

Bloomberg Surveillance Radio – January 7, 2026

0:00: Why don't you bring in Michael Rosen here? Angeles's Investment. He was great last time.

0:04: Absolutely.

0:04: Michael Rosen, managing partner and CIO of Angeles's Investments. Michael, thanks so much for joining us here.

0:11: As you think about 2026, I'm not sure you had Venezuela on the bingo card here, but let's just broaden it out to geopolitics. How do you think it may impact 26 because we seem to sail through a lot of it in 2025 unscathed. How do you think about 26 in geopolitics?

0:29: Good morning. Venezuela was certainly not on the dance card when we started the year, but honestly it's not really a significant deviation from what we've seen in the past year. Geopolitical risks remain elevated and likely to continue, and I think that this is maybe one of the explanations for why we've seen gold do so well, for example, and defense companies, particularly in Europe, do so well. There's a recognition that geopolitical risks are elevated and certain areas are going to benefit from that, and others will be hurt. And so I think Venezuela is in the context of just a new world order where there's just a lot less security, a lot less certainty on how things are going to play out.

1:30: Look, Michael, it's just the mix forward and what you bring to the table is terrific, international relations, including your philanthropic service to Los Angeles as well. What's the Michael Rosen confidence to get out of, dare I say, Paul, can we look out to 2027 now? Remember in the old days they did three-year plans with sensitivity analysis. Michael Rosen, do you have a three-year plan?

2:01: I struggle with the three-day plan, Tom. Actually, in some sense though, the longer the investment horizon that investors have, the greater the certainty that we know on how to invest. We know that over a long period of time, equities will compound and create wealth. We know that. What we don't know is whether that will occur in the next six months or twelve months or so, but the longer the horizon we have, actually the more certain and more confident we are on how we should be investing, which is owning equities over the long term.

2:39: In the background here, Michael, as we enter 2026, we've got a U.S. economy that still seems to be above trend here. We've got double-digit earnings forecasted, and we've got a Fed that is in the process, maybe one or two more rate cuts here, but certainly accommodative. That seems like a pretty good backstop for this market or support for this market. Is that how you see it?

3:03: Yeah, absolutely. I think investors need to stay invested for all of those reasons. The economy is doing well. I think we'll get a boost from continued fiscal stimulus and likely a bit more monetary easing, which will help. What really matters for equity investors is profits. Profits are expected to grow about 11% next year in the S&P 500. That's really strong and the last couple of years companies have exceeded

those earnings expectations, which is really what explains why we've had such a strong performance in the markets thus far.

3:41: Thrilled to have Michael Rosen with us, and Elise. Michael, stay with us. Don't run away here with this huge vision from Los Angeles of the mix of equity markets with all that we see in equities, bonds, currencies, and commodities. On this Tuesday after Venezuela, we get the markets open. Interesting tape today. Pretty quiet given the dearth of economic data. Here's Lisa Matteo.

4:04: You got it. And we'll start with the S&P 500. Not much movement there, and it's a little changed up about 0.1%, six points. The level 6,908. We go on to the Dow. Little change, down about 21 points, 48,961. And finally, the Nasdaq, up 2.1%, 51 points at 23,446. Over to the yield space we have the two-year 3.47%. That's up one basis point. The yield on the 10-year 4.17%, and that's up one basis point. The Bloomberg dollar spot index strengthening by about 0.1%. We have Bitcoin up 0.1% at just above 94,000. And in commodities spot gold at \$4,469 an ounce. We have silver up more than 3%, copper up more than 1%, and oil right now \$62 a barrel for Brent crude. That is your Bloomberg opening bell report. Paul and Tom.

4:54: Lisa Matteo, thanks so much. Michael Rosen with us at Angeles's Investments. OK, you were in the room at Tufts, and I guess you got trained on this, Michael, but at the same time, you say Robert Hormatz would say, or James Stravidis, expect the unexpected. How should our investors listening and watching deal with geopolitics into the year? How does that adapt the timeline, the x-axis, the frame of investment?

5:22: Yeah, it's a great question, and Tom, I'm impressed you've done your homework on former professors and actually a classmate of mine, Jim Stravidis. The answer is geographic diversification, and I think that's a change that we made about a year ago from having a massive overweight in our portfolios to U.S. assets to having a much more geographically diverse portfolio, and I think that continues to remain a correct strategy. Just in the couple of days in the beginning of this year, we've already seen that play out, very strong performance coming out of Europe, coming out particularly out of Asia, Japan, China, some of the EM countries. The dollar weakness played a little bit of part of that, but not a lot really. It's just lower valuations, I think, and maybe relatively better performance coming out of those economies and so diversify is I think the way to handle geopolitical risks.

6:29: Can I do an audible? Sure, not about Disneyland or the Dodgers. OK. Michael Rosen, you are one of the great people who have put time into American classical music. You are a former chairman of the Los Angeles Chamber Orchestra. This was the backing of Dustin Hoffman and his wife, Jeannie Mancini, who is Henry Mancini's wife. Michael Rosen, the state of classical music in America now, and dare I say ten years from now, is it dying?

7:02: No, it's evolving and it's a niche area, as is jazz, as is a lot of new music, but even in the opera space, we're seeing just a lot of really innovative, cross-discipline types of music being created, I think really interesting and inspiring. Look, it's never going to be the popularity of Taylor Swift, but I think

there's some really innovative and exciting things happening, and I think no, I don't think it's dying at all. I think it's evolving and we'll continue to do well.

7:40: Michael Rosen, a former chairman of Los Angeles Chamber Orchestra, and of course all of his work with Angeles's Investment here on the path forward for the market, Paul.