CENTURION COUNSEL
MARKET COMMENTARY
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First and foremost, we hope that this letter finds you and yours safe and healthy during these unprecedented times.

Markets staged a historic rebound in the second quarter driven by a plateau in the growth of coronavirus infections in April. Economic reopening across the United States and the rest of the world, hopes for a COVID-19 vaccine, and continued stimulus from global central banks, including the Federal Reserve.

The end of the first quarter marked the lows for markets so far in 2020 as new coronavirus cases in the U.S. began to taper off in mid-April thanks to the historic economic shutdown. That peak and initial decline in new COVID-19 cases throughout April gave investors and markets hope that the economic shutdown would not last into the summer and the S&P 500 rallied materially, gaining over 12% in April.

The rebound continued in May, as the spread of the coronavirus continued to slow, paving the way for economic reopening's in the U.S and abroad. By the end of May, all 50 states had at least partially reopened their economies which led to a stronger-than-expected economic recovery. Meanwhile, markets were supported by continued economic stimulus from both the Federal government, via unemployment checks and "PPP loans" to businesses, and the Federal Reserve, via bond purchases. The S&P 500 rallied more than 4% in May, a development that seemed almost impossible during the depths of the March declines.

But the two-plus-month rally was interrupted in mid-June, thanks to a sudden resurgence in coronavirus cases. Numerous states, including Florida, Texas, Arizona and California saw coronavirus cases begin to increase mid-month, and by the last week of June, new daily COVID-19 cases in the U.S. hit an all-time high. As a result, volatility edged higher into the end of June, although the market reaction was muted compared to the volatility in February and March as the increased case count had not put extreme stress on various state healthcare systems.

Looking forward, as we begin a new quarter and the second half of 2020, the macroeconomic outlook has improved substantially since March, and stocks have responded accordingly with a very strong rally off the March lows. But the last two weeks of June were a stern reminder that much uncertainty remains, and during the next several months we will learn whether the coronavirus outbreak will peak, and if the economic recovery we've seen since April can continue.

Those factors, along with the increasing influence of politics with the November election, will impact markets in the months ahead.

2019 Required Minimum Distributions

The CARES Act enabled any taxpayer with an RMD due in 2020 from a defined-contribution retirement plan may skip their RMD this year. Type of accounts effected by this include 401(k), 403(b) plan, Inherited IRAs, and IRAs. Additionally, anyone who turned age 70 1/2 in 2019 that was required to take the first RMD by April 1, 2020 may also skip their RMD. This waiver does not apply to defined-benefit plans. Should you have additional questions, please consult your tax professional.

If you would like to skip this year's RMD, please contact us prior to your scheduled distribution date.