

# Economic and Investment Newsletter

## July 2025

### **Current Market Commentary**

We foresee political and economic uncertainties continue into the third quarter. The Middle East continues to be a focal point for a possible contentious summer with the ceasefire agreement between Iran and Israel might begin to take hold.

Economically, the tariffs are on pause for most of America's trading partners (but not for long) with continued discussions between the US and the Chinese delegates. Surprisingly, the conflict between the US and Iran has not created the market volatility expected with oil prices continue to fluctuate within an acceptable price range.

Domestically, the Fed continues to put its rate cut on hold, pending more inflation data. Inflation is unlikely to show up in the next quarter's data as the pause on tariffs continues. However, situations have been known to change quickly with the current administration, and the market appears to remain cautiously optimistic that the pause might continue as the administration's focus shifts to the Middle East.

### **Fintent Invest Strategy Outlook**

Fintent Invest's strategic investment models continue to focus on maintaining a balanced approach in maximizing risk-adjusted returns and minimizing portfolio volatility through exercising care when selecting asset classes and products in the portfolio construction process.

On the fixed income side, we continue to focus on the medium-term of the yield curve with an emphasis on taking minimum credit risk by utilizing assets with investment grade ratings only in our portfolios. On the equity side, we continue to focus on large to large/mid companies with sustainable growth along with investing in high dividend paying companies in the asset mix.

Our commitment to holding a minimum of 5% cash or cash equivalent in our model portfolios provides us with liquidity to make tactical purchases should there be a significant shift in market outlook.

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