

## All Eyes on Congress

Equity markets continue to push higher in the face of ongoing uncertainty. We discussed last week that the next probable stop for the S&P 500 (SPY) is the February high of 3400. We continue to move in that direction.

All eyes are currently on Congress as coronavirus relief package negotiations resume this week. It is likely priced in that the White House and congressional Democrats will come to an agreement and an additional relief bill will be passed. Failure to do so would be catastrophic to the economy. Historic numbers of Americans are out of work and all substantive relief expired over the weekend. The politicians in Washington know this, and what is taking place now is posturing. Trump and the Republican party have to enter November with some economic stability if they want any chance of getting reelected. The Democrats on the other hand understand it is their base that is hurting the most right now. So, there you have it.

We are entering a seasonally weak period in the equity markets, notwithstanding all that has happened in the past six months, and are approaching a logical spot for resistance to kick in. A pullback in prices is certainly on the table over the next few weeks.

Last week's market commentary can be found [here](#).



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The COVID-19 health epidemic has had substantial global economic impact on financial markets. As of March of 2020, restrictions to travel and business spanning the economy for activities not deemed essential have been imposed throughout the United States. These restrictions have caused unprecedented volatility and uncertainty in capital markets and have negatively impacted the economy. It is unknown how severe the impact to the economy and capital markets will be if the epidemic persists for an extended period of time. The epidemic may have a material adverse impact on Cabana’s investment advisory business including, but not limited to, the performance of our portfolio strategies.

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