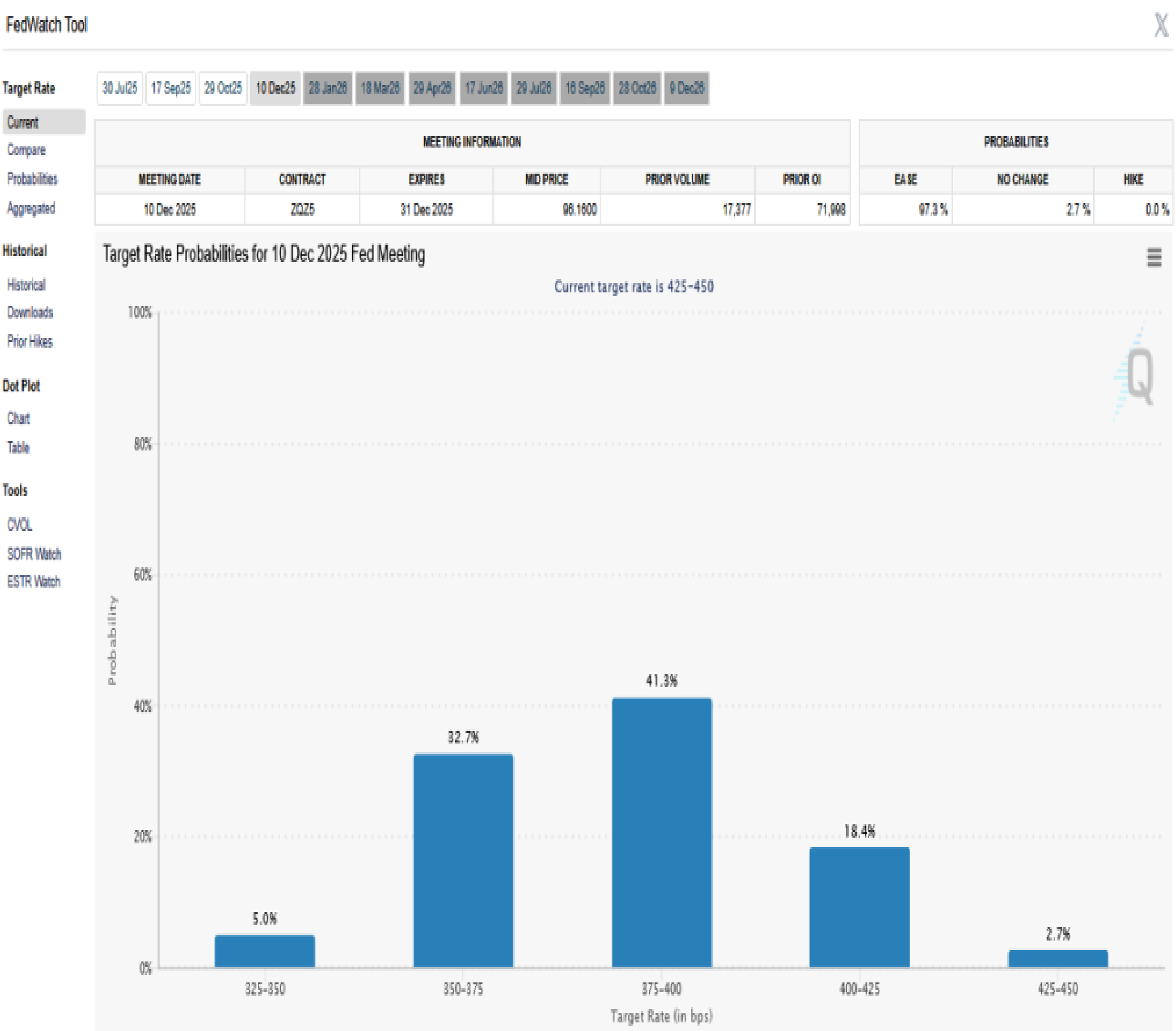
Powell Testifies On Monetary Policy To Congress

Fed Chair Jerome Powell presented his quarterly testimony to the House yesterday and will testify to the Senate today. The market reaction was minimal as much of his speech was a repeat of last week?s FOMC meeting and press conference. As is typical at these quarterly presentations, he will present identical testimony to both houses of Congress. Accordingly, we are likely to learn very little as Powell testifies to the Senate today.

