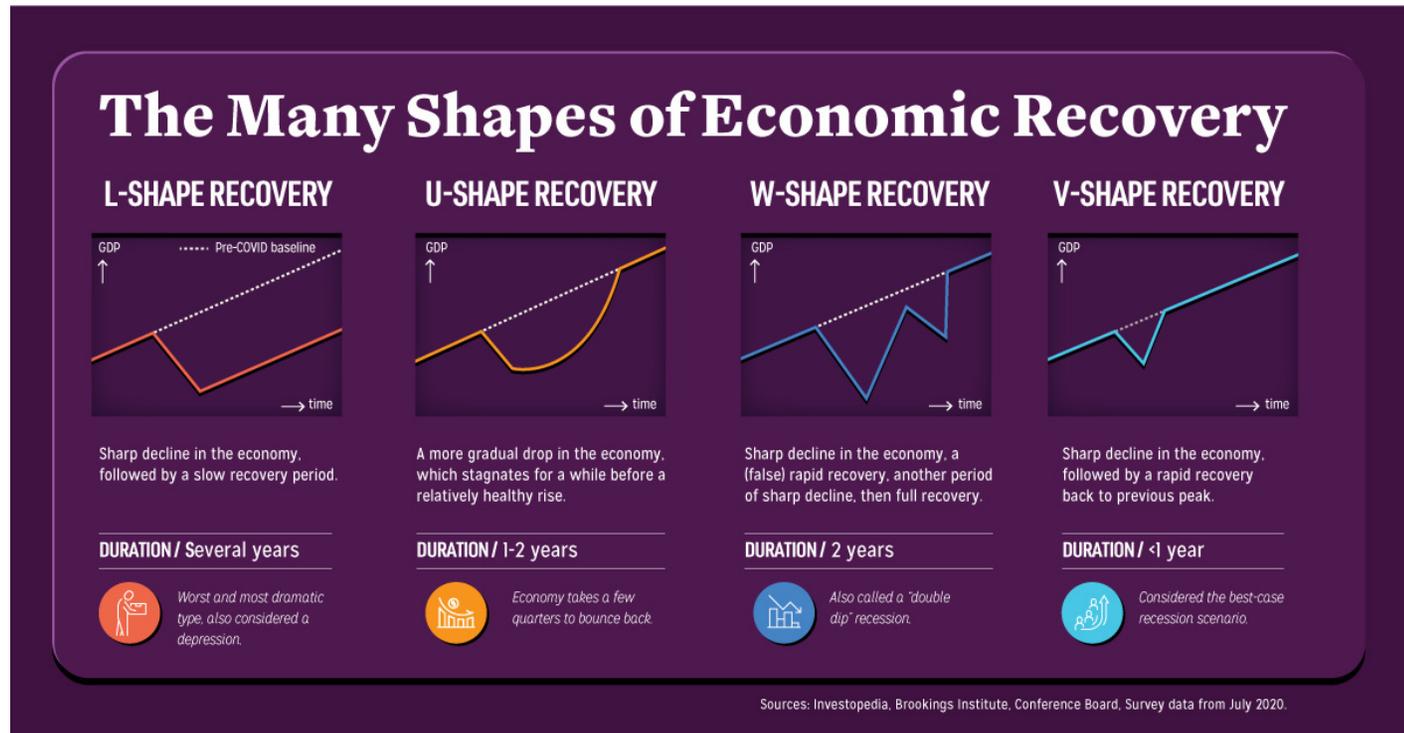


## With The Economic Recovery Taking Shape, What Will That Shape Ultimately Look Like?

The US stock market, as measured by the S&P 500, has already completed a V-shape recovery. A significant determinant of the future path of the stock market will likely hinge on how our economic recovery continues to unfold. Economists and pundits alike have all thrown their predictions into the mix as it relates to the “shape” of our pending economic recovery. The shape they’re referring to is how our Gross Domestic Product (GDP) would look if it were charted on a line graph. Four potential shapes are outlined in the chart below.

The Conference Board, a global community of leadership experts,<sup>1</sup> conducted a survey of over 600 CEOs worldwide since they’re the ones on the front lines operating the very companies that contribute towards GDP. The results vary from region to region, but 42% of the respondents indicated that they believe both the global and US recovery will take on the U-shape. This is also sometimes referred to as the “Nike Swoosh.”<sup>2</sup>

The U-shape doesn’t mean that we will have the swiftest of recoveries, but it also doesn’t mean that the recovery could take several years. Respondents from the US were nearly split on the next most likely shape domestically with 26% of the CEOs indicating they believe we will have an L-shape recovery, and 23% indicating a W-shape. With only 9% of respondents putting forth an optimistic prediction of a V-shape recovery it looks like our stock market and the economy will continue along different paths for now.<sup>2</sup> We will soon have more clarity on the initial trajectory of the economic recovery with the 3<sup>rd</sup> Quarter 2020 GDP advance estimate being released on October 29<sup>th</sup>.<sup>3</sup> A better-than-expected release will be widely viewed as validation of the stock market’s recovery, which is a forward-looking mechanism.



Source: <https://www.visualcapitalist.com/shapes-of-recovery-when-will-the-global-economy-bounce-back/>

# CHART OF THE WEEK

October 13, 2020



**Ryan Lovett, AIF®**  
Wealth Advisor

- 1 <https://conference-board.org/about/our-leadership>
- 2 <https://www.visualcapitalist.com/shapes-of-recovery-when-will-the-global-economy-bounce-back/>
- 3 <https://www.bea.gov/news/schedule>

Please remember that past performance may not be indicative of future results. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment, investment strategy, or product (including the investments and/or investment strategies recommended or undertaken by Ashton Thomas Private Wealth, LLC), or any non-investment related content, made reference to directly or indirectly in this newsletter will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. Due to various factors, including changing market conditions and/or applicable laws, the content may no longer be reflective of current opinions or positions. Moreover, you should not assume that any discussion or information contained in this newsletter serves as the receipt of, or as a substitute for, personalized investment advice from Ashton Thomas Private Wealth, LLC. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. Ashton Thomas Private Wealth, LLC is neither a law firm nor a certified public accounting firm and no portion of the newsletter content should be construed as legal or accounting advice. If you are a Ashton Thomas Private Wealth, LLC client, please remember to contact Ashton Thomas Private Wealth, LLC, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services. A copy of the Ashton Thomas Private Wealth, LLC's current written disclosure statement discussing our advisory services and fees is available upon request.