

Percolating below the headline news regarding the replacement of SCOTUS Ginsberg's open seat are signs the U.S. economy is slowing from last week's mixed economic reports. The S&P 500 index declined another week by -0.61% while month-to-date the S&P 500 declined 5.6%.

A corollary to the Fed's zero-interest policy is the U.S. housing market continuing its rebound by 2.4% from July. This was the fastest pace of home sales recorded since December 2006, with home sales up 10.5% from a year ago.

With 36 days from the November elections, this week, (led by the first Presidential debate and Trump's SCOTUS nominee announced over the weekend), will be crowded with important economic and earnings releases - now six-months after the pandemic and indicative of what's to come in 2021.

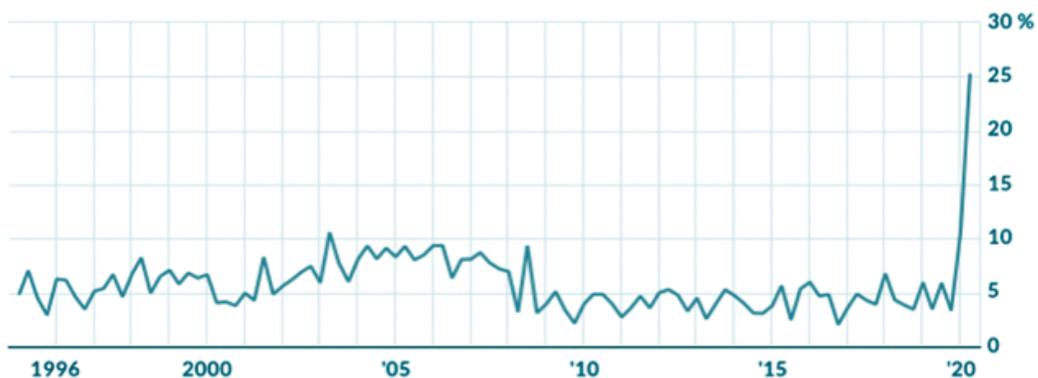
Our tactical model remains in positive territory (100% long) but softened from last week's economic and market sentiment.

<b>MONDAY SEPTEMBER 28, 2020</b>
No major releases
<b>TUESDAY SEPTEMBER 29, 2020</b>
Case-Shiller National Home Price Index
Consumer Confidence Index
Micron earnings
IHI Markit earnings
<b>WEDNESDAY SEPTEMBER 30, 2020</b>
ADP Employment Report
GDP Estimates
Chicago PMI
<b>THURSDAY OCTOBER 1, 2020</b>
Initial Jobless Claims (weekly)
Continuing Jobless Claims (weekly)
Constellation Brands earnings
Bed Bath & Beyond earnings
Pepsico earnings
<b>FRIDAY OCTOBER 2, 2020</b>
Unemployment Rate
Non-farm Payrolls
Factory Orders

## GAUGE OF THE GRADE



## Growth of domestic nonfinancial debt, annual rate



Facing the next President after the election will be mounting U.S. debt with total domestic nonfinancial debt rising at a record seasonally adjusted annual rate of 25.3% in the 2nd quarter to \$59.3 trillion and at some point if taxes will have to be raised, inevitably an election controversy.

US Yield Curve

Source: Federal Reserve

SECTOR RETURNS					
	5 DAYS	1 MONTH	3 MONTHS	YTD	12 MONTHS
Basic Materials	(4.96)	(2.18)	11.28	(0.97)	5.81
Communication Services	(0.43)	(4.48)	6.92	5.95	8.48
Consumer Cyclical	(0.73)	(3.22)	18.72	23.50	31.69
Consumer Defensive	(0.37)	(2.31)	8.97	2.43	6.33
Energy	(8.53)	(16.11)	(19.08)	(49.04)	(47.68)
Financial Services	(3.38)	(5.90)	0.44	(17.68)	(10.77)
Healthcare	(1.80)	(2.70)	4.50	3.46	17.70
Industrials	(2.63)	(1.93)	11.85	(7.27)	(2.46)
Real Estate	(2.19)	(4.02)	0.84	(15.34)	(15.60)
Technology	2.18	(4.17)	10.05	24.94	41.34
Utilities	1.15	(1.22)	4.33	(10.93)	(11.26)



## SOWELL'S WEEK AHEAD

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