Barenaked Money

QUARTERLY UPDATE | JUNE 30, 2026

Recent Developments

WAR, WHAT WAR? Ceasefire or not, stock markets have largely brushed aside concerns with the conflict in Iran.

SURPRISE, SURPRISE: In the first quarter, company profits exceeded market expectations by the greatest magnitude in several years.

ROUND TRIP: Believe it or not, oil prices ended the quarter below where they began.

AI IS REAL: The AI trade continues to propel the market, with the current emphasis on chip, memory, and storage stocks.

Implications for portfolio positioning

THINKING IN BETS: Company profits are very strong and economies are proving resilient. The probabilities suggest stocks will trend higher.

BROKEN RECORD: Making investment decisions based on geopolitics is most likely to end with extreme disappointment. Don't do that, please!

MULTIPLE FUTURES: Planning for multiple possible futures means having a diversified portfolio that is not heavily reliant on any one outcome.

Reasons for Optimism

BACKWARD-LOOKING: Did we mention company profits are at all-time highs? That's good for stocks.

FORWARD-LOOKING: Analysts are estimating profits will grow by 20% over the next year. They tend to be wrong, but not that wrong.

PEACE IN THE MIDDLE EAST: We're sure it won't last, but there are signs of the conflict improving.

Key Risks

TOO MUCH INTELLIGENCE: The amount of money being spent on the AI buildout is bonkers. If it turns out to be excessive, shareholders will foot the bill.

PEACE IS TEMPORARY: If war persists, eventually, higher oil prices mean a worse economy. That's likely bad for stocks, but could be good for bonds.

Investment Principles

Our investment principles, based on *real* intelligence.

- Markets go up over the long-term.
  That's the headline.
  It's a boring one, that's why you don't see it.
- Market timing is impossible. The world is unpredictable and being reliably able to catch the up days and avoid the down days just isn't a thing.
- Time is your protection for long term money.
  Cash is your protection for short term money.
- Emotion destroys wealth. Rash decisions or decisions made with a lack of logic or sound advice can really wreck your retirement plans.

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