MORNING BRIEFING
August 6, 2020

Health Is the Key to Happiness

Check out the accompanying chart collection.

(1) COVID-19 creates winners and losers—even in S&P 500 Health Care sector. (2) S&P 500 Health Care sector expected to post positive earnings growth at the right price. (3) Political clouds quickly approaching. (4) Investors won't like Biden's plans to expand Medicare and limit drug prices. (5) A rundown of the latest COVID-19 breakthroughs includes bets on cloned antibodies and on lung protection. (6) Scientists playing guinea pigs.

Health Care: Healthy Earnings, Reasonably Priced. The S&P 500 Health Care sector is arguably one of the stock market's most attractive, with strong earnings growth and reasonable P/E multiples. As in other areas of the market, COVID-19 has created winners and losers among industries and companies within the sector. Winners include some of the biotechnology companies working on cures and vaccines for COVID-19, while businesses that have been disrupted by COVID-19—think providers of standard medical care and dental practices—have had a tougher time.

With the presidential election just three months away, expect politics to play a growing role in the sector's fortunes. A future President Biden certainly would mean much different policies than have been enacted by current President Trump. Here's Jackie's take on the sector:

(1) *Top performer.* The S&P 500 Health Care sector has been one of the best-performing non-tech sectors this year. Here's the S&P 500 sectors' performance derby ytd through Tuesday's close: Information Technology (23.8%), Consumer Discretionary (16.5), Communication Services (5.9), Health Care (4.0), S&P 500 (2.3), Consumer Staples (0.3), Materials (-0.9), Utilities (-5.9), Real Estate (-6.6), Industrials (-11.3), Financials (-22.2), and Energy (-38.8) (*Fig. 1*).

The Health Care sector's performance is even more remarkable because it doesn't contain any of the FANGMANT rock stars. Information Technology has Apple, NVIDIA, and Microsoft pushing it higher; Consumer Discretionary includes Amazon; and Communication Services is boosted by Facebook, Google, and Netflix. Tesla may soon be included in the S&P 500, presumably in the Auto Manufacturing industry in the S&P 500 Consumer Discretionary sector. Without the FANGMANT stocks, the ytd returns would look like this: Information Technology (8.8%, down from 23.8%), Communication Services (-9.7, 5.9), and Consumer Discretionary (-13.8, 16.5).

(2) *COVID creates winners and losers.* Within health care, COVID-19 is determining which industries are performing best. Investors have been buying shares of biotechnology companies looking for COVID cures as well as the life sciences companies providing the biotech industry with the picks and shovels needed to find that cure. On Tuesday, for example, Novavax announced that in a small, early trial its vaccine candidate produced neutralizing antibodies and the vaccine was well tolerated by patients. Yesterday, the shares jumped by more than 10.4% versus a 0.6% gain for the S&P 500.

Meanwhile, patients have pushed off their annual visits to the doctors and dentists along with any elective surgeries, which has put financial pressure on companies in the health care facilities and services industry. Here's how some of the S&P 500 Health Care industries have performed ytd: Life Sciences Tools & Services (19.7%), Health Care Distributors (14.2), Biotechnology (10.2), Heath Care Equipment (6.0), Managed Health Care (1.3), Pharmaceuticals (-0.3), Health Care Supplies (-1.7), Health Care Technology (-6.1), Health Care Services (-8.3), and Health Care Facilities (-15.9) (*Fig. 2*).

(3) *Steady earnings.* The S&P 500 Heath Care sector is expected to have the strongest earnings growth of all S&P 500 sectors this year. If the economic recovery takes shape as expected next year, analysts forecast solid earnings growth for the S&P 500 Health Care sector again in 2021; but other, more cyclical sectors should generate stronger earnings growth because of easier comparisons and a larger earnings bounce.

Here are the earnings growth estimates for the S&P 500 sectors for this year and 2021: Health Care (3.0%, 15.5%), Information Technology (1.8, 15.5), Utilities (0.1, 5.4), Consumer Staples (-1.5, 8.2), Communication Services (-16.0, 23.0), Materials (-19.6, 29.4), S&P 500 (-21.5, 28.3), Financials (-32.9, 29.3), Real Estate (-34.1, 6.3), Consumer Discretionary (-52.5, 104.6), Industrials (-54.6, 84.8), and Energy (-103.8, return to profit) (*Table*).

