

## **Goldman Sachs**

### **Are US equities set for another huge gain in 2025?**

**Date of recording:** January 10, 2025

**Mike Washington:** Are rising bond yields a threat to US equities in 2025?

There has been a material move higher in yields over the last month and some worry that the velocity of this move is going to make it tough for equities to rally. It is true that when interest rates rise at this velocity, equities have tended to underperform the next month. But personally, I think investors have become a bit too short-sighted here. There's a lot in the market's favor in 2025.

Under the new political regime, you could see increased fiscal expansion and deregulation. AI momentum is picking up steam again. And I think in 2025, there will be a wide range of companies that benefit – not just the biggest companies. There are also some tactical flow dynamics that stand out. 2024 was a big year for corporate buyback authorizations which suggest that 2025 will be a very active year for corporate demand.

Meanwhile, investor sentiment, which was stretched in December, has really come off the highs. So ultimately, I think when it's all said and done, we're looking at another double-digit return year.

The opinions and views expressed in this program may not necessarily reflect the institutional views of Goldman Sachs or its affiliates. This program should not be copied, distributed, published, or reproduced in whole or in part or disclosed by any recipient to any other person without the express written consent of Goldman Sachs. Each name of a third-party organization mentioned in this program is the property of the company to which it relates, is used here strictly for informational and identification purposes only, and is not used to imply any ownership or license rights between any such company and Goldman Sachs. The content of this program does not constitute a recommendation from any Goldman Sachs entity to the recipient, and is provided for informational purposes only. Goldman Sachs is not providing any financial, economic, legal, investment, accounting, or tax advice through this program or to its recipient. Certain information contained in this program constitutes “forward-looking statements”, and there is no guarantee that these results will be achieved. Goldman Sachs has no obligation to provide updates or changes to the information in this program. Past performance does not guarantee future results, which may vary. Neither Goldman Sachs nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this program and any liability therefore; including in respect of direct, indirect, or consequential loss or damage is expressly disclaimed.

This transcript should not be copied, distributed, published, or reproduced, in whole or in part, or disclosed by any recipient to any other person. The information contained in this transcript does not constitute a recommendation from any Goldman Sachs entity to the recipient. Neither Goldman Sachs nor any of its affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the statements or any information contained in this transcript and any liability therefor (including in respect of direct, indirect, or consequential loss or damage) are expressly disclaimed. The views expressed in this transcript are not necessarily those of Goldman Sachs, and Goldman Sachs is not providing any financial, economic, legal, accounting, or tax advice or recommendations in this transcript. In addition, the receipt of this transcript by any recipient is not to be taken as constituting the giving of investment advice by Goldman Sachs to that recipient, nor to constitute such person a client of any Goldman Sachs entity. This transcript is provided in conjunction with the associated video/audio content for convenience. The content of this transcript may differ from the associated video/audio, please consult the original content as the definitive source. Goldman Sachs is not responsible for any errors in the transcript.