

Intel Pushes For Change: Will It Save Them?

In no uncertain words, Intel's stock has been a dog. As we share below, Intel stock has increased by a mere 2% over the last 20 years, while the tech-heavy NASDAQ 100 (QQQ) has risen by over 1,200%. Over the previous 20+ years, Intel's management has made many missteps, including:

- Apple: Declining to supply chips for the iPhone in 2007.
- EUV: Its delayed adoption of extreme ultraviolet lithography (EUV) allowed competitors, such as Taiwan Semiconductor and Samsung, to surpass it.
- AI: Intel's Gaudi AI accelerators pale in comparison to Nvidia GPUs, which have gained massive market share and immense profits.
- AMD: AMD has eaten into Intel's share in CPUs for PCs and servers.

With dirt-cheap valuations compared to its competitors, Intel investors are pricing in more of the same. However, Intel is making an effort to turn things around. Here are a few things they are working on to change their fortunes:

- Foundry: They believe they can become a major player in the chip foundry business. To wit, they have deals with Amazon and Microsoft. Furthermore, they are based in the US, which may provide a competitive advantage versus Taiwan Semiconductor and other foreign competitors.
- AI: They are enhancing their Gaudi 3 AI accelerator to compete with Nvidia.
- New leadership: Lip-Bu-Tan became the CEO in March.
- PC upgrade Cycle: After a few years of little growth in the PC market, sales are expected to pick up. The company believes its redesigned Core series can give it an edge.

Intel shares are cheap for a reason. The new initiatives, along with others, are expensive, resulting in high debt loads and negative cash flows. Success on some or all of their latest projects is necessary, or Intel shares could languish for another 20 years. Success could spell fortunes for patient shareholders.



What To Watch Today

Earnings

- *No earnings reports today.*

Economy

- *No economic reports today*

Market Trading Update

Markets kicked off the second half of 2025 with a strong finish to Q2, propelled by easing geopolitical fears, falling oil prices, and a reaffirmation of the Fed's dovish tone. The S&P 500 rose 3.4% in the final week of June to close at new record highs.

Key Drivers:

- **Mega-cap leadership remains dominant**, with tech names up nearly 6% on the week, fueled by continued AI optimism and strong momentum.
- **Retail speculation returned in full force**, as non-profitable tech, meme stocks, and penny names all saw outsized gains?signs of rising risk appetite.
- **Institutional flows were modest**, driven more by short-covering and tactical positioning than broad conviction buying.

- **Breadth remains narrow**, with only about 22 stocks in the S&P 500 hitting new all-time highs, underscoring the fragility beneath the surface.

This past week, the S&P 500's 50-day moving average crossed above the 200-day moving average—a classic **Golden Cross** formation. While not infallible, this technical signal is generally seen as a bullish long-term indicator. Historically, Golden Crosses tend to precede extended rallies when supported by improving breadth and strong macro momentum.

However, this particular instance presents a mixed picture:

