
Rallies and Retreats

Weekly Update – March 9, 2020

The Week on Wall Street

Heightened coronavirus fears, falling yields, and Super Tuesday primary results sent stocks on a rollercoaster ride of sharp price swings, leaving stocks marginally higher for the week.

The Dow Jones Industrial Average improved 1.79%; the S&P 500, 0.61%; the Nasdaq Composite, 0.10%. Outside the U.S., developed equity markets tracked by the MSCI EAFE Index rose 2.60%.^{1,2}

A Swift Fed Decision

Wednesday morning, the Federal Reserve lowered its short-term interest rate by 0.5% to a range of 1.00%-1.25%, making its biggest cut since 2008. Addressing the media, Fed Chairman Jerome Powell said that the move was made to give the economy a “meaningful” lift and “help boost household and business confidence.”

The question is whether reducing borrowing costs can effectively address growing business and consumer anxieties about shopping, traveling, and gathering.³

A Push Toward Treasuries

The uncertainty on Wall Street has heightened demand for Treasury bonds. Their yields typically fall as their prices rise, and fall they did last week. The yield on the 10-year Treasury dipped under 0.70% during Friday’s market day, an all-time low.⁴

Winter Hiring Surge Continues

The Department of Labor’s latest employment report showed companies adding 273,000 net new hires last month. Net monthly payroll growth has averaged 243,000 since December.⁵

What’s Ahead

The Fed’s 50-basis-points cut in the federal funds rate has now shifted the sights of investors toward the European Central Bank, which is expected to make a policy announcement on March 12. The ECB has less room to maneuver than the Fed, since its key interest rate currently stands at -0.5%. Negative interest rates have done little to

lift eurozone economies, which may necessitate more-creative monetary policy accommodation from the ECB's new president, Christine Lagarde.

Traders are also focused on whether the Federal Reserve will make another rate cut on March 18, when its next meeting concludes. The half-point rate cut this past week did little to soothe stock market concerns; opinions vary about what the central bank might choose to do next.⁶

THE WEEK AHEAD: KEY ECONOMIC DATA

Wednesday: The Census Bureau publishes a new Consumer Price Index, showing monthly and yearly inflation.

Friday: The University of Michigan presents its initial Consumer Sentiment Index for March, measuring consumer confidence.

Source: MarketWatch, March 6, 2020

The MarketWatch economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Monday: Thor Industries (THO)

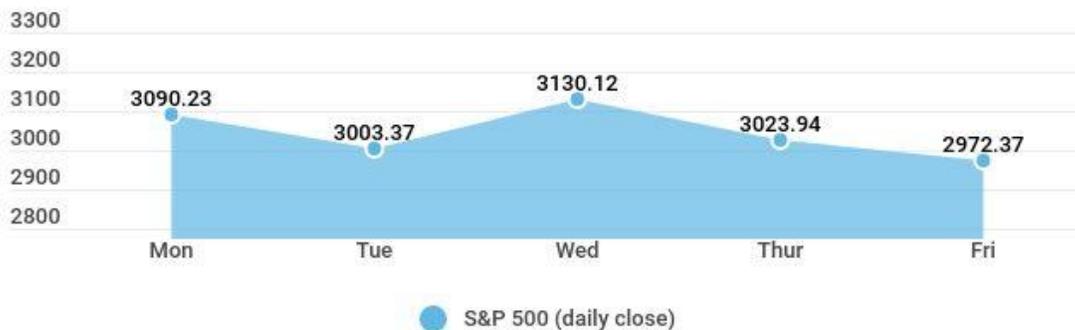
Tuesday: Dick's Sporting Goods (DKS)

Thursday: Adobe (ADBE), Broadcom (AVGO), Dollar General (DG), Oracle (ORCL), Ulta Beauty (ULTA)

Source: Zacks, March 6, 2020

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Any investment should be consistent with your objectives, time frame and risk tolerance. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

Market Index	Close	Week	Y-T-D
DJIA	25,864.78	+1.79	-9.37%
NASDAQ	8,575.62	+0.10%	-4.42%
MSCI-EAFE	1,856.73	+2.60%	-8.85%
S&P 500	2,972.37	+0.61%	-8.00%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.74%	-0.39	-1.18%

Sources: The Wall Street Journal, March 6, 2020; Treasury.gov, March 6, 2020

The market indexes discussed are unmanaged and generally considered representative of their respective markets. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite is measured from the close of trading on Friday, February 28 to the Friday, March 6 close. Weekly performance for the MSCI-EAFE is measured from the Friday, February 28 open to the Thursday, March 5 close. U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

QUOTE OF THE WEEK



"You are never too old to set another goal or to dream a new dream."

– C.S. Lewis



Knockout Spicy Chicken Strips



Serves 4-6

Ingredients:

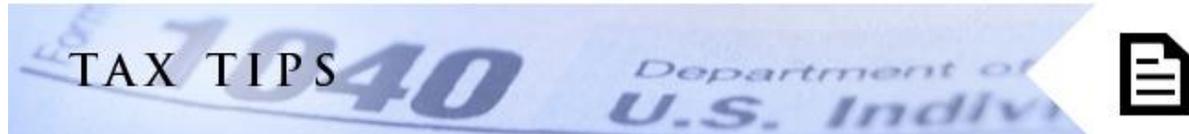
- 1½ lbs. chicken, cut into small strips
- Cooking spray
- 1 cup all-purpose flour
- 1 Tbsp. salt
- 3 large eggs, beaten
- 3 Tbsp. your preferred hot sauce
- 1 cup cornmeal
- 2 Tbsp. chili powder
- 1 tsp. cayenne pepper
- Extra virgin olive oil
- Additional salt, to taste

Directions:

1. Preheat oven to 425° F, with center rack in place.
2. Spray baking sheet with cooking spray.
3. Mix flour with salt in bowl.
4. Whisk eggs and hot sauce in separate bowl.
5. Combine cornmeal, chili powder, and cayenne pepper in third bowl.
6. Take each chicken strip, in turn, and dip into flour and then egg.

