



**David J. Klein**  
Senior Vice President  
Financial Advisor  
RBC Wealth Management  
847-215-5326  
800-879-3246  
Fax: 847-215-5315  
[david.klein@rbc.com](mailto:david.klein@rbc.com)



**Anthony Hubick**  
First Vice President  
Branch Director  
Private Client Group  
Consulting Group  
RBC Wealth Management  
847-215-5323  
800-879-3246  
Fax: 847-215-5315  
[Anthony.j.hubick@rbc.com](mailto:Anthony.j.hubick@rbc.com)

July 1, 2019

***Nothing Important Happened today***” - Diary entry of King George III, **July 4, 1776**



**An Independence Day Memory:** (Edward Klink, *Horseshmouth*)

While Thomas Jefferson has received the lion’s share of accolades for the Declaration of Independence, he referred to John Adams as “the Colossus of that Congress,” the great pillar of support to the Declaration. Both gentlemen lived 50 more years after the signing. On July 3, 1826, Jefferson lay on his deathbed and uttered to his attendant, “This is the Fourth?” To comfort him, the man replied that it was, whereupon Jefferson smiled and fell into a sleep from which he would never awaken.

John Adams had resolved to live until the 50<sup>th</sup> anniversary of the Declaration. When his servant asked him that morning if he knew the date, the 90-year-old said, “Oh, yes, it is the glorious fourth of July. God bless it. God bless you all.” Adams would die later that afternoon with the final words “Jefferson still survives.” He did not know that Jefferson had died just a few hours earlier in Monticello.

## July 4<sup>th</sup> - A Momentus Day:

- When the Continental Congress approved the Declaration of Independence on 7/4/1776, the **population of the 13 colonies was 2.5 million**, equal to the population of Houston today. (BTN Research, Census Bureau)
- The Declaration of Independence was **adopted, not signed**, on July 4, 1776. Most of the members signed the Declaration on August 2 and thereafter. Only John Hancock actually signed the document on July 4, 1776.
- **Thomas Jefferson and John Adams** both died on July 4, 1826, 50 years to the day after the Declaration was adopted. **James Monroe**, the nation's 5<sup>th</sup> president **died** on July 4, 1831, and **Calvin Coolidge**, the nation's 30<sup>th</sup> president was **born** on July 4, 1872

**Retirement – Wealth Plan Analysis:** Are you ready for retirement? Are you on track to achieve your retirement goals? Let us help you with our Wealth Plan Analysis based on your current situation and future expectations for a healthy retirement. Please click on the 4-page questionnaire that is attached to the current e-mail, answer the questions as best you can, and send it back. We will then follow up with you.

**Our Website:** [www.auctusrbc.com](http://www.auctusrbc.com): Take a look at the various articles on the website.

### Key Statistics Year-to-date a/o 6/28/2019

Dow:	+14.03%
S&P 500:	+17.35%
Nasdaq:	+20.66%

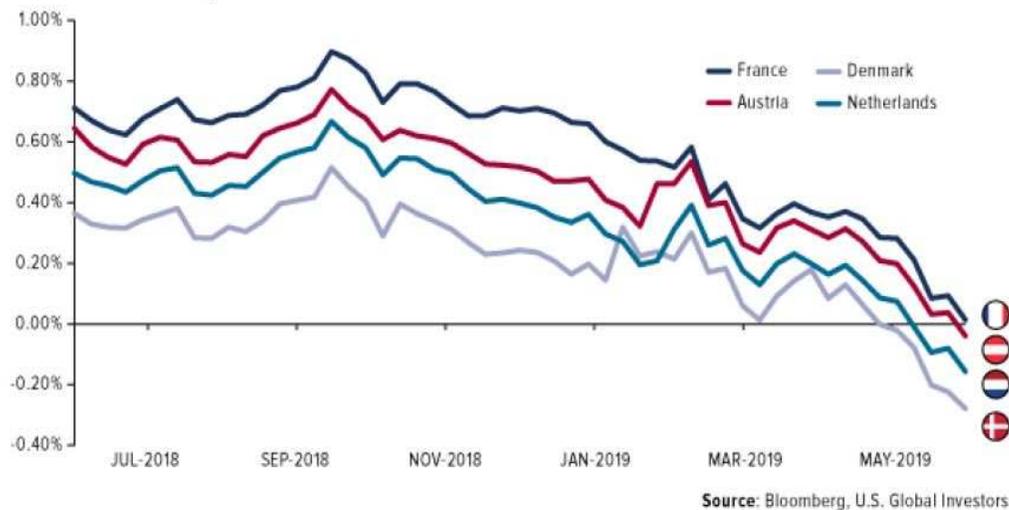
### Treasury Bond Yields: Year- to-date a/o 6/28/2019

1-year Treasury:	1.92%
2-year Treasury:	1.75% - Yes, lower than the 1-year
5-year Treasury:	1.76% - Yes, also lower than the 1-year
10-year Treasury:	2.00% - Yield fell below 2.0% during the week – yield is almost <b>1.25% lower</b> than it was last November
30-year Treasury:	2.52%

The low yield on the US 10-year treasury is relatively high compared compared to 10-year sovereign yields abroad. Several countries have negative yields. See following chart.

