

## What's impacting the markets today?

by Pitt

The equity market is responding to a three-headed monster. First, you have an uptick/surge in Covid cases around the country and around the world. Second, you have the potential for a contested presidential election. And third, there doesn't seem to be any urgency to have further economic stimulus passed by Congress before the election.

Taken one at a time, any of these events could be expected to generate lower stock prices. The Dow Jones Industrial Average and the S&P 500 have both responded negatively over the past two weeks:

Index Value	Dow Industrials	S&P 500	Average
10/12/2020	28,837.52	3,534.22	
10/28/2020	26,708.50	3,286.12	
% Change	-7.4%	-7.02%	-7.21%
Trading Days			12
200-Day Average*			-120.17%
* Assumes 200 trading days and is merely hypothetical to make a point.			

The math here is pretty negative, and the rate of change is clearly unsustainable. It may go on for a while but if you have money you would like to put to work, don't overstay your welcome. Warren Buffett always reminds us that in the short term the market is a voting machine and in the long term it is a weighing machine. One should also remember that we're dealing with a market of stocks, not just a stock market. If this represents a buying opportunity for you, feel free to query us on the best investments for your portfolio. This post should also remind you that we are watching and happy to advise you to save as well as to spend.

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