

The Value Line Investment Survey

ISSUE 3
Pages 909-920



Part 2 File in page order in the *Selection & Opinion* binder.

SELECTION & OPINION

August 28, 2020

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The Quarterly Economic Review

In This Issue

The Quarterly Economic Review	909
Value Line Forecast for the U.S. Economy	910
Model Portfolios: Recent Developments	914
Selected Yields	917
Federal Reserve Data	917
Closing Stock Market Averages as of Press Time	918
Major Insider Transactions	918
Market Monitor	919
Value Line Asset Allocation Model	919
Industry Price Performance	919
Changes in Financial Strength Ratings	919
Stock Market Averages	920

The *Selection & Opinion* Index appears in the August 14, 2020 issue on page 940.

In Three Parts: Part 1 is the Summary & Index. This is Part 2, Selection & Opinion. Part 3 is Ratings & Reports. Volume LXXVI, Number 3.

Published weekly by VALUE LINE PUBLISHING LLC
551 Fifth Avenue, New York, NY 10176

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VALUE LINE ECONOMIC AND STOCK MARKET COMMENTARY

It has been a most unsettling year for the U.S. economy. To be sure, things started out routinely enough, with continued steady, albeit modest, business growth during the first two months of this year, as the venerable economic expansion moved into its second decade. Then, the upturn suddenly unraveled. The reason for this reversal was the spread of COVID-19, first across Asia and the southern tier of Europe, and then into the new world, where infections and deaths would soon overtake all other regions. In all, our nation has suffered more than 170,000 fatalities. The economic toll of this deadly pandemic also has been severe, as GDP fell 5.0% in the first quarter and then plunged by a historic 32.9% during the second three months. The latter setback would have been even worse had it not been for a modest bounce off a very low base in May and June.

Still, millions of Americans have lost their jobs; businesses have closed at an alarming rate; the balance sheets of untold Americans have deteriorated; and the Federal Reserve and the U.S. Government have

taken extraordinary monetary and fiscal steps to prevent an even greater economic catastrophe. Such actions have helped the nation to weather the storms to a certain degree.

Now, as the third quarter winds down, the strides made during the spring seem to be largely staying in place in spite of the continuing heavy toll from the coronavirus. Indeed, COVID-19 infections now have spread across the country, hitting urban and rural areas alike. Earlier, this disease had been confined mostly to the larger cities. As for the third quarter, recent surveys paint a brighter picture. For example, the Institute for Supply Management reported gains in manufacturing activity and the services sector in July. Retail spending and industrial production also rebounded after historic declines. But consumer sentiment has flattened, as Americans have turned cautious in their outlook. Also, new weekly jobless filings and continuing claims (which track longer-term joblessness) have stayed stub-

Continued on page 912

VALUE LINE FORECAST FOR THE U.S. ECONOMY

Statistical Summary for 2020-2021

	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4	2020	2021
GDP And Other Key Measures									
Real Gross Domestic Product	17206	18008	18229	18320	18433	18570	18721	18113	18511
Total Light Vehicle Sales (Mill. Units)	11.3	13.0	14.0	14.0	14.5	14.7	15.0	13.3	14.6
Housing Starts (Million Units)	1.04	1.40	1.30	1.30	1.32	1.32	1.34	1.31	1.32
After-Tax Profits (\$Bill.)	1834	2497	2101	1791	1871	2572	2206	2043	2110
Annualized Rates of Change									
Gross Domestic Product (Real)	-32.9	20.0	5.0	2.0	2.5	3.0	3.3	-5.1	2.2
GDP Deflator	-1.8	1.5	1.2	1.2	1.3	1.4	1.4	0.6	1.3
CPI-All Urban Consumers	-3.5	2.5	2.0	2.0	2.1	2.2	2.2	0.6	2.1
Average For The Period									
National Unemployment Rate	13.0	10.0	9.0	8.0	7.8	7.5	7.0	9.0	7.6
Prime Rate	3.3	3.3	3.3	3.3	3.3	3.3	3.3	3.6	3.3
10-Year Treasury Note Rate	0.7	0.6	0.6	0.6	0.7	0.8	0.9	0.8	0.8

Value Line Forecast for the U.S. Economy

	Actual	Estimated						
	2020:1	2020:2	2020:3	2020:4	2021:1	2021:2	2021:3	2021:4
Gross Domestic Product and its Components (2012 Chain Weighted \$) Billions of Dollars								
Final Sales	19160	17569	18193	18328	18374	18497	18625	18763
Total Consumption	13115	11794	12344	12436	12558	12707	12862	13051
Nonresidential Fixed Investment	2735	2528	2508	2527	2533	2552	2583	2609
Structures	540	485	444	432	430	429	430	432
Equipment & Software	1207	1073	1111	1145	1151	1159	1171	1185
Residential Fixed Investment	638	564	591	598	604	608	611	614
Exports	2494	1931	2062	2121	2211	2284	2350	2412
Imports	3283	2713	2896	3012	3085	3145	3191	3238
Federal Government	1307	1360	1377	1352	1355	1359	1362	1366
State & Local Governments	2042	2013	2008	2023	2028	2033	2038	2043
Gross Domestic Product	21552	19417	20399	20711	20875	21073	21303	21551
Real GDP (2012 Chain Weighted \$)	19011	17206	18008	18229	18320	18433	18570	18721
Prices and Wages — Annual Rates of Change								
GDP Deflator	1.4	-1.8	1.5	1.2	1.2	1.3	1.4	1.4
CPI-All Urban Consumers	1.2	-3.5	2.5	2.0	2.0	2.1	2.2	2.2
PPI-Finished Goods	-2.5	-11.5	5.0	2.0	2.7	2.9	3.0	3.2
Employment Cost Index—Total Comp.	3.2	1.7	1.0	1.0	1.2	1.3	1.5	1.8
Productivity	-0.9	6.3	3.0	-3.0	-1.0	2.0	1.8	1.6
Production and Other Key Measures								
Industrial Prod. (% Change, Annualized)	-6.8	-42.6	23.0	2.0	3.0	4.0	4.7	5.0
Factory Operating Rate (%)	73.9	63.1	67.0	69.0	70.0	70.0	70.5	71.0
Nonfarm Inven. Change (2012 Chain Weighted \$)	-70.9	-306.8	-230.0	-150.0	-80.0	-50.0	10.0	40.0
Housing Starts (Mill. Units)	1.48	1.04	1.40	1.30	1.30	1.32	1.32	1.34
Existing House Sales (Mill. Units)	5.48	4.32	5.30	5.10	5.30	5.50	5.70	6.00
Total Light Vehicle Sales (Mill. Units)	15.0	11.3	13.0	14.0	14.0	14.5	14.7	15.0
National Unemployment Rate (%)	3.8	13.0	10.0	9.0	8.0	7.8	7.5	7.0
Federal Budget Surplus (Unified, FY, \$Bill)	-387	-2001	-1200	-900	-500	-200	-400	-400
Price of Oil (\$Bbl., U.S. Refiners' Cost)	47.29	25.66	35.00	36.00	37.00	39.00	41.00	43.00
Money and Interest Rates								
3-Month Treasury Bill Rate (%)	1.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Federal Funds Rate (%)	1.3	0.1	0.1	0.1	0.1	0.1	0.1	0.1
10-Year Treasury Note Rate (%)	1.4	0.7	0.6	0.6	0.6	0.7	0.8	0.9
Long-Term Treasury Bond Rate (%)	1.9	1.5	1.3	1.2	1.3	1.5	1.6	1.7
AAA Corporate Bond Rate (%)	2.9	2.5	1.9	1.8	1.9	1.9	1.9	2.0
Prime Rate (%)	4.4	3.3	3.3	3.3	3.3	3.3	3.3	3.3
Incomes								
Personal Income (Annualized % Change)	4.2	32.6	-4.0	2.0	-5.0	5.0	4.0	3.0
Real Disp. Inc. (Annualized % Change)	2.6	44.9	-8.0	1.0	-10.0	4.0	3.0	2.0
Personal Savings Rate (%)	9.5	25.7	20.0	18.0	11.0	10.0	10.0	10.0
After-Tax Profits (Annualized \$Bill)	1739	1834	2497	2101	1791	1871	2572	2206
Yr-to-Yr % Change	-8.2	-5.4	30.0	5.0	3.0	2.0	3.0	5.0
Composition of Real GDP-Annual Rates of Change								
Gross Domestic Product	-5.0	-32.9	20.0	5.0	2.0	2.5	3.0	3.3
Final Sales	-3.6	-29.3	15.0	3.0	1.0	2.7	2.8	3.0
Total Consumption	-6.9	-34.6	20.0	3.0	4.0	4.8	5.0	6.0
Nonresidential Fixed Investment	-6.7	-27.0	-3.0	3.0	1.0	3.0	5.0	4.0
Structures	-3.7	-34.9	-30.0	-10.0	-2.0	-1.0	1.0	2.0
Equipment & Software	-15.2	-37.7	15.0	13.0	2.0	3.0	4.0	5.0
Residential Fixed Investment	19.0	-38.7	20.0	5.0	4.0	3.0	2.0	2.0
Exports	-9.5	-64.1	30.0	12.0	18.0	14.0	12.0	11.0
Imports	-15.0	-53.4	30.0	17.0	10.0	8.0	6.0	6.0
Federal Government	1.6	17.4	5.0	-7.0	1.0	1.0	1.0	1.0
State & Local Governments	1.1	-5.6	-1.0	3.0	1.0	1.0	1.0	1.0

