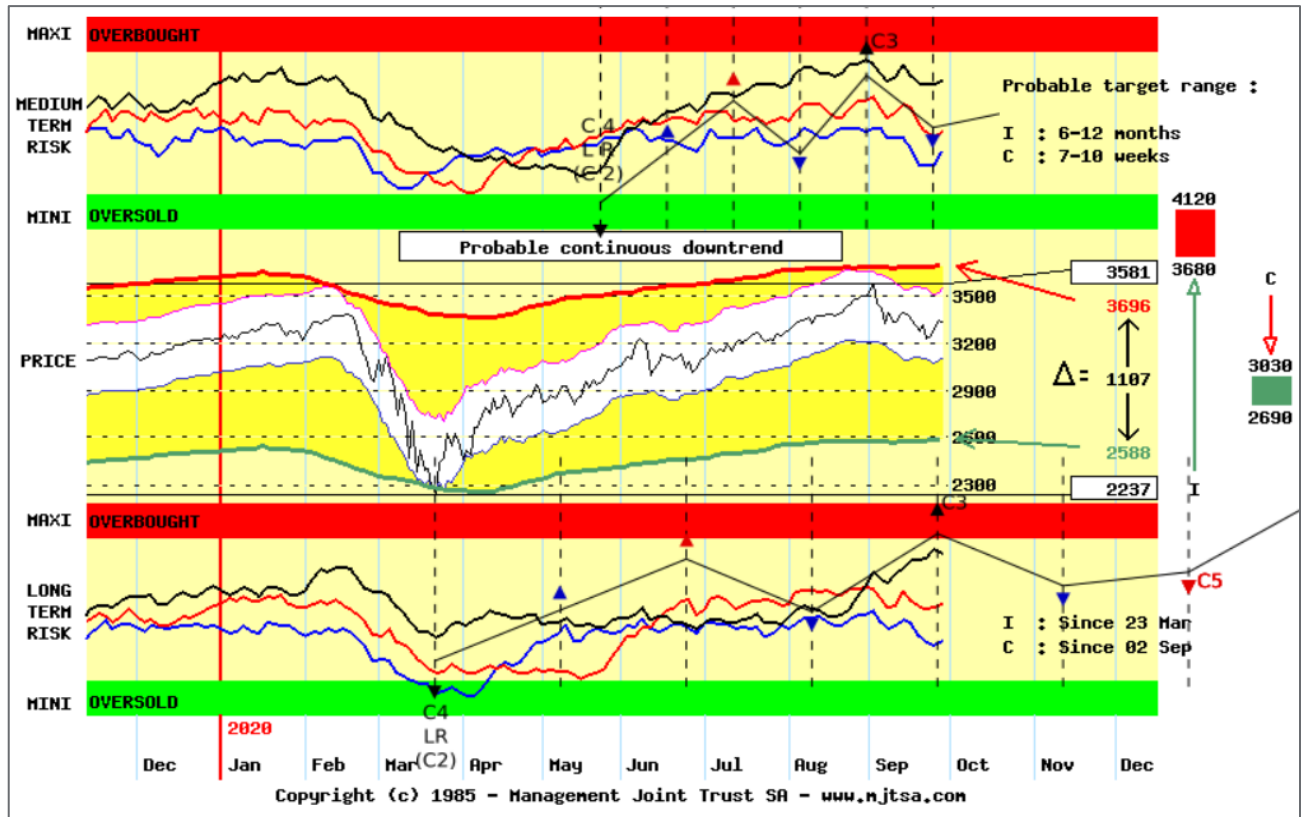


<https://www.mjtsa.com/single-post/equities-could-consolidate-into-november-growth-themes-should-then-outperm-into-early-next-year>

S&P500 – daily graph / perspective over the next 2 to 3 months



Executive Summary:

Equities may remain in consolidation mode into November. Growth themes shall then lead the way up again into early 2021.

- **The S&P500** shall continue to bounce into early/mid October, and thereafter **consolidate down again into November**. Downside risk towards 3'200– 3'000.
- **From mid/late November, most equity markets rise again towards next Spring**. Many could make new highs.

In such environment, **we would probably favor Defensive equity themes from early/mid October into November**, while equity markets continue to retrace,

and would then **switch to Growth themes from mid/late November into Q1 2021** as these should lead in the recovery.

i.e.

- The Nasdaq 100 underperforms the Defensive US Staples sector into mid/late Q4, to outperform again into Spring 2021.
- Vs. the more cyclical S&P500, the Nasdaq may even start to outperform again from early/mid October, as Growth themes prove more resilient into November.
- Indeed, Cyclical factors such as the ratio of US Small Caps vs the S&P 500, US Treasury yields or the Copper to Gold ratio all seem to be resuming their downtrend into at least early 2021.