

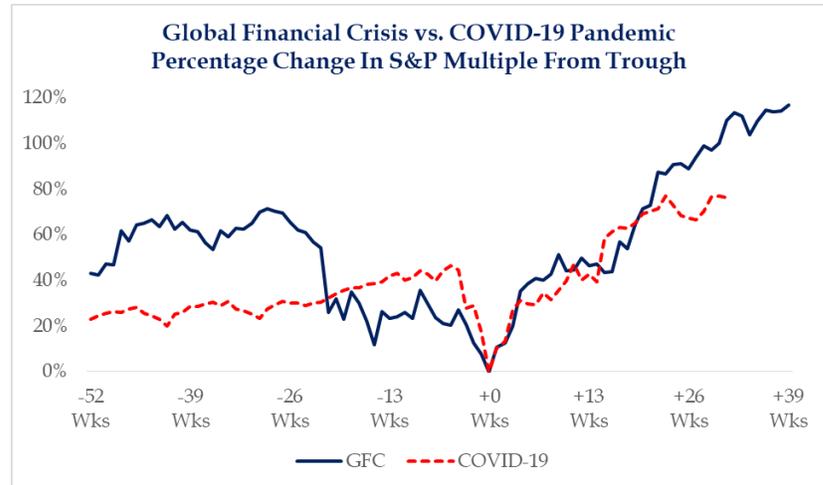
# Strategas Daily Macro Brief

Prepared by Strategas Securities, a Baird Company

October 30, 2020

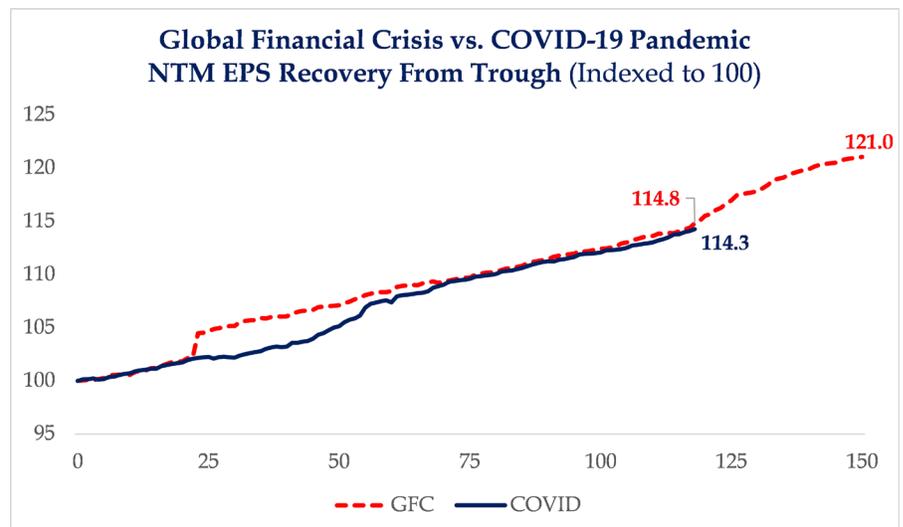
## RE-RATING OF S&P MULTIPLE SLOWING COMPARED TO GFC

Since the trough in multiples during the week of March 20th, the rebound we had seen was very similar to the rebound seen during the Financial Crisis. That story has changed more recently, with the pace of multiple expansion this cycle slowing when compared to the GFC recovery.



