



# The Lyttle Company

Registered Investment Advisory LLC

## NEWSLETTER

Summer 2020-  
August 1, 2020

### Summary

- Economic News –  
Coronavirus has devastated lives both directly and indirectly. Inflation target remains 2% and President Trump and Congress are working on details of potential new fiscal stimulus.
- Market Events – S&P 500 gained 10.75% over past year.

[www.thelyttlecompany.com](http://www.thelyttlecompany.com)

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### Economic News

The US Real GDP declined at an annual rate of 32.9% in the second quarter of 2020.

Inflation measured in the 12-month Consumer Price Index (CPI) percentage change was .6% in June 2020. The Personal Consumption Expenditure Price Index (PCE) change was .4% in June 2020. The Fed's objective for inflation remains at 2 percent.

The Fed maintained the federal funds rate to a target range of 0 to 1/4 percent.

Coronavirus spread has continued with no cure or vaccine yet certain. The US States are taking different approaches to mitigate against the regional spread.

The US dollar in the last few months has weakened. The US Dollar Index has decreased from around 100 to 93.50. Oil prices have recovered from around \$18.84 in the Spring to \$40.23 a barrel.

### Market Events

The S&P 500 closed yesterday 10.75% higher from a year ago. The 10-year treasury rate is at .54%. This is down almost 71% from a year ago.

President Trump and Congress continue to work on fiscal stimulus measures. As both sides continue to agree on details, no continuation deal has been struck as of today. The Federal Reserve is promising to continue utilizing its tools to encourage economic stability and cushion the severely impacted labor market.