Here are some key takeaways:

- **The economy is softening**: Powell notes that the economy is weakening, but not yet in a recession. Moreover, he characterizes the labor market as follows: ?*The labor market remains solid, though we are seeing some signs of cooling, with unemployment still historically low but gradually ticking up as economic growth moderates.*?
- **Inflation and tariffs**: Powell testified that inflation remains above its 2% target. Furthermore, he expressed optimism that it will reach its target without triggering an economic downturn. However, he remains concerned that tariffs may have a brief inflationary impact, making their job challenging in the months ahead.
- **Fed Funds**: Powell reiterated the latest quarterly FOMC projections, stating that he expects two 25-bps cuts this year. As we show below, the market is in alignment with the Fed.
- **Geopolitics**: He notes that increasing hopes for a ceasefire between Israel and Iran are easing oil prices. Consequently, this reduces inflationary risks.



What To Watch Today

Earnings

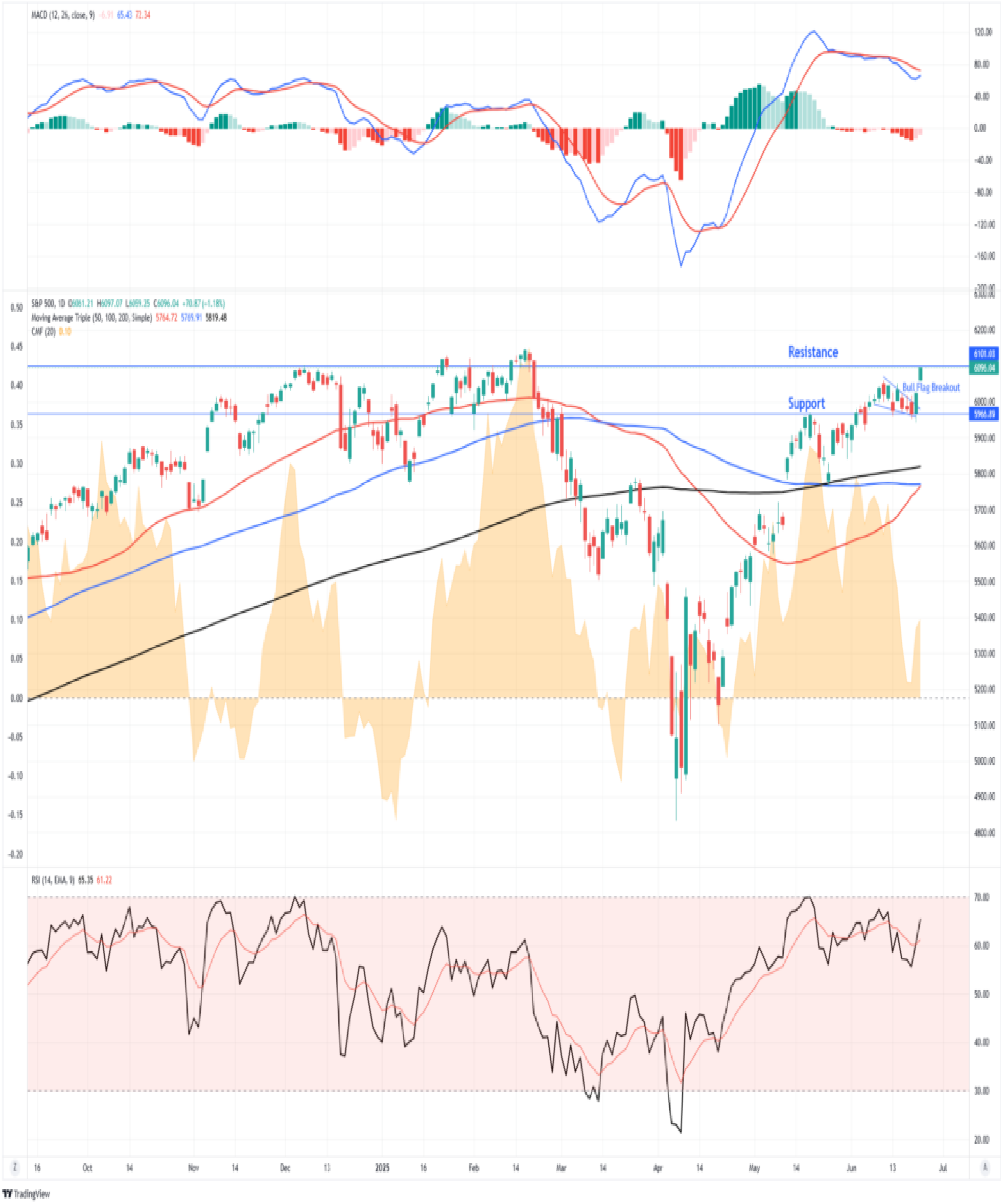
Wednesday Jun 25	EPS	Consensus	Previous	Revenue	Consensus	Previous	MarketCap	Fiscal	Time
Micron Technology MU:US		1.58	0.62		8.81B	6.81B	$74.86B	Q3	PM
Paychex PAYX:US		1.20	1.12		1.36B	1.3B	$52.44B	Q4	AM
General Mills GIS:US		0.72	1.01		4.6B	4.71B	$32.39B	Q4	AM

