



## **Resilient Equity Market Advances In July - Domestic Equities Update**

Equities advanced in July, led by the technology sector, which has remained resilient since the onset of the pandemic. The dollar's tumble in July benefited large U.S. multinationals, whose products and services became more competitive while their earnings are primarily driven in the overseas market. The rebound in stocks from the lows of March, when the COVID-19 pandemic became official, has exceeded the expectations of both analysts and economists.

A consistent low-rate environment along with a weaker U.S. dollar bodes well for U.S. multinational companies, whose profits benefit from both low rates and a weak dollar. U.S. exports essentially become cheaper overseas, driving higher demand.

Sources: Bloomberg, Reuters, FRED