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# July 2020 Market Update

July represented a continuation of recent trends in the stock and bond markets. U.S. stocks rallied 5.5%, led by large cap growth stocks. International stocks underperformed U.S. stocks, returning 4.5% for the month. Bonds had another good month, up 1.5%, while real estate lagged the broader market, up 4.1%.

Year-to-date, U.S. stocks are up 1.2% but international stocks remain 7.2% below where they started 2020. Bonds are up 7.7% and real estate is down 15.0%. The Vanguard 80/20 global stock/bond mutual fund is now up 0.4% on the year.

Important trends and notable movements include:

- The dollar dropped significantly. The Euro moved from 1.123 on June 30 to 1.178 on July 31. European equities dropped 1.1% in local currency but gained 3.7% when valued in dollars.
- Gold surged along with the drop in the dollar, ending July at \$1,976, an all-time high.
- Treasury bond yields edged closer to zero during July. The 5-year Treasury moved from 0.29% to 0.21% and the 10-year Treasury from 0.66% to 0.55%, both near their all-time lows. The 3-year Treasury yields a meager 0.11%.
- New coronavirus cases in the U.S. reached an inflection point as the 7-day moving average peaked in mid-July.
- Additional unemployment benefits of \$600 per week expired on July 31. Congress worked on another stimulus bill to extend unemployment and other benefits. Short term market movements have been influenced by reports of progress on that stimulus bill.

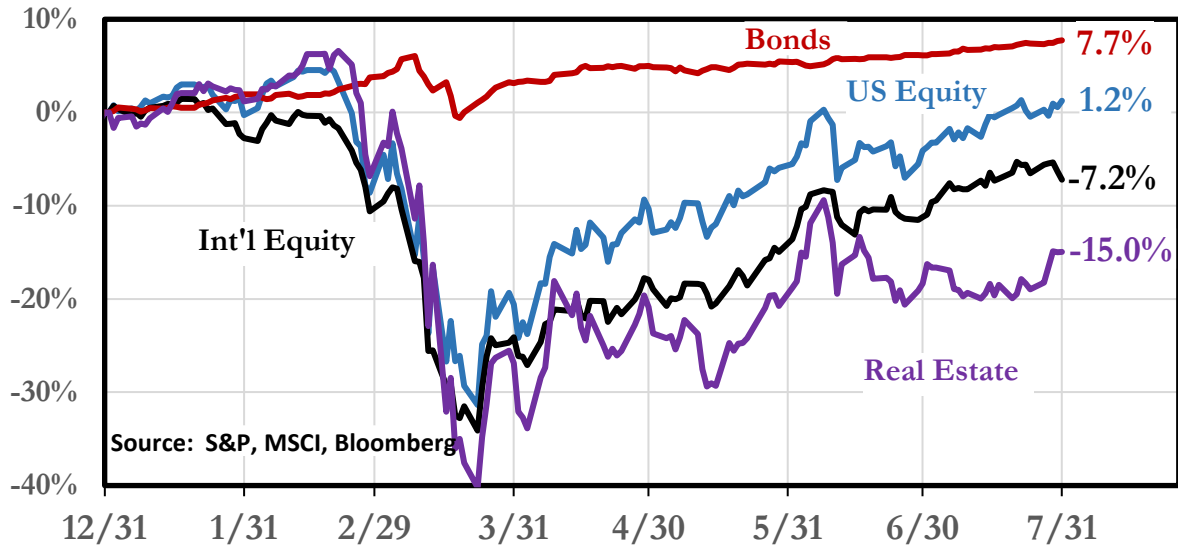
**Table 1: Benchmark Index Performance as of July 31, 2020**

<i>Benchmark Index</i>	<i>1 Mo</i>	<i>3 Mo</i>	<i>YTD</i>	<i>5 Yr Ann</i>
U.S. Stocks	5.5%	12.9%	<b>1.2%</b>	11.0%
International Stocks	4.5%	13.0%	<b>-7.2%</b>	3.3%
U.S. Bonds	1.5%	2.6%	<b>7.7%</b>	4.5%
U.S. Real Estate	4.1%	7.5%	<b>-15.0%</b>	3.6%

**Table 2: Vanguard Global Asset Allocation Benchmarks as of July 31, 2020**

<i>Vanguard Fund or ETF: % Stock/% Bond</i>	<i>1 Mo</i>	<i>3 Mo</i>	<i>YTD</i>	<i>1 Year</i>
Total World Stock ETF: 100/0	5.3%	14.2%	<b>-1.9%</b>	7.1%
LifeStrategy Growth Fund: 80/20	4.3%	11.5%	<b>0.4%</b>	7.9%
LifeStrategy Moderate Growth Fund: 60/40	3.6%	9.3%	<b>2.1%</b>	8.3%
LifeStrategy Conservative Growth Fund: 40/60	2.9%	7.0%	<b>3.8%</b>	8.5%
LifeStrategy Income Fund: 20/80	2.1%	4.7%	<b>5.1%</b>	8.5%
Total International Bond ETF: 0/100	0.9%	1.9%	<b>3.4%</b>	3.8%

**Chart 1: 2020 Year-to-Date Market Index Performance**



**Chart 2: U.S. Dollar/Euro Exchange Rate (left) vs. Gold Spot (right) since January 2019**

