
Markets Rally

Weekly Update – April 13, 2020

The Week on Wall Street

The stock market staged a broad rally this week, buoyed by the prospect that COVID-19's grip on the nation may be easing and news of another Federal Reserve program to help stabilize businesses.

The Dow Jones Industrial Average jumped 12.67%, while the Standard & Poor's 500 climbed 12.10%. The Nasdaq Composite Index rose 10.59% for the week. The MSCI EAFE Index, which tracks developed overseas stock markets, advanced 6.32%.^{1,2,3}

A Change in Sentiment

Market sentiment took a more hopeful turn on news of an apparent peaking of cases in Italy and New York State. Investors also welcomed comments by Dr. Anthony Fauci that the start of a turnaround in the outbreak is close at hand.

The S&P 500 Index surged 7.03% to start the week and added to gains as the week progressed. Positive trends in COVID-19 cases, an agreement between Russia and Saudi Arabia to cut oil production, and the Fed's unveiling of a \$2.5 trillion loan program to assist small and midsize businesses fueled the rally.^{4,5}

Credit Markets Stabilize

As the economy shut down in March, credit markets began to exhibit deep stresses. A functional bond market is essential to economic and financial health, which is why the Federal Reserve initiated a number of actions aimed at helping them to operate.

Intervention by the Fed appears to have helped. A raft of new bond offerings may be signaling that investors are now willing to take on more risk. Last week, 11 investment-grade companies sold nearly \$20 billion in bonds.⁶

A stable credit market helps the stock market, and while the bond market is not yet out of the woods, its improving health is a positive sign.

Final Thought

One of the major challenges for investors in the last month has been determining realistic stock valuations amid uncertainty over corporate earnings. With earnings season about to unfold, investors may be able to better gauge the impact of the pandemic on company profits. Investors will get to hear from corporate leaders about the state of their businesses and possibly their outlook for the next few quarters. This

may help fill in the gap that currently exists but what remains uncertain is whether that information proves to be positive or negative for the market.

THE WEEK AHEAD: KEY ECONOMIC DATA

Wednesday: Retail Sales. Industrial Production.

Thursday: Housing Starts. Jobless Claims.

Friday: Index of Leading Economic Indicators.

Source: Econoday, April 9, 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.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Tuesday: Johnson and Johnson (JNJ), JP Morgan Chase (JPM), Wells Fargo (WFC)

Wednesday: Bank of America (BAC), UnitedHealth Group (UNH), Citigroup (C), Goldman Sachs (GS)

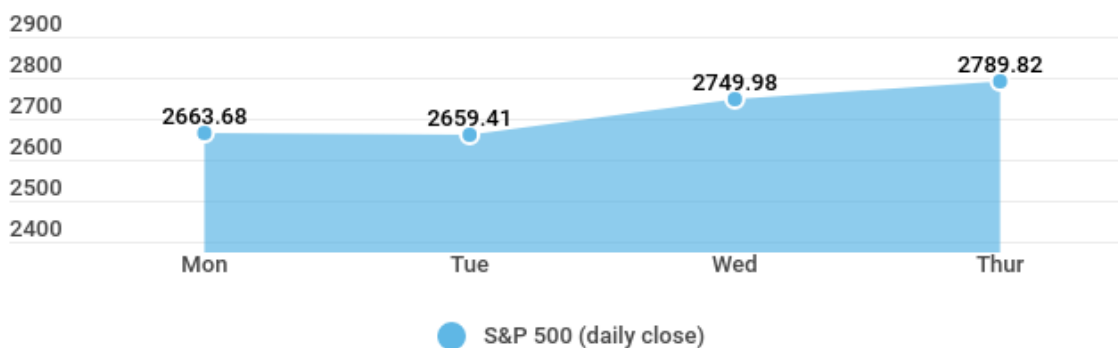
Thursday: Blackstone Group (BX), Taiwan Semiconductor (TSM), Abbott Laboratories (ABT)


Friday: Schlumberger (SLB), Kansas City Southern (KSU)

Source: Zacks, April 9, 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	23,719.37	+12.67%	-16.89%
NASDAQ	8,153.58	+10.59%	-9.13%
MSCI-EAFE	1,581.06	+6.32%	-22.38%
S&P 500	2,789.82	+12.10%	-13.65%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.73%	+0.13%	-1.19%

Sources: The Wall Street Journal, April 9, 2020; Treasury.gov, April 9, 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 3 to the Thursday, April 9 close. Weekly performance for the MSCI-EAFE is measured from the Friday, April 3 open to the Wednesday April 8 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



“A good compromise is one where everybody makes a contribution.”

