Review of Market Extremes

Brett Eversole | November 19, 2025

Editor's note: We're putting Market Extremes on pause next week ahead of the Thanksgiving holiday. Expect your next monthly issue of *True Wealth Systems* on Thursday, December 4. Until then, we wish you a safe and happy celebration!

- Expect a year-end rally.
- More winners outside the U.S.

Why Stocks Will Hit New Highs Before the New Year

Opportunity: notable

In the markets, winning begets winning.

When earnings are rising, they tend to keep rising. When fundamentals are improving, they tend to keep improving. And when prices move higher, they tend to keep moving higher.

Just about everything in finance moves in trends. And when the trend is in your favor, it's like sailing with the wind at your back.

We're living in one of those moments right now. Despite some ups and downs, 2025 is on track to be another fantastic year for investors. And given all that winning, we can expect more gains as we round out the year.

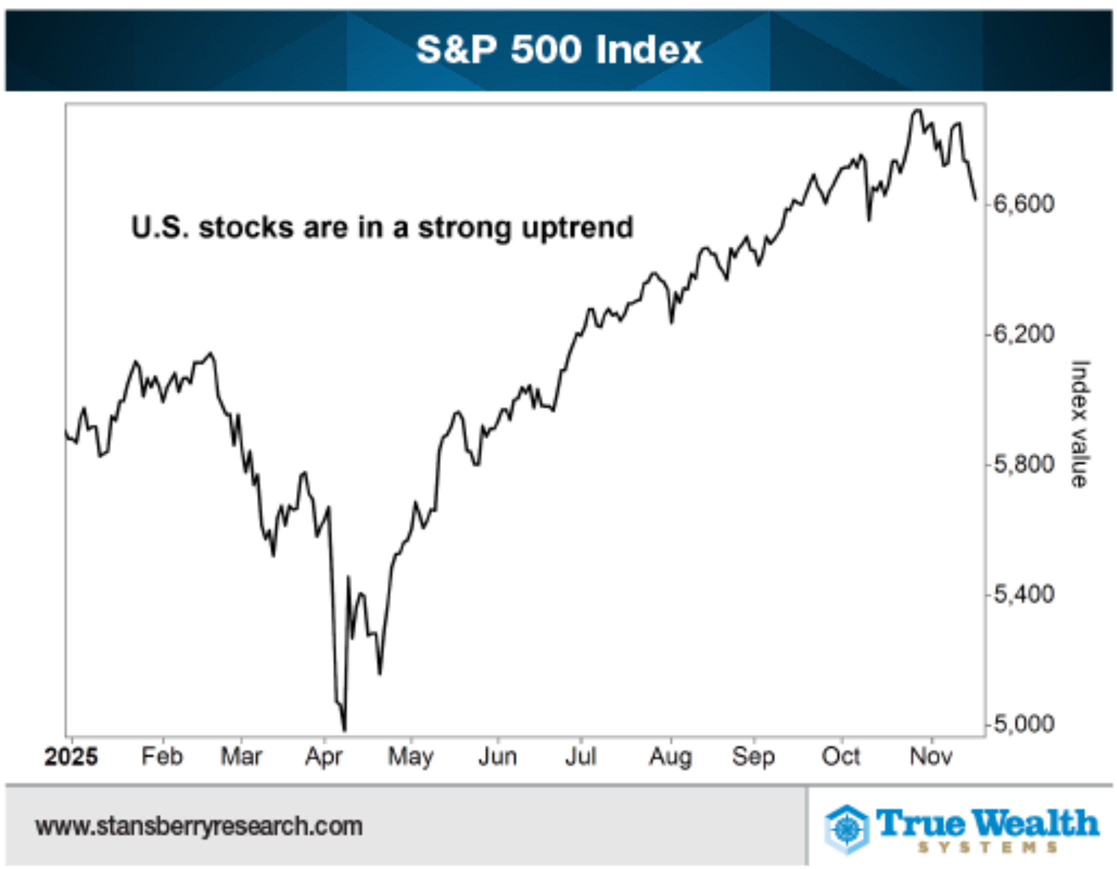
In fact, it's a near certainty that stocks will hit new all-time highs by year-end.

