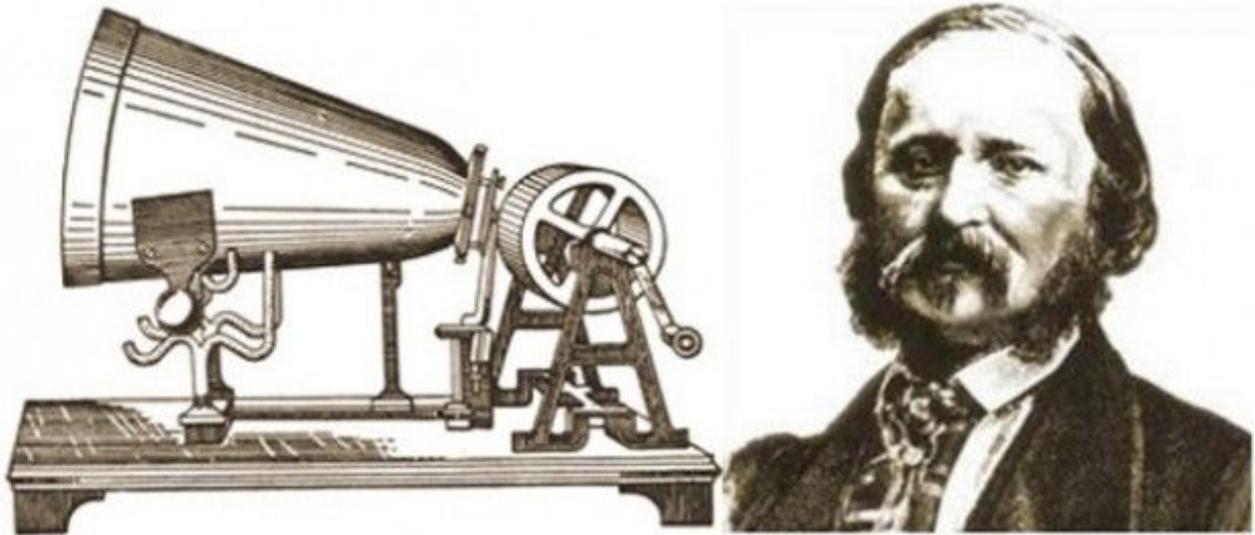




EVERETT FINANCIAL GROUP

Weekly Commentary

January 28, 2020



One-Hit Wonder

More than twenty years before Tomas Edison invented the phonograph, Edouard-Leon Scott de Martinville successfully recorded someone singing a song. The reason he didn't become famous for doing so is that he had no way to play it back.

And neither did anyone else - for the next 150 years.

Scott was a Paris printer and librarian who moonlighted as an inventor. In 1857, he patented a device called the "*Phonautograph*". It had a diaphragm hooked up to a stylus that could etch lines into paper covered with lamp soot. It turned sound into squiggly lines on a piece of paper. Scott wasn't trying to make sound that could be played back. His goal was to make a paper record of speech that people might be able to read - a new kind of shorthand.

In 2008, a group of audio historians set out to see if it was possible to find and play some of the sounds Scott's machine transcribed to paper. They tracked down a few of his phonautograms, as the etchings are called, and made high-resolution scans of them. Then scientists at Lawrence

Berkeley National Laboratory in Berkeley, California, created a virtual stylus that could play them.

Several of the etchings yielded unintelligible squawks. But on one made April 9, 1860, a person can clearly be heard singing "Au Clair de la Lune." It is the oldest human voice we can listen to, recorded before Abraham Lincoln was president, still singing to us fifteen decades down the line.

Scott went to his grave convinced that Edison had stolen his ideas, but there is no evidence that Edison even knew about Scott's work. Edison's phonograph, invented in 1877, came out of his efforts to record telegraph messages for decoding later.

The Greatest Music Stories Never Told

Weekly Market Commentary January 27, 2020

The Markets

Markets hunkered down last week.

News of the coronavirus outbreak in Wuhan, China unsettled investors around the world. The respiratory infection is related to severe acute respiratory syndrome (SARS) and Middle East respiratory syndrome (MERS), reported *WebMD*.

Previous virus outbreaks have affected global economic growth. Research into pandemic preparedness suggests extreme events can reduce global annual income by 0.6 percent per year (including mortality and income loss). Lower income often is equated with slower economic growth.

Viruses can also affect companies and share values. However, not every investment will move in the same direction at the same time, and not every country or industry will be affected in the same way. *Barron's* reported:

"SARS infected more than 8,000 people in 2003, killing more than 770. The outbreak occurred between November 2002 and July 2003. Stocks of U.S. airlines - a proxy for travel-related shares - dropped more than 30 percent from pre-SARS highs during that outbreak, about twice the decline of the broader S&P 500 index. All stocks, it appears, were impacted by the outbreak. It took about three months for shares to bottom and another three months to achieve previous highs."

China responded to the outbreak by imposing a transportation lockdown, and that could affect China's economic growth. *S&P Global* explained:

"The coronavirus is hitting China during Lunar New Year, a period when households tend to spend more on travel, entertainment, and gifts. Even if the virus is contained fairly quickly, the initial stages of high uncertainty are likely to affect spending."

In addition, the city of Wuhan, where the outbreak began, is a major transportation hub and a center for auto production. It is China's sixth largest city, home to 11 million people, and responsible for 1.6 percent of the country's economic growth.

Major stock indices in the United States moved lower last week.

