

Lot's happening in the world right, signal and noise everywhere. I'm trying to avoid going too far down any deep rabbit holes. Right now, I'm preferring checking out the little bunnies on the surface, where I can safely see them. After all, this little guy isn't hurting anyone.



Source: Vecteezy

I'm coming at this important topic not from a personal perspective and that's not what I'm hired to write about. It's about personal finance and personal mental wellbeing to make great choices. Letting that magic brain of yours process a faster pace than ever before, with more inputs than we've ever had. Lots of 'evers' out there right now.



A big part of this is understanding what 'greed and fear' do to the mindset and decision making. It's incredibly serious, but in my own special way I'm going to do my best to normalize it with candor, humility and of course some humor, probably at my own expense.

What, me worry?



Source: Reddit

I get to travel a lot. A lot of them are true road miles. When I'm lucky enough I get to hop on an aluminum tube with turbine engines attached. Sitting back in my seat a couple of weeks ago I thought about the extreme safety air travel provides, yet the irrational fear by some that each hop on said bird was at all risky. While this is 2022, I'm pretty sure it's good for the ten years before that as well. Zero is a big number when it comes to the odds of you getting on, but not getting off, an airplane.

Air travel fatality rates are near zero.

Passenger fatality rates per 100 million passenger miles, 2022



There were 19 fatalities on aircraft in 2022, but the rate per 100 million passenger miles rounds to zero.

Source: USAFacts analysis of Bureau of Transportation Statistics data



When I first had kids, I did. I look back now and know that those were irrational fears. Play the numbers. Every single day there are between 12,000 and 14,000 planes in the air around the globe. And every single day every one of those are going to get passengers where they need to be and do so very safely.



Bernoulli's Theory of Lift, the core concept of getting a multi ton piece of metal in the air isn't getting cancelled. Ever!

Bernoulli's Principle and Lift: How Wings Generate Lift

Direction Of Flight ←

Lift Due To Pressure Difference ↑↑↑

High Velocity Air Flow

Low Pressure

Wing

Low Velocity Air Flow

High Pressure

An aircraft wing is shaped to make air move faster over the curved top and slower under the flatter bottom.

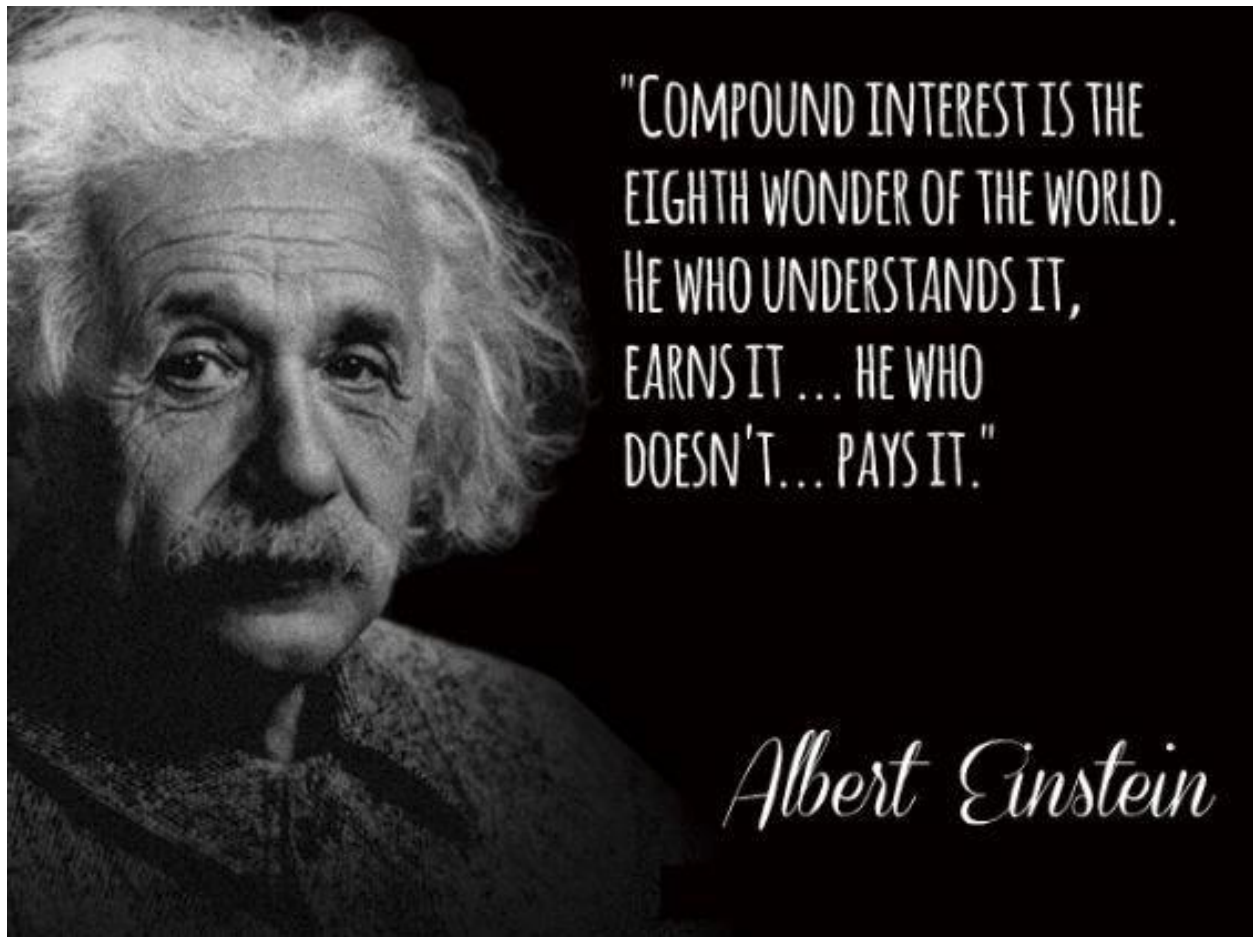
This creates lower pressure above and higher pressure below, generating lift.

