Thursday, August 13, 2020

Good Morning,

U.S. equities rallied again last week, with the S&P 500 Index climbing 2.5% as it approached a new all-time high. Economic data continued to come in ahead of expectations and corporate earnings results have not been quite as bad as feared. Investors are focusing on the positives and are looking past rising coronavirus cases and shaky fundamentals.  We remain cautious on stocks.

The labor market continues to improve from extremely depressed levels, and this is encouraging given July’s resurgence in COVID-19 infections.  The economy still has a long way to go to return to pre-pandemic employment levels, and the ending of the PPP loans and the federal supplement to unemployment insurance will likely be headwinds to continued jobs recovery. We have lots of data coming tomorrow with July retail sales, industrial production and consumer sentiment. Most likely we’ll see month-over-month improvements, but much lower numbers year-over-year.

Kodak’s loan from the government is on hold while the Securities and Exchange Commission investigates potential insider trading after a massive amount of shares traded hands the day before the loan’s announcement.  There is some hope that the process will resume, and Kodak’s stock has stabilized around $9 per share. (That’s great if you own it at $2; not so much if you bought the hype and paid $50!) Bringing pharmaceutical manufacturing back to U.S. soil is a laudable concept, but let’s do it right – and fairly – and hopefully, locally. We expect many industries to focus on bringing supply chains back to domestic sources and that would be great for our economy.

Please visit our website at [www.canfg.com](http://www.canfg.com) or the link below for the last Market Update from Commonwealth Financial Network® – the broker/dealer that supports us in helping you manage your financial life.

<http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm>

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

Enjoy your weekend!

*Wade*

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