

# Have we seen this movie before?

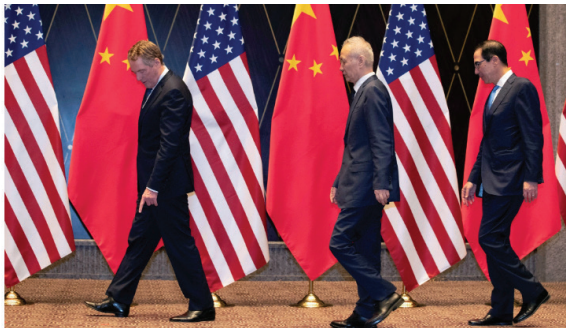
## Stocks drop after Trump calls off talks on economic stimulus

Stocks dropped on Wall Street Tuesday after President Donald Trump ordered aides to stop negotiating with Democrats over another round of aid for the economy until after the election

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 October 6, 2020, 5:40 PM • 5 min read



## U.S.-China Trade Talks End With No Deal in Sight



Before we dive into the weekly wire there are two BIG disclaimers we need to address. First, we are not determining which political party bears responsibility for the state of fiscal stimulus negotiations. Second, I am a horrible negotiator—be it trying to work out a bedtime with my son or lower the price on a major family

purchase, negotiating is not a strength of mine. So, I am not the person to discern if President Trump's announcement last week to end talks with Democrats on a fourth COVID-19 economic rescue package was a negotiating tactic – and if it was a successful one or not. For those of us rattled by the news, recall the President's behavior as our country worked through US/China trade relations last year, an issue that weighed on corporate sentiment and spending. On more than one occasion the President walked away from the negotiating table with China, only to ultimately secure a Phase One trade deal that helped push the S&P 500 Index (S&P 500) to its then all-time high in February. That give and take dynamic is worth keeping in mind as Wall Street awaits – and we think still expects – another COVID-19 economic rescue package from Washington, DC. Finally, with the S&P 500 up 5.54% since August 3, our Election Countdown Calculator indicates Donald Trump will win reelection.

### Election countdown calculator



### Stocks, bonds, and commodities (10/9/2020)

Security name	Last	QTD chg	YTD chg	12mo chg
S&P 500	3477.13	3.39%	7.63%	18.35%
MSCI AC World ex USA	287.16	2.63%	-4.81%	4.57%
MSCI EAFE	1896.55	2.22%	-6.89%	1.83%
MSCI EM	1117.44	3.28%	0.25%	12.14%
Bloomberg Barclays US Agg	109.81	-0.25%	3.98%	3.31%
Crude Oil WTI	40.52	0.75%	-33.64%	-24.33%
Natural Gas	2.76	9.34%	26.22%	24.57%

### Treasury rates (10/9/2020)

	Price	Yield
2Y	99.30 / 99.3	0.153
3Y	99.24 / 99.2	0.201
5Y	99.18 / 99.1	0.337
7Y	98.25 / 98.2	0.549
10Y	98.18 / 98.1	0.775
30Y	95.07 / 95.0	1.575

### Weekly reports

This week
<ul style="list-style-type: none"> <li>Empire State Index</li> <li>Capacity Utilization</li> </ul>
Last week
<ul style="list-style-type: none"> <li>PMI Composite 54.4</li> <li>Initial Claims 840K</li> </ul>

# Brinker Capital Market Barometer

OCTOBER 2020

We continue to focus on the COVID-19 pandemic and the upcoming election as key drivers for the economy, financial markets, and confidence over the near term. The Federal Reserve remains extremely supportive from a monetary policy perspective, while it remains to be seen whether Washington, DC can agree on another fiscal package. Due to our uneven economic recovery, and uncertainty surrounding the upcoming election, we expect the equity market to remain range-bound in the near term. Overall, the barometer leans neutral to slightly positive, in-line with our modest overweight to risk across portfolios.

SHORT-TERM FACTORS (< 6 months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Momentum				●	Momentum remains solid
Trend				●	US markets above 50-day and 200-day moving averages
Investor sentiment			●		Sentiment surveys show optimism but equity outflows continue
Seasonality		●			Seasonality weaker through October, especially during election cycle
INTERMEDIATE-TERM FACTORS (6-36 months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Fiscal policy				●	Strong initial fiscal response; debate on additional package continues
Monetary policy				●	Fed all in to support markets and economy; Global central banks also supportive
Inflation				●	Global inflation low; Fed committed to more flexibility with inflation target
Interest rate environment				●	Treasury yields remain at low levels but stable; yield curve positively sloped
Macroeconomic			●		Macroeconomic data has bottomed; uneven improvement as economy reopens
Business sentiment		●			CEO confidence improved but still weak; small biz optimism improving
Consumer sentiment		●			Increased sharply in August, but remains below pre-pandemic levels
Corporate earnings		●			Looking for improvement after negative impact of COVID-19 on 1H2020 results
Credit environment				●	Credit environment is stable and Fed remains supportive
LONG-TERM FACTORS (36+ months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Valuation		●			Equity valuations above long-term averages but not a near-term driver
Business cycle			●		US exited recession that began in February; recovery will be uneven
Demographics			●		Mixed - US and emerging markets positive but developed international negative

Source: Brinker Capital. Information is accurate as of October 8, 2020. Themes and specific funds utilized to implement themes are discussed within the context of Brinker Capital's managed asset allocations and are based on current market conditions and constitute Brinker Capital's judgment and opinions, which are subject to change without notice. Past performance does not guarantee future results. Statements referring to future actions or events, such as the future financial performance of certain asset classes or market segments, are based on the current expectations and projections about future events provided by various sources, including Brinker Capital's Investment Management Group. These statements are not guarantees of future performance and actual events may differ materially from those discussed. Brinker Capital Investments, LLC, a registered investment advisor. MSCI AC World ex US Growth: An index made up of approximately the top 50% of the MSCI AC World ex US Index as composite ranked by five growth rates. This is a common proxy used to represent the growth segment of the developed international market. MSCI EAFE Index: A market-capitalized weighted index representing developed international equity markets located in Europe, Australia, Asia and Far East (EAFE). S&P 500 Index: An index consisting of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large-cap universe. Companies included in the Index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. Barclays US Aggregate Index: A market capitalization-weighted index, maintained by Barclays Capital, and is often used to represent investment grade bonds being traded in the US. MSCI Emerging Markets: a float-adjusted market capitalization index representing 13% of global market capitalization. Captures mid and large cap across more than two dozen emerging market countries.