Combined with Newton's Third Law, this keeps the aircraft in the air.

pilotinstitute

Compounding interest and compounding returns on your invested money is not going to drop from the sky either. It may work faster at times, but it always works.

If Al Einstein calls it the 8th wonder of the world, it's probably something to pay attention to, especially if it's what you are looking to have your money do.



Point of this is to understand that fear is a real thing, an emotion to be respected because it can tell you how much tolerance you have for it. But it's also an emotion to harness.

Powerful occurrences happen in the economy like the Global Financial Crisis, or the terror attacks of September the 11th. Each time they begged you to blink, to roll over and ring the fear bell. To go 'bid wanted'. And each time, that fear would have cost you. These returns themselves are only 25 years worth, but they cover a lot of left tail signal events.

SPDR S&P 500 (SPY) Total Return

From: Jan 2000 to Sep 2025

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This is one my favorite front pages of the Wall Street Journal ever, for a few reasons. First, I was short all three as part of a hedged mutual fund I ran when this went to print. Second, it exposed so much about the leverage behind the scenes that was known by some, but largely hidden in plain sight by others. It was the ultimate 'gut check' moment. And those who checked their guts made out very well.

THE WALL STREET JOURNAL.

MONDAY, SEPTEMBER 15, 2008 - VOL. CCLII NO. 64 ***** \$2.00



Crisis on Wall Street as Lehman Totters, Merrill Is Sold, AIG Seeks to Raise Cash

Fed Will Expand Its Lending Arsenal in a Bid to Calm Markets; Moves Cap a Momentous Weekend for American Finance

The American financial system was shaken to its core on Sunday. Lehman Brothers Holdings Inc. faced the prospect of liquidation, and Merrill Lynch & Co. agreed to be sold to Bank

ers, walked away. On Sunday night, Bank of America struck an all-stock deal to buy Merrill Lynch for \$29 a share, or \$50 billion. Lehman was working on a possible bankruptcy filing that would allow most of its

mercial and investment banks announced Sunday night that they would pool \$70 billion of their own money to create a borrowing facility. The 10 institutions, which include Citigroup Inc., Credit Suisse

ries that they needed capital. "Monday will be a day of reckoning for the financial markets," said Carlos Menéndez, senior managing director of ICF Capital, a boutique investment firm in New York. On Sunday,

traders moved to disentangle themselves from trades with Lehman. When hopes of a potential sale dimmed, a quiet Sunday on Wall Street turned into a mad rush. Executives and traders hurried to their of-

**Ultimatum
By Paulson**

Now, onto the subject at hand and that is a look at how assets have performed for the year, as this too was nine months and some odd days that could have shaken you out many times. From a historian of markets, and a manager of other people's money, it has been a fascinating one to watch play out.