Economy

Wednesday June 25 2025			Actual	Previous	Consensus	Forecast
05:00 AM	US	MBA 30-Year Mortgage Rate JUN/20		6.84%		
05:00 AM	US	MBA Mortgage Applications JUN/20		-2.6%		
05:00 AM	US	MBA Mortgage Market Index JUN/20		248.1		
05:00 AM	US	MBA Mortgage Refinance Index JUN/20		692.4		
05:00 AM	US	MBA Purchase Index JUN/20		165.8		
08:00 AM	US	Fed Chair Powell Testimony				
08:00 AM	US	New Home Sales MAY		0.743M	0.69M	0.7M
08:00 AM	US	New Home Sales MoM MAY		10.9%		-5.8%

Market Trading Update

Yesterday, we noted that the market rallied on Iran?s muted response to the U.S. attack on its nuclear facilities. Notably, that rally yesterday broke the market above the *?bullish wedge?* pattern that was developing, giving the bulls room to push stock prices higher yesterday. At the open, stocks gapped higher and rallied into initial resistance from the December highs. However, there is a lot of momentum and short-covering in the market as we wind up the quarter, so a test of all-time highs is quite likely. Importantly, after a successful test of support and a breakout above the recent consolidation range, there is little to stop the market?s advance.



Any weakness in the market through the month-end should be bought. July tends to be one of the strongest months of the year, so increases in exposure will likely do well over the next 30 days. With earnings season set to begin after the July 4th holiday, there is little reason to be overly cautious with allocations or exposures.

Digging For Materials Stocks (CTVA)

The top SimpleVisor graphic below breaks down the absolute and relative scores for the top 10 stocks within the materials sector ETF (XLB). As shown, Corteva and Newmont are relatively overbought compared to the market. Conversely, the majority of the remaining material stocks are languishing in comparison. Newmont, a gold miner, is benefiting from the strong upward trend in gold. Corteva (CTVA) is a lesser-known company. Let?s use SimpleVisor to learn more about the company.