What makes the Health Care sector attractive is that its solid earnings growth is accompanied by a reasonable forward P/E of 16.7, the second lowest P/E of all the S&P 500 sectors and well within its range of the past five years (*Fig. 3*). Information Technology, which is forecasted to have similar positive earnings growth, has a much higher forward earnings multiple of 24.7.

(4) *Elections bring uncertainty.* No doubt part of the reason that the S&P 500 Health Care sector has a reasonable P/E is because this is an election year and former Vice President Joe Biden leads in most polls. In addition, there's a chance that Democrats will capture the currently Republican-controlled Senate.

Biden undoubtedly is considered a lower risk to health care stocks than Senator Bernie Sanders (D-VT) and his "Medicare for All" single-payer proposal. But if a so-called "blue wave" captures the Congress, left-leaning liberals in the Democratic party could exert a strong influence over a President Biden and his policies—and that would be negative for the sector, contends Kim Monk, an analyst with Capital Alpha Partners, in a July 30 research report.

A "Unity Task Force," created by Biden and Sanders, published a set of policy recommendations for the Biden team should it win the election in November. When it was first delivered, the report was easily available on the Biden for President website. Links to the report no longer work. Deduce what you may.

Recommendations in the report include setting up a public-option health care insurance plan to be administered by Medicare, according to a July 9 VOX article. The public-option plan would cover low-income Americans who are eligible for Medicaid, anyone buying insurance on the Affordable Care Act exchange, and people who have employer-provided health care. Biden's website lays out similar intentions to offer Americans a public insurance option like Medicare. The option would "reduce costs for patients by negotiating lower prices from hospitals and other health care providers. It also will better coordinate among all of a patient's doctors to improve the efficacy and quality of their care, and cover primary care without any co-payments." The public option would also be available for free to low-income people not currently covered by Medicaid.

Such an offering could be bad news for the managed health care industry; but so far, investors don't seem too worried. The S&P 500 Managed Health Care stock price index is up only 1.3% ytd, but it remains near all-time highs (*Fig. 4*). Analysts remain optimistic, forecasting industry revenues to climb 15.0% this year and 8.0% in 2021 (*Fig. 5*). Likewise, earnings are forecast to climb 10.4% in 2020 and 13.2% in 2021 (*Fig. 6*). The industry's forward P/E at 15.8 is relatively high given its history over the past two decades, and perhaps at risk if liberal democratic forces hold sway (*Fig. 7*).

The Biden/Sanders task force also recommended that Medicare negotiate the cost of prescription drug prices for all public and private purchasers under the plan. The plan on Biden's website also allows Medicare to negotiate drug prices; it will limit the price of new drugs that have no competition and will limit price increases for all branded biotech and generic drugs to the rate of inflation. Biden also proposes letting Americans buy drugs from abroad and intends to prevent branded drug companies from delaying the introduction of generic alternatives. This is all potentially bad news for the pharmaceutical industry—which already was playing defense under President Trump, who has also talked about getting tough on high drug prices. And finally, under Biden's proposal, the age to enroll in Medicare would be lowered to 60 from 65, which would reduce the incidence of customers' having to pay full price to doctors and hospitals.

The S&P 500 Pharmaceuticals industry has modestly underperformed the broader S&P 500 ytd, dropping 0.3% versus the index's 2.3% gain (*Fig. 8*). The industry's earnings growth rate is expected to pick up from 2.8% this year to 15.1% in 2021 (*Fig. 9*). And its forward P/E is a reasonable 14.3, perhaps because of the political uncertainties (*Fig. 10*).

COVID-19: Race for the Cure Continues. Scientists are investigating a dizzying array of approaches to fight COVID-19. Hopefully, beyond finding a cure or a vaccine, one of beneficial outcomes of all this research will be that scientists learn many more ways to combat illnesses in general and viruses in particular. Here's a summary of some of the latest news reports on the battle against COVID-19:

(1) *Tapping antibodies.* A number of companies are using the antibodies from patients who have survived COVID-19 to make preventatives and treatments for current COVID patients. Scientists have used the technique, dubbed "monoclonal antibody therapy," or "mAbs," in the US since 1986. It was first used to help kidney transplant patients accept their new organ and has since been used to treat cancers such as leukemia and autoimmune disorders such as rheumatoid arthritis and Crohn's disease, an August 4 *WSJ* article explained.

AbCellera, which is working with Eli Lilly, acquired a blood sample from one of the first US patients who recovered from COVID-19 and found hundreds of antibodies. It selected the ones deemed the most potent, and, in the lab, the drug blocked the ability of the virus to infect cells.

