

WEEKLY UPDATE

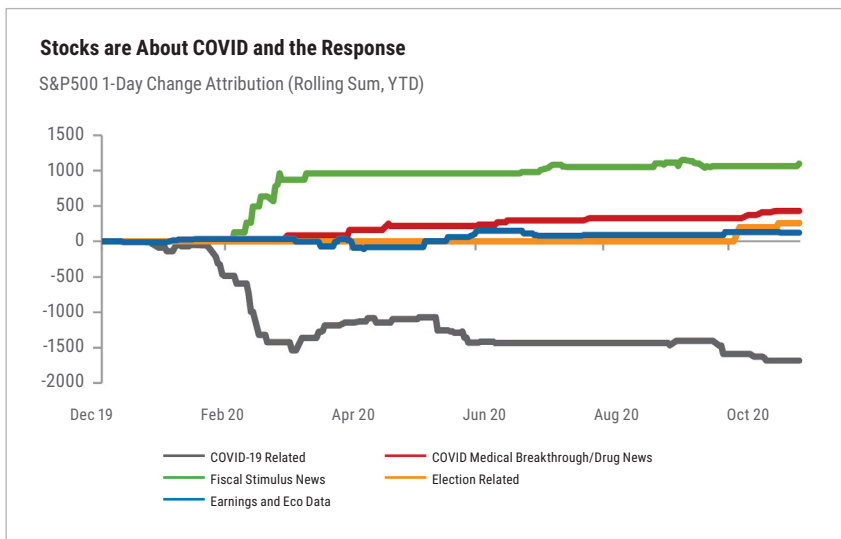
DECEMBER 14, 2020

CARY STREET
PARTNERS

EQUITY MARKETS

Equity markets were down last week, as the S&P 500 Index declined 1.02%.¹ Overly bullish sentiment, a contrarian indicator, remains a near-term impediment to markets moving higher. Sentiment can often be early as an indicator by a number of weeks, consequently any pullback could be at these levels or somewhat higher. The important takeaway is that any pullback that washes away some of that excessive sentiment should be buyable within the context of the very strong trend that began in March. Other tactically important market signals: momentum, credit conditions and liquidity, remain very positive. Cyclical stocks are likely to be relative-strength winners in the near term on the back of positive COVID developments or relief package news coming out of Washington.

COVID remains the overwhelming story. Infection rates have soared in the U.S. Hospitalizations are at a critical junction. Mitigation efforts in the U.S. that have always been piecemeal are being instituted across a wide array of states. Mitigation in Europe over the last few months has resulted in the curve bending lower. Asia has experienced far less infection all year, and economically has fully recovered.



Source: Renaissance Macro Research, Haver Analytics

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WEEKLY BENCHMARKS

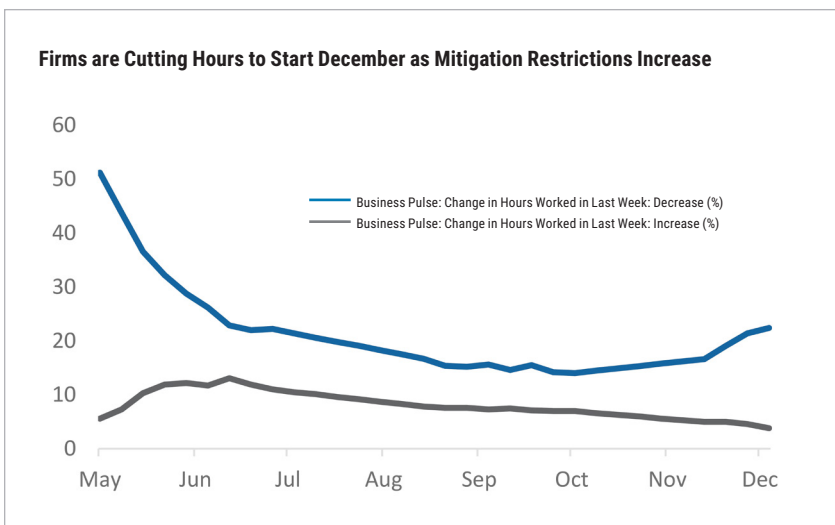
GROUP/INVESTMENT	YTD Return (Cumulative) 12.11.2020
US EQUITY RETURNS	
ISHARES DOW JONES US ETF	17.02
ISHARES RUSSELL 1000 ETF	17.60
ISHARES RUSSELL 1000 VALUE ETF	1.19
ISHARES RUSSELL 1000 GROWTH ETF	33.00
ISHARES RUSSELL 2000 ETF	15.97
GLOBAL EQUITY RETURNS	
ISHARES MSCI ACWI EX US ETF	7.65
ISHARES MSCI ACWI ETF	13.32
US FIXED INCOME RETURNS	
ISHARES SHORT TREASURY BOND ETF	0.83
ISHARES CORE US AGGREGATE BOND ETF	7.15
ISHARES TIPS BOND ETF	10.12
ISHARES IBOX \$ INVMT GRADE CORP BD ETF	10.22
ISHARES IBOX \$ HIGH YIELD CORP BD ETF	3.32
ISHARES MBS ETF	3.82
GLOBAL FIXED INCOME BENCHMARKS	
ISHARES CORE GLOBAL AGGT BD ETF USD DIST	8.45
US FIXED INCOME MUNI RETURNS	
ISHARES NATIONAL MUNI BOND ETF	4.62
REAL ASSETS	
ISHARES GOLD TRUST	20.66
SPDR® DOW JONES GLOBAL REAL ESTATE ETF	-12.86

Source: Morningstar

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The end of the global disaster is in sight, albeit a few months out. Vaccines are how pandemics end. The Pfizer/BioNTech vaccine is now being administered in the U.K. The same vaccine has been approved by the U.S. and Canada, with administration beginning this week. The Moderna vaccine, which uses similar, highly effective messenger RNA technology, is being reviewed by the FDA for approval this week. The U.S. still faces a very difficult month or two contending with the virus, but once vaccines are widely distributed the services sector of the economy is poised to boom as spending unleashes. Important and widely followed, but lagging, economic indicators such as jobs will pick up pace accordingly.



Source: Renaissance Macro Research, Haver Analytics

¹ MarketWatch

Past performance is no guarantee of future results.

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