



At the start of last week, the S&P 500 had a year-to-date return of 26.7%, while the entire week's losses of -2.2% occurred on Friday's news of a new covid variant. There may be unknowns of this new variant but let's not forget it is a variant of a recognized coronavirus now. Moreover, we have accumulated improved treatment means and market knowledge from Covid, already in the midst of one of the fastest economic recoveries in the modern era. With stability expected at the Fed Chair after President Biden's endorsement, pending infrastructure stimulus, and the economy getting more robust, Sowell's tactical indicators still hold in positive territory.

## GAUGE OF THE GRADE



BEARISH

NEUTRAL



BULLISH

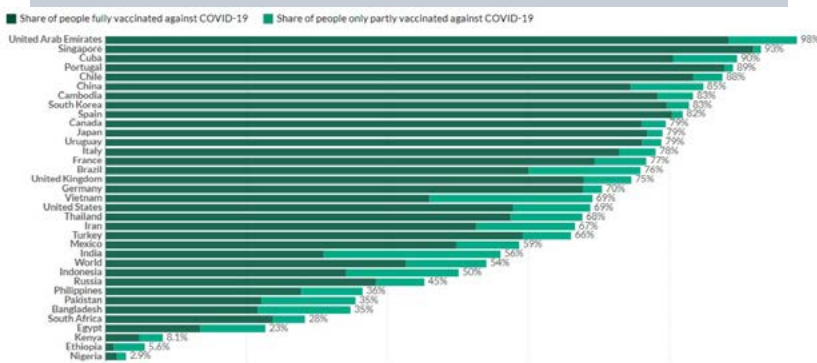


The coronavirus reminded us again that the pandemic is far from over. Last Monday, Austrian residents started their day in lockdown. Later in the week, the new Covid-19 variant from South Africa set off alarm bells worldwide. Europe first, and then the U.S. announced travel bans on South Africa and surrounding countries. This setback in the fight against the virus caused investors to sell equities globally and buy the safety of Treasuries. Initial reports on the variant show it could be more transmissible than the Delta variant. Earlier in the week, technology shares underperformed because of rising interest rates. But later in the week, as the news of the variant took over, the flight to safety trade lowered the U.S. 10 Year Treasury yield to below 1.5%. The price of crude oil plummeted by more than 10% on Friday on fears that the new variant will damage oil demand. Jerome Powell was renominated as the Chairman of the Federal Reserve on Monday by President Biden.

Despite the potential setback to the economy from the potential impact of the variant, we should be getting positive economic data announced this week. On Friday, we will probably receive a strong payroll report showing that the labor market continues to improve. Many large retailers such as Target, Walmart, and Amazon

have said they intend to hire many new seasonal employees. On Wednesday, the manufacturing survey from The Institute of Supply Management will be released, and we should see continued expansion in manufacturing. It will offer insight into how managers are feeling across a wide array of industries. The Case-Shiller Home Price Index is released on Tuesday and will shed light on the continuing strong housing market.

Source: <https://ourworldindata.org/covid-vaccinations>



The rapid development and emergency authorization of several Covid-19 vaccines late last year and this year led the world to get its citizens vaccinated. That progress has been uneven at best. There has been vaccination inequity between high-income countries and the rest of the world. An international organization named COVAX was created to distribute vaccines globally. Africa, where the latest variant has emerged from, is seeing a rise in vaccine dose deliveries. Still, only one in four of its health workers has been fully vaccinated. Despite the availability of vaccines in most parts of the world now, vaccine hesitancy, unfortunately, seems to be the main obstacle for eradicating this virus. The U.S. was a leader in the number of Covid-19 vaccines administered to its citizens earlier in the process. Still, because of a segment of the U.S. population refusing to get vaccinated, the country's overall vaccination rate is below many countries, including some third-world countries. The data above as of yesterday, shows where the U.S. ranks on the share of people vaccinated.

### MONDAY NOVEMBER 29, 2021

- Euro Zone Consumer Confidence
- Pending Home Sales
- Fed Chair Powell Testifies and FOMC Members Speaks

### TUESDAY NOVEMBER 30, 2021

- Redbook
- Case-Shiller House Price Index
- China Caixin Mfg PMI
- Allbird, BHP, Hewlett Packard Enterprise, NetApp, and Salesforce.com earnings

### WEDNESDAY DECEMBER 1, 2021

- Mfg PMI
- Mortgage Market Index
- ISM Mfg PMI
- Construction Spending
- CrowStrike, Snowflake, Splunk, Synopsys, Veeva, and Zuora earnings

### THURSDAY DECEMBER 2, 2021

- Initial jobless claims (weekly)
- Continuing jobless claims
- OPEC Meeting
- Cooper, DocuSign, Dollar General, Kroger, Marvell, Toronto Dominion, and Ulta Beauty earnings

### FRIDAY DECEMBER 3, 2021

- Euro Zone Retail Sales
- Unemployment Rate
- Factory Orders
- Big Lots, and Hibbett earnings

### SECTOR RETURNS

	1 WEEK	1 MONTH	3 MONTHS	YTD	12 MONTHS
S&P 500 Index	(2.18)	0.57	3.12	23.80	28.29
Basic Materials	(2.31)	0.50	3.03	21.86	25.11
Comm Services	(3.37)	(3.30)	(6.34)	13.79	17.84
Consumer Cyclical	(3.62)	2.72	10.05	23.17	29.07
Consumer Defensive	(0.38)	0.38	0.80	8.40	9.94
Energy	1.55	(6.84)	16.85	48.43	45.04
Financial Services	(1.27)	(6.07)	(1.50)	23.41	28.34
Healthcare	(1.30)	(1.50)	(3.05)	12.65	18.81
Industrials	(2.59)	(0.62)	0.26	17.01	17.79
Real Estate	(1.39)	(1.68)	2.30	25.03	26.07
Technology	(3.58)	4.32	7.45	29.13	38.62
Utilities	(1.01)	(1.08)	(2.09)	5.60	3.57

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