



EVERETT FINANCIAL GROUP

Weekly Commentary

July 27, 2020



Beer And The Mayflower

The *Mayflower* was headed for Virginia when storms blew it off course. It ended up hitting the shore of Massachusetts. Rather than heading south to find a better location for their colony, the Pilgrims put ashore at Plymouth Rock.

One Pilgrim's journal explains why: "We could not take time for further search or consideration, our victuals being much spent, especially our beere."

Yes, the pilgrims made port because they ran out of beer. In those days beer was considered an essential and healthy part of everyone's daily diet- water, on the other hand, was usually considered suspect, because it easily became contaminated with disease. The *Mayflower* had set out from England loaded with beer barrels that were now running out.

Once ashore, the Pilgrims promptly erected a brew house and got to work brewing up a new batch to slake their thirst. So Plymouth, Massachusetts, became the historic home of the Pilgrims...because they needed to make a beer run.

One of the Pilgrims who came ashore that day was a young man there strictly for the beer- in a manner of speaking. John Alden was hired for the journey as a cooper., primarily to make beer barrels. British law required that "whosoever shall carry Beer beyond the sea" had to bring cooper along to make replacements barrels, since barrels back in England were always in short supply. Otherwise John never would have had a chance to romance Priscilla.

The Greatest War Stories Never Told By Rick Beyer

Weekly Market Commentary July 27, 2020

The Markets

Where are we on vaccines and treatments?

During 2020, the United States government has spent more than \$13 billion on Operation Warp Speed (OWS), which is focused on accelerating the development of vaccines and treatments for COVID-19, according to *The Economist*. The United States is not alone. Governments around the world are funding similar research.

The Economist

reported, "...with the eagerness of the pharma sector to find treatments, along with the broad range of investments made by OWS (as well as other governments), there has been a lot of progress in the search for tests, drugs, and vaccines...Even the master of caution on vaccines, Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases, thinks a signal of vaccine efficacy might arrive in September."

Any progress on treatments and vaccines is welcome news. Last week, there were more than 4 million confirmed COVID-19 cases in the United States, and the number of deaths rose above 1,000 a day, reported Joe Murphy and colleagues at *NBC News*. Late in the week, the number of new cases in Arizona, Florida, and South Carolina appeared to be trending lower, according to data from the *Coronavirus Research Center at Johns Hopkins*.

The resurgence of the virus may be one reason for the decline in U.S. stock markets last week. The Nasdaq Composite Index delivered back-to-back losses for the first time in more than a month, while the Dow Jones Industrial Average and the Standard & Poor's 500 Index finished the week slightly lower, reported Ben Levisohn of *Barron's*.

It's difficult to pinpoint the exact cause of the drop because there were many possible drivers. For instance, the *Department of Labor* reported the number of new unemployment claims increased, after 15 weeks of declines. Markets may have been concerned about increasing unemployment numbers when the extra \$600 in weekly unemployment benefits expires at the end of this week. Congress has yet to agree on whether or how to extend benefits.

In addition, earnings have been less than stellar - as expected. Last week, 26 percent of companies in the Standard & Poor's 500 Index had reported second quarter results. The blended earnings, which combine actual results for companies that have reported with the estimated results for companies that have not yet reported, were down 42.4 percent, reported John Butters of *FactSet*.

There is little doubt the virus has wrought economic havoc. Let's hope we find a vaccine soon. Future generations may think about COVID-19 the way we now think about polio, measles, and rubella.

Data as of 7/24/20	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-0.3%	-0.5%	6.5%	9.2%	9.1%	11.2%
Dow Jones Global ex-U.S.	0.5	-7.5	-1.9	-0.5	1.2	2.4
10-year Treasury Note (Yield Only)	0.6	NA	2.0	2.3	2.3	3.0
Gold (per ounce)	5.2	24.9	33.3	14.9	12.0	4.9
Bloomberg Commodity Index	2.5	-15.8	-14.1	-6.2	-6.1	-6.2

Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, MarketWatch, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

JUST FOR FUN. The terms money and currency are often used interchangeably. However, Andrew Beattie of *Investopedia* pointed out, "According to some theories, money is inherently an intangible concept, while currency is the physical (tangible) manifestation of the intangible concept of money. By extension...money cannot be touched or smelled. Currency is the coin, note, object, etc..."

See what else you know - or don't - about money by taking this brief quiz:

1) Which of the following was once used as currency?

1. Tea bricks
2. Knives
3. Animal skins
4. All of the above

1. Which was the first animal to appear on a U.S. coin?

1. An eagle
2. A buffalo

3. A jackalope
4. A ring-necked pheasant

1. What were nickels made of during WWII (1942-1945)?

1. Nickel
2. Metal alloy
3. Steel
4. Leather

1. What is chrometophobia?

1. Fear of thinking about money
2. Fear of spending money
3. Fear of touching money
4. All of the above

Weekly Focus - Think About It

"A nickel ain't worth a dime anymore."

--Yogi Berra, *Professional baseball player*

Answers:

1. D - All of the above (Tea bricks, Knives, and animal skins)
2. A - Eagle
3. B - Metal alloy
4. D - All of the above (Fear of thinking about money; fear of spending money; and fear of touching money)

Best Regards,



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Sources:

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- * All indexes referenced are unmanaged. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment.
- * The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- * 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.
- * Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.
- * The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- * The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.

* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.

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