August 5, 2020

Good Afternoon,

The summer stock rally continues to roll on despite all the concerns we’ve discussed in past versions of the Update. I feel like a broken record, but nobody listens to records anymore.  Along with rising stock prices, we are seeing very low interest rates (boosting bond prices) and the US dollar is down six straight weeks, hitting its lowest level since May 2018.  Commodities denominated in dollars are subsequently rising with oil and copper at two-year highs and gold at an all-time high.

**From the headlines**: Masks have become the facial front lines in the battle against the virus. They have also stoked political division, as medical authorities urge the wearing of masks to help slow the spread of disease while some people resist. As bars, restaurants, theaters and schools are closed, masks have become a scapegoat, a symbol of government overreach, inspiring protests, petitions and defiant bare-face gatherings.  **These are headlines from 1918!**  The influenza pandemic killed 245,000 Americans in 1918.  Then America let its guard down and the second and third waves killed another 430,000 people in 1919. As was the case in 1918, 2020 has shown us the disconnect between individual choice and universal compliance. (Credit the NY Times for this information.)

Last week I commented on the news that Kodak was entering into the pharmaceutical supply business, despite the lack of any experience, with a massive unsecured loan from the government.  Several Board members, including the CEO, made hundreds of millions of dollars as the share price went from around $2 to $50. The Securities and Exchange Commission (SEC) has announced it is “investigating the circumstances.” It’s not a pretty picture. Maybe they were framed. We’ll see what develops. Sure sounds negative. They may end up in a dark room. I’m on a roll. I’m really focused. Film at eleven.

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<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.

Have a great week!

*Wade*

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