"Don't mess it up in months that end in 'er'..."

That was a phrase we got to know, love, and fear back in the early days of my life on Wall Street. It meant if you are having a good year, don't do anything stupid from September on to burn the financial goodwill you accumulated the previous eight months. Burning goodwill meant burning the bucket you were given to take home from the bonus pool.



Source: Bloomberg Daybreak/Getty Images

For those who measure their performance success on a twelve-month calendar, we are closing in on what some might call a very good year. The broad equity market return, as measured by the S&P 500, is holding on to a better than 13% gain on the year as of this week. Over the last 40 years, the average return of the S&P 500 has been slightly below 10%. A 30% better year with a lot of headline risk is better than pretty good, it's pretty great.

Market Summary > S&P 500

6,633.48

+ Follow

+764.93 (13.03%) ↑ year to date

Sep 24, 2:43 PM EDT • Disclaimer

1D | 5D | 1M | 6M | YTD | 1Y | 5Y | Max



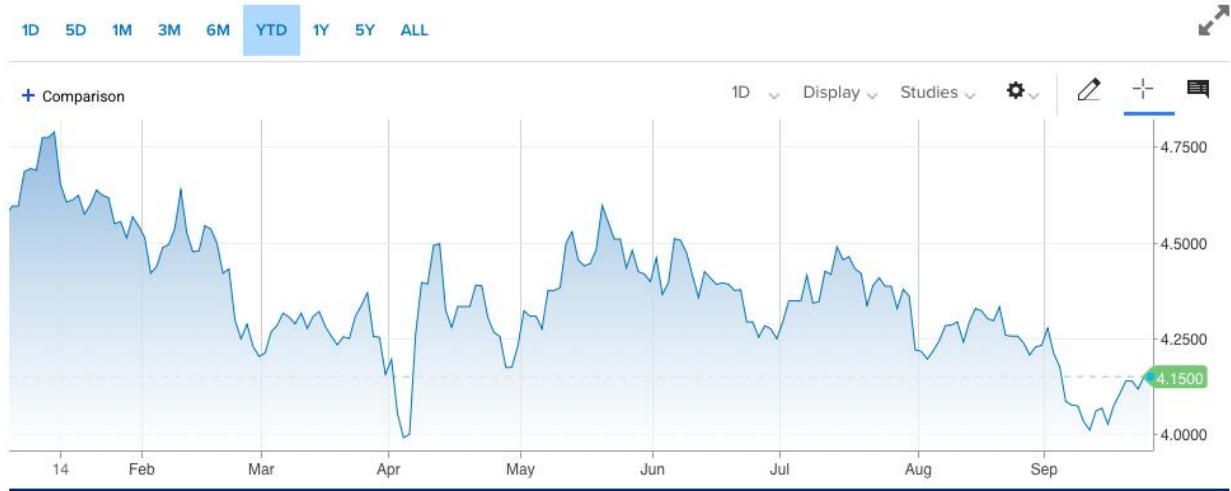
Open	6,669.79	Low	6,621.76	52-wk high	6,699.52
High	6,672.66	Prev close	6,656.92	52-wk low	4,835.04

Source: Google Finance

Yields on 10 year US treasury bonds have averaged about 4.25% this year, and aside from an early spike to 4.75% on tariff related inflation fears, it's been a relatively stable year for government bond prices.

Yield | 2:49 PM EDT

4.15% ▲ +0.032



LATEST ON U.S. 10 YEAR TREASURY

Source: Yahoo Finance.

And guess what happens when interest rates on government bonds drop and the Federal Reserve starts down a path of a lower fed funds rate program? Mortgage rates start to drop, and that's what has happened. It's tough to see as I wanted to show how this chart compares over a very long-time horizon. This 54 year data set puts the historical average at 7.71%. We are back now to about 6.5% on a 30 year fixed, down from that 7.71% average hit earlier this year.

