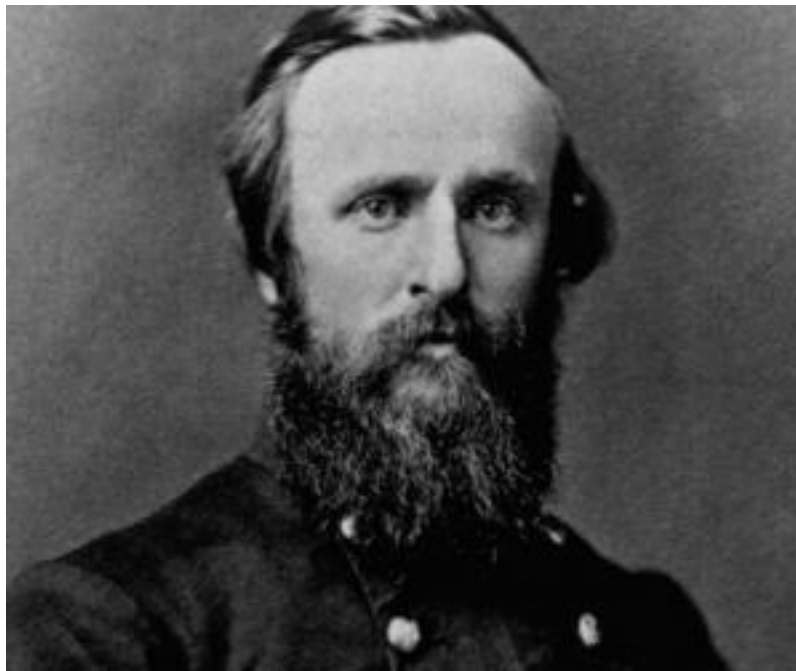




EVERETT FINANCIAL GROUP

Weekly Commentary

February 3, 2020



Undercover Oath

The presidential election of 1876 was one of the closest and most disputed elections in history. The outcome was in dispute until a few days before the inauguration, when Republican Rutherford B. Hayes was declared the winner by one electoral vote.

Angry Democrats felt that the election had been stolen. Rumors were flying that they might try to do something about it. President Ulysses S. Grant ordered troops to Washington in case there was trouble.

Grant's term was due to expire at noon on Sunday, March 4. In observation of the Sabbath, Hayes's inauguration wasn't scheduled until Monday, March 5. Republicans feared that Democrats might somehow take advantage of the one-day gap to install Tilden in the White House or otherwise embarrass them.

They decided to take some preemptive action of their own.

Before a gala White House dinner on Saturday, March 3, Grant escorted Hayes to the Red

Room. There, in front of a handful of cabinet members, Chief Justice Morrison Waite secretly administered the oath of office. The men returned to dinner with no one else the wiser.

Hayes took his secret oath in the Red Room. Democrats referred to him as "His Fraudulency". He served one term and didn't even try to run for re-election.

Hayes was publicly inaugurated the following Monday at noon, in front of a crowd of thousands who had no idea it was deja vu all over again.

"I did not altogether approve, but acquiesced."

The Greatest Presidential Stories Never Told.

Weekly Market Commentary February 3, 2020

The Markets

Prepare yourself. There is a good chance markets will be volatile in the coming weeks.

Precautions designed to slow the spread of the coronavirus may also slow Chinese economic growth and, by extension, global economic growth.

On Thursday, the World Health Organization declared the coronavirus to be an international health emergency. The U.S. State Department issued a travel advisory for China, and major U.S. airlines suspended flights to the nation, reported *Forbes*.

In six Chinese provinces, factories and businesses are shuttered until at least February 10. The closures have created issues for global supply chains, and *Financial Times* reported, "Companies from luxury retailers to airlines and banks are reeling as the disease accelerates."

Events sparked a bond rally as investors shifted assets into safe haven investments. *The Economist* wrote that previous viruses have not had lasting effects on economic growth. "Other recent epidemics have reinforced the impression that economists should not be overly worried, so long as good doctors are on the job. Neither avian flu in 2006 nor swine flu in 2009 dimmed the global outlook. Yet even flint-hearted investors are wondering whether the new epidemic might be worse. Stocks in Hong Kong have fallen by nearly 10 percent as reported infections have steadily increased. Tremors have also rippled through global markets."

China's government is prepared to step into the breach. On Saturday, *Reuters* reported, "Chinese authorities have pledged to use various monetary policy tools to ensure liquidity remains reasonably ample and to support firms affected by the virus epidemic..." The Chinese central bank is expected to begin offering support on February 3 before the Chinese stock market reopens for the first time since January 23.

The European Union may also be in need of economic stimulus. *Financial Times* reported the Eurozone economy came to a virtual standstill (up 0.1 percent) in the fourth quarter and grew just 1.2 percent during 2019. Economies in France and Italy, the second and third largest in the region, both contracted during the fourth quarter.

Major U.S. stock indices moved lower last week.

Data as of 1/31/20	1-Week	Y-T-D	1-Year	3-Year	5-Year	10-Year
Standard & Poor's 500 (Domestic Stocks)	-2.1%	-0.2%	19.3%	12.3%	9.8%	11.5%
Dow Jones Global ex-U.S.	-3.1	-2.7	7.2	5.0	2.6	2.9
10-year Treasury Note (Yield Only)	1.5	NA	2.6	2.5	1.7	3.7
Gold (per ounce)	1.3	4.0	19.7	9.3	4.5	3.8
Bloomberg Commodity Index	-3.2	-7.5	-7.3	-5.1	-5.9	-5.4

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.

THE THINGS WE DO FOR PETS. While there is some debate about how many American households include pets - *The Washington Post* reports estimates from the American Pet Products Association are about 11 percent higher than those of the American Veterinary Medical Association - there is little debate about how much people love their pets.

With Valentine's Day coming up soon, you may be wondering how to show your pet you care. Here are a few ideas:

- **Doggie playlists and podcasts.** Want to make certain your pup doesn't get lonely (or into too much trouble) when left at home alone? One major media company is making canine playlists and podcasts. *Reuters* reported the podcasts feature, "...soothing music, 'dog-directed praise,' stories, and messages of affirmation and reassurance narrated by actors to alleviate stress..."
- **Video chat or...bark?** Wouldn't it be great to take a break and chat with your pet during lunch hour? One social media user, cited by *The Insider*, thought so. "I taught my dog to accept [video] calls through my laptop at home while I'm at work. Then, we just talk."
- **Travel somewhere fun.** Millions of people travel with their pets, according to *Forbes*. One travel magazine publishes a pet-friendly article each month. The *LA Travel Magazine* archive includes titles like, '*TopDawg' Resorts in the U.S.* and *The Pawfect Guide to Dog Beaches in SoCal*.
- **Just don't supersize it.** A pet owner, cited by the *Odyssey*, occasionally indulges her pets with people food. "When we go out for [fast food] or something, my mom and I buy them each their own burger and sometimes include fries so they can have a meal."

On Valentine's Day, remember to do something nice for the people you love, too.

Weekly Focus - Think About It

"The more cats you have, the longer you live. If you have a hundred cats, you'll live ten times longer than if you have ten. Someday this will be discovered, and people will have a thousand cats and live forever."

--Charles Bukowski, Poet and novelist

Best Regards,



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* 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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