
Stocks See a Mixed Week

Weekly Update – July 20, 2020

The Week on Wall Street

Stocks were mixed last week as investors reacted to positive economic data, progress on a COVID-19 vaccine, and the continued nationwide increase in COVID-19 cases.

The Dow Jones Industrial Average gained 2.29%, while the Standard & Poor's 500 rose by 1.25%. But the Nasdaq Composite Index dropped 1.08% for the week. The mega-cap technology companies saw some profit-taking last week, sending the Nasdaq Composite to its first loss in three weeks. The MSCI EAFE Index, which tracks developed stock markets overseas, ended 2.19% higher.^{1,2,3}

Stocks Find a Way Higher

After a Monday rally melted away on news that California was rolling back its reopening plans amid rising infections, a new earnings season began on a hopeful note. Stocks posted back-to-back daily gains on the strength of positive earnings surprises from a few money center banks and encouraging news about progress in the development of a COVID-19 vaccine.⁴

Despite a strong retail sales number, new jobless claims and rising U.S.-China tensions reminded investors that global economic recovery remains fragile, leading stocks to pare some of the week's earlier gains.^{5,6}

Earnings Season Begins

While investors long ago accepted the idea that this earnings season would be ugly, reflecting the impact of the economic shock due to COVID-19, it didn't mean that there weren't important insights to be gained from this quarter's earnings reports.

Three money center banks last week kicked off the earnings season, reporting substantial declines in profits and an additional cumulative \$28 billion set aside for loan-loss reserves.⁷

Banks are an important economic bellwether since they touch every part of the U.S. economy. Although their earnings were significantly lower, they actually beat consensus Wall Street estimates, which encouraged investors and set the stage for stocks to move higher. The story on this quarter's earnings season, however, is far from finished as investors await the stream of companies releasing their quarterly results in the days and weeks ahead.

THIS WEEK: KEY ECONOMIC DATA

Wednesday: Existing Home Sales.

Thursday: Index of Leading Economic Indicators. Jobless Claims.

Friday: New Home Sales.

Source: Econoday, July 17, 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: Lockheed Martin (LMT), Snap (SNAP), Coca Cola (KO), Texas Instruments (TXN), Capital One Financial (COF).

Wednesday: Microsoft (MSFT), Tesla (TSLA), United Airlines (UAL).

Thursday: AT&T (T), Intel (INTC), Union Pacific (UNP).

Friday: Verizon (VZ), American Express (AXP).

Source: Zacks, July 17, 2020

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Investing involves risks, and investment decisions should be based on your own goals, time horizon, and tolerance for risk. 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.



“Every action you take is a vote for the type of person you wish to become”

– James Clear



Honey Mustard & Onion Pretzel Bites



6 to 8 servings

Some people have a sweet tooth, some have a salty tooth, and some have a snack tooth! If you just can't get enough snacks, this recipe is for you.

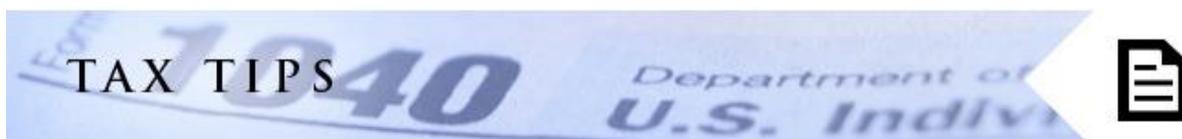
Ingredients:

- 12 oz. of sourdough hard pretzels
- ⅓ cup vegetable oil
- 3½ Tbsp. honey
- 2 Tbsp. yellow mustard
- 1½ tsp. onion powder

Directions:

1. Preheat the oven to 275° F.
2. In a bowl, mix together the oil, honey, yellow mustard, and onion powder.
3. Break the pretzels up into smaller bits and toss the pretzels in the mixture, making sure to generously coat every piece.
4. Spread the pretzels in an even layer on a baking sheet and bake for 30 minutes, tossing the pretzels halfway through.