## COVID-19 EARNINGS RECOVERY IDENTICAL TO GLOBAL FINANCIAL CRISIS

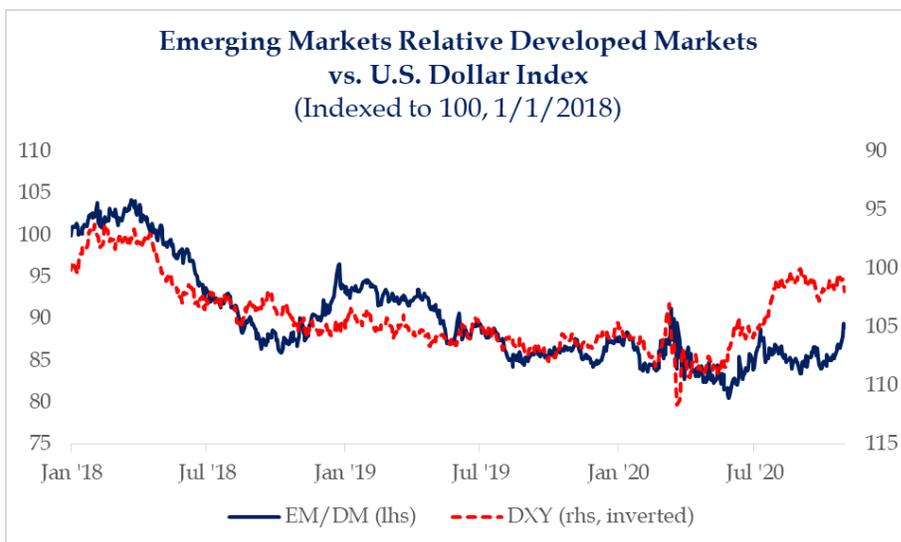
While multiple expansion has slowed, the earnings recovery continues to mirror the financial crisis rather closely, with both NTM EPS values increasing by over 14% 120 days since bottoming. We find most interesting that during the financial crisis recovery, the earnings improvement began to pick up speed at this point. Only time will tell if that is also true for this recovery.



Please see the Appendix on page 3 for important disclosures.

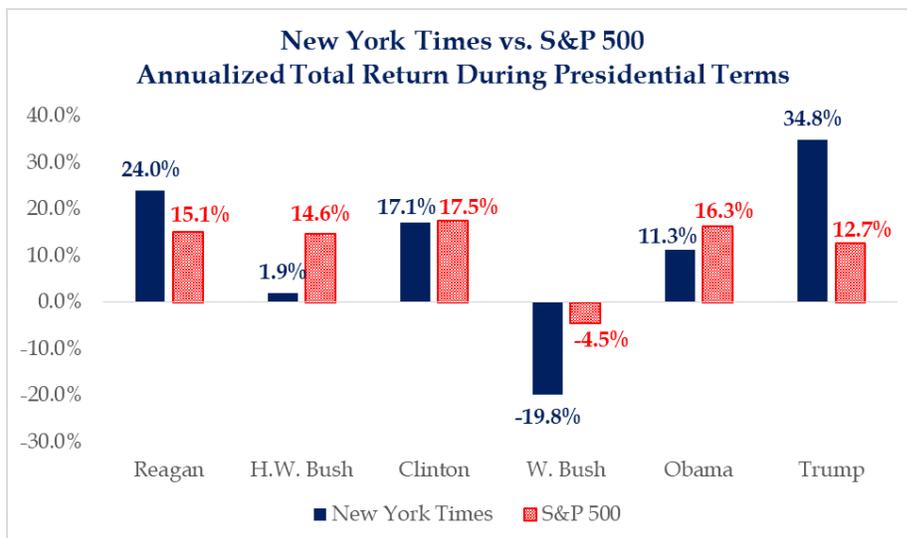
### EMERGING MARKETS NOT BENEFITING FROM A WEAKENING DOLLAR

The dollar is falling, but the usually tight relationship of emerging markets versus developed market equities and USD direction has not helped. A normalizing of the correlation means emerging market equities have room to catch up to development equities should the dollar remain weak. For global allocators, this relationship bears watching.



### A FUN ANECDOTE: MEDIA STOCKS HAVE BENEFITED FROM TRUMP'S PRESIDENCY

Since 1980, no President has benefited media companies' share price to the extent that Trump has. During Trump's presidency, the New York Times' annualized return is 34.8% vs. the S&P 500 annualized return of about 12.7% over the same period. I think most people would be surprised to hear that NYT's performance has actually been better than FB and GOOGL.



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