

# The election, the markets, and the economy: you've got questions, we've got answers

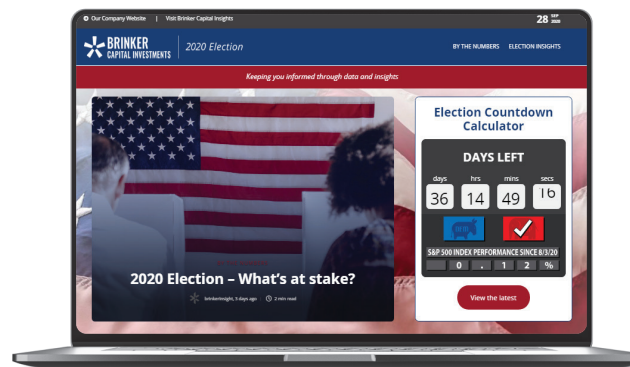
## There is a presidential election coming up

- **What's at stake?**
  - The policy implications of the vote
- **What to expect?**
  - Economic and market performance under different political scenarios
- **Who's going to win?**
  - Looking at market performance, the polls, and money on the line
- **What if we can't call the election on 11/3?**
  - The 2000 vote, mail-in ballots, and the electoral college
- **A few things to keep in mind**



While (we hope) the Weekly Wire is timely, relevant, and entertaining, it also tends to be both a bit backwards looking—focused on analyzing and understanding a market or economic event that has happened—with the week's narrative starting and ending on that particular page. Well, in this edition we are going in a different direction. We're going to start looking ahead to an event yet to happen, the 2020 election, and directing you toward another data source for analysis and understanding—our newly launched 2020 election microsite. As for our brand of entertainment, we won't be making any references to 1970s movie icons or great hair bands of the 1980s this week! Today, and over the coming weeks, if you visit our Brinker Capital

Investments – 2020 Election microsite at [go.brinkercapital.com/2020election](http://go.brinkercapital.com/2020election) you will find our best thinking around the election, including our thoughts on the policy implications, the likely outcome, and what happens if we can't declare a winner of the White House on November 3. You will also find the pre- and post-election webinars we will conduct, post Presidential and Vice-Presidential debate analysis videos, and advice and insights from our Chief Behavioral Officer, Dr. Daniel Crosby, all created to help better navigate the stressful days to come. Finally, with the S&P 500 Index up 0.12% since August 3, our Election Countdown Calculator indicates Donald Trump will win reelection.



## Election countdown calculator



## Stocks, bonds, and commodities (9/25/2020)

Security name	Last	QTD chg	YTD chg	12mo chg
S&P 500	3298.46	6.39%	2.09%	11.37%
MSCI AC World ex USA	275.60	4.00%	-8.64%	-1.11%
MSCI EAFE	1830.99	2.83%	-10.11%	-3.41%
MSCI EM	1059.10	6.43%	-4.98%	5.75%
Bloomberg Barclays US Agg	110.17	-0.24%	4.32%	3.73%
Crude Oil WTI	40.04	1.96%	-34.43%	-28.38%
Natural Gas	2.80	60.14%	28.10%	16.64%

## Treasury rates (9/25/2020)

	Price	Yield
2Y	99.31 / 99.3	0.133
3Y	99.28 / 99.2	0.157
5Y	99.29 / 99.2	0.267
7Y	99.15 / 99.1	0.451
10Y	99.22 / 99.2	0.656
30Y	99.09 / 99.1	1.402

## Weekly reports

This week
• Nonfarm payrolls September
• Unemployment Rate September
Last week
• Richmond Fed Index 21
• Markit PMI Manufacturing 53.5

# Brinker Capital Market Barometer

SEPTEMBER 2020

We continue to focus on the COVID-19 pandemic and the upcoming election as key drivers for the economy, financial markets, and confidence over the near term. The Federal Reserve has expanded monetary policy support with the introduction of a more flexible inflation target. Fiscal policy remains supportive, and we expect an additional fiscal package will still be completed. We also expect the equity market to remain range-bound in the near term as we navigate an uneven economic recovery. Overall, the barometer leans neutral to slightly positive, in-line with our modest overweight to risk across portfolios.

SHORT-TERM FACTORS (< 6 months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Momentum				●	Momentum remains solid
Trend				●	US markets above 50-day and 200-day moving averages
Investor sentiment			●		Sentiment surveys show optimism but equity outflows continue
Seasonality		●			Seasonality weaker through October, especially during election cycle
INTERMEDIATE-TERM FACTORS (6-36 months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Fiscal policy				●	Very strong fiscal response; debate on additional package continues
Monetary policy				●	Fed all in to support markets and economy; Global central banks also supportive
Inflation				●	Global inflation low; Fed committed to more flexibility with inflation target
Interest rate environment				●	Treasury yields remain at low levels but stable; yield curve positively sloped
Macroeconomic			●		Macroeconomic data has bottomed; uneven improvement as economy reopens
Business sentiment		●			CEO confidence improved in 2Q but still weak; small biz optimism improving
Consumer sentiment		●			Consumer confidence declined further in July on coronavirus concerns
Corporate earnings		●			Looking for improvement after negative impact of COVID-19 on 1H results
Credit environment				●	Credit environment continues to improve and Fed remains supportive
LONG-TERM FACTORS (36+ months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Valuation		●			Equity valuations above long-term averages but not a near-term driver
Business cycle			●		US exited recession that began in February; recovery will be uneven
Demographics			●		Mixed - US and emerging markets positive but developed international negative

Source: Brinker Capital. Information is accurate as of September 2, 2020. Themes and specific funds utilized to implement themes are discussed within the context of Brinker Capital's managed asset allocations and are based on current market conditions and constitute Brinker Capital's judgment and opinions, which are subject to change without notice. Past performance does not guarantee future results. Statements referring to future actions or events, such as the future financial performance of certain asset classes or market segments, are based on the current expectations and projections about future events provided by various sources, including Brinker Capital's Investment Management Group. These statements are not guarantees of future performance and actual events may differ materially from those discussed. Brinker Capital Inc., a registered investment advisor. MSCI AC World ex US Growth: An index made up of approximately the top 50% of the MSCI AC World ex US Index as composite ranked by five growth rates. This is a common proxy used to represent the growth segment of the developed international market. MSCI EAFE Index: A market-capitalized weighted index representing developed international equity markets located in Europe, Australia, Asia and Far East (EAFE). S&P 500 Index: An index consisting of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large-cap universe. Companies included in the Index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. Barclays US Aggregate Index: A market capitalization-weighted index, maintained by Barclays Capital, and is often used to represent investment grade bonds being traded in the US. MSCI Emerging Markets: a float-adjusted market capitalization index representing 13% of global market capitalization. Captures mid and large cap across more than two dozen emerging market countries.