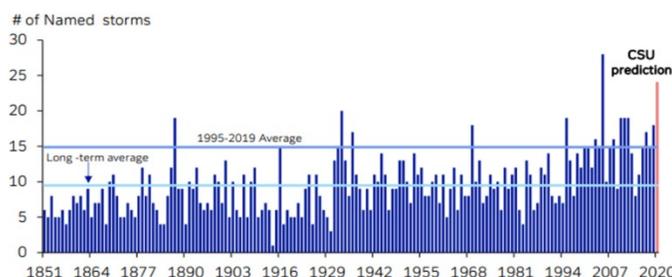


Macro View – Storm Surge

As we write this report, Hurricane Laura is ravaging Louisiana and Texas. Flooding, physical damage, and power outages drive negative economic ripples for weeks as the region seeks stabilization. Laura was the twelfth named storm in the U.S. in 2020 (Deutsche Bank). Colorado State University (CSU) hurricane researcher Phil Kotzbach provides data, below, on hurricanes dating back to 1851. CSU predicts 24 Named Atlantic storms in 2020. The average since 1995 is 15 and the long term average dating back to 1851 is 10. 2020 is stacking up to rival 2005 in terms of number of storms. Deutsche Bank reports that 2005, including Hurricane Katrina, experienced economic damage in reducing GDP by 1.2% that year. The impact to the market appears to be muted, though. LPL Financial points out that a month after the 15 most costly hurricanes occurring in the U.S., the S&P 500 was higher 9 times of the 15 occurrences while posting a median return of 1.2%.

Named Atlantic Storms (and equivalent) since 1851



Source: NOAA, CSU, Stormfax, Wikipedia, Deutsche Bank

Taking Stock – Health Tech Leading the Charge

The sentiment that Covid is creating a clear dividing line between “winners” and “losers,” or the “haves” and “have nots,” is driving analysts to dive deep in to where the winning opportunities will lie. Looking at global IPOs may be one indication of where supply is meeting demand and simply following the money trail. The FactSet table below shows the addition or subtraction of global IPOs across sectors. Health technology companies are clearly growing and expanding as indicated by IPOs. That appetite among investors and Covid created a open door for Health Tech. SK Biopharmaceuticals listed on the Korea Stock Exchange has returned approximately 40.5% (as of August 6, 2020) since listing in June. Similar performance for the sector was delivered by Samsung BioLogics and ZCelltrion Healthcare, returning 68.4% and 84.2% YTD as of August 6th (Factset).

Global IPO Activity – By Sector

Rank	Change in Rank	FactSet Sector	Market Share (2020)	Change in Market Share	Gross Proceeds (2020)	YoY % (Gross proceeds)	Transactions (2020)	YoY% (Transactions)
1	▲	Finance	28.30%	5.57%	18,253.04	2.12%	62	-3.12%
2	▲	Health Technology	18.10%	10.38%	11,671.97	92.39%	51	2.00%
3	▼	Technology Services	13.47%	-6.01%	8,688.88	-62.52%	40	-37.50%
4	▲	Retail Trade	9.48%	5.26%	6,111.61	141.54%	10	-38.57%
5	▼	Commercial Services	7.85%	2.87%	5,061.49	29.20%	14	-62.16%
6	▲	Producer Manufacturing	5.37%	1.10%	3,465.91	3.07%	30	30.43%
7	▲	Consumer Non-Durables	4.60%	1.99%	2,967.30	44.54%	6	-53.85%
8	▲	Electronic Technology	2.25%	0.44%	1,453.27	1.80%	21	5.00%
9	▼	Process Industries	2.09%	-3.99%	1,344.70	-71.85%	14	-41.67%
10	▲	Consumer Durables	1.94%	-0.09%	1,251.00	-21.72%	9	50.00%

Source: FactSet New Issues