

Good morning!

The S&P 500 is the benchmark for many US equity managers, representing 81% of the market capitalization of all US stocks. As of the close of trading last Friday night (11/13/20), the 63-year old index reached an all-time closing high, just 10 days after the 11/03/20 presidential election. Ironically, just 13 days after the 11/08/16 presidential election, the S&P 500 also closed at an all-time high. The index set 133 record closes over the 4-years between the 2 elections (source: BTN Research).

Driving last week's stock market gain was the news that a COVID-19 vaccine is closer to be a reality. A joint venture between a US pharmaceutical company and a German biotech company has produced a COVID-19 vaccine that is believed to be 90% effective. That conclusion was based on a "phase 3" clinical trial that included 43,538 participants, of which just 94 individuals have developed the COVID-19 virus. The initial results mean that just 9 of the 94 infected participants (10%) received the vaccine in the trial, and that 85 of the 94 infected participants (90%) received the placebo in the trial. The trial will continue until 164 individuals (out of the 43,538 participants) are diagnosed with the virus and are evaluated ([www.livescience.com](http://www.livescience.com)).

Every US president since 1993 – Clinton, Bush, Obama and Trump – began his first year in the White House with total control of Congress, i.e., Presidents Clinton and Obama began with Democrats controlling both the House and the Senate, and Presidents Bush and Trump began with Republicans controlling both the House and the Senate. The Democrats will have to win 2 Senate runoffs that will take place in Georgia on 1/05/21 to provide President-elect Biden with the same situation (source: Congress).

### Notable Numbers for the Week:

1. **MORE BONDS THAN STOCKS** - As of 6/30/20, the US stock market was \$33 trillion in size. As of 6/30/20, the US bond market was \$50 trillion in size (source: Wilshire, SIFMA).
2. **BULLS** - 56% of investors surveyed as of 11/11/20 are "bullish" on US stocks for the upcoming 6 months, the highest percentage recorded in this weekly survey since 1/03/18 (source: AAI).
3. **NOT COMING BACK** - In the 6 months from 2/29/20 to 8/31/20, 163,735 US businesses have closed their doors, including 97,966 businesses (60%) that are likely closed for good (Source: Yelp Economic Average).
4. **CALM BEFORE THE STORM?** - 46,570 homes have been foreclosed on by lenders nationwide YTD through 10/31/20. That's down from the 143,955 foreclosures in calendar year 2019 and 230,305 foreclosures in calendar year 2018 (source: Attom Data Solutions).

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11/16/20 Monday