

WEEKLY MARKET COMMENTARY

For the Week of April 13, 2020

THE MARKETS

Stocks closed higher on the final trading day before the holiday weekend. Investors appeared to dismiss jobless numbers and focus on the Federal Reserve's announcement of new measures to provide \$2.3 trillion in additional aid to local governments and businesses crushed by widespread closures. The main indexes recovered around half the losses they suffered in late March. For the week, the Dow rose 10.82 percent to close at 23,719.37. The S&P gained 10.46 percent to finish at 2,789.82, and the NASDAQ climbed 8.90 percent to end the week at 8,153.58.

Returns Through 4/09/20	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	10.82	-16.32	-7.04	7.22	8.35
NASDAQ Composite (PR)	8.90	-8.87	4.20	12.73	11.64
S&P 500 (TR)	10.46	-13.15	-1.11	7.93	8.13
Barclays US Agg Bond (TR)	0.67	4.01	10.12	5.06	3.53
MSCI EAFE (TR)	8.30	-20.32	-13.31	-0.56	-0.55

Source: Morningstar.com. *Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond, NASDAQ and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. (TR) indicates total return. MSCI EAFE returns stated in U.S. dollars.

To Near Zero — The Fed cut its key benchmark interest rate to zero-to-0.25 percent on March 15. The only other time in American history that the Fed has cut rates to near zero was on Dec 16, 2008, a level that was maintained for seven years until it raised rates by 0.25 percentage points on Dec. 16, 2015 (source: Federal Reserve, BTN Research).

Bonds — Long-dated Treasuries produced a 32.6 percent total return over the year ending March 31. The Bloomberg Barclays Long U.S. Treasury Index, which includes all Treasury securities with a remaining maturity of at least 10 years and having at least \$250 million of outstanding face value, was used as the proxy (source: Bloomberg, BTN Research).

No Job — First-time jobless claims for the week ending Feb. 1 were 201,000, its lowest level since Nov. 15, 1969. Just seven weeks later, jobless claims for the week ending March 21 were 3.283 million, a U.S. record (source: DOL, BTN Research).

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WEEKLY FOCUS – What You Should Know About CARES Stimulus Checks

The third COVID-19 stimulus package, the Coronavirus Aid, Relief and Economic Security (CARES) Act, which passed March 27, includes stimulus checks to qualifying individuals (\$1,200), married couples filing jointly (\$2,400) and parents with children under 17 (\$500 for each child).

Who qualifies: To receive a check, you must be a U.S. citizen or legal resident, have a Social Security number and have reported income within the bill's guidelines on your 2019 federal tax return (or your 2018 tax return if you haven't filed for 2019). Those guidelines are: Individuals who filed an adjusted gross income up to \$75,000 and married couples filing jointly with adjusted gross income up to \$150,000 receive the full amount. Childless individuals with income above \$75,000 but not over \$99,000 and couples with income above \$150,000 but not exceeding \$198,000 will receive reduced amounts.

Who doesn't qualify: Young adults whose parents claim them as dependents will not receive any cash. Individuals who receive Social Security or Veterans Affairs disability payments are not eligible if their parents claim them as dependents. Senior citizens who live with family members who claim them as dependents also won't receive a check.

High-earning individuals who lost their job in 2020 will not qualify if their 2019 income was above the guidelines. But they will receive a tax credit on their 2020 taxes. Parents who had a baby in early 2020 will not see a \$500 check for the child but will receive a \$500 tax credit on their 2020 taxes. A divorced parent who didn't claim their child on their last return won't receive a payment for the child.

What you need to do: As long as you filed a return and your direct deposit information hasn't changed, you don't need to do anything other than watch for the deposit beginning in mid-April. If the IRS doesn't have your direct deposit information, you can wait for a check in the mail or enter bank information on a portal the IRS will create. If you divorced after filing a joint return, the check will be deposited to the bank account listed on your joint return unless the information is updated.

If you have questions about other ways the CARES Act may affect you or concerns about market volatility, please feel free to call. While our method or location may change, we're here to serve you.

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* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America, Copyright April 2020. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI#3038730.1