

With Election Day being only 43 days away, we can expect the broad markets to remain rocky from the political firestorm between the Democrats and Republicans. That fuel becomes more combustible with the passing of SCOTUS Ginsberg last Friday and discussions of her replacement during an election year.

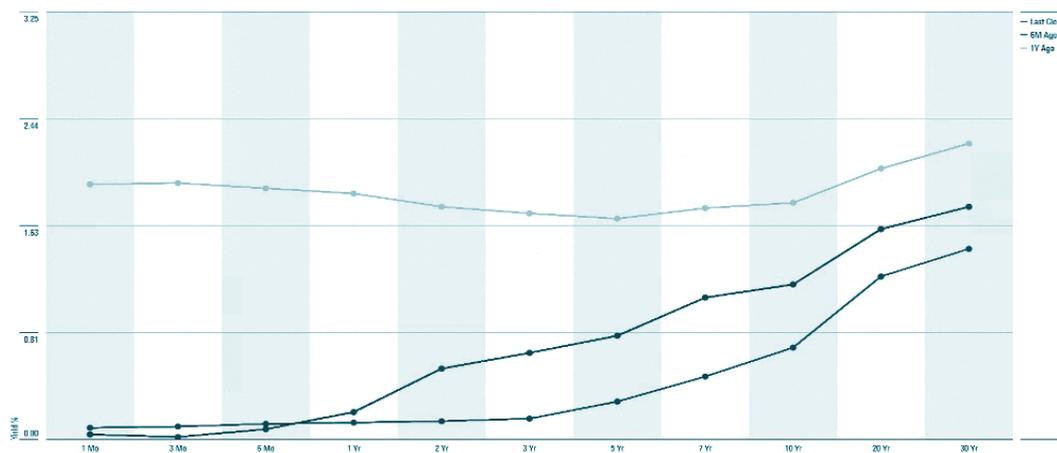
Between the debate about Candidate Biden's tax rollback to raise Federal revenues by taxing the top 1% and President Trump raising the stakes on the China trade war with the TikTok controversy, the S&P declined 0.6% with a muted response to last week's better than expected jobless claims and new single family housing starts.

This week again will be packed with leading economic data, earnings releases and reports of pandemic cases on the rise but will likely be overshadowed by election wrangling and Republican's maneuvering to appoint a new SCOTUS.

Our tactical model remains in positive territory (100% long) because of post-pandemic improving fundamentals with a cautious sentiment as the election nears.

MONDAY SEPTEMBER 21, 2020	
Chicago Fed National Activity Index (August)	
58.com earnings	
TUESDAY SEPTEMBER 22, 2020	
Existing Home Sales	
KB Home earnings	
Nike earnings	
WEDNESDAY SEPTEMBER 23, 2020	
Manufacturing PMI	
General Mills earnings	
THURSDAY SEPTEMBER 24, 2020	
Initial Jobless Claims (weekly)	
Continuing Jobless Claims (weekly)	
New Home sales	
Accenture earnings	
Carnival earnings	
FRIDAY SEPTEMBER 25, 2020	
Durable & Capital Goods	
JC Penny earnings	

GAUGE OF THE GRADE



US Yield Curve

The yield curve chart reflects how dramatically interest rates have declined by the Fed's pandemic response to the economy and the Fed's recent guidance to keep rates near zero through 2023.

SECTOR RETURNS

	5 DAYS	1 MONTH	3 MONTHS	YTD	12 MONTHS
Basic Materials	0.51	2.97	15.70	4.19	10.50
Communication Services	(1.09)	(2.33)	5.58	6.41	7.32
Consumer Cyclical	0.46	(0.68)	18.09	24.41	30.25
Consumer Defensive	(1.48)	(1.52)	7.50	2.81	7.18
Energy	3.31	(10.57)	(15.99)	(44.28)	(43.84)
Financial Services	(0.24)	(0.78)	2.39	(14.80)	(8.47)
Healthcare	1.77	(1.50)	6.16	5.36	18.58
Industrials	1.56	1.87	10.79	(4.76)	(0.86)
Real Estate	(0.04)	(1.64)	(0.26)	(13.44)	(13.26)
Technology	(0.86)	(3.16)	8.68	22.27	37.44
Utilities	(0.78)	(3.49)	(1.88)	(11.94)	(10.65)



SOWELL'S WEEK AHEAD

Advisory services offered through Sowell Management, a Registered Investment Advisor. The views expressed represent the opinion of Sowell Management. The views are subject to change and are not intended as a forecast or guarantee of future results. This material is for informational purposes only. It does not constitute investment advice and is not intended as an endorsement of any specific investment. Stated information is derived from proprietary and non-proprietary sources that have not been independently verified for accuracy or completeness. While Sowell Management believes the information to be accurate and reliable, we do not claim or have responsibility for its completeness, accuracy, or reliability. Statements of future expectations, estimates, projections, and other forward-looking statements are based on available information and Sowell Management's view as of the time of these statements. Accordingly, such statements are inherently speculative as they are based on assumptions that may involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such statements. Investing in securities involves risks, including the potential loss of principal. While equities may offer the potential for greater long-term growth than most debt securities, they generally have higher volatility. International investments may involve risk of capital loss from unfavorable fluctuation in currency values, from differences in generally accepted accounting principles, or from economic or political instability in other nations. Past performance is not indicative of future results.



5320 Northshore Drive
North Little Rock, AR 72118
501-219-2434 Phone
501-812-6380 FAX
800-399-2391
sowellmanagement.com