



FOCUSING ON THE MEDIUM TO LONG TERM POTENTIAL

Dear Clients and Friends,

I hope you are well and healthy during these unprecedented times. Here are my latest thoughts on the markets for your review:

Given the ebb and flow of all the news headlines, I expect the markets to remain more volatile than normal as we brace for more uncertainties. The economy should start pricing in the benefits of a vaccine and other therapeutic drugs before year end. There will be new fiscal stimulus regardless of who wins the election.

Monetary policy is set to remain accommodating for the foreseeable future. This central bank policy is making the medium to long term case for equities over bonds and cash even clearer. I expect stocks to continue to move higher and believe that continued economic recovery from the pandemic will be a dominant driver.

Corporate profits have been more resilient than expected and that strength should continue through year end and 2021. Earnings and revenues continue to be stronger than expected as spending on goods and services has increased during the pandemic, especially digital trends and spending.

I highly recommend taking advantage of any pullbacks and volatility in a disciplined manner. *I have increased my earnings estimates for 2021 to \$168 and SP 500 price target to 4,125.*

Risks & Rewards

In most scenarios a blue wave sweep will hurt as corporate taxes rise. But these higher taxes will be used to fund democratic spending on infrastructure, green energy and healthcare expansion. This scenario will boost economic growth because new government spending would exceed the increase in taxes.

As always, please feel free to contact me should you have any questions.

Sincerely,



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