The following screenshot from SimpleVisor is a description of what CTVA does:

> *Corteva, Inc. operates in the agriculture business. It operates through two segments, Seed and Crop Protection. The Seed segment develops and supplies advanced germplasm and traits that produce optimum yield for farms. It offers trait technologies that enhance resistance to weather, disease, insects, and herbicides used to control weeds, as well as food and nutritional characteristics. This segment also provides digital solutions that assist farmer decision-making with a view to optimize product selection, and maximize yield and profitability. The Crop Protection segment offers products that protect against weeds, insects and other pests, and diseases, as well as enhances crop health above and below ground through nitrogen management and seed-applied technologies. This segment provides herbicides, insecticides, nitrogen stabilizers, and pasture and range management herbicides. It serves agricultural input industry. The company operates in the United States, Canada, Latin America, the Asia Pacific, Europe, the Middle East, and Africa. Corteva, Inc. was incorporated in 2018 and is headquartered in Indianapolis, Indiana.*

The second screenshot below shows that CTVA, up 31% year-to-date, has been grossly outperforming the S&P 500 in 2025. The third graphic offers caution. It shows that EPS has been relatively flat for the last ten years. Furthermore, the stock price, at $74.44, is trading at over 2x its fair value of $30.22. Not shown, but revenue also exhibits minimal growth. The last graphic combines two SimpleVisor pages. The top one compares its valuations with those of its top competitors. The second provides a broad technical summary. Not surprisingly, it has a strong buy rating, but as we surmised by its relative score, it is very overbought. CTVA is trading above all its key moving averages. Traders can utilize these levels and pivot points to help identify potential areas of support.

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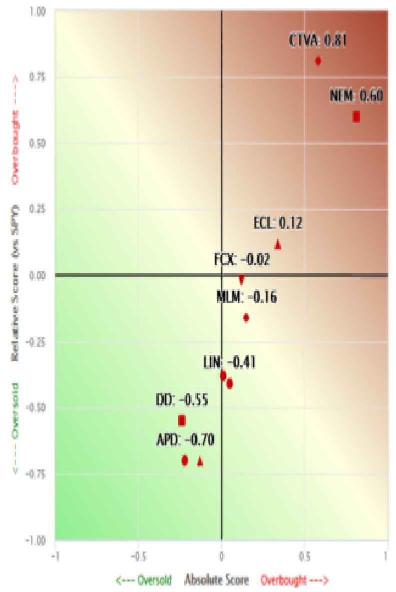
Sectors Factors

XLB: Materials X

Materials Analysis - Absolute and Relative Score (vs SPY)

Symbol	Name	Holding	Absolute Score	Relative Score (vs SPY)	Chart
CTVA	Corteva Inc	5.25%	0.58	0.81	☑
NEM	Newmont Corp	5.28%	0.81	0.60	☑
ECL	Ecolab Inc	5.54%	0.34	0.12	☑
FCX	Freeport-McMoRan Inc	4.58%	0.12	-0.02	☑
MLM	Martin Marietta Materials Inc	4.31%	0.15	-0.16	☑
VMC	Vulcan Materials Co	4.51%	0.01	-0.38	☑
LIN	Linde PLC	18.43%	0.05	-0.41	☑
DD	DuPont de Nemours Inc	3.60%	-0.24	-0.55	☑
APD	Air Products and Chemicals Inc	5.14%	-0.22	-0.70	☑
SHW	Sherwin-Williams Co	6.88%	-0.13	-0.70	☑



Tail Length 3 Weeks

How it works

-1.00 Extremely Oversold

-0.75 **Oversold** Could be a good time to increase holdings.

-0.20 0.20 **Fair Value**

0.75 **Overbought** Could be a good time to reduce holdings.

1.00 Extremely Overbought

Symbol Analytics

Overview | Advanced Chart | Fundamentals | Short Interest | Insider Stats | Option Chain | Technical | News

