

# The Compass

## Cypress Capital Group/Cypress Trust Company

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The past few months have shown improvements in economic recovery from the impact of COVID-19. Availability of vaccines, business re-openings and hirings have contributed to a positive outlook and is being reflected in the stock market. Yet there remains uncertainty surrounding the depth and duration of the pandemic, the possibility of a resurgence of the virus, and continued high unemployment, further exacerbated by natural disasters (wildfires, hurricanes) as well as the inherent uncertainty of an election year.

Markets are making new highs, fueled by expectations of a vaccine and a strengthening economy. There is also the T.I.N.A. effect – There Is No Alternative – where continued low interest rates drive investors to stocks in search of yield. The markets have gotten ahead of the economy, however. Year to date S&P 500 returns were driven by 5 stocks in the technology and communications services sectors, while other stocks in the index reflected meager or negative returns. Valuations are stretched. Periods of uncertainty underscore the importance of an all-weather portfolio with balance across the sectors.

The economic focus for the next 45 days will be primarily on a vaccine solution for Covid-19 and the election.

Our commitment is to be available and accessible to those who rely on us. Stay safe and well.

Thank you for your continued confidence and support.

*Brian Skarbek and the Investment Team*



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