

MARKET'S FOCUS IS ON THE ECONOMY NOT COVID CASES

A holiday-shortened edition to go along with the short financial markets week:

Investors shrugged off the almost exponential rise of Covid-19 cases in the USA – again mainly in the F-CAT states (see last week's edition) and instead moved the markets higher by focusing on the good news and ignoring anything negative. For the week:

- Dow Jones was up 3,3%
- S&P500 rose 4%
- Canada's TSX plus 2.6%
- Gold touched \$1,800 oz. – the highest price in some 8 years

Driving this enthusiasm was another improvement in the US jobs report with some 4.8million jobs in June and oil regaining the \$40 barrel mark. **The Federal Reserve Board** noted the need for a highly accommodative monetary policy for some time, as it doesn't see the recovery in consumer spending being "particularly rapid beyond this year". In layman's terms: expect interest rates to stay at low, low levels for some time ahead. **Global indices were also notably higher** as more of Europe and the UK continued the move back to the "new" normal. Asian Markets ignored the Chinese authorities' harsh crackdown on mandated human rights in Hong Kong as the Shanghai and Hang Seng joined the Euro Stock index with big weekly gains in the 5% range.

For those optimistic of air travel some time "soonish" Boeing's 737 Max began its recertification flights. My understanding is the airline plans to make this aircraft a major part of its fleet as it permanently grounds a number of older model types.

Last but not least: the REALLY BIG winners last week – The Kardashian family: Cosmetics maker Coty agreed to buy a 20% stake in Kim Kardashian West's make-up brand KKW for \$200M, valuing the three-year-old company at \$1B. Slightly less than the \$1.2B valuation Coty put on Kim's younger sister Kylie Jenner's business when it bought a 51% cent stake last year. Gap shares gained 20% after they announced a 10-year deal with the Yeezy fashion brand of Kanye West, who is married to Kim Kardashian.