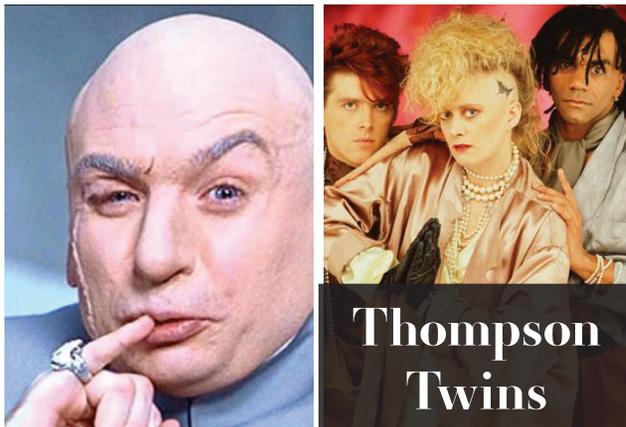


Dr. Copper's Prognosis



When it comes to doctors, there are a lot. The list includes famous (real) ones like Jonas Salk, Neil deGrasse Tyson, Marie Curie; famous (fictional) ones like Dr. Evil, Meredith Grey, Marcus Welby; and famous doctors who really aren't doctors but go by the title, including the late Jazz musician Dr. John and the great Julius "Dr. J" Erving (remember, Brinker Capital is a Philadelphia-based company). There are even songs about doctors, including "Doctor My Eyes" by Jackson Browne and "Doctor! Doctor!" by The Thompson Twins (I always wondered why the great 80s pop trio didn't call themselves the Thompson Triplets).

There is even an economic doctor, Dr. Copper. Named as many on Wall Street believe the industrial commodity can diagnose the health of the economy. To be clear, copper isn't considered a doctor in the medical sense, but rather, academically, as in it possesses a Ph.D. in economics – thus, Dr. Copper. The reasoning makes sense. Copper is an incredibly important material used in everything from wiring to motor parts to industrial machinery to plumbing. While the price of copper is exposed to and impacted by the vagaries of supply and demand, and the strength or weakness of the US dollar, it is worth paying attention to as another data point indicating the health, or ill-health, of the economy. To that point, we take comfort in the fact that the July 2020 futures contract for copper has rallied more than 40% off its late-March 2020 low. The markets and the economy have clearly bounced back, and while it won't be straight up for either, we expect more good news than bad on both fronts moving forward.

Copper Futures (July 2020)



Stocks, bonds, and commodities (7/10/2020)

Security name	Last	QTD chg	YTD chg	12mo chg
S&P 500	3185.04	2.73%	-1.42%	6.17%
MSCI AC World ex USA	274.01	3.40%	-9.17%	-3.86%
MSCI EAFE	1812.78	1.81%	-11.00%	-5.57%
MSCI EM	1069.27	7.45%	-4.07%	1.34%
Bloomberg Barclays US Agg	111.01	0.52%	5.11%	6.54%
Crude Oil WTI	40.59	3.36%	-33.52%	-32.57%
Natural Gas	1.82	3.88%	-16.90%	-24.71%

Treasury rates (7/10/2020)

	Price	Yield
2Y	99.29 / 99.3	0.161
3Y	99.25 / 99.2	0.193
5Y	99.23 / 99.2	0.306
7Y	100.0 / 100.0	0.495
10Y	99.25 / 99.2	0.644
30Y	97.29 / 97.3	1.333

Weekly reports

This week
• Capacity Utilization
• Retail Sales SA M/M
Last week
• ISM Non-Manufacturing 57.1
• Continuing Jobless Claims 18,062K

Brinker Capital Market Barometer

JULY 2020

The COVID-19 pandemic remains the key driver for the economy, financial markets, and confidence over the near term. Fiscal and monetary policy continue to be supportive, and the economic data has improved off the bottom as we continue the slow process of reopening. We expect the equity market to remain range-bound in the near term as we await measured improvement in the COVID-19 data, and we expect a slow, uneven economic recovery.

SHORT-TERM FACTORS (< 6 months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Momentum				●	Momentum remains strong
Trend			●		Expect continued trading range until more clarity on economy reopening
Investor sentiment			●		Sentiment still bearish but not extreme; equity outflows continue
Seasonality	←	●			Seasonality a headwind but not the key driver
INTERMEDIATE-TERM FACTORS (6-36 months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Fiscal policy				●	Very strong fiscal response; more debate expected on next round
Monetary policy				●	Fed all in to support markets and economy; Global central banks taking action
Inflation				●	Global inflation low and inflation expectations continue to fall
Interest rate environment				●	Treasury yields remain at low levels but stable; yield curve has normalized
Macroeconomic	→		●		Macroeconomic data has bottomed; slow improvement following reopenings
Business sentiment		●			CEO confidence still weak but expectations for the economy have improved
Consumer sentiment	→		●		Consumer confidence increased in June, but remains below pre-pandemic levels
Corporate earnings		●			Global revenues and earnings will be negatively impacted by COVID-19 in 2020
Credit environment				●	Credit environment continues to improve and Fed remains supportive
LONG-TERM FACTORS (36+ months)					
	CHANGE	NEGATIVE	NEUTRAL	POSITIVE	
Valuation		●			Equity valuations above long-term averages but not a near-term driver
Business cycle	→		●		US exited recession that began in February; recovery will be uneven
Demographics			●		Mixed - US and emerging markets positive but developed international negative

Source: Brinker Capital. Information is accurate as of July 8, 2020. Themes and specific funds utilized to implement themes are discussed within the context of Brinker Capital's managed asset allocations and are based on current market conditions and constitute Brinker Capital's judgment and opinions, which are subject to change without notice. Past performance does not guarantee future results. Statements referring to future actions or events, such as the future financial performance of certain asset classes or market segments, are based on the current expectations and projections about future events provided by various sources, including Brinker Capital's Investment Management Group. These statements are not guarantees of future performance and actual events may differ materially from those discussed. Brinker Capital Inc., a registered investment advisor. MSCI AC World ex US Growth: An index made up of approximately the top 50% of the MSCI AC World ex US Index as composite ranked by five growth rates. This is a common proxy used to represent the growth segment of the developed international market. MSCI EAFE Index: A market-capitalized weighted index representing developed international equity markets located in Europe, Australia, Asia and Far East (EAFE). S&P 500 Index: An index consisting of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large-cap universe. Companies included in the Index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. Barclays US Aggregate Index: A market capitalization-weighted index, maintained by Barclays Capital, and is often used to represent investment grade bonds being traded in the US. MSCI Emerging Markets: a float-adjusted market capitalization index representing 13% of global market capitalization. Captures mid and large cap across more than two dozen emerging market countries.