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GOOD MORNING: The Van Trump Report 6-22-20

1 message

The Van Trump Report <reply@vantrumpreport-email.com>

Mon, Jun 22, 2020 at 5:30 AM

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"Intelligence is the ability to listen to almost anything without losing your temper or your self-confidence." — **Robert Frost**

Monday, June 22, 2020[Printable Copy](#) or [Audio Version](#)

Morning Summary: Stock bulls are pointing to a record all-time weekly close for the Nasdaq despite talk in the media of a resurgence in corona cases and uncertainty in the political polls about President Trump's reelection. There's some fear that other businesses might follow after Apple announced they would be reclosing some stores in locations that have seen a recent resurgence in corona cases, so far the reclosing talks haven't spread but we need to keep a close watch this week as more headline risk circulates. Over the weekend the MLB said it would be closing all spring training facilities in Arizona and Florida and there's starting to be more growing concern and buzz if professional baseball will happen at all in 2020? It also sounds like the Disney reopening is coming under more heavy fire and controversy. I also heard increasing headline talk this weekend

about many more college athletes testing positive. Rumors were also confirmed over the weekend that China did suspend imports from a Tyson Foods poultry plant which is believed to be located in Springdale, Arkansas because there has been a confirmed cluster of infections. We also now have U.S. cruise line companies agreeing to suspend all operations out of U.S. ports until at least mid-Sept. And talk that the economic re-start in our four largest U.S. cities based on a percentage of GDP i.e. New York, Los Angeles, Chicago, and San Francisco is going to be extremely slow. Bottom line, bears are pointing to the fact we are and may continue to stumble a bit out of the blocks in regards to the economic restart. Bulls point to the fact there's so much "easy money" currently in circulation by the Fed and even more to come that nothing else really matters. Bears are pointing to more improving numbers for presidential candidate Joe Biden in the most recent political polls and pictures circulating of somewhat disappointing attendance at the Trump rally in Tulsa Oklahoma this past weekend. Honestly, I don't know who to believe in the media? Pro-Trump supporters are saying many people that wanted to attend the rally were being blocked by left-wing protestors. Others are saying the recent jump in corona cases may have prompted some to simply watch the rally via live streaming. I've heard that Biden is getting much closer to announcing his running-mate, sometime between now and mid-July. Interestingly, just this weekend, Susan Rice, a former UN ambassador and national security advisor under President Barack Obama has shot up towards the top of the list behind only Florida Rep. Val Demings, and California Senator Kamala Harris who remains the heavy favorite. For those keeping score at home, yes, all three vp candidates are black women. Keep in mind we are just a little more than 90-days from the first scheduled presidential debate in late-September, then the election happens just a little more than a month later on Tuesday, November 3rd. As I get older time just seems to move faster and faster... I should note, more traders on Wall Street are starting to pay closer attention to the unemployment numbers in some of the key swing states: Ohio unemployment last reported at 13.7%, Florida reported at 14.5%, Michigan reported at 21.2%. Looking to the week ahead, the trade will be digesting headlines from today's start of the Apple Worldwide Developers Conference. Amazon is also expected to release details about a big summer sales event early this week. Also keep in mind, John Bolton's highly controversial book on the "Trump White House" is set to be published and released early this week. On Thursday, Nike will be reporting earnings and the Fed is scheduled to release the results from its U.S. bank stress test. It's also worth keeping in mind that this is the last full week of the month with July starting next Wednesday. Next week will also be shortened by the Independence Day holiday observance on Friday, July 3, when markets will be closed.

Record Amount of Cash Deposited in Banks: *A record \$2 trillion surge in cash hit the deposit accounts of U.S. banks since the coronavirus first struck the U.S. in January, according to FDIC data. The wall of money flowing into banks has never been seen in history: in April alone, deposits grew by \$865*

billion, more than the previous record for an entire year. (Source: CNBC)

Starbucks Pivots into Post-Corona: *Starbucks opened its first-ever Starbucks Pickup store in November, a pickup-only location that lets customers order ahead through the chain's mobile app and pick up their orders in-store. The pandemic has forced the coffee chain to lean into the pickup-only store format. Starbucks plans to shut around 400 sit-down cafes and build around 300 new pickup-only stores. (Source: Business Insider)*

Kurt Cobain Guitar Sells for Record \$6 Million: *The guitar Kurt Cobain played on Nirvana's 1993 "MTV Unplugged" performance months before his death sold for an eye-popping \$6 million at auction. The 1959 Martin D-18E that Cobain played in the band's rare acoustic performance and subsequent live album was sold to Australian Peter Freedman, owner of Røde Microphones, at the Music Icons event run by Julien's Auctions in Beverly Hills, California. The bids opened at \$1 million for the sale that ended up breaking several world records. (Source: Bloomberg)*





An advertisement for the FarmTank podcast. On the left, a smartphone screen displays the 'FARM TANK' logo in white text on an orange background. Below the logo, it shows a podcast episode titled 'The Great Commodity Super Cycle, E' by 'FarmTank — Kevin Van Trump...'. To the right of the phone, the text 'Sign Up for FarmTank' is written in large white font. Below this, a smaller white font reads 'A Podcast for Creative Minds in Agriculture, Delivered Free to Your Inbox.' An orange button with the text 'Sign Me Up!' is positioned below the text. At the bottom right, there are three icons: a purple podcast icon, a multi-colored bar icon, and the Spotify logo.

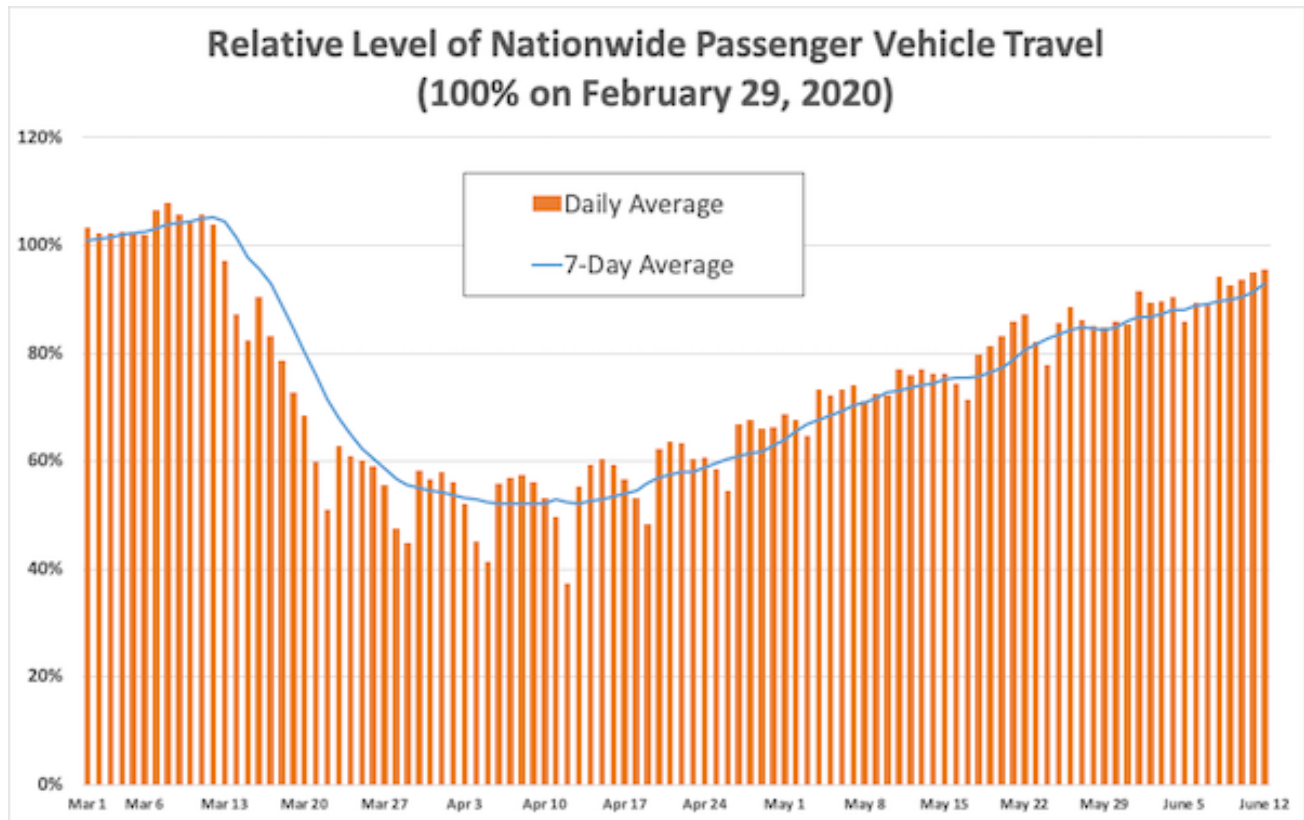
U.S. Companies are Hoarding Cash: *Cash remains king for large publicly traded U.S. companies adjusting to an economy and operations sharply*

changed by the coronavirus pandemic. Giant companies from McDonald's Corp. to Intel Corp. are husbanding the cash they accumulated during the decade-long expansion that ended in February, as well as cutting costs and tapping debt and other sources of liquidity, all as a cushion against persistent uncertainty. For S&P 500 companies, the median increase in cash and short-term investments was +13.9% in the March quarter, compared with less than +4.1% in the prior three quarters, according to a Wall Street Journal analysis of financial data from S&P Global Market Intelligence. In contrast to the financial crisis of 2008 and 2009, healthy companies aren't having difficulty getting access to cash, thanks to central bankers around the world having committed to providing liquidity to banks and companies. Much of the proceeds were just stashed away. For example, McDonald's borrowed \$4.8 billion—increasing total debt by 10%—and end the first quarter with cash up \$4.5 billion. Investors hope one of the long-term benefits of the cash hoard will serve as ready reinvestment fuel once sustainable economic growth resumes. In January, Bank of England researchers concluded that U.K. companies with high cash holdings beforehand were able to invest more during the financial crisis and the subsequent recovery. Ultimately, cash-rich firms captured market share and increased profits. Read more from [The Wall Street Journal](#).

