

Smart Cents Weekly

Modern Financial Education for [Young Investors](#)

Week 12 • October 19th, 2025

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Welcome

This is MeridianAlgo's 12th financial newsletter. If you're returning from our previous editions, thank you for coming back. We dedicate ourselves to educating young investors and supporting our community in any way we can, which means a great deal to us. If you're new here, welcome! In this document, you'll find MeridianAlgo's insights on the US stock market, designed to boost your financial knowledge and investment skills for a brighter future. Our analysis is powered by proprietary machine learning algorithms, which you can see at the bottom of this document, along with our preferred charting platform: TradingView. We hope the market insights shared here, covering the past week and upcoming weeks, will help you better understand how markets really work and what happens behind the scenes.

What's Happening with the Market ?

Looking Overall

This week was all about holding ground. The S&P 500 (the index tracking 500 of America's biggest companies) dipped slightly as investors digested a huge amount of news. The index opened the period around 6,664.01 and closed the week at approximately 6,632.70, representing a small drop of about -0.47%.

Takeaway for New Investors: A small dip like this is completely normal. After a quick climb or drop, markets often pause (consolidate) before deciding on the next big move. It shows the market isn't blindly surging; it's waiting for more facts.

Current Market Snapshot

The market's performance was driven by the busiest part of earnings season, where companies announce their quarterly profits:

- **Tech Takes Center Stage:** Major tech and innovation stocks like Tesla and Intel were in the spotlight. Their reports caused big movements, and that excitement (or nervousness) spread to other chip and technology companies. Good news here is vital because Tech holds a huge weight in the index.
- **Safety First:** Investors also moved some money into defensive sectors, such as Consumer Staples (companies that sell everyday items like food and toothpaste). Strong reports from giants like Procter & Gamble showed that these stocks can be stable even when the economy is uncertain. This "safety play" is a sign that investors are cautious.
- **Trade Jitters Remain:** Ongoing uncertainty about U.S.-China trade talks and delayed government economic reports kept the overall mood tense, preventing the index from breaking out to new record highs.

Volatility Check

The VIX (often called the "fear index") is still telling us to expect some turbulence. It stayed firmly in the 19.5 to 21.0 range this week, holding above the typical "calm" level (which is usually mid-teens). Takeaway for New Investors: When the VIX is this high, it means the market is jumpy. Expect bigger daily swings and sudden drops based on news headlines. However, volatility is not always bad; these dips can sometimes create better opportunities to buy quality stocks at lower prices. Stay disciplined and focus on your long-term plan!

Understanding Companies

Each week, we aim to educate you about different companies and their respective roles. This week, we will be analyzing AMREP.

AMREP Corporation is a multinational conglomerate specializing in **real estate development, land development, and holdings**. The company was founded in 1961 as The American Realty and Petroleum Corporation and is headquartered in Havertown,

Pennsylvania. AMREP is a prominent homebuilder in New Mexico and is traded on the New York Stock Exchange.

Business Segments:

- **Land Development and Sales:** Acquiring large tracts of land (currently owning over 17,000 acres in Sandoval County, New Mexico) and developing them for sale, initially targeting buyers seeking retirement or vacation properties.
- **Homebuilding:** Operating as an award-winning homebuilder, primarily focused on the stable New Mexico market.
- **Mineral and Resource Assets:** Utilizing mineral assets on its land holdings to diversify revenue streams and mitigate risks associated with the cyclical nature of real estate.

Mission:

AMREP's mission, derived from its historical operation, is to **create value through the strategic purchase, development, and sale of land and residential properties**, focusing on stable regional markets to ensure resilient profitability. The company aims to leverage its extensive land base for long-term growth in both housing and land transactions, with an eye toward expansion into states like Florida, Colorado, and New Jersey.

Click here for a more detailed analysis of AMREP: [Corporate Compass Week 3](#)

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Money Basics

Recap

We discussed **Mutual Funds**, which are professionally managed baskets of stocks or bonds that offer instant diversification. They are a "hands-off" strategy, allowing you to grow your wealth steadily without needing to watch the market constantly.

The Roth IRA: Tax-Free Retirement Power

A Roth IRA (Individual Retirement Arrangement) is one of the most powerful tools a young person can use to save for retirement. It's a special investment account that gives you a massive tax break later in life.

 **Why a Roth IRA Matters (Especially When You're Young)**

- **Tax-Free Withdrawals:** This is the big advantage. You pay taxes on the money before you put it into the Roth (after-tax dollars). Once it's in, all the growth, interest, and dividends grow 100% tax-free. When you retire, you take the money out completely tax-free and penalty-free!
- **Decades of Tax-Free Compounding:** Since you're young, your money has 40+ years to grow. Paying the small tax bill now, while you are likely in a lower income bracket, means you avoid paying taxes later when your balance is huge.
- **Flexibility on Contributions:** You can withdraw your original contributions (the money you put in) at any time, for any reason, tax-free and penalty-free.

Key Term – Earned Income

You can only contribute to a Roth IRA if you have earned income, like money you made from a job (W-2) or self-employment (like a summer job). Allowances or gifts don't count!

 **Quick Example:** If you contribute the maximum \$7,000 this year (2025 limit) and it grows for 40 years, that investment could be worth over \$105,000 at retirement, and you would pay \$0 in taxes on that huge gain.

A Roth IRA is the ultimate tool for young investors because it locks in today's low tax rate for a lifetime of tax-free growth.

Thank you for reading Smart Cents Weekly

Continue your financial education journey with us next week.

Some quick financial legal stuff below 

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