Value Line Forecast for the U.S. Economy

	Actual					Estimated				
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Gross Domestic Product and its Components (2012 Chain Weighted \$) Billions of Dollars										
Final Sales	17254	17659	18051	18566	19129	18313	18565	19122	19600	20051
Total Consumption	11922	12248	12567	12945	13238	12423	12795	13242	13640	14049
Nonresidential Fixed Investment	2408	2425	2531	2692	2777	2574	2569	2672	2792	2904
Structures	522	496	520	541	548	475	430	443	461	484
Equipment & Software	1137	1122	1176	1255	1268	1134	1167	1225	1274	1325
Residential Fixed Investment	555	591	612	603	602	598	609	615	615	622
Exports	2377	2376	2459	2533	2546	2152	2314	2499	2674	2835
Imports	3098	3160	3309	3453	3464	2976	3165	3355	3522	3699
Federal Government	1183	1188	1197	1232	1277	1349	1360	1354	1340	1327
State & Local Governments	1908	1958	1971	1990	2026	2021	2035	2045	2066	2076
Gross Domestic Product	18219	18707	19485	20612	21440	20519	21201	22099	23013	23942
Real GDP (2012 Chain Weighted \$)	17387	17659	18051	18688	19092	18113	18511	19066	19600	20090
Prices and Wages — Annual Rates of Change										
GDP Deflator	1.0	1.0	1.9	2.4	1.7	0.6	1.3	1.2	1.3	0.8
CPI-All Urban Consumers	0.1	1.3	2.1	2.4	2.0	0.6	2.1	1.8	1.9	1.5
PPI-Finished Goods	-3.3	-1.0	3.2	3.0	1.0	-1.8	3.0	2.3	2.0	1.5
Employment Cost Index—Total Comp.	2.1	2.1	2.5	2.9	2.7	1.7	1.5	2.3	2.4	2.5
Productivity	1.3	0.3	1.3	1.5	1.9	1.4	1.1	1.3	1.4	1.0
Production and Other Key Measures										
Industrial Prod. (% Change, Annualized)	-1.0	-2.0	2.3	3.9	-0.7	-6.1	4.2	4.5	3.5	3.0
Factory Operating Rate (%)	75.3	74.2	75.1	76.6	75.6	68.3	70.4	72.0	74.0	75.0
Nonfarm Inven. Change (2012 Chain Weighted \$)	131.3	28.5	35.3	59.3	62.2	-189.4	-20.0	100.0	130.0	130.0
Housing Starts (Mill. Units)	1.11	1.18	1.21	1.25	1.30	1.31	1.32	1.33	1.34	1.30
Existing House Sales (Mill. Units)	5.23	5.44	5.53	5.33	5.33	5.05	5.63	5.90	5.80	5.50
Total Light Vehicle Sales (Mill. Units)	17.4	17.5	17.1	17.2	17.0	13.3	14.6	15.5	15.8	16.0
National Unemployment Rate (%)	5.3	4.9	4.4	3.9	3.7	9.0	7.6	6.0	5.5	6.0
Federal Budget Surplus (Unified, FY, \$Bill)	-439	-587	-666	-779	-1022	-4488	-1500	-1400	-1200	-1200
Price of Oil (\$Bbl., U.S. Refiners' Cost)	48.40	40.60	50.69	64.46	59.36	35.99	40.00	50.00	55.00	50.00
Money and Interest Rates										
3-Month Treasury Bill Rate (%)	0.1	0.3	0.9	1.9	2.1	0.4	0.1	0.1	0.1	0.2
Federal Funds Rate (%)	0.1	0.4	1.0	1.8	2.2	0.4	0.1	0.1	0.2	0.3
10-Year Treasury Note Rate (%)	2.2	1.9	2.3	2.9	2.2	0.8	0.8	1.1	1.3	1.5
Long-Term Treasury Bond Rate (%)	2.9	2.6	2.9	3.1	2.6	1.5	1.5	2.0	2.1	2.5
AAA Corporate Bond Rate (%)	3.9	3.7	3.8	3.9	3.4	2.3	1.9	2.2	2.3	3.3
Prime Rate (%)	3.3	3.5	4.1	4.9	5.3	3.6	3.3	3.3	3.3	3.5
Incomes										
Personal Income (Annualized % Change)	4.8	2.6	4.7	5.3	3.5	8.7	1.8	4.0	4.1	4.2
Real Disp. Inc. (Annualized % Change)	4.1	1.8	2.9	3.6	1.6	10.1	-0.3	2.8	2.7	2.5
Personal Savings Rate (%)	7.6	6.8	7.0	7.9	7.6	18.3	10.3	10.0	9.0	8.0
After-Tax Profits (Annualized \$Bill)	1740	1740	1814	1904	1939	2043	2110	2194	2326	2214
Yr-to-Yr % Change	-6.3	0.0	4.2	1.7	1.8	5.4	3.3	4.0	6.0	10.0
Composition of Real GDP-Annual Rates of Change										
Gross Domestic Product	2.9	1.6	2.4	3.0	2.2	-5.1	2.2	3.0	2.8	3.3
Final Sales	2.6	2.2	2.3	2.8	3.0	-4.3	1.4	3.0	2.5	3.5
Total Consumption	3.7	2.7	2.6	2.7	2.3	-6.2	3.0	3.5	3.0	3.5
Nonresidential Fixed Investment	1.8	0.2	4.4	6.9	3.2	-7.3	-0.2	4.0	4.5	5.0
Structures	-3.0	-5.0	4.7	3.7	1.3	-13.2	-9.5	3.0	4.0	8.0
Equipment & Software	3.2	-1.3	4.7	8.0	1.0	-10.6	2.9	5.0	4.0	4.0
Residential Fixed Investment	10.2	6.5	3.5	-0.6	-0.2	-0.7	2.0	1.0	0.0	1.0
Exports	0.5	0.0	3.5	3.0	0.5	-15.5	7.5	8.0	7.0	4.0
Imports	5.3	2.0	4.7	4.1	0.3	-14.1	6.3	6.0	5.0	3.0
Federal Government	-0.1	0.4	0.8	2.8	3.7	5.6	0.9	-0.5	-1.0	-0.5
State & Local Governments	3.2	2.6	0.6	1.2	1.8	-0.2	0.7	0.5	1.0	1.0

The Quarterly Economic Review

Continued from front cover

bornly high, though there has been some decline in recent weeks.

