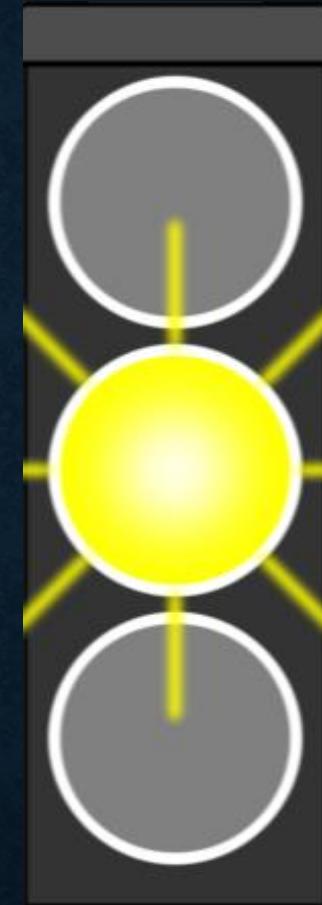


COVID-19 Index		Topic	Current Status	Score
June 22, 2020		Vaccine Testing Treatment	Most reasonable timeline for a vaccine is 12-18 months, JP Morgan predicts mid-2021. The availability and accuracy of tests remain a controversy. According to Dr. Fauci, a 2nd wave of Covid-19 is "inevitable." Modest progress being made but be cautious of news reports.	
Health		New Cases	Global confirmed cases are 8,559,321 as of June 19, 2020 according to JHU. Number of cases in US is 2,209,930. Daily new cases in US from about 30,000 to about 25,000 per day. But, as more states reopen, those numbers are starting to increase (Arizona, California, Florida).	
		Deaths	According to JHU: Global deaths at 457,190 and US deaths at 118,894 as of June 19, 2020.	
Economy		US GDP	Fed forecasts US economy will shrink -6.5% this year. JPM and Goldman estimated -35-40% Q2 GDP. It was -4.8% in Q1. Biggest drop in quarterly economic output since Q4 2008.	
		ECRI	Tracks initial jobless claims, mortgage applications, and high yield bond spreads, among other things. It is near 2008 levels, and around its lowest reading in history, but it has rebounded slightly. The market tends not to rebound until the ECRI trends positive.	
		Unemployment	Continuing claims are holding above 18 million, indicating that the labor market is due for a long recovery. The number of workers applying for and receiving unemployment benefits has stabilized at historically high levels. According to Fed Chair Jerome Powell, "it's a long road" until we get unemployment numbers down.	
		Federal Reserve	Powell warned Congress during his testimony of the risks to the economy if lawmakers do not pass additional fiscal aid. The extra unemployment benefits of \$600 per week expires at the end of July. "It would be a concern if Congress were to pull back from the support that it's providing too quickly," Powell stated.	
		Consumer Spending	U.S. retail sales jumped from -14.7% to +17.7% in May, the largest monthly increase since records began in 1992. Consumer sentiment improved again in June to 78.9.	
		Global	93% of countries are in a recessionary state right now. As a result, more countries will be in a "recession" this year simultaneously than during the World Wars or the Great Depression.	
Markets		S&P 500	-4.12% YTD – not as bad as one would think. However, most everyone agrees that our economy is more than 4.12% "messed up" right now. Goldman Sachs predicts the S&P 500 will close the year at about 3,000-3,200 and recommends income producing investments.	
		Few Market Winners	S&P 500 being propped up by Technology stocks, which make up more than 20% of the S&P. As of June 19, 2020, the NASDAQ is +10.85% YTD while the Dow Jones is -9.35% YTD.	
		Earnings	Yardeni research predicts a -52% YOY decrease in Q2 earnings. 2020 YOY estimate: -26.4%. Largest quarterly decline since Q3 2009. Healthy economy requires a healthy consumer. S&P 500 Forward P/E Ratio currently 21.89x, a level not seen since Tech Bubble.	

OVERALL



Progress will be slow; hope for no 2<sup>nd</sup> wave; consensus for a "swoosh" recovery if we are lucky.

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- The NASDAQ Composite Index includes all domestic and international based common type stocks listed on The NASDAQ Stock Market. The NASDAQ Composite Index is a broad-based index.

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