



Good morning!

It was an unexpected bull market that began just over 11 years ago on the heels of a brutal 17-month, 57% decline in the S&P 500 index. Premature calls for the bull's demise became routine throughout 14 drops of at least 5% during the 11-year run, including 6 declines of at least 10% and 3 falls of at least 15%. The bull market started in the 3rd month of the Obama White House and lasted more than 3 years into the Trump administration. When the bull run finally came to an end last Thursday, the gain for the S&P 500 from its "trough-to-peak" was +529% (total return) or +18.3% per year, making it the longest running stock bull market since the end of WWII (source: BTN Research).

It may have been just a difference of opinion as to how to proceed in the face of declining global oil demand, but the 2 oil producing superpowers (Saudi Arabia and Russia) turned the disagreement into a playground brawl. Saudi Arabia wanted the OPEC+ alliance (which includes Russia) to cut production, theoretically driving the price of oil higher. Russia balked at the plan, causing Saudi Arabia to strike back by decreasing its official price of oil while announcing plans to increase its production to a record 13 million barrels a day, apparently in order to punish Russia. The net result: the price of oil closed last week at \$31.73 a barrel, down 48% from the end of 2019 (source: BTN Research).

The Fed announced on Thursday 3/12/20 that it would inject \$6.5 trillion of 1-month and 3-month loans into the short-term "repo" market through Friday 4/17/20. The "repo" market has been dependent on the Fed for assistance to ensure market liquidity since September 2019, key to avoiding a panic that can occur if a "seller" cannot quickly find a "buyer" without cutting the price of the asset they hold (source: BTN Research).

Notable Numbers for the Week:

1. **WHEN INTEREST RATES COLLAPSE** - Long-dated Treasury bonds produced a **gain of +46.4%** (total return) on a **trailing 1-year basis** as of the close of trading last Monday 3/09/20 (source: Barclays).
2. **THE SICKEST AMONG US** - Just 1% of the US population is **responsible for 22% of total health care spending** in the country, i.e., 1% of our 329 million population (3.3 million people) create **\$800 billion** of health care expenses or an average of **\$242,000 per person per year** (source: Brookings).
3. **THEY VOTE** - 9.8% of eligible voters for the **2020 presidential election** were **born outside of the USA** but have since legally **become US citizens**, a total of **23 million immigrants** (source: Census Bureau).
4. **I GOT THE FLU** - During the **2018-2019 flu season** in the United States (approximately November 2018 through mid-April 2019), **35.5 million Americans got sick** with the flu, 16.5 million saw a health care provider, 490,600 were hospitalized and **34,200 died from the flu** (source: Center for Disease Control).

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