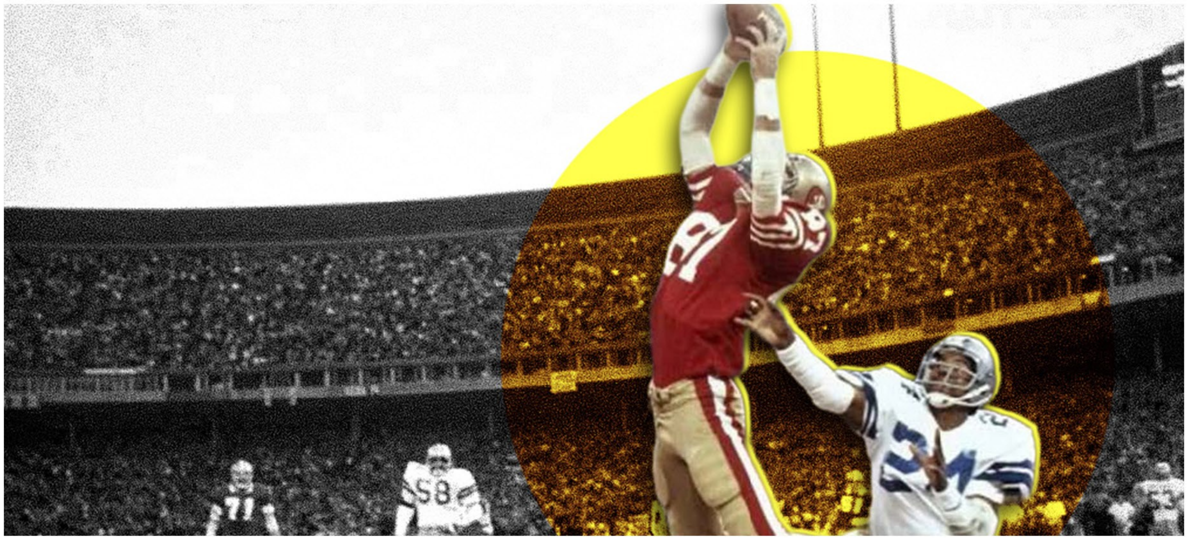
49ER MADNESS

By William H. Gross | October 1, 2025



Well, it’s a Fall Sunday and I’m faced with another prospect of temporary depression or excitation depending on whether my 49ers are losing or wining. I’ve risen at a time well in advance of the kickoff to hear the Fox group’s preview composed of Terry Bradshaw, Howie Long, and most importantly, that hot hostess who seems to know more about football than either one. Perhaps I’m just watching rather than listening.

In any case the game comes on and my 49ers lead, then trail, then in the last 2 minutes are faced with a critical fourth and 7 just outside field goal range. It is then that my true personality disorder is revealed — call it Asperger's or any number of characteristics my post-divorce psychiatrist informed me of.

You see, I couldn’t watch — I turned off the TV. I couldn’t stand it if the outcome went against me, and that as my shrink once informed me was the heart of my problem. Accepting failure. No not just the 49ers but me! I was part of the team! Despite never having met any of them personally, I assumed I was one of them — having grown up in San Fran and incorporated their victories and defeats into temporary nighttimes of exaltation or depression. So in this and similar cases I turned off the TV but I never turned it back on, until checking hours later with a well-fortified beer or two — sneaking a peak at my phone with trepidation for the outcome.

My shrink would have understood — I was “a man in full” for a few hours and then not if my team lost. Pills? Nah, she knew there were better solutions for 49ers madness.

I write this on a Saturday, well in advance of a Monday morning opening of financial markets. So much to wonder — Trumpie aside. I wonder about AI, not knowing much about it except that its effect on stock prices and economic growth appear to have reached a state of "miraculous." I can't tell you the appropriate P/E for Nvidia or any of them.

But I can tell you this, capitalism is an economic system that facilitates — perhaps encourages — cannibalism. Companies eat each other — not necessarily knowingly — but there is an instinctive "climbing to the top" that destroys at the same time it creates. When too many high-tech AI companies attend the same party, not all of them are going home to a warm bed. Capitalism often leads to "malinvestment." One important secret for an investor is not to focus entirely on which company will survive, but whether the economy can remain healthy as prior levels of overall investments stall or even decline. I'm sure that will occur this time. I just don't know when. But you should think about it and invest cautiously in future months/years in anticipation of it.

Since I just admitted I know little about individual AI stocks (Microsoft is a 1% holding) let me give you a few ideas outside the tech realm. I still like MLP pipelines, especially at 9% tax-deferred yields (WES, PAA, HESM). And if short rates come down over the next year, mortgage REITs with their extraordinary 12-15% yield will benefit (AGNC). ALE is an imminent takeover at 67 — now at 66.48.

Be cautious at these tech levels. My 49ers just lost but Thursday night football in LA will find me rooting them on at SoFi Stadium. That and 5½ points!

Bill Gross