

As we see 2019 coming to a close, there are more opinions than ever regarding where the markets are headed. We thought this would be a great opportunity to connect with some of the best investment minds and get their views on everything from the Impeachment and Brexit, to the 2020 election and expectations for the stock and bond markets. I know you will enjoy the dialogue as much as I did moderating.

Let's kick things off in a very different way. It is April 2021 and we just completed the first 100 days of the Warren Administration. What are you most concerned or excited about?

John Mauldin: I think I'm most concerned about what her executive orders will look like. She's promised that she's going to do away with fracking and I'm not certain you can do that with an executive order. You could most certainly gum-up the works, and at a minimum she can stop fracking on government grounds. That's just one of a dozen things. But it is not anything that Trump didn't do. He came into office and changed a bunch of executive orders that the Obama administration did. We are moving far away from the whole concept of checks and balances, governments passing rules, and Presidents vetoing. That process pushes things back and forth, not giving certainty to businesses. Four years afterword, you get a Republican administration and things change again. That's not good for small businesses who are the main drivers of the economy when they cannot see into the future past a couple years.

Sam, what scares you about this scenario?

Sam Stovall: I'm most concerned with how quickly stock prices plummeted after the Democrats recaptured the White House and retained control of the House of Representatives. While I can't say I'm excited, I am certainly glad we are not recommending overweighting to the energy or health care sectors. Finally, I can only say that I'm relieved that the Republicans retained a majority in the Senate so that many of the likely business-unfriendly proposals will not make it into law.

John, anything radical happen in that period in your opinion?

John DeTore: Despite one's political leanings, and there are a lot of interesting ideas being kicked about, the market will hate a flirtation with socialism. The market is probably off 20% from November 2020 (or its previous high if it became obvious she was winning earlier than November). Many analysts in April 2021 are looking for a bottom. They are early. Remember the Obama recovery? While he shouldn't be blamed for the financial crisis he inherited, he immediately moved to work on healthcare while we were in the depths of the crisis. Taxes increased, and regulations expanded. We can see how that recovery was different than any others in recent history. I doubt that Warren will do any better with the economy and fear she will do worse.

Clint, I don't suppose you are going to be the optimist in the group?

Clint Pekrul: Well, coming off a -30% decline in the S&P 500 I guess I'm concerned about the calls we get from our clients. I say this in jest. I'm not sure the market would react so adversely. Besides, the market by now will have already priced in the potential downside of a Warren administration. Keep in mind, and I've said this before, markets don't like uncertainty, not the actual policies of any particular administration. Like her or hate her, the markets would have adjusted to her policies, perhaps in a negative way. But who knows, ultimately, there might be some positives about a Warren administration.

Aside from the expected 30% drop in the S&P, that was relatively positive.