

1st Quarter Recap – April 3, 2020

The first quarter of 2020 has come and gone, but it will not be forgotten any time soon. What a wild ride it was. Coming off the heels of a strong 2019, the nearly 11-year old bull market showed no signs of slowing down. Then the coronavirus came with plans of its own. Along with the arrival of the coronavirus came unprecedented volatility. 1,000-point Dow swings became the new daily normal in late February and early March. The U.S. stock market saw a 30% decline in the fewest number of trading days we have ever seen. And while we seem to have gotten a better handle on things, we are not out of the woods just yet.

Expect to see some negative news over the next few weeks as the virus peaks. The unemployment rate will rise as non-essential businesses are forced to temporarily close. Consumer confidence may dip as GDP growth stalls. Of course, there will be endless coverage of all this. However, it is important to keep in mind that most of these numbers reflect the past. We do not receive this data in real time nor is this data forward looking. The markets, though, are largely forward looking. Your thinking should be too.

As all of this data is overtaking your news stations and Facebook pages, know that jobs will come back. You will be allowed to leave your home again and people will go shopping and out to eat. New medical trials for vaccines and cures are being tested every day. Market volatility has calmed down the last few weeks. Perhaps the most encouraging sign of all? We, the people, are not being left behind as we were in 2008. Banks are strong and well-capitalized. Home values are not plummeting. The government is not standing in the background, but instead taking proactive actions by stimulating the economy through monetary and fiscal policy.

Will we see the turnaround as soon as Q2? Perhaps, but that seems up in the air at this point. But when we do beat this virus, we hope to return to the same strong economy we saw just a few months ago.

Please stay safe and healthy. We are here for you. If you need anything, please don't hesitate to call or email us.

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