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2020 Third Quarter Market Commentary
November 3, 2020

Dumpster Fire: A complete disaster; chaotically bad situations; something very difficult that nobody wants to deal with.

What has happened so far this year, AKA 2020 dumpster fire?

- In January, bushfires in Australia burned 45.9 million acres and 1 billion animals.
- On day 3 of the New Year, a drone strike took out Iranian General Qassem Soleimani and increased tensions in the Middle East.
- In January, we began to learn about Covid-19. It rapidly spread from Wuhan, China to the rest of the world reaching North Texas by March. The spread of Covid-19 has resulted in 47,180,872 cases worldwide, 1,209,215 deaths, and 33,927,930 recoveries. This information is for countries in whose reporting we have some confidence. China claims to have 3 deaths per 1 mm people.
- As Covid-19 spread, the US economy collapsed as businesses shut down for extended periods. For a change, Congress came together to pass 2 separate stimulus packages. The third and most recent stimulus package was not achieved as easy.
- The impeachment trial for President Donald Trump began in the Senate on January 16, and he was acquitted mostly along party lines on February 5.
- In March, the stock market was in free fall. The S&P declined 1102 points or 32.5% from the high on February 19 reached only days earlier.
- If the pandemic was not worrisome enough, Russia and Saudi Arabia announced an oil price war, knocking crude to the lowest level since November 2002. In April, West Texas crude prices actually went negative.
- Democrats had the largest field of primary of candidates at 29. By April, Bernie Sanders had dropped out and Joe Biden reached the threshold to become the Democratic Party nominee.
- In May, the Chinese National People's Congress voted in favor of national security legislation that criminalized "succession, subversion, terrorism, and foreign interference in Hong Kong."
- Also in May, a Minneapolis police officer knelt on the neck of George Floyd for several minutes before his death. Mr. Floyd's death triggered worldwide protests against police brutality. The death of Mr. Floyd and other deaths of minorities during the summer resulted in wide-spread protests, rioting, and destruction in major metropolitan cities.
- In Seattle, an entire downtown neighborhood was occupied as a self-declared autonomous zone for close to a month.
- In August, Jeff Bezos became the first person in history to have a net worth exceeding \$200 billion.
- Severe August thunderstorms ignited numerous wildfires across California, Oregon, Colorado and Washington.

- Today we will have an election in which 100 million Americans have voted so far which surpassed all historical records heading into Election Day.
- The equity market as measured by the S&P 500 is up 4.02% (with dividends) year to date. Since the low on March 23, the market has recovered 47.95%.
- The year is not over, and it has been jam-packed with news that normally would have tanked the market in a good year.
- Lastly, given all of the government aid, worldwide bond yields have collapsed. At the start of the year the 10-year treasury yielded 1.91% and today the yield is 0.85%, a decline of 56%.

When it is clear who the winner is in the presidential election, we will adjust portfolios. Until then, expect uncertainty and continued volatility.

Get out and make your vote count. Let's put out this dumpster fire. I, for one, am ready to move onto 2021!