Don't Confuse Day Traders with Investors: *Day traders are mindlessly buying and most are throwing their money away, Wealthfront's investment chief Burton Malkiel said in a blog post this past week. The Princeton economist and author of "A Random Walk Down Wall Street" said that while Buffett, Howard Marks, and other veteran investors have been "extremely cautious" and even sold stocks because they're worried about the virus' economic fallout, the market's newest entrants are showing no fear. "Legions of new day traders have poured new money into stocks without a care for the risks involved, clearly unaware of Buffett's maxim that 'It's only when the tide goes out that you learn who's been swimming naked.'" Their wild trades may be partly to blame for choppy markets in recent weeks, he added. Read more from [Business Insider](#).*

Traffic Rebounds to 90% of Pre-Pandemic Levels: *Three months after roads emptied amid the coronavirus outbreak, U.S. traffic has rebounded to about 90 percent of pre-pandemic levels as states lift more restrictions, "quarantine fatigue" continues to take a toll and summer weather draws people out, according to travel data from INRIX. Bob Pishue, an INRIX transportation analyst, said the number of miles traveled by passenger vehicles nationwide during the week of June 6-12 averaged 93% of miles traveled during the last week of February. He said vehicle mileage has increased steadily since April 9, when average traffic nationwide bottomed out at 52% of normal. However, Pishue said, when seasonal travel changes*

are factored in, the national average comes closer to 80% of what is typical for this time of year. That is because people drive about 15% to 20% more in the summer compared with winter months. Many major metropolitan areas also have seen less traffic growth, Pishue said, probably because many people still working from home are not commuting into downtowns and other job centers. The full report is available [HERE](#). (Source: The Washington Post)



FARM TANK

Tweets of the Day






Michael Batnick ✓
@michaelbatnick



Square, Shopify, Spotify, Zoom, and Tesla combined are worth as much as Berkshire Hathaway.





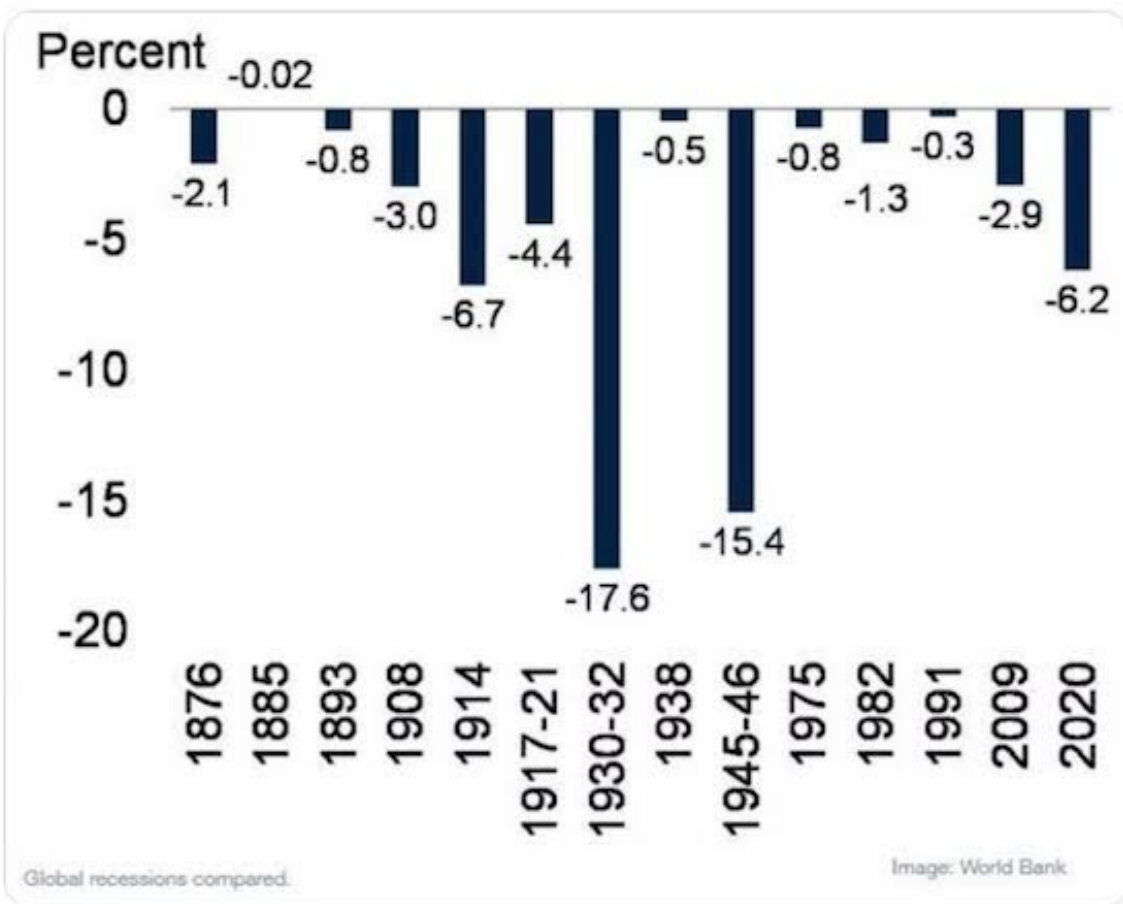
World Economic Forum 
@wef



The COVID-19 recession could be the deepest since 1945-46.

This chart shows the 14 global recessions since 1870, and the projected 6.2% shrink of GDP in 2020.

Read more: bit.ly/2YKRPMY #economy #COVID19





Michael Harmon
@MHARMON03



Aaron Vammer
@AgronomyRonny

Now this is how you check sprinkler nozzles in style.
That's my neighbor cruising through his alfalfa field on his Harley.







Scott Fred
@ScottFred2



It's not ALL ugly weather tonight.





honkeyTM
@pinchehonkey



There's never enough cup holders.





FarmFitMomma
@ANigg1910

Stay Thirsty My Friends! (New challenge on my IG page, check it out for details...link in profile)

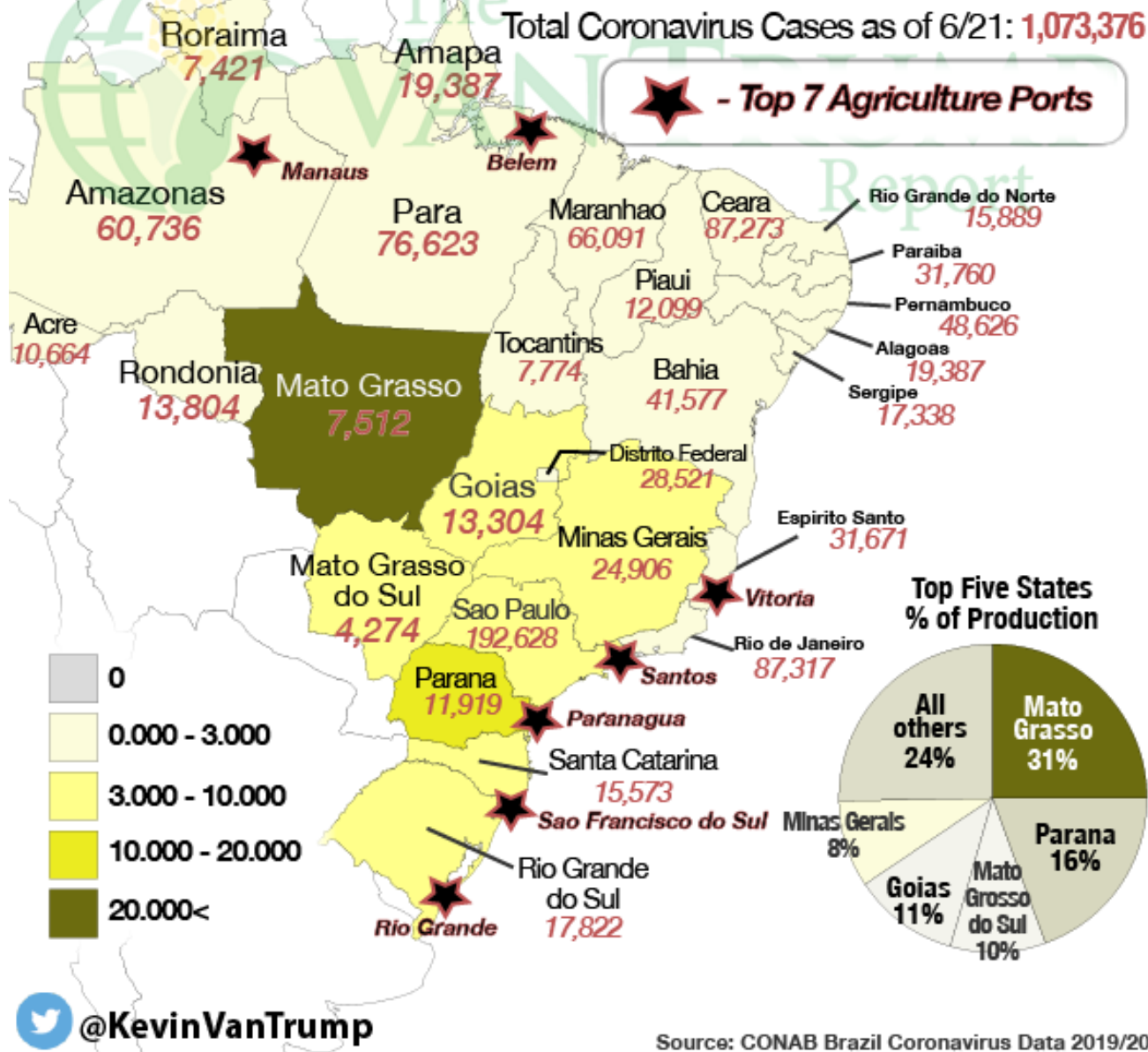
#30DayChallenge #farmwife



CORN bulls are pointing to continued rumors that China is sniffing around looking to buy some U.S. corn, funds holding a near-record net-short position, the dry conditions and drought to the West gaining a little more attention, and the USDA will be lowering its U.S. planted corn acreage estimate in next Tuesday's June

