

Supreme Uncertainty

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The financial markets struggled in September under a barrage of negative developments. Uncertainty over the strength of the economy, a contentious election, the passage of a fiscal stimulus package, and the speed of an approved vaccine caused a surge in market volatility. Presently, epidemiologists seem to have as much power over the U.S. economy as central bankers. This pandemic could cause more permanent damage to the global economy than the financial crisis in 2008. Recent economic data suggests the rebound may be stalling. Meanwhile, the credit markets have successfully absorbed record new issuance with the help of the Fed's policy of ultra-low rates for longer. This policy has resulted in asset price valuations outstripping nominal GDP. Therefore, the markets are likely to be further tested over the next several months as supreme uncertainty could unsettle investor sentiment.

***SPECIAL NOTE:
We hope all of our
clients and friends of
the firm are safe and
well during these
trying times.***

Please Contact Marketing@ShenkmanCapital.com for the full letter.