



Basis Points – October 20, 2020

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Above the Fold

Are Americans Really Going to See a Pre-Election Stimulus Package?

Washington isn't particularly known for meeting deadlines, but House Speaker Nancy Pelosi imposed a bold demand on the White House to have a stimulus deal completed today. Speaker Pelosi's public request came after a reportedly positive conversation with Treasury Secretary Steven Mnuchin, who has led the negotiations for the administration's side. The two had also exchanged "encouraging" progressions with regard to language around COVID-19 testing, which is a sticking point for both sides.

While the developments seemed positive, another roadblock may be the fact that many Senate Republicans have opposed spending more than \$2 trillion on a package (GOP senators would like to see that number closer to \$1.6 trillion).

While the push for a larger bill goes on, the Senate is also expected to vote on a stand-alone, \$500 billion stimulus bill tomorrow that would add funding for schools, expanded unemployment benefits and a second round of the Paycheck Protection Program. Experts expect this smaller, but more focused stimulus plan to be blocked by Democrats, just as a similar plan was last month. Equities still seem to think that America will get another fiscal shot in the arm as stocks continue to see generally higher trends as of late.

Three Things

1. *Rent a Premier Movie Theater for \$99* – America’s largest cinema chain, AMC, will now let you rent an entire theater for less than **\$100**. In an effort to generate revenue, the struggling chain will allow groups of up to 20 people to privately screen the movie of their choice (well, a limited list of movies anyway). The movie house will charge extra if you want to bring outside food and drink, but they will clean up before and after.
2. *Alibaba to Challenge Walmart (In China)* – China’s Amazon, aka Alibaba, just announced a \$3.6 billion controlling stake in China’s largest big-box retailer, Sun Art Retail Group Ltd. Sun Art currently operates more than 480 stores across the nation with a 14.1% market share of “hypermarkets” in China — Walmart is currently 10.3%, according to Euromonitor International.
3. *Just How Much Did Amazon Make on Prime Day?* – While the company did not release total Prime Day sales, it did note that its (delayed) blockbuster selling event was a huge success. The businesses that sell on its marketplace made more than \$3.5 billion during Prime Day, a 60% jump from 2019. These third-party sellers make up more than 58% of total merchandise sold. With Prime Day lumped into the Q4 holiday season, analysts expect the company’s quarterly revenue to top \$100 billion for the first time in history.

Did You Know?

Drawing the Canadian Line

Today in 1818, an agreement between the United States and Britain established a border along the 49th parallel from the Lake of the Woods in the east, out to the Rocky Mountains in the west. By 1846, the line was extended to the Strait of Georgia marking the official U.S.-Canadian border. It wasn’t until 1867 that the autonomous Dominion of Canada was officially recognized by Great Britain as a self-governing entity with the July 1 passage of the British North America Act, now known as Canada Day.

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