



Basis Points – September 8, 2020

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Above the Fold

Statistics Could Support the Incumbent Party, but COVID-19 Throws a Curve

Even since the year before the market crash of 1929, there's been a nearly 90% probability of the incumbent party winning the White House when the S&P 500 is positive in the quarter ahead of the election.

So far, the Trump administration seems to have the odds in their favor as major domestic indexes have mostly erased their losses for the year, easing some of the financial stress felt by most of us. August, which begins this three-month period, registered record 7% gains in the S&P, but September and October might not be as easy. September is historically the worst month for stocks and has logged negative returns 54% of the time over the last 90+ years. October is also,

historically, a low-return month that has brought two “Black Monday” market crashes in 1929 and 1987. For now, the pandemic continues, but could worsen or see a breakthrough in treatment and/or vaccine before Nov. 3. So, while we are less than two months away from election day, the result is still anything but predictable.

Three Things

1. *“Can You Hear Me Now?” ... South Korea Gets 5G Boost* – Seoul-based Samsung Electronics Co. just inked a \$6.5 billion contract with Verizon to supply next-gen, 5G network equipment and services. The deal runs until the end of 2025 and adds street cred to Samsung’s 5G capabilities. According to Dell’Oro Group, Huawei remains the world leader in 5G radio access market share.
2. *Amazon Goes Seedless* – The behemoth etailer is banning the sales of foreign seeds in the United States. Thousands of buyers expecting domestic seed products or other unrelated items instead received odd packages postmarked from several foreign countries (mostly China) containing seeds. The odd agricultural shipments prompted Amazon to abruptly halt the sale of imported plant or seed products on Sept. 3. Several domestic government agencies are also investigating the peculiar seed shipments.
3. *Apple’s New Product Designs Leaked* – While details about Apple’s latest iPhones (due for release in a matter of weeks) aren’t confirmed by the company, credible speculations point to a new, more industrial design reminiscent of the older iPhone 4 and 5 models. Expect 5G capability across some or all the phones as well as two new screen sizes. OLED technology is also likely across the entire lineup, and even a [LIDAR](#) sensor (for augmented reality), but the typical included charging block and wired headphones are both expected to be nixed, according to [MacRumors](#).

Did You Know?

Wearing White After Labor Day

The idea of a “Labor Day” started in New York City where two workers, Matthew Maguire, a machinist, and Peter McGuire, a carpenter, were said to help organize an 1882 parade celebrating the hard work and contributions of laborers who helped build and maintain our nation. The holiday was formalized by President Grover Cleveland in 1892.

Labor Day has certainly evolved over the years and has a few quirky facts associated with it. The holiday marks the end of Hog Dog Season (yes it’s a thing), and also the unofficial end of the summer holiday period. Not wearing white after Labor Day is a tradition dating back to the end of the Civil War, where the wives of old-money elites ruled society. As the industrial boom created new wealth, the “old guard” would often shun the nouveau riche. A sure-fire way for a newly affluent woman to be cast from the group would be to wear a white dress to an autumn dinner party. Popular fashion culture adopted the antiquated practice, but it has mostly faded away in recent years.

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