Adding it up, we sense that GDP, which fell moderately during the first quarter, before tumbling in the second three months, will return to a growth track this quarter, with the upturn continuing, albeit with less flair, down the home stretch of 2020. Such a presumptive second-half recovery would still leave the economy in negative territory for the year, as this projected late-2020 upturn would be off a low base. Thereafter, assuming a slowing in the track of the coronavirus, progress in securing a vaccine or a major treatment for this infection, and the unleashing of pent-up demand for consumer offerings, the nation could return to sustained growth in 2021. The road to such a recovery is ill-defined, however. Indeed, as recent history shows, even the most carefully scripted business model is subject to revision. Meantime, in addition to COVID-19, the country also faces risks from trade discord with China and the unchecked nuclear ambitions of rogue nations. Domestically, there are the Presidential and Congressional Elections to weigh and the possible shifts in tax policies, regulations, and fiscal spending. Our baseline forecast assumes there will be few dramatic departures from this likely orderly transition to a period of sustained growth. Our sense is that there will be few seismic shifts from the half-decade-long run of loosened regulations and more favorable tax treatments for businesses and individuals, no matter which political party is victorious, despite the current rhetoric. We also think COVID-19 will run its course within our 3- to 5-year projection period and that no new shocks of similar magnitude will take its place.

Assuming such a relatively benign scenario, the economy should amble forward over the next 3 to 5 years with modest but continuing growth. Indeed, we think the recent business reversal may be the lone recession over this extended horizon. As for GDP, the rate of improvement is likely to

be modest, with growth of 2%-3% through 2023-2025, at best, following a slightly stronger pace in 2021. Inflation should remain low, if higher than at present, and Fed monetary policy is likely to stay accommodative. The Fed has signaled it would not hit the brakes at the first sign of inflation.

SOME SPECIFICS

Economic Growth: Entering 2020, our forecast was for further, underwhelming GDP growth of some 2% annually. Favorable tax treatment, loosened regulations, and the absence of sustained inflationary pressures all appeared to be working towards extending this long business expansion. Then, COVID-19 struck and economic models went out the window. In just a matter of weeks, much of the country was on lockdown; economic output had collapsed; consumer spending had dried up; and the bull market had abruptly ended its 10-year run. In all, GDP would fall by 5% in the first quarter. It should be noted that all of this downturn and then some, was confined to the period's final few weeks. It would be the second three months that would see the full fury of this debacle, though, with employment tumbling, the U.S. jobless rate soaring, retail sales collapsing, and GDP skidding by a record 32.9% (Chart 1).

Then, the disease curve flattened across much of the country, in particular in such erstwhile hot spots as New York and New Jersey. That allowed businesses to reopen, cautiously at first and then aggressively. As a result, May and June would see jobs return, retail sales rise, and industrial output, housing starts, and the services sector all rebound (Chart 2). A better second half seemed assured. However, as 2020 continues to show, little is certain. Indeed, with the spike in COVID-19 infections and deaths in July, some of the more aggressive second-half projections were called into question. For now, we think significant improvement from a very low base will occur in the third and fourth quarters. Note that our model allows for a gradual descent in coronavirus cases during the current half. Modest GDP growth is likely in 2021, assuming we see

sustainable progress on the disease front from a vaccine or a successful treatment. Thereafter, unimposing growth probably will continue through mid-decade.

Inflation: Unlike GDP, producer (wholesale) and consumer inflation has remained stable, for the most part, especially if we back out the volatile food and energy components to get the so-called core rate of price change. Indeed, such inflation is too low for the Federal Reserve, as the lead bank would prefer price growth that is closer to its targeted 2% range. For much of the past few years, prices have been climbing at less than that rate. Still, inflation did jump in July, with the headline number up notably on a large increase in energy costs. Core inflation perked up, too, reflecting the higher costs of apparel and used cars. That said, the Fed remains likely to pursue policies that seek to raise the level of prices on an extended basis. Such a task will be formidable, though, given the lack of strong GDP growth. Getting to that higher price level also may take years, as inflation can be stubborn. To wit, prices were slow to ease during the late 1970s and early 1980s; it figures to be just as difficult a task to get notably higher prices in the current, unsettled economic environment (Chart 3).

Interest Rates: Here, as well, stability is the order of the day. Moreover, things are unlikely to change in the coming months, as the Fed, fearful that the tenuous business recovery could falter anew under the weight of continued elevated levels of COVID-19 infections, and concerned about muted inflation, is opting to keep the federal funds rate target near zero. Further, the central bank shows little inclination to alter its accommodative monetary ways. In all, the Fed likely will hold interest rates at historically low levels for at least another year or two. Thereafter, assuming a return to somewhat steadier GDP growth, we would expect a gradual upslope in borrowing costs, especially if inflation heads higher, as the Fed hopes, and unemployment continues to fall, as we project. Absent a sharp increase in pricing pressures, which we do not foresee, or a

The Quarterly Economic Review

run of stronger GDP growth than the pedestrian 2%-3% we envision for the years out to 2023-2025, the presumptive rise in short- and long-term interest rates figures to be modest. Such a benign rate scenario should be supportive for equities (Chart 4).

Corporate Profits: The unprecedented collapse in business activity suffered during the second quarter wreaked havoc on the bottom lines of Corporate America. Still, for the most part, earnings exceeded lowered expectations, and that was all Wall Street needed to help push stock prices higher during July and much of August. True, profit misses and lowered expectations for the third and fourth quarters were often dealt with sharply. However, these disappointments were in the minority. Now, as we approach the final third of 2020, our forecast is for a return to a positive economic performance. We would expect corporate earnings to head higher, if very unevenly, during much of that span.

Meanwhile, little of this outlook is well defined, as the novel coronavirus shows few

signs of fading into history. Nevertheless, with most indicators pointing to the continued reopening of businesses, with just brief and selective pauses along the way, and with mass lockdowns, such as occurred in March and April, unlikely to recur, profits should rebound some in the back half of 2020 and in 2021. The elevated heights of the stock market would suggest such an outcome is needed to sustain equity prices.

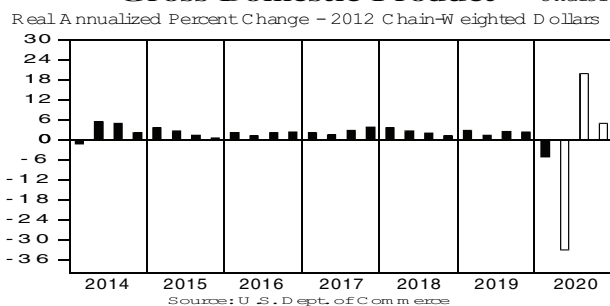
THE STOCK MARKET

Unlike inflation and interest rates and more like the economy and corporate profits, the stock market has spent an up-and-down eight months this year. As with the economy, things started out on the right foot, with a lengthening string of higher highs, as the Dow Jones Industrial Average made its way to the doorstep of 30,000. Then, COVID-19 made its appearance, and the economy, earnings, and stocks all swooned. The market's collapse would be brief, but unnerving, with the Dow tumbling from 29,568 to 18,213 in a few short weeks. Importantly, as the stock market often leads

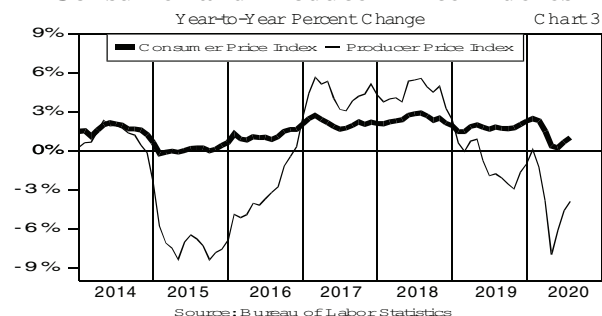
the economy, equities have recovered well before the nation's business has and certainly ahead of corporate earnings. In fact, we are now near the historic market highs of early this year, with the S&P 500 Index and the NASDAQ already reaching all-time peaks. The main reason for this strength, we sense, is a highly supportive Fed. Moreover, hopes for a vaccine, expectations the economy will continue on the mend, and projections of a comeback in earnings also are contributing to this renewed run by the bulls, which shows no signs of letting up as August proceeds. True, the stock market is not cheap, with P/E ratios now quite elevated. Just the same, the fundamentals remain sound and interest rates are low, so it is hard to seriously argue with such extended price levels.