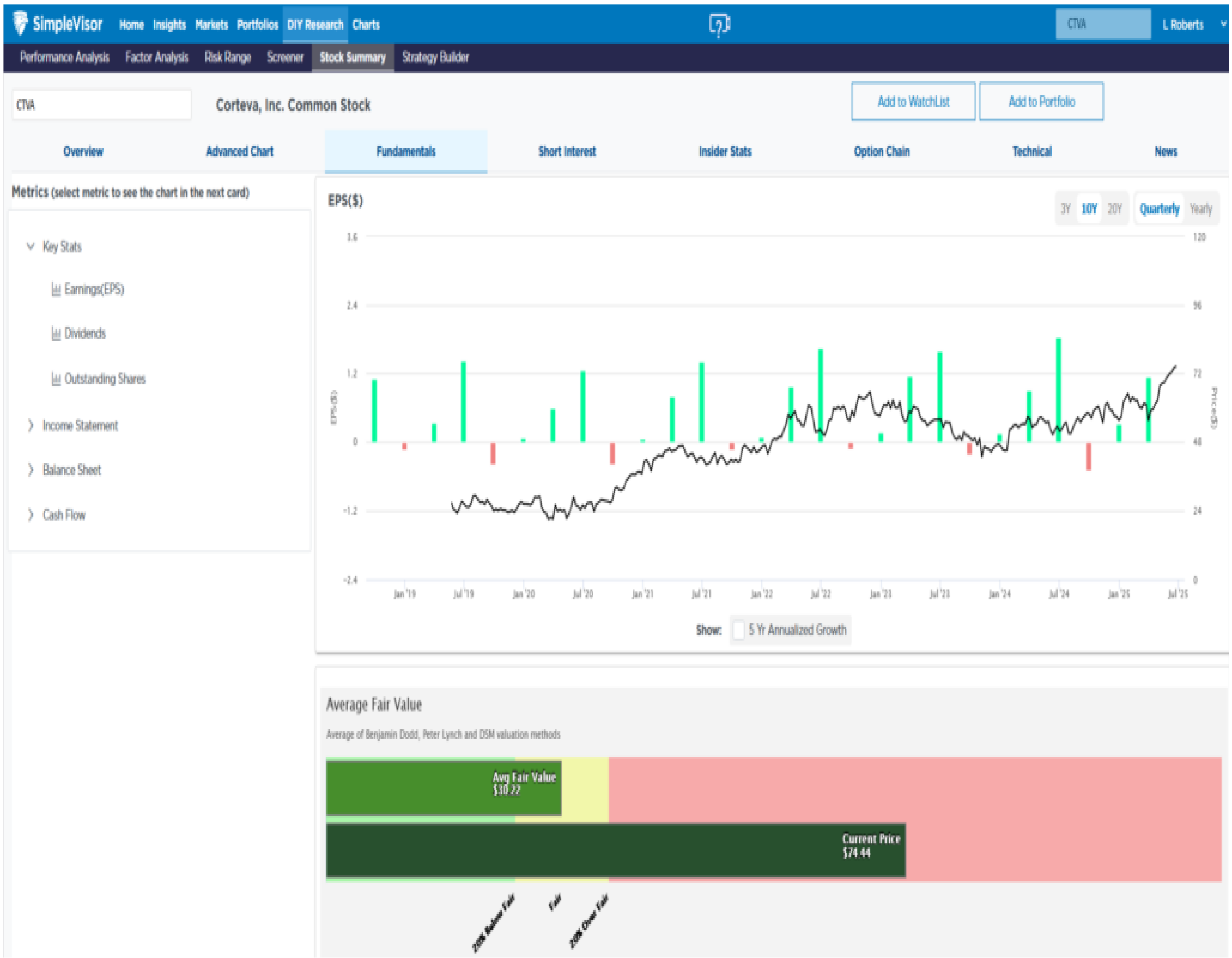
$74.44	$0.72 (0.98%)	at: Jun 23, 2025, 4:00:02 PM	
52 Week Range	$50.30	$74.96	
Day Range	$73.50	$74.89	
Last Close	$73.72	Open	$73.79
Volume	4,472,301	Avg.Vol.(3m)	N/A
Annual Div.	$0.68	Dividend Yield	0.92%
M.Cap.(mn)	$50,780.7	Beta	0.75

Total Returns

WTD	MTD	QTD	YTD	1 Year	2 Year	3 Year
0.98%	5.39%	18.29%	31.03%	41.84%	32.81%	50.72%