Acreage Report. Bears say even if China steps in as a buyer it won't even make a dent in the +3 billion bushel U.S. ending stock. Bears also point to more timely rains in the weather forecast, suspect demand, and remain doubtful that the USDA will make much if any significant reduction to planted acres. From my perspective, I see U.S. weather and Chinese politics as the two driving forces the next several weeks, paying close attention. Technically, bulls still want to see the DEC20 contract get beyond heavier resistance on the charts between \$3.45 and \$3.55 per bushel. Keep in mind, we haven't seen the DEC20 contract close above \$3.47⁴ since mid-April and haven't closed the contract above \$3.55 since late-March. Those who might still be holding in-the-money JUL20 options need to be paying close attention as they are scheduled to expire this Friday. As a producer, I've been trying to reduce some price risk by selling cash bushels and reowning with some bullish options strategies. I just worry if the weather cooperates and the bear's forecast for a +180 bushel U.S. yield average creeps into play with limited Chinese buying we could be up near the higher end of the range. As a spec, I currently have no position in the market.

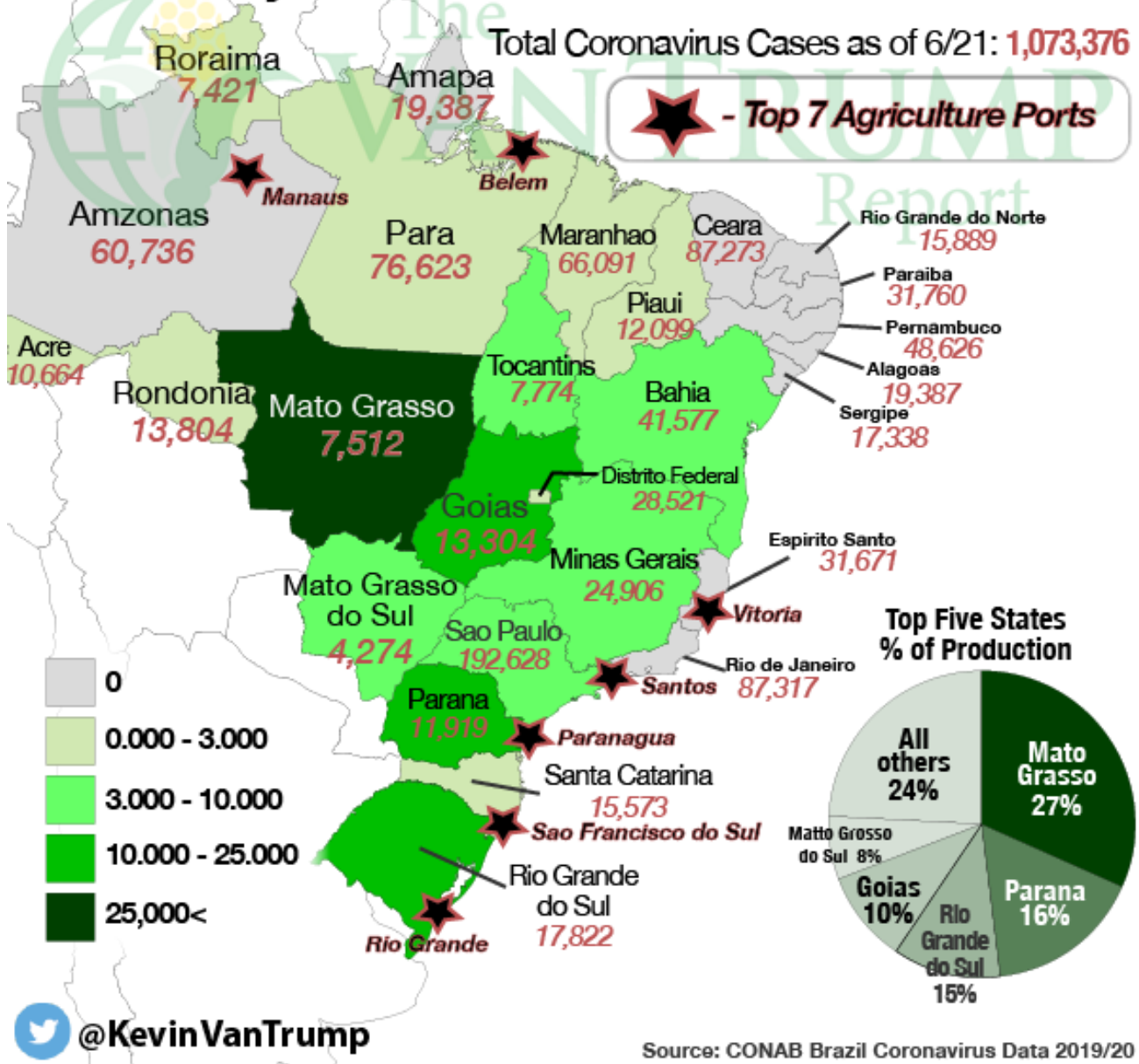
Brazilian Corn Production vs. Coronavirus Cases



SOYBEAN bulls point to the fact price have rallied back to an almost three-month high on talks of improved Chinese buying and strong domestic crush demand. Bears point to political tensions brewing between U.S. and Chinese leadership and cooperative weather both here at home and in South America. Keep in mind, Brazil will again be the world's top-producer of soybeans and more than likely plant over +95 million soybean acres next season. The USDA is currently forecasting U.S. planted soybean acres at 83.5 million vs. 76.1 million last year vs. 89.2 million planted the year prior to that. Most in the trade are thinking the U.S. planted acreage estimate is going to work itself higher in next week's USDA acreage report. Personally, I think we've reached a type of battleground area where both the bulls and bears have a fairly compelling argument. Bulls say there's still a ton

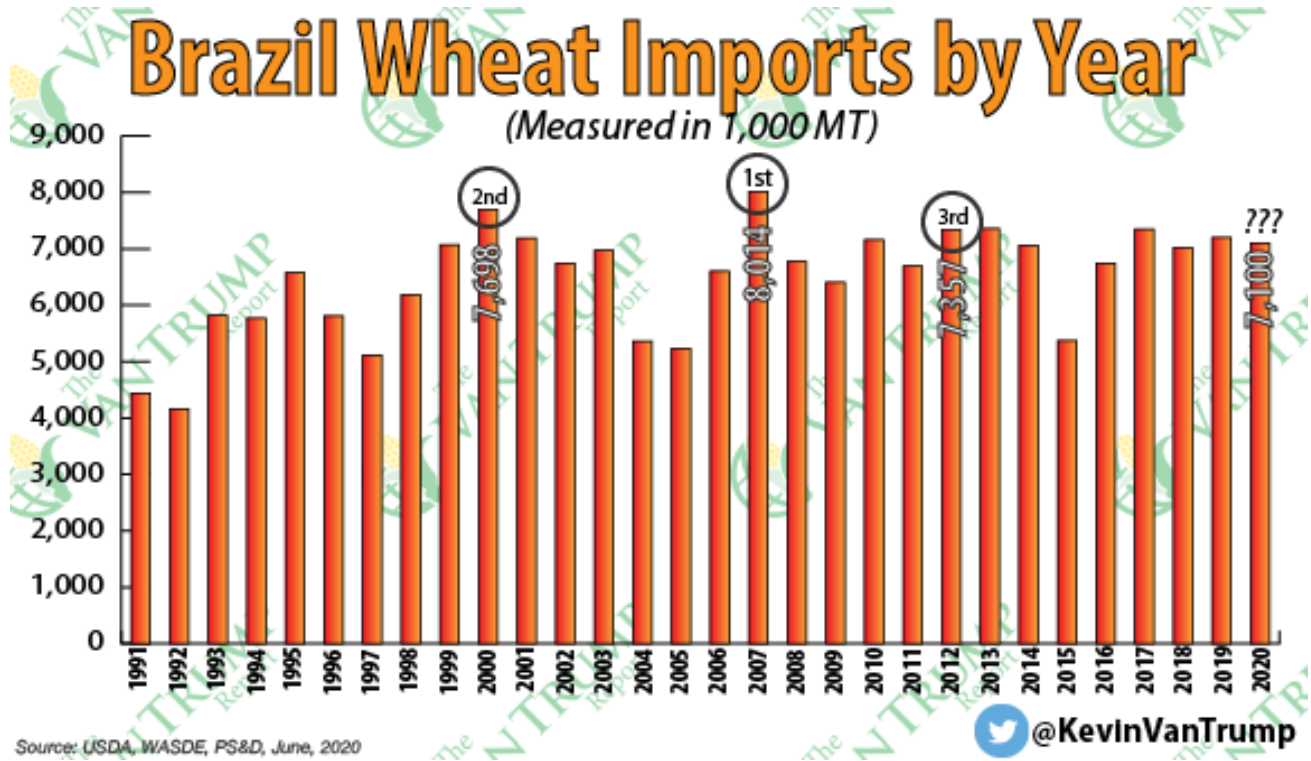
of U.S. weather risk ahead and U.S. exporters should be highly competitive during what will soon be the second-half of 2020. Bears think we have to see a fairly wide-spread U.S. weather worry or else prices are getting close to the upper end of their range as global supply will remain more than ample and stepped up Chinese buying won't be enough to do all of the necessary heavy lifting. As a spec, I would like to be a bull but worry about getting chewed up as traders on both sides debate valid points. I think it's best to wait on the sideline for more clear direction. As a producer, I still believe the second-half of 2020 is going to offer a window of opportunity to price more cash bushels, but at the same time, I am forcing myself to protect the downside and working to eliminate additional downside risk. Desperately want and need to see higher prices, but with some of the government programs, we can live to fight another day. But allowing a runaway train to the downside could certainly do major damage and knock many of us out of the game for an extended period. I feel this is an environment where we are trying to simply stay afloat and take very few risks that could potentially add more complications.

