



November Commentary

November 4, 2020

Although we still do not have a result on the presidential election and it may be a few more days, what we do know is that the Senate will stay in Republican control and the House will stay in Democratic control. Whoever becomes the President will be dealing with a divided Congress. This will make it difficult to get very partisan policies through both houses.

The markets have reacted positively to these developments. With a split government, technology stocks are less threatened with regulation, a stimulus bill will be modest, and there may be bi-partisan support for an infrastructure bill. Other items that will need to be dealt with are the ongoing effects of Covid-19, a ballooning deficit, unemployment, taxes, and the distribution of a vaccine. The list goes on and on and there will either be compromise or gridlock in Washington.

Our investment process is still the same. Invest in strong and growing companies that provide a good risk reward tradeoff for the long-term. We will have a president-elect and Washington will continue as it has in the past. The markets prefer certainty and after last night we have a slightly clearer picture of our future government.

We hope this finds you and your families well.

Best Regards,

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