The drug could be used both to help sick patients recover and prevent healthy individuals from getting sick, a June 2 CNN article reported. The National Institutes of Health announced on Tuesday that their Accelerating COVID-19 Therapeutic Interventions and Vaccines program is starting two trials on the drug.

Regeneron Pharmaceuticals, which is also developing an mAbs antibody drug, said its offering prevented and treated the disease in monkeys and hamsters, an August 4 CNBC article reported. While positive results in animals don't guarantee success in humans, the company noted that the drug "almost completely" blocked the virus.

Dr. Conrad Chan, a scientist with the DSO National Laboratories in Singapore, also used blood samples from recovered COVID-19 patients to find antibodies. His team took the one deemed most effective, cloned it, tested it in a lab, and next will try it in humans. The downside is that the immunity may last only about one month per dose, but it could be used to protect high-risk individuals, such as health care workers or people with immunodeficiency disorders, the August 4 *WSJ* article explained.

(2) *Protecting the lungs.* A new drug therapy that protects the lungs has allowed patients to recover rapidly from COVID-19-related respiratory failure. A 54-year-old man who developed COVID-19 while being treated for rejection of a double-lung transplant came off a ventilator within four days of using the drug, RLF-100. Similar results subsequently were seen in more than 15 patients treated with the drug at the Houston Methodist Hospital, an August 2 Reuters article reported.

The drug was developed by Relief Therapeutics Holdings, a Geneva-based company, which has partnered with NeuroRX, a US-Israeli company, to develop it in the US. The drug, which is in Phase 2/3 (2 and 3 combined) clinical trials and has been approved for emergency use in the US, is a synthetic form of a natural peptide that protects the lung.

(3) *Scientists turned guinea pigs.* At least 20 researchers, technologists, and science enthusiasts—many connected to Harvard University and MIT—are injecting themselves with an experimental vaccine to protect themselves against COVID-19. The group is called the "Rapid Deployment Vaccine Collaborative" and formed in March as a do-it-yourself project.

They developed a vaccine that "consists of fragments of the pathogen—in this case peptides, which are essentially short bits of protein that match part of the coronavirus but can't cause the disease on their own," a July 29 *MIT Technology* review article reported. Vaccines made like this exist for hepatitis B and the human papillomavirus. Novavax is using this technique to develop a COVID-19 vaccine too.

The group hasn't reported whether the nasal vaccine has generated antibodies, but it believes taking the vaccine is a legitimate way to reduce infection. The group does not charge for the vaccine, and users mix the ingredients to make the vaccine themselves. But the legality of taking the vaccine, which has not been approved by the US Food and Drug Administration, is questionable.

Russian officials reportedly are also trying out a vaccine on themselves before it is officially approved, according to an August 2 article in *Futurism*. The vaccine was developed by Russia's state-operated Gamaleya Research Institute, which says the vaccine is ready for Phase 3 trials even though it never published results from a small Phase 1 trial. The vaccine uses human adenovirus vectors that are made weaker so that they don't replicate.

Kirill Dmitriev, chief executive of the Russian Direct Investment Fund, said that in Phase 1 and 2 trials, 100% of 100 people generated very high level of antibodies, according to the article. The fund is financing Russia's vaccine research. He and his parents have already taken the vaccine, and Russia reportedly wants to begin mass inoculations in September or October.

CALENDARS

US: **Thurs:** Initial & Continuous Jobless Claims 1.408m/16.839m, Challenger Job Cuts Report, EIA Natural Gas Inventories. **Fri:** Payroll Employment Total, Private, and Manufacturing 1.60m/1.49m/225k, Unemployment Rate 10.5% Average Hourly Earnings -0.5%m/m/4.2%y/y, Average Workweek 34.4 hrs, Wholesale Inventories -2.0%, Baker-Hughes Rig Count. (DailyFX estimates)

Global: **Thurs:** Germany Factory Orders 10.1%, Italy Industrial Production 5.1%m/m/-16.9%y/y, Japan Household Spending -7.5% y/y, China Trade Balance $42.5b, BOE Rate Decision 0.1%, BOE Quantitative Easing £745b, BOE Inflation Report, RBA Statement on Monetary Policy, Beermann, Ellis. **Fri:** Germany Industrial Production 8.1%, France Industrial Production 8.9%, Canada Employment Change & Unemployment Rate 400k/11.0%. (DailyFX estimates)

