



June Newsletter

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Presented by: Royal Route Advisory Group, LLC



Welcome back to our monthly newsletter! As we move into the summer months, we continue to monitor the evolving financial landscape and adapt our strategies to best serve you on your journey to your financial destination. The market remains dynamic, and we're here to help you navigate through it with confidence and clarity on your way to your financial destination.



Financial & Economic Update - A Few Select Details

As of June 2025, the U.S. economy is showing signs of **slight deceleration**, with the Federal Reserve's latest Beige Book reporting **mixed economic activity** across the country. While some regions are experiencing modest growth, others are seeing flat or slightly declining activity. Consumer spending has softened, and manufacturing has slowed, though port activity remains strong.

The **Federal Reserve has maintained interest rates at 4.25%–4.5%**, with no expected changes until at least September. Inflation has been trending downward overall, with **headline inflation at 2.1%** and **core inflation at 2.5%** in April. However, **household inflation expectations have risen**, driven by concerns over tariffs and global trade tensions.

Despite these uncertainties, the economy remains resilient, supported by solid employment data and steady consumer demand in key sectors.



Market Update & Analysis - The Effect on YOU, the Investor

We are still firmly within a **secular bull market**, which suggests a long-term upward trend in equities. However, **short-term volatility continues**, with alternating bull & bear cycles shaping investor sentiment.

- **March & April** brought a bear cycle, which we used to identify and act on buying opportunities.

- **May** saw a strong **relief rally**, rebounding from April's downturn.
- **June month-to-date** is showing that the major market indexes continue to make strong gains.

Many good reasons are behind this rally:

- a. The interest rate environment is just "ok". It doesn't look to be going up in the near term. However, current rates are causing stress in the fixed income markets.
- b. Economic data is showing a strong, resilient economy.
- c. Inflation reports just this week are lower than expectations, suggesting that tariffs have not affect inflation as had been proclaimed.
- d. The equity markets appear to be fairly valued now, which has not been the case recently.

Do you remember The Robot from the classic tv show Lost in Space? "DANGER WILL ROBINSON!" comes to mind.

- a. Earnings growth for S&P 500 companies has been revised downward by ~ 39%, still growing but at a much slower rate.
- b. Investors continue to have a heightened sense of uncertainty, as measured by the CBOE Volatility Index (VIX).
- c. Although current inflation reports look good, it has not been vanquished. Trade policies most certainly could affect inflation negatively.
- d. Geopolitical relationships are uncertain, notably with China.

This pattern of volatility within a broader upward trend is not unusual. It reinforces our strategy of **disciplined, long-term investing, opportunistic buying** during downturns and, **no knee-jerk reactions during periods of volatility**. We remain confident that these cycles will pass, and we are well-positioned to take advantage of them.

ROYAL ROUTE CO., LLC

Firm Update

Our team continues to grow and evolve. Along with **Ed Prince** consistently devoting countless hours to monitoring client accounts, the addition of **William Fok** as an Advisor and **Amber Jones** as our Office Manager, we are better equipped than ever to provide **personalized, high-touch service**. Whether you prefer in-person meetings or virtual consultations, we are here to support you.

- We are actively **monitoring economic trends** to safeguard and optimize our clients' financial strategies.
- Our team is expanding our **network of professional connections** to offer **customized referrals** that align with each client's unique needs.
- The **white glove experience** we promise is evolving, with enhanced personalization and care.
- We are also enhancing our digital tools and communication to ensure you stay informed and empowered during your journey to your financial destination.



Looking Ahead

As always, we encourage you to reach out with any questions or to schedule a review of your financial plan. If you know someone who could benefit from a trusted advisor during these uncertain times, we would be honored to assist them.

Thank you for being a valued part of the Royal Route Advisory Group community. Together, we will continue to navigate the waters ahead of us with confidence and purpose.

Warm regards,

The Royal Route Advisory Group Crew

Closing Note

Royal Route Advisory Group is steadfast in its mission: **Navigating our clients to their financial future.** We pride ourselves on our dedication to excellence, innovation, and client-first service.