– Angela Merkel

RECIPE OF THE WEEK



Seared Scallops



Serves 4

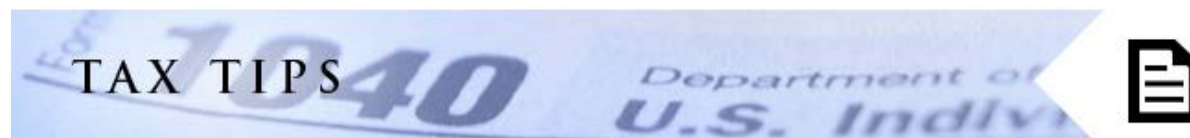
Ingredients:

- 2 Tbsp. extra virgin olive oil
- 1¼ lbs. scallops, fresh
- 3 Tbsp. unsalted butter, cubed
- 1½ Tbsp garlic, minced
- Salt and pepper, to taste
- ¼ cup broth or dry sherry
- 2 Tbsp. lemon juice
- ¼ cup parsley, chopped

Directions:

1. Remove side muscle from scallops, if attached.
2. Pat dry with paper towels.
3. Heat oil over medium-high heat until sizzling.
4. Add scallops in batches without overcrowding.
5. Season with salt and pepper and cook until lightly browned on each side, about 2 to 3 minutes.
6. Transfer seared scallops to plate.
7. In the same pan, melt 2 Tbsp. of butter, mixing with browned leftovers from scallops.
8. Add garlic and cook for one minute.
9. Pour in broth/sherry and simmer for 2 minutes.
10. Add remaining butter and lemon juice, then stir.
11. Remove pan from heat, return the scallops and gently toss in butter mixture.
12. Garnish with parsley and serve over rice, pasta, or steamed vegetables.

Recipe adapted from cafedelites.com⁷



You May Be Able to Deduct Childcare Expenses

If you pay for childcare, so that you can work or look for a job, you may be able to deduct those expenses on your federal tax return. Here's what the IRS wants you to know:

- You can only deduct expenses for the care of a qualifying dependent, such as a child under age 13.
- You must be paying for care that allows you or your spouse to work.
- Qualifying care includes home care, daycare, or a day camp. Overnight camps, summer school tutoring, or care by other dependents do not qualify.
- You must have earned income in the year that you incur childcare expenses. The expense limit is \$3,000 for one qualifying dependent or \$6,000 for two or more.

For more information about deductions for dependent care, visit IRS.gov or consult a qualified tax advisor.

* 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.gov⁸



Where's Your Golf GPS Watch?

No, you don't have to own a golf GPS watch to enjoy a round – but once you get one, you might wonder how you ever managed to play well without it. Wearing a golf GPS watch is almost like having a pro and a caddy at your side for all 18 holes.

How far is it to the pin, and how much carry do you need to get over that ravine? The watch can tell you. How is your putting form today? Check your watch. You've never played this course before; would you like a hole-by-hole breakdown? Your watch probably has one (the best-hold data on 30,000 to 40,000 layouts). For about the price of a cheap PC, these timepieces provide a world of information, while keeping score – and most are tough and waterproof. Think about buying one.

Tip adapted from T3.com⁹



Powered by Plants

Plant-based meals have increased in popularity over the years, but for those who might be skeptical about how to meet their daily nutritional needs, especially protein, read on to learn more. But one quick note before you do: this information isn't a substitute for medical advice. Be sure to consult your health provider and registered dietitian before making alterations to your diet.

Some of the best options for plant-based protein include:

- **Soy products.** Tofu, tempeh, soy milk, and edamame are all great options, and they're rich in unsaturated fats, vitamins, and minerals.
- **Legumes.** Beans, chickpeas, lentils, and peanuts are packed with protein, high in magnesium and other micronutrients, and full of fiber.
- **Nuts and seeds.** Almonds, pumpkin seeds, chia seeds – just to name a few.
- **Some whole grains.** Quinoa, amaranth, and teff are all good choices.
- **Wheat gluten.** If you can tolerate gluten, seitan can be a fantastic substitute for meat.

Now that you have the raw ingredients, look for recipe ideas on sites like Pinterest. You might even discover your next favorite meal.

Tip adapted from MedicalNewsToday.com¹⁰



Spring Clean Your Refrigerator

Is your spring cleaning in full swing? Don't forget to take care of one of the hardest-working appliances in your kitchen: your fridge. Not only will it look lovely, but you'll be reducing your carbon footprint in your kitchen too.

Do you know what the temperature of your fridge and freezer are? If your fridge is colder than 35° F or your freezer is colder than 0° F, that's wasting energy. Use a fridge and freezer thermometer to see how cold it really is, and adjust the temperature accordingly.

Does your freezer look like the North Pole? It's time to defrost and clean it out. Your freezer should never have more than a quarter-inch of frost inside. Frost build-up drastically reduces the efficiency of your freezer and increases your electric bill.

Tip adapted from RealSimple.com¹¹

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,

you can have them check-out our web-site (<http://thebacagroup.com>)

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 9, 2020.

² The Wall Street Journal, April 9, 2020.

³ The Wall Street Journal, April 9, 2020.

⁴ CNBC, April 6, 2020.

⁵ The Wall Street Journal, April 9, 2020.

⁶ Bloomberg, April 6, 2020.

⁷ CafeDelites.com, April 9, 2020.

⁸ IRS.gov, January 30, 2020.

⁹ T3.com, April 9, 2020.

¹⁰ Medical News Today, April 9, 2020.

¹¹ RealSimple.com, April 9, 2020.