

TRENDING TODAY

Bi-weekly
eNewsletter

6.19.2020

Author: Joseph Eschleman, CIMA® President

SINGING IN THE RAIN? *THE ECONOMIC AND MARKET DISCONNECT*



info@towerpointwealth.com

Twitter: @twrpointwealth

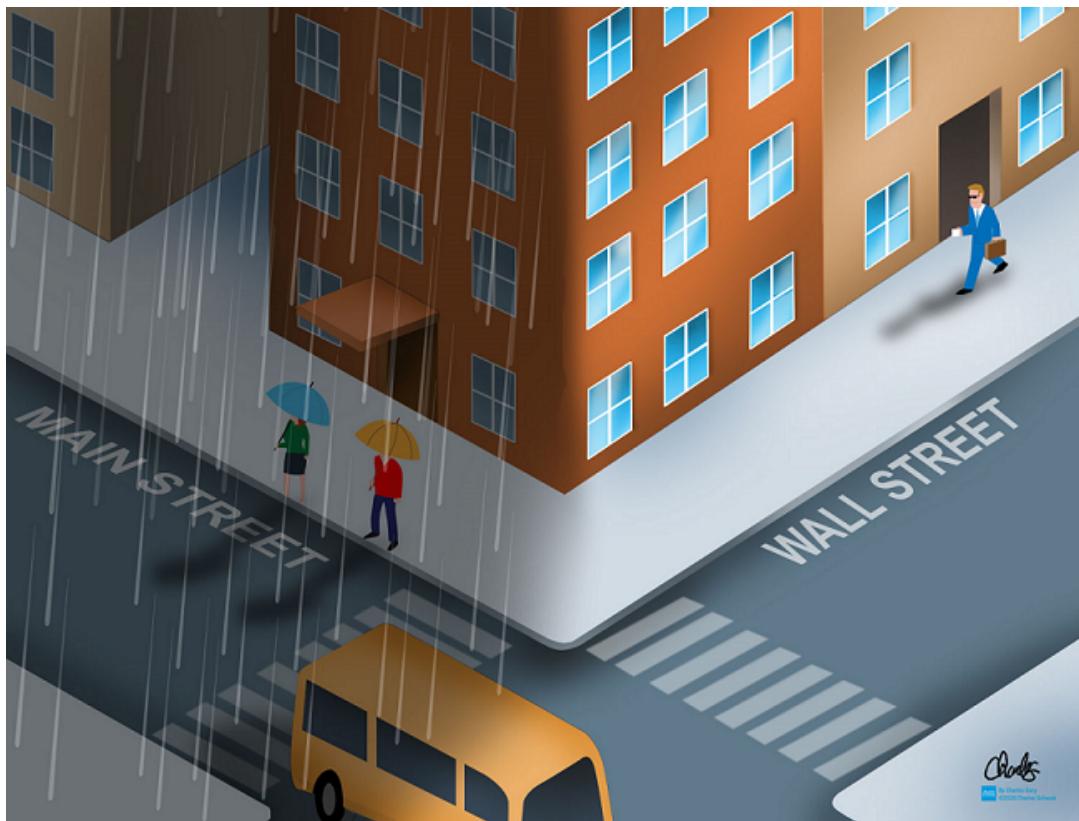
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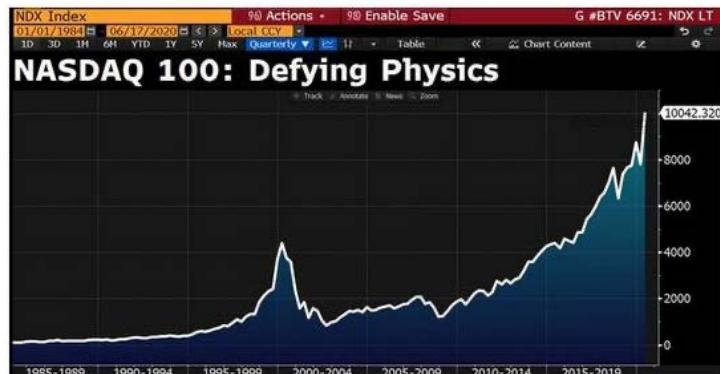
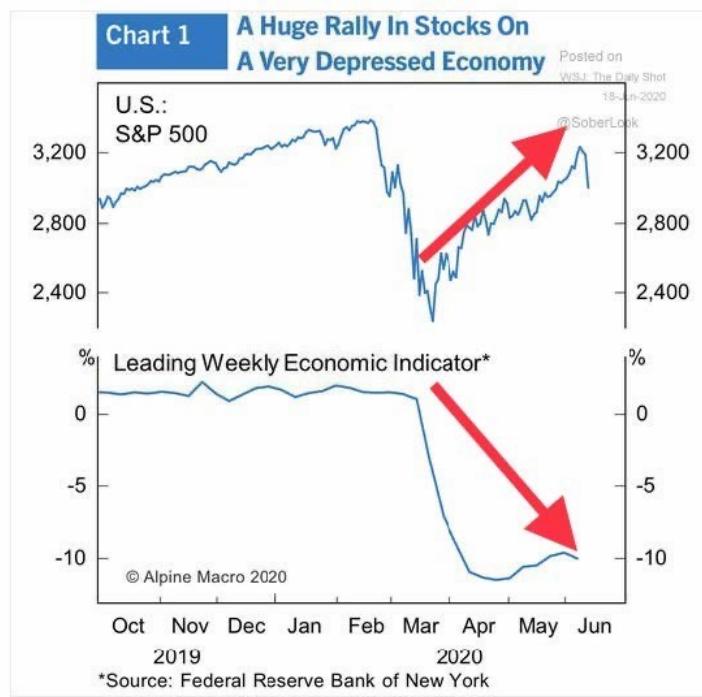
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Singing in the Rain? The Economic and Market Disconnect - Trending Today - 6.19.2020