Recipe adapted from TableForTwoBlog.com⁸



501(c)(3) Organizations vs. 501(c)(4) Organizations: What's the Difference?

Whether you're donating to a local animal shelter, a soup kitchen, or an arts program, it feels great to give back. There are many different types of organizations to support. Let's look at two of the most common:

- 501(c)(3) organizations are nonprofit organizations that are dedicated to religious, charitable, or educational purposes. Donations to 501(c)(3) organizations may be tax deductible. These organizations may not attempt to influence legislation or participate in any campaign activity for or against political candidates.
- 501(c)(4) organizations are social welfare groups that can engage in more lobbying and advocacy. Contributions to 501(c)(4) organizations may not be tax deductible.

It's important to know what kind of organization you are donating to if you want to know if your contributions can be tax deductible.

* 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.

Tip adapted from IRS.gov⁹



Don't Forget to Breathe

Take a deep breath and feel what happens. Did your chest rise? Well, that means that you're actually breathing inefficiently. Breathing with your chest delivers quick, shallow breaths. With these kinds of breaths, you'll be tired after just the front nine!

Instead, try to breathe with your belly. This may help your game because you may get more oxygen to your brain and muscles. This is also helpful when you hit a bad shot and feel your stress and anxiety rising. And any golfer knows that a good score and

stress don't go hand in hand. A few deep, belly breaths will have you hitting straight in no time! Plus, you can use this tip on and off the course.

Tip adapted from GolfDigest.com¹⁰



Yoga for Stability

You don't have to pull out the yoga mat and get your designer leggings on to enjoy some of the many benefits of this relaxing practice. Even if you've never done yoga before, these poses may help you improve your balance and stability:

- **Knee to Chest** - Start by standing with your feet hip-width apart with your hands on your hips. This is called mountain pose. Now, lift your left knee to hip height so your upper leg (thigh) is parallel with the floor. Flex your left foot and hold this pose for 3 deep breaths. Repeat on the other side.
- **Tree Pose** - Start with the same mountain pose as the first movement. Now, shift your weight into your left foot, and allow your right knee to turn out to the side as you bring your right foot in to rest at your left ankle, shin, or thigh depending on what's comfortable. Make sure you're not putting your foot on the joint itself.
- **Dancer Pose** - Start in mountain pose. Bend your right knee and slowly lift your right foot off the ground. As you do that, lift your left arm to balance yourself. Hold for 3 breaths and repeat on the other side.

Tip adapted from SilverSneakers.com¹¹



What Does it Take to Become USDA-Certified Organic?

It seems like nearly every product in the grocery store has an organic option, but what does "organic" really mean? Are all organic products created equal?

When looking at organic produce, there is one certification that stands above the rest: USDA organic. To get this certification, a farm or business must:

- Adopt organic practices that apply to soil quality, animal raising practices, pest control, and use of additives.
- Submit an application to the USDA.
- The certifying agency then conducts an on-site review of the operation.
- If the applicant complies with the USDA organic regulations, a certificate is issued.

USDA organic businesses may also have to reapply for their certification to ensure that they are still adhering to organic practices. Now you know why a clamshell of organic strawberries is always more expensive!

Tip adapted from USDA.gov¹²

Share the Wealth of Knowledge!

Please share this market update with family, friends, or colleagues.

We love being introduced!

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Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

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.

Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

Past performance does not guarantee future results.

You cannot invest directly in an index.

Consult your financial professional before making any investment decision.

Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

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¹ The Wall Street Journal, July 17, 2020

² The Wall Street Journal, July 17, 2020

³ The Wall Street Journal, July 17, 2020

⁴ CNBC.com, July 14, 2020

⁵ WSJ.com, July 16, 2020

⁶ CNBC.com, July 16, 2020

⁷ The New York Times, July 15, 2020

⁸ TableForTwoBlog.com, July 17, 2020

⁹ IRS.gov, May 27, 2020

¹⁰ GolfDigest.com, July 17, 2020

¹¹ SilverSneakers.com, July 17, 2020

¹² USDA.gov, July 17, 2020