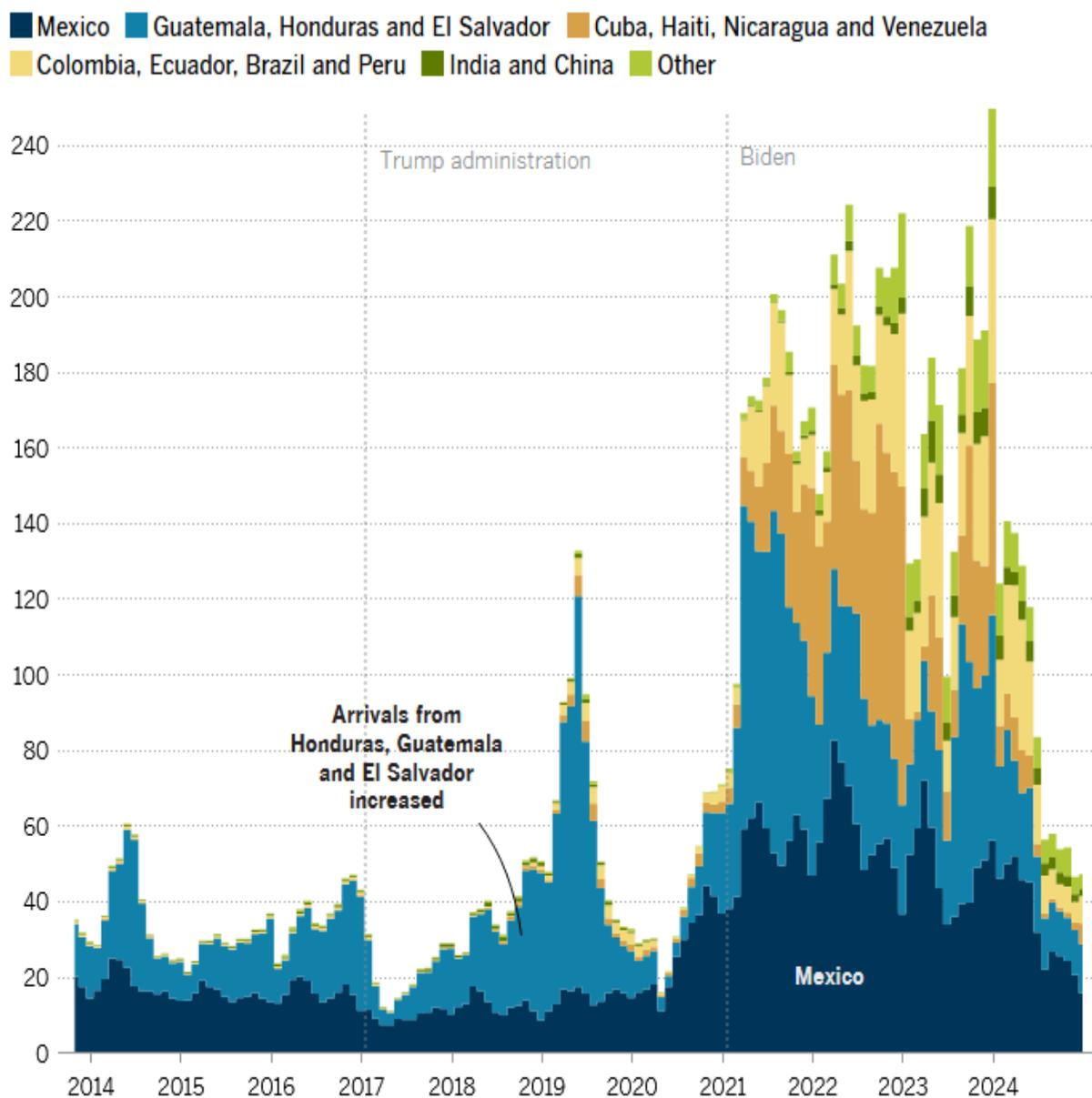


Is Immigration Not Tariffs Becoming Powell's New Excuse

Jerome Powell has made it clear that tariffs could induce higher inflation. Accordingly, the Fed has resisted cutting interest rates. Despite his concerns, fears of tariff-based inflation, as judged by individual and business surveys, are fading. Moreover, even some Fed members are backing away from their prior outlook that inflation would be transitory due to the effects of tariffs. As tariff fears subside, is immigration the new inflation concern for the Fed? To help us better appreciate how President Trump is impacting immigration and the labor market, we share the insight of Greg Valliere, a long-time Washington, DC insider. The following are quotes from his daily newsletter:

