Global Market Investment Returns July 31, 2020

		July 2020	YTD	1-Year	3-Years	5-Years	10-Years
U.S. Large Cap Equities	S&P 500	5.64%	2.38%	11.96%	12.01%	11.49%	13.84%
U.S. Small Cap Equities	Russell 2000	2.77%	-10.57%	-4.59%	2.69%	5.10%	10.07%
Energy Infrastructure Equities	Alerian US Midstream Energy Index	-3.14%	-35.38%	-37.47%	-13.88%	-9.15%	-
U.S. Real Estate Equities	Dow Jones U.S. Select REIT Index	3.33%	-19.41%	-16.30%	-1.22%	1.94%	7.61%
Global Equities	MSCI All Country World Index	5.29%	-1.29%	7.20%	6.99%	7.37%	8.87%
International Developed Equities	MSCI EAFE	2.33%	-9.28%	-1.67%	0.63%	2.10%	5.02%
Emerging Market Equities	MSCI Emerging Markets	8.94%	-1.72%	6.55%	2.84%	6.15%	3.33%
U.S. Taxable Fixed Income	Barclay's U.S. Aggregate	1.49%	7.72%	10.12%	5.69%	4.47%	3.87%
U.S. Tax-Exempt Fixed Income	Barclay's Municipal Aggregate	1.68%	3.80%	5.36%	4.52%	4.13%	4.26%
High Yield Fixed Income	Barclay's U.S. Corporate High Yield	4.69%	0.71%	4.14%	4.54%	5.88%	6.80%
Floating Rate Loans	S&P/LSTA Leveraged Loan	1.96%	-2.74%	-0.87%	2.50%	3.29%	4.42%
International Fixed Income	Barclay's Global Aggregate Ex-U.S.	4.44%	5.08%	5.94%	3.10%	3.82%	1.96%

- Global equities gained for the second consecutive month, an encouraging sign that economic activity has begun to improve.
- U.S. stocks gained 5.6% in July , although the diversion between "value" and "growth" widened further.
- U.S. REITs gained incrementally, although this sector remains fragile, with record high unemployment and low corporate lease demand.
- U.S. master limited partnerships were negative in July, but have gained 79% since the March 18th low point.
- International developed equities lagged emerging markets equites in July.
- Fixed income markets were positive across the board in July and YTD with yields in most categories down sharply for the past twelve months, demonstrated by the average sector income yield table below. (July 31 Yield= Yield-to-Worst)

12-Months	10-Yr Treasury	U.S. Aggregate	U.S. Corporates	MBS	CMBS	Municipals	ABS	CLOs	Loans	U.S. High Yield
Maximum	2.12%	2.59%	4.71%	2.81%	4.43%	4.62%	6.10%	6.32%	9.06%	11.39%
Minimum	0.50%	1.25%	2.22%	1.34%	1.80%	1.52%	1.61%	3.09%	5.96%	5.14%
July 31 Yield	0.66%	1.25%	2.22%	1.45%	2.25%	2.05%	1.71%	3.21%	6.80%	6.85%

Source: eVestment Analytics, Eaton Vance *Monthly Market Monitor*, WFAM Dashboard, Alerian

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Canadian Economic & Currency Update July 31, 2020

Economic Update

- The U.S. dollar weakened 1.7% against the Canadian dollar in July.
- The Canadian economy grew by 4.5% in May, an encouraging sign following two consecutive months of sharp decline.
- In July, Reuters reported that Canadian manufacturing activity expanded for the first time in five months.
- Specifically, the Canadian PMI rose to a seasonally adjusted 52.9, up from 33.00 in April, which was the peak closure period.
- While the July data highlights a rebound in the Canadian manufacturing sector, the measure of export sales remained negative.
- Canada sends 75% of it’s exports to the United States, which is currently experiencing a rapid increase in new COVID cases.
- June employment data also suggested a slight improvement in economic activity.

Date Range	USD to CAD	+/-
YTD	1.2962-1.3384	+3.3%
1-Year	1.3142-1.3384	+1.8%
3-Years	1.2491-1.3384	+7.1%

$USD 1,000,000
=
$CAD 1,335,056

@1.33505
(08/04/2020)

CAD Profile	
Inflation Rate	1.60%
Interest Rate	0.25%
Information	http://www.bankofcanada.ca

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Sources: xe.com, Reuters, Statistics Canada

Copper Price History & Outlook

July 31, 2020

The larger chart below shows the historical daily COMEX copper price, which is displayed in U.S. dollars per pound. The chart provides 20 years of price history as well as past recession.

The chart embedded in the bottom right hand corner provides a zoomed-in image of the 2020 TYD copper price movement.

The price of copper as of August 4 was $2.91 per pound. Copper began the year priced at $2.80 per pound, before falling 25%, or $0.70 per pound, to 2.10% on March 23, 2020. The commodity has fully recovered from the March low.

Copper Price Outlook

The rebound in copper is believed to be a direct result of supply chain disruptions. Imposed mining restrictions caused a sharp drop in the production of copper ore during the second quarter, which has progressively caused a shortage in the finished commodity reaching the market. This trend is expected to continue over the near-term, according to ratings agency IRCA. The London Metal Exchange has also reported that the pandemic has severely impacted mining operations, and production is estimated to have contracted by almost 50% in the second quarter.

Looking ahead, IRCA expects "the consumption of copper to contract significantly by 3-4% in the current calendar year. However, the supply side constraints may result in a similar reduction in copper production, which would keep prices elevated, going forward. While a recovery in demand is expected in CY2021, the overall situation would depend on how the pandemic situation pans out."

Sources: Macrotrends, The Economic Times, IRCA, London Metal Exchange

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Oil Price History & Outlook

July 31, 2020

The chart below shows the historical daily West Texas Intermediate (WTI or NYMEX) crude oil prices per barrel, which is displayed in U.S. dollars. The chart provides 30 years of price history, and includes shaded columns to reflect past U.S. economic recessions.

Oil began 2020 priced at $61.14 per barrel before falling to $11.26 on April 21, 2020. From the January 7th peak to the April 21st trough, oil prices declined 69%. Oil prices have since recovered 272%, or $30.60 per barrel.

The current price of oil, as of August 4, 2020, is $41.86 per barrel.

Oil Price Outlook

Crude oil prices exhibited a v-shaped recovery following the April low point, but have essentially plateaued since the beginning of June.

The price jump during April and May is beginning to look more like a snap-back rather than a demand-driven recovery, and one that was only driven by lower production and *anticipation* of higher demand, rather than a normalization of supply and demand fundamentals.

While many countries have lifted business closures, many others have exercised caution and kept many businesses shuddered and employees working from home. Others, such as the United States, are reopening amid a precipitous rise in new confirmed COVID-19 cases.

In our view, until businesses return to normal operations and individuals resume typical commute patterns, we do not see a meaningful demand catalyst that will drive oil prices higher over the intermediate term.

Sources: Macrotrends, Forbes, WSJ.com

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