

The Leuthold Group

The Stock Market *Is* The Economy

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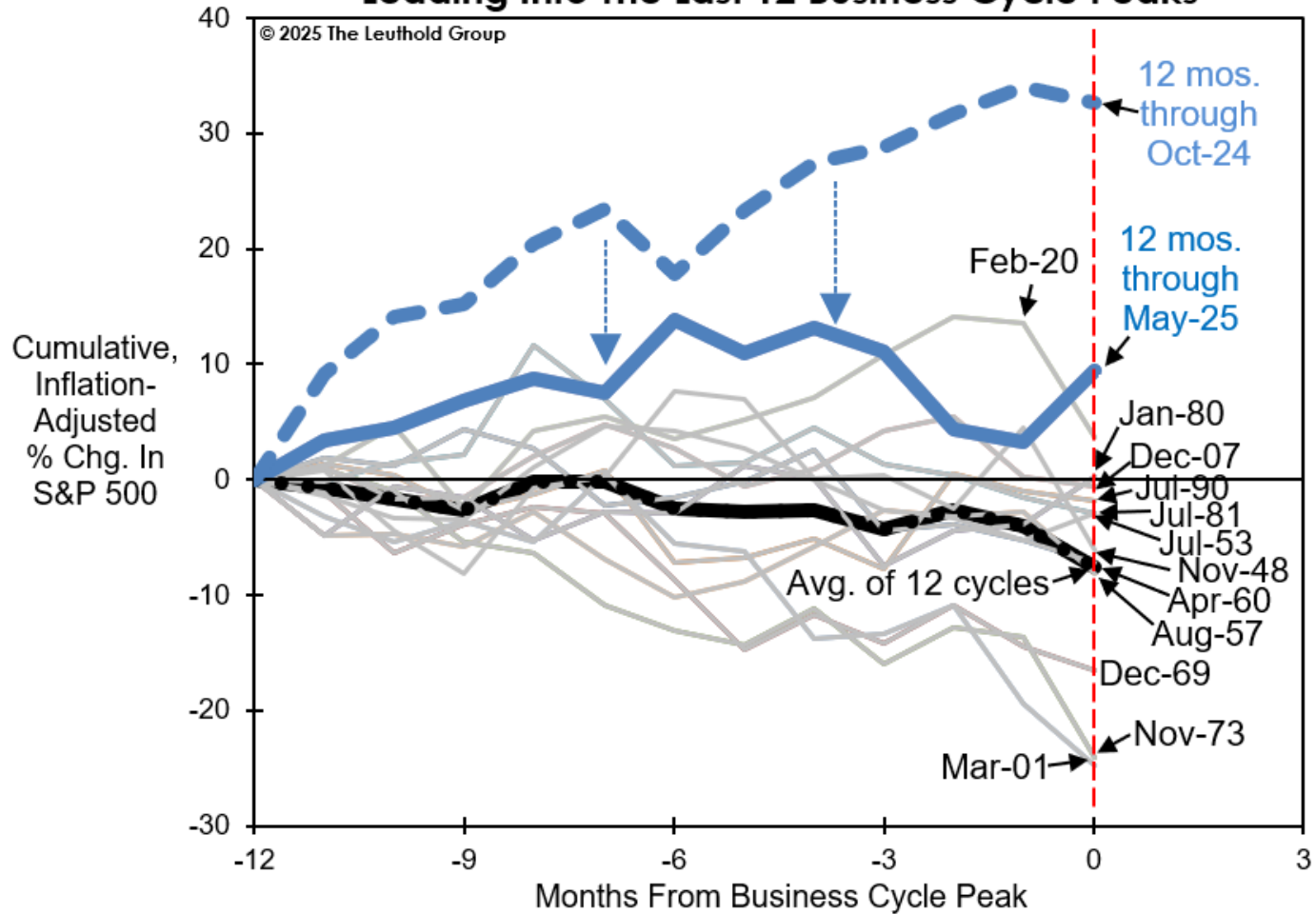
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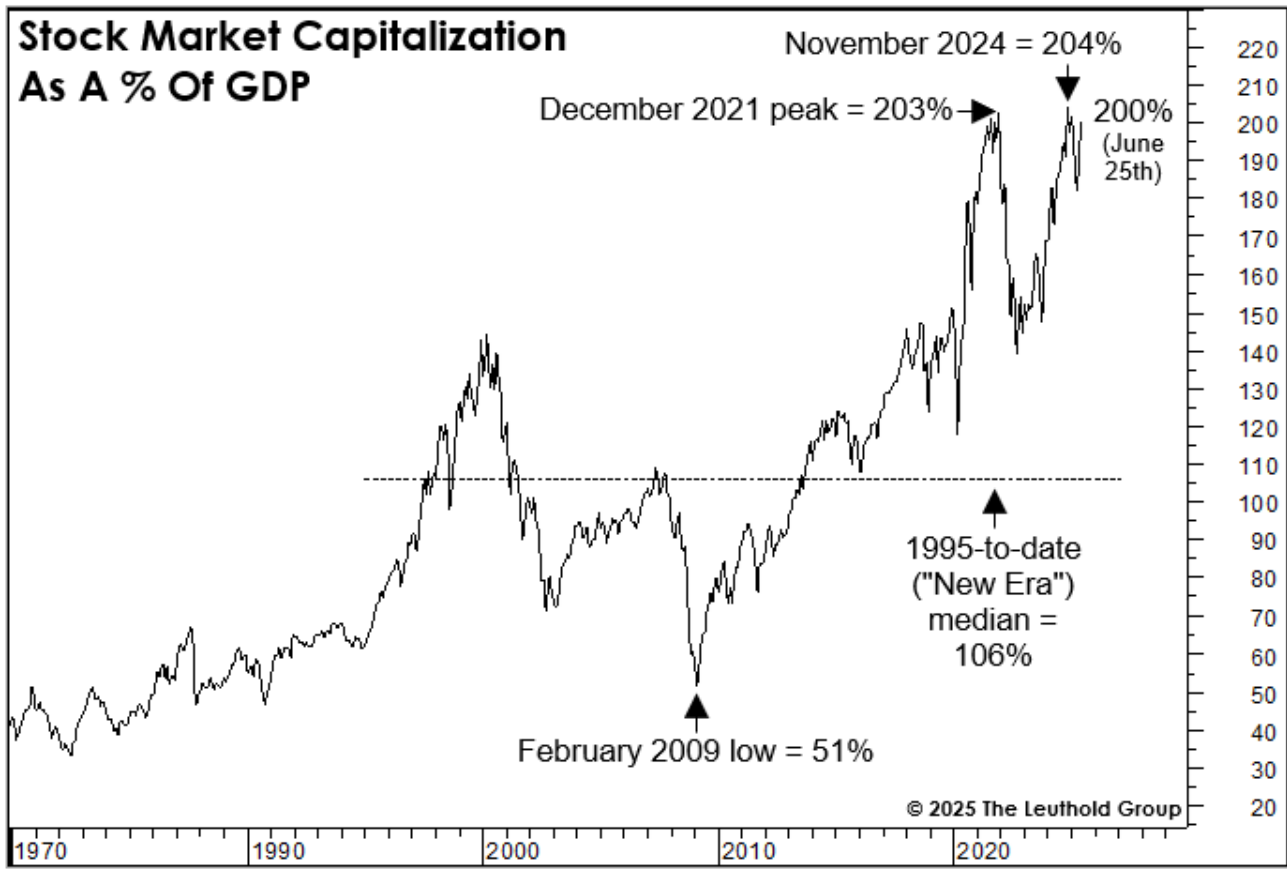


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Real 12-Mo. Performance Of The S&P 500 Leading Into The Last 12 Business Cycle Peaks





*FT Wilshire 5000 Full Cap index as a pct. of prior quarter's Gross Domestic Product
Month-end data, except for latest reading (June 25th).

