



Monthly Update: July 2020

Dear Clients:

“We’re not even thinking about thinking about raising rates.” – Fed Chairman Jerome Powell

June’s employment report indicated that non-farm payrolls increased by 4.80 million.

The Month of June in Brief

Stock indexes making up the S&P 500 “SPY” and the Dow “DIA” ended the month higher than the previous month. According to the Bureau of Economic Analysis, June’s employment report indicated that non-farm payrolls increased by 4.80 million. This beat the consensus estimate of 3.23 million. According to First Trust Chief Economist, Brian Wesbury a full recovery remains a long way off, however he says there should be no doubt the recovery is already underway. We believe there is still a good deal of uncertainty surrounding the potential fallout from the COVID-19 pandemic and we are starting to see some of the largest companies in the S&P500 index take steps to preserve capital, which is a sign of precaution and also prudent at the same time.

Major Index Data

During the month of June both stocks representing the S&P 500 (SPY) and the Dow (DIA) were up from the previous month. Bonds making up the U.S aggregate index (AGG) were also up from the previous month. The “SPY” and “DIA” both are lagging the “AGG” for the year. However, the gap appears to be slowly narrowing.

Index	Year 2020
AGG (Bonds)	6.26 %
DIA (Stocks)	-8.50 %
SPY (Stocks)	-3.21%

(Source: Bloomberg) ¹

July/August Outlook

We continue to believe that stocks likely have reached their lows during this recent down cycle seen back on March 23rd of this year. As we mentioned in our previous monthly commentary, the re-opening of the economy would likely be met with mixed reviews and opinions. This is currently taking place and likely will continue until there is more clarity and data on COVID-19. We will be monitoring things very closely and use our own analysis to filter through the daily news that seems to be all over the map for now. Our TrueWealth investment committee will be meeting this month to determine whether we see any meaningful trends and reasons to make changes in portfolios. [Continued on Next Page]

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We choose to focus on proper asset allocation per any given level of risk tolerance and believe a sound financial plan will help you to achieve your goals.

We think risk, as usual, will continue to exist in the market this year and volatility is likely to increase. We will continue to monitor this. It is our philosophy not to chase performance which tends to increase risk. We choose to focus on proper asset allocation per any given level of risk tolerance and believe a sound financial plan will help you to achieve your goals. If it has been a while since we have reviewed your plan, we recommend you schedule an appointment for a review. We appreciate the opportunity to serve you. Our goal is building your wealth and provide you the peace of mind to know you can achieve your financial goals!

Thanks,

Jason Sims • David Fleming • Paul Marks CFP®, CRPS • Van Sievers CFP®, CPA • Daniel Jones, CFP®, CRPC®

Citations.

1 - Source: Bloomberg

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