Historical 30-year mortgage rates chart

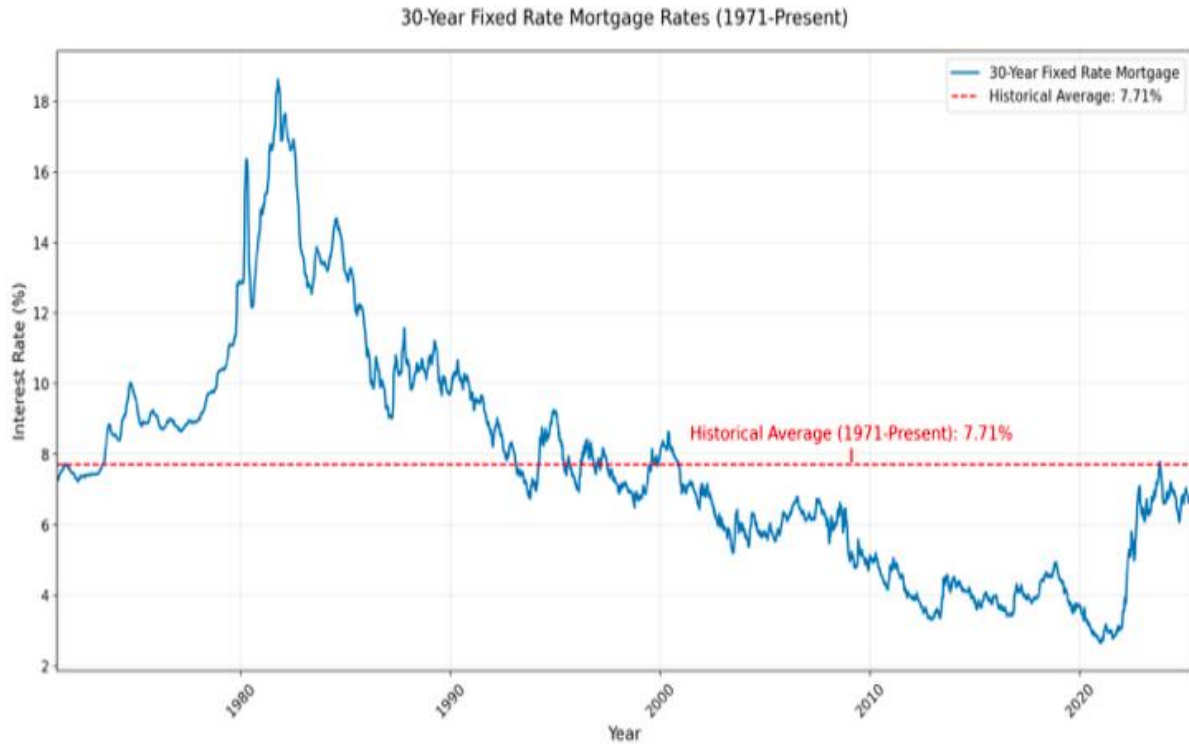


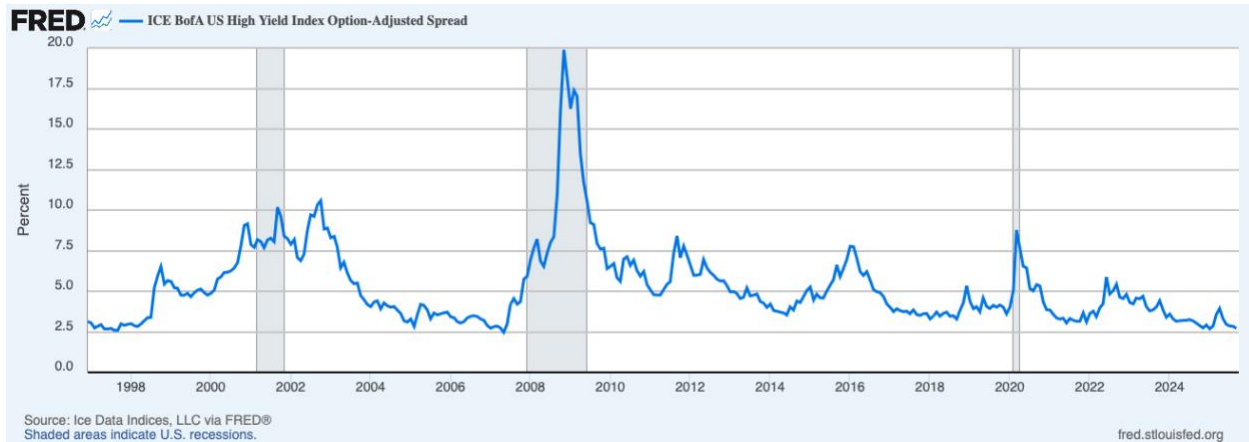
Chart represents weekly averages for a 30-year fixed-rate mortgage. Average for 1971-2025 as of September 19, 2025. Source: Freddie Mac PMMS. (c) TheMortgageReports.com

