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Weekly Economic Update

April 6, 2020

In this week's recap: Continued COVID-19-related volatility in the markets as oil and energy prices sink in reaction.

THE WEEK ON WALL STREET

Modest declines in stock prices this week masked the volatile inter- and intraday price swings as investors digested poor economic data and a warning from the President that the worst days of the COVID-19 pandemic may still lie ahead.

The Dow Jones Industrial Average slipped 2.70%, while the Standard & Poor's 500 dropped 2.08%. The Nasdaq Composite Index declined 1.72%. The MSCI EAFE Index, which tracks developed overseas stock markets, slid 2.76%.¹⁻³

STOCKS SEESAW

Stock prices appeared to find some firmer footing early in the week, but then continued to trend lower as investors assessed the virus' economic toll. Manufacturing output fell into contraction territory, while jobless claims soared with a record 6.6 million Americans filing for unemployment benefits.⁴

The market's worst day followed President Trump's announcement that he was extending the social distancing guidelines, adding that conditions were likely to get worse before getting better.

Oil prices soared on Thursday after comments by President Trump that Russia and Saudi Arabia would be cutting oil production and on news that China would be buying oil to add to its strategic reserve. Stock prices were pulled higher by the rebound in oil prices, but turned lower once again, falling under the weight of weak economic data.

OVERLOOKED TROUBLES IN THE OIL PATCH

The health and economic impact of COVID-19 has dominated the news cycle, and appropriately so. But a less-publicized story is the building stress in America's energy industry.

Oil prices are depressed, which has left many U.S. producers that have substantial debt obligations in a precarious financial position. Just this week, a publicly traded oil company filed for bankruptcy protection, a potential precursor of more to follow.

Widespread failure in the oil patch may aggravate economic problems through the elimination of high-paying jobs, lower capital expenditures, and capital losses for bondholders.

TIP OF THE WEEK



Money is never an end in itself, merely a tool that can help you reach your goals. Linking your financial goals with your life goals may lead to improved control of your business and personal finances.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: JOLTS (Job Openings and Labor Turnover) Survey.

Wednesday: FOMC (Federal Open Market Committee) Minutes.

Thursday: Jobless Claims for Unemployment.

Friday: Consumer Price Index.

Source: Econoday, April 3, 2020

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Wednesday: Delta Airlines (DAL).

Thursday: Rite-Aid (RAD).

Friday: First Republic Bank (FRC).

Source: Zacks, April 3, 2020

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Any investment should be consistent with your objectives, time frame and risk tolerance. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

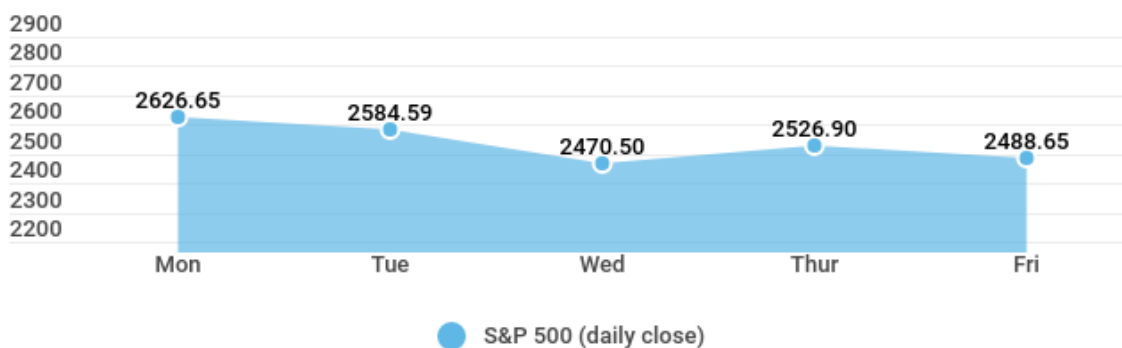
QUOTE OF THE WEEK




“The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.”

ALVIN TOFFLER

Market Index	Close	Week	Y-T-D
DJIA	21,052.53	-2.70%	-26.23%
NASDAQ	7,373.08	-1.72%	-17.83%
MSCI-EAFE	1,506.66	-2.76%	-26.03%
S&P 500	2,488.65	-2.08%	-22.97%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.60%	-0.10%	-1.32%

Sources: The Wall Street Journal, April 3, 2020; Treasury.gov, April 3, 2020

The market indexes discussed are unmanaged and generally considered representative of their respective markets. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite is measured from the close of trading on Friday, March 27 to the Friday, April 3 close. Weekly performance for the MSCI-EAFE is measured from the Friday, March 27 open to the Thursday, April 2 close. U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

THE WEEKLY RIDDLE



Can you name six or more starting with the letter S things that you can wear on your feet?

LAST WEEK'S RIDDLE: What famed North American landmark is constantly moving lower and moving backward?

ANSWER: Niagara Falls (the rim is worn down about 2.5' each year because of the millions of gallons of water that rush over it every minute).

Know someone who could use information like this?

Please feel free to send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

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CITATIONS:

- 1 – The Wall Street Journal, April 3, 2020.
- 2 – The Wall Street Journal, April 3, 2020.
- 3 – The Wall Street Journal, April 3, 2020.
- 4 – The Wall Street Journal, April 2, 2020.

CHART CITATIONS:

- The Wall Street Journal, April 3, 2020.
- The Wall Street Journal, April 3, 2020.
- Treasury.gov, April 3, 2020.