



Written by [Bob Adelman](#) on November 11, 2020

Two Big Banks Predict Big Gains in Stocks Into New Year

Two of the nation's largest banks — Goldman Sachs and JPMorgan — are increasingly bullish on America. Goldman Sachs' chief U.S. equity strategist, David Kostin, in a note to his clients, [said on Wednesday](#) that the S&P500 Index, currently trading at 3,575, could hit 4,300 by 2022, a little over a year from now. If he's correct, Wall Street investors could see their accounts jump by 20 percent by next Christmas.

His optimism stems from the news that at least one COVID-19 vaccine will shortly become widely available, reducing not only the risk of the virus spreading but also increasing the confidence those investors will have in an economy that has been laboring under its influence. Investors, he says, tend to take on more risk when future policy is predictable.

He bases his optimism in a divided Congress that will be unable to inflict serious damage to the Trump economy by a Biden administration.

And there's the V-shaped economy that continues to astonish and embarrass even the most optimistic forecasters with its performance coming out from under the government shutdowns.

Right behind Kostin is JPMorgan, [whose forecasters think](#) the S&P500 Index will jump even higher sooner, touching 4,000 early next year. The bank calls the vaccine news "one of the best backdrops for sustained growth in years." The bank's economists are predicting the index will exceed Goldman Sachs' estimate, touching 4,500 by Christmas next year. That would mean that the average 401(k) will have increased by 25 percent. Merry Christmas 2021!

It isn't just the economy that investors focus on. Although the outcome of the presidential election remains in doubt at the time of this writing, it's clear that Republicans made unexpected gains all across the land, including in the House of Representatives where all schemes to spend money are dreamed up. But with Republicans likely to maintain control of the Senate, those wild-spending schemes are unlikely to go anywhere near the president's desk.

Company earnings have continued to surprise to the upside as businesses have responded to the shutdown and the new economic landscape with great alacrity and profitability. According to FactSet, a financial data and services company, companies are reporting earnings nearly 20 percent above estimates.

As Patrick O'Hare, the economic guru for TheBriefing.com, put it, the rally in stocks that began in October "is one that can best be described as a risk-on rally driven by a belief that the stock market will



Igor Kutyaev/iStock/Getty Images Plus



Written by [Bob Adelman](#) on November 11, 2020

continue to get its way with low tax rates, low interest rates, good earnings news, and a friendly Fed that will see it through rough patches that might include problematic issues like the coronavirus and contentious issues like the election.”

Translation: For investors it’s “risk on!” for at least another year. And if President Trump wins reelection, which is appearing increasingly likely, then even these robust estimates would be exceeded.



Subscribe to the New American

Get exclusive digital access to the most informative, non-partisan truthful news source for patriotic Americans!

Discover a refreshing blend of time-honored values, principles and insightful perspectives within the pages of "The New American" magazine. Delve into a world where tradition is the foundation, and exploration knows no bounds.

From politics and finance to foreign affairs, environment, culture, and technology, we bring you an unparalleled array of topics that matter most.



What's Included?

- 24 Issues Per Year
- Optional Print Edition
- Digital Edition Access
- Exclusive Subscriber Content
- Audio provided for all articles
- Unlimited access to past issues
- Coming Soon! Ad FREE
- 60-Day money back guarantee!
- Cancel anytime.

Subscribe