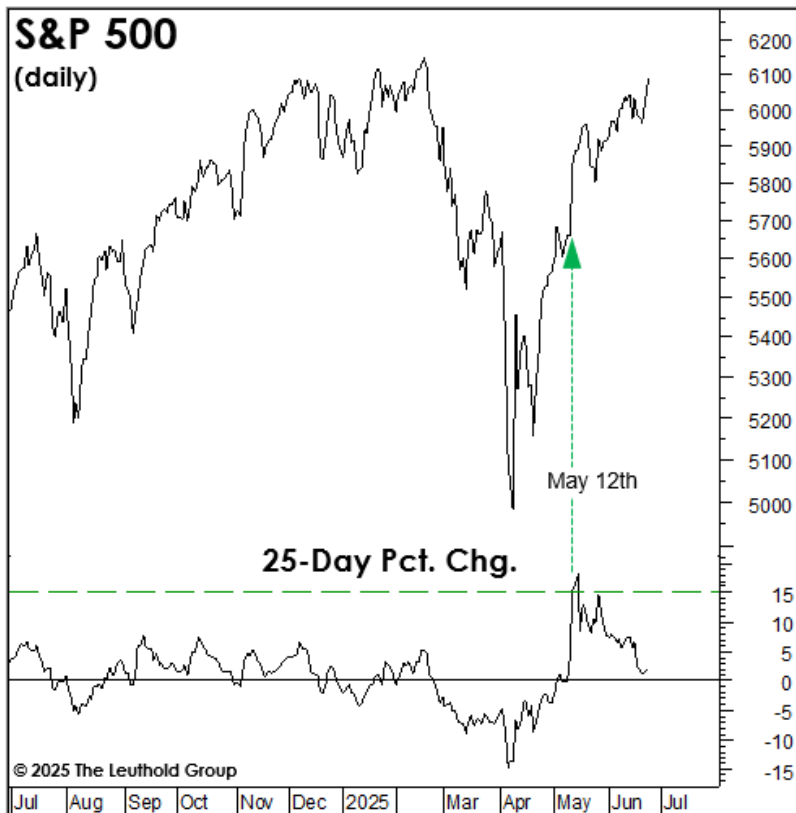


*10-Day Exponential Moving Avg., NYSE Advances as a % of Advances plus Declines.
 Zweig Thrust occurs when oscillator exceeds 61.5% within 10 days of a reading below 40%.

Zweig Breadth Thrusts, 1950 To Date

Date Of Breadth Thrust	S&P 500 % Gain/Loss...				Recession Begins Within 12 Mos?
	21 Days Later	63 Days Later	126 Days Later	252 Days Later	
July 21, 1950	6.3 %	13.8 %	18.7 %	22.2 %	No
July 11, 1962	-0.5	-0.9	12.1	20.8	No
November 5, 1962	7.8	13.8	20.0	24.8	No
December 3, 1971	5.2	11.2	13.1	20.9	No
October 10, 1974	7.3	4.0	20.6	26.6	No
January 3, 1975	10.1	14.4	33.4	28.6	No
August 20, 1982	10.5	22.4	30.5	44.7	No
August 3, 1984	1.6	3.2	10.0	17.9	No
May 25, 2004	1.9	-0.7	5.7	6.9	No
March 18, 2009	9.5	14.6	34.5	46.8	No
October 14, 2011	2.2	5.6	13.6	17.6	No
October 18, 2013	2.7	5.7	7.7	9.1	No
October 7, 2015	5.2	-2.6	2.6	8.3	No
January 7, 2019	7.1	13.6	16.1	26.7	No
March 31, 2023	0.2	8.4	4.4	26.8	No
November 3, 2023	4.8	13.7	19.0	32.7	No
April 24, 2025	5.8	?	?	?	?
Avg. After Thrust	5.1 %	8.8 %	16.4 %	23.8 %	
Average, All Periods	0.7	2.2	4.5	9.2	

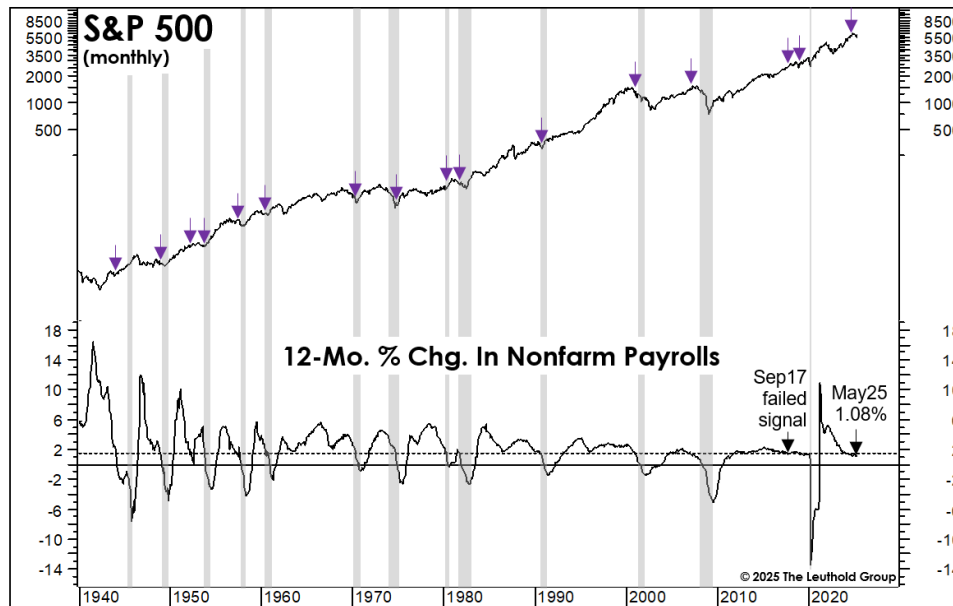
Arrows highlight repeat signals occurring within 12 months of a previous one.



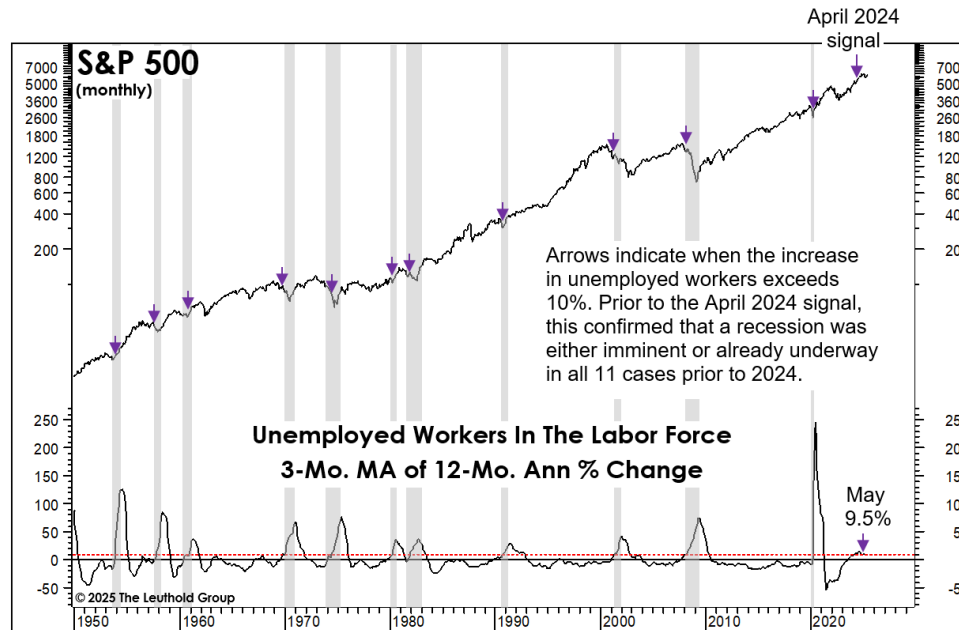
S&P 500 25-Day % Chg. Exceeds 15% (1957 To Date)

