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CORONAVIRUS CORRECTION

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EQUITIES

Data as of: 2/28/2020

Index	Price	WTD%	QTD%	YTD%
DJIA	25409.36	-12.36	-10.96	-10.96
S&P 500	2954.22	-11.49	-8.56	-8.56
Nasdaq	8567.37	-10.54	-4.52	-4.52
Russell 2000	1476.43	-12.04	-11.51	-11.51
Russell 1000 Growth	1683.54	-10.93	-4.91	-4.91
Russell 1000 Value	1185.92	-12.33	-12.00	-12.00
Comm. Services	171.25	-9.45	-5.72	-5.72
Cons. Disc.	915.77	-11.18	-7.15	-7.15
Cons. Staples	595.21	-10.44	-8.00	-8.00
Energy	343.53	-15.37	-24.74	-24.74
Financial Svcs	440.70	-13.54	-13.82	-13.82
Health Care	1075.66	-10.62	-9.47	-9.47
Industrials	618.39	-12.17	-10.07	-10.07
Info. Tech.	1549.24	-11.13	-3.84	-3.84
Materials	330.67	-12.73	-14.30	-14.30
Real Estate	227.70	-12.33	-5.25	-5.25
Utilities	313.85	-11.76	-4.42	-4.42
MSCI EAFE*	1867.64	-6.66	-8.09	-8.09
MSCI EM*	1030.67	-4.92	-7.44	-7.44

* MSCI EAFE and MSCI EM values as of 2/27/20

- U.S. stocks** suffered their worst weekly decline since the 2008–09 financial crisis as COVID-19 outbreak fears intensified and drove a wave of heavy selling. One U.S. case of community transmission plus raised warning levels from the World Health Organization (WHO) and the Centers for Disease Control and Prevention (CDC) appeared to spark the selling. The **S&P 500 Index** lost more than 11% for the week, bringing the seven-day decline to almost 13%, the fastest correction to an all-time high ever recorded.
- All four major U.S. stock indexes we track ended the week sharply lower, with losses between 10.5% and 12.4%. No sector lost less than 9%, while the energy sector paced the declines. The defensive consumer staples sector held up slightly better than the overall market, but there was little dispersion among growth, value, cyclical, and defensive.
- This week’s **economic data** for January did not reflect outbreak-related disruption in the United States, and therefore received little attention. The Conference Board’s measure of consumer confidence remained stable; new and pending home sales rose solidly, exceeding expectations; durable goods orders (ex. Transportation) jumped a better-than-expected 0.9%; personal income rose a solid 0.6%; and consumer spending slightly missed consensus estimates with a 0.2% increase.
- Developed international** and **emerging markets** fell on global outbreak news but held up better than the United States, with 6.7% and 4.9% declines for the MSCI EAFE and MSCI Emerging Markets (EM) indexes, respectively, through Thursday. Based on MSCI country indexes, China held up relatively well, as did Japan. France, Germany, and Korea suffered outsized declines.

FIXED INCOME, CURRENCIES, AND COMMODITIES

Data as of: 2/28/20

Yield	Latest	EOW	EOQ	EOY
90 Day UST	1.26	1.56	1.55	1.55
2 Yr UST	0.96	1.34	1.58	1.58
10 Yr UST	1.18	1.46	1.92	1.92
30 Yr UST	1.70	1.90	2.39	2.39

Fixed Income*	Yield	% Return		
		WTD	QTD	YTD
US Agg	1.85	0.55	3.03	3.03
US Agg Govt.	1.27	1.14	4.11	4.11
US TIPS	1.44	0.49	2.95	2.95
Munis	1.29	0.68	3.04	3.04
HY Munis	3.32	0.98	4.54	4.54
Inv. Grade	2.52	-0.04	3.12	3.12
High Yield	6.37	-1.95	-0.77	-0.77
MBS	2.07	0.27	1.33	1.33
Global Agg	1.15	0.74	1.31	1.31
Intl. Sovereign	0.33	0.11	2.66	2.66
JPM EMBI	4.86	-1.29	2.30	2.30

Currencies & Commodities	Price	% Change		
		WTD	QTD	YTD
US Dollar	98.11	-1.16	1.79	1.79
EUR/USD	1.10	1.69	-1.67	-1.67
USD/JPY	107.95	-3.24	-0.61	-0.61
WTI Oil	45.35	-15.04	-25.73	-25.73
Gold	1583	-4.01	3.91	3.91
Copper	2.55	-2.42	-9.01	-9.01

*Data as of 2/27/20

The yield presented refers to the corresponding index except for the U.S. Treasury (UST) data, which is of individual Treasury note securities and not an index. The Currency and Commodity data presented are quotes of the exchange rate. This data is from FactSet.

- Fixed income** prices were up again during the week as fears over the Coronavirus outbreak and related economic uncertainty drove yields lower. The U.S. Treasury curve shifted downwards with the 10-year Treasury yield falling 28 basis points (0.28%) to a record low of 1.18%, the first time it has ever traded below 1.2%. The 30-year U.S. Treasury yield also hit a record low, and the 2-year U.S. Treasury plummeted 38 basis points (0.38%) amid heightened speculation of a Federal Reserve (Fed) rate cut. The U.S. Government Bond Index was the week's top performer, finishing up through Thursday's close. High-yield bonds and emerging market debt were the only indexes we track to end the week with sizeable losses.
- Oil** slid more than 15% during the week, slumping to its lowest weekly close since mid-2017 and deeper into bear market territory on falling demand expectations. **Gold** provided little protection as a hedge, trading mostly sideways through Thursday before falling sharply on Friday, its biggest daily decline since 2013. The **U.S. dollar** lost ground during the week, only its second down week in the past eight. **Copper** also declined on global demand concerns.
- Next week's U.S. **economic calendar** includes the Institute for Supply Management (ISM) Purchasing Manager's Index (PMI) for manufacturing and the February jobs report, which will likely see some outbreak impact. The Super Tuesday Democrat presidential primaries are next week.
- Internationally**, the most important data to watch will be more PMI data coming out of **China**, where the impact from the virus outbreak is expected to be significant. In **Europe**, PMI and consumer inflation data are on the docket.

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