A dramatic and unsettling turn of events has created chaos and uncertainty on an unprecedented scale. As recently as February 21st, investors and asset managers were optimistically positioning for an imminent rebound in the global economy. The hope was embedded in a robust US economic led growth cycle. Significant progress had been completed on global trade agreements; all the while central banks were targeting a steady rate policy for the foreseeable future. The widening spread of the coronavirus Covid-19, a disease not understood initially and essentially ignored by the US financial markets during the first few weeks of February - sparked a series of increasingly large market declines, interspersed with smaller rallies. Ultimately, as the majority of the world went into self isolation, the associated economic slowdown accelerated as the projected duration increased with incremental advancements in the understanding of infection rates and hastening impacts on the economy. The medical community and facilities have come under an increasing stain beyond any early stage projections. The only current form of remedy - self isolation and social distancing - have taken a monumental toll on the US and world economies. As of last report, layoffs around the country have soared to 3.28 million people, with an accelerating pace a given. The government response to the pandemic and economic slowdown comes in the form of the $2.2 trillion economic stimulus package. The aim is to maintain individuals and businesses with some measure of support while business activity and incomes are momentarily suspended. These are, to put it mildly, very difficult and uncertain times. We *will* get through this. It appears that most governments, businesses and individuals are doing their part to act for the greater good in order to guide us through this dark period.

The Fed has also opened the floodgates, with trillions of dollars cascading into the economy/ banking system. This will need to be unwound over time once economic activity returns to some semblance of normalcy. The process will assist in current stabilization - and promote economic activity as business resumes. A pledge to stand at the ready as needed lends some confidence to the functioning of equity and debt markets. Generally, the goal is to sustain the economy in order to avoid the tremendous job losses and years of recovery that resulted from the great recession of 2008/09. How well this works, and how deep the recession becomes is primarily dependent upon the length of our shutdown. While some indicators point to optimism, we are dealing with unknown inputs, which translate into tremendous uncertainty - something financial markets do not respond well to.

The Euro zone business activity has plumbed to its lowest level in recorded history. Global fuel demand is evaporating, at a time when Russia has decided not to cooperate with Saudi Arabia on oil production cuts – all in an apparent effort to put an end (make production uneconomical for American producers, forcing them out of business) to America's domestic production. Airlines are culling 50% of flight schedules, while Europe is cancelling 90% of its flights. Auto demand is expected to plummet from last year's pace, with global sales expected to drop more than 12%. The litany of bad news is already embedded in market prices. The purpose of this paragraph is not to add to the ongoing concerns we all are experiencing. It is to highlight what is perhaps a seriously oversold condition in what may be a temporary event. There may not be a better opportunity going forward for long term investors to buy equities than there has been over the last month - barring a wave of selling that takes out the March lows, which is possible if the effects of the pandemic and associated delay on commerce carry on longer than expected.

The event driven sharp declines have produced the worst quarterly performance for the DJIA since 1987, and the largest drop in the index for the *first quarter* since the index was formed 124 years ago. If history can be used as a guide, the annual returns following similar dramatic declines is followed by post one year returns averaging 22.75% for the DJIA, 27.79% S&P return, and 9.54% for the NASDAQ index. Volatility over the last month has been extraordinary, with the last week settling down - a positive and welcome development.

It is critically important to maintain a long term view during times of economic stress. We will emerge from this period, perhaps stronger than we entered –as many lessons are learned from a disruptive event of the current magnitude. Pent up demand is probable for many products and leisure activities once we emerge to resumption. In the interim, Biotechnology / data / medical advances and technology are playing a critical role in the global response, along with providing adaptive tools for remote learning and communication capabilities / development of vaccines/ therapies at astonishing speed. If one can control the fear of what may or may not happen, and focus on long term goals, it may make this time a little less dark. By maintaining a longer term view and maintaining plans, it may prevent a short term decision, financial or otherwise, from becoming a long term regret. Please call or email anytime, as I stand ready to assist in any way that I am able.

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