

# Leigh Baldwin & Co.

## *Investment Brokerage*

There is an adage that says, "confidence sells" and Wall Street is confidently in a sales mode right now. For the record, the S&P 500 closed out the fourth quarter of 2024 with a 20%+ gain, which marks the second straight year of twenty percent gains. This is interesting because it has only happened two other times in the last hundred or so years, 1935 and 1936 (followed by a 39% drop in 1937) and then in the years 1995, 1996, 1997, and 1998 (1999 was very close to being up 20%). Not to be outdone, the tech heavy Nasdaq, led by the magnificent 7, rallied about 30%. In addition, Gold and Bitcoin both made new record highs, small cap stocks bounced, and Apple moved towards a \$4 trillion dollar valuation. With 2024 now in the books then, what does the future hold for investors in the year or years to come? If we look back at the previously mentioned period of the mid-nineties, those incredible gains, year after year, were due in large part to the world transitioning to the internet and a new technology driven society. The question then becomes, with AI obviously the headline in 2024, is this new technology the next big thing. We believe there is more to this story, both good and bad, which could potentially stimulate the economy and financial markets as we head into 2025. We also have a Fed that has dropped interest rates by a percentage point which could be supportive to stocks and bonds. Finally, on the political front there is a sense that we could have less corporate regulation and possibly lower taxes that could help companies meet the consensus of 15% earnings growth. On the negative side, stock valuations by several standards are looking rich. The threat of a trade war with China, et al could also weigh on the markets, as would a wide variety of other political and economic events. We continue to review and position portfolios to benefit when the markets do well and to withstand those periods of time when the market either pauses to refresh or as can often happen when confidence is high, suddenly and violently revert to the mean. As for confidence, we truly appreciate your confidence in our firm, and we want to wish everyone a healthy and prosperous 2025 and beyond.

112 Albany Street  
Cazenovia, New York 13035  
315-655-2964, 315-655-9138 fax  
[leigh@leighbaldwin.com](mailto:leigh@leighbaldwin.com)

Member: SIPC & FINRA