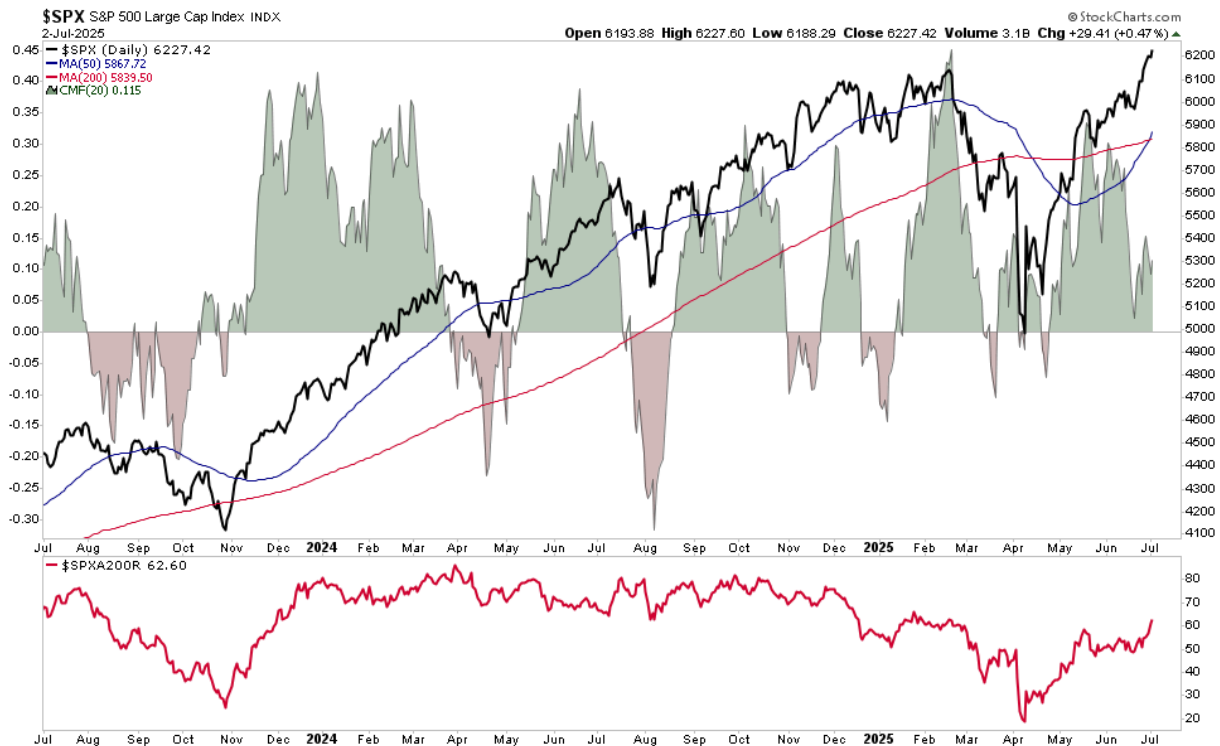
- **The cross occurred amid narrow leadership**, driven primarily by mega-cap tech, with cyclicals and small caps still underperforming.
- **Volume has not confirmed the breakout**, with much of the recent move attributed to lower-quality speculative flows.

With that stated, the historical performance of Golden Crosses tends to yield positive returns, but that does not necessarily come without volatility in the near term.