Date When 25-Day Gain Tops 15%	S&P 500 % Gain/Loss...				Recession Begins Within 12 Mos?
	21 Days Later	63 Days Later	126 Days Later	256 Days Later	
November 29, 1962	1.1 %	2.7 %	13.4 %	18.0 %	No
November 4, 1974	-7.8	6.2	21.3	20.5	No
→ January 29, 1975	5.6	13.0	15.0	27.5	No
September 10, 1982	11.2	15.7	25.5	38.7	No
February 11, 1991	1.6	2.2	5.3	12.3	No
November 11, 1998	4.1	9.7	19.3	23.2	No
→ August 26, 2002	-11.4	-1.8	-12.7	5.1	No
→ December 29, 2008	-2.8	-8.2	5.7	29.5	No
→ April 6, 2009	10.1	5.5	24.5	41.5	No
January 31, 2019	3.3	7.9	9.2	19.3	No
April 17, 2020	2.8	12.2	21.2	44.8	No
May 12, 2025	3.0	?	?	?	?
Avg. After Thrust	1.7 %	5.9 %	13.4 %	25.5 %	
Average, All Periods	0.7	2.1	4.2	8.8	

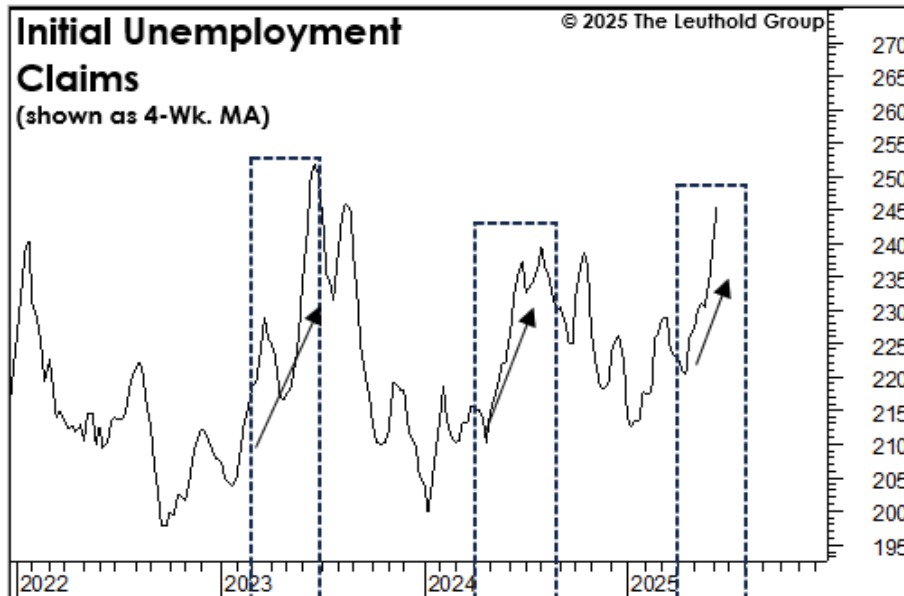
Red arrows highlight signals occurring during an ongoing bear market.
 Black arrows highlight repeat signals occurring within 12 months of a previous one.
 25-day percentage change must drop below zero before a new signal can occur.



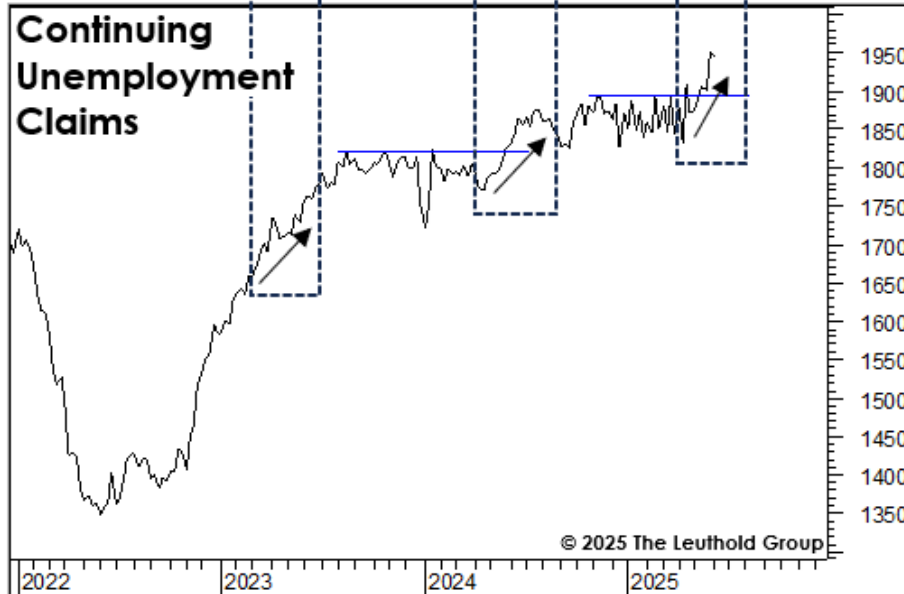
Shaded areas represent recessions.
 Arrows show months in which 12-mo. % chg. in Nonfarm Payroll Employment dropped below 1.40% for the first time in 12 months or more.

