

In this week's recap: A COVID-19 vaccine spurs a stock market rally, even as more cases are reported and some areas renew lockdowns.

Weekly Economic Update

Presented by RBF Wealth Advisors, November 16, 2020

THE WEEK ON WALL STREET

News of a COVID-19 vaccine ignited a rally in economically sensitive stocks and a broad retreat in technology companies last week, though enthusiasm was tempered by reports of rising new infections and fresh lockdowns.

The Dow Jones Industrial Average surged 4.08%, while the Standard & Poor's 500 rose 2.16%. The Nasdaq Composite index fell 0.55% for the week. The MSCI EAFE index, which tracks developed overseas stock markets, jumped 4.01%.^{1,2,3}

VACCINE HOPES

Reports of an effective COVID-19 vaccine sent stocks soaring on Monday as the end to economic uncertainty appeared to be in sight. Stocks that had been pummeled by economic lockdowns surged on the news, while the stay-at-home stocks suffered steep declines. Bond yields and oil prices both moved higher on expectations of increased economic activity.

Market enthusiasm evaporated in the days that followed, however, as higher COVID-19 infections, new lockdowns, and low expectations for a new fiscal stimulus package dampened the optimism brought on by the pending vaccine.

Stocks closed the week on a higher note, with cyclical stocks adding to their gains and technology companies shaving part of their losses.

CLOUDS OVER CHINESE CAPITALISM?

The market was caught by surprise last week when Chinese regulatory authorities issued draft guidelines to address concerns over abusive monopolistic practices. Shares in some of the biggest Chinese technology companies dropped on the news. This follows the prior week's suspension of a listing of a large initial public offering for one of the country's leading fintech companies.

It's difficult to say whether Chinese regulators are acting on concerns that western nations have with the dominance of Big Tech companies, or if they are attempting to rein in the power and influence of privately owned corporations. An answer may not be clear anytime soon, but investors will be watching.

TIP OF THE WEEK



Adult children may ask you to help them out with business financing or a down payment on a property. While it's tempting to say yes, it's may be best to determine if your personal finances can handle it.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Retail Sales.

Wednesday: Housing Starts.

Thursday: Existing Home Sales, Jobless Claims, Index of Leading Economic Indicators.

Source: Econoday, November 13, 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

Monday: Palo Alto Networks (PANW), Tyson Foods, Inc. (TSN), JD.com, Inc. (JD).

Tuesday: Walmart (WMT), The Home Depot (HD).

Wednesday: Nvidia Corp. (NVDA), Target Corp. (TGT), Lowe's Companies (LOW), The TJX Companies (TJX).

Thursday: Workday, Inc. (WDAY), Ross Stores (ROST), Intuit (INTU), Netease, Inc. (NTES).

Source: Zacks, November 13, 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.

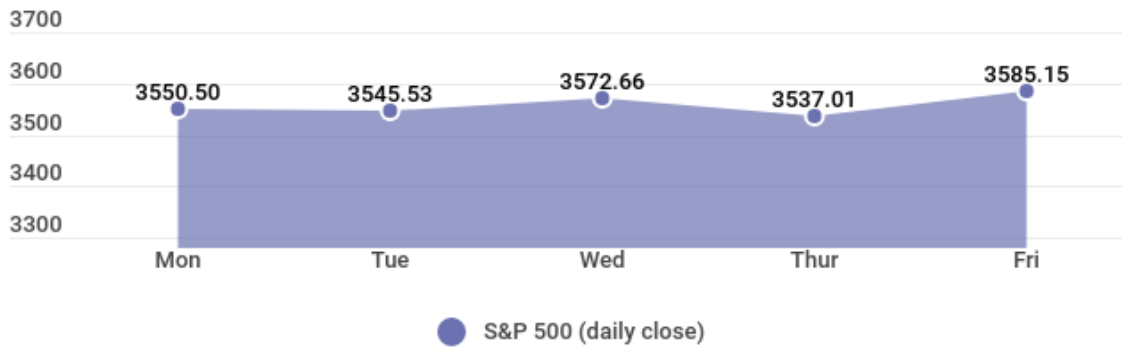
QUOTE OF THE WEEK



“What we obtain too cheap, we esteem too lightly.”

THOMAS PAINE

Market Index	Close	Week	Y-T-D
DJIA	29,479.81	+4.08%	+3.30%
NASDAQ	11,829.29	-0.55%	+31.84%
MSCI-EAFE	2,001.32	+4.01%	-1.75%
S&P 500	3,585.15	+2.16%	+10.97%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.88%	+0.05%	-1.04%

Sources: The Wall Street Journal, November 13, 2020; Treasury.gov, November 13, 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 6, to Friday, November 13, close. Weekly performance for the MSCI-EAFE is measured from Friday, November 6, open to the Thursday, November 12, close. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points.

THE WEEKLY 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?

LAST WEEK'S RIDDLE: Two-and-a-half artists spend two-and-a-half hours painting two-and-a-half models on two-and-a-half canvases. How many artists would be necessary to paint 24 models on 24 canvases in 20 hours?

*ANSWER: This would only require three artists. 24 artists can paint 24 models in 2.5 hours. Since the time available has increased by eight ($20 = 8 * 2.5$), then you can reduce the number of artists by the same amount ($3 = 24 / 8$).*

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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.

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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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1. The Wall Street Journal, November 13, 2020
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3. The Wall Street Journal, November 13, 2020