

Good morning!

From \$61.06 a barrel as of 12/31/19, the price of US oil collapsed to just \$20.09 a barrel as of last Monday 3/30/20, a staggering 67% decline in just 3 months. A dispute between the world's # 2 (Saudi Arabia) and # 3 (Russia) oil producers led to a global glut of oil just as the coronavirus was bringing the worldwide economy to a standstill, resulting in plummeting oil prices. The White House last week encouraged the 2 rival countries to put their egos aside and curb their combined production by 10-to-15 million barrels a day, prompting a jump in oil prices to \$28.34 a barrel by last Friday's close (4/03/20). The immediate benefactors of a rising price of oil: highly leveraged US oil producers that needed oil prices to increase to avoid bankruptcy (source: BTN Research).

The mad dash for cash by small businesses started last Friday (4/03/20). The "Paycheck Protection Program" (PPP) in the recently passed Washington legislation provides loans (through SBA-approved lending institutions) as high as \$10 million that will be forgiven when used for payroll costs (including benefits), rent and utilities. PPP funds are available to C-corporations, as well as sole proprietors, self-employed individuals, independent contractors and 501(c)(3) nonprofits (source: CARES Act).

Our world has changed in 5 weeks in ways we could have never imagined. The first US death from the coronavirus was reported on 2/29/20. By sometime today, that horrific national death total may top 10,000. This war – against an invisible, microscopic virus – is unlike any war in our lifetime. It's a war in which all people, Americans and those who are not, *are on the same side*. Stay home and stay safe (source: BTN Research).

Notable Numbers for the Week:

1. **MORE THAN TEN MILLION** - More Americans filed for "first-time" unemployment benefits in the last 3 weeks (10.237 million for the 3 weeks ending 3/28/20) than the combined total of "first-time" unemployment claims that were applied for (10.179 million) in the previous 47 weeks (source: Department of Labor).
2. **BETTER HAVE A JOB** - The median monthly rent in March 2020 for a 1-bedroom apartment in San Francisco was \$3,500 (source: Zumper).
3. **BEFORE COVID-19 HIT** - 59% of Americans surveyed in early February 2020 admit they live "paycheck-to-paycheck" and are unable to consistently put money away for an emergency or for retirement (source: Charles Schwab Modern Wealth Survey).
4. **HOUSING COSTS** - Inflation, as measured by the "Consumer Price Index," was up +2.3% in 2019, but was up just +1.4% for the year when the cost of housing is excluded (source: Department of Labor).

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