Brazilian Soybeans Production vs. Coronavirus Cases



WHEAT bears point to winter wheat prices falling to multi-month lows last week on no fresh news catalyst, more than ample global supply, slightly improved weather in the forecast, U.S. winter wheat harvest keeping a lid on most rallies, Russia saying they will not restrict exports any time soon, and uncertainty about global demand as global growth waivers in the wake of coronavirus headlines. Bulls point to continue talk that Chinese buyers are going to purchase more U.S. supply and that supply is tightening in the European Union and could be tight in the Black Sea region towards the end of the year. It will be interesting to see how the USDA plays the rains recently in Kansas and Oklahoma, did they do much to improve conditions or simply delay harvest and put the crop more at risk left as it is left longer in the field? As both a spec and producer, I remain patient and on the

sideline.



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> Cattle-on-Feed for June 1 was +1% larger than the trade was thinking, in fact, the second-largest June number in history at just over 11.65 million head. Placements during May were also about +1% higher than most were forecasting. On the flip side, marketings during May were almost -2% less than the trade was forecasting and just 72% of last year. I should note, for the first time in several weeks, the weekly "slaughter" number was lower than the previous week, meaning perhaps we've seen the extent of the rebound and now demand will have to chop around a little bit at about 95% of last years numbers.

> Dicamba Use to Continue Under New Court Ruling: A panel of Ninth Circuit Court judges denied an emergency motion to halt dicamba use and hold EPA in contempt Friday. The decision is an important win for the EPA, which obeyed the Ninth Circuit's June 3 order to vacate three dicamba registrations but allowed farmers and commercial applicators to continue applying "existing stocks" of XtendiMax, Engenia and FeXapan through July 31. That means EPA's existing stocks provision still stands, and growers can continue using any stocks of those herbicides in their possession as of June 3, as long as they obey the former federal labels and any existing state regulations on dicamba use. Keep in mind that some states have already exceeded or are nearing dicamba cutoff dates. However, the legal battle over dicamba is far from over. Read more from [DTN](#).

> China Suspends Tyson Imports Over Coronavirus Cases: A cluster of infections at a Tyson Foods poultry slaughterhouse in the U.S. prompted China

Customs to suspend imports from the plant, the government agency said Sunday. All products from the plant that are about to arrive in China or have arrived at the country's ports will be seized by customs, according to a statement from the agency. The Chinese government gave the registration code of the plant as P5842, which according to U.S. Department of Agriculture records is in Springdale, Arkansas. Tyson said Friday that 227 of 1,120 tests carried out on workers at the site were positive for the virus. Additionally, China shut down a PepsiCo food plant in Beijing after a case of the virus was confirmed earlier in the week. PepsiCo says it conducted tests on all employees at the plant and quarantined 480 workers, even though they all tested negative for the virus. Beijing, a city of more than 21 million people, is the site of a recent jump in new cases in China after a two-month lull. Some residents are back under partial lockdown and transport links are disrupted, with more than 800 flights canceled on Friday. (Source: Reuters)

> Rabobank's Ethanol Outlook More Bearish than USDA: *An analyst with Rabobank says the ethanol industry will likely need time to recover from the impact of coronavirus. Erin Fitzpatrick tells Brownfield Ag that the ethanol industry was facing challenging times before the coronavirus pandemic and looking at both the 2020 and 2021 crop years, she says the USDA's current ethanol projections are Rabobank's best-case scenarios. Fitzpatrick expects some ethanol plants will continue to seek alternative revenue sources, like hand sanitizer, but others will shut down completely. Overall, she doesn't anticipate any worries corn growers haven't already seen. Fitzpatrick says she expects the U.S. to have a slow recovery from the pandemic, which will reduce the overall demand for gasoline and ethanol and many workers and students will continue to do some of their tasks at home. (Source: Brownfield Ag)*

> Brazil Ethanol Producers Turn to California: *With Brazil's ethanol industry in "crisis mode" as it suffers fallout from the Covid-19 pandemic, the sector is looking to California as one potential alternative market. For the past nine years, the California Air Quality Board has considered Brazilian ethanol as a low carbon fuel that qualifies for carbon credits in California. Once an ethanol producer passes the process for certification as a low carbon producer, its ethanol production is eligible for premiums and carbon credits. Brazil has a similar program called RenovaBio. If the Brazilian currency is trading at 5 reals per U.S. dollar, California's carbon credit is worth approximately R\$ 1 per liter. In comparison, the carbon credit for the same ethanol in Brazil is worth R\$ 0.15 to R\$ 0.20 per liter. It is not an easy calculation, but if the Brazilian currency weakens to more than 5 reals per U.S. dollar, the export market is even more attractive. Read more from [Soybean & Corn Advisor](#).*

> USDA Misses Organic Livestock Rule Deadline: *The Agriculture Department blew past the 180-day deadline set by Congress to finalize its origin of livestock rule, and senators who sit on the panel overseeing the agency's budget are*

turning up the heat on USDA to finish the job. The organic industry has been pushing for years for USDA to close a loophole in the rules governing how livestock are transitioned to organic production. Because of the loophole, "some producers continuously cycle cows in and out of organic management, putting smaller producers in states like ours at a significant financial disadvantage and placing the integrity of the organic label at risk," wrote Senators Susan Collins (R-Maine) and Patrick Leahy (D-Vt.) in a letter to Agriculture Secretary Sonny Perdue. The pair urged USDA to finish the rulemaking "without further delay." USDA is also facing pressure from 70 farm organizations that said the department "is letting down organic dairies" and that "continued delays in implementing this rule will prolong the dire economics facing organic dairy farmers, as well as jeopardize consumers' trust in the organic label," per a letter sent to members of Congress. (Source: Politico)

> Bayer Won't Participate in Large Farm Shows: *Bayer Crop Science has announced it will not attend large agricultural shows, fairs, or other gatherings for the remainder of 2020. This decision was made to help ensure the safety and well-being of farmers, their families, partners, Bayer Crop Science employees, and the rural communities Bayer Crop Science serves, according to a statement. The announcement includes shows like the Farm Progress Show and Husker Harvest Days, says Bayer officials. (Source: Successful Farming)*

> Canada to Overhaul Foreign Worker Program: *Canada is overhauling its temporary foreign worker program, a government spokeswoman said on Friday, after coronavirus outbreaks on Ontario farms sickened hundreds and led Mexico to demand assurances of proper safeguards. As part of the review, surprise inspections of working and living conditions on farms will immediately increase, among other changes still being developed. Migrant workers have cited a litany of concerns, including cramped, decrepit housing and being forced to work while awaiting COVID-19 test results. At least 17 Ontario farms have seen outbreaks. Two Mexican workers died after contracting the virus. Mexico's labor ministry had said last Tuesday it will stop sending temporary workers to Canadian farms with outbreaks that do not have proper worker protections. (Source: Reuters)*

> Reopening Theme Parks is Tricky Business: *As summer begins, amusement palaces that were built to pack in crowds and maximize revenue over a shortened season are wrestling with how to handle everything from roller coasters loaded with screaming riders to wave pools packed with bobbing bodies. Six Flags Entertainment Corp., which opened its first park in Oklahoma on June 5, will require guests to wear masks. Cedar Fair LP, which owns Cedar Point in Sandusky, Ohio, will send visitors health questionnaires before they arrive for the opening of its flagship park on July 9. Walt Disney Co., which is reopening its Florida parks next month, will temporarily suspend its parades, firework shows and meet-and-greets with favorite Disney characters. "This is the largest challenge that our*

industry has ever faced," says Dennis Spiegel, a longtime theme-park consultant. "I've never heard, in the 47 years that I've been doing this, the fear and concern in the voices of the operators." Read more from [The Wall Street Journal](#).