STRATEGY INDICATORS

Stock Market Sentiment Indicators (*link*): The Bull/Bear Ratio (BBR) recovered last week's small decline this week, moving back up to its recent peak recorded two weeks ago. The BBR rose for the 17th time in the past 19 weeks, climbing to 3.28 this week (which was the highest since the January 21 week); it had dropped from 2.89 to 0.72 (the lowest since February 2016) over the prior five weeks. Bullish sentiment ticked down to 56.7% this week after ticking up from 56.7% to 57.3% last week, back near its peak of 58.1% three weeks ago—which was the highest percentage since mid-January. Despite its recent flat trend, bullish sentiment is up 26.6ppts from 30.1% during the March 24 week. Meanwhile, bearish sentiment inched down to its recent low of 17.3% after inching up to 17.5% last week; it's down 24.4ppts from its 41.7% peak during the March 24 week. The correction count has been in a volatile flat trend for a while, fluctuating between 22.5% and 26.5%. It moved up to 26.0% this week from 25.2% last week. The AAII Ratio declined for the second week last week to 29.4% after increasing the prior two weeks from 32.6% to 40.5%. Bullish sentiment tool a step back for the second week to 20.2% after rising from 22.2% to 30.8% the previous two weeks; bearish sentiment rose for the third week to 48.5% last week after declining the prior two weeks from 48.9% to 42.7%.

S&P 500 Earnings, Revenues, Valuation & Margins (*link*): The rapid pace of COVID-19 estimate cuts has abated, and forecasts are showing increasing signs of recovery now. Consensus S&P 500 forecasts previously had been falling at rates paralleling the declines during the 2008-09 financial crisis. Forward revenues ticked up 0.1% w/w to a 15-week high and is now 5.9% below its record high in mid-February. Forward earnings rose 0.5% w/w, also to a 15-week high, and is now 17.3% below its record high in early March. Forward revenues growth improved 0.1ppt to 3.0%, and forward earnings growth of 5.4% was up 0.2ppt w/w. Forward revenues growth is 3.3ppts below its seven-year high of 6.3% in February 2018, but is up from 0.2% in April, which is the lowest reading since June 2009. Forward earnings growth remains 11.5ppts below its six-year high of 16.9% in February 2018 but is up 11.0ppts from its record low of -5.6% at the end of April. Analysts expect revenues to decline 4.9% y/y in 2020 compared to the 4.3% reported in 2019. That's up 0.1pt w/w and down 10.1ppts since the start of the year. Analysts expect an earnings decline of 21.5% y/y in 2020 compared to a 1.4% rise in 2019. Their 2020 growth rate was up 0.4ppt w/w and is down 30.5ppts since the beginning of the year. The forward profit margin remained steady at a 15-week high of 10.5%. That's up 0.2ppt from 10.3% during April and May, which was the lowest level since August 2013. It's still down 1.9ppt from a record high of 12.4% in September 2018. Analysts expect the profit margin to fall 2.1ppt y/y in 2020 to 9.4%—from 11.5% in 2019—and to improve 1.8ppt y/y to 11.2% in 2021. The S&P 500's weekly forward P/E fell 0.2pt to 22.2 from 22.4, which was the highest level since early 2002 and up from a 77-month low of 14.0 in mid-March. The S&P 500 price-to-sales ratio rose 0.02pt w/w to 2.34 from a record high of 2.36. That's up from the 49-month low of 1.65 in mid-March and compares to the previous record high of 2.29 in mid-February.

S&P 500 Sectors Earnings, Revenues, Valuation & Margins (*link*): Last week saw consensus forward revenues rise w/w for five of the 11 S&P 500 sectors and forward earnings rise for seven sectors. Due to the sharp decrease in forward earnings this year, forward P/E ratios for nearly all sectors now are back above their recent record or cyclical highs prior to the bear market. Utilities is the only sector expected to have its profit margin improve in 2020, down from eight sectors expected to improve on a y/y basis in early March. During 2019, just two sectors improved y/y: Financials and Utilities. The forward profit margin rose to record highs during 2018 for 8/11 sectors, all but Energy, Health Care, and Real Estate. Since 2018, it has moved lower for nearly all the sectors. In the latest week, the forward profit margin fell for Industrials but rose for three sectors: Consumer Discretionary, Energy, and Materials. Here's how the sectors rank based on their current forward profit margin forecasts versus their highs during 2018: Information Technology (21.9%, down from 23.0%), Real Estate (13.9, down from 17.0), Communication Services (13.2, down from 15.4), Utilities (14.0, down from a record high of 14.1% in early July), Financials (13.9, down from 19.2), S&P 500 (10.5, down from 12.4), Health Care (10.3, down from 11.2), Materials (9.1, down from 11.6), Industrials (7.5, down from its record high of 10.5% in mid-December), Consumer Staples (7.2, down from 7.7), Consumer Discretionary (5.1, down from 8.3), and Energy (1.6, down from 8.0).

