

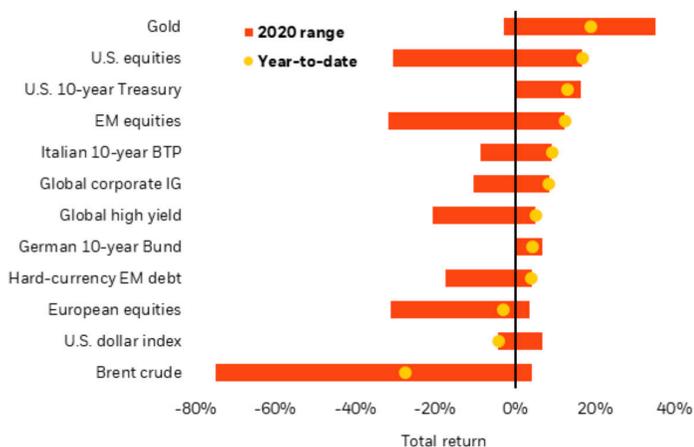


Equities closed the week lower, led by the real estate and financial sectors, yet the IPOs of DoorDash and Airbnb scorched higher 85% and 105%. The recovery in employment growth seems to be stalling and as talks between Republicans and Democrats over another round of fiscal stimulus continued to find opposition. A postponed stimulus package poses a headwind for stocks, as further economic restrictions from rising cases constrict growth. U.S. workers claiming unemployment insurance for the first-time exceeded consensus estimates. Positively, consumer sentiment posted a surprising increase in

December amid prospects for a vaccine rollout. With the current pandemic conditions, working from home and record-low mortgage rates have driven housing demand and created an additional \$1 trillion in wealth for homeowners. Even as the economic momentum slows in the near term, the outlook for the economy is positive over the next year, as the F.D.A. clears Pfizer's vaccine with millions of doses ready to be shipped this week.

Gold and U.S. equities remain the top performing asset classes of 2020. The year-to-date performance of gold is up 20.5% while the S&P 500 returned 16% and the NASDAQ composite roared 42% higher. Notable, the U.S 1-year treasury returned 16% slightly higher than a 14.5% return in EM equities. The core themes to keep on the radar for 2021 are inflationary data, interest rates and the long-term effects of stimulus.

**Selected asset performance, 2020 year-to-date and range**



Sources: BlackRock Investment Institute, with data from Refinitiv Datastream, December 2020.

<b>MONDAY DECEMBER 14, 2020</b>
No major releases
<b>TUESDAY DECEMBER 15, 2020</b>
Import Price Index
Industrial Production
Navistar earnings
<b>WEDNESDAY DECEMBER 16, 2020</b>
Retail Sales
Markit Mfg PMI
Business Inventories
FOMC Meeting
Herman Miller, Lennar and Toro earnings
<b>THURSDAY DECEMBER 17, 2020</b>
Initial jobless claims (weekly)
Continuing jobless claims (weekly)
Housing Starts
Accenture, Fedex, General Mills, Jabil and Rite Aid earnings
<b>FRIDAY DECEMBER 18, 2020</b>
Leading Economic Indicators Index
Carnival, Darden Restaurants, Nike, Progressive and Winnebago earnings

**SECTOR RETURNS**

	1 WEEK	1 MONTH	3 MONTHS	YTD	12 MONTHS
Basic Materials	(0.90)	3.21	9.87	13.90	17.01
Communication Services	0.82	6.97	16.38	25.21	28.22
Consumer Cyclical	(0.62)	6.90	14.01	41.19	46.01
Consumer Defensive	(0.38)	1.62	5.53	10.12	11.62
Energy	1.19	21.11	27.21	(31.39)	(27.89)
Financial Services	(1.80)	4.54	14.14	(2.51)	(0.36)
Healthcare	(0.43)	4.74	15.97	8.75	9.65
Industrials	(0.43)	4.74	15.97	8.75	9.65
Real Estate	(2.39)	(0.48)	4.59	(9.44)	(8.18)
Technology	(0.97)	4.34	13.54	40.04	45.96
Utilities	(0.42)	(6.24)	6.65	(5.34)	(2.58)

Our tactical model remains in positive territory.

**GAUGE OF THE GRADE**





## SOWELL'S WEEK AHEAD

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