



Craig's Corner | July 16, 2020

The Economy & COVID-19

As we move past this year's halfway point many of us are trying to get back to some sense of normalcy. But, as cases of COVID-19 increase, it is hard to ignore its impact on the economy and our daily routines. As the summer goes on, many of us have taken beach vacations with our families and you might have noticed that in some situations it doesn't even seem like we are living in the middle of a pandemic. Some might ask, has the tension between efforts to stop the virus and efforts to grow the economy hit its peak? Now I question, as a society how do we continue to navigate forward until better treatments and a vaccine are approved?

One thing is for sure, we've seen recent volatility in the markets and you might wonder, is this the new norm? In June the Nasdaq hit new highs twice, only to drop by greater than 2% the next day. In the entire history of the Nasdaq, there have only been 12 periods prior to the June 24 drop when this has happened.^[1] However, it is difficult to draw any conclusions when looking at the data from those previous 12 periods, except to say they are typically followed by swings in either direction. Of those 12 other occurrences, only once the Nasdaq wasn't either 20% higher or lower one year later.^[2]

Proving even further this year will be historic, we recently hit 100 calendar days since the S&P 500 hit its March 23 low. Now market conditions are looking much different. On July 2, the S&P 500 rallied by more than 40% since its low point. That's the strongest 100-day return since 1933!^[3]

No matter what the coming months bring, I will strive to keep everything in perspective. I leave you with a quote from the legendary Jedi Master Yoda, "Many of the truths that we cling to depend on our point of view." I encourage everyone to continue listening to others point of view, especially those which are different from yours.

^[1] Bespoke Report June 26, 2020

^[2] Bespoke Report June 26, 2020

^[3] Bespoke Report July 2, 2020

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