



## Market in a Minute

November 26, 2019

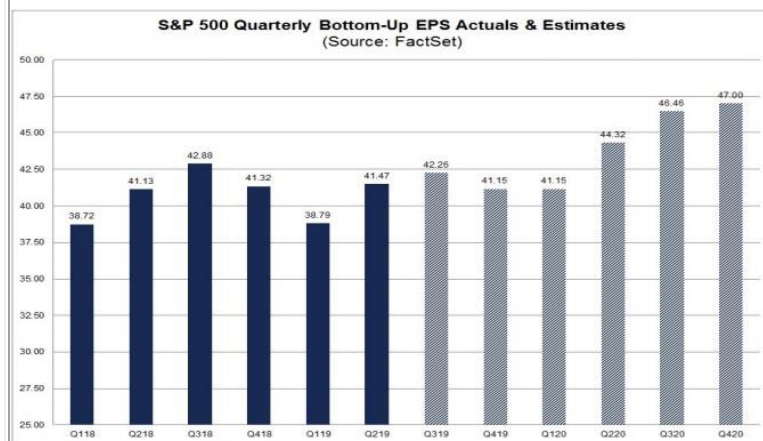
### Index Performance: As of November 22, 2019

Index	Price	Last Week	YTD
Dow Jones 30	27875.62	-0.5%	19.5%
S&P 500	3110.29	-0.3%	24.1%
NASDAQ	8519.88	-0.2%	28.4%
Russell 2000	8018.88	-0.5%	19.3%
Russell 2000 Growth	7354.47	0.1%	22.0%
Russell 2000 Value	11748.78	-1.0%	16.4%
Russell 1000 Growth	1672.72	-0.2%	30.4%
Russell 1000 Value	1742.57	-0.2%	22.5%
Shanghai SE Index	3022.97	-0.2%	15.8%
SPDR Gold Shares	137.74	-0.3%	13.6%
GS Crude Oil Total Return	6.49	0.2%	35.5%
Powershares US \$ Index	26.91	0.4%	5.7%
Ishares EAFE Index	67.98	-0.5%	15.7%
iShares Barclays 20+ Yr Treasury Bond	139.9	1.6%	15.1%
Utilities Select Sector ETF	63	0.2%	19.0%
Vanguard REIT ETF	91.55	-1.2%	22.8%
iShares Mortgage Real Estate	43.3	0.1%	8.4%
Wells Fargo BDC	19.82	0.0%	12.0%
Alerian MLP ETF	7.97	-0.6%	-8.7%

### A Word on the Market

By Pat Adams, CFA

The consensus, and our belief as well, earnings should begin to reaccelerate into 2020. The third quarter earnings for the S&P 500, that was just reported, is down -1.5%. The 4<sup>th</sup> quarter will be flattish versus last year, and then the comparisons start to get very easy as we go through 2020. We believe earnings will grow around 5% next year. The current consensus is for up 9% for 2020 versus 2019, it was very recently up 11%. The estimates in the back half of 2020 are still too high.



The issue with the current forecast is we are not seeing the economy pickup yet. We could actually see a negative GDP report in the 4<sup>th</sup> quarter! The Atlanta Federal Reserve Bank is estimating just .4% GDP growth. This is a significant drop from their original forecast of 1.5% as the economic data has been coming in weaker than expected.

iShares Global Telecom	59.85	-0.2%	19.3%
ETFMG Alternative Harvest ETF	17.55	4.5%	-29.6%
BitCoin Investment Trust	9.27	-9.6%	134.1%

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

#### S&P Sector Performance: As of November 22, 2019

Index	Price	Last Week	YTD
Information Technology	1516.67	-0.8%	39.3%
Consumer Disc.	944.15	-0.8%	20.8%
Consumer Staples	627.97	-0.2%	20.3%
Health Care	1135.88	0.8%	13.5%
Financials	495.51	0.5%	25.1%
Industrials	686.73	-0.8%	26.7%
Energy	438.15	-0.5%	3.3%
Communications Services	176.92	-0.4%	27.4%
Utilities	318.47	0.2%	18.6%
Materials	371.93	-1.7%	17.5%
Real Estate	235.2	-1.2%	22.3%

Source: Bloomberg website, Returns are appreciation only.

