



Basile Financial Group, Inc.

2454 N. McMullen Booth Rd., Ste 700

Clearwater, FL 33759

www.basilefinancial.com

727.465.8880

Weekly Economic Update

May 11, 2020

In this week's recap: unemployment reaches an historic high, while stocks climbed in response to economic re-openings.

THE WEEK ON WALL STREET

Despite an historic downturn in employment, stocks managed to climb higher last week as investors were emboldened by the pace of economic re-openings here and abroad.

The Dow Jones Industrial Average gained 2.56%, while the Standard & Poor's 500 advanced 3.50%. The Nasdaq Composite Index jumped 6.00% for the week. The MSCI EAFE Index, which tracks developed overseas stock markets, slipped 1.09%.^{1,2,3}

TECH STOCKS POWER NASDAQ

Last week's trading was driven by a crosscurrent of emotions — worries about weak corporate earnings and pace of business re-openings as well as optimism over the pickup in economic activity and progress on developing a vaccine.

Stocks posted back-to-back daily gains to end the week despite troubling employment data. Perhaps the headline of the week was that the technology-heavy NASDAQ Composite Index moved into positive territory year-to-date.^{1,2}

A "SILVER LINING" IN THE JOBS REPORT?

Last week brought into stark focus the number of jobs lost since the start of the economic shutdown. Since mid-March, unemployment insurance claims have reached 33.5 million. The pace of newly unemployed has slowed down, however, with recent weeks at about half the rate at the peak in late March.^{4,5}

April's employment report, released on Friday, saw a spike to 14.7% in the unemployment rate. As severe as these numbers may be, 88% of April's newly unemployed characterized their job loss as temporary rather than permanent, as opposed to 47% of the newly unemployed in March who said their job loss was temporary.^{6,7}

TIP OF THE WEEK



Do you and your spouse have very similar investment portfolios? As a couple, you might want to approach the goal of investment diversification from a joint (rather than strictly individual) viewpoint.

THE WEEK AHEAD: KEY ECONOMIC DATA

Tuesday: Consumer Price Index.

Thursday: Jobless Claims.

Friday: Retail Sales; Industrial Production.

Source: Econoday, May 8, 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

Monday: Under Armour (UAA), Simon Property (SPG), Caesars Entertainment (CZR).

Wednesday: Cisco Systems (CSCO).

Source: Zacks, May 8, 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.

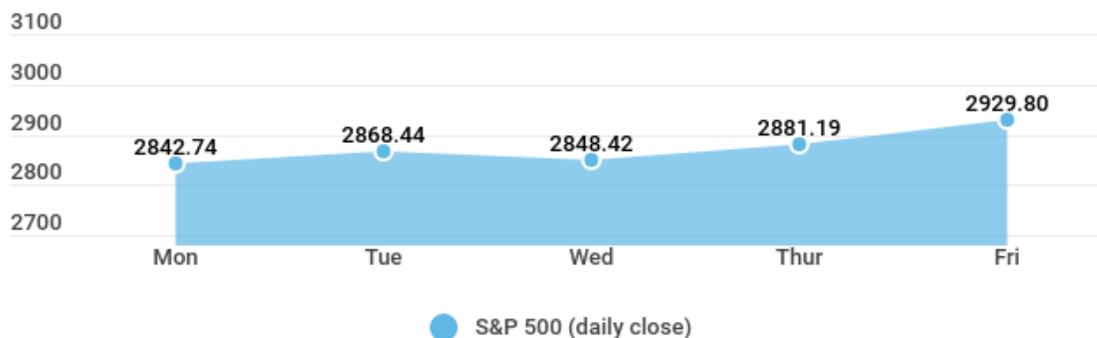
QUOTE OF THE WEEK



“Laughter is inner jogging.”

NORMAN COUSINS

Market Index	Close	Week	Y-T-D
DJIA	24,331.32	+2.56%	-14.74%
NASDAQ	9,121.32	+6.00	+1.66%
MSCI-EAFE	1,617.93	-1.09%	-20.57%
S&P 500	2,929.80	+3.50%	-9.32%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.69%	+0.05%	-1.23%

Sources: The Wall Street Journal, May 8, 2020; Treasury.gov, May 8, 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, May 1 to the Friday, May 8 close. Weekly performance for the MSCI-EAFE is measured from the Friday, May 1 open to the Thursday May 7 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



You buy 10 shrubs. How can you plant them in five rows with four in each row?

LAST WEEK'S RIDDLE: Can you name three words in everyday English that begin with the letters "dw"?

ANSWER: Any three of these five words will do: dwell, dwelling, dwarf, dweeb, and dwindle.

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, May 8, 2020
- 2 – The Wall Street Journal, May 8, 2020
- 3 – The Wall Street Journal, May 8, 2020
- 4 – CNBC, May 6, 2020
- 5 – CNBC, May 6, 2020
- 6 – The Wall Street Journal, May 8, 2020
- 7 – The Wall Street Journal, May 8, 2020

CHART CITATIONS:

- The Wall Street Journal, May 8, 2020
- The Wall Street Journal, May 8, 2020
- Treasury.gov, May 8, 2020