

WealthWise



**A look back. A look forward.
A look at the market
through the eyes of an expert.**

Holiday Edition 2025

The Devon Bank Wealth Management team wants to help you stay on top of the most important news related to finance and investing. See below for the latest edition of WealthWise.

Holiday Edition 2025 Stock Market Report

“Skeptics seem very smart. Optimists make lots of money.”

-David Solomon, head of Goldman Sachs, during a November 19th CNBC interview.

With holiday gift buying in full swing and the spirit of the season in mind, what is the one big lesson that we can take away from investing in 2026?

When the stock market gives you a gift, take it.

Stocks seemed expensive at the beginning of 2025, with the S&P 500 having just gained a staggering 25% in 2024 (on top of the 23.8% gained in 2023). Buyers were hesitant to buy, given what seemed like somewhat inflated prices. So what did the stock market do? **It offered them a generous present, in the form of a 20% pullback.** That's right: the mere mention of President Trump's new tariff ideas this past spring was all it took to spook the market into reducing the price of stocks by about one-fifth.

In other words, the market "went on sale", and those of us who've been through this kind of thing many times before and don't freak when something totally normal like this happens saw it for exactly what it was: **just another buying opportunity.**

Ok, let's say you walked into Costco and saw that the big screen TV you've been drooling over was suddenly 20% cheaper. Would you think to yourself, "This thing must suddenly have become a real piece of junk"? Probably not. You would simply think that you'd gotten lucky.

So why do we treat these two situations so dissimilarly? It could certainly have something to do with the fact that there aren't three full-time cable channels and 10,000 bloggers constantly chirping about the cost of Costco TVs. Also, if we make a bad choice on the price of our TV, it's not going to affect our ability to retire on time or pay for our kids' college education.

While we remain generally very confident in the market's ability to deliver solid returns in 2026, there is one major challenge to that assertion worth noting: **Investors are already all-in.**

Wait, Paul, I don't get that. Isn't it a good thing if the investment community all feels confident about the market going higher? The answer is a very definitive "Yes... *but.*"

Ask yourself this fundamental question: What is actually required to make the market move higher? **The answer is new money.** New money means money that has been sitting on the sidelines, but that investors — specifically institutional investors — are now ready to use for new stock purchases. An environment where there are more buyers of stocks than sellers is a catalyst for a continued bull market.

But according to Bank of America's latest global fund manager survey, available cash is at an all-time low level at just 3.3%, down from 3.7% in November. Such bullish positioning, notes the report's author, represents a big headwind for riskier assets, like growth stocks.

Is this lack of rainy day reserves a bull market deal killer? Absolutely not. It just doesn't help. But bear in mind that there are plenty of other sources of new cash for the market out there (think your monthly 401(k) contributions and those of millions of other Americans), so all is not lost. It's just always good to consider both the current bull and bear arguments, and never get stuck permanently anchored to either side.

One last thing. Because it's the holidays, I, Paul Manelis, would like to bestow upon thee the gift of enlightenment, manifested in the form of an answer to a question that has bedeviled man since ancient times (or at least whenever the internet was invented): **What is the greatest holiday movie of all time?**

The answer is 2003's *'Love, Actually'*.

You know, the one with the guy who rings the doorbell and plays carols on the jambox and does the thing with the signs? I'm telling you, watch it. And by the end, you'll be thinking to yourself, "By God, Paul was right again!" I love *'Die Hard'* as much as the next guy, but this is the superior movie to watch with your loved ones this holiday season.

In all seriousness, I sincerely hope you all have a great holiday season. And if there's anything our team here at **Devon Bank Wealth Management** can do to help improve your investment performance in 2026, please don't hesitate to reach out. We'd love to have that conversation with you.

-Paul Manelis

Misc...

Paul's Picks #1: *'PlayDate'* on Amazon

I'll just cut to the chase: this is quite possibly the worst movie ever made. And that's coming from someone who saw *Caddyshack II* in the theater. I paid full retail price for that, and I still think this is worse. AND that's also despite the fact that I'm a big fan of the movie's co-star Alan Ritchson, who has literally played two of my favorite characters of all time. Also, skinny Kevin James isn't nearly as funny.

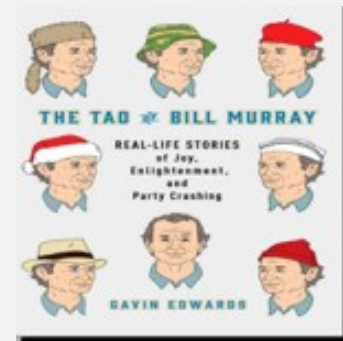
I don't know if Bezos is going to hijack my Amazon Prime membership because of this terrible review, but after wasting 90 minutes on this garbage, I don't even care.



Paul's Picks #2: *'The Tao of Bill Murray'* by Gavin Edwards

It is quite possible that Bill Murray has led the greatest and most charmed life anyone has ever lived. I mean, the guy is beloved by practically every human on the planet, and he can get away with behaving in ways that literally no one else could.

We've all heard the stories: a guy walks into the kitchen at some random party, and Bill Murray is standing there washing the dishes. A group of friends is enjoying a private karaoke room at 2 AM when suddenly Bill Murray saunters in and decides to sing showtunes with them until dawn. The list of these seemingly random occurrences goes on and on, and this book captures them all. I read the whole thing over the course of one virus-plagued weekend, and I enjoyed every page. I hope you will, too.



See you next year! Happy Holidays to you and your family.



Ready to build wealth for tomorrow?
Call Paul Manelis, VP Trust and Wealth
Management, at Devon Bank today at
(773) 423-2356.

Devon Bank | 6445 N. Western Ave | Chicago, IL 60645 US

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