Let me explain...

2025 will go down as an odd year for investors. First, tariffs brought extreme volatility and a near bear market. Then, stocks marched higher for months while barely taking a breath.

This year was painful at times... But overall, it turned out to be a profitable one.

The S&P 500 Index was up about 17% through its all-time high at the end of October. And we're only slightly below those highs today. Take a look...



Many investors look at these hefty returns and assume the worst. They assume the bull market is running out of steam... and that it's only a matter of time before the bottom drops out.

It's understandable – especially since the rally is taking a breather. But remember... *winning begets winning*.

Panic-selling is exactly the wrong thing to do in this environment. A 15%-plus gain through October is an incredibly positive sign. And when it happens, stocks almost always keep winning through the end of the year.

To see it, I ran the numbers since 1928, giving us nearly a century of data. Stocks have soared 15%-plus through October in 28 other years since then. So this kind of extreme isn't as rare as you might think.

Still, the main thing is what happens next. Take a look...

	November/December Return	6-Month
After Extreme	4.7%	6.2%
All Periods	2.1%	4.4%

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Markets trend. So when stocks are up big through October, they tend to finish stronger.

The typical return over the next two months is only 2.1%. But after a run-up through October like we saw this year, that return more than doubles to 4.7%. And the winning tends to continue... We see six-month returns of 6.2%, which is hefty outperformance versus the typical buy-and-hold result.

What's more, after these extremes, stocks were only down in November and December one time since 1945. And in the entire history since 1928, the win rate was an impressive 86%.

So far, the S&P 500 is down this month. But history tells us that will likely reverse... with a year-end rally of around 5%.

That kind of gain would surprise a lot of investors. It would push the S&P 500 above 7,000. And it would mean an overall gain of more than 20% for 2025.

That probably seems ambitious. But this is a winning market... And we can, and should, expect that trend to continue.

Stocks Outside the U.S. Will Keep Soaring, Too

Opportunity: notable

It has been a great year for U.S. stocks. But if you've only owned U.S. investments, you've been missing out.

That's because the U.S. lost its monopoly on winning in 2025. (And yes, that's after what could easily be another 20%-plus gain for the S&P 500.)

Developed and emerging markets are both beating the U.S. this year. They both posted massive gains through October. And as we saw above, that momentum nearly ensures more gains in the months ahead.

So if you've been ignoring stocks outside the U.S., let this be your wake-up call. These markets are soaring... And the gains will continue.

Here are the details...

