

WEEKLY UPDATE

DECEMBER 7, 2020

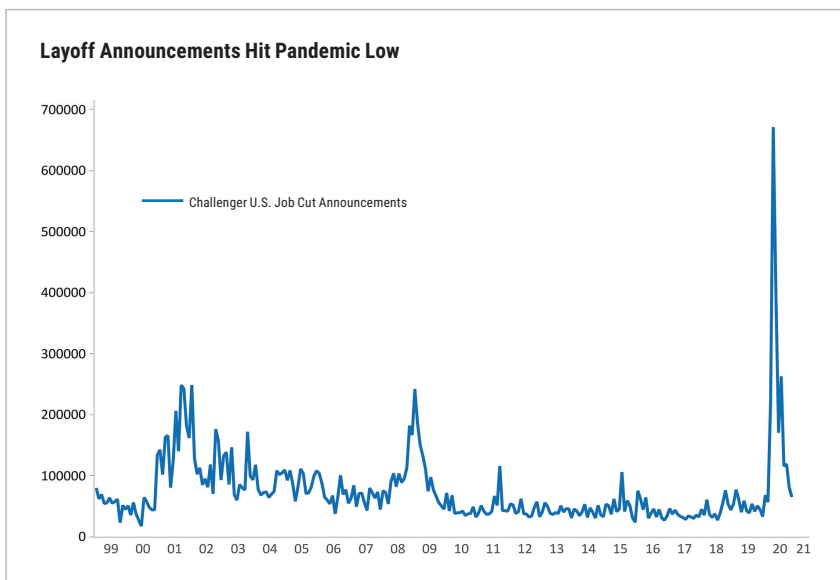
CARY STREET
PARTNERS

EQUITY MARKETS

Markets moved higher last week, with S&P 500 Index gaining 1.60%.¹ Overly bullish sentiment is an impediment to further gains. Current readings are at levels that historically cause some trouble for stocks near term. On the flip side, other tactically important indicators of trend, momentum, credit spreads, and liquidity are all positive. The takeaway is that any pullback should be relatively short and buyable.

COVID remains the driver as infection-rate news in the U.S. is miserable with over 100,000 hospitalizations. This number has doubled in short order and portends a very difficult period ahead. Helping the market look through this period is the advent of vaccines and treatments. The Pfizer/BioNTech vaccine is approved and initial use will begin this week in the U.K. Expect the U.S. to follow suit following the December 10th approval review by the FDA. Moderna's vaccine will follow about a week later to FDA review. Supplies for the initial Pfizer rollout are being put in place. Both vaccines use new messenger RNA technology that has far-higher indications of effectiveness than previous vaccines.

Economic conditions are better than commonly reported. Builder backlogs remain substantial, dollar weakness is lifting exports, inventories remain very low, investment spending is climbing, household savings are very high, and most importantly, the Federal Reserve is not going to short-circuit growth. Vaccines, brought to you by global capitalism, will unlock a lot more growth as services spending unleashes.



Source: Renaissance Macro Research, Macrobond

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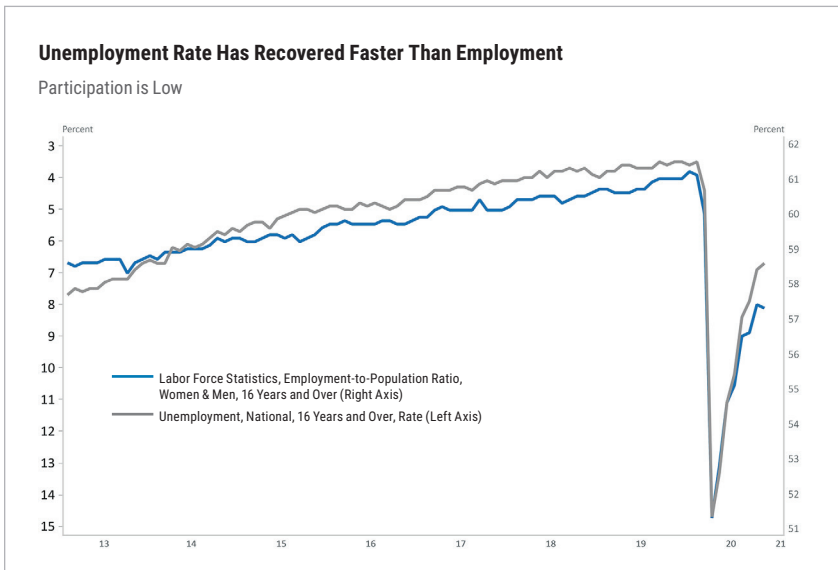
WEEKLY BENCHMARKS