#### Interest Rates

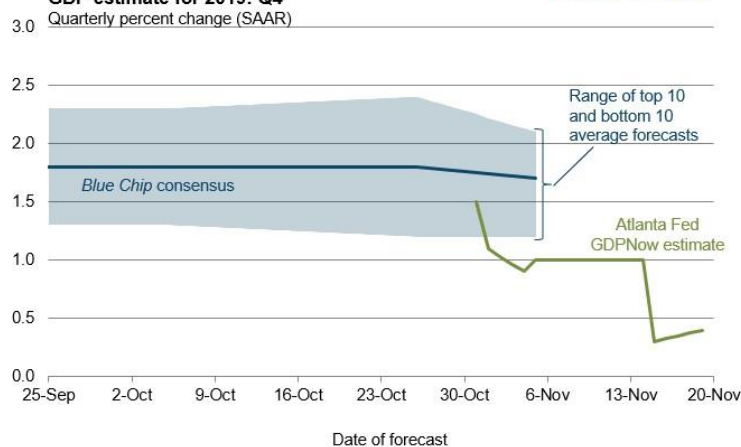
Fed Fund	1.50-1.75	5-Year	1.62
3-Month	1.61	10-Year	1.76
6-Month	1.61	30-Year	2.21
2-Year	1.61		

Source: Bloomberg.com

#### Economic Events This Week

<b>26-Nov</b>	CB Consumer Confidence	126.9	125.9
<b>26-Nov</b>	Richmond Manufacturing Index	6	8
<b>27-Nov</b>	Core Durable	0.2%	-0.4%

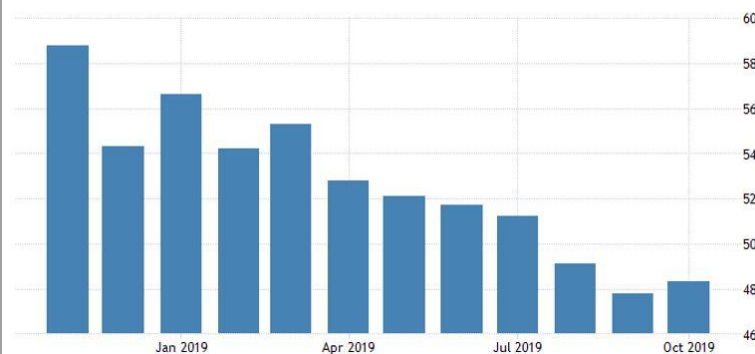
#### Evolution of Atlanta Fed GDPNow real GDP estimate for 2019: Q4



If for some reason the earnings are not in an improving trend i.e. the economy, then the market has a problem!

On December 2<sup>nd</sup>, the ISM Manufacturing Purchasing Managers Index is released, this in our opinion the most reliable economic indicator, it should show and uptick from October. If there is a meaningful drop below the October reading it would indicate the economy is deteriorating. Remember, below 50 on the ISM and the economy is contracting and around 42 is generally at the bottom of a recession.

#### ISM Manufacturing Purchasing Managers Index



**We wish everyone a Happy Thanksgiving!**

If you would like to learn more about our “Loss Averse” strategies, our tactical strategies or our value strategies please call 303 874 7478 or email [aadams@pvgasset.com](mailto:aadams@pvgasset.com) and we will schedule a call with one of our portfolio managers.

	Goods Orders m/m		
<b>27-Nov</b>	Durable Goods Orders m/m	-0.5%	-1.2%
<b>27-Nov</b>	Prelim GDP q/q	1.9%	1.9%
<b>27-Nov</b>	Unemployment Claims	223K	227K
<b>27-Nov</b>	Chicago PMI	47.2	43.2
<b>27-Nov</b>	Core PCE Price Index m/m	0.2%	0.0%
<b>27-Nov</b>	Personal Spending m/m	0.3%	0.2%

Source: Briefing.com

#### Economic Events Last Week

Date	Event
<b>20-Nov</b>	Building permits reported at a rate of 1.461M, 5% above revised pace of 1.391M
<b>21-Nov</b>	Unemployment claims were flat at 227K in the seven days ended Nov. 16
<b>21-Nov</b>	Philly Fed manufacturing index improves by 5 points in November to 10.4
<b>21-Nov</b>	Flash Manufacturing PMI rose to 52.2 in November from 51.3 in October

Source: Briefing.com