



CONWAY • JARVIS LLC

Investment Outlook

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Update

Ho, Ho, Ho, Santa Delivers Again to Investors

This week began with the DOW plunging more than 400 points on Monday's opening, only to see it close in positive territory with the S&P 500 and NASDAQ nursing only small declines. Tuesday's results were mixed as well and could be attributed to the second stimulus package being volleyed back and forth between Congress and the White House to where it stands now: approved by the Senate and the House but threatened by a veto at the hand of the soon-to-be-former president. Why would we expect anything else in a year like 2020?

Regardless, with the Christmas holiday upon us, the stock market is marching into year-end on a high note with the major averages hovering within whispering distance of their all-time highs. December's stealthy advance will put a cap on a twelve month period where we experienced the shortest, dramatic bear market in the modern era (-35%), followed by the quickest, most spectacular bull market in history (+70%). The result? The S&P 500 is on track to return in excess of 15% for the year with an usually quiet week remaining for 2020. Fingers Crossed!

Looking ahead, the list of good things to look forward to is getting shorter. The ever-dependable Fed remains constant with their heavy foot on the monetary accelerator while optimism over control of COVID grows as the number of vaccinations increase. With those boxes checked, investor focus will surely turn to the result of the Georgia Senate contests. While investors don't appear wary of any fiscal policy surprises, an unexpected outcome there on January 5 could be the catalyst for a bit of consolidation in the markets that is long overdue.

We'll post our next update on January 8th and then bi-weekly for the duration of 2021 unless events dictate more frequent communication. We're hopeful that's not necessary and that after a year like this one we see more progress toward a return to normalcy. In the meantime, we wish you and your families a Merry Christmas and a joyful, relaxing, and safe holiday season. We're grateful to have shared 2020's wild ride with you and we look forward to better days ahead. Cheers for the New Year from all of us at Conway Jarvis.

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