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"One of the primary purposes of stock market forecasters is to make fortune tellers look good" (Warren Buffet)

Our Website: www.auctusrbc.com: Read **RBC's latest newsletter, Investor's Edge**, on the bulletin board, and **Global Insight** in the middle of the front page.

Do a "Wealth Plan Analysis" (attached to your e-mail) This is the perfect time to get it done - to get a better understanding of your retirement and estate planning needs, your goals, your income, savings, insurance needs, annuities, long-term care etc.... We will do a complete review for you.

Key Statistics Year-to-date as of July 31, 2020

Dow: (-7.39%)
 S&P 500: +1.25% - turned positive on the year
 Nasdaq: +19.76%

--Notice that both the S&P 500 and the Nasdaq are positive for the year

Treasury Bond Yields: Year- to-date as of July 31, 2020

1-year Treasury: 0.11%
 2-year Treasury 0.11% - yes, the same as the 1-year
 5-year Treasury: 0.21%
 10-year Treasury: 0.55% - lower on the week
 30-year Treasury: 1.20%

--All yields fell lower last week

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

- For the week: Dow fell (-0.16%), S&P 500 rose +1.73%, Nasdaq rose +3.69%

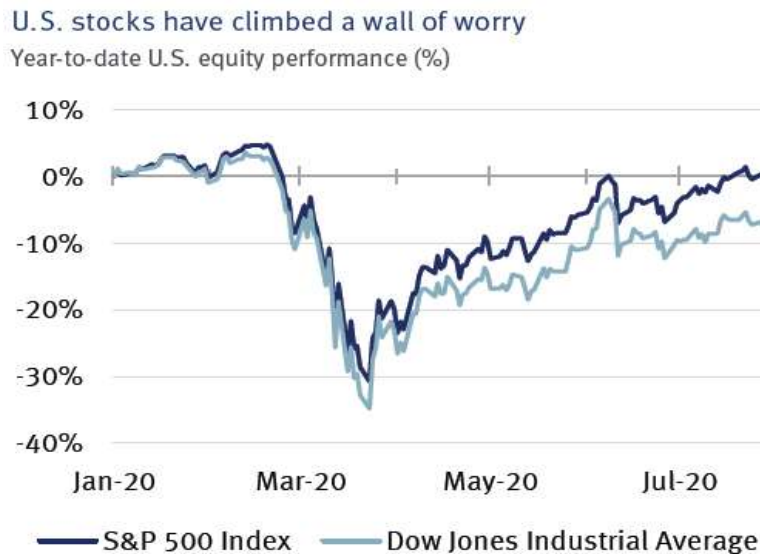
Daily Closing Prices Last Week: As measured by the Dow (Dow Jones Industrial Average)
-- One day up the next day down

Monday:	+115 points:	+0.43%
Tuesday:	-205 points:	-0.77%
Wednesday:	+160 points:	+0.61%
Thursday:	-226 points:	-0.85%
Friday:	+115 points:	+0.44%

Market Volatility: The numbers above show closing prices at the end of the day. What is interesting to note is the volatility during each day. Let's us look at **Friday as an example.**

- The Dow was down all day but raced up positively in the last hour of trading
- While the Dow was up, there were more stocks on the New York Exchange that were down than up
- The ratio of stocks that were down to stocks that were up on the New York Exchange was 22 down for every 16 that were up
- While the Dow was up, only 11 of the 30 stocks in the Dow were up – 19 were down
- **Question:** Why do you think the Dow was up while more stocks in the Dow and more stocks on the New York stock exchange were down in price?