Conclusion: We believe holding a diverse set of quality equity names with well-defined growth prospects remains a sound investment strategy. Please refer to the inside back cover of *Selection & Opinion* for our statistically-based Asset Allocation Model's current reading. ■

Gross Domestic Product Chart 1

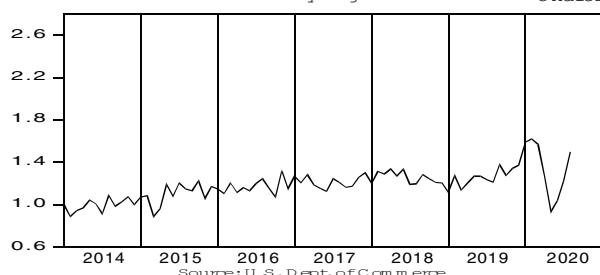


Consumer and Producer Price Indexes Chart 3



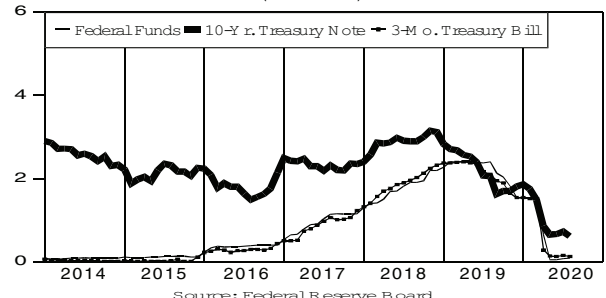
Total Housing Starts Chart 2

In Millions at Seasonally Adjusted Annual Rates



Selected Interest Rates Chart 4

(In Percent)



Model Portfolios: Recent Developments

PORTFOLIO I

Portfolio I selection *Allstate Corp.* reported results for the June quarter earlier this month. The company posted revenue of \$11.2 billion, a modest increase from the prior-year figure. Adjusted earnings per share of \$2.46 marked a gain of 13% on a year-to-year basis. A favorable property-liability combined ratio more than offset the negative impact that the coronavirus pandemic had on the insurer's other operations. Measures to expand customer access and control costs are supporting profitable growth. Meanwhile, the Allstate Protection Plans business has continued to experience rapid growth through major retailers. Fairly solid performance ought to continue here going forward. The upcoming acquisition of National General Holdings Corp. for \$4 billion in cash should bolster the company's personal property-liability business and significantly expand its independent agent distribution. The deal, which is expected to be accretive to earnings, is scheduled to be completed in early 2021.

Earnings season is now largely in the rear-view mirror, though Portfolio I holding *VMware* is scheduled to release its July-quarter results around the time this report is reaching subscribers. We'll be sure to examine their performance closely to see how the company has fared, and for indications of what may lie ahead. We are making no changes to Portfolio I this week.

PORTFOLIO II

Last month we referenced the problems that large, money-center American banks have struggled with the past few quarters. A flat yield curve, competition from non-traditional lenders, and shrinking fee-based profit opportunities have kept us away from this traditionally safe sector, though we speculated that huge second-quarter loan loss provisions may have signaled a bottom.

For now, we are content to hold a northern rival, *Canadian Imperial Bank*, which has performed well of late. The Canadian dollar's appreciation since the spring has helped, as have easing concerns about *CIBC's* relatively large exposure to Cana-

da's housing market. Still, as of this writing, we are waiting to hear about July-quarter earnings, and we will be keeping a close watch on credit provisions. Even with coronavirus, the sizable increase in April-quarter reserves took many by surprise. Overall, the yield on this equity remains very appealing, and we look for *CIBC* to participate in an economic rebound into next year.

Another less-heralded holding in Portfolio II, *Public Service Enterprise Group* stock has underperformed the market since being added this spring, but is still attractive compared to its multi-asset utility peers. Cost savings, a potential slight rate increase, and modest leverage give us confidence that the attractive payout is well covered. Its earnings report in late July was greeted with nearly year-high daily volume and a decent gain. We are making no changes to Portfolio II this week.

PORTFOLIO III

Portfolio III is in very good shape as August winds down. The group continues to benefit from its heavy weighting of large-cap technology names, including *Apple*, *Facebook*, and *Adobe*, which have thrived amid the devastating COVID-19 pandemic and deep recession. In fact, gains by these tech giants, along with those of Amazon and Microsoft, have helped propel the S&P 500 to a record high (its first since February), bringing to an end the shortest bear market in history. And while valuations now appear quite stretched, reminding some skeptics of the dotcom bubble that emerged in the late 1990s, there's little doubt that America's tech giants will continue to dominate over the next decade.

In the meantime, our diversified portfolio has had other notable winners in recent months, despite the chilly macroeconomic environment. Data heavyweight *CoStar Group* has continued to consolidate power in the real estate niche, racking up better-than-expected second-quarter results and making an acquisition in the attractive distressed property market. Insurer *UnitedHealth* has seen its stock rise nearly 70% from its 52-week low, with investors

seemingly relieved that neither presidential candidate is proposing "Medicare for All" legislation (that would lessen the need for managed care organizations).

And, perhaps most impressive, shares of *AutoNation*, the country's largest dealership chain, have been on a major roll, as auto sales have proved to be surprisingly resilient during the viral outbreak, and as the specialty retailer has committed to making an even deeper push into the red-hot used-car segment. We are making no changes to Portfolio III this week.

PORTFOLIO IV

The U.S. stock market continues to press higher. Although the coronavirus pandemic is far from over, investors remain optimistic. A number of pharmaceutical companies are at work on a vaccine. Corporate profits have held up better than expected. Also, the Federal Reserve has displayed a willingness to help. From a sector perspective, we have noted strength in some of the consumer names over the past month or so. In Portfolio IV, we have a position in *Kimberly-Clark*. Top- and bottom-line results have made notable progress lately, supported by strong demand for personal care products and assorted paper goods, such as tissues and towels. Looking ahead, a global restructuring program aims to cut costs and eliminate low-margined offerings, as the company invests in product development. Shares of *Kimberly-Clark* have outperformed the market of late, and carry our Highest ranks (1) for Timeliness and Safety.