> AMC Reverses Optional Face Mask Policy: *AMC Theatres on Friday reversed its optional mask policy and will require employees and guests to wear masks when the movie theater chain reopens. Guests who do not have their own masks will be able to purchase them at the box office for \$1. The policy change came one day after CEO Adam Aron said the company would not mandate that guests wear masks in a statement to Variety. The company has taken other measures to ensure COVID-19 protocols during the global pandemic. Common areas will be routinely disinfected, and auditoriums will be reduced to 30% capacity or less. (Source: USA Today)*

> NBA Concerns Grow as Florida Coronavirus Cases Spike: *The surging number of coronavirus cases in Florida, which posted a record high Saturday for the third consecutive day, has raised concerns in many corners of the NBA, from players to team executives to the league office itself, as it prepares to resume play in Orlando next month. The National Basketball Players Association held a virtual town hall with players this week and addressed concerns about the Florida cases, sources familiar with the matter told ESPN. Players brought up the fact that Walt Disney World staffers who will not reside in the NBA campus -- including hotel housekeepers -- will not be subject to any coronavirus testing, sources said. One mitigating factor that was cited, a source added: Many of the new cases are in areas other than Orlando. Read more from [ESPN](#).*

> Coronavirus Won't End Big Cities: *As the coronavirus crisis and its economic, social and political fallout swept across America, it seemed the death of cities was imminent. Story after story charted a "great urban exodus," reinforced by a rapid succession of calamities that struck at cities in the wake of the pandemic. It would be one thing if the death of cities thesis was limited to the familiar chorus of anti-urbanists and city bashers, but it was picked up and reinforced by the major media and even by some leading economists. As overwhelming as the current overlapping crises may seem now, cities have suffered and survived far worse. Over the long course of history, cities have weathered all manner of pandemics and economic crashes, not to mention natural and unnatural disasters like wars, hurricanes, and earthquakes, none of which has permanently stunted their growth. Read more from [CityLab](#).*

Are People Really Leaving Cities?

Interest in real-estate listings outside of major U.S. cities increased among some urban dwellers in April compared with a year earlier; in others, it dropped.

■ Percentage point change in pageviews of homes outside the city



Source: Zillow data

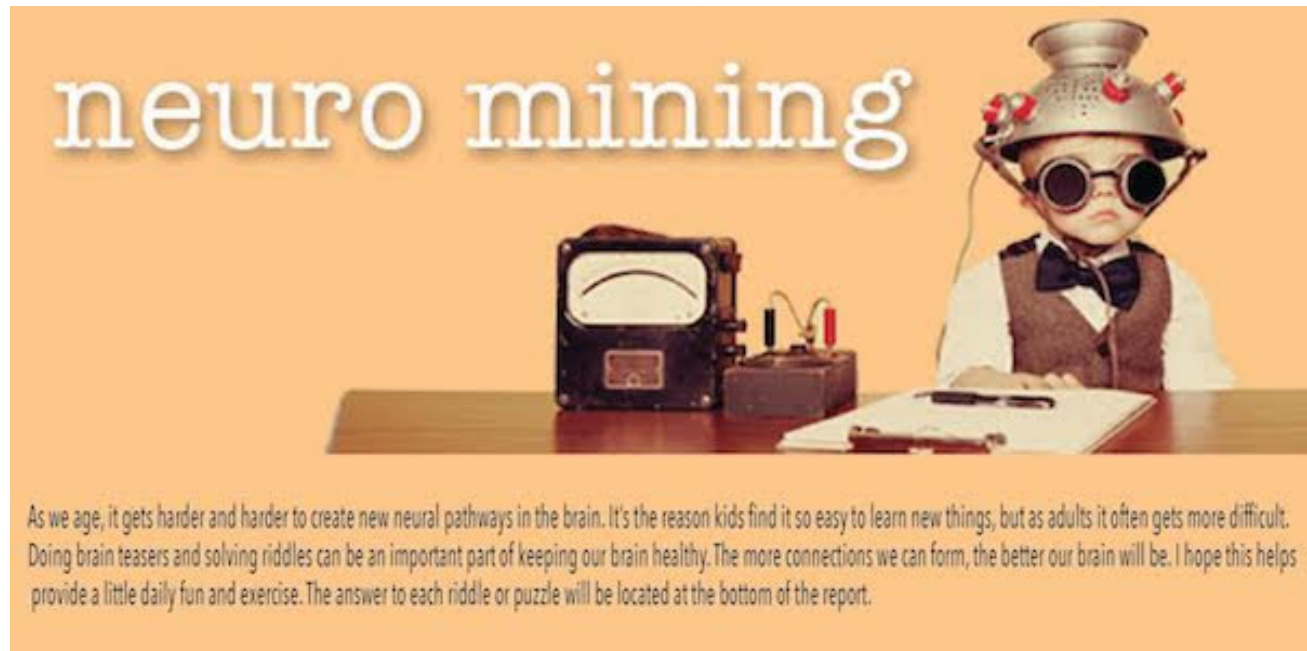


Southern Illinois - *We finally picked up some rain last week that we actually needed, even though it came along with some very high winds that caused a little damage around town. The beans we got in the ground late were really helped by that moisture and all our crops are starting to pop. We fortunately didn't have any replant as we waited longer than most. We'll see how that plays out. We moved some of our grain to town and will start spraying beans here soon. There is a ton of hay being produced around here but it seems that the quality isn't what it could be. Everyone I know is still waiting to price crops for this year and has more grain*

in storage than they'd like.

Northwest Kansas - *We missed the rain that we were supposed to get this weekend so we are living on subsoil moisture right now. The crops are starting to suffer quite a bit. Most are all looking really brown and the pastures are not going to have much more to offer the cattle. I know some guys are already putting out hay which has not been the norm for the last several years. The corn is rolling up during the heat of the day but looks a little better in the evening. The wheat is thin and so far I've heard yields around 30 to 40 bushels per acre. We are back to a normal Kansas summer, unfortunately.*

Central Missouri - *Guys are starting to harvest wheat and it's yielding okay, nothing great at this point. We don't grow wheat but I've heard a few yields between 50 and 60 bushels. The corn is still holding on really well for the heat and wind we have had. It's definitely going to need rain soon or we will start to see issues. Right now, a little heat will help the corn hold on better when we really move into the drier weather of late July or August. The only thing we are looking at right now is pollination should hit around the first couple weeks in July on the early planted corn, which could create issues if the heat persists. Time will tell.*



TODAY'S RIDDLE: I move very slowly at an imperceptible rate, although I take my time, I am never late. I accompany life, and survive past demise, I am viewed with esteem in many women's eyes. What am I?



"Starlink Network" Now Ready for Rural Beta Testing... Getting Signed Up!

SpaceX has been launching a steady stream of satellites over the last year, with nearly 600 now in low Earth orbit. They are part of the company's Starlink satellite constellation that aims to bring high-speed internet to every inch of the planet, including hard-to-reach rural areas. SpaceX founder and CEO Elon Musk says his Starlink constellation will provide faster internet and greatly reduce the latency issue that plagues current satellite internet technology.

Starlink's internet service is expected to cost about \$80 a month with installation and equipment adding an additional fee of \$100 to \$300. The company just recently began taking rural user information to receive updates on news and service availability in their area and to be part of the beta testing. After you sign up with an email address and ZIP code, SpaceX says it may send you future messages about the upcoming beta tests which are thought to be starting later this summer. Click [HERE](#). I signed up because our internet sucks!

The funding is part of the FCC's Rural Digital Opportunity Fund auction, which will support the deployment of broadband networks to unserved areas in rural America. Broadband providers competing for the funds must demonstrate latency under 100 milliseconds by July 15 to qualify. Interestingly, the FCC doesn't think Starlink will pass muster, at least not by the deadline. Musk says Starlink is well below the 100-millisecond threshold and has actually been aiming for just 20 ms, a level better than some traditional cable-based services.

For those not familiar, latency is the time it takes for your internet signal to travel from your computer to your internet service provider (ISP), to the website server, and then back to you. Satellite internet latency now averages between 500 and 600 milliseconds (ms). A big reason it is so high is the distance - stationary satellites currently in use are about 22,000 miles away. Data has to make that trip 4 times! Starlink's satellites, however, are only about 342 miles above the Earth, aka near-Earth orbit.

In total, Starlink plans to deploy 12,000 satellites with a possible extension to 42,000 in the future. Musk has said only about 800 satellites are needed to provide "moderate" coverage in the U.S. and Canada, a number it could reach before the FCC deadline. Even if Starlink misses out on this round, the rural

broadband initiative should have another funding opportunity available later this year.

Starlink has the potential to be an extremely lucrative business for SpaceX. The total Starlink network is estimated to cost about \$10 billion, with about \$1.7 billion in funding already raised since early last year. Musk believes Starlink has the potential to pull in as much as \$30 billion in revenue a year, which SpaceX can in turn invest back into its launch business. Let's hope some giant steps are made and Musk pull another rabbit out of the hat, this time bringing better internet to more remote locations. (Sources: TechCrunch, Satellite Today, Engadget, Inverse)



60 MORE STARLINK SATELLITES LAUNCH

Elon Musk's SpaceX has launched its sixth load of 60 Starlink satellites into space.

