



Markets React to Oil Prices

Weekly Update – April 27, 2020

The Week on Wall Street

Stock prices bounced around last week as investors reacted to wild swings in the price of oil and reports that called into question the efficacy of two potential virus treatments.

The Dow Jones Industrial Average retreated 1.93%, while the Standard & Poor's 500 lost 1.32%. The Nasdaq Composite Index slipped 0.18%. The MSCI EAFE Index, which tracks developed overseas stock markets, declined 1.21%.^{1,2,3}

Oil Wavers, Promising Virus Treatments Disappoint

Stocks opened the new week lower on the heels of a plunge in oil prices that saw the May oil futures contract fall into negative territory. While negative prices were largely reflective of technical issues associated with trading the contracts rather than the actual price of oil, the unprecedented move unsettled investors.

Stocks found some positive momentum as the week wore on, buoyed by corporate earnings reports that showed solid performance amid a challenging environment.

On two separate days, however, solid moves to the upside were derailed by disappointing news on promising COVID-19 treatments. One drug failed to produce positive results in its first trial, followed the next day by an FDA warning against taking chloroquine and hydroxychloroquine to treat COVID-19. Stocks managed to rally and trim the week's losses during the market's final hours on Friday.

The Economic Reopening Begins

States across the nation, including Georgia, Tennessee, South Carolina, and Texas, have begun the process of slowly reopening commerce, while Montana's governor announced the first phase of restarting its economy.^{4,5}

Each state is taking a different approach, potentially serving as a laboratory to help guide other states in their efforts to reopen businesses. From the market's perspective, these early steps are not only hopeful signs that the journey to normalization may have begun, but they may provide important clues to how quickly business activity can rebound and the degree to which individuals resume social engagement – two important metrics that may influence the market in the weeks ahead.

THIS WEEK: KEY ECONOMIC DATA

Wednesday: Gross Domestic Product (GDP). Federal Open Market Committee (FOMC) Meeting Announcement.

Thursday: Jobless Claims.

Friday: Purchasing Managers Index (PMI): Manufacturing Index. Institute for Supply Management (ISM) Manufacturing Index.

Source: Econoday, April 24, 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.

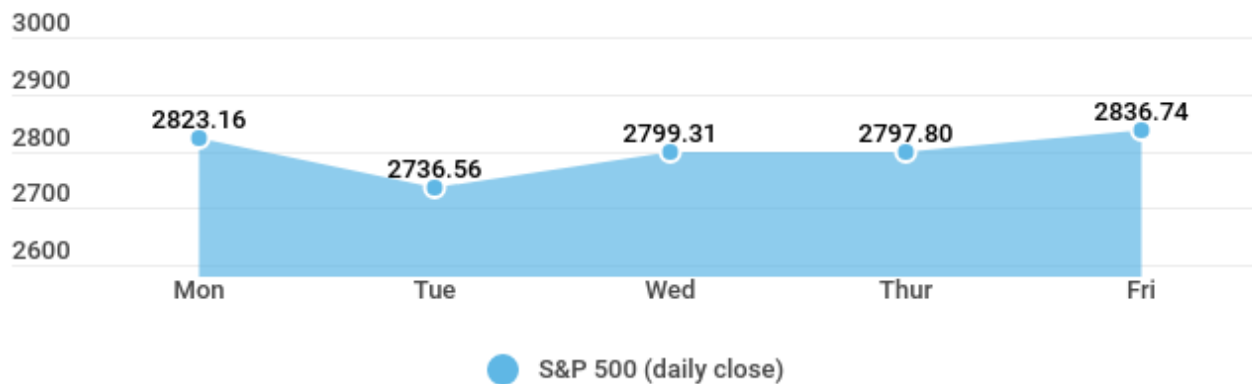
THIS WEEK: COMPANIES REPORTING EARNINGS

Tuesday: Advanced Micro Devices (AMD), Ford Motor Company (F), Pfizer (PFE), Caterpillar (CAT), Starbucks (SBUX), Merck & Co. (MRK), United Parcel Service (UPS), D.R. Horton (DHI)
Wednesday: Microsoft (MSFT), Facebook (FB), Boeing (BA), Tesla (TSLA), Qualcomm (QCOM)
Thursday: Apple (AAPL), Amazon (AMZN), Visa (V), McDonald's (MCD), Gilead Sciences (GILD)
Friday: Exxon Mobil (XOM), Chevron (CVX), Clorox (CLX), Abbvie (ABBV)

Source: Zacks, April 24, 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.

Market Index	Close	Week	Y-T-D
DJIA	23,775.27	-1.93%	-16.69%
NASDAQ	8,634.52	-0.18%	-3.77%
MSCI-EAFE	1,602.60	-1.21%	-21.32%
S&P 500	2,836.74	-1.32%	-12.20%



Treasury	Close	Week	Y-T-D
10-Year Note	0.60%	-0.05%	-1.32%

Sources: The Wall Street Journal, April 24, 2020; Treasury.gov, April 24, 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, April 17 to the Friday, April 24 close. Weekly performance for the MSCI-EAFE is measured from the Friday, April 17 open to the Thursday April 23 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.

QUOTE OF THE WEEK



"The most wasted of days is one without laughter."

