

## Americans Come Together as Markets Close Out Worst Quarter Since 1987

Stock markets around the world are trying to stabilize after the historic drop we have seen this month. Swings of 4% a day have been the rule for more than three weeks now. The S&P 500 enters the last day of March down 19% for the year and down 12.5% for the month. This makes the first quarter of 2020 the worst quarter for U.S. equities since 1987. As bad as this sounds, we have rebounded more than 15% since the closing low seen on March 23. These facts alone evidence the extreme volatility we are experiencing. The panic selling appears to have abated for the time being. For markets to continue to recover, we either need to see a medical solution to the coronavirus, or a plausible timeline to the quarantine. If the current situation lasts months rather than weeks, the economic damage will be profound and is likely to result in much lower stock prices. The number of unemployment claims filed last week is beyond anything ever seen. This week's number is likely to be even larger. The loss of earnings and output by our working population is incredible. The consumer makes up 70% of our economy. If 20% of those consumers are without a job for a sustained period, we are in for a world of hurt. I read over the weekend that 1 in 3 families have lost a job due to the coronavirus, and according to many, we are at only at the very beginning of the rise in cases here in the U.S. Scary stuff indeed.

Now for some good news. Last week we discussed the incredible resilience of our country and our fellow citizens. Don't ever bet against American ingenuity. We are seeing some of that begin to take shape right now. Wartime powers are being implemented to convert our biggest industries into manufacturers of critical medical supplies. Our largest pharmaceutical companies are devoting all available resources to developing not only a vaccine, but also a treatment. Our healthcare workers are showing incredible devotion and courage - literally putting their lives on the line for the rest of us. The fortunate are donating to the less fortunate. Helping hands are being extended all around us (I apologize for the untimely metaphor). Our country is beginning to come together.

At the end of the day, I believe we are going to need help from science to stop the ongoing loss of life and associated economic destruction. How long that takes will determine the economic damage to our country. We will ultimately come out stronger, with renewed appreciation for our families, our freedom and our health.

Last week's commentary can be found [here](#).



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