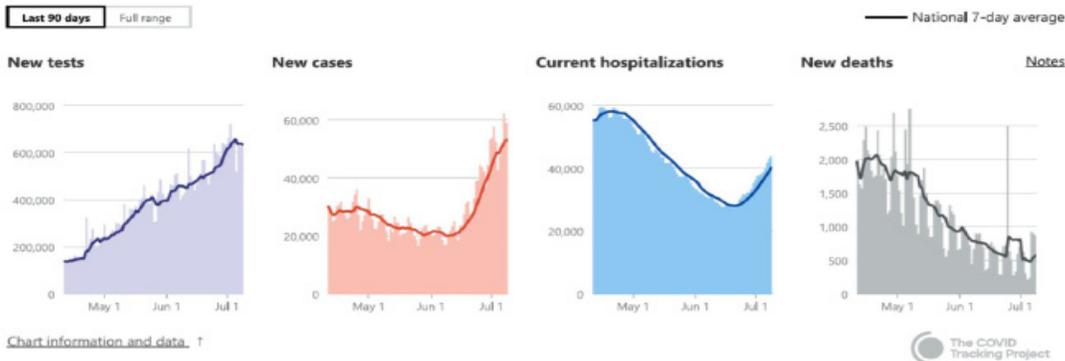


WEEK IN REVIEW

Friday, July 10th 2020

- **CORONAVIRUS DAILY NEW CASES** have accelerated across the United States, led by Florida, Texas, and California. Hospitalizations and new deaths have increased but not at nearly the same pace as cases. Testing is up 3-4x's since April, and probable cases (in addition to confirmed cases) are being included in the total count. Hospitalizations are likely not as severe because the age range of the newly infected is skewing younger.

National overview



- **PROGRESS CONTINUES TO BE MADE ON VACCINES AND TREATMENTS** for coronavirus. The entire global healthcare community is focused on ways to help treat the disease. Recent examples include developments from Pfizer and Regeneron. Pfizer CEO, Albert Bourla, noted confidence in having a vaccine approved by the FDA this year. His confidence is evidenced by Pfizer's plan to manufacture the vaccine ahead of FDA approval. Their large scale clinical trial will begin in July and involve over 30,000 people.
- **LAYOFFS CONTINUE** as the economic toll from the pandemic affects the Main Street economy. Initial unemployment claims remained elevated at 1.3 million this week. Layoff announcements appear to be coming more from larger companies, progressing from mainly smaller businesses early in the pandemic. United Airlines announced this week that up to 36,000 employees will be laid off in the fall if travel activity does not pick up.
- **BANKRUPTCIES ARE ALSO BEGINNING TO ADD UP** during this recession. Businesses with secular challenges have had their timelines accelerated in this downturn. Classic formal wear provider, Brooks Brothers, filed for bankruptcy this week. Already under pressure from the move to more business casual dress, Brooks Brothers could not survive the full work from home economy.

- EARNINGS SEASON in the U.S. will begin next week. Walgreens and Bed Bath & Beyond reported their earnings this week which may offer a preview as to what is to come during this earnings season. Generally, companies have suspended guidance during the pandemic. This earnings season will be the first opportunity to get a glimpse of companies' earnings power post pandemic. Both Walgreens and Bed Bath & Beyond lowered estimates over 10% for this year and 7% for next year. Both stocks traded lower following the news.

THINKING AHEAD

Coronavirus cases are spiking around the country while state economies are reversing many opening plans. The economic impact from the pandemic is far from over despite the rally in equity markets over the last three months. On the positive side, progress does continue to be made on treatments and vaccines for coronavirus. US earnings season is beginning next week where the market will be able to judge whether the rally in markets will be justified by solid earnings reports. Or, poor earnings reports relative to expectations could drive the market lower. Other macro drivers to watch over the coming weeks include progress on another Federal fiscal stimulus package and developments in the Presidential election race.

We will continue to provide weekly updates. In the meantime, you can access additional thought leadership pieces on our [Insights](#) page and by following us on [LinkedIn](#).

You can access a recording of all prior webinars [here](#).

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