- **BE CAREFUL WHAT YOU WISH FOR:** *The White House has been demanding the deportation of immigrants, ASAP ? but that may backfire as hundreds of thousands of workers flee, leaving crops rotting in the fields and hotels without enough employees.*
- **THE LABOR MARKET HAS BEEN TIGHT** *for the past few years, but not like this. The epicenter is in California, where workers are scarce as they leave the state in droves.�*
- **THE IMMIGRATION SHORTAGE HAS AFFECTED FIRMS** *like Disney and Walmart as their workers? temporary legal status has been revoked. This has prompted firms to hike their salaries and benefits, and has led to the inevitable fear of inflation.*
- **THERE'S LITTLE DOUBT ON ONE POINT:** *illegal border crossings have plummeted to the lowest levels in decades ? accompanied by the realization that the economy needs more waiters, farm labor, construction workers, etc.*
- **THIS IS A MAJOR REASON WHY FED CHAIRMAN JEROME POWELL** *is tentative. The economy is softening in much of the country as crops lie fallow in the fields and new tariffs loom, probably on Aug. 1. It's a confusing climate, and confusion is not a friend of the markets.�*

Monthly U.S. Border Patrol encounters at the U.S.-Mexico border, by citizenship, in thousands



Department of Homeland Security

LOS ANGELES TIMES

What To Watch Today

Earnings

- *No earnings reports today*

Economy

- *No notable economic reports today*

Market Trading Update

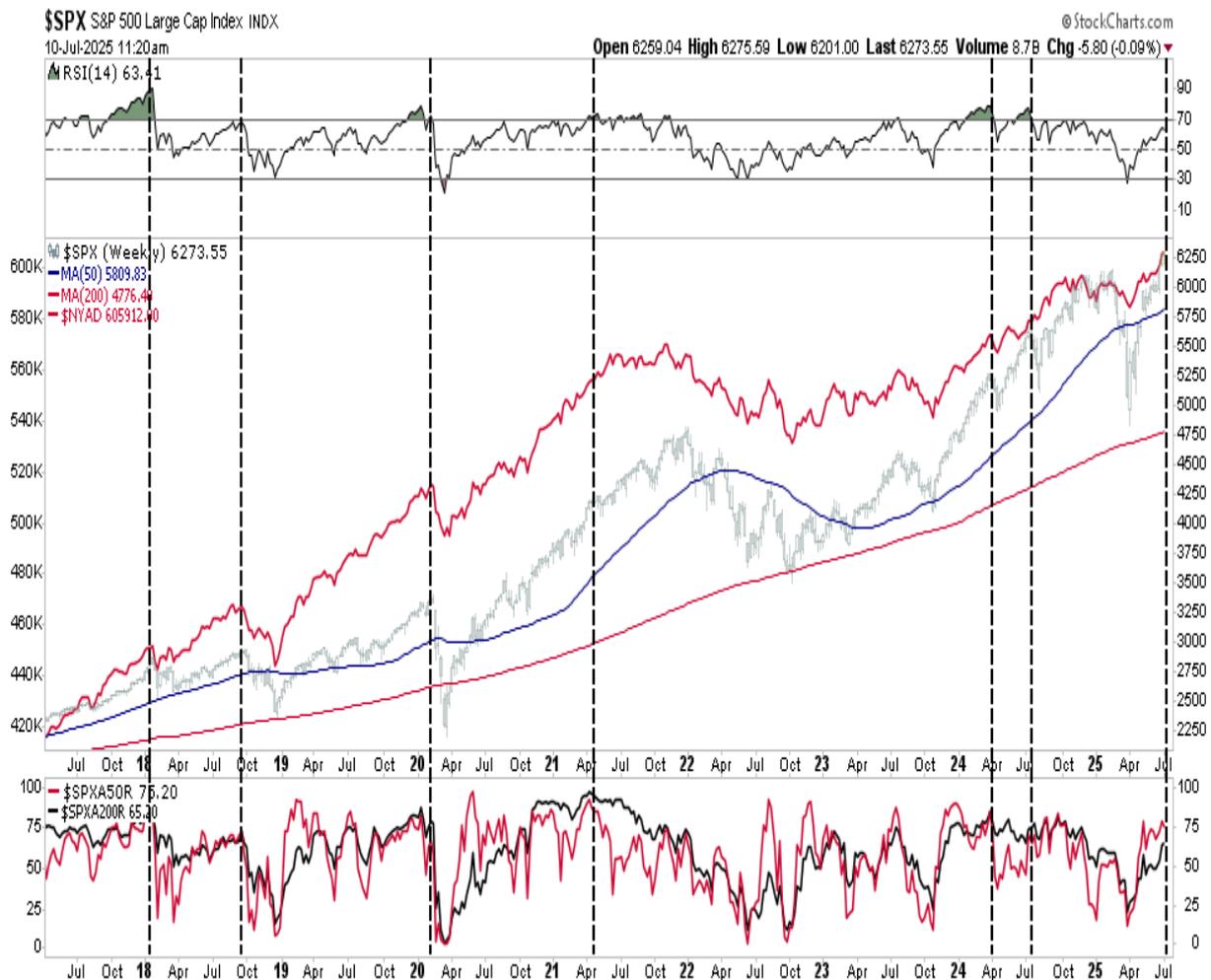
[Yesterday](#), we discussed the rise in market complacency. With the market pushing back toward new highs, driven by underlying momentum, several technical indicators now point toward short-