– E. E. Cummings

RECIPE OF THE WEEK



Classic Tomato and Bread Soup



Serves 6

Ingredients:

- 1 medium onion
- 4 Tbsp. olive oil (divided)
- 4 to 6 cloves garlic, minced
- 2 28-oz. cans whole, peeled tomatoes
- 2 to 3 bay leaves
- 2 cups of chicken stock
- 1½ cups of cubed, rustic bread (best to use day old)
- 1 tsp. dried oregano
- Pinch of chili flakes
- Approximately ½ tsp. salt, to taste
- Fresh ground pepper, to taste
- Freshly grated Parmesan cheese
- Chopped fresh basil or parsley, for garnish

Directions:

1. Begin by adding the olive oil to a 5- to 6-qt. Dutch oven, warmed on medium heat. Sauté onions until translucent. Then, season with salt and pepper, add minced garlic, and cook for a few additional minutes.

2. Next, crush the tomatoes by hand and transfer into the pot.
3. Add the chicken stock, bay leaves, and dried oregano. Heat to a simmer, then reduce heat to maintain a low simmer. Cook for about 20 minutes.
4. Warm up a large frying pan on medium heat and add the remaining olive oil to a sauté pan. When the oil is hot, evenly spread the cubed bread in the pan. Toss to coat with oil and brown the sides of the bread evenly.
5. After the soup has cooked for approximately 20 minutes, add the browned bread cubes. Cook for about 5 more minutes, then turn off the heat, cover the soup, and let stand for 15 minutes. Remove the lid, then extract the bay leaves and discard.
6. Set aside about $\frac{1}{3}$ of the soup. Purée the rest with an immersion blender or pour it into a food processor and blend until smooth. Incorporate the blended and unblended soup. Pour into bowls and serve with grated Parmesan and chopped fresh parsley or basil.

Recipe adapted from Simply Recipes⁶



Selling Your Home?

If you're putting your home on the market, you may be able to manage taxes on some of your capital gains. Read on to see what the IRS regulations say.

If you show a capital gain on the sale of your home, you may be able to exclude all or a portion of the gain from your taxes if you have owned and used it as your primary residence for at least two out of the past five years.

Assuming you meet the criterion stated above, you may exclude up to \$250,000 from your taxes if you're a single filer (or up to \$500,000 if you're filing jointly). This exclusion may be used no more than once every two years. (Please note that the Net Investment Income Tax will not apply to the excluded gain.)

Keep in mind that this tip is for informational purposes only. Be sure to consult your tax or accounting professional for more information about the possible tax treatments when selling a home.

Please be aware that if you claimed the first-time homebuyer credit when purchasing your home, special rules may apply to the sale. If you'd like to read more about tax rules when selling a home, you can check out Form 523 on [IRS.gov](https://www.irs.gov).

* This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.

Tip adapted from IRS.gov⁷



Hitting a Lob Shot

Do you have to get out of some thick rough close to the hole, without much green to work with? Do you need to get your ball over a bunker, then land it softly? These situations call for lob shots, which are not that hard to hit.

A lob shot is akin to a cut shot. To hit a good lob, take a wide stance, open the clubface, and play the ball off your left instep with your weight shifted a bit onto your right foot. Your grip should be loose and relaxed. Your wrists should cock sharply as soon as you take the club back. Your hands should be quiet on the downswing. Lob shots ultimately have a lot to do with feel, so practice these shots to acquaint your mind and muscles with what needs to happen.

Tip adapted from Tom's Golf Tips⁸



Our Furry Friends Can Improve Our Health

Did you know having one or more companion animal in your life may be beneficial to your health? This tip is not a substitute for medical advice, especially for those who may have allergies to certain animals. Let's explore how.

Studies have correlated our fluffy family members:

- Lower blood pressure
- Healthy blood lipid levels
- More exercise and time outdoors
- Increased social engagement

While adopting an animal means increased responsibilities, if you've been looking for a reason to bring one home, the health advantages above may be worth considering.

Tip adapted from CDC.gov⁹



Switching to Reusable Baggies

Plastic baggies are a staple in almost every kitchen. From using them to marinate steaks to storing leftovers in the freezer, they're handy to have around. But they're also harmful to the environment. Each year, millions of plastic baggies end up in landfills, and millions more end up in our oceans.

Believe it or not, there are reusable alternatives that work just as well. Reusable baggies made of silicone come in a variety of sizes and can be used just as easily as plastic baggies can. Some are even dishwasher and microwave safe, making reheating and clean-up a snap. Best of all? No need to repack your lunch the next day. Just throw a few prepacked reusable baggies into your lunch bag, and you're set for the day.

Tip adapted from Good Housekeeping¹⁰

Share the Wealth of Knowledge!

*Please share this market update with family, friends, or colleagues.
If you would like us to add them to our list,
simply click on the "Forward email" link below. We love being introduced!*

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Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

Diversification does not guarantee profit nor is it guaranteed to protect assets.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

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 average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indices from Europe, Australia, and Southeast Asia.

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.

Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

Past performance does not guarantee future results.

You cannot invest directly in an index.

Consult your financial professional before making any investment decision.

Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

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¹ The Wall Street Journal, April 24, 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. 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.

² The Wall Street Journal, April 24, 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. 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.

³ The Wall Street Journal, April 24, 2020

⁴ US News & World Report, April 21, 2020

⁵ US News & World Report, April 22, 2020

⁶ SimplyRecipes.com, April 23, 2020

⁷ IRS.gov, February 6, 2020

⁸ Tom's Golf Tips, April 23, 2020

⁹ CDC.gov, April 23, 2020

¹⁰ Good Housekeeping, April 23, 2020

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