

MEMORANDUM

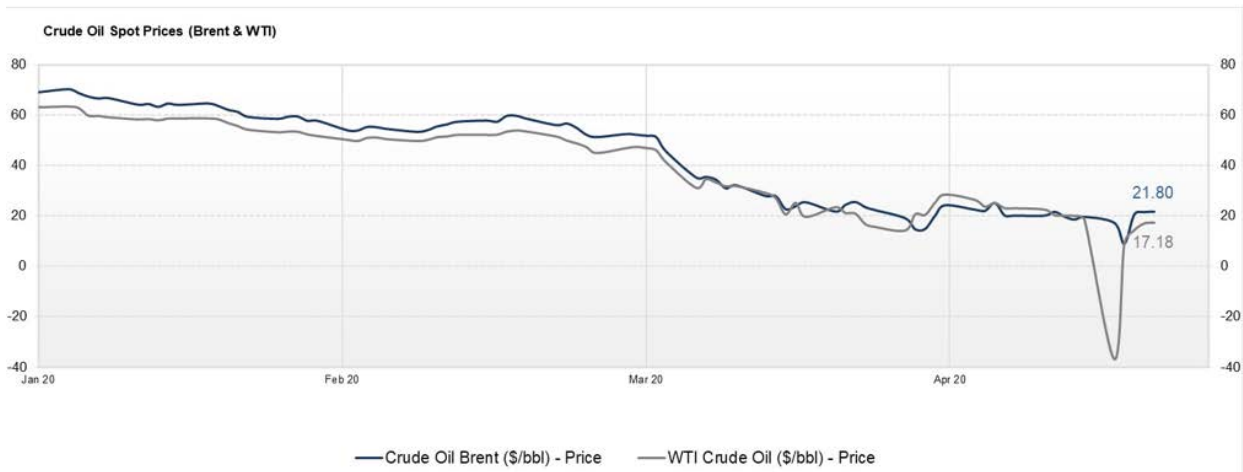
Week ending April 24, 2020

Unemployment rose this week to 26 million claims, up 4 million from last week versus 10 million from previous week, so maybe that is good news? (We are always looking for rays of sunshine these days). The news of the week was oil prices. The collapse of the May options contract below zero was triggered by the lack of available storage, making delivery of the contracts problematic. Prices stabilized somewhat by Friday, but declined 24% during the week.

Another stimulus bill was signed into law last week providing an additional \$484 billion and included a restocking of the Paycheck Protection Program relief for small business which were out of money. It also included more dollars to hospitals and virus testing.

U.S. durable goods orders were released on Friday and were down 14% in March.

Crude Oil Spot Prices - YTD



Source: [FactSet](#)

Equity Markets:

Markets generally took a breather last week, returns were mixed, and small capitalization stocks were positive. Developed Europe and emerging markets were down for the week. The Russell 3000 is up 9.8% month to date (-13.1% year to date), EAFE 1.9% month to date (-21.3% year to date), emerging markets are up 4.5% month to date (-15.4% year to date) for week ending April 24. With the heavy weight to energy in value indices, value continues to underperform.

Fixed Income Markets:

While Treasury rates did not move much in the week. The Barclays Aggregate index is up 1.8% month to date (5% year to date). Credit and in particular high yield traded slightly lower for week with high yield now up 3.6% for month to date (-9.5% year to date).

Looking Ahead:

The Federal Reserve and the ECB are meeting this week. We wait to see what, if any, new assets will be added to existing programs, which new programs will be launched, or what the guidance is from the central banks in the U.S. and Europe.

Segal Marco Advisors