Elsewhere, in the broader industrial space, shares of *United Parcel Service* have moved sharply higher. Business has benefitted from increased shipments of packages, due to the popularity of e-commerce in the current environment. Looking ahead, efforts to improve service and possibly some small price increases should aid results. Demand for shipping may moderate as health concerns ease, but results should hold up reasonably well. Shares of *UPS* are favorably ranked for Timeliness. We are not making any changes to Portfolio IV this week. ■

PORTFOLIO I: STOCKS WITH ABOVE-AVERAGE YEAR-AHEAD PRICE POTENTIAL

Primarily suitable for more aggressive investors

Ratings & Reports Page	Ticker	Company	Recent Price	Timeliness	Safety	P/E	Yield%	18-Month % Apprec. Potential	Financial Strength	Industry Name
1557	AFL	Aflac Inc.	37.46	2	2	8.5	3.0	45	A	Insurance (Life)
1703	ALG	Alamo Group	111.37	3	3	23.7	0.5	20	B+	Machinery
755	ALL	Allstate Corp.	95.23	1	1	9.0	2.3	30	A+	Insurance (Prop/Cas.)
792	ANTM	Anthem, Inc.	283.11	1	3	12.0	1.3	15	A	Medical Services
2618	ADP	Automatic Data Proc.	139.66	2	1	23.4	2.6	35	A++	IT Services
565	BCPC	Balchem Corp.	101.00	2	3	36.9	0.5	15	B++	Chemical (Specialty)
1796	CBOE	Cboe Global Markets	89.82	1	2	22.3	1.9	45	A	Brokers & Exchanges
1018	CMCSA	Comcast Corp.	43.53	2	1	17.3	2.1	10	A+	Cable TV
2140	COST	Costco Wholesale	339.96	1	1	38.5	0.8	10	A++	Retail Store
180	EW	Edwards Lifesciences	78.44	2	2	43.6	Nil	35	A+	Med Supp Invasive
386	G	Genpact Limited	41.75	2	2	19.2	0.9	20	B++	Industrial Services
439	INFO	IHS Markit	81.84	3	3	29.3	0.8	10	B++	Information Services
1192	KMB	Kimberly-Clark	157.81	1	1	19.2	2.7	5	A+	Household Products
717	LMT	Lockheed Martin	388.96	1	1	16.4	2.6	25	A++	Aerospace/Defense
2631	MANT	ManTech Int'l 'A'	74.84	2	3	27.8	1.7	30	B+	IT Services
1628	MRK	Merck & Co.	84.76	2	1	16.2	2.9	15	A++	Drug
720	NOC	Northrop Grumman	339.76	1	1	14.8	1.7	25	A++	Aerospace/Defense
1980	PEP	PepsiCo, Inc.	137.92	3	1	26.4	3.0	10	A++	Beverage
409	RSG	Republic Services	89.80	2	2	27.6	1.9	10	B++	Environmental
2613	VMW	VMware, Inc.	136.42	2	3	22.4	Nil	30	A+	Computer Software

To qualify for purchase in the above portfolio, a stock must have a Timeliness Rank of 1 or 2, and a Financial Strength Rating of at least B+. The stock also has to offer above-median 18-month appreciation potential. If a stock's Timeliness Rank falls below 3 or its 18-month appreciation potential drops to zero or becomes negative, it will be automatically removed. Stocks in the above portfolio are selected and monitored by Michael F. Napoli, Senior Analyst.

PORTFOLIO II: STOCKS FOR INCOME AND POTENTIAL PRICE APPRECIATION

Primarily suitable for more conservative investors

Ratings & Reports Page	Ticker	Company	Recent Price	Timeliness	Safety	P/E	Yield%	Beta	Financial Strength	Industry Name
917	T	AT&T Inc.	29.85	3	1	8.5	7.0	0.85	A++	Telecom. Services
967	CVS	CVS Health	64.90	1	1	9.3	3.1	0.90	A++	Pharmacy Services
2509	CM.TO	Can. Imperial Bank	97.33	3	2	17.6	6.0	0.90	B++	Bank
1188	CLX	Clorox Co.	226.78	1	2	31.7	2.0	0.50	A	Household Products
1969	KO	Coca-Cola	48.21	3	1	28.4	3.5	0.90	A++	Beverage
1189	CL	Colgate-Palmolive	77.21	1	1	27.4	2.3	0.70	A+	Household Products
1974	DEO	Diageo plc	137.85	3	1	22.3	2.5	0.95	A+	Beverage
1604	DOW	Dow Inc.	44.46	NR	2	51.7	6.5	NMF	A	Chemical (Basic)
1405	IBM	Int'l Business Mach.	124.44	3	1	11.2	5.2	1.05	A++	Computers/Peripherals
576	IFF	Int'l Flavors & Frag.	123.29	NR	1	21.0	2.5	0.90	A+	Chemical (Specialty)
222	JNJ	Johnson & Johnson	148.99	2	1	18.9	2.7	0.85	A++	Med Supp Non-Invasive
717	LMT	Lockheed Martin	388.96	1	1	16.4	2.6	0.95	A++	Aerospace/Defense
1140	LOW	Lowe's Cos.	158.41	1	2	25.0	1.4	1.15	A+	Retail Building Supply
1929	MDLZ	Mondelez Int'l	56.52	2	2	21.2	2.2	0.90	A	Food Processing
1636	PFE	Pfizer, Inc.	38.35	NR	1	16.1	4.0	0.85	A++	Drug
146	PEG	Public Serv. Enterprise	54.72	3	1	14.9	3.7	0.90	A++	Electric Utility (East)
1541	O	Realty Income Corp.	61.98	1	3	41.6	4.6	1.00	B++	R.E.I.T.
1774	RCIB.TO	Rogers Commns.	55.74	3	2	15.7	3.8	0.75	B++	Diversified Co.
316	UPS	United Parcel Serv.	160.30	2	1	21.8	2.5	0.80	A+	Air Transport
414	WM	Waste Management	110.87	2	1	29.0	2.0	0.80	A	Environmental

To qualify for purchase in the above portfolio, a stock must have a yield that is in the top half of the *Value Line* universe and a Safety Rank of 3 or better. Stocks are selected and monitored by Charles Moran, Senior Analyst.

PORTFOLIO III: STOCKS WITH LONG-TERM PRICE GROWTH POTENTIAL

Primarily suitable for investors with a 3- to 5-year horizon

Ratings & Reports Page	Ticker	Company	Recent Price	Timeliness	Safety	P/E	Yield%	Beta	3- to 5-Yr. Apprec. Potential	Industry Name
2584	ADBE	Adobe Inc.	451.58	1	2	53.8	Nil	0.80	15-55%	Computer Software
755	ALL	Allstate Corp.	95.23	1	1	9.0	2.3	1.00	70-110	Insurance (Prop/Cas.)
1991	MO	Altria Group	43.03	2	3	9.8	8.0	0.85	65-145	Tobacco
1400	AAPL	Apple Inc.	458.43	2	1	33.8	0.7	0.90	-25--10	Computers/Peripherals
2120	AN	AutoNation, Inc.	58.44	3	3	12.1	Nil	1.10	5-55	Retail Automotive
2507	BK	Bank of NY Mellon	37.09	3	2	9.5	3.3	1.10	100-170	Bank
433	CSGP	CoStar Group	831.18	2	2	85.6	Nil	0.95	-5-30	Information Services
2330	DIS	Disney (Walt)	129.37	3	3	44.3	Nil	0.95	5-60	Entertainment
2011	EA	Electronic Arts	140.45	1	3	34.3	Nil	0.65	-5-40	Entertainment Tech
2648	FB	Facebook Inc.	261.16	3	2	33.7	Nil	0.90	45-95	Internet
308	FDX	FedEx Corp.	206.64	3	2	22.8	1.3	1.10	5-45	Air Transport
1918	HRL	Hormel Foods	52.42	1	1	31.0	1.9	0.55	-5-25	Food Processing
1362	INTC	Intel Corp.	48.93	1	1	10.5	2.7	0.85	85-115	Semiconductor
187	ISRG	Intuitive Surgical	694.00	3	2	91.6	Nil	1.15	0-35	Med Supp Invasive
2112	PVH	PVH Corp.	54.66	5	3	33.5	Nil	1.70	140-250	Apparel
409	RSG	Republic Services	89.80	2	2	27.6	1.9	0.90	5-40	Environmental
313	LUV	Southwest Airlines	33.81	4	3	NMF	Nil	1.05	50-105	Air Transport
368	SBUX	Starbucks Corp.	78.95	3	1	72.4	2.3	1.00	50-85	Restaurant
817	UNH	UnitedHealth Group	320.51	3	1	18.9	1.6	1.05	10-35	Medical Services
2578	V	Visa Inc.	199.43	2	1	36.7	0.6	1.00	15-40	Financial Svcs. (Div.)

