LVZ ADVISORS WEEKLY BULLETIN

APRIL 20, 2020

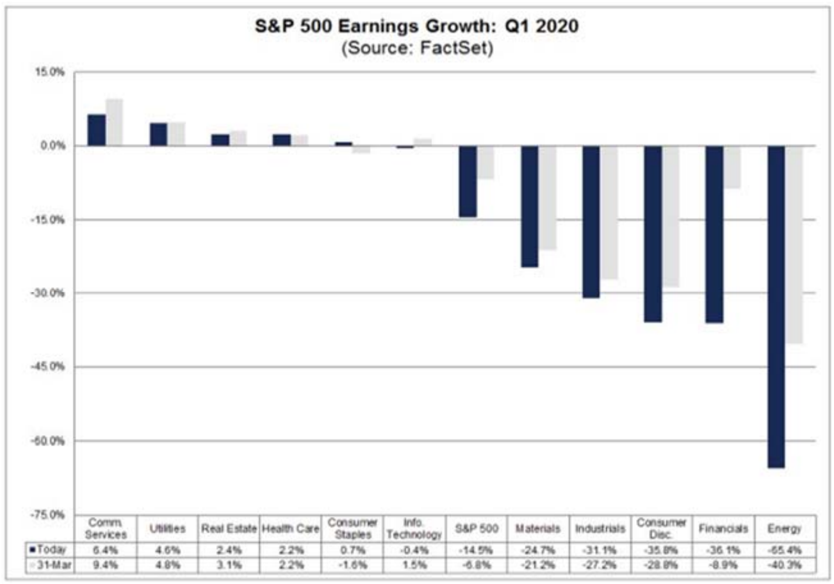
MARKETS AT A GLANCE…

Last week the S&P 500 was up 3.06%, bringing the Year-To-Date return to -10.49%.
The 10yr U.S. Treasury Bond closed the week at 0.65% yield (1.92% on 12/31/19).
The top sectors of the week were Consumer Disc. 7.9%, Health Care 6.2%, and Technology 4.8%.
The bottom sectors were Financials -4.0%, Real Estate -2.7%, and Materials -2.1%.
Source: JPMorgan.

PORTFOLIO INSIGHTS

Domestic Equity

The S&P 500 rose for a second consecutive week and has retraced about 28% of its drawdown, which troughed on March 23. Markets were supported Friday as the U.S. announced a phased plan to reopen the economy in the coming months. Even as equities have rebounded, other indicators of risk appetite – such as gold prices, oil prices, and interest rates – tell a different story. Q1 earnings continue to roll in this week, with more than 20% of the S&P 500 scheduled to report and estimates showing now a -14.5% decline in earnings growth year-over-year. While results will give some transparency on the severity of COVID-19 sector impacts, equity markets continue to be steadfastly forward-looking.



Economic data continues to show an economy in freefall, although markets paid little attention. Initial unemployment claims rose another 5.2 million, bringing the four-week total to 22 million, about 15% of the labor force. Retail sales plunged -8.7% in March, the largest monthly decline on record, as a 6.4% gain in general merchandise stores could not offset the sharp decline in other large categories like autos, gas stations, and restaurants. Industrial production fell 5.4 % in March and the forward-looking regional manufacturing sentiment indicators paint an even worse picture for April, with the New York and Philadelphia indexes each below their lows of the Great Recession.

Fixed Income

Risk appetite continues to return to fixed income, as well, as spreads narrowed further. High yield spreads finished the week at 705 bps, vs 1,100 bps at the widest, and returned 2.60% on the week. Fed policy has supported both corporate credit and high yield markets, in addition to equity market optimism. 10-year Treasury yields fell during the week, testing the lower end of the range of the past month before bounding to 0.65% on Friday.

International

Oil prices resumed their plunge, ending the week at a new multi-decade low of $18.27/bbl. Crude inventories recorded their largest one-week uptick ever, an increase of more than 19 million barrels. Producers are quickly running out of storage space as demand evaporates. Markets have shown that at least in the short-term, the OPEC+ deal has not done much to support prices

PORTFOLIO POSITIONING:

OUTLOOK:

- The S&P 500 forward 12-month P/E ratio is 18.5, which is above its five-year average of 16.7.
- The CARES Act will help soften the economic blow from the virus but expect economic data to look disappointing until this period of "quarantine" is over.
- The Federal Reserve has now enacted ZIRP and QE to support markets.

PORTFOLIO POSITIONING

- Growth Portfolio
    - Equity Exposure: 98%
    - Over-weights: None
    - Underweights: None
- Growth & Income Portfolio
    - Equity Exposure: 80%
    - Over-weights: None
    - Underweights: None
- Balanced Portfolio
    - Equity Exposure: 60%
    - Over-weights: None
    - Underweights: None
- Income & Growth Portfolio
    - Equity Exposure: 40%
    - Over-weights: None
    - Underweights: None

It should not be assumed that the recommendations made in the future will be profitable or will equal
the performance of the securities listed. All portfolio holdings for the past 12 months are available upon request.
LVZ Advisors, Inc. is a federally registered investment adviser.
240 S. River Avenue, Holland, MI | 800.851.7214 | clients.lvzadvisors.com

This report is for informational purposes only and is not a solicitation, or recommendation that any investor should purchase or sell any security. The information contained herein is obtained from sources believed to be reliable, but its accuracy and completeness is not guaranteed. It is not intended to provide specific legal, investment, accounting, tax, or other professional advice. The performance of an investment is not guaranteed. Some investments are riskier than others. Before making an investment, an understanding of the product and risks are necessary. Individuals should consult with the appropriate professionals for their specific situations or needs prior to taking any action based on this information. LVZ Advisors, Inc. does not give tax or legal advice.

The S&P 500 is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy.

Past performance is not guaranteed of future results. Indexes are unmanaged, do not incur management fees, costs and expenses, and cannot be invested in directly.

Information regarding LVZ Advisors, Inc. is provided in the Form ADV Part 2A. This document provides information about the firm, the services we offer, fees that are charged, and other significant details. If you would like to receive our most recent disclosure document, please contact our office at 616.394.4994.