

WEEKLY UPDATE

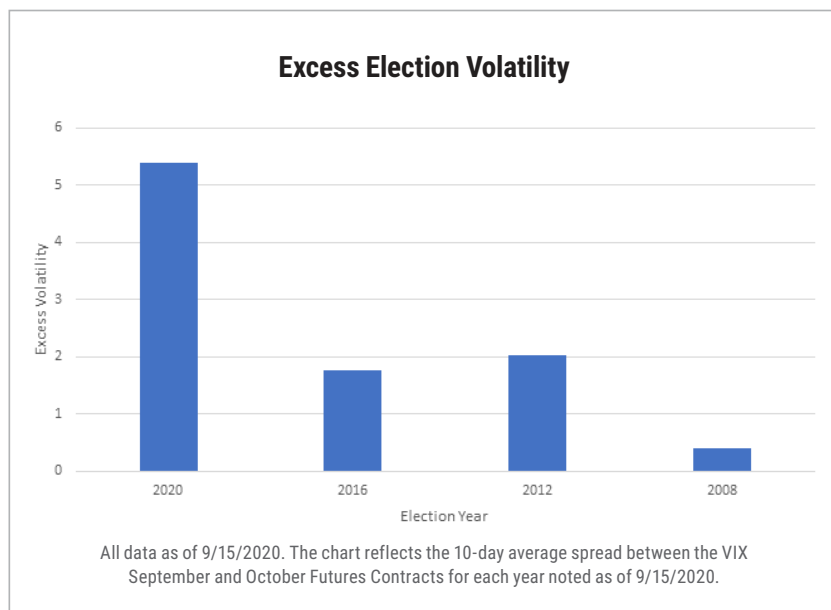
SEPTEMBER 28, 2020

CARY STREET
PARTNERS

EQUITY MARKETS

Equity markets continued lower last week, with the S&P 500 Index declining a further .63%.¹ At this point we are seeing widespread short-term oversold indicators reflecting downside exhaustion. This is particularly evident in market leading technology shares. Coupled with a lack of stress in the credit markets, this supports a conclusion that this correction is not the beginning of something larger to the downside. Markets remain fixated on COVID developments, and there is simply nothing on the calendar in the short term that addresses those developments. There are four vaccines in late-stage trials, with a path to market delivery in the first and second quarter next year. The news cycle on those late-stage trials will kick in late this year.

In the meantime, we have a contentious election in four weeks. Volatility indications, as priced into the options market are unsurprisingly higher than a normal election cycle. This indicates a bumpy ride ahead, although not necessarily a lower market. The actionable suggestion for clients concerned about equity volatility are predictable hedging strategies.



Source: Bloomberg

CREDIT MARKETS²

The widening of risk spreads on corporate bonds has been modest to date. The moderate increase relative to historical standards is primarily due to the continued support of the Federal Reserve in purchasing Treasuries, mortgage-backed securities and corporate bonds.

CONTINUED...

WEEKLY BENCHMARKS

GROUP/INVESTMENT	YTD Return (Cumulative) 9.25.2020
US EQUITY RETURNS	
SPDR® S&P 500 ETF TRUST	3.57
ISHARES DOW JONES US ETF	3.61
ISHARES RUSSELL 1000 ETF	4.21
ISHARES RUSSELL 1000 VALUE ETF	-13.11
ISHARES RUSSELL 1000 GROWTH ETF	21.38
ISHARES RUSSELL 2000 ETF	-10.74
GLOBAL EQUITY RETURNS	
ISHARES MSCI ACWI EX US ETF	-7.10
ISHARES MSCI ACWI ETF	-0.39
US FIXED INCOME RETURNS	
ISHARES SHORT TREASURY BOND ETF	0.83
ISHARES CORE US AGGREGATE BOND ETF	6.75
ISHARES TIPS BOND ETF	8.96
ISHARES IBOX \$ INVMT GRADE CORP BD ETF	7.23
ISHARES IBOX \$ HIGH YIELD CORP BD ETF	-2.20
ISHARES MBS ETF	3.69
GLOBAL FIXED INCOME BENCHMARKS	
ISHARES CORE GLOBAL AGGT BD ETF USD DIST	5.34
US FIXED INCOME MUNI RETURNS	
ISHARES NATIONAL MUNI BOND ETF	3.19
REAL ASSETS	
ISHARES GOLD TRUST	21.88
SPDR® DOW JONES GLOBAL REAL ESTATE ETF	-22.85

Source: Morningstar

WEEKLY UPDATE

SEPTEMBER 28, 2020

ECONOMIC RELEASES²

- **EXISTING HOME SALES** increased 2.4% in August to a rate of 6,000,000 units. This is the third consecutive month of increased sales, and the highest level of sales since 2006.
- **INITIAL JOBLESS CLAIMS** were 870,000 in the week ending September 19, above market expectations of 840,000. Individuals continuing to receive jobless benefits decreased by 167,000 to 12,580,000.
- **NEW HOME SALES** for August rose to 1,011,000 units, above market expectations of 890,000 units. The increase is the fourth straight month of rising New Home Sales and the highest level in 14 years.
- **U.S. DURABLE GOODS** orders increased in August .4%, lower than market estimates of 1.5%. The increase is the fourth consecutive month of increases.

¹ MarketWatch

² All Credit Market and Economic Release data sourced from Bloomberg

Past performance is no guarantee of future results.

Cary Street Partners is the trade name used by Cary Street Partners LLC, Member FINRA/SIPC; Cary Street Partners Investment Advisory LLC and Cary Street Partners Asset Management LLC, registered investment advisors.

This information was prepared by or obtained from sources believed to be reliable, but Cary Street Partners does not guarantee its accuracy or completeness. Any opinions expressed or implied herein are subject to change without notice. The material has been prepared or is distributed solely for information purposes and is not a solicitation or an offer to buy any security or instrument or to participate in any trading strategy. An investor cannot invest directly in an index.