term overbought conditions and a rising risk of consolidation or a pullback in the coming weeks.

SimpleVisor Technical Dashboard – As of July 10, 2025

Indicator	Reading	Signal	Commentary
S&P 500 Index	6274.06	⚠️ Overextended	New all-time high, but upside momentum is slowing
RSI (14)	70.90	▲ Overbought	Suggests market is technically stretched; risk of pullback
MACD (12,26,9)	+5.232 Histogram	✅ Bullish Momentum	Trend intact, but histogram flattening—watch for momentum fade
Williams %R (14)	-3.06	⚠️ Extremely Overbought	One of the most extended readings YTD
% Above 50-DMA (S&P 500)	75.4%	⚠️ High	Near exhaustion levels—momentum may not be sustainable
% Above 200-DMA (S&P 500)	65.2%	✅ Healthy Trend	Longer-term structure remains solid
NYSE Advance/Decline Line	605,852	✅ Confirming Rally	No negative divergence yet, though leadership remains narrow
Volatility Index (VIX)	~12 (assumed)	⚠️ Complacency Zone	Low volatility increases reversal risk when sentiment shifts
Breadth Trend	Narrow	⚠️ Caution	Mega-caps driving most of the gains; weaker participation beneath surface

Given those more overbought technical conditions, the market could **enter a period of sideways consolidation or a mild pullback** in the next 2-4 weeks. The catalyst for such a correction is unknown, but when markets are very complacent, a reason usually appears in short order. Given elevated RSI and Williams %R, upside is likely capped in the near term unless macro or earnings catalysts re-accelerate buying interest. If economic or earnings data disappoints, the S&P 500 could retrace toward the 50-day moving average (~6050-6100 range) before stabilizing.



However, the uptrend remains intact for now, with breadth indicators still supportive and the MACD in bullish mode. Any weakness should be treated as **tactical and rotational**, rather than the start of a broader downtrend? unless A/D and moving average participation begin to deteriorate.

What Investors Should Do Now:

1. **Trim exposure in overbought/high-beta names**, particularly those with large recent gains or extended valuations (e.g., speculative tech, meme stocks, or leveraged ETFs).
2. **Raise modest cash buffers (5?10%)** to take advantage of pullbacks or rotation opportunities into lagging sectors like financials, healthcare, or industrials.
3. **Tighten stop-losses** on momentum positions and consider partial profit-taking in sectors trading well above trend lines.
4. **Rebalance toward quality**: favor companies with earnings visibility heading into Q2 earnings season. Focus on strong free cash flow, pricing power, and margin resilience.
5. **Watch breadth**: if % of stocks above 50-DMA begins to decline while the index holds or rises, that would be a red flag for market fragility.

