



## **Week In Review, Friday, October 2, 2020**

### **Special Focus: Blue Wave Economy**

After a rocky week, investor sentiment finished positive, despite conflicting messages for the next stimulus package coming out of the White House. With just 25 days left until the election, many analysts and investors are asking themselves how the outcome will affect the economy. Moody's Analytics analyzed 4 of the top potential outcomes, and concluded the strongest economic outlook would come from a Democratic sweep of both the White House and Congress. A "Blue Wave" could lead to more spending on infrastructure, more funds in the next stimulus package, and an estimated 7.4 million additional jobs compared to alternative outcomes. ([Forbes](#)) The Federal Reserve has signaled they expect very low interest rates to remain through at least 2023, with analysts from Goldman Sachs saying they expect rates to remain low until 2025. ([CNN](#)) The next few weeks will shed even more light on the current state of our economy as corporate earnings are released, which are expected to be better than previous quarters this year. ([Reuters](#)) For the week, the markets ended with the S&P 500 up 3.84%, the DJIA up 3.27%, and the NASDAQ up 4.56%.

Though the market is recovering, many Americans would disagree that things are getting better. The economy still has 11 million fewer jobs available than before the pandemic, and as a result, 700,000 unemployed workers left the labor force completely in September, and a rising share of unemployed workers have reported their job losses as permanent. ([NY Times](#)) These issues and more were addressed in this week's Vice Presidential debate, which went much better than the prior week's Presidential debate, at least in terms of actually hearing the candidates' answers (though they did occasionally dodge the questions entirely.) ([Washington Post](#))

Hopes of a 2<sup>nd</sup> Presidential debate waned this week after the President refused to have a virtual debate, despite being diagnosed with the deadly COVID-19 virus just 7 days prior. ([CNN](#)) The American people still need answers before the election. Many issues are on the ballot, everything from healthcare to women's rights and racial justice could be heavily impacted in the coming weeks. Just weeks ago, the White House signed an Executive Order meant to severely limit federal agencies ability to provide diversity

training to their employees. ([National Law Review](#)) We would like to know why?? See how you can help [here](#).

In a huge win for climate activists, the largest financial backer of the fossil fuel industry announced this week that they would change their business model, including the loans they make, to align with the Paris Climate Agreement. ([Common Dreams](#)) Given this firm's track record, we remain skeptical but optimistic that real institutional change is coming, and with over 4% of the state of California already being scorched by fire this year, it couldn't come soon enough. ([NPR](#)) The real message here is that climate activism and shareholder engagement works! Please do whatever you can to help, and most importantly VOTE!!

As a reminder, this Monday October 13<sup>th</sup>, banks will be closed for Indigenous Peoples' Day. However, the market and RBC Wealth Management will remain open for normal business hours.

As always, please reach out to us with any questions or commentary.

## **Weekend Reads**

RBC [Global Insight Weekly - October 8, 2020](#)

The WSJ [JPMorgan Unveils \\$30 Billion Push to Bridge Racial Wealth Gap](#)

CBS News [Empty chairs outside White House honor 200,000 Americans dead from COVID-19](#)

The NY Times [F.B.I. Says Michigan Anti-Government Group Plotted to Kidnap Gov. Gretchen Whitmer](#)

The NY Times [Why Did Hundreds of Thousands of Women Drop Out of the Workforce?](#)

The NY Times [Customers Still Like to Shop in Person, Even if They Get Only to the Curb](#)

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