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"Compassion is a beautiful flower born of understanding." (Thich Nhat Hanh, monk)

My Website: www.davidjklein.com: Read *RBC's latest newsletter, Investor's Edge*, on the bulletin board, and *Global Insight* in the middle of the front page.

Do a "Wealth Plan Analysis" (attached to your e-mail) This is the perfect time to get it done - to get a better understanding of your retirement and estate planning needs, your goals, your income, savings, insurance needs, annuities, long-term care etc.... We will do a complete review for you.

Key Statistics Year-to-date as of June 12, 2020

Dow: (-10.28%)
S&P 500: (-5.86%)
Nasdaq: +6.87%

--Notice the Nasdaq has turned positive over the past few weeks

Treasury Bond Yields: Year- to-date as of June 12, /2020

1-year Treasury:	0.18%	10-year Treasury:	0.71%
2-year Treasury:	0.19%	30-year Treasury:	1.45%
5-year Treasury:	0.33%		

-- Whereas yields rose substantially 2 weeks ago, they are now back down. The 10-year yield fell last week from 0.91% to 0.71%. The 30-year fell from 1.68% to 1.45%

--Yields fell back after the Fed pledged to keep rates low until 2022

Markets: (Barron's, IBD, WSJ, RBC, MFS, Reuters, Advisor Perspectives)

- For the week: Dow fell (-5.55%), S&P 500 fell (-4.78%), Nasdaq fell (-2.30%)
- Dow had its biggest drop since March - (Since March, the Dow bounced up 45% in just 11 weeks)
- Thursday saw the sharpest one-day decline since March 18
- Global equities were also sharply lower on the week
- Nasdaq closed above 10,000 on 6/10, a record high, before pulling back
- Volatility, as measured by the VIX, rose to 36 from 29.5 the week before
- There is general concern of excessive speculation by inexperienced investors

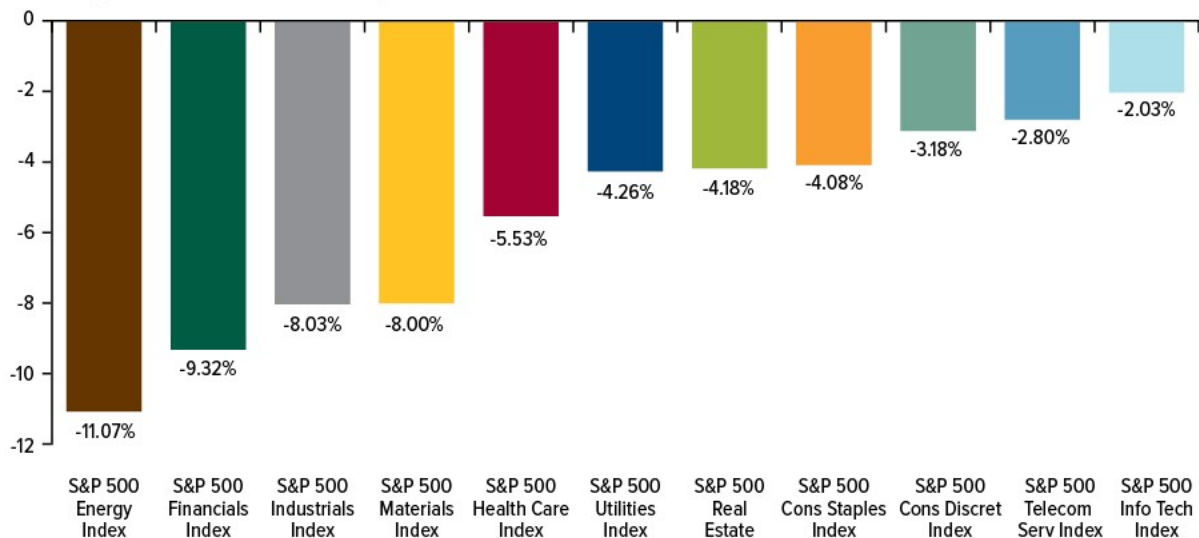
Daily Closing Prices: As measured by the Dow (Dow Jones Industrial Average)

Monday:	+461 points:	+1.70%
Tuesday:	-300 points:	-1.09%%
Wednesday:	-282 points:	-1.04%
Thursday:	-1,862 points:	-6.90%
Friday:	+477 points:	+1.90%

- All 11 major sectors of the S&P 500 were down on the week with energy and financials being the worst performing sectors

