



WASATCH
CAPITAL MANAGEMENT OF
RAYMOND JAMES®



"YOU REALIZE YOU REALLY WEREN'T SUPPOSED TO TRY TO KEEP UP WITH THE KARDASHIANS?"

NOVEMBER 2020

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SILVER LININGS**
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Every Silver Lining has a Cloud -Article by Mark Lazar

I have come to the conclusion that politics is too serious a matter to be left to politicians. Charles de Gaulle

In a democracy people get the leaders they deserve. Joseph de Maistre

November 3rd is now history and the elections are behind us ... sort of. Joe Biden will assume office in January, the GOP appears to have gained five seats in the House, and the Senate is currently split at 48 each, with four seats presently undecided.

In response to the election outcome, the market surged [over 7%](#) for the week, which left folks on both sides of the political aisle scratching their heads. Those who have read my past commentaries weren't surprised by this, as they know markets don't have a dog in the fight. Rather, it's all about [expectations](#)

of future policies, which in-turn will affect employment, wages, growth, investment, taxes, spending, regulation, earnings, and the like.

Item	YTD Change
Dow Jones Ind Avg	<u>-.75%</u>
S&P 500 Index	<u>8.62%</u>
Foreign Index (MSCI ACWI ex US)	<u>-5.93%</u>
MSCI Emerging Market Index	<u>7.45%</u>
2020 Federal Budget Deficit	<u>\$3.7 Trillion</u>
US Q3 GDP Growth-Actual	<u>33.10%</u>
Unemployment Rate	<u>6.90%</u>

**All data as of 11/8/2020*

Political aficionados can't seem to fathom the markets'—stock, bond, precious metals, etc.—post-election enthusiasm. The fatal conceit of party loyalists, both Republican and Democrat, is the belief that if their side doesn't win the whole enchilada, the markets collapse, followed by the economy and, perhaps, Armageddon. Rather, markets are encouraged by an Administration that will likely repeal some of the current tariffs, and are further buoyed by the prospect that if the GOP holds the Senate, taxes and regulation remain accommodative. Winner, winner, chicken dinner.

Markets were further encouraged by third quarter GDP results, which posted a record 33.1% growth. This number understandably confuses many, as a number of US news entities posted Q3 growth at [7.4%](#). Why the disparity? The US is one of the few countries that reports *annualized* rather than [QoQ](#) economic data. To further lift investors' spirits, unemployment dropped below 7%—a 7.8% decrease from the April high of 14.7%.

Perma-bears are convinced every silver lining has a cloud, whereas markets, and savvy investors alike, see beyond the politics, filter out the noise, and instead focus on [fundamentals](#). Those who can set aside their partisan glasses and stick to an objective investment strategy will almost certainly enjoy better investment returns, not to mention lower blood pressure and improved quality of sleep.

Wasatch Team Updates



Mark

Mark & Savina voting this year



John

John surfing at Jordanelle Reservoir this November for Halloween!



Beth

Beth baking loads of loafs.



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