To qualify for purchase in the above portfolio, a stock must have above-average 3- to 5-year price-appreciation potential. As the price of a stock in this Portfolio rises, the computed appreciation potential may fall; it may still be held. This portfolio is most appropriate for investors focused on long-term capital gains. Stocks in the above portfolio are selected and monitored by Justin Hellman, Editorial Analyst.

PORTFOLIO IV: STOCKS WITH ABOVE-AVERAGE DIVIDEND YIELDS

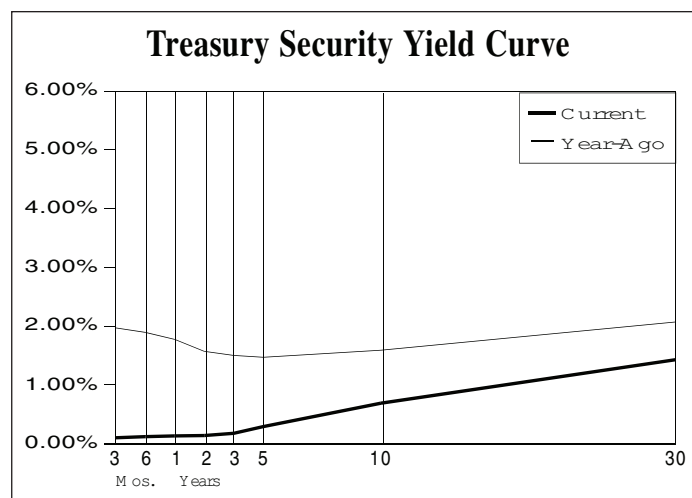
Primarily suitable for investors interested in current income

Ratings & Reports Page	Ticker	Company	Recent Price	Timeliness	Safety	P/E	Yield%	Beta	Financial Strength	Industry Name
917	T	AT&T Inc.	29.85	3	1	8.5	7.0	0.85	A++	Telecom. Services
903	LNT	Alliant Energy	53.90	3	2	23.1	2.8	0.85	A	Electric Util. (Central)
2445	BX	Blackstone Group	53.38	NR	3	22.3	2.8	1.25	B++	Public/Private Equity
1992	BTI	Brit. Am. Tobacco ADR	33.99	3	3	7.6	8.4	0.95	B++	Tobacco
153	CAT	Caterpillar Inc.	138.72	3	2	24.3	3.0	1.15	A+	Heavy Truck & Equip
1969	KO	Coca-Cola	48.21	3	1	28.4	3.5	0.90	A++	Beverage
138	ED	Consol. Edison	74.41	3	1	17.4	4.2	0.75	A+	Electric Utility (East)
983	ETN	Eaton Corp. plc	100.90	3	3	26.1	2.9	1.30	B++	Auto Parts
1362	INTC	Intel Corp.	48.93	1	1	10.5	2.7	0.85	A++	Semiconductor
1192	KMB	Kimberly-Clark	157.81	1	1	19.2	2.7	0.75	A+	Household Products
580	LYB	LyondellBasell Inds.	68.53	4	3	14.6	6.1	1.35	A	Chemical (Specialty)
363	MCD	McDonald's Corp.	208.67	3	1	34.3	2.4	0.95	A++	Restaurant
1628	MRK	Merck & Co.	84.76	2	1	16.2	2.9	0.90	A++	Drug
2632	PAYX	Paychex, Inc.	74.45	3	2	27.0	3.4	1.15	A	IT Services
1636	PFE	Pfizer, Inc.	38.35	NR	1	16.1	4.0	0.85	A++	Drug
1564	PRU	Prudential Fin'l	69.45	4	3	6.5	6.3	1.50	B++	Insurance (Life)
147	SO	Southern Co.	53.59	3	2	17.1	4.9	0.90	A	Electric Utility (East)
316	UPS	United Parcel Serv.	160.30	2	1	21.8	2.5	0.80	A+	Air Transport
935	VZ	Verizon Commun.	58.78	2	1	12.0	4.2	0.65	A++	Telecom. Services
414	WM	Waste Management	110.87	2	1	29.0	2.0	0.80	A	Environmental

To qualify for purchase in the above portfolio, a stock must have a yield that is at least 1% above the median for the *Value Line* universe, and a Financial Strength Rating of at least B+. Stocks are selected and monitored by Adam Rosner, Editorial Analyst.

Selected Yields

TAXABLE	Recent (8/17/20)	3 Months Ago (5/18/20)	Year Ago (8/21/19)	TAXABLE	Recent (8/17/20)	3 Months Ago (5/18/20)	Year Ago (8/21/19)
Market Rates				Corporate Bonds			
Discount Rate	0.25	0.25	2.75	Financial (10-year) A	1.76	2.51	2.56
Federal Funds	0.00-0.25	0.00-0.25	2.00-2.25	Industrial (25/30-year) A	2.62	3.14	3.27
Prime Rate	3.25	3.25	5.25	Utility (25/30-year) A	2.74	3.20	3.25
30-day CP (A1/P1)	0.09	0.17	2.16	Utility (25/30-year) Baa/BBB	3.00	3.70	3.64
3-month LIBOR	0.27	0.38	2.15	S&P 500 High Yield Corp. Bond Index	4.09	5.33	4.25
U.S. Treasury Securities				Foreign Bonds (10-Year)			
3-month	0.10	0.13	1.97	Canada	0.59	0.55	1.22
6-month	0.12	0.15	1.89	Germany	-0.49	-0.47	-0.67
1-year	0.13	0.16	1.77	Japan	0.04	-0.01	-0.24
5-year	0.29	0.38	1.47	United Kingdom	0.22	0.25	0.48
10-year	0.69	0.73	1.59	Mortgage-Backed Securities			
10-year (inflation-protected)	-0.97	-0.44	0.13	GNMA 5.5%	2.12	2.94	3.61
30-year	1.43	1.44	2.07	FHLMC 5.5% (Gold)	2.44	2.54	3.71
30-year Zero	N/A	N/A	2.12	FNMA 5.5%	2.80	3.01	3.66
Common Stocks				Preferred Stock			
VL Stocks (Median)	2.20	2.60	2.30	Utility A	6.17	6.15	5.95
DJ Industrials (12-mo. est.)	2.20	2.50	2.50	Financial BBB	5.36	5.64	5.38
VL Utilities	3.70	3.80	3.20	Financial Adjustable A	N/A	N/A	5.52



TAX-EXEMPT

Bond Buyer Indexes			
20-Bond Index (GOs)	2.05	2.48	3.10
25-Bond Index (Revs)	2.47	2.90	3.58
General Obligation Bonds (GOs)			
1-year AAA	0.10	0.30	0.93
1-year A	0.37	0.48	1.25
5-year AAA	0.23	0.65	0.96
5-year A	0.59	1.02	1.43
10-year AAA	0.64	1.00	1.25
10-year A	1.05	1.47	1.82
25/30-year AAA	1.31	1.79	1.87
25/30-year A	1.73	2.34	2.57
Revenue Bonds (Revs) (15 Years)			
Education AA	1.33	1.74	1.80
Electric AA	1.11	1.61	1.90
Water/Sewer AA	1.03	1.71	1.86
Hospital AA	1.52	2.17	1.87
Toll Road AA	1.56	2.41	1.69

Source: Bloomberg Finance L.P.