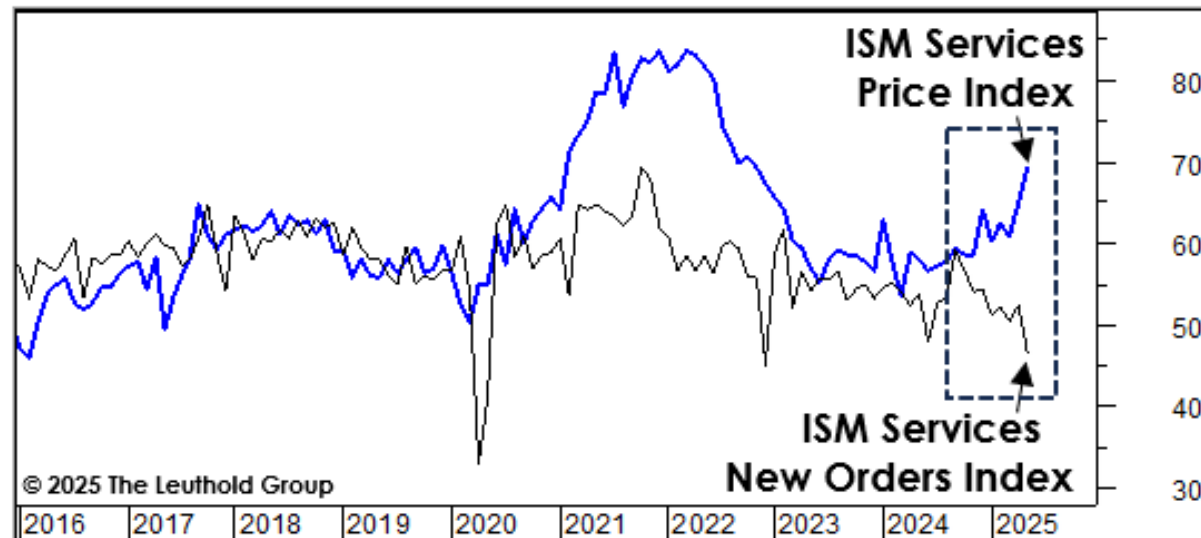
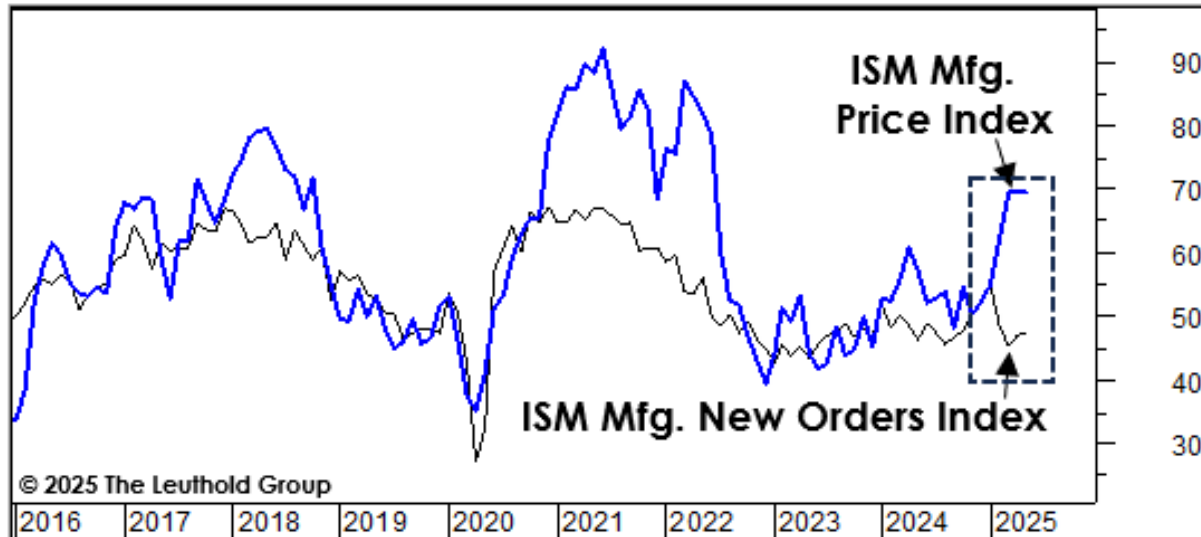


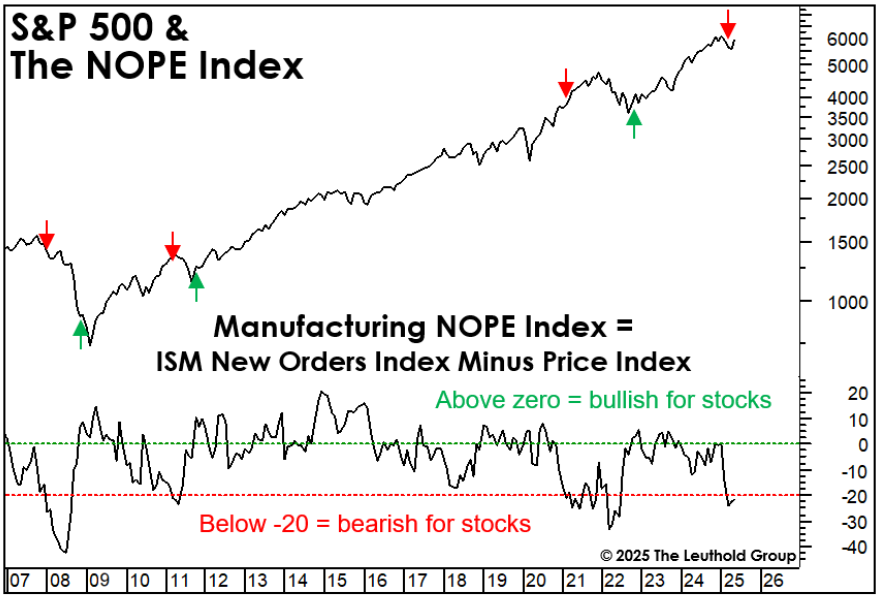
Shaded areas represent recessions.



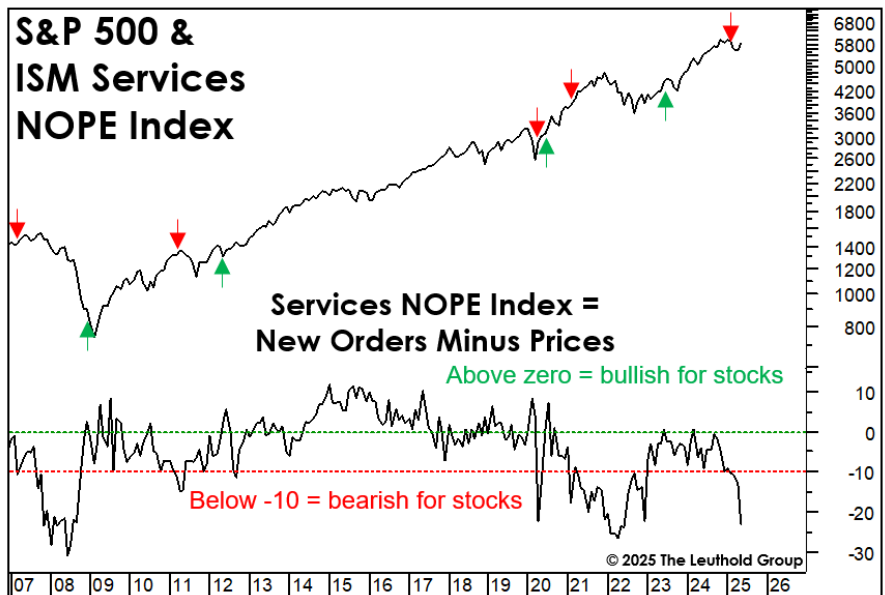
*Created by Ed Yardeni





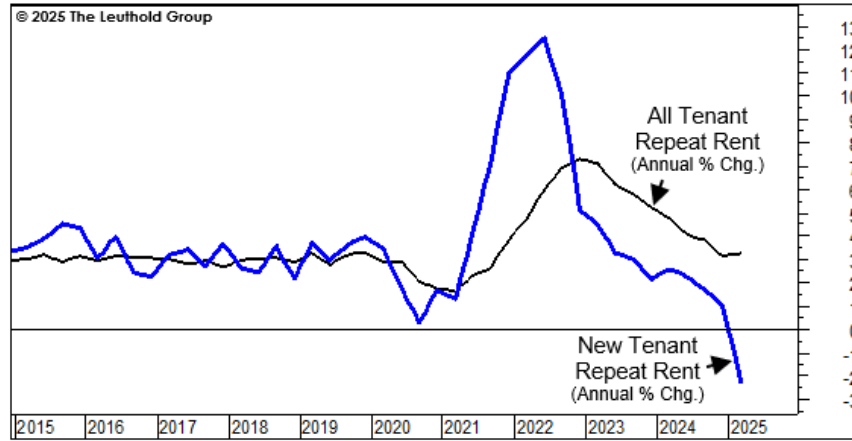


BUY when Mfg. NOPE Index crosses above 0, SELL when it drops below -20.

