

# November 2020 Market

November saw a post-U.S. election rally alongside remarkable results from the first Phase 3 trials from vaccine candidates driving equities to new highs globally. Investors were more able to assess a timetable for the end of the pandemic as a vaccination schedule has become more realistic. The strong efficacy numbers from Pfizer and Moderna mean that the US is likely to have several workable vaccines in early 2021. In light of this development, the Covid laggards such as Energy, Financials, and Value names outperformed, with the Russell 2000 posting its best month on record.

The market had entered November with concerns that a prolonged election would have dented investor confidence, and this did not occur. While President Trump has not yet conceded, it appears the institutional rail guards have held and there will be a relatively smooth transition to a Biden administration. The fact that the 'Blue Wave' of a strong Democratic majority did not occur saw Healthcare (due to less prospect for Medicare-for-all) and Big Tech (less prospect for anti-trust legislation) outperform.

All eyes are on the prospects for a V-shaped recovery in 2021 and less of a need for accommodation from the Federal Reserve, the continued stimulus package stalemate, results from the Georgia runoff, and Brexit.

	Date	1 Week Ago		1 Month Ago		1 Year Ago		YTD
	11/30/20	11/23/20	% chg*	10/31/20	% chg*	11/30/19	% chg*	% chg*
<b>DJIA</b>	29,638.6	29,591.3	0.2%	26,501.6	11.8%	28,051.4	5.7%	3.9%
<b>S&amp;P 500</b>	3,621.6	3,577.6	1.2%	3,270.0	10.8%	3,141.0	15.3%	12.1%
<b>NYSE Comp Index</b>	14,006.5	13,998.2	0.1%	12,429.3	12.7%	13,545.2	3.4%	0.7%
<b>NASDAQ Composite</b>	12,198.7	11,880.6	2.7%	10,911.6	11.8%	8,665.5	40.8%	36.0%
<b>Russell 2000</b>	1,819.8	1,818.3	0.1%	1,538.5	18.3%	1,624.5	12.0%	9.1%
<b>MSCI EM (Emerging Markets)</b>	1,205.1	1,220.5	-1.3%	1,103.5	9.2%	1,040.0	15.9%	8.1%
<b>MSCI EAFE</b>	2,053.8	2,025.3	1.4%	1,780.1	15.4%	1,974.5	4.0%	0.8%
<b>Japan Nikkei 225</b>	26,433.6	25,527.4	3.6%	22,977.1	15.0%	23,293.9	13.5%	11.7%
<b>FTSE 100</b>	6,266.2	6,333.8	-1.1%	5,577.3	12.4%	7,346.5	-14.7%	-14.4%
<b>SSE Comp Index</b>	3,391.8	3,414.5	-0.7%	3,224.5	5.2%	2,872.0	18.1%	11.2%

## US Equity Sector Performance

	Nov	YTD	1 Yr Ret.
<b>Consumer Discretionary</b>	8.6%	30.0%	33.7%
<b>Consumer Staples</b>	7.5%	8.8%	11.4%
<b>Energy</b>	28.0%	-36.5%	-32.6%
<b>Financials</b>	16.9%	-7.5%	-5.0%
<b>Health Care</b>	7.9%	9.2%	13.1%
<b>Industrials</b>	16.0%	9.7%	9.7%
<b>Information Tech</b>	11.4%	36.1%	42.2%
<b>Materials</b>	12.5%	17.7%	21.3%
<b>Communication Services</b>	9.6%	19.9%	22.3%
<b>Utilities</b>	0.7%	-0.2%	3.2%
<b>Real Estate</b>	6.6%	-3.7%	-2.6%

## US Equity Style Performance

	Nov	YTD	1 Yr Ret.
<b>Dow Jones Utilities</b>	0.5%	-2.0%	1.2%
<b>DJ TRANS Avg.</b>	12.4%	15.9%	16.5%
<b>Russell 1000 Value</b>	13.5%	-1.0%	1.7%
<b>Russell 1000 Growth</b>	10.2%	32.4%	36.4%
<b>Russell 2000 Value</b>	19.3%	-3.0%	0.3%
<b>Russell 2000 Growth</b>	17.6%	23.1%	25.9%

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## Bond Markets (%)

Major U.S. domestic equity indices all closed higher. From a sector standpoint, Energy (+28.0%), Financials (+16.9%), and Industrials (+16.0%) led gainers.

