



Basis Points – October 6, 2020

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Above the Fold

What if an Uncertain Election Gets Even Less Certain?

The 2020 U.S. Presidential Election is certainly one for the history books. In what could be one of the most heated, and potentially close competitions for the most powerful position on Earth, volatility and unpredictability continue to rise. President Trump's recent announcement that he's tested positive for COVID-19, along with others close to him, including press secretary Kayleigh McEnany, were certainly a shock for many and adds yet another layer of complexity to an already complicated race. Experts close to the President say his prognosis is good and expect him to make a full recovery, but many are now looking to the U.S. election results themselves and what could happen if the results are "too close to call," or formally disputed by either party (a process that could leave us without a formal decision for months).

Surprisingly, equities have fared rather well throughout this recent turn of events, but history has shown us that uncertainty makes for volatile markets. While the probability of a protracted period of unclear election results (greater than 60 days) is low, investors should be careful not to panic if we do find ourselves in the throes of a formal dispute and without a clear winner.

It's a good idea, ahead of the election, to examine your overall portfolio to ensure your allocations are still aligned with your long-term objectives, while maybe examining a few hedges or alternatives just in case we enter a dispute period. And whether we continue with our current leadership or experience a changing of the guard, the economic trajectory isn't likely to immediately shift course. That means you should be able to course-correct if your candidate isn't chosen. It's also not a bad idea to keep a little powder dry to take advantage of an overreaction in either direction.

Three Things

1. *Bing Gets a Prefix!* – Microsoft wants the world to know that “Bing” is, indeed, its core search engine as the company changed the name of the service to “Microsoft Bing,” and added a newly stylized Microsoft logo to the top of the home page.
2. *Regal Closing the (Final?) Curtain on All U.S. and U.K. Theaters* – The second largest operator of cinemas in the U.S. announced that it will temporarily close all its theaters domestically on Oct. 8, after attempting to reopen in August. The company will also close all 127 locations across the pond. Parent company Cineworld said the closure is indefinite, depending on studio release schedules that continue to be delayed.
3. *Virtual Voting: Safe or Too Soon?* – Digital voting from your smartphone is yet another hotly debated topic that's gaining traction. Proponents say it will increase voter engagement and accuracy, while reducing costs. Critics cite a myriad of issues from coercion and malicious hackers to the system's dependence on third parties, identity verification and even identity intrusion. While there are some areas of the U.S. that currently allow limited digital voting, it may be some time before widespread use is adopted, especially for critical positions.

Did You Know?

Lots of Beer...

Oktoberfest, which actually begins in late September, was first held 210 years ago to celebrate the royal wedding of Crown Prince Ludwig to Princess Therese of Saxony-Hildburghausen. The 16-day festival started in Munich, Germany, but is celebrated around the world. In Munich alone, revelers consume around 7.5 million liters of beer over the short period. That's 253,605,170.3 ounces, or more than 31.7 million cans of beer.

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