

# **Optimism for Re-opening**

## **Weekly Update – June 1, 2020**

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### **The Week on Wall Street**

The shortened week, which began with a powerful two-day rally of trading, was enough to drive the markets into another week of solid gains.

The Dow Jones Industrial Average rose 3.75%, while the Standard & Poor's 500 advanced 3.01%. The Nasdaq Composite Index climbed 1.77% for the week. The MSCI EAFE Index, which tracks developed stock markets overseas, gained 6.18%.

### **Rising Optimism**

Returning from Memorial Day weekend, stocks surged on rising optimism over economic re-opening, declines in new infections, and progress in the development of a vaccine.

Stocks continued their march higher, lifted by signs that the White House and Congress may be working together to put together another stimulus package. But the momentum lost steam, in part due to news of China's vote to override Hong Kong's autonomy. Comments by President Trump on the last day of trading eased concerns.

### **Rotation in Leadership**

The recovery from the March lows has been powered by large-cap growth stocks, especially the mega-cap technology names. However, this week saw new sectors leading the market higher, notably the financials and industrials, while the technology and health care sectors lagged.

This leadership rotation is being referred to by some market commentators as the "re-opening trade." If these sectors are to remain leaders, it may hinge on a steady economic recovery and escaping a second wave of COVID-19 infections.

### **THIS WEEK: KEY ECONOMIC DATA**

**Monday:** Purchasing Managers Manufacturing Index (PMI). Institute for Supply Management (ISM) Manufacturing Index.

**Wednesday:** Automated Data Processing (ADP) Employment Report. PMI Services Index. ISM Non-Manufacturing Index.

**Thursday:** Jobless Claims.

**Friday:** Employment Situation Report.

Source: Econoday, May 29, 2020

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

### **THIS WEEK: COMPANIES REPORTING EARNINGS**

**Tuesday:** Dick's Sporting Goods (DKS), Tiffany (TIF), Zoom Video (ZM), Crowdstrike (CRWD)

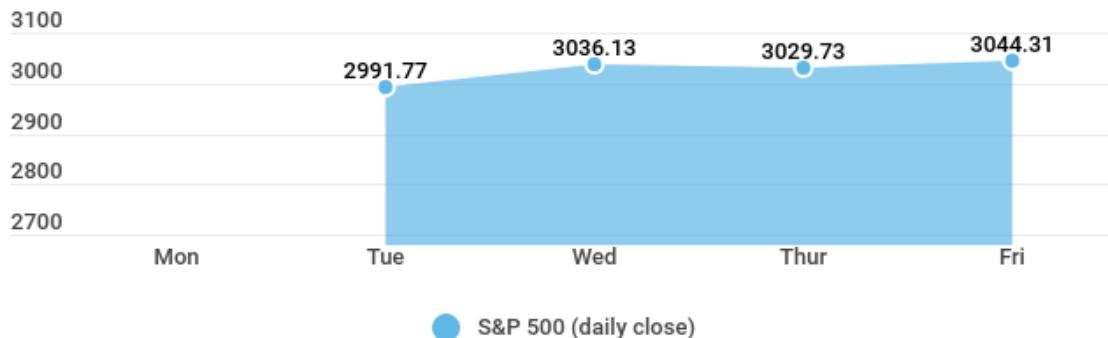
**Wednesday:** Cloudera (CLDR), Campbell Soup (CPB)

**Thursday:** Broadcom (AVGO), DocuSign (DOCU), Slack Technologies (WORK)

Source: Zacks, May 29, 2020

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Any investment should be consistent with your objectives, time frame and risk tolerance. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

Market Index	Close	Week	Y-T-D
DJIA	25,383.11	+3.75%	-11.06%
NASDAQ	9,489.87	+1.77%	+5.76%
MSCI-EAFE	1,743.06	+6.18%	-14.43%
S&P 500	3,044.31	+3.01%	-5.77%



	Treasury	Close	Week	Y-T-D
🇺🇸	10-Year Note	0.65%	-0.01%	-1.27%

Sources: The Wall Street Journal, May 29, 2020; Treasury.gov, May 29, 2020

The market indexes discussed are unmanaged and generally considered representative of their respective markets. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite is measured from the close of trading on Friday, May 22 to the Friday, May 29 close. Weekly performance for the MSCI-EAFE is measured from the Friday, May 22 open to the Thursday May 28 close. U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

## QUOTE OF THE WEEK

*“A surplus of effort could overcome a deficit of confidence.”*

– Sonia Sotomayor, Associate Justice of the Supreme Court of the United States



## Salad Rolls



Serves 8

### Ingredients:

- 1 8-oz. package rice vermicelli
- 8 oz. shrimp; cooked, peeled, and cut in half, lengthwise
- 8 rice wrappers (6½ in.)
- 1 carrot, finely grated
- 1 cup lettuce, shredded
- ¼ cup chopped fresh basil
- Water

### Directions:

1. Bring water to a boil in a medium-sized saucepan.
2. Remove saucepan from heat and add vermicelli to water. Let it soak for 3 to 5 minutes.
3. Drain and rinse with cold water.
4. Dip one rice wrapper in a large bowl of hot water to soften.
5. Lay the wrapper flat, then place noodles, shrimp, carrot, lettuce, and basil in the center.
6. Tightly wrap ingredients.
7. Repeat with remaining ingredients and wrappers.
8. Serve with chili sauce.



### Tips for the “Gig” Economy

Do you rent a spare room in your house or provide car rides for a fee? If so, you may be a part of the sharing or “gig” economy. If you made any income from such platforms, you have some key financial details to address when filing your taxes.

#### Is the income taxable?

Yes. No matter whether you made money full or part time, the IRS taxes the income you make.

## **Can you take deductions?**

Some business-expenses deductions may apply for taxpayers who qualify. A deduction for a business expense could be an item, such as claiming the standard mileage rate if you use your car for business.

## **Do taxes apply if you rent a home you also live in?**

You will generally have to account for specific tax rules if you rent a home that you live in at any point throughout the year. You can identify the status of taxable rental income using the [IRS tax assistant tool](#).

\* This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.



### **When to Putt with a Sand Wedge**

Back in the 1970s, the great Lee Trevino introduced the sand wedge putt. Today, this unorthodox shot can rescue you from a pesky greenside lie.

When your ball is backed up against the fringe, or in some thick grass just off the edge of a slick putting surface, you may want or need to putt rather than chip, but you may also be worried about flubbing a putt. So, putt the ball onto the green using the thick leading edge of a sand wedge. This will give the ball a burst of initial topspin, more so than a typical putter, and the thick flange of the sand wedge has less chance of getting caught up in long grass or an outer cut of fringe.



### **June Is Men's Health Month**

Today, June 1, marks the first day of Men's Health Month. This health initiative was created by a Congressional health education program in 1994, to further awareness of the importance of early intervention and prevention of common diseases that can affect men during all stages of life. Just keep in mind: a conversation with your doctor is always the best way to address any health concerns you may have; this tip isn't a substitute for medical advice.

Throughout the month, community outreach events, like health fairs, screenings, and educational seminars, bring awareness to concerns like prostate cancer, heart disease, and hypertension, among others. Information about healthy living, exercise, diet, smoking cessation, and other general wellness

tips may be shared as well.

Look out for men's health activities and functions in your area. You might just learn something new!

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Diversification does not guarantee profit nor is it guaranteed to protect assets.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indices from Europe, Australia, and Southeast Asia.

The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

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Past performance does not guarantee future results.

You cannot invest directly in an index.

Consult your financial professional before making any investment decision.

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