

December 2, 2020

323 NOVEMBER UPDATE

The Newsletter of 323 Wealth Management LLC

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ECONOMIC SUMMARY

Story by Greg Wilson, CFA, CFP, MBA

For the month of November, it was the tale of two halves. The first two weeks, the U.S. economic data was mostly positive, with gains in employment and manufacturing, but during the last two weeks, we saw signs of choppiness in the data which can be attributed to the lag effect of the second coronavirus wave which appears to have started around late May. In addition, the waning effects of fiscal and monetary stimulus are being felt. Absent a meaningful new fiscal stimulus bill, we should expect the economic data to continue to oscillate. Although, we face less economic uncertainty than earlier in the year, we still have a long ways to go.

Economic Policy Uncertainty:

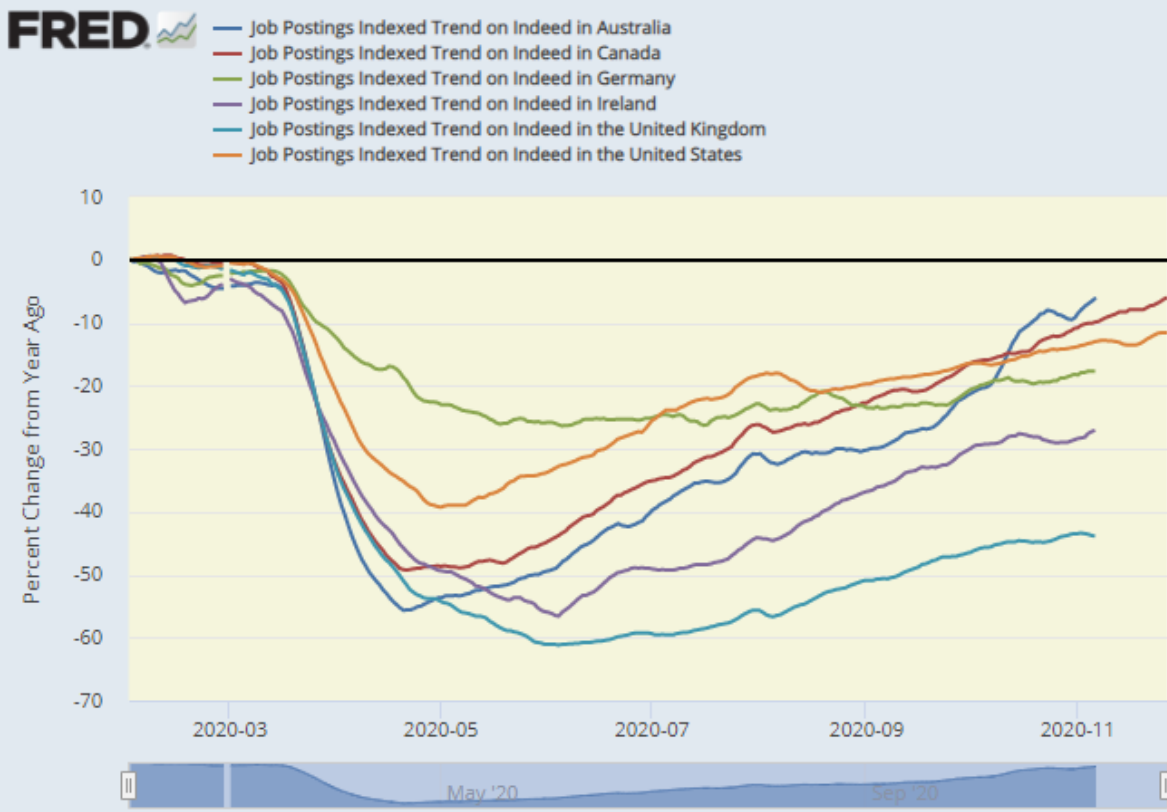
<https://fred.stlouisfed.org/graph/fredgraph.png?g=yg47>

ECONOMICS SUMMARY (CONT.)

Recovery continues

Job postings are recovering, but the trend is flattening out.

Understanding the economy is one of the first steps to understanding investing.



Source: <https://news.research.stlouisfed.org/2020/10/fred-adds-job-posting-trends-data-from-indeed/>



MARKET SUMMARY

Another tale of two halves...

Understanding the markets can help us build a better plan for our financial futures AND sleep easier at night.

After a slightly down month in October, the U.S. stock market had a strong November. The Dow Jones Industrial Average was up 11.84%, the S&P 500 was up 10.75%, and the Nasdaq was up 11.8%.

Most of those gains occurred in the first two weeks of the month as vaccine news started to be released. The vaccine news coupled with the removal of some of the election overhang seemed to be a catalyst for the markets early in the month.

But, then Coronavirus case loads continued to trend upwards and phased economic lockdowns were starting to be reimplemented. This should not be a surprise as we have discussed this in previous updates, but it does impact the economy and the markets look to the economy for help in determining the value or pricing of investments.

