

Thursday, June 25, 2020

Good Morning,

Stocks rose last week recovering some of the losses from the week before. One big reason was the strong retail sales data for May. As the economy started to reopen, consumer spending followed resulting in an increase in retail sales of 17.7% in May. Economists had expected a surge in sales, but not to the extent experienced. The strength in May is clearly welcome news, but retail sales remain more than 8% below their January peak. There is still a long road to recovery ahead and volatility remains the norm as seen in yesterday's sharp drop in stock prices.

To explain the sharp stock decline, some analysts point to the strong poll numbers for Joe Biden, who has promised to raise corporate income taxes if elected. However, the true culprit is likely the ongoing pandemic that has not disappeared with the warmer weather. The ongoing spread and increase in cases of the COVID-19 virus continues to threaten our peace of mind and economy. In many respects, a series of secondary outbreaks was likely unavoidable as states reopened and experimented to find the right mix of precautions and opening measures. That we are now seeing them is a sign that some states may have to tighten again—and will do so. At the national level, however, the stats remain under control, despite some deterioration. While that needs to be watched, it is not time to panic.

Major League Baseball has finally come to an agreement to start the long-delayed season. It appears the normally 162 game season will be replaced by a 60-game season with an expanded playoff format. Now I can officially say that, with only 60 games left, the Cincinnati Reds are tied for 1st place and are in playoff contention. Play ball!

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.

Have a great week and welcome Summer!

Wade

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