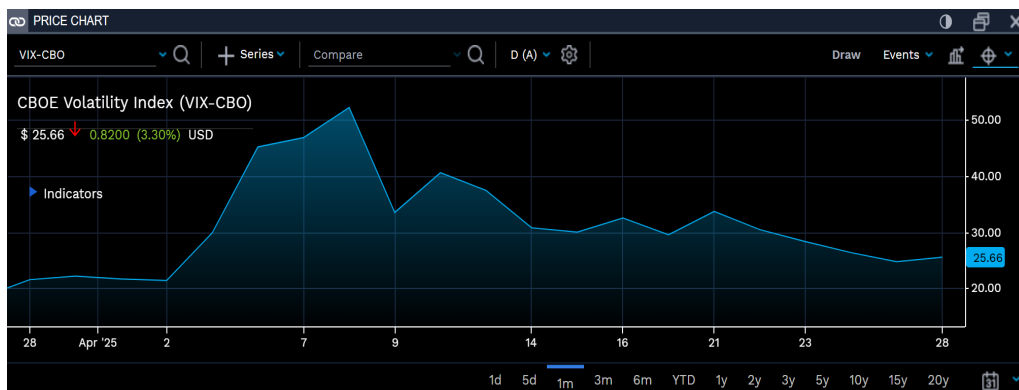


JADESPEAK

SPRING: Second Quarter 2025



Be prepared for emergencies

Having important information and contacts at the ready can help you be prepared in an emergency. Use this list to catalog your most important contacts and account numbers and keep them in a safe place for easy reference when the time comes.

Contact information:

Police non-emergency
Hospital
Primary care physician
Pediatrician
Dentist

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Markets will be closed:

Monday, May 26

Memorial Day

Thursday, June 19

Juneteenth National
Independence Day

Friday, July 4

Independence Day

*Markets close early on July 3

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The VIX and the News

The 'Fear Gauge' casts light on how headlines, politics stir market volatility

"The lack of certainty, a state of limited knowledge where it is impossible to exactly describe the existing state, a future outcome, or more than one possible outcome." This is what Wikipedia's definition shows in results when I typed "uncertainty" in the search field on my DuckDuckGo app.

Does this sound pretty spot-on when it comes to tariff negotiations? I certainly think so. And the thing the markets dislike the most is uncertainty.

We are putting together a timeline of events, and we are using the chart of the Chicago Board Options Exchange (CBOE) Volatility Index - also known as the VIX - as a reference to show how much markets reacted to the news.

Often dubbed as the market's "Fear Gauge," the VIX tracks *anticipated* market volatility. In other words, it paints a picture of what the market expects volatility to be 30 days into the future. Using it as a historical tool, we can look back to see just how the "fear gauge" moved with the headlines.

It is important to note the VIX has an inverse relationship with the market. When the VIX goes up, normally the equity markets go down.

April 2, 2025

On April 2, following the market close, President Trump announced the tariff rates on each individual country. The VIX closed at \$21.51 on April 2. The very next day and the following

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few, the price vastly increased. This was partly, if not all, due to the tariff rates announced.

Prior to April 2, it had been announced these were reciprocal tariffs. However, this is not how the percentages to tariff individual countries were calculated. The calculation was figured by looking at the trade differential between that specific country and then dividing that number in half.

Here is an example. Let's say I am a mechanic by trade and you, the reader, are my physician. We have made an agreement to do business with each other. I am doing books at the end of the year, and I notice I spent \$20,000 with my physician and you only spent \$5,000 with me. This is a 75 percent difference and by dividing that in half it would be 37.5 percent. So the numbers were much higher than expected and the markets sold off.

April 9, 2025

Looking at the chart you can see the peak closing price was on April 8, 2025, at \$52.33.

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The VIX and the News

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The very next day, there was a sharp drop off and it closed at \$33.62. This is because in the afternoon on April 9, President Trump announced that over 75 countries had contacted the U.S. wanting to negotiate, and China was the only country to retaliate. He announced he was placing a 90-day pause on all the newly-announced tariffs except those for China, which he raised to 145 percent. The markets rallied with a sigh of relief.

April 10, 2025

On the 10th of April China announced it would raise its tariff rate on the U.S. to 125 percent, and the VIX closed up, to \$40.72.

April 22, 2025

On April 22, 2025, President Trump in a Q&A in the oval office said, "145 percent is very

VIX 101: What do the numbers mean?

VIX Below 20: Less fearful market. Low volatility expected.

VIX 20-30: Increased fear. Moderate volatility expected.

VIX 30 and up: Significant fear. High expected volatility.

high and it won't be that high." Once again, we can see the close of the VIX on the previous day was \$33.82 and it began to drop after his statement.

Today (April 28, 2025) as I write this article the VIX is at \$25.15. The number is getting close to the \$21.51 number where it was the day before these tariff announcements

were made.

"So where do we go from here?" you may ask. And that is the million-dollar question. We will know more as we approach the end of the 90-day tariff pause, which comes up on yours truly's birthday, July 8.

If we start seeing deals with countries get made, the market



could be more optimistic about the outcome and the possibility the tariff war could be short-lived. It could move higher.

On the other hand, if many deals are not being made, the market could begin to get nervous again and cause volatility. The best advice I can give in this time of uncertainty is history shows the patience and discipline of an investor in uncertain times has been well rewarded.

Be prepared for emergencies

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Veterinarian
Financial advisor
Attorney
Accountant
Mechanic
Plumber
Electrician
Utility company
Cable/internet provider
Neighbors


Personal information for you and your family:

Full legal name
Address

Email
Phone numbers
Social Security number
Passport number
Driver's license number
License plate number
Health insurer and policy number
Employer
Blood type
Allergies
Bank information
Retirement plan information
Life insurance information

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