Data as of 1/24/20	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-1.0%	2.0%	24.7%	13.1%	9.8%	11.6%
Dow Jones Global ex-U.S.	-1.1	0.4	13.2	6.2	3.1	3.0
10-year Treasury Note (Yield Only)	1.7	NA	2.7	2.5	1.8	3.6
Gold (per ounce)	0.4	2.7	21.9	8.7	4.1	3.6
Bloomberg Commodity Index	-3.1	-4.4	-3.6	-4.5	-5.2	-5.4

S&P 500, Dow Jones Global ex-US, Gold, Bloomberg Commodity Index returns exclude reinvested dividends (gold does not pay a dividend) and the three-, five-, and 10-year returns are annualized; and the 10-year Treasury Note is simply the yield at the close of the day on each of the historical time periods.

Sources: Yahoo! Finance, MarketWatch, djindexes.com, London Bullion Market Association.

Past performance is no guarantee of future results. Indices are unmanaged and cannot be invested into directly. N/A means not applicable.

A DECADE OF WORDS. *Time Magazine* puts a 'Person of the Year' on its cover. *ESPN* awards ESPYs to athletes annually. *Nobel* and *Ig Nobel* committees recognize the worthy and the unsuspecting. *Merriam Webster* selects a 'Word of the Year.' It is the word dictionary users searched for more than they had in previous years. Here are the words of the year from the last decade:

2010: **Austerity**, noun, "The quality or state of being austere, a stern and serious quality, a plain and simple quality."

2011: **Pragmatic**, adjective, "Relating to matters of fact or practical affairs often to the exclusion of intellectual or artistic matters: practical as opposed to idealistic."

2012: **Socialism**, noun, "Any of various economic and political theories advocating collective or governmental ownership and administration of the means of production and distribution of goods," tied with **Capitalism**.

Capitalism, noun, "An economic system characterized by private or corporate ownership of capital goods, by investments that are determined by private decision, and by prices, production, and the distribution of goods that are determined mainly by competition in a free market."

2013: **Science**, noun, "The state of knowing: knowledge as distinguished from ignorance or misunderstanding."

2014: **Culture**, noun, "The customary beliefs, social forms, and material traits of a racial, religious, or social group, also the characteristic features of everyday existence (such as diversions or a way of life) shared by people in a place or time."

2015: **-ism**, noun suffix, "Manner of action or behavior characteristic of a (specified) person or thing, or prejudice or discrimination on the basis of a (specified) attribute." (The most looked up words were socialism, fascism, racism, feminism, communism, capitalism, and terrorism.)

2016: **Surreal**, adjective, "Marked by the intense irrational reality of a dream."

2017: **Feminism**, noun, "The theory of the political, economic, and social equality of the sexes; organized activity on behalf of women's rights and interests."

2018: **Justice**, noun, "The maintenance or administration of what is just especially by the impartial adjustment of conflicting claims or the assignment of merited rewards or punishments."

2019: **They**, pronoun, "Those ones: those people, animals, or things." The definition was expanded to, "Used to refer to a single person whose gender identity is nonbinary."

The short-list of words for 2019 included: quid pro quo, impeach, crawdad, egregious, clemency, the, snitty, tergiversation ("evasion of straightforward action or clear-cut statement"), camp, and exculpate.

Weekly Focus - Think About It

"We think of English as a fortress to be defended, but a better analogy is to think of English as a child. We love and nurture it into being, and once it gains gross motor skills, it starts going exactly where we don't want it to go: it heads right for the...electrical sockets. We dress it in fancy clothes and tell it to behave, and it comes home with its underwear on its head and wearing someone else's socks. As English grows, it lives its own life, and this is right and healthy. Sometimes English does exactly what we think it should; sometimes it goes places we don't like and thrives there in spite of all our worrying. We can tell it to clean itself up and act more like Latin; we can throw tantrums and start learning French instead. But we will never really be the boss of it. And that's why it flourishes."

--Kory Stamper, *Lexicographer and author*

Best Regards,



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For Your
Referral**

The highest compliment you can give us is the referral of your family and friends. Your referrals are always welcome. Refer someone to us today and give them the gift of a complimentary consultation!

Sources:

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* Government bonds and Treasury Bills are guaranteed by the U.S. government as to the timely payment of principal and interest and, if held to maturity, offer a fixed rate of return and fixed principal value. However, the value of fund shares is not guaranteed and will fluctuate.

* Corporate bonds are considered higher risk than government bonds but normally offer a higher yield and are subject to market, interest rate and credit risk as well as additional risks based on the quality of issuer coupon rate, price, yield, maturity, and redemption features.

* The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general. You cannot invest directly in this index.

* All indexes referenced are unmanaged. Unmanaged index returns do not reflect fees, expenses, or sales charges. Index performance is not indicative of the performance of any investment.

* The Dow Jones Global ex-U.S. Index covers approximately 95% of the market capitalization of the 45 developed and emerging countries included in the Index.

* 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.

* Gold represents the afternoon gold price as reported by the London Bullion Market Association. The gold price is set twice daily by the London Gold Fixing Company at 10:30 and 15:00 and is expressed in U.S. dollars per fine troy ounce.

* The Bloomberg Commodity Index is designed to be a highly liquid and diversified benchmark for the commodity futures market. The Index is composed of futures contracts on 19 physical commodities and was launched on July 14, 1998.

* The DJ Equity All REIT Total Return Index measures the total return performance of the equity

subcategory of the Real Estate Investment Trust (REIT) industry as calculated by Dow Jones.

* Yahoo! Finance is the source for any reference to the performance of an index between two specific periods.

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