S&P 500 Economic Sectors

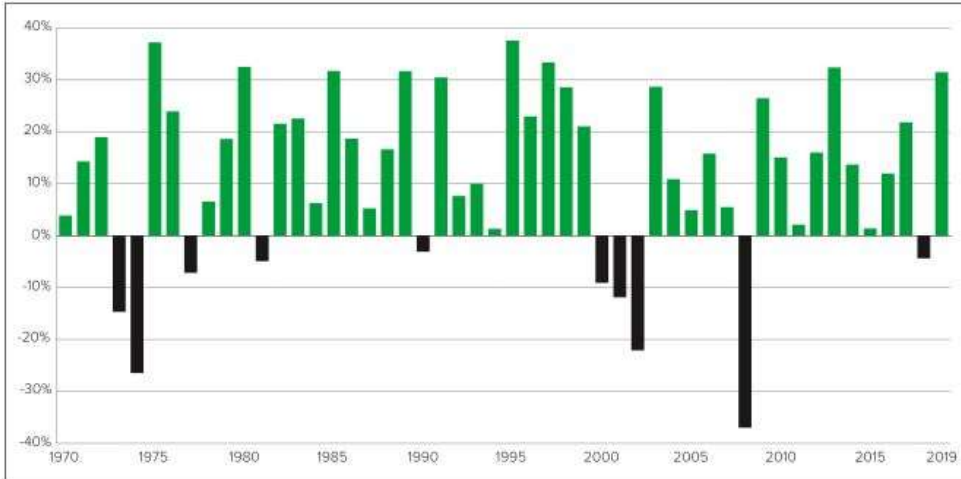
Percentage Return for Each Sector Group From 06/05/2020 – 06/12/2020



Source: Bloomberg, U.S. Global Research

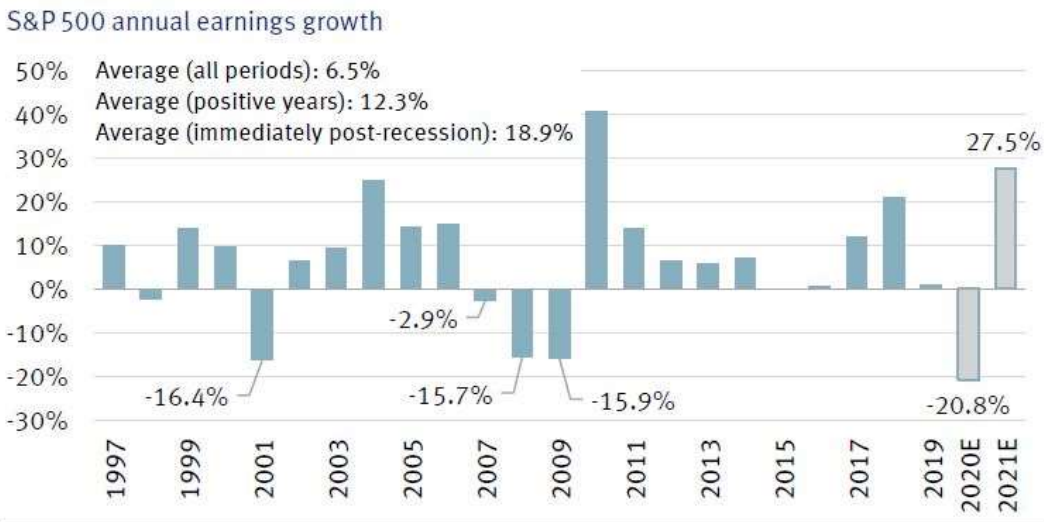
Positive Note: Historically, over the past 50 years, there has been a tendency for good years to follow bad years. This year is still not over and the markets have already regained most of this year's losses. Let us still think positively about the future.

GOOD YEARS HAVE TENDED TO FOLLOW BAD YEARS IN THE U.S. STOCK MARKET



Source: Morningstar Direct. Annual returns of the S&P 500 Index Jan. 1, 1970, to March 31, 2020. Bull markets are noted in green, bear markets in black. Results assume reinvestment of dividends. The S&P 500 Index is a float-adjusted market capitalization weighted index that measures the large-capitalization U.S. equity market. It is not possible to invest directly in an index. Past performance is not a guarantee of future results.

Another Positive Note: There is strong consensus expectations for a strong recovery in 2021. Take a look at projected earnings growth for 2021.