The pain caused by the COVID-19 lockdowns persists on Main Street, as evictions, foreclosures, bankruptcies, and unemployment have all soared to unprecedented levels, creating an economic storm not seen since the Great Depression. However, over on Wall Street, the sun hasn't stopped shining since early March, with the stock market staging an amazing rally based partly on hope about the future and partly on government stimulus.



The S&P 500 has roared back from its late March depths, and amazingly, is just a rally or two away from its late February highs. The technology-heavy Nasdaq recently closed above 10,000 for the first time ever, and seems poised for additional growth as the pandemic has driven major changes to consumer decision-making and demand. For confirmation, see our previous edition of Trending Today, as well as our President's video message about the "Big Five" technology stocks found below.



We see two main reasons: Hope about the future and health of our economy, and the Fed's massive stimulus. Investors are currently attaching more weight to the prospects of the economy (and corporate earnings) recovering than to the possibility of a long-lasting pandemic and economic slowdown. The Fed has continued to provide massive amounts of stimulus, and just this week kickstarted a Main Street lending program designed to encourage banks to lend to small and medium-sized businesses hurt by the pandemic. It also announced that it will begin buying corporate bonds to support market liquidity and help make credit available to companies across the country. Additionally, the Trump administration is preparing a new proposal for \$1 trillion in infrastructure spending to help revive the U.S. economy, including funding for roads and bridges, as well as 5G wireless infrastructure and broadband for rural areas.

Is this optimism fragile, neurotic, and excessive? Or is it justified, warranted, and a signal of continued (albeit gradual) improvement and economic recovery? At Towerpoint Wealth, we agree with Liz Ann Sonders' outlook about the market (see below), and feel that while the nascent economic recovery will continue on a long, slow, yet positive path, the market's growth will be much more frenetic and unpredictable. However, things are beginning to point in the right direction, and it is important to drive not by looking at the rear-view mirror, but instead by looking through the front windshield. Put differently (and as Warren Buffett said), "always better to buy an umbrella when it is sunny outside rather than when it is raining."





