

SPARTAN JOURNAL

MSU WEALTH MANAGEMENT ASSOCIATION WEEKLY NEWS UPDATE

Top Officials in Unison, New Stimulus Deal Could Be Near

OSCAR GARNER III
OCTOBER 6TH, 2020

President Donald Trump's coronavirus diagnoses brings a sudden shift in efforts as House Republicans and Treasury secretary, Steve Mnuchin, open their minds to the Democrats proposed \$2.2 trillion stimulus deal. Since the approval of the initial \$3.4 trillion package in May, the U.S. economic rebound has begun to slow down. Speaker of the House Nancy Pelosi and top Democrats have been anxiously trying to push through a new deal but, since early August, White House discussions have come to a halt. A shift in focus is giving lawmakers an optimistic outlook, top officials agree that the American people need a new deal if there is to be any hope for a U-shaped recovery from the Covid-19 pandemic. White House insiders suggest a new deal could be struck before Nov. 3rd. What this means for the rest of us;

Talks of a new deal have helped stop two weeks of bleeding in the stock market. If the bill passes, the risk of another crash is mitigated giving investors faith in a U-shaped recovery. More trust in the economy means less volatility in the stock market and a strengthening of the dollar

House officials say the proposed new deal mimics the structure of May's stimulus. If this is true, low-middle class families could see a cushion in their discretionary spending. An increase in buying power will stimulate demand and give Americas room to save heading into the holiday season.

The restaurant and tourist industries worry that the cold season will be detrimental to their business. No outdoor seating could mean that many small restaurants will lose capacity as they try to adhere to coronavirus guidelines. A lack of travel will also cause both industries to make significant layoffs if government subsidies are not on the table.

Lastly, unemployment has seen a marginal rebound since entering this year's final fiscal quarter. With coronavirus increasing month over month in over a dozen states, fears of new lockdowns are eminent. With the creation and distribution of a vaccine for from reach, large employers will need help to retain and create new payroll.

<https://www.nytimes.com/2020/10/02/us/politics/pelosi-stimulus-deal-coronavirus-trump.html?searchResultPosition=1>
<https://www.nytimes.com/2020/09/24/us/politics/hosue-democrats-stimulus-coronavirus.html?searchResultPosition=2>
<https://www.nytimes.com/2020/09/28/us/politics/stimulus-bill-pelosi-mnuchin.html?searchResultPosition=3>



PHOTO: SCAR ORTIZ/ZUMA PRESS

Tesla Crushes Quarterly Delivery Record

JAKE HERONEMA
OCTOBER 6TH, 2020

Tesla Inc. vehicle deliveries hit a new record in the most recent quarter, accelerating the Silicon Valley car maker's recovery after sales slowed during the height of the pandemic. The company on Friday said it sold 139,300 vehicles in the September quarter, slightly ahead of the 137,000 deliveries analysts surveyed by FactSet expected and 44% above the prior-year figure. Tesla has delivered slightly more than 318,000 vehicles over the first nine months of this year despite a temporary shutdown of its lone U.S. car plant in Fremont, Calif., as local health officials tried to halt the spread of the coronavirus. The company in January said it aimed to deliver more than 500,000 vehicles in 2020, an increase of at least 36% from last year's total.

Deliveries in the September quarter were dominated by the Model 3 sedan and the Model Y sport-utility vehicle that first started going to customers in March.

Wall Street expects Tesla later this month to report a record quarterly profit. The result would extend the company's longest streak in the black to five consecutive quarters and keep the company on pace for 2020 to be its first with a full-year profit. The results have fueled investor excitement in Tesla its shares have more than quintupled this year and in electric-vehicles broadly.

Elon Musk last month said he expects Tesla to build 20 million cars annually within the decade, or almost twice as many as Volkswagen AG produced last year as the world's bestselling individual car company.

Demand is likely to get a boost from California's recently proposed ban on the sale of gas and diesel-powered cars by 2035.

