



June Thoughts from Home

Now that summer is upon us, it seems that the world's attention shifts between talk of a second wave of COVID-19 and the reopening of the global economy. Here are some key areas we are focusing on:

- 1) The latest Bank of America credit card data is showing flat year over year spending, meaning U.S. consumers are back to spending at pre COVID levels. This is a remarkable recovery from the -40 percent reading in late March and points to a strong and broad based economic rebound.
- 2) Even U.S. air travel is beginning to show signs of recovery. Over the weekend, there were 544,048 travelers according to the Transportation Security Administration, up from an April 12th low of 87,534. This compares to an average of 2,130,015 but is a sharp recovery in just two months.
- 3) U.S. retail sales climbed a record 17.7 percent in May. While we have not recovered to pre COVID levels, sales are moving rapidly in the right direction.
- 4) The U.S. Federal Reserve has been able to successfully implement their multi-trillion dollar stimulus package with only minimal impact on the U.S. dollar. This is a very positive sign of the faith global markets have in the strength of the U.S. economy.

With a market alternating between optimism on the economy and pessimism over COVID-19, we have acted as follows:

- 1) We are using our covered call program to capitalize on market volatility in a range bound where possible, realizing higher premiums with fewer stocks being called.
- 2) For fixed income investors with taxable accounts, we have locked in higher investment grade dividend yields and realized available losses to offset past taxes or future gains.
- 3) We are maintaining our higher than normal U.S. equity weighting as supportive data of the U.S. recovery continues to come in daily.
- 4) We are also staying with our U.S. technology strategy as it has helped to cushion market related sell-offs due to COVID fears.

As always, your thoughts and feedback are always welcome. Stay healthy and well!

Yours truly,

Trevor, Walter and the Cooper Wealth Management team



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