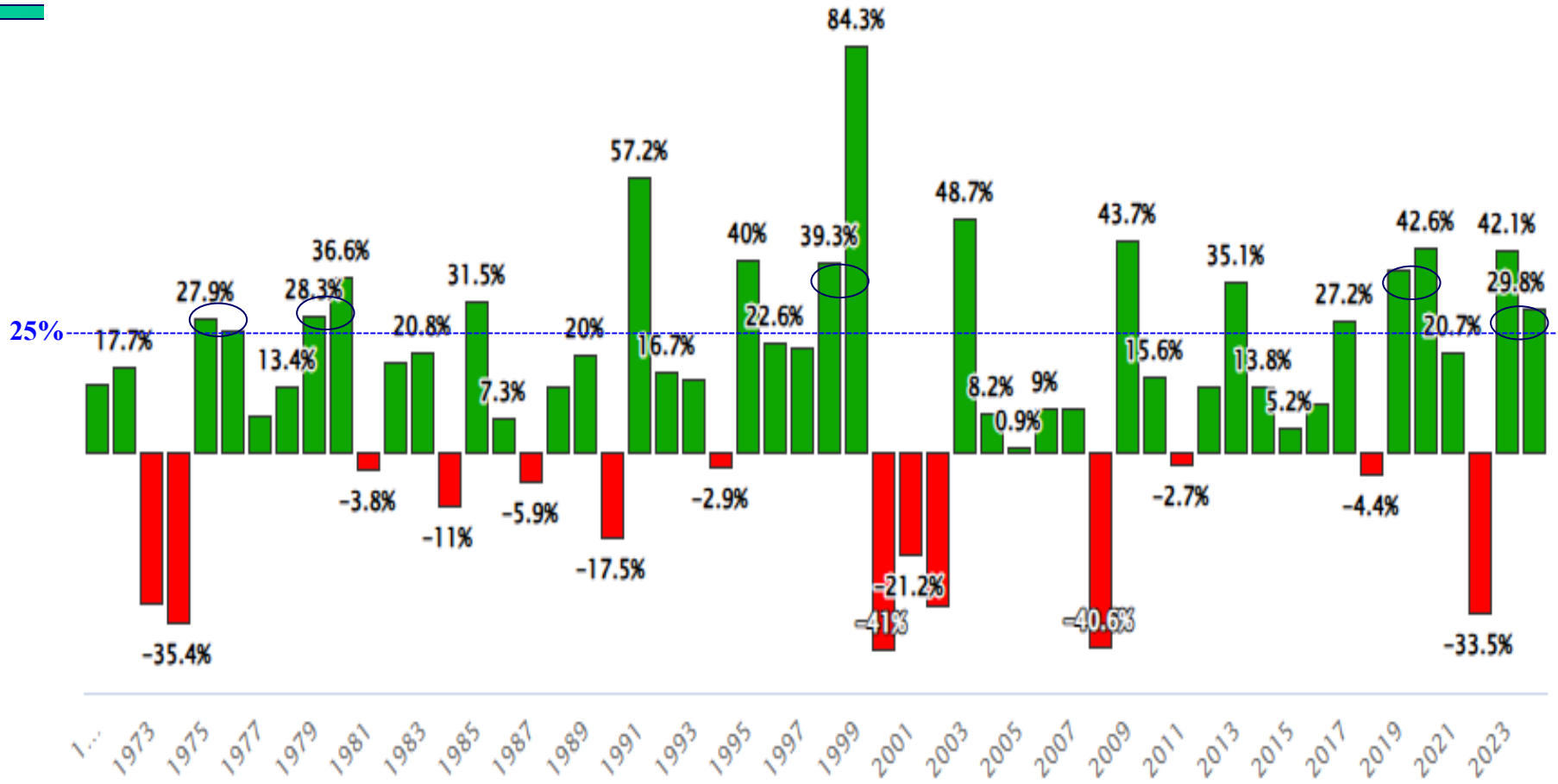
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NASDAQ composite annual returns



Nasdaq 100 Returns

Annual returns for the Nasdaq 100 Index starting with the year 1986. Returns calculated using the closing price of the last trading day of the year to the last trading day closing price of the next year. The return for 2024 is calculated using the closing price of 2023 to the most recent market close price.

