

S&P 500 Companies Talk Election Too, Retail Sales and International Trade

It seems everyone is talking about the 2020 election and S&P 500 companies are no different. As proof, look at the research conducted by FactSet when it searched for the term “election” in the conference call transcripts of more than 200 S&P 500 companies that held earnings conference calls from September 15th through October 28th.

According to FactSet’s press release:

“The term “election” was mentioned during the earnings conference calls of 73 S&P 500 companies (or approximately 34% of the 212 S&P 500 companies that had conducted earnings calls between September 15 and October 28).”

Interestingly, FactSet also did the same search but during the 2016 election and discovered that:

“The term “election” was mentioned during the earnings conference calls of 56 S&P 500 companies (or approximately 20% of the 284 S&P 500 companies that had conducted earnings calls between September 15 and October 28 in 2016).”

Retail Sales Increase Seven Weeks in a Row

The Johnson Redbook Index is a weekly retail sales index and is one of the most watched indicators on Wall Street. Created by independent trend-watcher Redbook and released every Tuesday morning, the Index allows Wall Street to better understand current trends in retail sales, which is important as consumer spending accounts for approximately 2/3 of the U.S. GDP.

Of course it is important to know that Redbook’s data excludes categories that were severely impacted by COVID, including restaurants and auto dealers.

Based on the release from November 3rd, the Johnson Redbook Index supports the notion that retail sales continue to improve, as same-store sales moved up 3.2% in the last week in October, which was also the strongest year-over-year increase since late August.

Further, this latest result from Redbook is the seventh consecutive increase for same-store sales, which underscores the strength in retail sales in general.

U.S. International Trade in Goods and Services

The U.S. Department of Commerce tracks monthly changes in the levels of U.S. imports and exports, along with the difference between the two, which is defined as our trade balance. All three and the underlying categories that comprise the totals are important measures of economic trends both in the U.S. and around the world.

On Wednesday, November 4th, it was reported that:

- The goods and services deficit was \$63.9 billion in September, down \$3.2 billion from \$67.0 billion in August
- September exports were \$176.4 billion, \$4.4 billion more than August exports
- September imports were \$240.2 billion, \$1.2 billion more than August imports.



More Data Later This Week

More economic data will be released later this week, including Jobless Claims on Thursday and Consumer Credit on Friday.

Sources: [factset.com](https://www.factset.com); [redbookresearch.com](https://www.redbookresearch.com); [bea.gov](https://www.bea.gov)