But to what end does it matter when cash buyers can make up to 50% of the market in some places these days. And much of certain markets are dominated by the KKR's and Blackstones of the world as you have never lost in residential real estate unless you pulled the rip cord and sold. Same deal as before, it's best to buckle up and sip a little fermented grape while you accumulate vast levered wealth. Mmmmm, Emirates.



Source: Emirat

High yield corporate bonds are throwing off a relatively low 6.5% currently, down from a high of 8.5% in April. This chart shows 'best to worst' bond yield spreads over 30 years. It's the spread on the yields of the most secure corporate bonds (best), versus the least secure (worst). While the constituent parts of the high yield bucket have changed over time, the spread is still a good EKG on the health of the economy and therefore markets. The 2.5% spread has pretty much been the floor, and that's where we are now.



To take this back to our flight analogy and risk, right now there is very little if anything on the instrument panel to indicate troubles with the engines, wings, or weather. Even the lavatories are successfully pumping gallons of blue fluid, and there are multiple salty and sweet snack options. Looking at this picture you might think the whole thing is on autopilot.



Source: Unsplash

Part of what is supporting the stable positive moves in largely available equities and fixed income is underlying 'juice' in risk assets. Juice worth the squeeze as the hip kids like to say. And as I like to say, if life gives you lemons take them back to life and tell it to 'eff off', you didn't ask for any.



Source: Minding the Campus

Bitcoin, and other crypto assets, are a go-to asset class for those looking to get as 'risk on' as possible. Year to date BTC is up over 21% as of this week. And if you bought the dip in April, you are up more than 30%.



Source: Google Finance

The other risk, non-risk asset that is in absolute parabolic 'power move' higher is gold. In my opinion its one part the old 'store of value/inflation hedge' story. The second is simply that sometimes an asset or asset class throws a party and guests start lining up at the door to get in. And then the Insta and Facebook pics posts about how good the bacchanal is and full FOMO kicks in. And I think that's where we are.