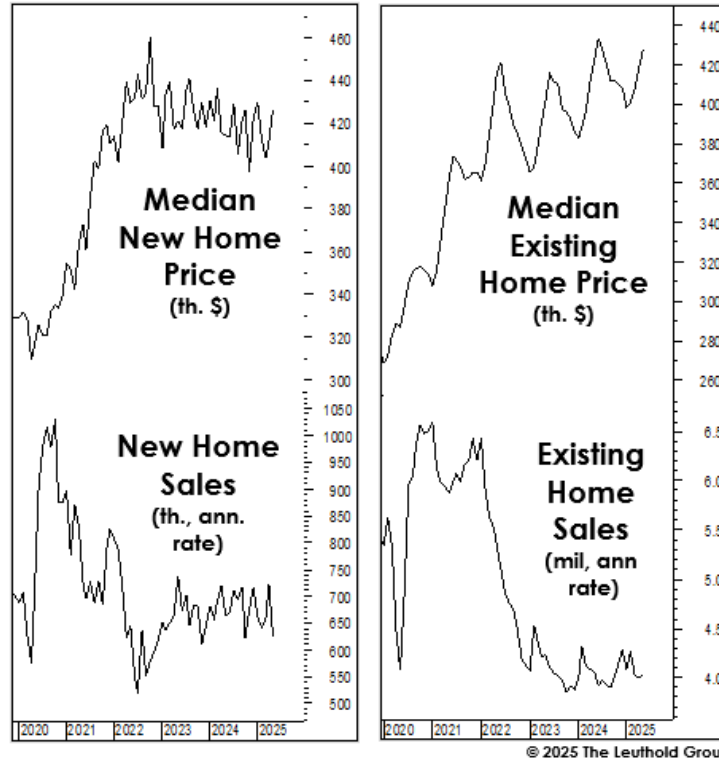


BUY when Services NOPE Index crosses above 0, SELL when it drops below -10.

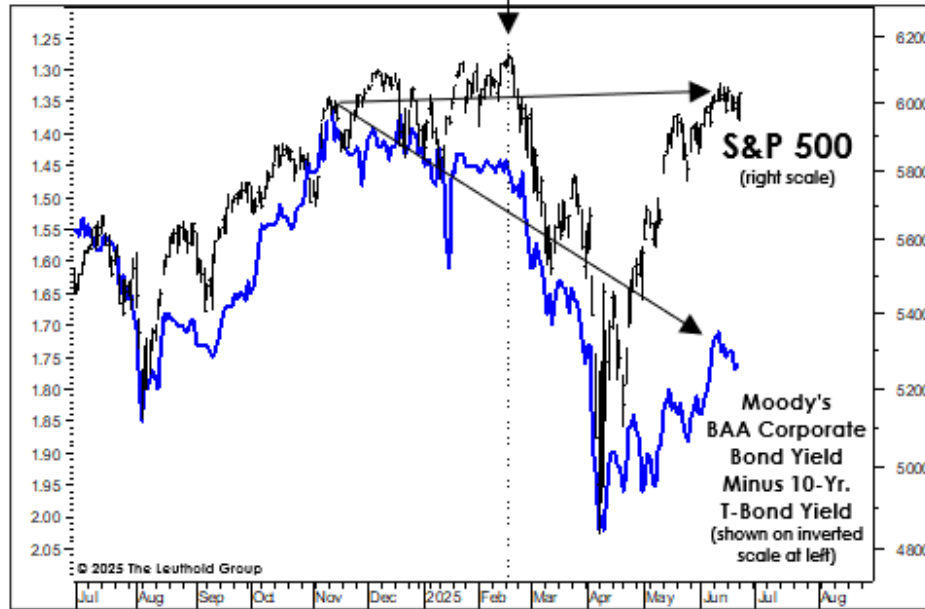
Housing Disinflation Set To Hit The CPI



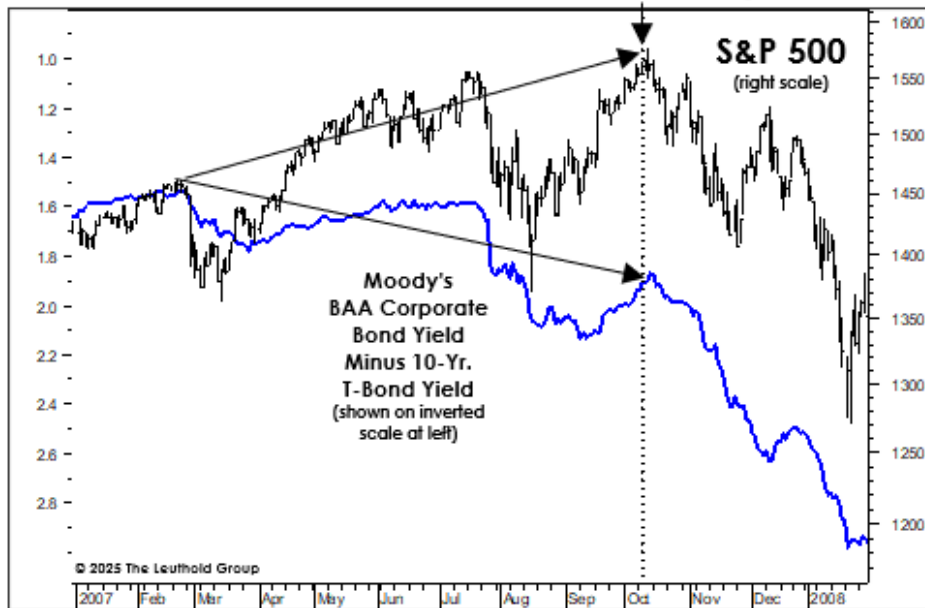
...Yet Prices Continue To Freeze The Housing Market



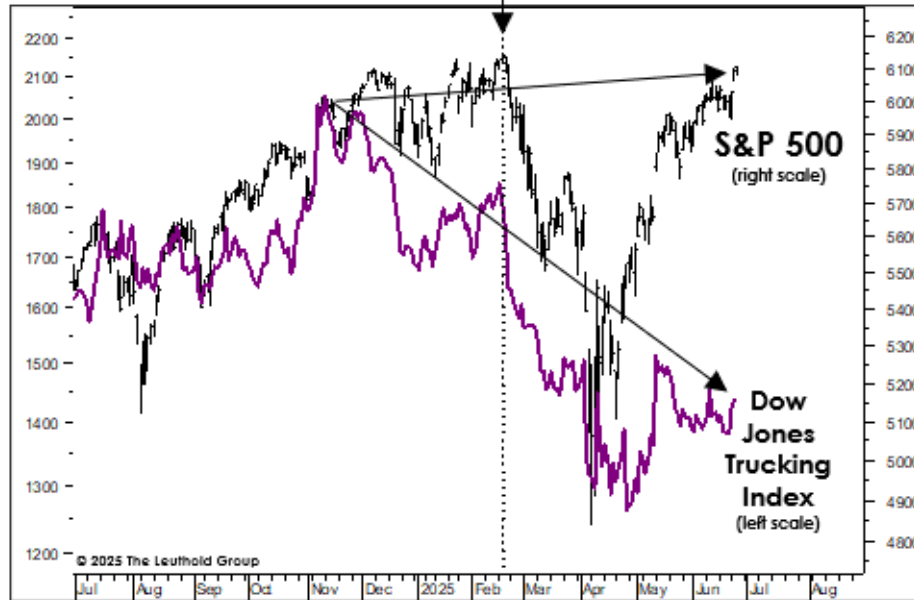
latest S&P 500 bull market high
February 19, 2025