Note: Light gray bars represent consensus expectations
 Source - RBC Wealth Management, FactSet; data through 5/18/20

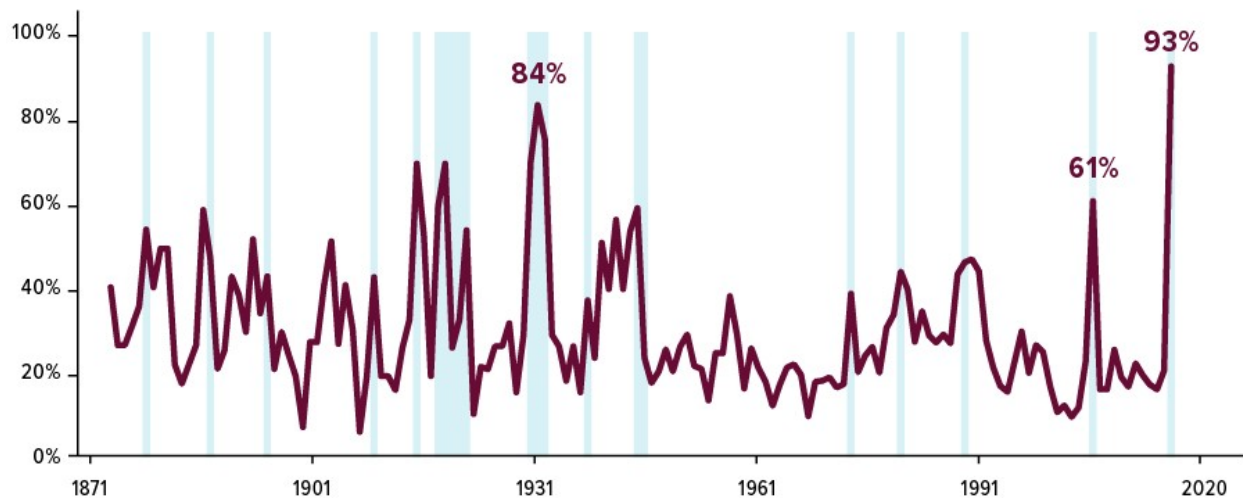
Economic News:

- National Bureau of Economic Research declared that a recession began in February
- Fed met last week and pledged to keep rates around 0% through 2022
- Fed signaled it would provide years of extraordinary support to aid in comeback of the economy
- Policymakers project a 6.5% decline in GDP this year and 9.3% unemployment rate by year's end
- Inflation remains weak – consumer prices fell for 3rd straight month in May
- Globally, World Bank estimates that the economy will shrink 5.2% worldwide this year
- A Wall Street Journal survey found that 68% of economist expect the economic recovery to start in the 3rd quarter this year – some said the recovery had already begun

World-Wide Recession: Because of COVID-19, more countries are in recession today than over the past 150 years.

COVID-19 Crisis Has Impacted Greatest Share of World Economies

Percent of World Economies in Recession, 1871 – 2020



Recession is defined as an annual contraction in per capita GDP.
Sample includes 183 economies, though sample size varies significantly by year.
Source: World Bank (June 2020 Global Economic Prospects), U.S. Global Investors

Question of the Week: What has been the highest closing yield in history for the 10-year Treasury bond and when did this occur?

Question From Last Week: How many official bear markets has there been since the end of WWII?

Answer: There have been 12 bear markets since the end of WWII

Did You Know

- As of the end of April 2020, 43 US states reported their ***highest unemployment rate*** in history. Monthly jobless rates have been recorded since January 1976. (BTN Research, Dep't. of Labor)
- The ***average interest rate*** nationwide on a ***30-year fixed rate mortgage*** fell to 3.15% on May 28 of this year. This is the ***lowest rate ever recorded*** in US history. (BTN Research, Freddie Mac)

Sports Trivia: Brown University of the Ivy League began the 2019-2020 school year with ***38 varsity athletic teams***. Toward the end of May, Brown ***eliminated 11 of the 38 teams*** in a cost-cutting effort. (BTN Research, Golf Digest)

Referrals: Many sincere thanks for your referrals of family, friends, and associates. I am deeply appreciative.

Sincerely,

David J. Klein

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The Dow Jones Industrial Average ("the Dow" or "DJIA"), covers 30 blue chip U.S. companies selected by the editors of the Wall Street Journal. The Dow represents about 25% of the New York Stock Exchange (NYSE) market capitalization and less than 2% of NYSE issues.

The Nasdaq Composite is a market-value weighted index that measures all NASDAQ domestic and foreign common stocks. The Standard and Poor's 500 is an unmanaged, capitalization weighted benchmark that tracks broad-based changes in the U.S. stock market. This index of 500 common stocks is comprised of 400 industrial, 20 transportation, 40 utility, and 40 financial companies representing major U.S. industry sectors. The index is calculated on a total return basis with dividends reinvested and is not available for direct investment. It is not possible to invest directly in an index.