



Déjà Vu All Over Again

One of my favorite quotes comes from New York Yankees legend and Hall of Fame catcher Yogi Berra. When commenting about Mickey Mantle and Roger Maris smashing back-to-back home runs in the historic 1961 season, Berra said, "It's déjà vu all over again."

Yogi could also have been talking about the market.

You see, we just felt a hard punch in the nose. As I highlighted in this space, the market was deeply oversold, and investor sentiment had reached its lowest point in years—the worst since the COVID-19 pandemic.

That set up an excellent opportunity to buy stocks. The risk/reward ratio favored buying in the face of all of the negativity.

Then, the rebound happened. Stocks soared.

However, we are right back where we started, and it's not a good spot for long-term stock returns.

Here's a chart of the risk premium versus U.S. government securities on the S&P 500.

Notice that we've just experienced a significant decline. Yet, the line only budged a little.

We are not only back to where we started, but we are also back to the premiums we saw in 2002, and they are lower than in 2008.



We know how bad it got.

Markets change, but human nature does not.

It's déjà vu all over again!

In this most recent market meltdown, I learned a couple of things.

The U.S. Dollar did not act like the haven it usually does. This is troublesome! It's like when your old trusty putter is no longer a dead certainty from five feet away, and you develop the yips. Confidence is lost and your game goes to crap.

Second, interest rates moved in the wrong direction. As a result, bonds did not provide the cushion they typically do in a market meltdown. The bond market is pointing to some significant issues and is taking a life of its own.

I also strengthened my conviction in a couple of other things.

You have to have a strategy. You have to follow your plan. Make adjustments if conditions warrant it. But conviction is a must!

Finally, there's no substitute for buying when you can see the whites of their eyes. That strategy proves successful time and again. I'm thinking about how to implement that beyond my account and into my weekly newsletters.

Even if there's a wild ride ahead, it doesn't mean we cannot profit from it.

That said, now is the time to be laser-focused and not complacent!

DISCLAIMER:

THIS COMMUNICATION IS FOR EDUCATIONAL AND INFORMATION PURPOSES AND DOES NOT CONSTITUTE INVESTMENT ADVICE. Any Publishing Service offered by HSD Publishing is for educational and informational purposes only and **should NOT be construed as a securities-related offer of solicitation or be relied upon as personalized investment advice.** HSD Publishing strongly recommends that you consult a licensed or registered professional before making any investment decision.

THE RESULTS PRESENTED ARE NOT TYPICAL OR VERIFIED. HSD Publishing has not verified information regarding the historical trading performance presented. Subscribers' trading results have **NOT been tracked or verified.** past performance is not necessarily indicative of future results, **and the results presented in this communication are NOT TYPICAL.** Actual results will vary significantly due to various factors, including experience, skill, risk mitigation practices, market dynamics, and the amount of capital deployed. Investing in securities is speculative and carries a high risk; you may lose some, all, or possibly more than your original investment.

HS DENT IS NOT AN INVESTMENT ADVISOR NOR A REGISTERED BROKER. Neither HSD Publishing nor its owners or employees is registered as a securities broker-dealer, broker, investment advisor (IA), or I.A. representative with the U.S. Securities and Exchange Commission, state securities or regulatory authority, or self-regulatory organization.

WE MAY HOLD THE SECURITIES DISCUSSED. HSD Publishing has not been paid directly or indirectly by the issuer of any security mentioned in the Services. However, HS Dent, its owners, and its employees may purchase, sell, or hold long or short positions in securities of the companies mentioned in this and future communications.

John Del Vecchio is not an employee or partner of HSD Publishing. HSD Publishing serves solely as the marketing arm for John Del Vecchio – who provides research to HSD Publishing via Parabolix Research, Inc.-- and Unbounded Wealth.

© 2025 HSD PUBLISHING. ALL RIGHTS RESERVED. 15016 Mountain Creek Trail, Frisco, TX 77573.