

December 2, 2025

Dow Jones	S&P 500	NASDAQ	Russell 2000	10 yr Treas	Bitcoin	Gold	Crude Oil
47,474	6,829	23,414	2,465	4.09%	91,311	\$4,241	\$58.60

## *Investment Strategy Report*

### *Stocks Stage Thanksgiving Week Rally To End Higher For November*

November happens to be one the best months of the year for stocks, but after 6 straight up months, stocks last month did not get off to a good start. By November 20<sup>th</sup>, the S&P 500 was down 4.4% for the month, the Dow was down 3.8%, and the Nasdaq was down 6.9%. But by month's end, the S&P and Dow had erased all their losses and managed a small gain of about 0.2%. The S&P's 4.7% gain for the last 5 trading days of the month was one of the largest Thanksgiving week rally's ever. The Nasdaq also experienced a surge, rising 5.8% in the last week, but fell short at the end, falling 1.5% for the month.

However, despite the Thanksgiving week rally, there was no question that volatility had spiked higher. This was evident in the trading of Bitcoin, which began the month at around \$111,000 but traded down to below \$80,000 before finishing today at \$91,000. And with the increased volatility, investor sentiment turned decidedly bearish. On Louis Navellier's Nov. 6<sup>th</sup> podcast, he talked about the negative sentiment weighing on the market. He pointed out that well-known investor Michael Burry had bet against stocks like Nvidia and Palantir. However, he stressed that "under the surface, earnings are still working. You should see a big reversal soon". The next day, Nov. 7<sup>th</sup>, he added "The problem is a lot of talking heads on TV are chattering about P/E ratios that are at "record highs", similar to the internet bubble. What they're not talking about is the fact that we're in middle of the best earnings season in four years – and the forecasted P/E ratios for many stocks are quite low. Meanwhile, today is a great opportunity to buy a select few AI/data center names on the dip." He also added that he sees many large cap stocks very reasonably priced, with P/E ratios in the neighborhood of 14.

On Navellier's Nov. 14<sup>th</sup> podcast, he again tried to calm his subscribers even though the market had blown below its previous lows. He mentioned that now everyone was nervous but that this anxiety was ridiculous. The market, he stressed, had gone from being over-bought to over-sold. Inflation was contained and deflationary forces from around the world (including China) would keep inflation contained over here. When the Fed continues to cut rates, housing and auto sales will be stimulated and GDP growth might soon be up to 5%. Expect a reversal soon.

And finally on Nov. 18<sup>th</sup>, right before the market turnaround, Navellier expressed his surprise at the market weakness because "it has happened during record earnings – the S&P 500's sales are up 8%, earnings are up 15.4%. The average earnings surprise is 10.4%".

Brett Eversole of Stansberry Research followed up on Nov. 19<sup>th</sup> with his letter entitled "Why Stocks Will Hit New Highs Before the New Year". And of course, he wrote this with the markets down about 5% for the month. He went on "When earnings are rising, they tend to keep rising. When fundamentals are improving, they tend to keep improving. And when prices move higher, they tend to keep moving higher". "A 15%-plus gain through October is an incredibly positive sign. And when this happens, stocks almost always keep winning through the end of the year". He pointed out that when stocks perform this well through the end of October, they average gains of 4.7% for November and December. "So far, the S&P 500 is down this month. But history tells us that will likely reverse ... with a year end rally of around 5%".

Tom Lee of Fundstrats is also looking for a strong year end rally. He echoes Brett Eversole's forecast for a 5% rally into year end. He puts the odds of this strong of a rally at over 80% given how strong the markets have been this year. With the Fed cutting and the employment picture still looking good, we might even see a year end performance chase, as 80% of fund managers have badly lagged their benchmarks this year. Tom sees a good possibility of the S&P 500 reaching 7,200 to 7,300 by year end.

**Required IRA Distributions** – Final call for your RMDs for 2025. Again, please let me know if you need my help. *Jeff Feldman*