

In this week's recap: New COVID-19 infections drive market anxieties, despite anticipated vaccines; Fed Chair Powell warns that continued infections may limit economic activity for months.

Weekly Economic Update

Presented by RBF Wealth Advisors, November 23, 2020

THE WEEK ON WALL STREET

Despite news of another COVID-19 vaccine candidate, stocks were mixed amid investor anxiety over an increase in new infections and economic lockdowns.

The Dow Jones Industrial Average fell 0.73%, while the Standard & Poor's 500 declined 0.77%. The Nasdaq Composite index rose 0.22% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, gained 1.42%.^{1,2,3}

GROUNDHOG WEEK

The announcement of another potential COVID-19 vaccine ignited strong gains to begin the week. But, like the week that preceded it, the gains sparked by the vaccine news were eroded in the following days as worries over the economic impact of new infections moved to the fore.

The market has been grappling with conflicting narratives. One is the optimistic view that, with COVID-19 vaccines apparently near at-hand, the return to economic normalcy grows ever closer. That hopeful outlook has been offset by anxiety over new infections, rising hospitalizations, and some local and state lockdowns.

These crosscurrents kept stocks range bound for the week, with the technology sector and small and mid-size stocks lending support to the overall market.

POWELL SOUNDS A WARNING

In a speech last week, Federal Reserve Chairman Jerome Powell warned that the nationwide increase in COVID-19 cases could hamper economic activity in the upcoming months. He expressed concern that consumer spending may trend lower despite efforts to control the spread of infections.⁴

Powell once again voiced his support for additional fiscal stimulus to assist small businesses, state and local governments, and the unemployed. He also said that even after full economic recovery, some businesses and workers may wrestle with an economic landscape altered by the coronavirus.

TIP OF THE WEEK



While well-meaning friends and family members may offer “advice” about your personal finances, remember that they may lack the education and perspective of a financial services professional.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Consumer Confidence.

Wednesday: Durable Goods Orders, Gross Domestic Product (GDP), Jobless Claims, Consumer Sentiment, New Home Sales.

Thursday: Jobless Claims.

Source: Econoday, November 20, 2020

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Tuesday: Best Buy (BBY), Medtronic (MDT), Dollar Tree (DLTR), Dell Technologies (DELL), VMware (VMW), Analog Devices (ADI).

Friday: Deere & Company (DE).

Source: Zacks, November 20, 2020

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. The return and principal value of investments will fluctuate as market conditions change. When sold,

investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

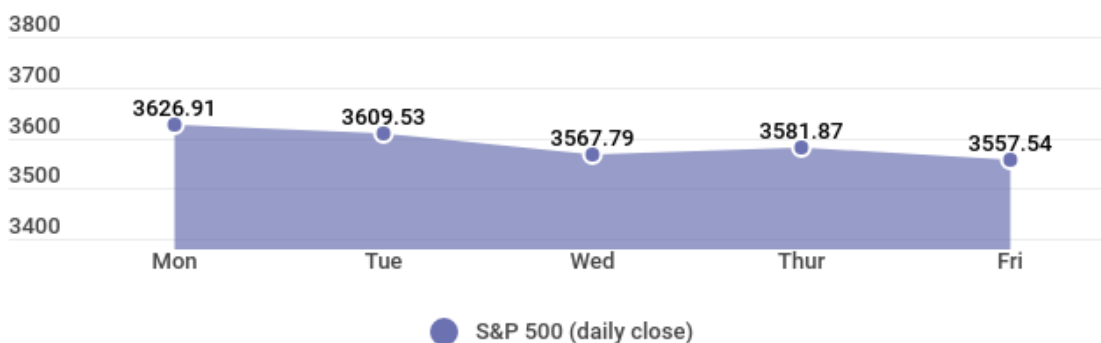
QUOTE OF THE WEEK



“Never apologize for showing feeling. When you do so, you apologize for the truth.”

BENJAMIN DISRAELI

Market Index	Close	Week	Y-T-D
DJIA	29,263.48	-0.73%	+2.54%
NASDAQ	11,854.97	+0.22%	+32.12%
MSCI-EAFE	2,026.37	+1.42%	-0.52%
S&P 500	3,557.54	-0.77%	+10.11%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.83%	-0.05%	-1.09%

Sources: The Wall Street Journal, November 20, 2020; Treasury.gov, November 20, 2020
 Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 Index, and NASDAQ Composite Index is measured from the close of trading on Friday, November 13, to Friday, November 20, close. Weekly performance for the MSCI-EAFE is measured from Friday, November 13, open to the Thursday, November 19, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY RIDDLE



What five letters (with no letters used more than once) can be arranged in three ways to make three separate words - the first

with one syllable, the second with two syllables, the third with three syllables?

LAST WEEK'S RIDDLE: A rooster sits atop a farmhouse. Its roof is unequally pitched. One half slopes down at an angle of 60°, and the other half at 70°. If the rooster lays an egg right on the peak of the roof, on which side is the egg more likely to fall?

ANSWER: Neither. Roosters don't lay eggs.

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The market indexes discussed are unmanaged, and generally, considered representative of their respective markets. Index performance is not indicative of the past performance of a particular investment. Indexes do not incur management fees, costs, and expenses. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results.

The Dow Jones Industrial Average is an unmanaged index that is generally considered representative of large-capitalization companies on the U.S. stock market. Nasdaq Composite is an index of the common stocks and similar securities listed on the Nasdaq stock market and is considered a broad indicator of the performance of technology and growth companies. The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) and serves as a benchmark of the performance of major international equity markets, as represented by 21 major MSCI indexes from Europe, Australia, and Southeast Asia. The S&P 500 Composite Index is an unmanaged group of securities that are considered to be representative of the stock market in general.

U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

Please consult your financial professional for additional information.

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CITATIONS:

1. The Wall Street Journal, November 20, 2020
2. The Wall Street Journal, November 20, 2020
3. The Wall Street Journal, November 20, 2020
4. CNN.com, November 17, 2020