Performance

YTD 1M 3M 6M 1Y 3Y Max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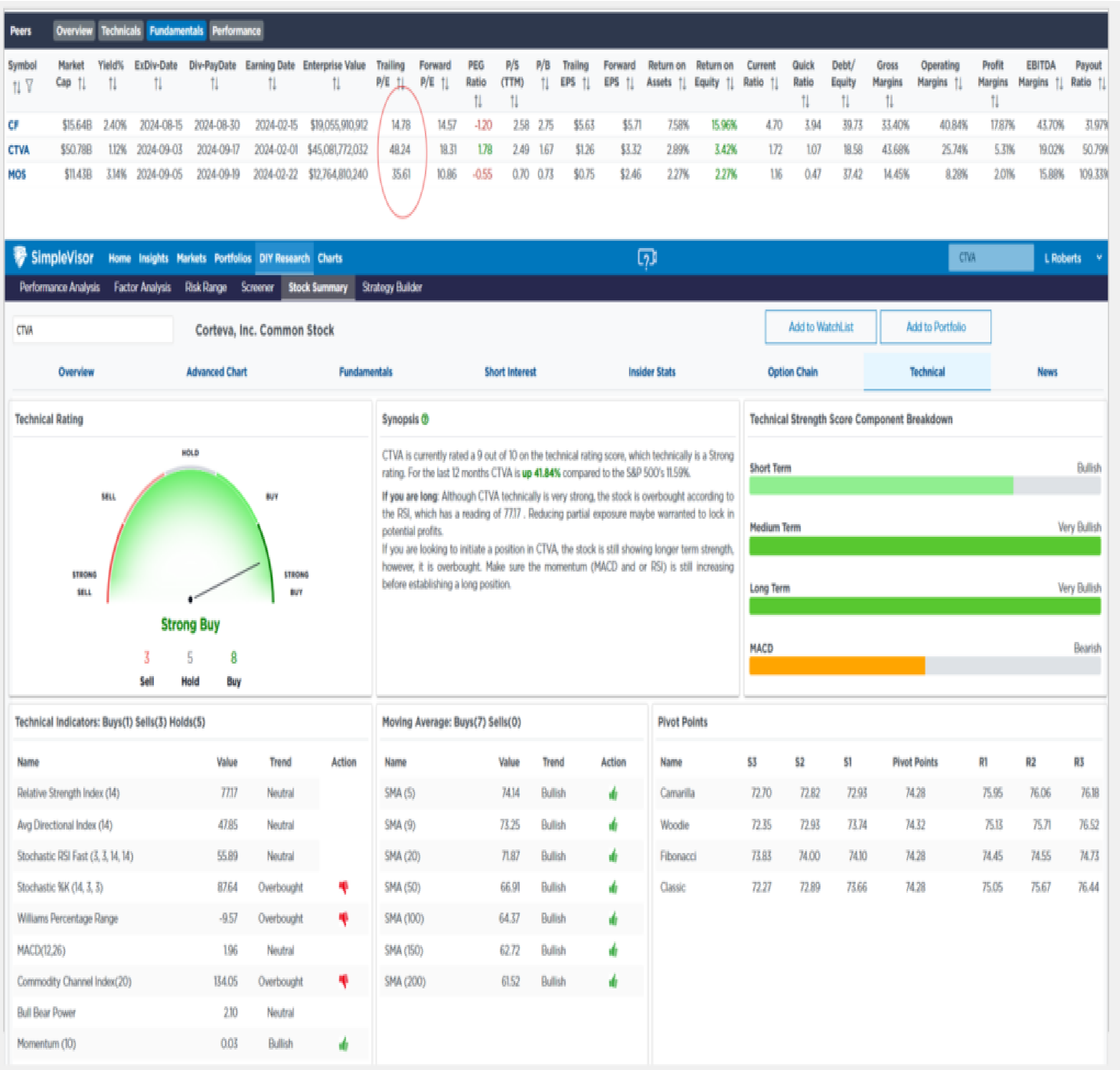
Earnings(EPS)
Dividends
Outstanding Shares
Income Statement
Balance Sheet
Cash Flow
EPS($)
3Y
10Y
20Y
Quarterly
Yearly
3.6
2.4
1.2
0
-1.2
-2.4
120
96
72
48
24
0
Jan '19
Jul '19
Jan '20
Jul '20
Jan '21
Jul '21
Jan '22
Jul '22
Jan '23
Jul '23
Jan '24
Jul '24
Jan '25
Jul '25
Show:
5 Yr Annualized Growth
Average Fair Value
Average of Benjamin Dodd, Peter Lynch and DSM valuation methods
Avg Fair Value
$30.22
Current Price
$74.44
20% Below Fair
Fair
20% Over Fair



