

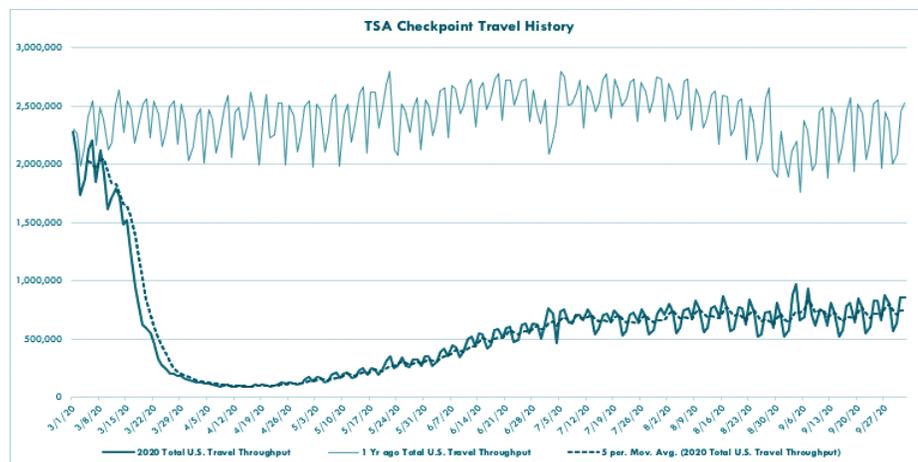
As the U.S. continues to recover, the Conference Board recorded an index measure of 101.8. The upbeat outlook for the economy is exceeding all economic estimate readings of 90 for September, coupled with improving consumer spending and manufacturing measures. Employment measures showed signs of concerns with the size of the labor force dropping to 160.1 million last month compared to February's 164.5 million. This is especially concerning after an unconventional summer, what is by and large the busiest travel season of the year. Heading into the fall season, health experts are now faced with the fear of the flu season mixed with coronavirus transmission and its global impact.

But what is assured is the impending election, now less than 30 days away, and regardless of the outcome global markets will have more political, policy and social clarity for what is in store: consensus or gridlock.

Our tactical model remains in positive territory (100% long) as the broad economic measures continue to improve. What remains in question is how the economy and norms will shift because of the pandemic.

MONDAY OCTOBER 5, 2020	
ISM Services	
Mattel earnings	
TUESDAY OCTOBER 6, 2020	
Trade Deficit	
Paychex earnings	
Levi Strauss earnings	
WEDNESDAY OCTOBER 7, 2020	
U.S. Vice Presidential Debate	
Consumer Credit	
THURSDAY OCTOBER 8, 2020	
Initial Jobless Claims (weekly)	
Continuing Jobless Claims (weekly)	
Carnival earnings	
Delta Airlines earnings	
Dominos Pizza earnings	
FRIDAY OCTOBER 9, 2020	
Wholesale Inventories	

## GAUGE OF THE GRADE



Source: TSA

Last week's economic reports show the economy improving but slowing and was further deepened by announcements of major layoffs from the likes of Disney and United Airlines. The TSA checkpoint travel chart is a lucid gauge illustrating the status of domestic travel. Since the catastrophic decline starting from March 1st, domestic persons traveling is merely 36% of pre-pandemic daily averages of 2019. In 2019, domestic travel accounted for approximately \$1 trillion in gross spending supporting the lodging, retail, food service and transportation industries.

## SECTOR RETURNS

	5 DAYS	1 MONTH	3 MONTHS	YTD	12 MONTHS
Basic Materials	1.81	(4.84)	9.44	0.83	11.97
Communication Services	1.70	(7.49)	7.73	7.75	14.66
Consumer Cyclical	3.20	(4.03)	18.42	27.45	39.44
Consumer Defensive	1.83	(3.35)	9.74	4.30	9.90
Energy	(2.83)	(15.30)	(20.49)	(50.48)	(45.36)
Financial Services	3.40	(4.97)	5.84	(14.88)	(3.52)
Healthcare	1.07	(3.82)	2.92	4.57	22.61
Industrials	1.82	(2.80)	11.29	(5.59)	3.72
Real Estate	4.85	(1.58)	2.97	(11.24)	(10.38)
Technology	1.22	(9.10)	9.53	26.46	48.39
Utilities	3.26	0.63	3.82	(8.03)	(6.97)



## SOWELL'S WEEK AHEAD

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