

Electors Form a Government
January 7, 2021



Stocks surged for the third straight day and hit records in the face of unrest in Washington D.C. where Congress was gathered to certify President-Elect Joe Biden's election victory. After solid gains this week, the S&P 500 continued an ascent to its historic peak by rising 56 points today, or 1.48% and closing at 3,804. The Dow Jones Industrial Average jumped 212 points, or 0.69% to close at 31,041. The Nasdaq Composite advanced an impressive 327 points, or 2.56%, closing at 13,067. Finally, the Russell 2000 gained 39 points, or 1.89% to close at 2,097.

In an odd juxtaposition, the S&P 500 recorded a record high with the backdrop of chaotic and disturbing scenes of a demonstration that turned violent when protestors stormed the U.S. Capitol in a riot that resulted in one person being fatally shot by Capitol Police. The optimism exuded by the market was almost jarring when transposed against the acrimony and rancor in Washington D.C. The market barely paused to consider the unrest, focusing instead on the settling of the Federal Government with the Senate races in Georgia decided and the electors certifying, per the Constitution, the election of President-Elect Joe Biden. Additionally, the market was spurred on by the fiscal spending bills that were promised and now likely to be delivered by a unified Democrat controlled government, as well as evidence of continued improvement in the labor market.

Perhaps lost somewhat in the Twitter feeds and news video clips broadcast all day was the resilient stock market that chose to focus on what is; rather, than what had just happened. The market focused on what is the best institution of government known to human history, founded on principles and institutions that endure conflict. It focused on the most resilient economy in the world (proved again this past year) because the participants in that economy are the most resilient people in the world.

While the unrest delayed the inevitable electoral vote, it happened, nonetheless. Such is the case with our cherished Republic, sometimes there are delays, but it moves forward, nonetheless. The Vice President and congressional membership stepped forward in the early morning hours to fulfill their duty. Today's trading session that followed the certification of the election, gave the market its opportunity to register its own vote of confidence in the United States and the principles and institutions and people that keep it great. Undoubtedly, there will be days when the market registers its concern with the economy or state of affairs, but yesterday and today, it registered a vote of confidence in the midst of the upheaval.

Much will and should be said of the circumstances of the unrest in Washington yesterday specifically, and the hyper-contentious election process generally. In fact, much has been said, should be said and will be said of all the contentious events of 2020. However, perhaps today, all Americans and all leaders of American institutions need to look ourselves in the eye and ask if we believe and trust the principles and institutions of this nation and ask whether we are willing to protect them. Furthermore, we all need to ask ourselves, whether we are committed to living by those principles and fortifying those institutions. Perhaps this is a time when all Americans and leaders of American institutions should listen, rather than talk. In that process of self-reflection, Americans would do well to also listen to the voice of the market affirming our ability as a people to meet our nation's challenges head on and solve them. Its who we are!