Notably, the market remains bullish. A short-term pause or pullback should be expected, but as long as breadth metrics hold up, the longer-term trend remains intact. Investors should take this time to lock in gains, reallocate capital to underperforming but fundamentally sound areas, and remain flexible as we head into Q2 earnings and the seasonally volatile August?September window.

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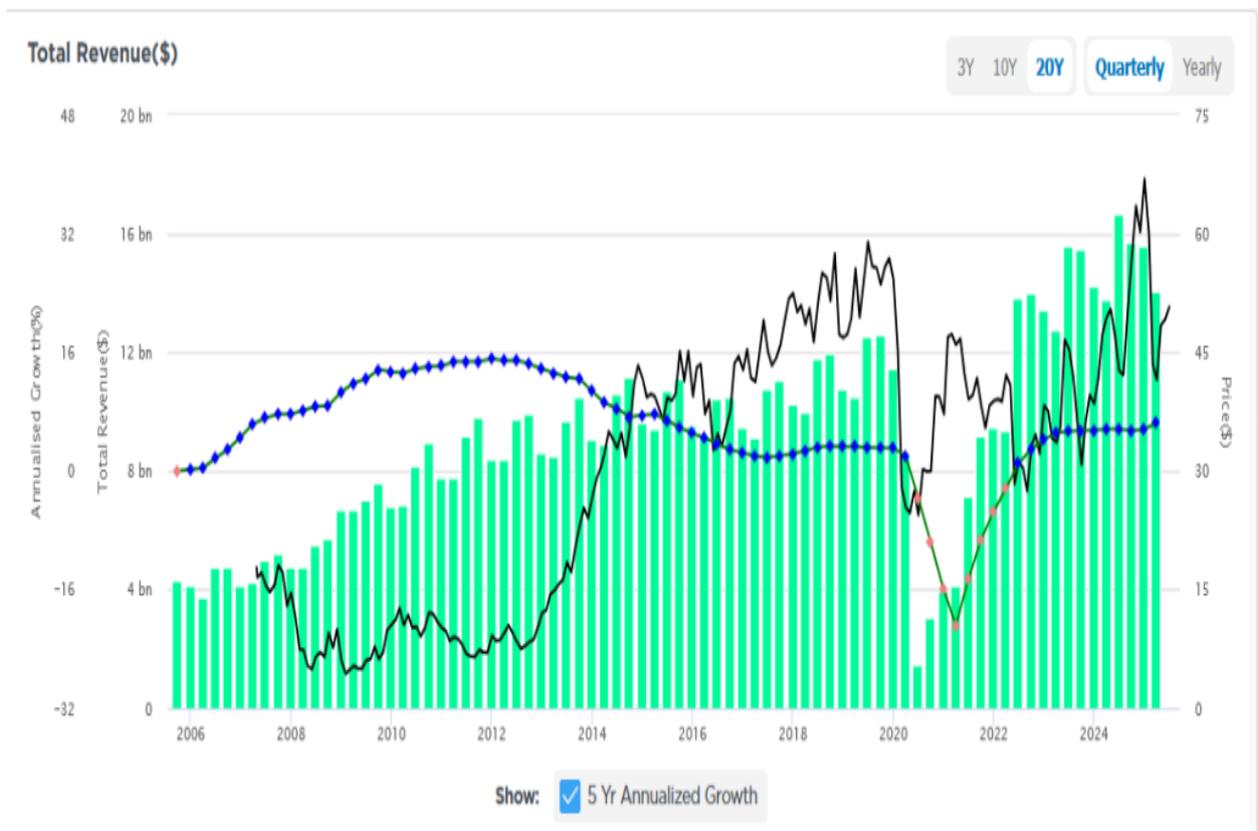
Delta Soars

Delta Air Lines kicked off the earnings season by opening up over 10% on a promising earnings report. Earnings slightly beat estimates, but investors seem to be more motivated by optimism from its CEO, Ed Bastian. To wit, the following quote from Bastian on CNBC:

I think we have plenty of green shoots out there to give us some room of optimism that we're going to be able to continue moving through this period of time, and we'll still be profitable this quarter.