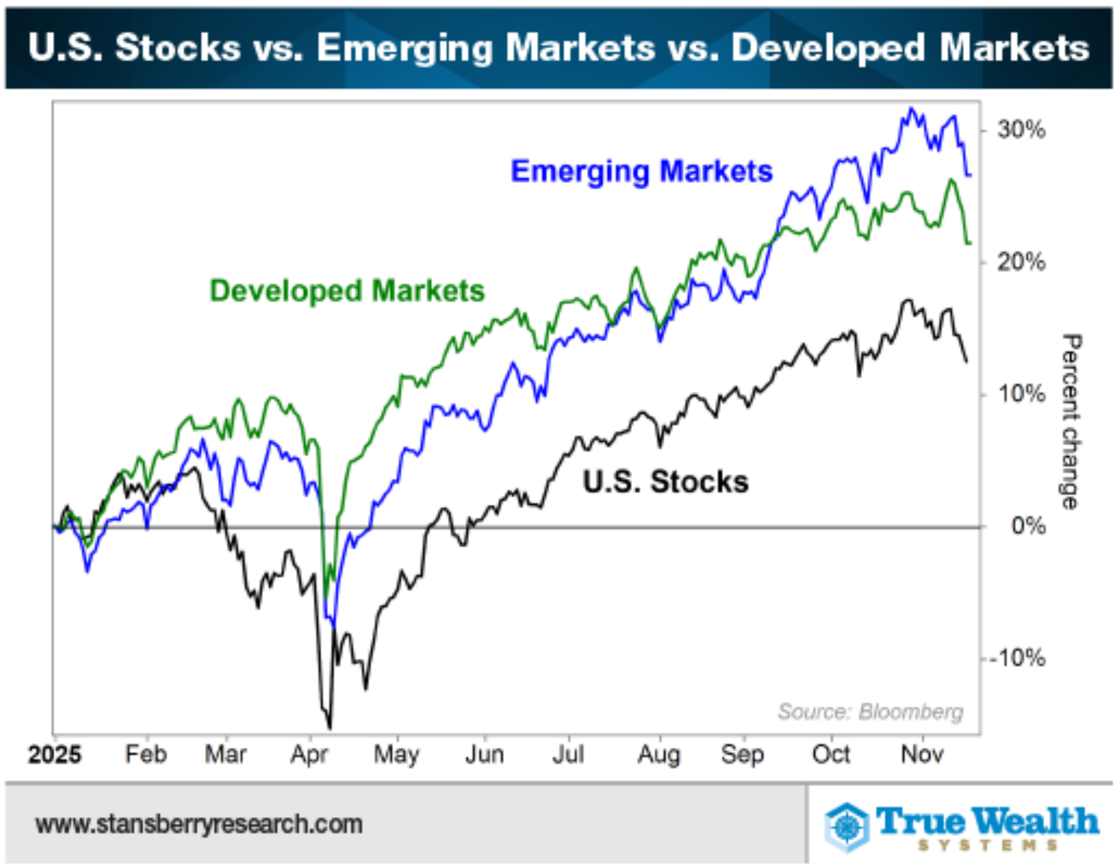
We all suffer from home-country bias. It's the tendency to put too much of your portfolio into the country you're from.

For Americans, that usually means *only* owning U.S. stocks. And it's true – that has been a good strategy for most of the past 15 years. But it was a mistake in 2025...

Emerging market stocks were up 34% through October. Developed markets excluding the U.S. were up 27% over the same period.

That means 2025 will likely be the first year since 2017 when both these markets beat the U.S. And it'll only be the second time over the past 16 years.

This shows why global diversification makes sense. You can see the hefty outperformance on the chart below...



Now, if you didn't take advantage of the rally in global markets, don't look at this chart and assume it's too late get in. We expect these groups to keep rallying...

These global markets work just like the U.S. When they soar through October, they tend to keep soaring.

To get a sense of history, I looked at rallies of greater than 30% through October for emerging markets... and rallies of more than 20% for developed markets excluding the U.S. Here's what happened next for emerging markets...

Emerging Markets	November/December Return	6-Month
After Extreme	8.9%	12.9%
All Periods	4.1%	9.5%

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And here's what happened next for developed markets...

Developed Markets ex-U.S.	November/December Return	6-Month
After Extreme	4.7%	18.9%
All Periods	3.6%	8.1%

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The power of the trend isn't a U.S.-only phenomenon. It happens in every asset... including stocks outside the U.S.

In the case of these two markets, strong returns through October lead to even more gains. For emerging markets, we can expect an 8.9% rally through year-end and a 12.9% gain over the next six months. That's healthy outperformance.

For developed markets outside the U.S., the typical year-end gain is 4.7%, with a massive 18.9% gain over the next six months. Again, that's major outperformance.

Most investors would be surprised by just how powerful the trend is. And simply seeing these markets beat the U.S. seems rare, too, after 15 years of U.S. dominance. But that's a misconception...

Emerging markets and developed markets both beat the U.S. for six straight years, from 2002 through 2007. And there's no reason it can't happen again.

Right now, these non-U.S. markets are winning. They should keep soaring in the months ahead. And it's possible they'll keep beating the U.S. in 2026. Don't let your home-country bias keep you out of those opportunities.

Wrapping Up

This week, we looked at the strong returns in U.S. stocks. The S&P 500 was up more than 15% through October. And according to history, that means we could see a strong year-end rally, with new all-time highs in sight.

We also looked at the even more impressive returns outside the U.S. Emerging markets and developed markets have outperformed this year. And similarly, that means we should expect more upside in these global markets over the months ahead.

Good investing,

Brett Eversole