S&P 500 after it forms a "Golden Cross"								
SubuTrade.com, 1975-present								
	1 Week Later	2 Weeks Later	1 Month Later	2 Months Later	3 Months Later	6 Months Later	9 Months Later	1 Year Later
March 6, 1975	0.06%	-0.10%	-3.99%	5.91%	10.75%	3.00%	4.67%	18.20%
January 4, 1977	-1.49%	-2.25%	-3.16%	-4.26%	-7.07%	-5.31%	-9.15%	-11.52%
May 22, 1978	-2.25%	1.24%	-3.11%	-1.35%	4.84%	-4.71%	0.33%	1.06%
March 21, 1979	0.86%	1.38%	-0.02%	-1.10%	0.38%	6.94%	6.96%	3.02%
June 17, 1980	-0.77%	-0.95%	4.66%	8.35%	9.23%	12.56%	15.68%	14.90%
September 28, 1982	-1.02%	9.09%	9.78%	9.44%	14.22%	23.21%	36.69%	38.00%
September 12, 1984	1.37%	0.97%	-1.15%	1.77%	-0.98%	8.20%	13.92%	12.36%
November 25, 1986	2.29%	1.12%	-0.50%	10.31%	14.02%	17.16%	34.81%	-0.72%
June 28, 1988	-0.11%	-1.10%	-2.31%	-4.64%	-1.49%	1.66%	7.36%	20.61%
May 25, 1990	3.62%	1.99%	-0.71%	0.38%	-12.15%	-11.13%	3.58%	6.46%
February 15, 1991	-0.49%	0.07%	-0.67%	5.26%	0.90%	4.48%	7.61%	11.77%
September 15, 1994	-2.85%	-2.65%	-1.20%	-1.85%	-4.18%	4.34%	13.12%	22.91%
December 8, 1998	-1.57%	1.88%	7.93%	2.94%	9.84%	10.28%	14.08%	18.83%
November 11, 1999	3.15%	2.55%	2.44%	3.68%	0.41%	2.86%	6.54%	1.35%
May 14, 2003	-1.69%	1.10%	5.25%	6.51%	4.76%	11.42%	22.66%	16.73%
November 5, 2004	1.54%	0.36%	0.93%	1.86%	3.05%	1.09%	4.88%	4.63%
September 12, 2006	0.35%	1.78%	2.81%	4.98%	7.62%	6.04%	15.99%	13.02%
June 23, 2009	2.71%	-1.74%	9.07%	14.64%	19.73%	24.46%	30.46%	22.00%
October 22, 2010	0.02%	3.62%	1.25%	6.40%	9.11%	12.86%	13.05%	4.66%
January 31, 2012	2.64%	2.90%	4.70%	7.32%	7.12%	5.10%	7.60%	15.30%
December 21, 2015	2.83%	-1.53%	-5.65%	-4.94%	0.77%	3.18%	7.02%	12.35%
April 25, 2016	-0.30%	-1.39%	-0.56%	1.22%	3.86%	2.56%	9.21%	14.41%
April 1, 2019	1.00%	1.34%	1.97%	-4.02%	3.39%	3.82%	12.35%	-9.86%
July 9, 2020	2.02%	2.65%	6.32%	5.70%	8.48%	20.68%	30.99%	38.63%
February 2, 2023	-2.35%	-2.14%	-3.14%	-1.89%	-2.84%	7.14%	3.30%	18.26%
July 1, 2025								
Average:	0.38%	0.81%	1.24%	2.91%	4.15%	6.88%	12.55%	12.29%
% Positive:	56%	64%	48%	68%	76%	88%	96%	88%

While the strong finish to Q2 has given investors reason to celebrate, the underlying structure of the rally calls for caution. Markets are increasingly stretched in the short term, both technically and sentiment-wise, and investor positioning should reflect the potential for increased volatility in July and August.

- **Seasonality turns weaker** in mid-to-late July, with August and September historically being two of the most volatile months of the year.
- **Earnings season begins post-July 4th**, and corporate guidance—particularly from cyclicals and retailers—will be critical in determining whether broader market participation emerges.
- **Volatility remains unusually low**, increasing the probability of sharp, sentiment-driven pullbacks in overbought sectors.
- **Breadth remains narrow**, with gains concentrated in mega-cap tech. This divergence between index strength, weak money flows, and internal weakness could create fragility if leadership falters.



? Investor Positioning Recommendations:

- **Trim gains in extended positions**, particularly in high-momentum tech and speculative trades (e.g., AI, leveraged ETFs, meme stocks). Rebalance toward more fundamentally sound holdings.
- **Maintain core exposure** to broad indexes or quality growth names, but avoid chasing performance in overbought sectors. Instead, look to build or rotate into areas showing early signs of leadership (e.g., industrials, financials, energy).
- **Focus on risk-adjusted returns**, not absolute upside. With sentiment elevated, adopting a more selective and valuation-aware approach will provide better long-term results.

?? Risk Management Guidelines:

- **Raise cash allocations modestly** to take advantage of potential pullbacks in late July or August.
- **Utilize trailing stop-losses** on aggressive trades, particularly in leveraged ETFs or speculative names that have already seen sharp moves.
- **Avoid overexposure to crowded trades**, especially single-stock themes and high-beta names vulnerable to profit-taking.
- **Monitor macro developments**, including Fed commentary, PCE inflation data, and geopolitical headlines, as catalysts for sentiment reversal.