7. Once egg mixture stops dripping, cover each chicken strip through cornmeal mixture.
8. As you finish breading chicken strips, place them evenly on the baking sheet.
9. Spray or drizzle lightly with olive oil and season with additional salt, to taste.
10. Bake until fully cooked, 15 to 17 minutes.

Recipe adapted from FoodNetwork.com⁷



Tips for Gift Taxes

If you gave someone money or property, you may owe taxes on the gift. Here are some tips to help you determine if your gift is taxable:

Nontaxable Gifts. While the default assumption is that gifts are taxable, the following are nontaxable gifts:

- Gifts that do not exceed the annual exclusion for the calendar year (\$15,000 in 2019)
- Tuition or medical expenses you paid directly to a medical or educational institution for someone
- Gifts to your spouse
- Gifts to a political organization for qualified uses
- Gifts to qualifying charities

Annual Exclusion. For 2019, the annual exclusion is \$15,000. Gifts under that amount are not subject to the gift tax, even if they don't fall into one of the categories above. If you give a gift to someone else, the gift tax usually does not apply until the value of the gift exceeds the annual exclusion for the year.

For more information on gifts and taxes, speak to a qualified tax professional.

* This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.

Tip adapted from IRS.gov⁸



Simply Visualizing a Successful Putt

How can you step up to a putt of some distance with confidence and without taking so much time that you seem like a snail to your playing partners? Try this simple routine.

Stand a bit back from your ball (not over it), and take two practice strokes that mimic what you want the real stroke to feel like. Address the ball, look down the line of the putt, and visualize the putt going into the hole. Now, take a second look from where your ball lies to the apex of the putt's break and look further down the line of the putt to the hole. Then, hit your putt.

Tip adapted from U.S. Sports Camps⁹



Choose to Make Your Plate “MyPlate”

Ah, the Food Pyramid. It had a lot of flaws. Its major weaknesses were that it generalized recommended servings per day and poorly defined portion sizes. So, in 2008, the U.S. Department of Agriculture implemented a user-friendly redesign: the pyramid was transformed into a plate.



The concept behind the MyPlate design was somehow both revolutionary and seemingly obvious. After all, we eat off a plate, not a pyramid. Portions are easier to visualize and compose the following ratio: half the plate, fruits and vegetables; the other half, grains and protein. A serving of dairy (or non-dairy alternative) on the side. Easy, right?

Take advantage of this method the next time you sit down for a meal and see what adjustments you can make to make your plate even healthier.

Tip adapted from ChooseMyPlate.gov¹⁰



Turn Your Lawn(care) Green

Spring is right around the corner, meaning it's time to think about taking care of your lawn and garden.

This year, consider what you can do to add some healthy and green alternatives to your usual lawn treatments. If you're new to organic law treatments, the first swap you can make is to use organic soil for your flower beds. No matter what type or mixture of soil you have, there's an organic system that will help keep your lawn green all spring long.

Adding some flowers to your yard? Use coconut fiber biodegradable seed starter pots. Peat pots are biodegradable, but have a tendency to mold, killing off the flowers at the roots. The coconut fiber pots can be planted right in the ground and provide nutrients to your growing plants.

Tip adapted from RealSimple¹¹

Share the Wealth of Knowledge!

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Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

Diversification does not guarantee profit nor is it guaranteed to protect assets.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

The Standard & Poor's 500 (S&P 500) is an unmanaged group of securities considered to be representative of the stock market in general.

The Dow Jones Industrial Average is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.

The Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indices from Europe, Australia, and Southeast Asia.

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.

Opinions expressed are subject to change without notice and are not intended as investment advice or to predict future performance.

Past performance does not guarantee future results.

You cannot invest directly in an index.

Consult your financial professional before making any investment decision.

Fixed income investments are subject to various risks including changes in interest rates, credit quality, inflation risk, market valuations, prepayments, corporate events, tax ramifications and other factors.

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¹ <https://www.wsj.com/market-data>

² <https://www.wsj.com/market-data/quotes/index/XX/MSCI%20GLOBAL/990300/historical-prices>

³ <https://www.washingtonpost.com/business/2020/03/03/economy-coronavirus-rate-cuts/>

⁴ <https://www.cnbc.com/2020/03/06/the-plunge-in-bond-yields-is-scary-now-but-could-be-helpful-later.html>

⁵ <https://finance.yahoo.com/news/nonfarm-payrolls-reach-peak-273k-151603832.html>

⁶ <https://www.fxstreet.com/macroeconomics/central-banks/fed>

⁷ <https://www.foodnetwork.com/recipes/giada-de-laurentiis/spicy-chicken-tenders-with-honey-mustard-recipe-1921323>

⁸ <https://www.irs.gov/businesses/small-businesses-self-employed/frequently-asked-questions-on-gift-taxes>

⁹ <https://www.ussportscamps.com/tips/golf/4-easy-ways-to-read-greens-and-start-sinking-more-putts>

¹⁰ <https://www.choosemyplate.gov/eathealthy/WhatIsMyPlate>

¹¹ <https://www.realsimple.com/home-organizing/gardening/outdoor/lawn-care-products-eco-friendly>