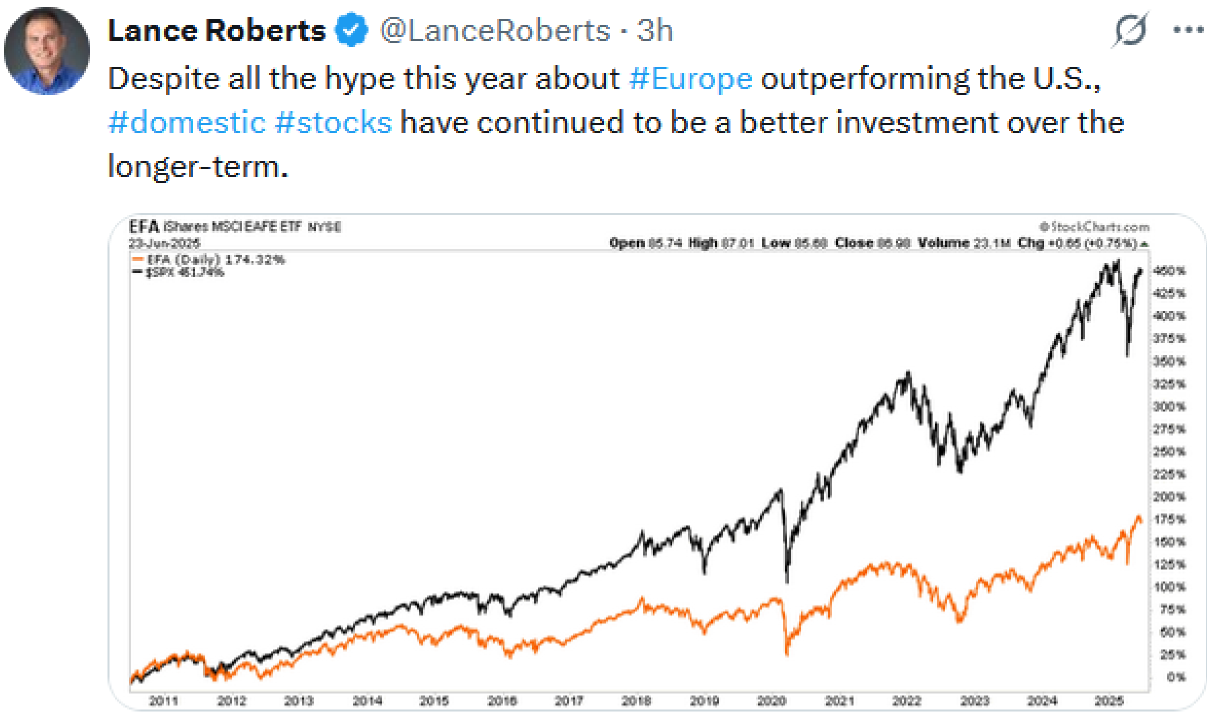
The Role Of Behavioral Finance In Protecting Your Wealth

Behavioral finance is a powerful lens through which we can better understand the relationship between human psychology and financial decision-making. While numbers and logic drive traditional investing models, real-world choices are often heavily influenced by emotions like fear, greed, and overconfidence. These emotional impulses can lead even seasoned investors to make costly mistakes, especially during periods of market volatility.

By recognizing how behavioral biases affect decisions, investors can develop more disciplined strategies. When paired with the guidance of a fiduciary advisor, behavioral finance becomes a practical tool for implementing wealth protection strategies that ensure long-term stability and success.

READ MORE?

Tweet of the Day



?Want to achieve better long-term success in managing your portfolio? Here are our [15-trading rules for managing market risks.?](#)

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