10 Year Gold Price in USD/oz



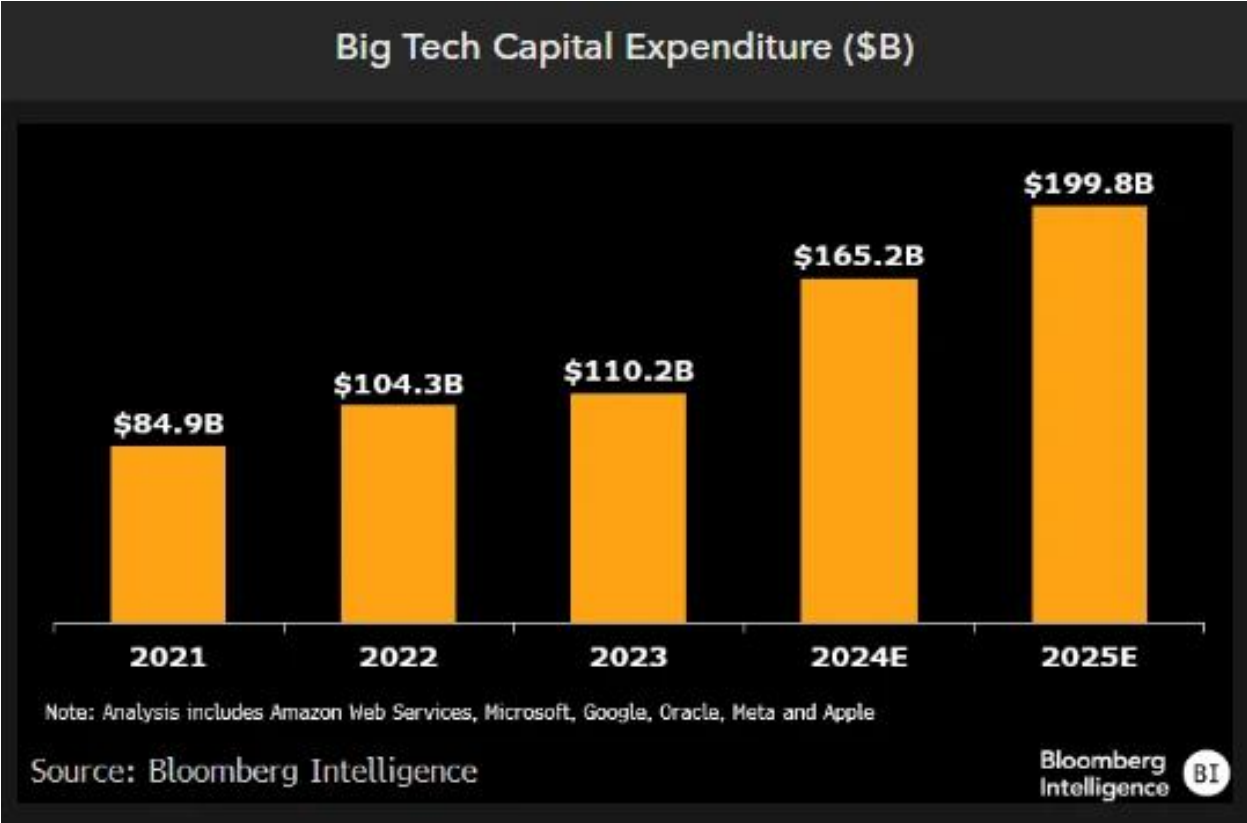
One of the (sometimes) overlooked aspects of strong markets like this is an underlying secular ‘new world’ moment. And to not know what that world is right now is a little like not knowing that the Cowboys are going to suck again this year. At least when the Niners aren’t going to the Super Bowl they are losing their conference title games. And when they do make it to the Big Game, they lose those too.

6. Teams without a conference title game since 1996

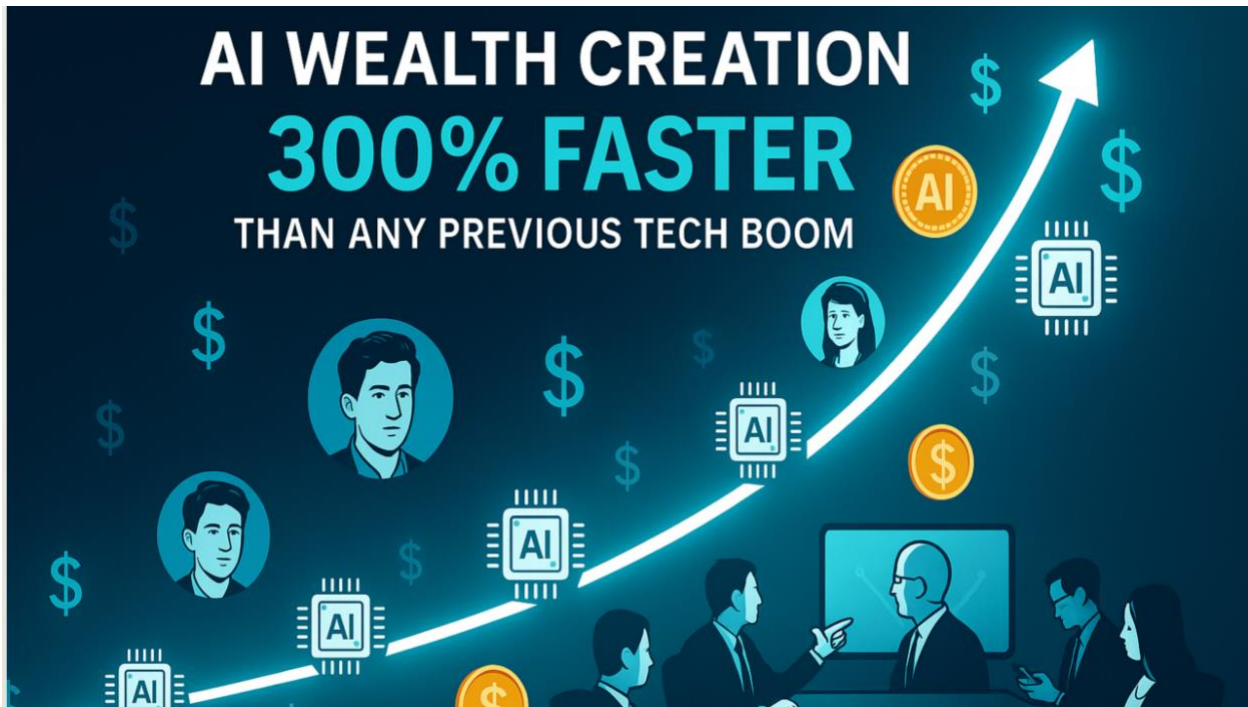
SIX teams have failed to play in a conference title game since 1996: the Cowboys, Texans, Browns, Lions, Dolphins and Commanders. Not exactly the franchises you would normally associate Dallas with. The Cowboys are the only team in that group with a winning record in the regular season over that span.

