

Thursday, April 2, 2020

Good Morning,

While we certainly appreciated last week's stock market rally off the Monday (March 23) lows, it is clear that markets remain extremely volatile and we may retest those lows at some point soon. Tuesday marked the end of the 1<sup>st</sup> Quarter and the worst quarterly performance for the S&P 500 since 2008. Yesterday's sharp selloff reminds us that the light at the end of the tunnel is not yet visible. Indeed, the tunnel seemed to grow longer for some after President Trump changed his tune from "reopen the country by Easter" to brace for "very, very, painful two weeks."

We have been saying for weeks that we expect investor emotion to remain elevated until we see COVID-19 cases in the US begin to level off, and that it will take several more weeks before it happens. While testing for the virus is still not where it should be, more and more Americans are being tested and, as expected, we are confirming more cases that we already knew were out there. Along with the bad news of spreading cases, we will soon be getting economic data points which are sure to be very ugly. This morning's weekly unemployment claim number is an example. However, at this point, bad news is not only anticipated, it's expected. Most of the 'panic' has been wrung out the market as the public now understands the scope of the problem. Stocks have certainly repriced themselves based on expected outcomes.

Speaking of the President, I've watched his daily updates from the White House with his virus taskforce team. In my opinion, his love of the spotlight impedes important messaging and it would be better if he simply left the daily updates to the team of experts. His scolding of reporters and statements like "I could cause panic better than anyone" are not constructive.

Your March investment statement will soon arrive at your door. My recommendation is to treat it like the ugly, virus-infected package that it is; stay six feet away from it. Last month I said to open a bottle of wine instead of your statement. This time it's whiskey; straight, no chaser. A little on your hands and a little in the glass. Stay healthy!

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[http://www.commonwealth.com/RepSiteContent/weekly\\_comm/commentary\\_redirect.htm](http://www.commonwealth.com/RepSiteContent/weekly_comm/commentary_redirect.htm)

As always, if you would like to discuss this or anything regarding current market conditions or your portfolio, feel free to contact me at any time.

*Wade*

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