● The satellites will make up a network called Starlink

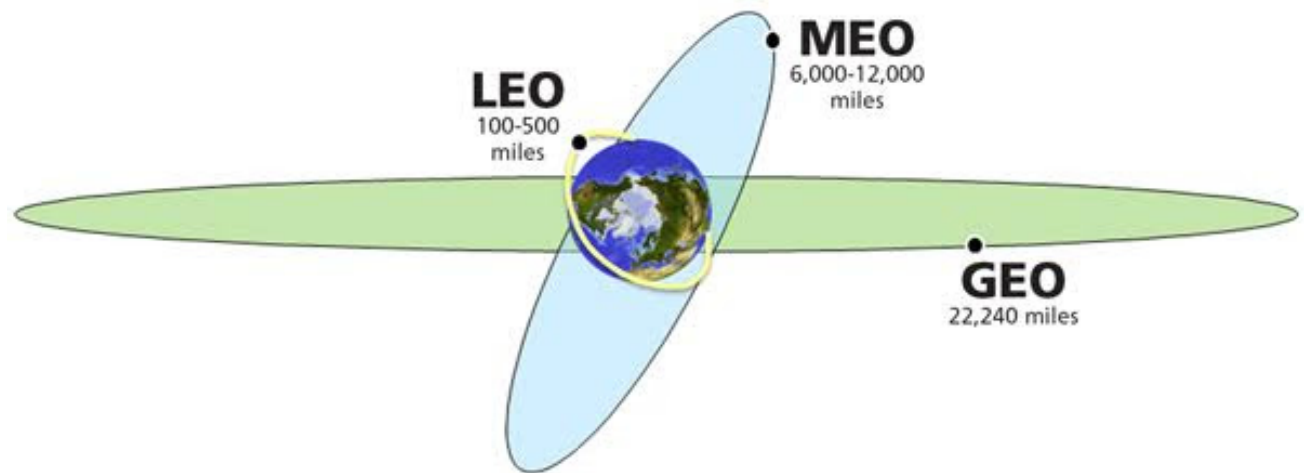
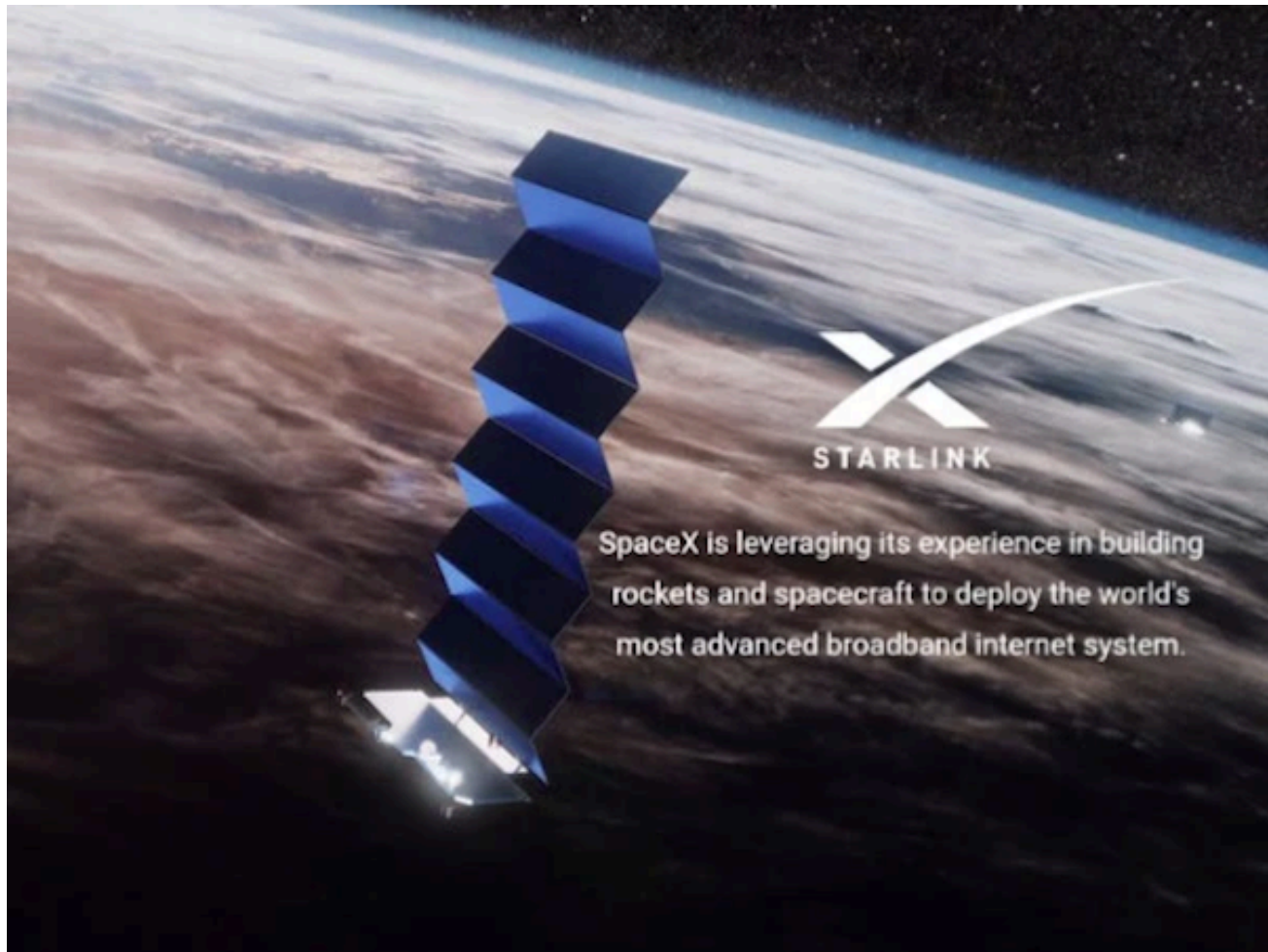
● They could make the internet 40 times faster

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60 of the satellites in the sky above the Netherlands

● Some experts are worried they will create an impenetrable wall of space junk





Why I Still Like "Apple"

Investors all over the world are starting to debate if Apple can continue its dominance in the stock market. Keep in mind, Apple was the first U.S. company to hit \$1.5 trillion market valuation and many are wondering how much higher it can go? I've also heard of many investors that are extremely worried about the

company's overall profits in 2020 as every single one of their storefronts was closed over two months and sales in China have been extremely low throughout the year. On the flip side, other investors believe Apple has huge upside potential and many inside the trade are thinking the stock could be up over +40% this year alone. In addition, I've recently seen analysts at Citi and Bank of America raising their price targets to over +\$400. The main question still becomes whether to continue investing in the company or not.

Apple's services segment of the company makes up nearly 18% of total revenue and iPhones are still the biggest moneymaker for the company, coming in at 55% of sales.

Something that really caught my attention in recent weeks is the App Store. I should note, Apple doesn't share a whole lot of insight when it comes to the App Store metrics, besides during its WWDC keynote, but they recently released some results of a new study that claims the App Store ecosystem generated \$519 billion in billings and sales globally in 2019. You may be wondering exactly what this means.

The thing I didn't know about the App Store is the fact Apple takes a commission between 15% and 30% for digital goods and services purchased through the platform. I should mention, these digital goods and services include apps for music, video streaming, fitness, education, ebooks, audiobooks, news, magazines, dating services, and many more. In addition, games count in this category as well like "Mario Kart Tour," which was the most downloaded game of 2019. At first, I got a little excited about the commission news, but I found out when it comes to advertising and apps selling physical goods, Apple takes nothing. For example, anyone ordering groceries off the Walmart app, a pizza from Dominos, or getting a physical product off Amazon, the iPhone maker will not take a cut.

From the data collected, digital goods and services added up to \$61 billion of Apple's revenue in 2019. I suspect these numbers get a whole lot higher during the year 2020 and continue to grow in years to come due to the recent COVID-19 pandemic. Think about how many people have transitioned to online platforms for fitness like Peleton, online dating apps like Hinge, work communication apps like Slack, and ebooks or online magazines in order to avoid getting the virus... This is only the beginning of this transition as more and more people realize how much more convenient these online platforms are for their lifestyle.

In addition to Apple's growing revenue on the App Store, the company is expected to launch its first 5G phones this September. Many also believe the iPhone 12 will launch right around the same time. Industry experts think these releases will include the 5.4-inch iPhone 12, 6.1-inch iPhone 12 Plus, 6.1-inch iPhone 12 Pro, and the 6.7-inch iPhone 12 Pro Max. Keep in mind, I've seen many articles by

industry experts calling the combination between 5G phones and the iPhone 12 the perfect storm. In addition, AirPods, the Apple Watch, and Apple's streaming service continue to grow.

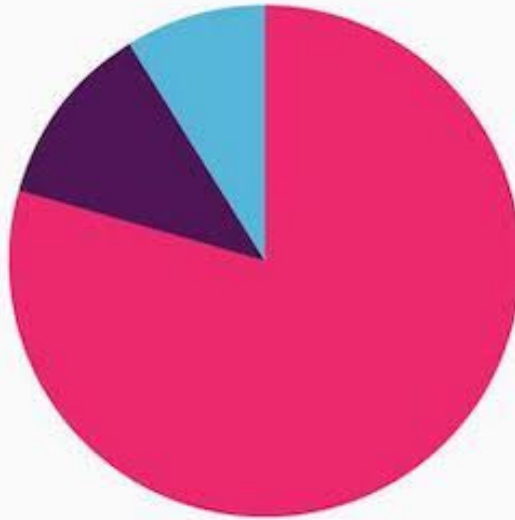
What excites me perhaps the most about Apple moving forward is their credit card and the fact it feels like they are starting to transition into the banking industry. Most people already know about their partnership with Goldman Sachs, but in most recent news, Apple just launched 0% interest installment plans for Macs, iPhones, iPads, AirPods, HomePods, Apple TV's for the first 12 months. This means Apple will offer all customers interest-free financing as long as they're using their Apple Card credit card. For full disclose, my largest holding is currently Goldman Sachs and I'm also holding one of my top positions in Apple as well. Bottom-line, yes, I think the company is going to suffer not being able to have their stores open, but I still believe they have more levers they can pull to generate massive revenue.







Estimated Commerce Facilitated by the Apple App Store Ecosystem Worldwide, 2019



Physical goods
and services
\$413 billion



Digital goods
and services¹
\$61 billion



In-app
advertising
\$45 billion

**Total
estimated sales
and billings
\$519 billion**

¹ Estimated sales and billings from digital goods and services is not the same as total App Store billings. Analysis Group estimates the volume of sales from digital goods and services purchased elsewhere but used on apps on Apple devices, and, conversely, subtracts billings from in-app purchases made via the App Store but used elsewhere. The estimate is based on a combination of third-party sources and Apple data.

