

### Our Fundamental View:

COVID and economic data continue to dominate headlines – *and* continue to improve. The real questions now being: When will COVID be behind us, and how does the economy look in the future? While no one knows for sure, we remain optimistic that COVID numbers will continue to improve, and that even if they don't that 'COVID fatigue' makes the risk of another US shutdown negligible.

Regarding the shape of the US economic recovery, we agree the best letter to use is probably a 'k'. Meaning, that after the step initial decline, different industries may now head different directions – some recovering like the top half of the 'k', while others continue to suffer as life inevitably changes.

### Our Technical View:

Technically speaking, the consolidation we discussed in stocks last month continues to look like a 'garden variety' pullback. Market internals remain firm, with the number of stocks holding above their 200-day above 40% – a line we use to define bull & bear markets.

That being said, we continue to see meaningful differences within various sectors. This is no more apparent than within the energy sector, where the XLE ETF (which includes traditional fossil fuel energy sources) remains very weak. TAN, on the other hand, (which includes solar energy stocks) recently emerged from a 10-year base. A very bullish development and vivid example of the 'k' noted above.

### Consensus Call of the Month:

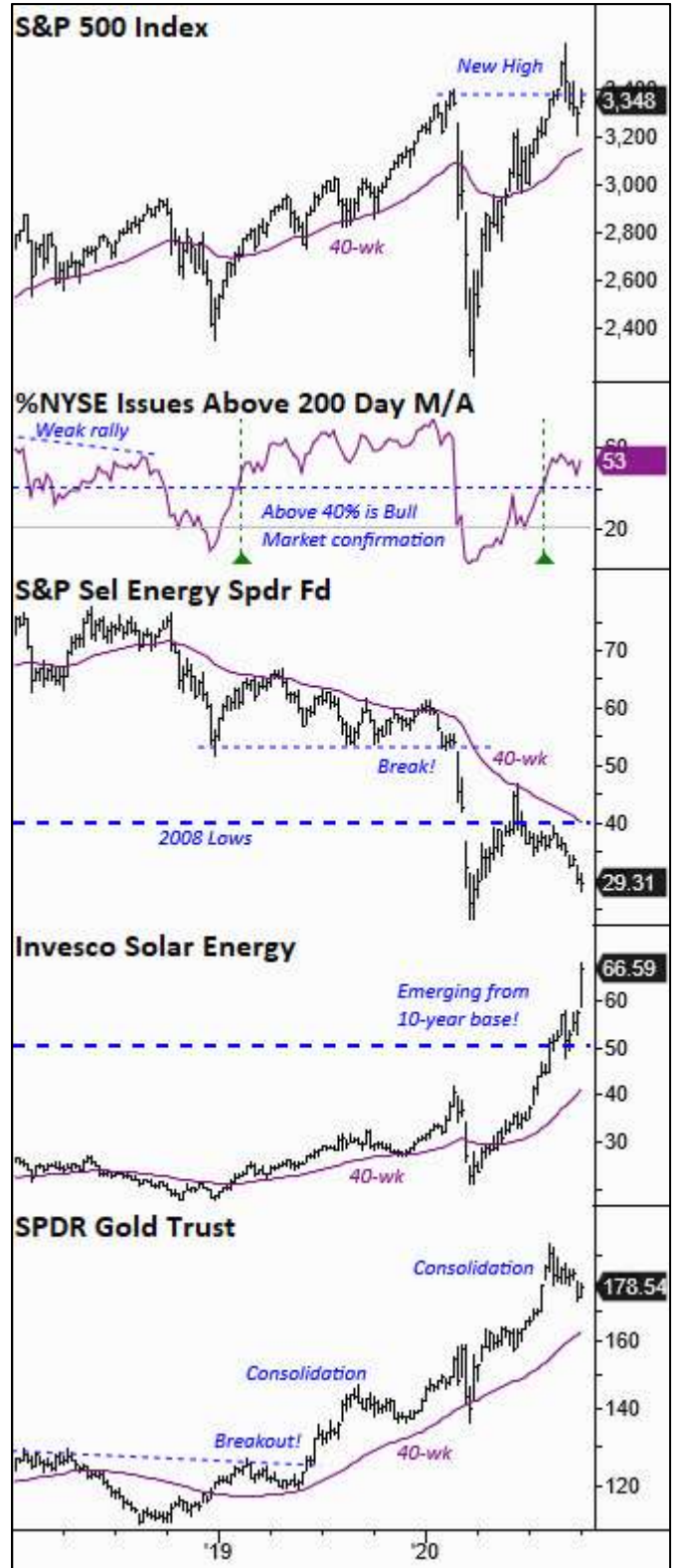
Also in pullback mode the past several weeks has been gold. Also like stocks, this weakness continues to look like a 'garden variety' pullback, similar to that seen during the 2<sup>nd</sup> half of 2019. While only time will tell, we think the crowd is right, and that gold emerges from this consolidation to the upside and ultimately pushes to new highs.

### Contrarian Call of the Month:

Finally, while not nearly as confident as we were last month, we continue to think President Trump will stage another incredible comeback and win re-election in Nov. While time is clearly running short for him, we expect to see a tremendous amount of campaign advertising over the next 4 weeks in addition to debates on Oct 15<sup>th</sup> & Oct 22<sup>nd</sup> – despite calls to the contrary.

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Portfolio Manager

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Charts courtesy of TradeStation, as of October 3, 2020

## About NexBank Wealth Management

NexBank Wealth Management is a privately owned, independent wealth manager located in Dallas, Texas. The team is led by award-winning investment professionals, with an average of 25 years of experience working with some of the world's most distinguished institutional clients and financial institutions. NexBank Wealth's actively-managed approach guides clients through complex and evolving markets. Contact our Client Services Team for more information.

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