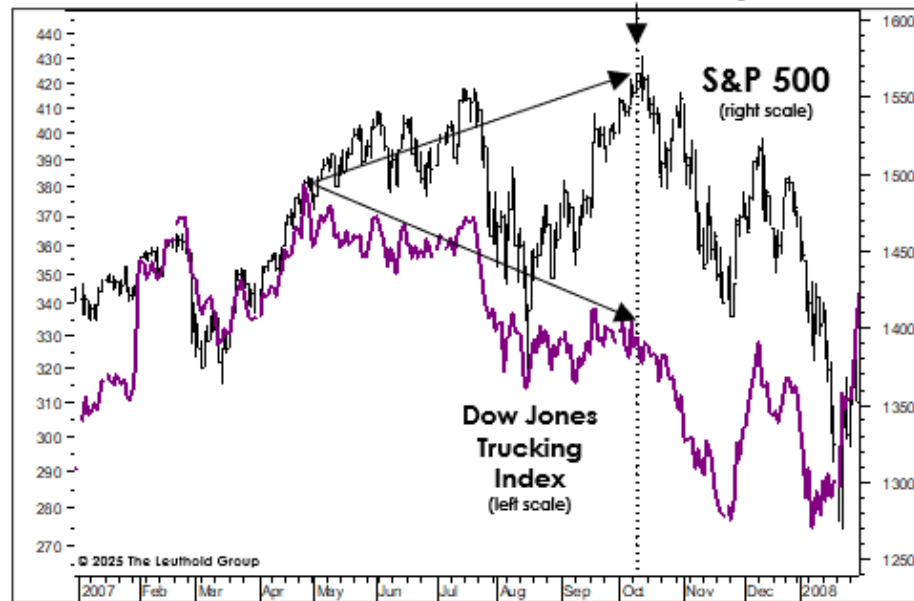
October 9, 2007
S&P 500 bull market high



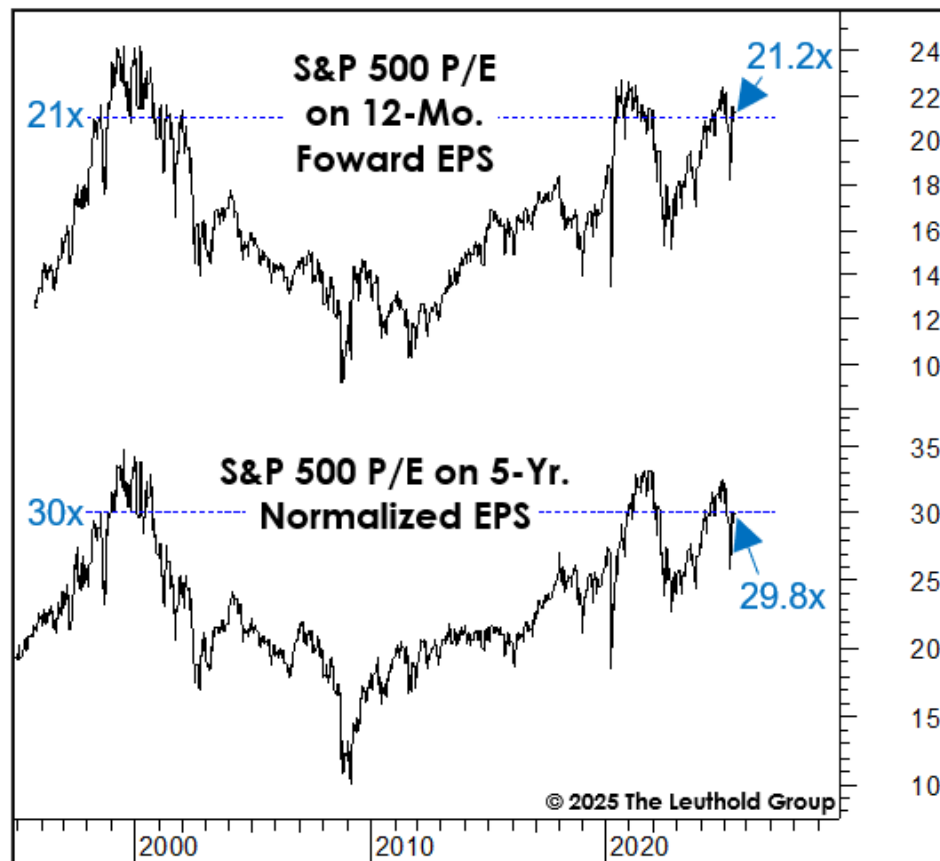
latest S&P 500 bull market high
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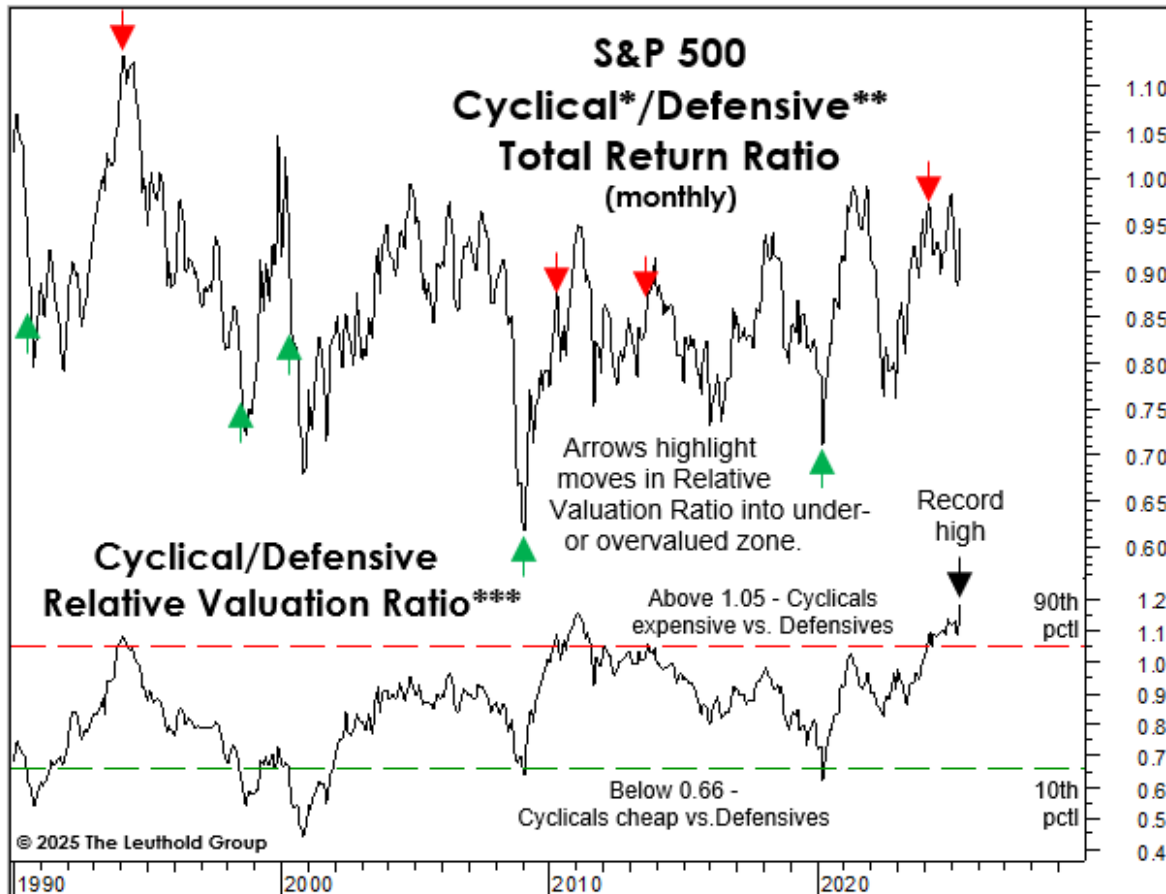
October 9, 2007
S&P 500 bull market high



- In the current bull market, the S&P 500 Forward P/E first breached the 21.0x “bubble” threshold on July 5, 2024. Since then, the S&P 500 is up 9.5%, and Forward EPS are up 7.5%.
- Our Normalized P/E first closed above the 30.0x bubble threshold on March 22, 2024. Since then, the S&P 500 is up 16.5%. However, S&P 500 Normalized EPS are up another 15.3% in that period, keeping the P/E near the 30x level!