Internationally, Developed International Equities (MSCI EAFE +15.4% MTD) and Emerging Market (MSCI EM +9.2% MTD) closed up. Global manufacturing PMIs for November signaled higher outputs and an expansion for many countries. China numbers unexpectedly improved to 54.9 in November from 53.6. And the UK manufacturing PMI increased to 55.6 from 53.7, the fastest pace of expansion since 2017. Brexit negotiations continue as the deadline of Jan 1 2021 is fast approaching.

U.S. government debt yields continued to hover around low levels. The 10 Yr Treasury yield fell to end the month at 0.84% as the curve modestly flattened with long rates falling more than short rates. U.S. Investment Grade Corporate spreads tightened in the month, as investors gain confidence in the markets and put on more risk.

The Bloomberg Commodity Index gained +3.5% in the month, but is down -8.1% YTD. Crude oil rallied more than 25% and helped drive an accompanying bounce in energy stocks. Some OPEC members pushed to add back more production in an effort to take advantage of a big rebound in oil prices. This has led to tensions with Saudi Arabia, which has worried that the market is still too fragile for an increase in output. Gold was down -5.3% MTD, but is overall up +16.9% YTD.

	11/30/20	1 Mth Ago	1 Yr Ago
US Benchmark Bond – 3 Mth	0.09	0.10	1.58
US Benchmark Bond – 6 Mth	0.10	0.11	1.61
US Benchmark Bond – 2 Yr	0.14	0.15	1.60
US Benchmark Bond – 5 Yr	0.36	0.38	1.62
US Benchmark Bond – 10 Yr	0.84	0.85	1.78
US Benchmark Bond – 30 Yr	1.58	1.64	2.20

## US Bond Sector Performance

	Nov	YTD	1 Yr Ret.
Bloomberg Barclays U.S. Govt. Intrm. TR	0.12%	5.70%	5.67%

## Exchange Rates (per US dollar)

	11/30/20	1 Mth Ago	1 Yr Ago
Canadian Dollar	1.296	1.333	1.328
Mexican Peso	20.157	21.278	19.506
Euro	0.836	0.858	0.907
British Pound	0.749	0.773	0.773
Swiss Franc	0.905	0.917	0.999
Chinese Yuan	6.582	6.700	7.027
Indian Rupee	74.056	74.108	71.738
Japanese Yen	104.275	104.540	109.510

## Commodities (In US dollars)

	11/30/20	1 Mth Ago	1 Yr Ago
Gold	1,780.90	1,879.90	1,465.60
Crude Oil	45.34	35.79	55.17
US Dollar Index	91.86	94.04	98.20
Bloomberg Commodity Index	74.36	71.84	77.11

## Interest Rates (%)

	11/30/20	1 Mth Ago	1 Yr Ago
Prime Rate	3.25	3.25	4.75
Federal Funds Rate	0.09	0.09	1.56
Libor Rate 30 Day	0.15	0.14	1.70
Libor Rate 3 Months	0.23	0.22	1.91
30yr Fixed Mortgage	2.72	2.81	3.68

## Economic Sentiment

	11/30/20	1 Yr Ago
Unemployment Rate	6.90%	3.50%
Average Single Family Home	348,700	309,800
Capacity Utilization	72.80%	77.57%

\*Performance for world indices represents price returns (excluding dividends) for the DJIA, S&P 500, NASDAQ, Russell 2000, MSCI EM, MSCI EAFE, NYSE, SSE, and Nikkei, due to data availability.

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