

# In the Markets Now

## A Historic Week

The volatility of the last few days has been nearly unprecedented. Here, we aim to recap the action and hopefully provide some perspective to investors.

### PWM Equity & Fixed Income Research

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### LOOKING BACK ON UNPRECEDENTED MARKET VOLATILITY

When the history books are written about the coronavirus pandemic, financial markets will be just a chapter. But if that book were written today, you'd have to start with last week. Starting Monday 3/9, financial markets had one of the most volatile weeks in history, and sometimes, simply recapping things can help give perspective and make a little sense of the world. At the very least, investors deserve a pat on the back for having skin in the game and [a front row seat to history](#).

**Monday** – The S&P 500 opens down over 6% after Saudi-Russian oil talks break down. The price of oil drops 20% in a day for the first time this century as Saudi Arabia indicates it will cut prices and boost production to gain market share. The 10-yr Treasury yield plummets to 0.31% (easily a new all-time low) as investors rush to safety.

**Tuesday** – The S&P rallies 5% as a combination of proposed economic stimulus, quieter virus headlines, and a cooling of Saudi-Russia tensions boost sentiment. Joe Biden performs well in a big Tuesday of primaries, winning key Michigan delegates as his run to the Democratic nomination gains steam.

**Wednesday** – Markets give back all of Tuesday's gains, losing 5% as bearish oil & virus headlines dominate. *This will be the calmest trading day of the week.* President Trump announces a 30-day travel ban to Europe but fails to address testing concerns. The NBA suspends its season on coronavirus worries.

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*Last week was the only calendar week in over 90 years to feature a 4% move on every single day.*

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**Thursday** – The S&P 500 falls 7% within minutes of market open on the way to its worst single day in over thirty years. The selling was rapid and indiscriminate; gold, Treasuries, cryptocurrencies – all sold off to varying degrees. The VIX (aka the market's fear gauge) spikes to historic levels, and the S&P 500 enters bear market territory.

**Friday** – Markets open higher on policy optimism and Fed support, but the significant action is concentrated at day's end. The S&P 500 pops 7% in the last half hour of trading as President Trump announces greater availability of testing, strategic oil purchases, and declares a national state of emergency. The index closes up 9.3% in one of its best days ever.

It is true that volatility begets more volatility. And we also like to say that this volatility is the price investor's pay for long-term gains; that it is a feature of the stock market, not a bug. But sometimes, a word like "volatility" does not do an event justice, and here, it falls tragically short of what investors experienced last week. **The only words appropriate to describe the magnitude and speed of last week's action are R-rated, and it is not worth getting fired to print them here.**

At the end of these reports, we often encourage investors to reach out to their Baird Financial Advisors. Never has this advice been sounder. By any metric, last week was one of the craziest stretches in market history, and that is why your financial advisor remains at the ready: to address your investing goals, to discuss how volatile weeks impact your financial plan, and most importantly, to help ensure that you can confidently focus on the things that truly matter in life.

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