Source: Sports Illustrated

The moment we are living is that of land of AI. It came on fast, and it is indeed a big deal. Managers and market talking heads had to learn quick before being left behind. Mega tech companies have had to scramble as well to commit the capital to see this through.



And like any boom that has bubble hints, to the victors go the spoils. In this case it's billions...with a 'b' and an 's'. Market media is flooded with daily news on massive cash commitments, huge runs in stocks, and the printing of new money private jet fleet guys and gals. Maybe in my side business I will 'pivot' and start making AI inspired dips and salsas. Anything is possible at this point. Anything!



Source: The Top-Line Entrepreneur

Now, back to the beginning. There is an absolute flood of noise, news, signal, and confusion out there right now. It's a bumpy ride for sure. But again, all those planes in the air right now are with high likelihood going to land, and their passengers get off safely. Keep that head on straight and stay in the game. Who knows, there could be a PJ and an Escalade on the tarmac in your future. Me, I'm a Spirit Air guy...at least until they go full operational unwind.



Source: Entrepreneur Magazine

Everything is likely to work out well for a balanced basket of assets, if they are held strong, and not shaken out of weak hands. Of these 144 boxes of asset classes going back 10 years, 40 are negative and 104 are positive. If I told you to take a bet where there was a 73% chance it would pay off positively in a single year, and an almost 100% chance it would pay off over a few, would you take it? Wait, don't answer that.