---- Despite all the confusion and being down more than 30%, the S&P 500 is now positive ytd

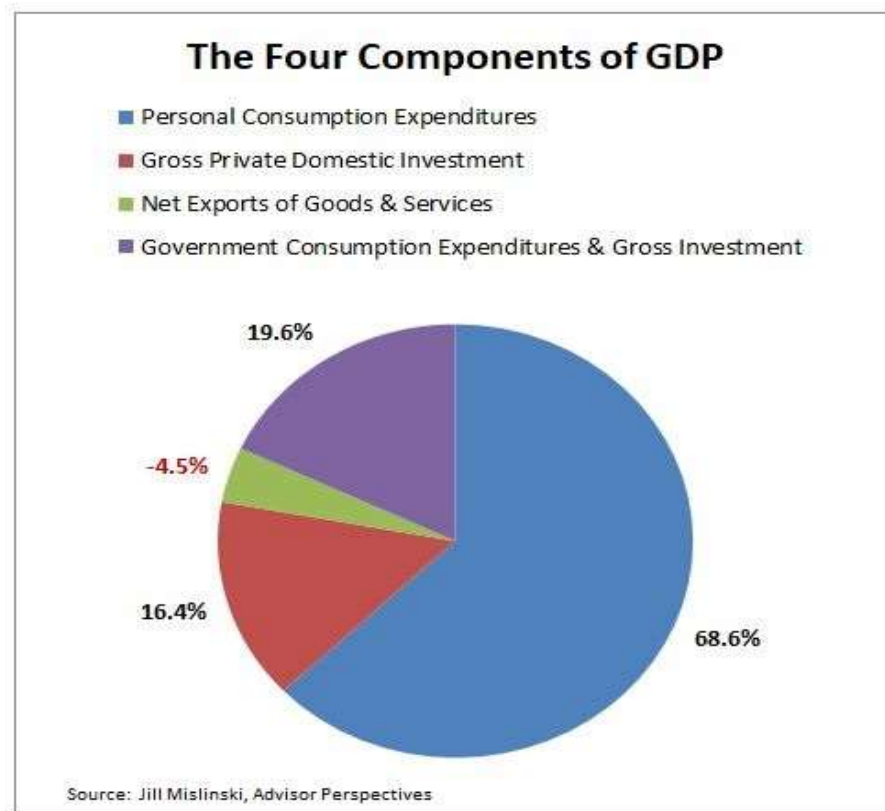


Source - RBC Wealth Management, Bloomberg; data through 7/29/20

Economic News:

- US economy dropped by an annual rate of 32.9% in Q2 – sharpest drop in GDP (gross domestic product) dating back to 1947 (see chart below)
- Unemployment up close to 15%
- 1.4 million applied for unemployment benefits last week – 19th straight week of more than 1 million people applying
- Congress still squabbling about unemployment aid that expired this past weekend
- US dollar has weakened as the euro has recorded a 2-year high
- Consumer spending rose 5.6% in June – up for 2nd straight month
- Big oil suffering one of their worst 2nd quarters – lack of demand for fossil fuels
- US pending homes sales rose 16.6% month over month, following a 44.3% jump in May.

GDP (Gross Domestic Product): In very simple terms, GDP represent the total value of the country's production. It is basically a calculation of the total size of the economy. It consists of the purchases of goods and services produced domestically by individuals, businesses, foreigners and government entities. Following are the 4 major components of GDP.



Question of the Week: If you compound your investments at 6% per year, how long will it take you to double your money?

Question From Last Week: When was the last time in American history that the Fed cut interest rates to near zero?

Answer: That occurred during the financial crisis of 2008. On 12/16/08 the Fed cut the interest rate to near zero.

Did You Know

- Between March 1 and June 30 of this year, American hospitals **lost \$51 billion per month of revenue** due to cancelled and foregone medical services (BTN Research, American Hospital Association)
- The Mayo Clinic **furloughed or cut the hours** of 29,500 of its 70,000 employees. That's 42%. Mayo estimated that the pandemic will cause **\$3 billion in canceled surgeries** for them this year. (BTN Research, Mayo Clinic)

Sports Trivia: **Jon Rahm** won the PGA's Memorial Tournament 2 weeks ago and has moved up to **#1 in the World Golf Rankings**. While in college, he was the world's **#1 ranked amateur golfer** for a record 60 weeks through late in June, 2016. (BTN Research)

Referrals: Many sincere thanks for your referrals of family, friends, and associates. We are deeply appreciative.

Sincerely,

David and Tony
The Auctus Group
www.auctusrbc.com

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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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