

Friday, June 19, 2020

Good Morning,

After nearly getting back to break even on the year, stocks fell sharply last week with the S&P 500 dropping nearly 5% despite Friday's strong rally. Thursday's near 2,000-point decline in the Dow Jones was the sharpest since March. Markets are calmer this week as investors digest economic and virus data. When all stocks rise and fall together in unison, it represents a market driven by headlines rather than individual stock fundamentals. While still volatile, this week has been much calmer than last.

Looking at the big financial picture, positives and negatives appear roughly balanced. On the positive side, we have powerful Fed support, strong internal market dynamics, lots of cash on the sidelines, a bumpy but improving economy and a lack of alternatives to stocks. On the negative side we're concerned with terrible second quarter economic and earnings growth, rising COVID infections, U.S. and global political uncertainty, high stock valuations and a market that became significantly overbought.

This week I sent out a notification of an upcoming mailing from Commonwealth, our broker/dealer. New rules from regulatory authorities require very detailed disclosure information to clients from investment advisors, brokers and their broker/dealers. It's important to know that nothing has changed with how we work with our clients or how we are compensated. We're happy to answer any questions you may regarding the notifications you receive.

Finally, it is estimated that the average American has gained between 3-5% additional bodyweight during the COVID shutdown. Health officials consider it a poundemic.

Please visit our website at 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 and Happy Father's Day!

Wade

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