



## Market Commentary May 4, 2020

### Dear Investors:

There are signs COVID-19 may be in retreat.

Last week, the *Centers for Disease Control* reported, overall in the United States, for the week ending April 25 (officially week 17 of the coronavirus), the number of:

- People visiting healthcare providers with COVID-19 symptoms declined.
- Positive tests at public health, clinical, and commercial laboratories declined or remained similar.
- Deaths attributed to pneumonia, influenza, or COVID-19 declined, too, although the percentage remains above normal.

This is good news since some states are beginning to reopen.

Last week, the *Bureau of Economic Analysis* reported on the early economic impact of COVID-19 and shelter-in-place orders, which were implemented to prevent healthcare systems from being overwhelmed by COVID-19 patients. The U.S. economy contracted 4.8 percent during the first quarter of 2020.

The contraction is expected to be more significant for the second quarter. *FactSet* estimates the U.S. economy will shrink 27.0 percent, quarter-to-quarter, and finish the year down 3.0 percent overall. That suggests a strong rebound in economic growth as the country gets back to work.

Despite the economic contraction, U.S. stocks finished April with the biggest monthly gain since 1987, reported Colby Smith and colleagues at *Financial Times (FT)*. April's gains were partly the result of fiscal and monetary support, according to *FT*. The publication cited a global markets strategist who, "...attributed [April's] rally in part to the U.S. Congress and the Federal Reserve extending enormous support to the economy and financial markets in the form of relief packages and emergency lending measures."

4100 Embassy Parkway, Suite 100, Akron, Ohio 44333-1783  
330-434-2000 / Fax: 330-665-1515  
[www.symphony-financial.com](http://www.symphony-financial.com)

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The Fed isn't the only central bank providing unusual support in these uncertain times. The European Central Bank and the Bank of Japan also announced significant lending and bond buying programs last week, reported Dion Rabouin of *Axios*.

Data as of 5/1/20	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-0.2%	-12.4%	-3.2%	5.8%	6.1%	8.9%
Dow Jones Global ex-U.S.	3.3	-19.2	-14.8	-3.2	-2.6	0.6
10-year Treasury Note (Yield Only)	0.6	NA	2.5	2.3	2.1	3.7
Gold (per ounce)	-1.7	10.7	31.4	10.3	7.5	3.6
Bloomberg Commodity Index	0.8	-25.0	-24.5	-10.3	-10.1	-7.7

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, MarketWatch, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

**WHAT DO YOU GET WHEN YOU COMBINE PARENTS, CHILDREN, HOMESCHOOLING, AND REMOTE WORK?** Here are some quotes about pandemic life curated from social media by *Fast Company*, *BoredPanda*, *Buzzfeed*, and *Today*:

- “If you had asked me what the hardest part of battling a global pandemic would be, I would have never guessed, ‘teaching elementary school math.’” – Simon Holland
- “Homeschooling update day 9: Today we did maths. If you have three kids, and they are awake roughly 13 hours in the day, and you’re trying to work from home, how many times will you hear the word ‘snack’? – ThreeTimeDaddy
- “Day 3 of quarantine and distance learning from home: 6-year-old writes biography titled, ‘Why I Hate My Family’” – Z
- “My coworker suggested I work from his fort.” – Sam
- “Boss: I need you to-  
[Four kids run by: one on fire, one naked, two in ski masks and capes]  
Boss: Never mind” – Rodney
- “I know the C-Virus is scary but try working with a 4-year-old dressed like Spiderman perched on the kitchen table behind you whispering, ‘Can you hear me breathe?’” – Krista Myers Duzan
- “The first hour of homeschooling started out strong, with some great reading comprehension exercises, and concluded with an epic tantrum over the fact that she can't watch Frozen 3 because it does not exist.” – Jeff Kosseff
- “...been homeschooling a 6-year-old and an 8-year-old for one hour and 11 minutes. Teachers deserve to make a billion dollars a year. Or a week.” – Shonda

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How is your homeschooling and/or remote work experience going?

## Weekly Focus – Think About It

“Rule a kingdom as if cooking a small fish,” he once told me. “If you interfere with it too much while cooking, it will fall apart and be inedible.”

--Solala Towler, *Tales from the Tao: The Wisdom of the Taoist Masters*

Best regards,

## SYMPHONY FINANCIAL SERVICES, INC.

P.S. Please feel free to forward this commentary to family, friends, or colleagues. If you would like us to add them to the list, please reply to this email with their email address and we will ask for their permission to be added.

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- \* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.
- \* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.
- \* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.
- \* All indexes referenced are unmanaged. The volatility of indexes could be materially different from that of a client's portfolio. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment. You cannot invest directly in an index.
- \* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.
- \* The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.
- \* Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.
- \* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.
- \* The DJ Equity All REIT Total Return Index measures the total return performance of the equity subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.
- \* The Dow Jones Industrial Average (DJIA), commonly known as “The Dow,” is an index representing 30 stock of companies maintained and reviewed by the editors of The Wall Street Journal.
- \* The NASDAQ Composite is an unmanaged index of securities traded on the NASDAQ system.

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- \* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.
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- \* Asset allocation does not ensure a profit or protect against a loss.
- \* Consult your financial professional before making any investment decision.

Sources:

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