**Are You Rich or Are You Poor?**

In America, many of us often feel like we're stuck in the rat race forever trying to get ahead. And although the living situation for the average American is hundreds of times better than most people around the globe, it can often feel like it's never enough.

Besides working hard to get ahead, parents are often forced to work extra jobs and hours to make sure their families are well taken care of. Often times our own competitive nature pushes us to keep up with our neighbors and our peers. Unfortunately, as we focus on staying competitive and pushing ourselves to make more money we can easily lose sight of reality and peace within our souls.

The story I'm sharing and passing along illustrates that it's never too late to learn a valuable. As the child in this story demonstrates to his wealthy father, it's all about "perspective". Are you rich or are you poor?

One day a very wealthy father took his son on a trip to the country for the sole purpose of showing his son how it was to be poor. They spent a few days and nights on the farm of what would be considered a very poor family.

After their return from the trip, the father asked his son how he liked the trip. "It was great, Dad," the son replied. "Did you see how poor people can be?" the father asked. "Oh Yeah," said the son.

"So what did you learn from the trip?" asked the father. The son answered, "I saw that we have one dog and they had four. We have a pool that reaches to the middle of our garden and they have a creek that has no end. We have

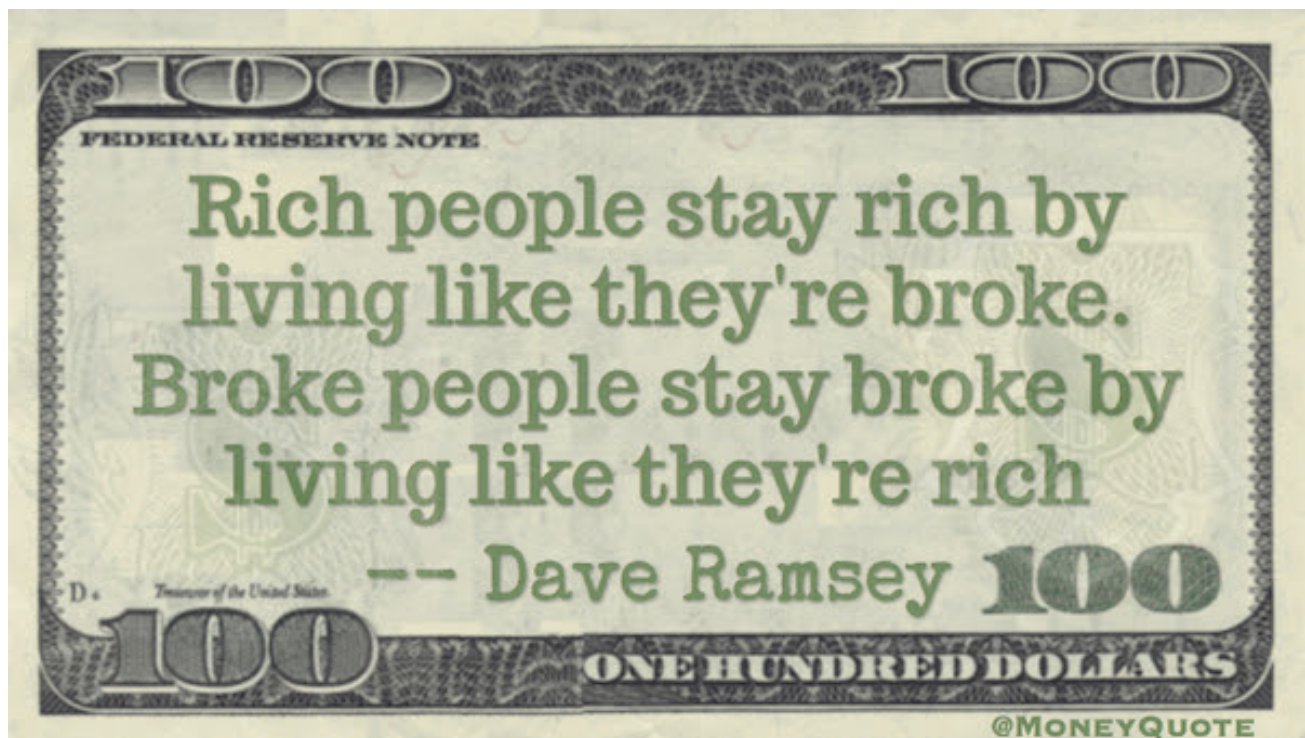
imported lanterns in our garden and they have the stars at night. Our patio reaches to the front yard and they have the whole horizon.

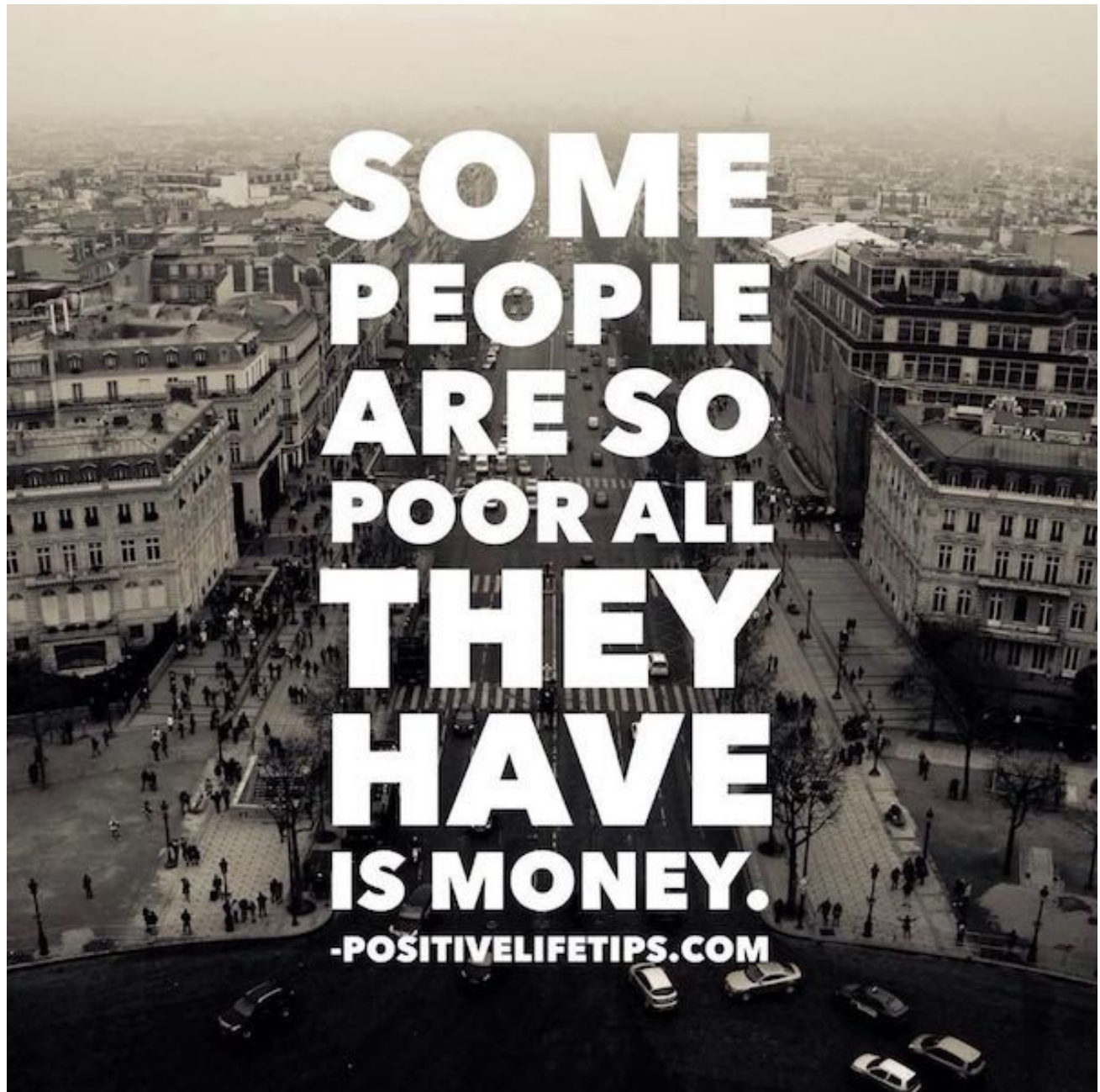
We have a small piece of land to live on and they have fields that go beyond our sight. We have servants who serve us, but they serve others.

