



Basis Points – November 5, 2020

 westwoodgroup.com/weeklyblog/basis-points-november-5-2020/

Above the Fold

Markets Stable, Trump Seeks Recount

Despite a presidential election still too close to call (as of 5 p.m. Eastern time Wednesday), the S&P 500 managed to post a strong 2.2% gain for the trading day yesterday as it sees a relatively quick resolution to any presidential dispute. In the near term, stocks may see a boost with either candidate. A Biden win combined with a mixed Congress may provide a near-term boost of stimulus along with longer-term growth concerns, where a continued Trump presidency combined with the same Congress blend provides more of a broader growth outlook and less uncertainty, but less chance for immediate aggressive stimulus.

As the fight for battleground state electoral votes grinds on, the Trump campaign will be reportedly requesting a [recount](#) in Wisconsin, while also filing a lawsuit in Michigan Wednesday to [halt](#) ballot counting there as the state shifted from red to blue as late counting continued. In addition, the Trump team has also asked the Supreme Court for permission to intervene in a GOP appeal to a previous ruling that allowed a three-day extended deadline for accepting ballots mailed by Election Day.

The good news is that the markets seem to be taking much of the news in stride, allowing investors to exhale while the world holds its breath awaiting results of this hotly debated election.

Three Things

1. *Rideshare and Delivery Companies Catch a Break in Cali* – Voters in California passed proposition 22, which is a measure that allows companies with app-based drivers like Uber Technologies Inc., Lyft Inc. and DoorDash Inc. to bypass a new state law that would have required them to reclassify their workers as employees (which would have come at a great financial cost). If not for the recently passed measure, many of these companies would have had to dramatically retool their business or pull out of the state altogether.
2. *Private Citizens Win Digital “Face” Off in Maine* – Portland, Maine, passed a ballot initiative that bans the use of facial recognition by police and city agencies. Portland joins a handful of other cities across America that have already prohibited the practice. The new initiative strengthens a recent ordinance and now entitles citizens to civil fees starting at \$1,000 if they are improperly surveilled.
3. *Digital Birth Control Pioneer Takes Another Step* – The FDA-approved, yet controversial Natural Cycles app uses daily temperature and period cycle tracking to help women predict their most (and least) fertile days. The initial app required women to take their temperature daily, but the company is now looking to integrate biometric wearables like the Oura Ring to increase effectiveness. The Food and Drug Administration (FDA) will now evaluate whether this digital, hormone-free approach to fertility awareness is a safe and effective method.

Did You Know?

On This Day in 1912...

Democrat Woodrow Wilson won a whopping 435 electoral votes in a landslide victory against incumbent William Howard Taft and former President Theodore Roosevelt, who ran under a third-party progressive ticket.

The information contained herein represents the views of Westwood Wealth Management at a specific point in time and is based on information believed to be reliable. No representation or warranty is made concerning the accuracy or completeness of any data compiled herein. Any

statements non-factual in nature constitute only current opinion, which is subject to change. Any statements concerning financial market trends are based on current market conditions, which will fluctuate. Past performance is not indicative of future results. All information provided herein is for informational purposes only and is not intended to be, and should not be interpreted as, an offer, solicitation, or recommendation to buy or sell or otherwise invest in any of the securities/sectors/countries that may be mentioned.