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	YTD	10 Years
Cons Disc 10.1%	Energy 27.4%	Technology 38.8%	Health Care 6.5%	Technology 50.3%	Technology 43.9%	Energy 54.6%	Energy 65.7%	Technology 57.8%	CommServ 40.2%	Energy 10.2%	Technology 20.6%
Health Care 6.9%	CommServ 23.5%	Materials 23.8%	Utilities 4.1%	CommServ 32.7%	Cons Disc 33.3%	Real Estate 46.2%	Utilities 1.6%	CommServ 58.8%	Technology 36.6%	Health Care 6.5%	S&P 500 12.5%
ConsStaples 6.6%	Financials 22.8%	Cons Disc 23.0%	Cons Disc 0.8%	Financials 32.1%	CommServ 23.6%	Financials 35.0%	ConsStaples -0.6%	Cons Disc 42.4%	Financials 30.6%	ConsStaples 5.2%	Financials 12.1%
Technology 5.9%	Industrials 18.9%	Financials 22.2%	Technology -0.3%	S&P 500 31.5%	Materials 20.7%	Technology 34.5%	Health Care -2.0%	S&P 500 28.3%	Cons Disc 30.1%	Utilities 4.9%	Cons Disc 11.4%
Real Estate 4.7%	Materials 16.7%	Health Care 22.1%	Real Estate -2.2%	Industrials 29.4%	S&P 500 16.4%	S&P 500 26.7%	Industrials -5.5%	Industrials 18.1%	S&P 500 25.0%	Real Estate 3.6%	Industrials 10.8%
CommServ 3.4%	Utilities 16.3%	S&P 500 21.8%	S&P 500 -4.4%	Real Estate 29.0%	Health Care 13.4%	Materials 27.3%	Financials -10.5%	Materials 12.5%	Utilities 23.4%	Financials 3.5%	CommServ 10.3%
S&P 500 1.4%	Technology 13.8%	Industrials 21.0%	ConsStaples -8.4%	Cons Disc 27.9%	Industrials 11.1%	Health Care 26.1%	Materials -12.3%	Real Estate 12.4%	Industrials 17.5%	Materials 2.8%	Utilities 9.5%
Financials -1.5%	S&P 500 12.0%	ConsStaples 13.5%	CommServ -12.5%	ConsStaples 27.6%	ConsStaples 10.7%	Cons Disc 24.4%	S&P 500 -18.1%	Financials 12.1%	ConsStaples 14.9%	Industrials -0.2%	Health Care 9.1%
Industrials -2.5%	Cons Disc 6.0%	Utilities 12.1%	Financials -13.0%	Utilities 26.3%	Utilities 0.5%	CommServ 21.6%	Real Estate -26.1%	Health Care 2.1%	Energy 5.7%	S&P 500 -4.3%	ConsStaples 8.9%
Utilities -4.8%	ConsStaples 5.4%	Real Estate 10.8%	Industrials -13.3%	Materials 24.6%	Financials -1.7%	Industrials 21.1%	Technology -28.2%	ConsStaples 0.5%	Real Estate 5.2%	CommServ -8.2%	Materials 8.1%
Materials -8.4%	Real Estate 3.4%	Energy -1.0%	Materials -14.7%	Health Care 20.8%	Real Estate -2.2%	ConsStaples 18.6%	Cons Disc -37.0%	Energy -1.3%	Health Care 2.6%	Technology -12.7%	Real Estate 6.6%
Energy -21.1%	Health Care -2.7%	CommServ -1.3%	Energy -18.1%	Energy 11.8%	Energy -33.7%	Utilities 17.7%	CommServ -30.9%	Utilities -7.1%	Materials 0.0%	Cons Disc -13.8%	Energy 6.2%

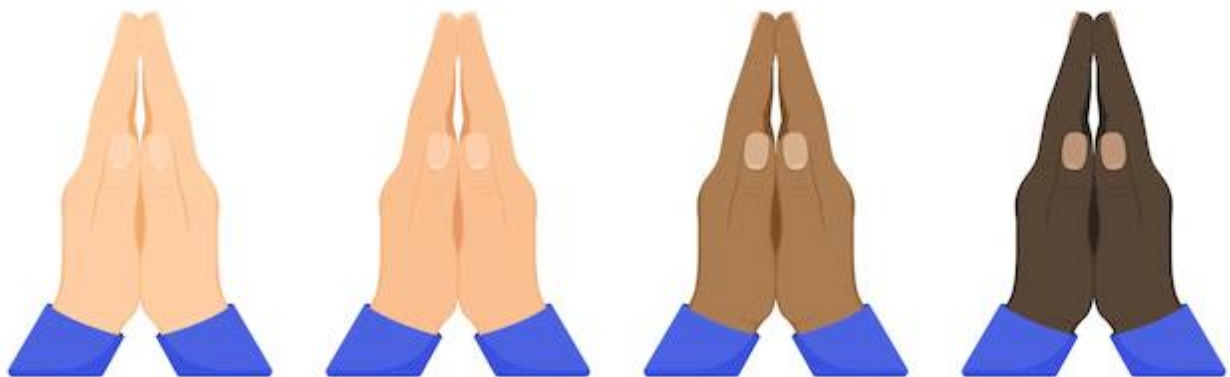
- S&P 500
- Materials
- Real Estate
- Consumer Discretionary
- Financials
- Industrials
- Communication Services
- Energy
- Health Care
- Utilities
- Technology
- Consumer Staples

Source: Bloomberg and Morningstar. See disclosures for asset class, index and portfolio definitions. Returns are gross of fees. Returns for periods longer than one year are annualized. It is not possible to invest directly in an index.

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On a personal note, while I may be a big ol’ burly man, I’ve got hopes and fears like everyone else. Somedays the latter runs hot, just like this market. Then again, they can find a place of peace and nirvana from time to time as well.

Make sure you do your best to ground yourself to those hopes for better and brighter days ahead and help others find them along the way. Our days on this floating space rock are finite, the good times and good friends are not. Peace be with you as you go out finding them.



Source: Emoji Guide