### Western Europe 10-Year Government Bond Yields at Record Lows

12-Month Period Through June 18

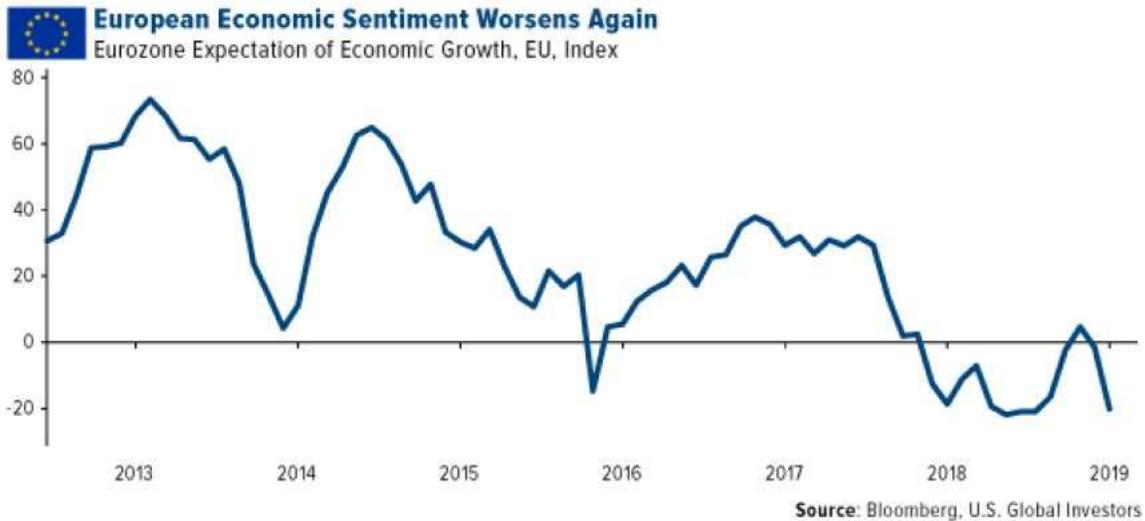


**Markets:** (Barron's, IBD, WSJ, RBC, MFS, Reuters, Advisor Perspectives)

- For the week: Dow fell (-0.45%, S&P 500 fell (-0.29%) Nasdaq fell (-0.32%)
- S&P 500 had its best month of June since 1955 – up 6.5% for the month and up over 17% ytd. – Best 1<sup>st</sup> 6 months of the year since 1997
- Dow has risen over 14% in its 1<sup>st</sup> 6 months – best 1<sup>st</sup> half of year since 1999
- Tremendous comeback from December of last year – the worst December since 1931
- Global equities were slightly lower on the week
- Oil rose to \$59.20/barrel amid tensions in the Persian Gulf

**Economic and International News:** (Barron's, IBD, WSJ, RBC, MFS, Reuters, Advisor Perspectives)

- US GDP was unrevised at 3.1% annual growth rate – Q2 growth expected to be slower
- Fed acknowledged that economic outlook has worsened – many believe the Fed will still cut rates in July
- Trade war apparently having impact on quarterly earnings
- High probability of US and China agreeing to resume talks
- Sec'y. Mnuchin said he thinks there is a path to a deal before the end of the year
- Trump expected to hold off on more tariffs if they both return to the bargaining table
- Sanctions placed on Iran hoping to drive their oil exports to zero
- Eighteen big banks, subject to Fed oversight, passed their stress tests
- Economic sentiment in Eurozone fell to its lowest level since 2016 (see following chart)



**Question of the Week:** What is the dollar amount of China's ownership of US Treasury securities?

**Question From Last Week:** What is the size of the US stock market as compared to the size of the US bond market which includes treasuries, municipals, corporate, mortgage and asset-backed debt?

**Answer:** As of the end of March, 2019, the capitalization of the stock market was at \$31.1 trillion, 72% of the size of the US bond market at \$43.1 trillion.

**Referrals:** Many sincere thanks for your referrals of family, friends, and associates. I am deeply appreciative.



Sincerely,

***David and Tony***  
**The Auctus Group**  
[www.auctusrbc.com](http://www.auctusrbc.com)

The views presented here are solely the views and opinions of David Klein and do not reflect the views of RBC Wealth Management, or its officers and directors. Data is believed to be from reliable sources, but we make no representation as to its accuracy or completeness.

The Dow Jones Industrial Average covers 30 blue chip U.S. companies selected by the editors of the Wall Street Journal. The Dow represents about 25% of the NYSE market capitalization and less than 2% of NYSE issues.

The Nasdaq Composite is a market-value weighted index that measures all NASDAQ domestic and foreign common stocks. The Standard and Poor's 500 is an unmanaged, capitalization weighted benchmark that tracks broad-based changes in the U.S. stock market.

This index of 500 common stocks is comprised of 400 industrial, 20 transportation, 40 utility, and 40 financial companies representing major U.S. industry sectors. The index is calculated on a total return basis with dividends reinvested and is not available for direct investment.

This material is based on data obtained from sources considered to be reliable. However, it is not guaranteed to accuracy and does not purport to be complete. The illustrations are for informational use only.

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