



By the middle of March 2020, most US states had implemented “stay-at-home” orders and social distancing, slowing down the housing market throughout the country. Buyers were forced to look at prospective purchases online, even making offers without ever setting foot inside the property. Not surprisingly, the number of buyers willing to go to such lengths was limited, but even more startling was the lack of inventory of single-family homes. There were 1.47 million homes for sale at the end of April 2020, down 20% from the 1.83 million homes for sale in April 2019 and down 34% from the 2.22 million homes for sale 5 years ago in April 2015 (source: National Assoc. of Realtors).

The global oil market, crushed by the pandemic-driven shutdown of economies worldwide, is pricing in a return of auto traffic and air traffic. The price of West Texas Intermediate crude oil closed at \$33.25 a barrel last Friday 5/22/20, up from \$13.78 a barrel just a month earlier on Wednesday 4/22/20. As of Memorial Day, the national average price of gasoline had risen for 26 consecutive days (source: NYMEX, AAA).

When economic textbooks discuss the inflationary implications of nations recklessly printing money, the countries highlighted include Hungary (1946) and Zimbabwe (2007). No market watcher is accusing the USA of heading down a path of hyperinflation, but the Federal Reserve’s commitment to “do whatever it takes” to stimulate the US economy means the Jerome Powell-led central bank may “digitally create” as much as \$5 trillion of new money by the end of 2021. More money chasing a finite number of goods and services has the potential to lead to inflation (source: BTN Research).

Notable Numbers for the Week:

1. **PANDEMIC DEATHS** - **8,598 Americans** died from the **COVID-19 pandemic** in the 1-week ending last Friday 5/22/20 at 9am ET, bringing the **national total to 95,502**. The number of COVID-19 deaths has **averaged 13,498 per week** over the **previous 6 weeks** (source: Meet the Press - First Read).
2. **A DISINCENTIVE TO GO BACK TO WORK** - An estimated **65%-75% of out-of-work Americans** who are **receiving unemployment benefits** are being paid **more money per week** than they were receiving **pre-pandemic** from their employment (source: J.P. Morgan “Eye on the Market”).
3. **HALF A YEAR** - The **shortest US recession** in the **last 100 years** was the **6-month economic downturn** that ran from January 1980 to July 1980 (source: National Bureau of Economic Research).

ALL FOR EXACTLY THE SAME SERVICES - Private US health insurance pays on average \$241 for health care services for every \$100 that Medicare pays and for every \$72 that Medicaid pays (source: RAND, Health Affairs).

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