S&P 500 Sectors Forward Revenues and Earnings Recovery from COVID-19 Trough (*link*): The S&P 500's forward revenues and earnings, as well as its implied forward profit margin, appear to have bottomed on May 28 after 14 weeks of COVID-19 declines. Since then, S&P 500 forward revenues has risen 2.3%, and forward earnings has gained 5.1%. The profit margin remained steady w/w at 10.5%, which compares to a cyclical low of 10.3% during May and June. On a sector basis, all but three sectors have been rising from the lows in their forward revenues, earnings, and profit margins. Communication Services and Real Estate marked new post-COVID-19 lows in their forward profit margins in the latest week. Utilities posted new lows in their forward revenues and earnings, and Real Estate marked a new low in forward earnings. Here's how the sectors rank by their forward revenues changes and forward earnings changes since May 28: Financials (revenues up 3.6%, forward earnings up 7.0%), Energy (3.3, 192.5), Consumer Discretionary (2.8, 13.0), Materials (2.7, 6.5), Information

Technology (2.6, 3.5), Communication Services (2.5, 1.4), S&P 500 (2.3, 5.1), Industrials (2.3, 4.1), Health Care (1.6, 4.8), Consumer Staples (1.2, 2.1), Real Estate (-0.4, -2.8), and Utilities (-1.9, -0.8).

US ECONOMIC INDICATORS

ADP Employment (*link*): July's employment increase was way off the mark, rising only 167,000 compared with a 1.5 million expected gain, though there were big upward revisions to prior months. Payrolls added a remarkable 4.3 million jobs in June—nearly double the initial estimate of 2.4 million— while May's gain was revised up to 3.3 million from 2.8 million. July's slowdown impacted businesses across all sizes and sectors. Service-providing industries added 166,000 jobs last month, while goods-producing added a scant 1,000; the former accumulated a total 6.5 million jobs during the two months ending June, the latter 1.2 million over the same time span. Here's a tally of industry performance from strongest to weakest in July, compared with the prior two-month performance: Administrative & support services (+49,000 in July & +344,000 during the two months through June), trade transportation & utilities (+41,000 & +1.23 million), health care & social assistance (+40,000 & +846,000), leisure & hospitality (+38,000 & +3.22 million), manufacturing (+10,000 & +560,000), professional & technical services (+8,000 & +97,000), education (+7,000 & +124,000), other services (+3,000 & +616,000), management of companies & enterprises (+1,000 & -19,000), natural resources & mining (-1,000 & -31,000), information services (-3,000 & -33,000), construction (-8,000 & +634,000), and financial activities (-18,000 & +66,000). In the meantime, large businesses added 129,000 in July and 3.12 million over the three months ending July, while small companies added 63,000 and 2.98 million over the comparable periods. Medium-sized companies cut payrolls by 25,000 in July after adding 1.75 million jobs the prior two months.

GLOBAL ECONOMIC INDICATORS

Global Composite PMIs (*link*): The global economy expanded at the start of Q3 for the first time since January, with both the manufacturing and service sectors moving back above the demarcation line (50.0) between contraction and expansion. The JP Morgan Global Composite Output Index (C-PMI) rebounded to 50.8 in July after a pandemic-related plunge from 52.7 at the start of the year to a record low of 26.2 in April. The Global NM-PMI rebounded 26.8 points (to 50.5 from 23.7 in April) over the three months through July, while the Global M-PMI climbed 10.7 points (50.3 from 39.6) over the comparable period. C-PMIs for both the advanced (to

51.1 from 22.2 in April) and emerging (50.8 from 34.6) economies rose back above 50.0 last month, though the former is expanding at a faster pace than the latter for the first time since last summer. According to the report, C-PMIs data showed expansions in nine out of the 13 countries for which July data were available. The strongest expansions were seen in Australia (to 57.8 from 21.7 in April), France (57.3 from 11.1), and the UK (57.0 from 13.8), while the US (50.3 from 27.0) also saw some growth—though below the 50.8 global average. Downturns continued in Japan (to 44.9 from 25.8 in April), India (37.2 from 7.2), Brazil (47.4 from 26.5), and Kazakhstan (35.6 from 15.3), though the pace of decline has slowed dramatically.

