



OCTOBER 2020 MARKET COMMENTARY

The third quarter brought a return to market volatility as we saw concerns rising around an uptick of COVID-19 cases across the country and great debate in Washington DC over an expanded stimulus package. Despite a September pull-back, the broad Standard and Poor's 500 Index finished the quarter up 4.09% for the year. The broad index is being promoted primarily by the big 5 technology names, while the less tech-heavy Dow Jones Industrial Average remained down 2.65% for the year.

The domestic equity markets experienced one of the shortest-lived bear markets ever this year, while the global economy sank into a steep recession due to the COVID-19 pandemic. While it remains to be seen how long the recession will last, markets are pricing in a quick recovery. Despite this strong equity market rebound, GDP data still shows the broad economy in recession, unemployment figures still are at highs, and a hotly contested Presidential Election looms over all of us this month.

While we remain optimistic that the economy, as it always has, will return to expansion with more full employment, we would not be surprised if the recovery takes a bit longer than markets are predicting. Here in the Fourth Quarter, markets very well may look for any excuse to take a step back, or at the very least a breather—and there are plenty of excuses available for the markets to do so. In the Fourth Quarter we are closely monitoring the election, another round of stimulus, the Senate's progress in the Supreme Court nominee's confirmation hearings, and a potential rise in COVID-19 cases as we enter flu season.

We have remained cautious throughout this year and have been patient to seek better entry points when putting new money into the markets for clients. Over the past few months that has been a difficult task, but in the coming months we remain vigilant, ready to take advantage if we see markets take a breather, and we advise clients to remain committed to their long-term financial plans.

As always, if you have any questions, please do not hesitate to contact our team. Be safe, be well.

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