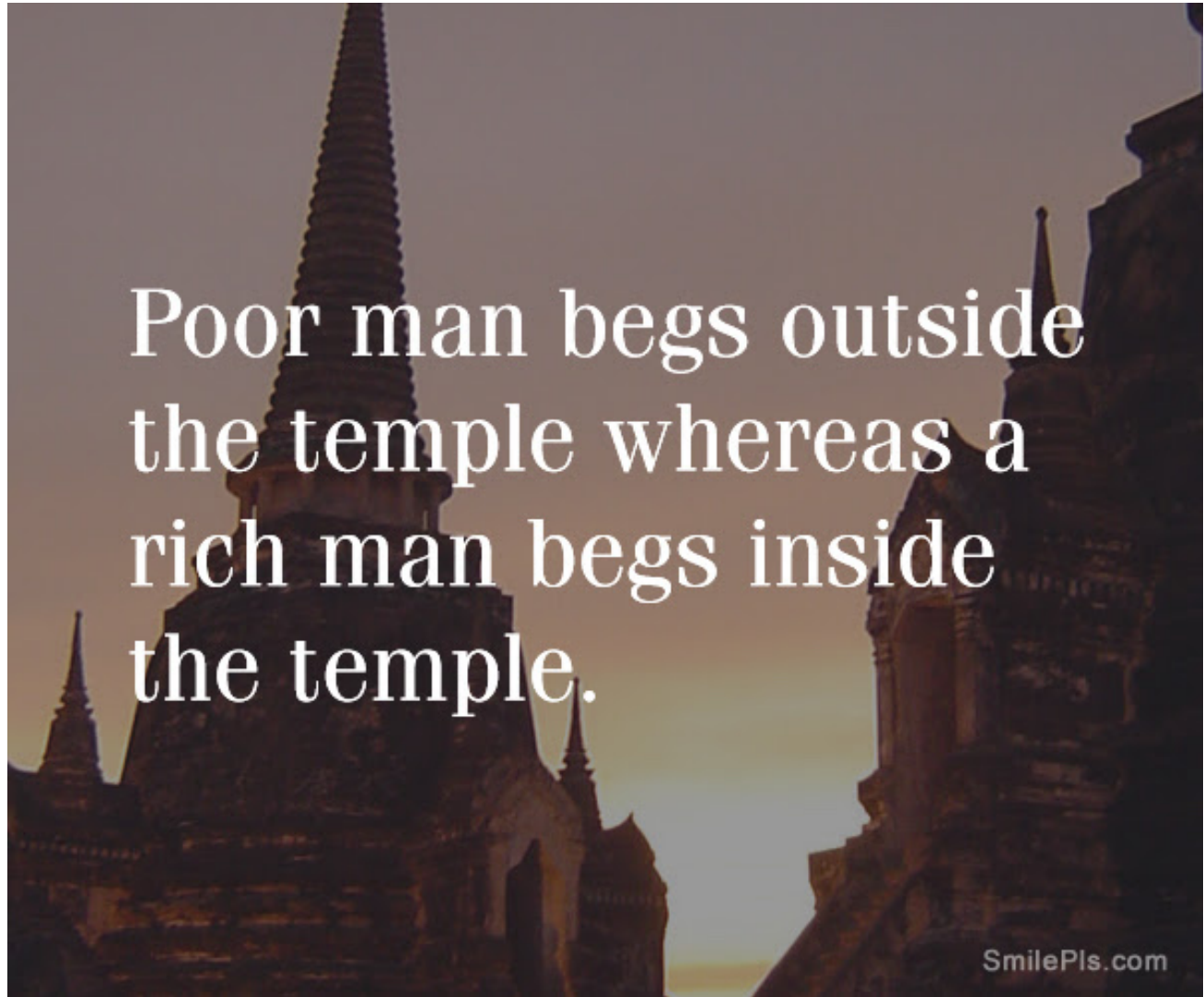
We buy our food, but they grow theirs. We have walls around our property to protect us, they have friends to protect them." The boy's father was speechless. Then his son added, "It showed me just how poor we really are."

Too many times we forget what we have and concentrate on what we don't have. What is one person's worthless object is another's prize possession. It is all based on one's perspective.

Sometimes it takes the perspective of a child to remind us what's important.



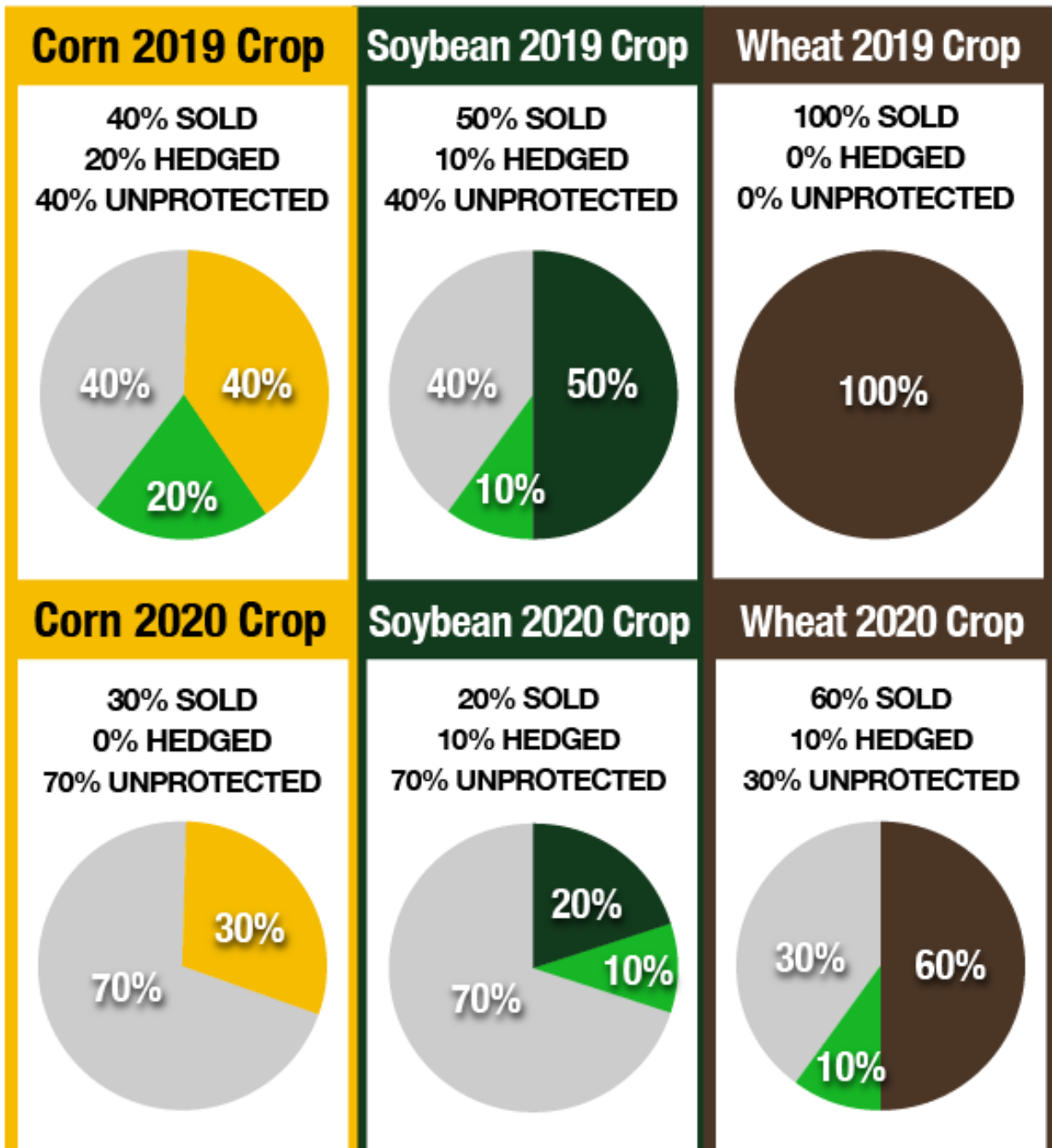


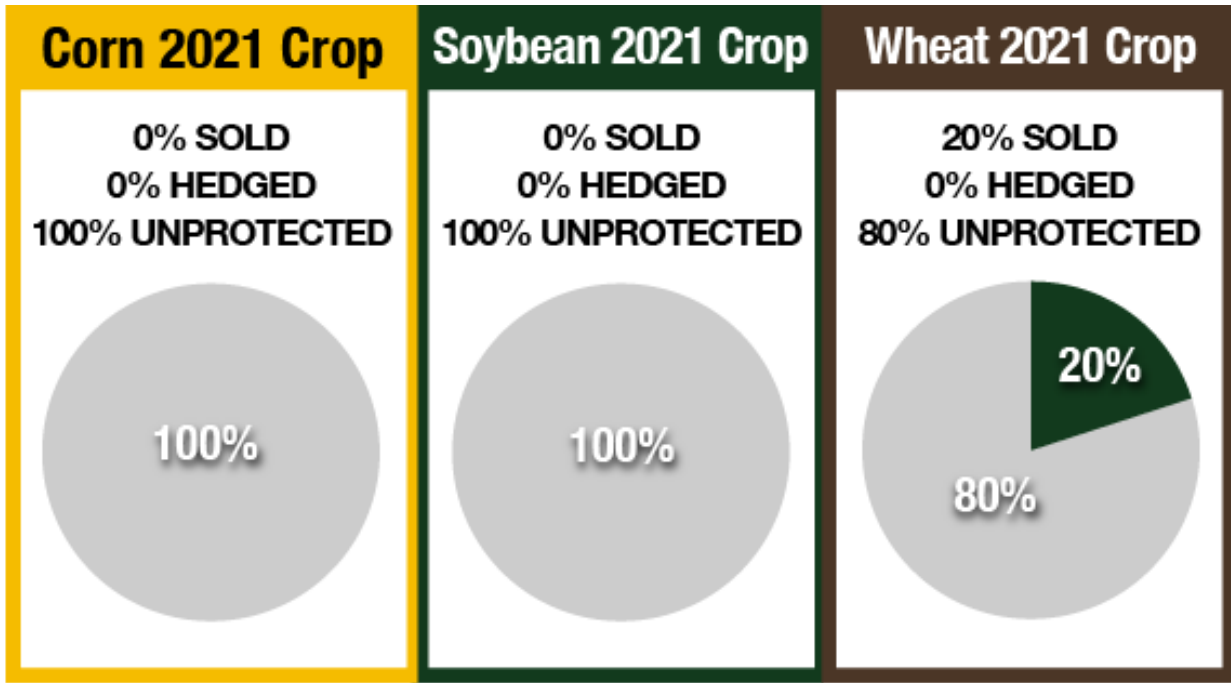


ANSWER to riddle: Hair.

CASH SALES & HEDGING TOTALS

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