

BECKER WEALTH MANAGEMENT, LLC

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The last week of 2020 quiet and calm for market news.

The last week of 2020, which couldn't come fast enough, brought us a very light economic calendar and relatively quiet

newswires. Last ditch efforts by President Trump (POTUS) to increase stimulus checks and challenge the election results were the only notable political mini-dramas last week - with no change expected on either front. Equity markets behaved very much in line with a traditional Santa Claus rally with the S&P 500 posting nice gains while small caps took what looked like an overdue breather (-1.5%). Ending the year on a high note, the S&P 500 returned 1.4% for the week and finished up 16.3% for 2020. Commodities gained 1% last week, an exclamation on a pretty good year (ex/energy) with industrial metals, precious metals, and grains all posting gains over 20% in 2020. Interest rates didn't move much at all last week, ending the year -1.45% on the short end and -0.75% to -1.0% for the longer maturities. The USD limped out of 2020, losing 0.45% in the last week to finish the year -6.7%.

Market Anecdotes

- The Santa Claus rally window began on Thursday and runs through Tuesday January 5th - historically the second best 7-day stretch over any point during the year with an average of 1.3%.
- The S&P 500 and nearly all other major U.S. equity indices ended 2020 with all-time record highs. The S&P finished up 16.26% for 2020 and +71.4% from the



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March 23rd CoVid low.

- Top performing stocks were the best and worst declines of 2019 and the highest and lowest leveraged balance sheets. The number one driver was highest P/E ratio names.
- Bespoke noted that, despite all the stock and bond market volatility in 2020, it turned out to be just the third time in over 40 years where the S&P 500 and long-term UST finished within +/-1% of each other.
- Bespoke pointed out a quintessential buy the rumor, sell the news example with the vaccine biotechnology stocks in 2020.
- A statement from POTUS indicated that he signed the CoVid relief package with assurance from the Senate to vote on the higher \$2,000 stimulus checks, a repeal of Section 230, and investigating voter fraud - all very unlikely initiatives to come to fruition.
- ICI mutual fund and ETF data showed \$43b equity fund inflows in November, the first net positive flow since February 2019

and the largest in nearly two years.

- 10yr inflation break-even tested the 2% level again last week in another sign that inflation dynamics may be starting to normalize.

Economic Release Highlights

- The October Cash-Shiller House Price index released last week confirmed the robust pricing backdrop suggested by other housing market indicators with both month over month (1.6% vs. 0.7%) and year over year (7.9% vs. 6.9%) prices notably outpacing consensus forecast.
- November pending home sales (-2.6%) have been edging lower the past couple of months likely due to extremely limited inventory.
- The last of the five Fed regional manufacturing indices was released last week (Dallas). Bespoke's regional Fed proprietary indicator has readings in the 80th percentile (current conditions) and 75th percentile (outlook).

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INSIGHT

MARKET ANALYSIS

Equity	Level	1 Wk	1 Mo	3 Mo	YTD	1 Yr	Commodities	Current	12/31/20	9/30/20	6/30/20
Dow Jones	30606	1.58	3.41	10.73	9.72	9.72	Oil (WTI)	47.50	47.50	40.05	39.27
NASDAQ	12888	0.92	5.71	15.63	44.92	44.92	Gold	1887.60	1887.60	1886.90	1768.10
S&P 500	3756	1.82	3.84	12.15	18.40	18.40					
Russell 1000 Growth		1.27	4.60	11.39	38.49	38.49	Currencies	Current	12/31/20	9/30/20	6/30/20
Russell 1000 Value		1.52	3.83	16.25	2.80	2.80	USD/Euro (\$/€)	1.23	1.23	1.17	1.12
Russell 2000		(1.56)	8.65	31.37	19.96	19.96	USD/GBP (\$/£)	1.35	1.30	1.29	1.24
Russell 3000		1.19	4.50	14.68	20.89	20.89	Yen/USD (¥/\$)	103.52	103.52	105.58	107.77
MSCI EAFE		1.41	3.64	15.79	0.00	8.28					
MSCI Emg Mkts		3.06	5.77	19.51	0.04	18.73	Treasury Rates	Current	12/31/20	9/30/20	6/30/20
Fixed Income	ΔYield	1 Wk	1 Mo	3 Mo	YTD	1 Yr	3 Month	0.09	0.09	0.10	0.16
US Aggregate	2.14	(0.00)	(0.06)	(0.14)	0.00	(0.56)	2 Year	0.13	0.13	0.13	0.16
High Yield	5.11	(0.02)	(0.11)	(0.36)	0.00	(0.32)	5 Year	0.36	0.36	0.28	0.29
Municipal	1.91	(0.00)	(0.02)	(0.08)	0.00	(0.23)	10 Year	0.93	0.93	0.69	0.66
							30 Year	1.65	1.65	1.46	1.41

Style Returns

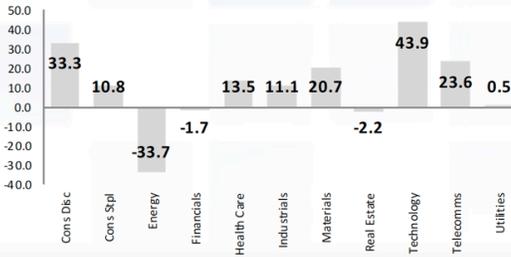
	V	B	G
L	0.00	0.00	0.00
M	0.00	0.00	0.00
S	0.00	0.00	0.00

MTD



	V	B	G
L	2.80	20.96	38.49
M	4.96	17.10	35.59
S	4.63	19.96	34.63

YTD



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