



# WEEKLY MARKET COMMENTARY

For the Week of May 18, 2020

## The Markets

The market was volatile on Friday as investors digested a record drop in retail sales and increased trade tensions with China as the Trump administration imposed new restrictions on Chinese telecom giant Huawei. Stocks edged up by closing but still suffered big losses for the week. For the week, the Dow fell 2.61 percent to close at 23,685.42. The S&P lost 2.20 percent to finish at 2,863.70, and the NASDAQ dropped 1.15 percent to end the week at 9,014.56.

Returns Through 5/15/20	1 Week	YTD	1 Year	3 Year	5 Year
Dow Jones Industrials (TR)	-2.61	-16.27	-5.37	6.60	7.92
NASDAQ Composite (TR)	-1.15	0.84	16.44	14.82	13.56
S&P 500 (TR)	-2.20	-10.69	2.47	8.16	8.37
Barclays US Agg Bond (TR)	0.33	4.86	10.01	5.14	3.85
MSCI EAFE (TR)	-3.18	-20.81	-12.02	-2.62	-1.29

Source: Morningstar.com. \*Past performance is no guarantee of future results. Indexes are unmanaged and cannot be invested into directly. Three- and five-year returns are annualized. The Dow Jones Industrials, MSCI EAFE, Barclays US Agg Bond, NASDAQ and S&P, excluding "1 Week" returns, are based on total return, which is a reflection of return to an investor by reinvesting dividends after the deduction of withholding tax. (TR) indicates total return. MSCI EAFE returns stated in U.S. dollars.

**Less Needed** — 26 percent of 305 chief financial officers surveyed in late April anticipate their firms will reduce their real estate footprint when work life resumes some level of normalcy (source: PricewaterhouseCoopers, BTN Research).

**Shortfall** —The Congressional Budget Office forecasted on April 24 our nation's fiscal year 2020 budget deficit, i.e., the 12 months ending Sept. 30, will be a record \$3.7 trillion, equal to 18.1 percent of our economy. That would be our largest deficit-to-GDP percentage since the U.S. hit 21 percent in 1945 (source: CBO, BTN Research).

**Help for Borrowers** — Pandemic-impacted homeowners who have mortgages that are owned by Fannie Mae have access to a forbearance plan that allows them to reduce or suspend their monthly mortgage payment for up to 12 months. Homeowners are allowed to establish a repayment plan to catch up gradually or modify the entire loan but are not required to make a lump-sum payment at the end of 12 months. Homeowners need to contact their mortgage servicer to determine if they qualify (source: Fannie Mae, BTN Research).



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Page 2 of 2

## WEEKLY FOCUS – Tips for Working From Home

As U.S. governors plan to reopen their states and medical researchers across the globe scramble to create an effective vaccine or treatment for COVID-19, it's natural to wonder how different our lives might look after the virus is under control.

Chances are, parents will continue accessing online educational resources for their children, and geographically distanced families and friends will continue to gather on Zoom. Businesses will likely spend less time and money traveling to meetings, and medical professionals will still offer telehealth care. But many believe the widest-reaching change will be a greater acceptance of working from home. With that perspective, taking the following steps to improve your work-from-home experience may pay off now and in the future.

First and foremost, **ensure your workspace fits your body**. Your elbows should be close to a 90-degree angle when you're typing, and your wrist should not be hinged. If that's not the case, you may need to raise your chair or lower your keypad with a pull-out tray under your desk. Similarly, your neck shouldn't be bent. If your monitor or laptop is too low, consider risers. If your back hurts, consider a different chair, a lumbar support pillow or an orthopedic seat cushion. A footrest can help if your legs are short.

Next, **establish boundaries**. Keep consistent hours. Let family and friends know you are not available during those times. Protect your free time as well. Stop and stretch every 20 minutes. Take a couple 10-minute breaks during the day and a short walk outside over your lunch hour. Take a sick day if you're not well. And, don't check emails once you're off the clock.

**Overcommunicate**. Remind coworkers when you're not going to be available. Let your team know when you complete an important task. Make your presence known on conference calls. Since tone is harder to discern in digital communications, err on the positive side. In informal emails, you may want to include an exclamation point or a friendly emoji.

**Don't forget to socialize**. Interacting with colleagues is important for your career and your emotional well-being. So, join Zoom happy hours and, once it's safe to do so, attend meetings, trainings and conferences in person from time to time.

Please take care of yourself and stay well. And, as always, if you have financial concerns or questions you want to discuss, feel free to call my office.

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\* 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 index of 30 actively traded blue-chip stocks. NASDAQ Composite Index is an unmanaged, market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE Index) is a widely recognized benchmark of non-U.S. stock markets. It is an unmanaged index composed of a sample of companies representative of the market structure of 20 European and Pacific Basin countries and includes reinvestment of all dividends. Barclays Capital Aggregate Bond Index is an unmanaged index comprised of U.S. investment-grade, fixed-rate bond market securities, including government, government agency, corporate and mortgage-backed securities between one and 10 years. Written by Securities America, Copyright May 2020. All rights reserved. Securities offered through Securities America, Inc., Member FINRA/SIPC. SAI# 3090721.1