What's Happening at TPW?

Towerpoint Wealth continues to flourish and strategically grow as a firm during these uncertain times, due in part to the strength and depth of our client partnerships, as well as the intra-firm family-first culture we cultivate on a regular basis. As the lockdown slowly unlocks, we feel fortunate to be able to enjoy more and more opportunities to spend time with each other outside of the office as well as in.



Raquel and Jonathan "lunching" at Camden Spit and Larder this week.



Jonathan and Joseph (pre-haircut) (and John Sutter in the middle) at The Sutter Club last week.

TPW Office Update

Pursuant to the story found below, and as mandated by Governor Newsom and the CA Department of Public Health yesterday, please wear a mask when visiting us at our office. We will be!

Trending Today

In addition to wild charts and weather metaphors, a number of trending and notable events have occurred over the past two weeks:

- Today is Juneteenth, a day commemorating the end of slavery in the US, in 1865
- Father's Day is Sunday - Have you bought him a gift yet?
- Starbucks announces it has reversed a policy which previously banned employees from wearing apparel, pins, and buttons showcasing support for the Black Lives Matter movement



- Despite coronavirus concerns, President Trump set to hold rally on Saturday in Tulsa, OK
- This link contains a list of all major sports impacted by the coronavirus crisis, and the estimated start or resume date for each
- In a 6-3 decision this week, the U.S. Supreme Court decided that LGBTQ employees are protected under federal law against being treated differently because of their sexual orientation or gender identity
- Former Trump advisor John Bolton and lawyers for the Justice Department are scheduled to appear before a judge to argue over the scheduled release of Bolton's damning White House memoir, "The Room Where It Happened"

The pandemic will be a part of our lives for the foreseeable future, but fortunately, so will getting out, spending time together (albeit with masks on and standing 6' apart), and fostering and nurturing the relationships we have with each other. And as always, whether in person or via a Zoom teleconference, we sincerely value our relationships and partnerships with each of you, as well as your trust and confidence in us here at Towerpoint Wealth. We encourage you to reach out to us at any time (916-405-9140, info@towerpointwealth.com) with any questions, concerns, or needs you may have. The world continues to be an extremely complicated place, and we are here to help you properly plan for and make sense of it.

- Nathan, Raquel, Steve, Joseph, Lori, and Jonathan



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2020 Market Update and Second Half Outlook



Video Message - Tech Stocks Are Dominating 2020 (So Far)

Click below for a 'quick take' from our President, Joseph Eschleman, on why technology stocks have dominated the financial markets (so far) in 2020. Currently, the top five stocks in the ...

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Liz Ann Sonders - 2020 Mid-Year Outlook: U.S. Stocks and ...

Key Points: * The warp-speed nature of the pandemic and economic crisis helps explain the equally-warp speed nature of the stock market's behavior. * Although the stock market was suggest...

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COVID-19 Resources

How We Reopen Safely

Tracking states as they make progress towards a new normal



How We Reopen Safely

The COVID Exit Strategy website does an excellent job of visually depicting, in an interactive and easy to view graphical format, how states are trending in their efforts to reopen. Clic...

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Dogs Trained to Sniff Out COVID-19 Score Near-Perfect in ...

Does sweat from someone infected with COVID-19 have a unique scent? Researchers in Paris, and elsewhere, believe it does-and we now know dogs can sniff it out. A new study from researcher...

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Californians Now Required to Wear Masks in All High-Risk ...

Residents of California will be required to wear face coverings in high-risk areas, the CA Department of Public Health said Thursday. "Science shows that face coverings and masks work," s...

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Towerpoint Wealth - Lifestyle



The Competency Trap: How Smart People Sabotage Their Careers

Does this old management adage, "If it ain't broke, don't fix it" ring a bell? Instead of maintaining an open mind to learn better systems, models,

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