



## Market in a Minute

November 24, 2020

### Index Performance: As of November 21, 2020

Index	Price	Last Week	YTD
S&P 500	3,557.54	-0.8%	10.5%
Dow Jones	29,263.48	-0.7%	3.0%
NASDAQ	11,855.00	0.2%	32.4%
Russell 2000	9,136.60	2.4%	8.1%
Russell 2000 Growth	9,302.74	2.1%	19.9%
Russell 2000 Value	11,810.90	2.7%	-4.4%
Russell 1000 Growth	2,260.07	-0.5%	27.7%
Russell 1000 Value	1,753.37	0.1%	-2.3%
Shanghai SE Index	3,377.73	2.0%	5.7%
SPDR Gold Shares	175.69	-0.8%	22.9%
GS Crude Oil Total Return	35	-2.8%	398.6%
Powershares US \$ Index	24.93	-0.4%	-4.0%
iShares EAFE Index	70.35	1.4%	1.3%
iShares Barclays 20+ Yr Treasury Bond	161.51	2.1%	19.2%
Utilities Select Sector ETF	63.54	-3.9%	-1.7%
Vanguard REIT ETF	84.61	-0.9%	-8.8%
iShares Mortgage Real Estate	29.92	4.2%	-32.8%
Wells Fargo BDC	15.12	0.9%	-26.0%
Alerian MLP ETF	24.83	7.9%	-41.6%
iShares Global Telecom	71.88	-0.3%	17.1%
ETFMG Alternative Harvest ETF	13.36	2.2%	-22.0%
BitCoin Investment Trust	20.1	11.9%	145.4%

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

### S&P Sector Performance: As of November 21, 2020

Index	Price	Last Week	YTD
Information Technology	2,109.68	-0.9%	30.9%

### A Word on the Market

By: Patrick Adams, CFA



Treasury Secretary Steven Mnuchin announced the remaining balance of approximately \$455 billion earmarked for the Federal Reserve as part of the stimulus plan would need to be returned to the Treasury by 12/31/2020. We view this as a strategy to not let this money be recirculated under a Biden Administration to support the Democrat states that are having severe budget issues. It is not easy to understand the flow and control, but it takes \$455 billion of stimulus away. The Federal Reserve has been saying that more fiscal stimulus is needed to bridge the Covid-19 gap, from the economic gap that will occur until widespread distribution of the vaccine. As the Federal Reserve has not used the money the money must be pointed in the wrong direction. It sounds like the new congress is going to have to get a bill passed with the support of likely a hostile Senate. **This raises the market risk a little.**

Currently, fourth quarter GDP estimates are tracking up about 6% (strong), **the first quarter GDP to be negative**, and then strong growth for the rest of 2021. **If the vaccines get pushed out it will be an issue for the economy.**

Reading about the Spanish Flu of 1918 and the end of WW1, we had the **Roaring Twenties**, a period of mass consumerism. The savings rate was high during this period with a very large pent up demand by consumers supporting strong consumer spending. There has been a massive amount of money saved this year, at times over 30%, in 1920 the savings rate was 12.9%. We can envision the vaccine, followed by **massive consumer spending on entertainment and travel.**

### U.S. Personal Saving Rate

Consumer Disc.	1,243.31	-0.1%	26.4%
Consumer Staples	682.83	-1.4%	5.7%
Health Care	1,266.25	-3.0%	7.0%
Financials	450.77	0.5%	-11.6%
Industrials	86.66	1.0%	4.3%
Energy	267.24	5.0%	-41.1%
Communications Services	211.22	-0.9%	16.6%
Utilities	321.68	-3.9%	-1.5%
Materials	437.84	1.1%	13.9%
Real Estate	228.51	-1.6%	-4.6%

Source: Bloomberg website, Returns are appreciation only.

#### Interest Rates

Fed Fund	.25	5-Year	0.38
3-Month	0.7	10-Year	0.83
6-Month	0.10	30-Year	1.53
2-Year	0.16		

Source: Bloomberg.com

#### Economic Events This Week

23-Nov	French Flash Services PMI	38.0	39.2
23-Nov	German Flash Manufacturing PMI	57.9	56.0
23-Nov	German Flash Services PMI	46.2	46.1
23-Nov	Flash Manufacturing PMI	53.6	53.2
24-Nov	Flash Services PMI	41.3	42.2
24-Nov	Unemployment Claims	732K	742K

Source: Briefing.com

#### Economic Events Last Week

Date	Event
Factories in New York slow again in November	Nov-16
Amazon Prime Day gave retail sales a boost in October, but signs show of more pain	Nov-17
Industrial output shows strong rebound in October	Nov-17



The rotation continues to be very strong into value. If the Roaring 2020s occur, we will see significant gains in value stocks.

On a technical basis we have been discussing the trend of the market being positive but to the point it warrants a cautious outlook, at least until some of the excess gets worked off. The last time we got this type of parabolic move to the high in September the market fell about -10%, then in October into the election the market fell about -9%. Now the S&P 500 was again over 15% above the S&P 500 like in September. The S&P 500 is just -1.3% off its high. The rotation being so strong is preventing the decline for now, many of the FAANG stocks are off -5% to -10%.

#### S&P 500 Index



We wish everyone a Very Happy Thanksgiving!!!!

If you would like to discuss our views or learn more about our strategies please call 303 874 7477 and we will arrange for you to talk with one of our portfolio managers.

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New home construction surges in October

**Nov-18**

Jobless claims increase by 30,000 as  
Corona virus cases surge

**Nov-19**

Source: Briefing.com