Weekly data through June 20th.



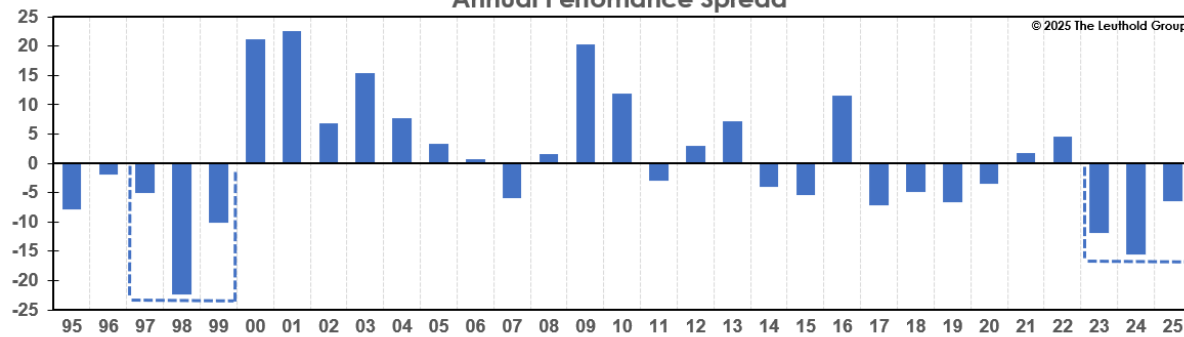
*Equal-weighted composite of S&P 500 Consumer Discretionary, Industrials & Materials sectors.

**Equal-weighted composite of S&P 500 Consumer Staples, Health Care & Utilities sectors.

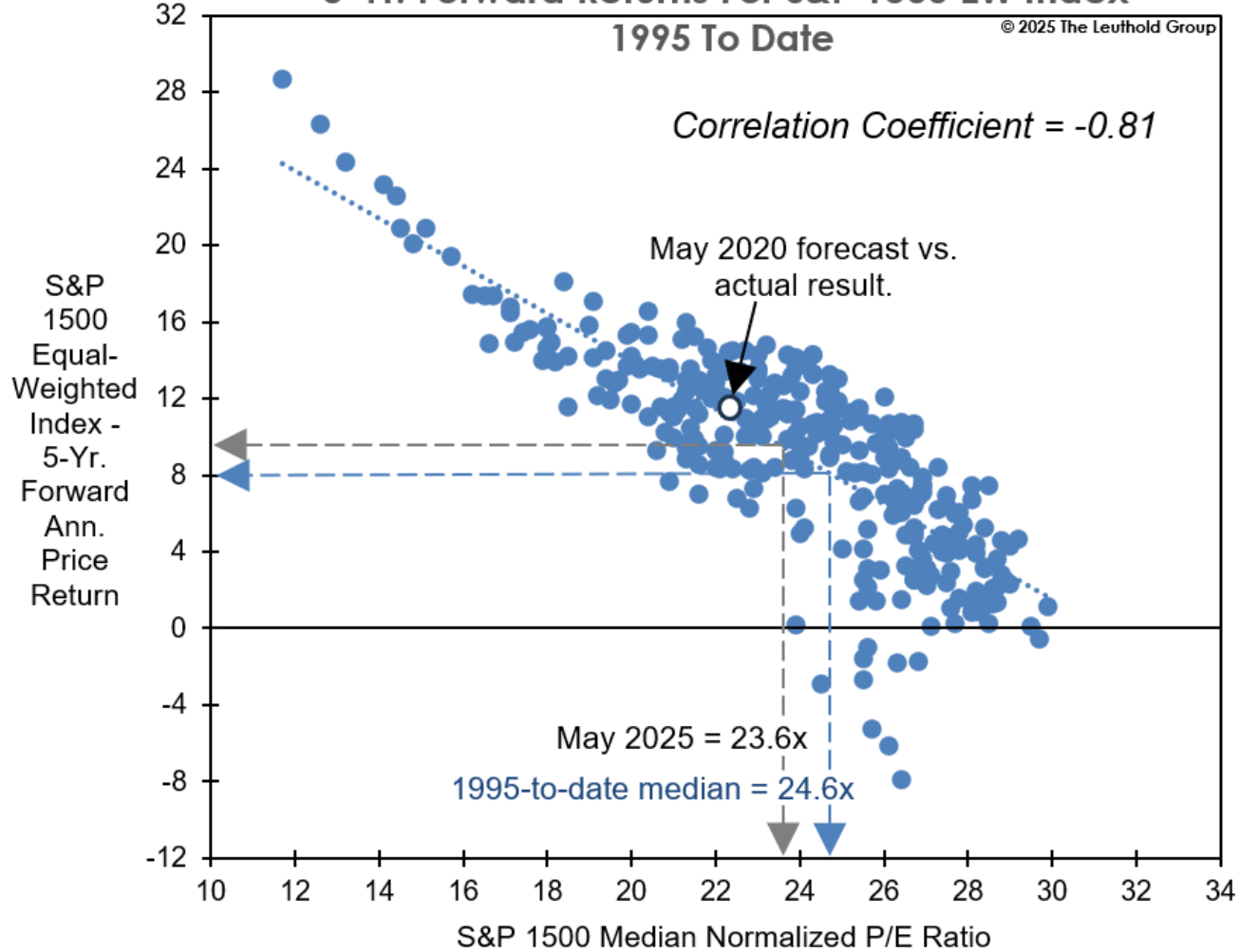
***Average of Cyclical/Defensive relative valuation ratios based on Trailing P/E, Normalized P/E, Price/Cash Flow, Price/Sales and Price-to-Book. Valuations represent a median for each sector, and the Cyclical and Defensive valuation readings are an average of those.



