



THE WEEK IN REVIEW

This week closed out a historic second quarter for the domestic stock market. The Dow Jones Industrial Average's 18.51% quarterly return was the blue chip index's best quarter since 1987 and the S&P 500 recorded its best quarter since 1998 with a 20.54% gain. Meanwhile, the technology sector-heavy Nasdaq Composite index closed at a record high on Thursday. Improving economic data has helped stocks continue to climb despite daily new COVID-19 cases in the U.S. surpassing 50,000 on Wednesday and the U.S. death toll eclipsing 128,000.

The U.S. labor market added 4.8 million jobs in June versus economists' expectation for 2.9 million, while the unemployment rate fell to 11.1% in June from 13.3% in May. Strong rehiring activity was driven by many U.S. states gradually reopening their economies in the first half of June. In May and June, the labor market recovered roughly a third of the 22.2 million jobs lost during March and April. Yet, the June employment data may not accurately represent the current employment situation because the data was gathered mid-month. The resurgence in COVID-19 cases in some southern and western states may have disrupted rehiring efforts in late June.

U.S. Consumer Confidence rose to 98.1, up from 85.9 in May, due to loosened social distancing restrictions and improvements in the labor market. Following suit, the ISM Manufacturing Index reported better-than-expected results with a reading of 52.6, marking a significant jump from 43.1 in May. An ISM reading back above 50 indicates that many businesses are beginning to see an expansion of manufacturing activity for the first time since the pandemic emerged.

The Federal Reserve opened its Primary Market Corporate Credit Facility on Monday, which allows the central bank to buy newly issued corporate bonds from companies that had investment grade credit ratings prior to the pandemic. The Fed said it does not expect to use this facility given current market conditions, but has begun purchasing previously issued corporate bonds in the open market this month through the Secondary Market Corporate Credit Facility. In other stimulus news, this week the U.S. Senate voted to extend the application deadline for the Paycheck Protection Program. Over \$130 billion was still available in the program when the initial deadline closed on Monday evening.

ECONOMIC INDICATOR	LATEST	3MO PRIOR	CHANGE
Non-Farm Payrolls (Millions)	4.800	-1.373	▲
Unemployment Rate	11.1%	4.4%	▲
Average Hourly Earnings (Y/Y)	5.0%	3.4%	▲
ISM Manufacturing	52.6	49.1	▲
Conf. Board Consumer Confidence	98.1	118.8	▼

INDEX	LEVEL	WEEK	YTD	12 MO
DJ Industrial Average	25827.36	3.25%	-9.50%	-3.58%
NASDAQ	10207.63	4.62%	13.76%	25.88%
S&P 500	3130.01	4.02%	-3.12%	5.28%
MSCI EAFE	1783.59	0.22%	-12.44%	-7.92%
Bbg Barclays Aggregate US	2360.82	-0.03%	6.10%	8.54%

KEY BOND RATES	WEEK	1MO AGO	1YR AGO
3-Month T-Bill	0.14%	0.14%	2.17%
10-Year Treasury	0.67%	0.69%	1.97%

REPORTS DUE NEXT WEEK	LATEST
IHS Markit US Services PMI	46.7
JOLTS Job Openings (Millions)	5.046
Initial Jobless Claims (Thousands)	1,427

Price returns as of the last available closing data. Source data: Bloomberg and Morningstar are believed to be correct but not verified.