Global Non-Manufacturing PMIs (*link*): July saw the rate of growth in the global service economy expand for the first time since January, supported by growth of new business—which also grew for the first time in six months. Signs of recovery had a positive impact on business sentiment, boosting it to a 13-month high. July's Global NM-PMI rose for the third month, to 50.5 in July, after plunging from 52.7 at the start of this year to a record-low 23.7 in April. The NM-PMI for developed (to 51.1 from 21.0 in April) economies saw growth expand for the first time in six months, while the one for emerging (49.3 from 31.6) economies saw activity contract for the sixth consecutive month, though is fast approaching the breakeven point of 50.0. July NM-PMIs signaled output growth in the Eurozone (to 54.7 from 12.0 in April), the UK (56.5 from 13.4), China (54.1 from 44.4), Russia (58.5 from 12.2), and Australia (58.2 from 19.5), more than offsetting ongoing contractions in Japan (45.4 from 21.5), India (34.2 from 5.4), Brazil (42.5 from 27.4), and Kazakhstan (32.4 from 12.6). The US NM-PMI (50.0 from 26.7) showed activity in the service sector has stabilized following its recent downturn.

US Non-Manufacturing PMIs (*link*): The US service sector expanded in July at a very fast pace, according to the ISM measure, while it stabilized according to IHS Markit's, though demand continued to deteriorate. ISM's NM-PMI has reversed all the ground lost during the pandemic and then some, climbing for the third month to 58.1 in July, after falling from 57.3 in February to 41.8 in April. Two of the four components moved up from near-record lows in April: business activity (to 67.2 from 26.0 in April) and new orders 67.7 from 32.9), while the employment measure showed employment continued to contract, slipping to 42.1 after advancing from 30.0 in April to 43.1 by June. Meanwhile, the supplier deliveries' component fell for the third month, to 55.2, from April's record high of 78.3—which moved higher due to supply-chain problems triggered by the coronavirus rather than from strengthening demand. The IHS Markit NM-PMI continued to rebound from April's record low of 26.7, climbing to the breakeven point of 50.0 in July. According to the report, though, the US was the only major economy to see COVID-19 containment measures tighten again in July—causing new orders to continue to contract amid falling demand.

Eurozone Retail Sales (*link*): Retail sales continued to bounce back in June, helped by continued relaxation of COVID-19 measures in many member states. Sales advanced 5.7% in June, building on May's record 20.3% surge; sales had plummeted 21.2% during the two months ending April. Sales of automotive fuel in specialized stores led June's gain, with these sales up 20.4% m/m and 66.2% during the two months through June; spending on non-food products, excluding fuel, jumped 12.1% and 55.5% over the comparable periods. Within the latter, clothing sales soared 290.3% the last two months, while sales of electrical goods (+64.9% in June and flat in July) and computer equipment (+57.3 & +3.6) saw big gains in June. Meanwhile, consumption of food, drinks & tobacco contracted 2.7% in June following a 2.5% gain and a 5.7% loss the previous two months. The biggest sales gains in the Eurozone occurred in Ireland (+21.9% in June & 13.3% in May), Spain (+16.5 & 18.1), and Italy (+13.8 & 25.1), which all posted back-to-back double-digit gains. Sales in France rose 9.4%, just one quarter of May's 38.6% surge. Meanwhile, German sales contracted 1.6% in June after May's 12.7% rebound; sales in Austria also declined, falling 2.5% following May's 25.1% surge.

Contact us by email or call 480-664-1333.

Ed Yardeni, President & Chief Investment Strategist, 516-972-7683
Debbie Johnson, Chief Economist, 480-664-1333
Joe Abbott, Chief Quantitative Strategist, 732-497-5306
Melissa Tagg, Director of Research Projects & Operations, 516-782-9967
Mali Quintana, Senior Economist, 480-664-1333
Jackie Doherty, Contributing Editor, 917-328-6848
Valerie de la Rue, Director of Institutional Sales, 516-277-2432
Mary Fanslau, Manager of Client Services, 480-664-1333
Sandy Cohan, Senior Editor, 570-775-6823