Federal Reserve Data

BANK RESERVES (Two-Week Period; in Millions, Not Seasonally Adjusted)

	Recent Levels			Average Level Over the Last...		
	8/12/20	7/29/20	Change	12 Wks.	26 Wks.	52 Wks.
Excess Reserves	2751124	2683526	67598	2961500	2575406	2010554
Borrowed Reserves	85636	92428	-6792	97815	78048	40496
Net Free/Borrowed Reserves	2665488	2591098	74390	2863685	2497359	1970057

MONEY SUPPLY (One-Week Period; in Billions, Seasonally Adjusted)

	Recent Levels			Annual Growth Rates Over the Last...		
	8/3/20	7/27/20	Change	3 Mos.	6 Mos.	12 Mos.
M1 (Currency+demand deposits)	5370.4	5298.2	72.2	49.1%	81.2%	38.8%
M2 (M1+savings+small time deposits)	18259.6	18286.2	-26.6	15.9%	40.1%	22.4%

Source: United States Federal Reserve Bank

Closing Stock Market Averages as of Press Time

	8/11/2020	8/18/2020	1 week	12 months
Dow Jones Industrial Average	27686.91	27778.07	+0.3%	+7.3%
Standard & Poor's 500	3333.69	3389.78	+1.7%	+17.3%
N.Y. Stock Exchange Composite	12849.37	12910.33	+0.5%	+2.6%
NASDAQ Composite	10782.82	11210.84	+4.0%	+42.0%
NASDAQ 100	10876.08	11399.03	+4.8%	+49.9%
Amex Major Market Index	2133.60	2138.08	+0.2%	-10.9%
Value Line (Geometric)	482.50	479.25	-0.7%	-4.1%
Value Line (Arithmetic)	6512.71	6475.26	-0.6%	+9.8%
London (FT-SE 100)	6154.34	6076.62	-1.3%	-15.5%
Tokyo (Nikkei)	22750.24	23051.08	+1.3%	+12.1%
Russell 2000	1575.10	1569.77	-0.3%	+5.1%

Major Insider Transactions[†]

PURCHASES

Latest Full-Page Report	Company	Insider, Title	Date	Shares Traded	Shares Held	Price Range	Recent Price
2647	Expedia Group	A. G. Battle, Dir.	8/7/2020	12,300	58,662	\$81.38	87.70
2309	Harley-Davidson	J. Zeitz, Chair.	8/12/2020	71,450	222,920	\$27.86	28.22
538	New Fortress Energy LLC	J. J. Mack, Dir.	8/6/2020	37,755	1,178,013	\$25.13	26.94
1220	Ormat Technologies	A. Ginzburg, CFO	8/11/2020	20,000	20,000	\$61.03	60.08
1933	Post Holdings	D. W. Kemper, Dir.	8/10/2020	8,000	19,600	\$88.83-\$88.90	86.81
231	Quidel Corp.	D. C. Bryant, Pres.	8/11/2020	5,000	450,823	\$234.12	247.24

SALES

Latest Full-Page Report	Company	Insider, Title	Date	Shares Traded	Shares Held	Price Range	Recent Price
2433	Albemarle Corp.	L. C. Kissam IV, Dir.	8/11/2020	150,001	187,065	\$90.46-\$92.00	91.77
303	Allegiant Travel	M. J. Gallagher Jr.*	8/10/20-8/12/20	150,000	2,469,362	\$119.29-\$125.60	116.38
119	Fortive Corp.	M. P. Rales, Dir.	8/10/20-8/11/20	4,979,478	4,015,820	\$72.03-\$73.22	73.48
438	Gartner Inc.	J. C. Smith, Dir.	8/6/20-8/12/20	86,375	718,131	\$130.43-\$133.53	128.02
1802	MarketAxess Holdings	R. M. McVey, Chair.	8/10/2020	25,000	973,283	\$481.15-\$508.88	500.59
190	Nevro Corp.	M. F. Demane, Dir.	8/10/2020	83,440	348,068	\$134.34-\$140.11	134.97
1830	Paylocity Holding	S. I. Sarowitz*	8/11/20-8/12/20	200,000	13,369,332	\$125.47-\$134.91	132.53

* Beneficial owner of more than 10% of common stock

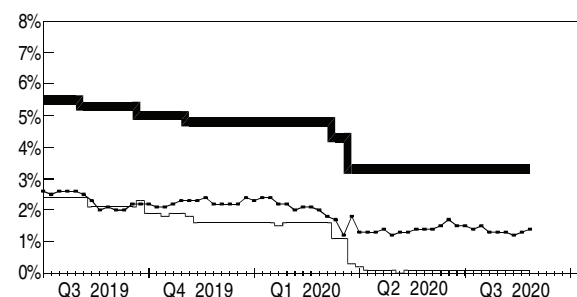
† Includes only large transactions in U.S.-traded stocks; excludes shares held in the form of limited partnerships, excludes options & family trusts

Market Monitor

Valuations and Yields	8/18	8/11	13-week range	50-week range	Last market top (2-19-2020)	Last market bottom (3-23-2020)
Median price-earnings ratio of VL stocks	22.0	21.9	18.5 - 22.0	11.0 - 22.0	18.0	11.0
P/E (using 12-mo. est'd EPS) of DJ Industrials	24.8	24.1	21.7 - 24.8	13.2 - 24.8	18.6	14.1
Median dividend yield of VL stocks	2.2%	2.2%	2.2 - 2.6%	2.1 - 3.7%	2.2%	3.7%
Div'd yld. (12-mo. est.) of DJ Industrials	2.2%	2.2%	2.2 - 2.4%	2.2 - 3.4%	2.3%	3.0%
Prime Rate	3.3%	3.3%	3.3 - 3.3%	3.3 - 5.3%	4.8%	3.3%
Fed Funds	0.1%	0.1%	0.1 - 0.1%	0.0 - 2.3%	1.6%	0.2%
91-day T-bill rate	0.1%	0.1%	0.1 - 0.2%	0.0 - 1.9%	1.6%	0.0%
AAA Corporate bond yield	2.3%	2.0%	2.0 - 2.5%	2.0 - 3.6%	2.8%	3.6%
30-year Treasury bond yield	1.4%	1.3%	1.2 - 1.7%	1.2 - 2.4%	2.0%	1.3%
Bond yield minus average earnings yield	-2.2%	-2.5%	-3.0 - -2.2%	-5.5 - -2.2%	-2.8%	-5.5%
Short interest/avg. daily volume (5 weeks)						
Short interest/avg. daily volume (5 weeks)	15.3	14.6	10.0 - 15.3	8.3 - 19.0	15.5	9.0
CBOE put volume/call volume	.73	.69	.67 - .93	.67 - 1.41	.81	1.05

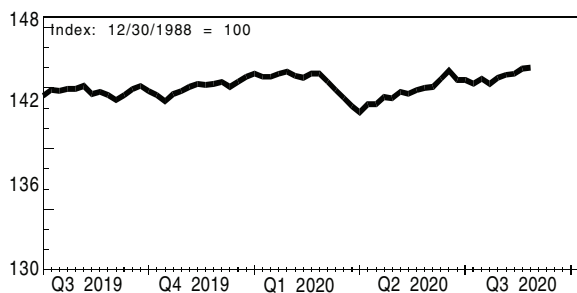
VALUE LINE ASSET ALLOCATION MODEL *(Based only on economic and financial factors)*

	Current (last adjusted at market open 4/5/19)	Previous (before 4/5/19)
Common Stocks	60%–70%	55%–65%
Cash and Treasury Issues	40%–30%	45%–35%



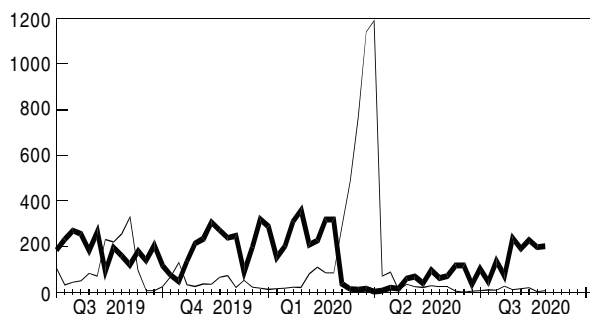
INTEREST RATES

	Recent	Previous Week
Prime Rate	3.3%	3.3%
30-Yr. Treasury	1.4%	1.3%
Fed Funds	0.1%	0.1%



VALUE LINE UNIVERSE

	Recent	Previous Week
Advances	874	1264
Declines	791	411
Issues Covered	1684	1684
Market Value (\$ Trillion)	41.640	41.182