<https://www.wsj.com/articles/tesla-quarterly-deliveries-hit-record-as-car-makers-pandemic-recovery-speeds-up-11601642954>

UPCOMING EVENTS

NORTHWESTERN MUTUAL
October 6th from 6:30 -7:30 PM

CG FINANCIAL
October 13th from 6:30 -7:30 PM

TCF BANK
October 20th from 6:30 -7:30 PM

U.S. Manufacturing Shows Improvement but Hiring Lags

VINCENT PUCILLO

OCTOBER 6TH, 2020

After a tough spring of new car sales, supply of new cars is getting lower, indicating increased demand, and hinting at recovery. Due to consistently lower interest rates, it is encouraging new car buyers to purchase, and the sales charts from automotive manufacturers like Hyundai, Subaru, and Honda prove this. This is also indicative of the fact that U.S. manufacturing is showing improvement and continues to rebound. Despite this, the Federal Reserve reports lower manufacturing activity, 7.3% below its February level.

After the first two quarters of the year, third quarter new-vehicle sales are up, appearing to indicate a V-shaped recovery in the industry

This is like Europe and Asia, where jobs are continuing to get cut despite that manufacturers are recovering

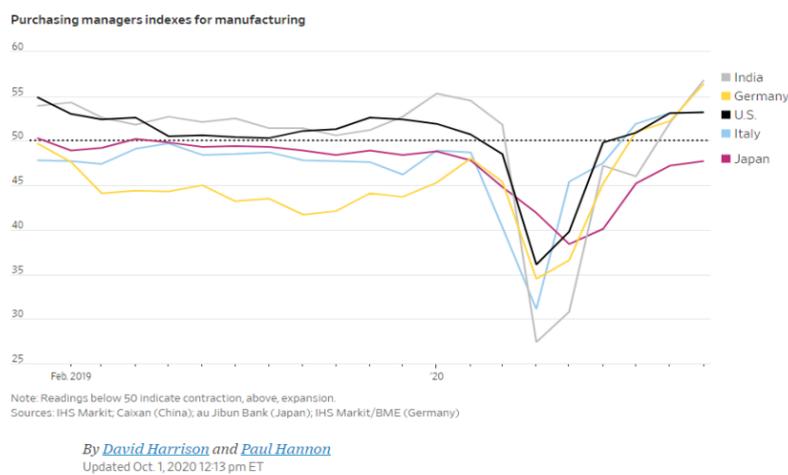
Along with Federal Reserve data, the Labor Department is reporting 700,000 less people working in manufacturing than before the pandemic

“Companies reported a marked upturn in demand for plant and machinery, which suggests firms are increasing their investment spending again after expansion plans were put on hold during the spring,” said chief business economist Chris Williamson, at IHS Markit.

<https://www.wsj.com/articles/global-markets-dow-update-9-25-2020-11601023798?mod=searchresults&>

U.S. Manufacturing Shows Improvement but Hiring Lags

ISM, IHS Markit report solid demand at home and from abroad in September



What is WMA?

We are a student organization on the campus of Eli Broad College of Business's at Michigan State University, committed to helping the train the next generation of financial advisors. Our dedicated team educates students about different career paths relating to financial planning and wealth management, and hosts weekly meetings, Tuesdays at 6:30 PM, where students learn personal financial planning concepts and network with advisors currently working in the industry.

WMA has close ties to the universities new Financial Planning and Wealth Management program, which fulfills the educational requirement for the Certified Financial Planner (CFP) exam. More details can be found [here](#).

We run a job board on our website, msuwma.com, where students can find the latest jobs in financial planning/wealth management.

In addition to our weekly newsletter, we offer [weekly podcasts](#), which can be found on all major podcast networks.

We have also partnered with the Financial Planning Association of Michigan for the second time to bring to offer a mentorship program, offering networking opportunities by pairing students up with an advisor currently working in the industry.

Please refer to our website so sign up for our mailing list, meeting details/links are sent out via email.

We hope to see you at our next meeting!

Meet the 2020 WMA News Team!



Oscar Garner III
Weekly News Contributor
Standing: Senior
Major: Finance



Jake Heronema
Weekly News Contributor
Standing: Junior
Major: Finance



Vincent Pucillo
Weekly News Contributor
Standing: Junior
Major: Marketing

MSU WMA Podcast

A [show](#) with Costa Gianiodis, Justin Halvorson and Justin Jackson, three undergraduate finance students from Michigan State University who interview financial advisors currently working in wealth management to discover what a career as an advisor can look like.



Positions Available
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