- Delta reinstated its profit target to a range of \$5.25 to \$6.25 per share, which is higher than the Wall Street consensus estimate of \$5.35. However, the prior corporate guidance had been for earnings to exceed \$7.35 per share.
- They report that air travel demand has stabilized after a period of weakness. Importantly for their bottom line, the uptick in demand is coming from premium and international travelers.
- Its concerns over tariffs, immigration policy, and the resulting weak consumer sentiment have eased.

The graphs below, courtesy of SimpleVisor, provide a longer-term perspective of Delta's fundamental condition. The first graph shows that over the longer run, Delta steadily grows its revenue at about 6%, slightly more than the nation's economic growth rate. However, its net income has been flat for the last ten years, and its stock price has been volatile, but is not much higher than it was in 2015.



Capital Preservation Strategies

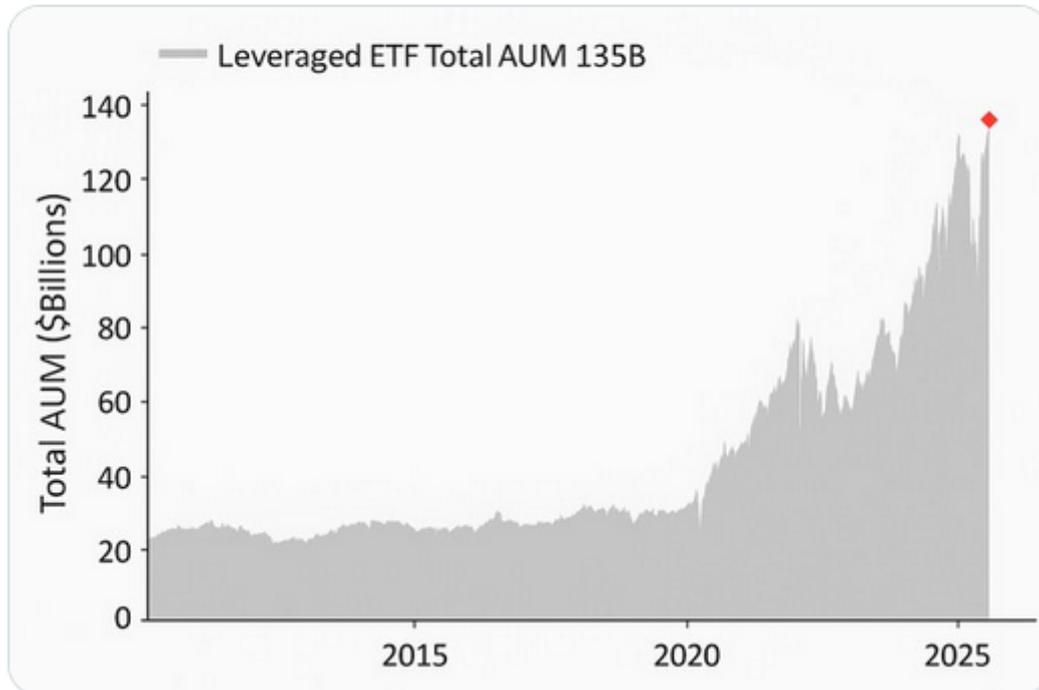
When you've accumulated more than \$1 million for retirement, your financial priorities shift. It's no longer just about growth but about protecting what you've built and generating reliable income that will support your lifestyle for decades to come. That's where retirement capital preservation becomes critical.

With increased longevity, market volatility, and inflation risks, affluent retirees must adopt a strategic approach that balances income needs with the preservation of principal. Fortunately, there are several proven tools and techniques to help achieve this.

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JUST IN 🚨: Investors have now plowed \$135 Billion into Leveraged ETFs, the highest amount in history 🚨 Risk on folks, Risk on 🤪🤪🚀



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