With the S&P 500 breaking out to new highs but doing so on narrow participation and stretched technicals, now is the time to focus on disciplined execution, thoughtful asset rotation, and proactive risk control. As we enter the seasonally weaker half of the year, managing downs

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The Week Ahead And The BLS Jobs Report

The BLS jobs report was much better than expected. The BLS reports that the economy added 147,000 jobs in June, almost 50,000 more than was expected. The report stands in stark contrast to Wednesday's ADP report, which showed the economy lost 33k jobs. Further encouraging news from the BLS, the unemployment rate slipped to 4.1% from 4.2%. While the headlines were positive, there was some concerning data within the report. For instance, half of the payroll growth was from government jobs. According to the table below, the Federal government shed 7,000 jobs, while state and local jurisdictions added 80,000. Moreover, average hourly earnings rose 0.2%, compared to 0.4% last month. At the same time, average hours worked fell by a tenth of a percent. Based on the initial market reaction, the Fed is unlikely to entertain rate cuts at the July meeting.

This week will be relatively quiet as the market readies for earnings announcements and CPI/PPI data next week. The Treasury will auction 10-year notes on Wednesday and 30-year bonds on Thursday. Yields may stay elevated as dealers position for those auctions. Also of note this week is the FOMC minutes from the prior meeting. We will be interested to see if there is a fraying of opinions. Might a growing minority be willing to raise rates sooner than Powell has been alluding to?

Government.....	23,185	23,928	23,846	23,528	23,344	23,618	23,625	23,698	73
Federal.....	3,001	2,977	2,947	2,939	3,000	2,978	2,953	2,946	-7
Federal, except U.S. Postal Service.....	2,396.5	2,372.9	2,356.9	2,349.7	2,392.2	2,378.5	2,360.9	2,352.8	-8.1
U.S. Postal Service.....	604.2	604.2	590.2	588.8	608.0	599.2	592.3	592.9	0.6
State government.....	5,171	5,671	5,510	5,315	5,429	5,526	5,533	5,580	47
State government education.....	2,316.1	2,785.7	2,616.2	2,394.8	2,591.3	2,632.7	2,636.3	2,676.6	40.3
State government, excluding education.....	2,854.6	2,884.9	2,894.2	2,919.8	2,837.5	2,893.1	2,896.7	2,903.6	6.9
Local government.....	15,013	15,280	15,389	15,274	14,915	15,114	15,139	15,172	38
Local government education.....	8,025.5	8,482.2	8,491.0	8,170.0	8,117.2	8,234.1	8,242.0	8,265.2	23.2
Local government, excluding education.....	6,987.2	6,797.7	6,898.4	7,104.4	6,797.8	6,880.1	6,896.5	6,906.9	10.4

Annuities Are Not Your Enemy

Utter the word ANNUITY and watch facial expressions. They range from fear to disgust to confusion. But hear me out: Annuities are not your enemy.

Billionaire money manager and financial pitchman Ken Fisher appears as a haunting senior version of Eddie Munster in television ads. He stares with deep eyes ablaze with intensity. The tight camera shot. A dramatic pause, then solemnly he delivers the line:

?I hate annuities. I'd rather go to hell then sell annuities.?

Which means you should, too. The financial professional with a net worth greater than 500,000 households worries little about lifetime income or portfolio principal loss. He doesn't think you have to, either.�

Ken Fisher is a master marketer. There's no doubt his prowess in pitching his wares, raking in big bucks for his firm. However, what he knows academically about annuities and how they mitigate life expectancy risk can fit into a dollhouse thimble. And that's fair because he doesn't need to worry about running out of wealth. You most likely do.

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AAll Investor Sentiment Survey Week Ending 7/2/2025

- 1) Big jump in the Bulls from 35.1% to 45%
- 2) Neutral down to 21.9% from 24.7%
- 3) Bears drop off to 33.1% from 40.3%



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