The market appears to be balancing the present day risk of Coronavirus with the foregone conclusion that there will be vaccines distributed in the near future. At this point, it looks like a race. Can vaccine distribution happen quick enough to stave off a worsening wave of Coronavirus cases? That's the question the market and everyone else is trying to answer. And just like everyone else, we do not have the answer to that question. But, we do have a strategy to manage through the scenario.

CORONAVIRUS

CORONAVIRUS UPDATE

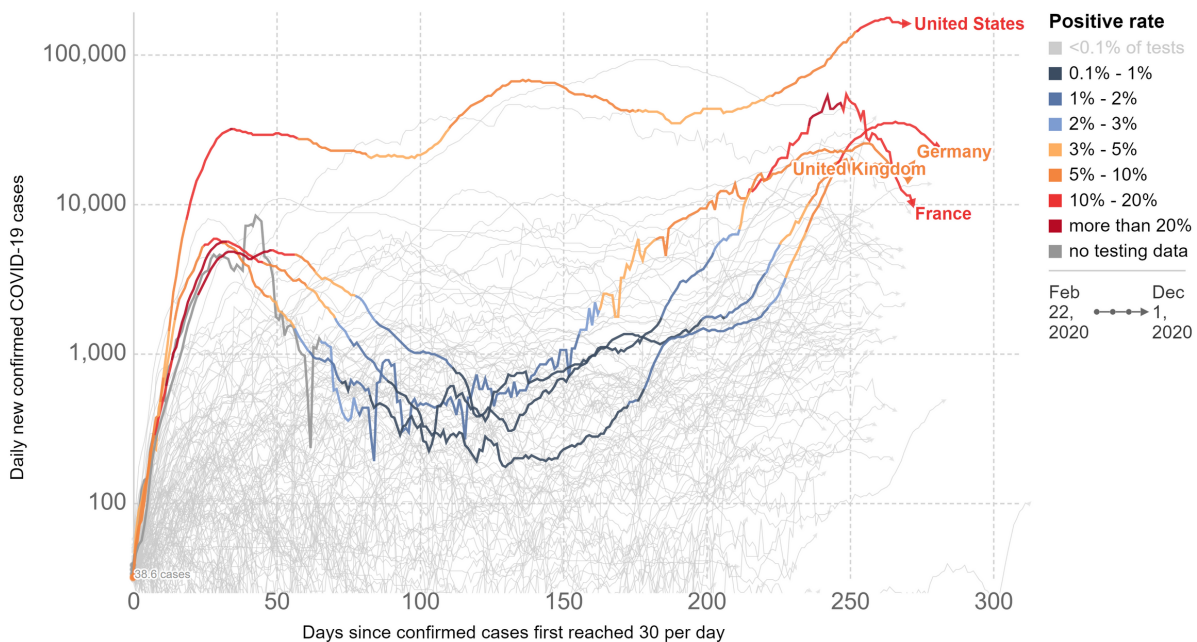
The third waves are here in the U.S. and Europe is working through their second waves.

Keeping up to date on the pandemic will hopefully help you plan your finances as well as your life.

Daily new confirmed COVID-19 cases

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.

Our World in Data



Source: Johns Hopkins University CSSE COVID-19 Data – Last updated 2 December, 17:06 (London time), Official data collated by Our World in Data
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FINANCIAL PLANNING UPDATE

What is financial planning and why is it important?

Financial planning is an ongoing process that evolves with your life's changing circumstances.

Do you have a financial plan?

What is a financial plan?

Why is it important?

If you asked ten different wealth managers these questions, you are likely to get a mixture of responses. At 323, we like to make things easy for our clients, not confusing.

To learn more about financial planning, check out the short video by clicking the link below.

<https://abm.emaplan.com/ABM/MediaServe/MediaLink?token=2f079742c35242aeace25ed2bc5d7fff>

CONCLUSION

What's next?

With the markets rebounding from October, we should be more focused on the horizon which is potentially the end of the emergency portion of the pandemic.

While this should be good news, there are still quite a few headwinds and crosswinds.

The Georgia Senate runoff races will decide which political party controls the Senate which will, in turn, decide the course of both fiscal stimulus policy and overall public policy for at least the next two years.

The market is trying to balance these uncertainties with fundamentals like earnings and GDP growth. For our part, we can remain patient and look for opportunities.

If you have questions and/or concerns, please give us a call. We are here to help. If this update has been forwarded to you and you would like to be included on future emails, please subscribe at our website at www.323wm.com.

Thank you very much for your time.

DISCLOSURES

Note:

The graphs, charts, and articles in this newsletter were gathered from Koyfin, The Daily Shot, FactSet, The Economist, Bloomberg, and Statista,

Services are offered through 323 Wealth Management, LLC, a Registered Investment Adviser in the State of Texas.