GROUP/INVESTMENT	YTD Return (Cumulative) 12.4.2020
US EQUITY RETURNS	
SPDR® S&P 500 ETF TRUST	16.51
ISHARES DOW JONES US ETF	17.92
ISHARES RUSSELL 1000 ETF	18.50
ISHARES RUSSELL 1000 VALUE ETF	1.90
ISHARES RUSSELL 1000 GROWTH ETF	34.11
ISHARES RUSSELL 2000 ETF	14.78
GLOBAL EQUITY RETURNS	
ISHARES MSCI ACWI EX US ETF	7.80
ISHARES MSCI ACWI ETF	13.92
US FIXED INCOME RETURNS	
ISHARES SHORT TREASURY BOND ETF	0.83
ISHARES CORE US AGGREGATE BOND ETF	6.78
ISHARES TIPS BOND ETF	9.64
ISHARES IBOX \$ INVMT GRADE CORP BD ETF	10.08
ISHARES IBOX \$ HIGH YIELD CORP BD ETF	3.35
ISHARES MBS ETF	3.82
GLOBAL FIXED INCOME BENCHMARKS	
ISHARES CORE GLOBAL AGGT BD ETF USD DIST	8.09
US FIXED INCOME MUNI RETURNS	
ISHARES NATIONAL MUNI BOND ETF	4.41
REAL ASSETS	
ISHARES GOLD TRUST	20.73
SPDR® DOW JONES GLOBAL REAL ESTATE ETF	-11.34

Source: Morningstar

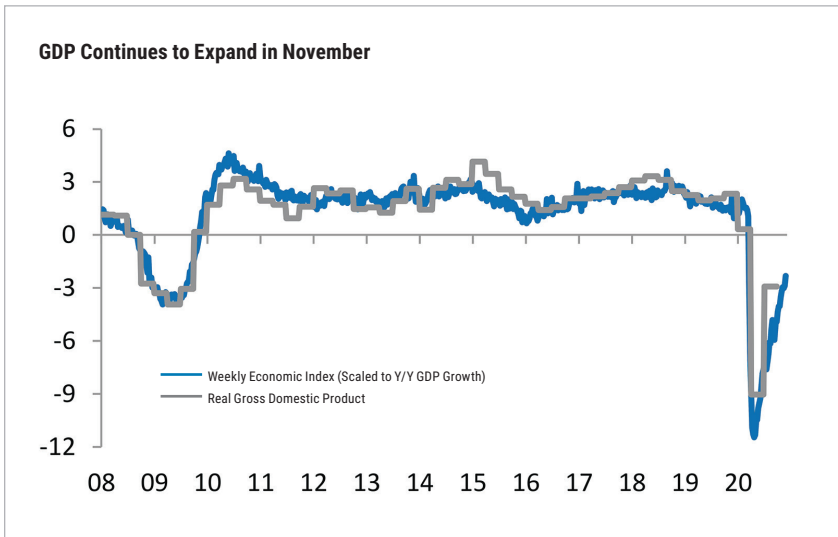
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Source: Renaissance Macro Research, Macrobond

Current employment is a lagging data point. The pace of job growth will accelerate as COVID cases drop. The end of this ordeal is now in plain sight.



Source: Renaissance Macro Research, Haver Analytics

¹ MarketWatch

Past performance is no guarantee of future results.

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