



Friday, September 25, 2020

Week in Review, September 25, 2020

Special Focuses: Climate Week, SEC's Change of Heart

With the 2020 presidential elections less than a month and a half away, investors are continuing to feel anxiety about who will win the presidential election and the uncertain outlook for a U.S. stimulus package. The increasing perception is that the final outcome may not yet be clear on election day, but if a winner is declared, the transfer of power may not be so peaceful and smooth ([NPR](#), [Bloomberg](#)). Many mutual fund companies end their fiscal year in October which many times leads to a volatile September as fund managers rebalance. After five months of strong equity markets, investors have taken the opportunity in September to trim equities as this month is on track to be the worst Septembers since 2011. For the week, the markets ended with the S&P 500 down 0.6%, the DJIA down 1.7%, and the NASDAQ up 1.1%.

This week was the start of the biggest climate summit. Just five days into the Climate Week event, several developments on climate solutions to help promote a sustainable just world have been announced.

- Mayors of 12 major domestic and foreign cities signed C40's [Divesting from Fossil Fuels, Investing in Sustainable Future](#) declaration. In doing so, these cities have pledged to divest from fossil fuel companies, advocate for greater sustainable investment, and urge city pension funds to follow suite and increase financial investments to advance green jobs ([C40 Cities](#)).
- **California becomes the first state to ban the internal combustion engine.** California Governor Gavin Newsom issued an [executive order](#) to phase out gasoline- and diesel-powered cars by requiring sales of all new passenger vehicles to be carbon dioxide emissions free by 2035. The order also targeted medium and heavy duty commercial trucks to be 100% zero-emission vehicles by 2045. Furthermore, to protect the health and safety of communities, the Governor has also called on the state Legislature to end the issuance of new hydraulic fracking licenses by 2024 ([NPR](#), [WSJ](#)).
- The world's top-selling electric vehicle maker announced bold plans for cheaper batteries with higher energy density ([Statista](#), [Fortune](#)).
- A group of liberal and climate activists, CEOs, and philanthropists urged the Democratic presidential nominee Joe Biden to reject advisers from the Obama administration with any ties to fossil fuel companies ([NY Times](#)).

On the flip side of all the positive development during Climate Week NYC, we see several rollbacks that reverse actions to combat climate change and create a better future made headlines this month. Among the rollbacks contrary to the climate action movement are

reducing fuel-economy standards, delaying regulations on methane leaks, rescinding hydrofluorocarbons regulations, and the White House opening new federal lands for fossil fuels. If President Trump wins re-election, many of the rollbacks are more likely to stay in place ([NY Times](#)).

Climate Week NYC ends Sunday so be sure to tune in for the weekend sections [here](#).

Also this week, the SEC approved changes to shareholder advocacy rules intended to crush investor voices and in particular to silence retail investors. They mandated a significant increase in the amount of stock that a shareholder needs to hold to file a resolution and raised the resubmission thresholds. The new rule also requires shareholders to attend company dialogue(s) rather than have an issue expert represent them and restricts filing more than one proposal at a single company. Bottom line: the SEC has intervened to disrupt a system that has worked with fairness and integrity for over 50 years ([AYS](#), [MarketWatch](#)). The rule goes into effect in 2022 unless a new administration can help make some changes: another reason to VOTE.

My childhood football idol, Gayle Sayers, who was known as the “The Kansas Comet”, died this week. I had the honor to see Sayers return a punt for a touchdown against the Vikings live in Chicago with my father, something I will never forget. The movie Brian’s Song about Sayers relationship to Brian Piccolo is sure to make you cry. ([LA Times](#)).

We would like to end this week’s newsletter with a sad note by bidding farewell to an icon, Ruth Bader Ginsburg, who died last Friday. Ruth served as a justice on the Supreme Court of the U.S. since 1993 and championed women’s rights and equality ([CBS](#)). According to Jewish tradition a person who dies on Rosh Hashanah, as RBG did, is a Tzaddik, a person of great righteousness ([USA Today](#)). RIP RBG!

As always, please reach out to us with any questions or commentary. Don’t forget to check the [Commitment Calculator](#) to see how generous you are.

Weekend Reads

RBC [Global Insight Weekly September 24, 2020](#)

RBC [Tax and Retirement Election Brief](#)

C40 [Divest-Invest](#)

NY Times [Climate Disruption Is Now Locked In. The Next Moves Will Be Crucial.](#)

NY Times [Arctic Sea Ice Reaches a Low, Just Missing Record](#)

Politico [Business Roundtable endorses market-based climate policy](#)

SF Chronicle [California’s wineries tossed into chaos with backlogged tests for smoke taint](#)

The Hill [Logging is not the solution to wildfires or climate change](#)

Washington Post [In secret tapes, mine executives detail their sway over leaders from Juneau to the White House](#)

Washington Examiner [China goes big on climate change with new goal of carbon neutrality by 2060](#)

Weekend Watches

DW [Climate Change - Living on the Water](#)

Netflix [Kiss the Ground Movie](#)

State of American Democracy: [The Democracy of Global Climate Change](#)

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