Equal Weighted S&P 1500 Minus Cap-Weighted S&P 500 Annual Performance Spread

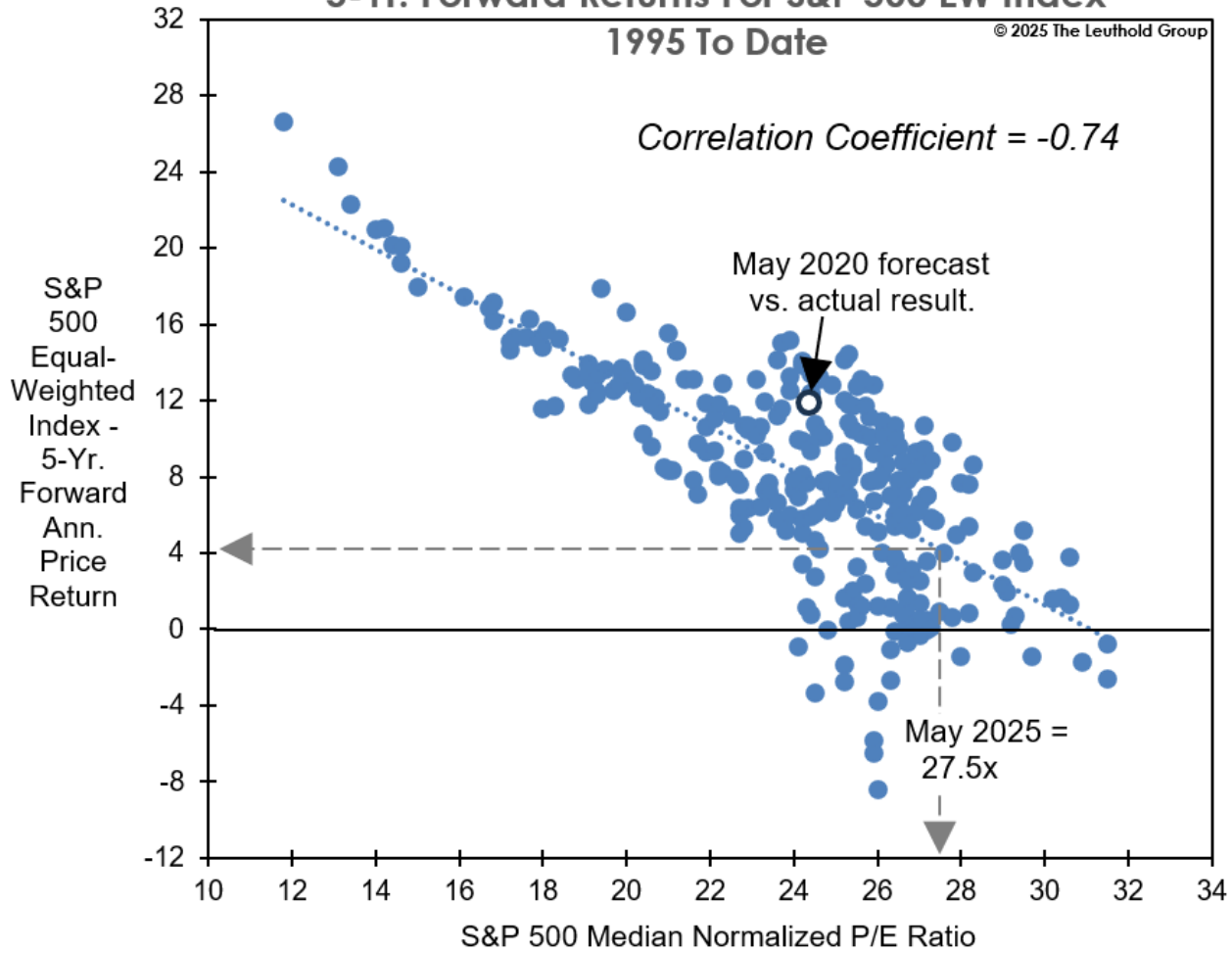


**S&P 1500 Median Normalized P/E Vs.
5-Yr. Forward Returns For S&P 1500 EW Index
1995 To Date**

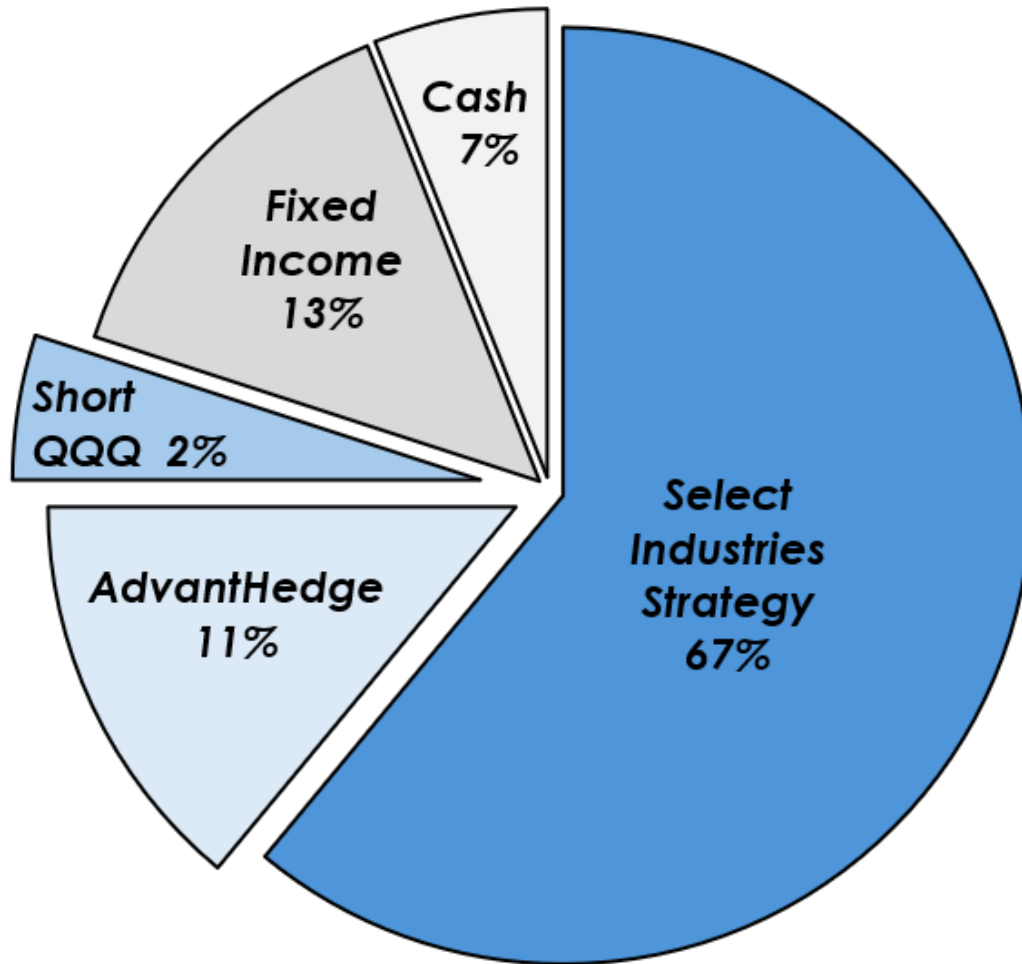


S&P 500 Median Normalized P/E Vs. 5-Yr. Forward Returns For S&P 500 EW Index 1995 To Date

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Leuthold Core Portfolio Asset Allocation
June 26, 2025



	Months		<u>Weight Now</u>	<u>S&P 500</u>		<u>Weight Year Ago</u>
	<u>Held</u>	<u>Eligible</u>				
13.0 % Big Comm Services	26	26	26 %	14 %	Financials	18 %
9.1 Systems Software	25	25	21	32	Information Technology	25
7.2 Developed Diversified Banks	6	13	14	10	Communication Services	14
5.9 Education Services	3	6	11	11	Consumer Discretionary	10
5.6 Investment Banking & Brokerage	6	13	10	10	Health Care	12
5.4 Precious Metals	6	9	7	9	Industrials	10
5.3 Health Care Distributors	22	37	5	2	Materials	4
5.2 Property & Casualty Insurance	8	17	5	2	Utilities	0
4.9 Data Processing & Outsourced Services	2	5	0	2	Real Estate	0
4.6 Gas Utilities	2	2	0	2	Energy	7
4.4 Electronic Manufacturing Services	45	45	0	3	Consumer Staples	0
4.3 Internet Services & Infrastructure	4	4	0	6		
4.2 Transaction & Payment Processing Serv	6	9				
3.7 Health Care Facilities	10	15				
3.6 Hotels & Leisure	4	5				
3.6 Regional Banks	23	23				
3.2 Communications Equipment	5	6				
5.5 Attractive Stock Group	NM	NM				