VALUE LINE UNIVERSE

	Recent	Previous Week
New Highs	202	198
New Lows	7	3



INDUSTRY PRICE PERFORMANCE LAST SIX WEEKS ENDING 8/17/2020

7 Best Performing Industries	
Homebuilding	+28.5%
Retail Automotive	+26.5%
Retail Building Supply	+23.9%
Office Equip/Supplies	+23.8%
Funeral Services	+22.8%
Paper/Forest Products	+20.9%
Precious Metals	+19.9%
7 Worst Performing Industries	
Pharmacy Services	-8.5%
Biotechnology	-1.3%
Petroleum (Integrated)	-0.6%
Toiletries/Cosmetics	-0.5%
Water Utility	0.0%
Thrift	+0.1%
Natural Gas Utility	+0.1%

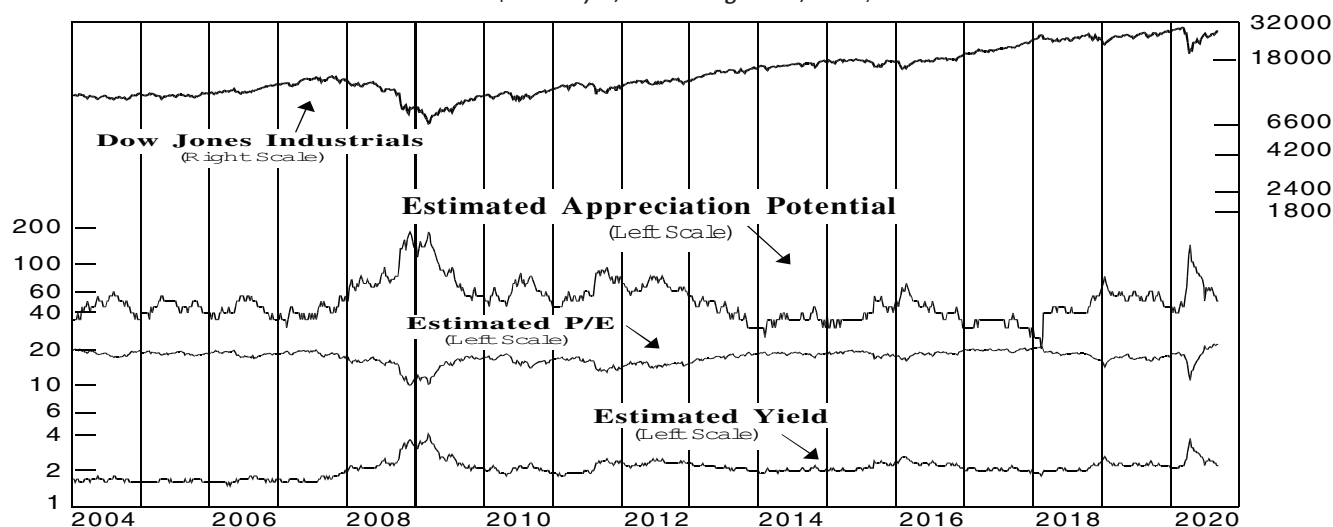
The corresponding change in the Value Line Arithmetic Average* is +9.3%

CHANGES IN FINANCIAL STRENGTH RATINGS

Company	Prior Rating	New Rating	Ratings & Reports Page
BP PLC ADR	B++	B+	502
Balchem Corp.	B+	B++	565
CVR Energy	B+	B	503
GTT Communications	C+	C	598
Exxon Mobil Corp.	A	B++	507
HollyFrontier Corp.	B++	B+	509
Imperial Oil Ltd.	A	B+	511
Marathon Petroleum	A	B+	512
Par Pacific Holdings	B+	C++	516
Phillips 66	A	B++	518
Rattler Midstream LP	B+	B	631
Royal Dutch Shell	A	B++	519
Southwestern Energy	C+	C	543
Suncor Energy	B++	B+	520
Total S.A. ADR	A	B++	521
Valero Energy	B++	B+	522

Stock Market Averages

VALUE LINE ESTIMATED P/E, YIELD, APPRECIATION POTENTIAL VERSUS DOW JONES INDUSTRIALS (January 2, 2004–August 17, 2020)



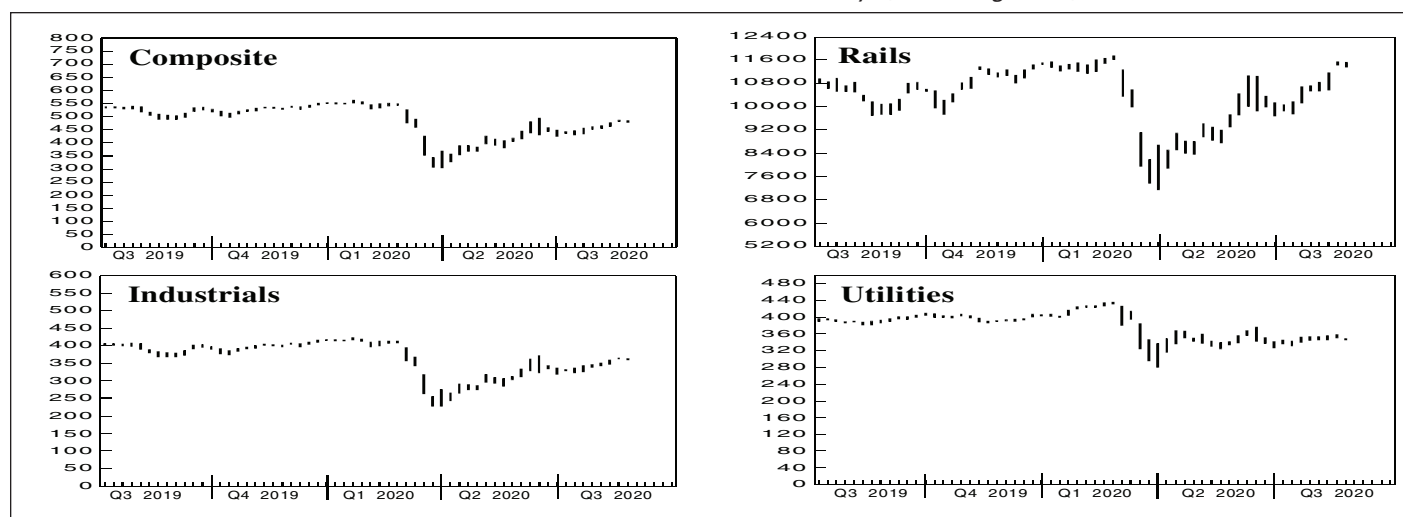
THE VALUE LINE GEOMETRIC AVERAGES

	Composite 1664 stocks	Industrials 1591 stocks	Rails 10 stocks	Utilities 63 stocks
8/12/2020	485.49	364.86	11504.29	354.99
8/13/2020	483.00	363.04	11430.52	352.08
8/14/2020	483.61	363.56	11509.22	350.62
8/17/2020	483.53	363.57	11523.36	348.79
8/18/2020	479.25	360.35	11358.84	346.44
% Change last 4 weeks	+4.3%	+4.4%	+7.1%	-0.6%

THE DOW JONES AVERAGES

	Composite 65 stocks	Industrials 30 stocks	Transportation 20 stocks	Utilities 15 stocks
8/12/2020	9208.97	27976.84	10936.10	836.74
8/13/2020	9178.77	27896.72	10886.48	834.39
8/14/2020	9183.35	27931.02	10959.54	824.87
8/17/2020	9163.87	27844.91	10952.94	823.96
8/18/2020	9125.74	27778.07	10865.12	820.37
% Change last 4 weeks	+4.6%	+3.5%	+10.8%	0.0%

WEEKLY VALUE LINE GEOMETRIC AVERAGES* (July 2, 2019–August 18, 2020)



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