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## The Virus Becomes the Focus

Weekly Update – March 2, 2020

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### **The Week on Wall Street**

Stocks fell sharply last week as Wall Street considered how the coronavirus outbreak might influence global business activity and household spending.

The selloff became a correction for the U.S. markets. The S&P 500 retreated 11.49%; the Dow Jones Industrial Average, 12.36%; the Nasdaq Composite, 10.54%. The MSCI EAFE, tracking developed stock markets outside North America, had fallen 6.75% week-over-week by Friday's closing bell.

On Friday afternoon, Federal Reserve Chair Jerome Powell stated that central bank officials were willing to “use our tools and act as appropriate to support the economy.”<sup>1,2,3</sup>

### **Strong Consumer Confidence, Plus a Boost for Incomes**

A trio of economic indicators pertaining to U.S. households looked solid last week. The Conference Board's Consumer Confidence Index notched consecutive months above 130 for the first time since July-August 2019, posting a 130.7 February mark. The University of Michigan's final February Consumer Sentiment Index came in at 101.0, ticking up from a preliminary 100.9.

Friday, the Department of Commerce reported that Americans increased their personal spending by 0.2% in January, while personal incomes improved 0.6%.<sup>4,5</sup>

### **Buyers Have Flocked to New Homes**

New home sales, according to the Census Bureau, improved 7.9% in January; the annualized pace of new home buying was the best seen since July 2007. Year-over-year, sales were up 18.6%. Housing market analysts cited a favorable economy and favorable weather as factors.<sup>6</sup>

### **Final Thought**

Right now, there is no forecast for how the coronavirus outbreak may affect consumer demand or supply chains. The impact may not be known for months. But remember, your investment strategy should reflect your risk tolerance, time horizon, and goals, and it also should take into consideration periods of market volatility. Fear is driving decisions in the financial markets. Nobody would blame you if this uncertainty gave you a bit of anxiety as well.

### **THE WEEK AHEAD: KEY ECONOMIC DATA**

**Monday:** The Institute for Supply Management's latest factory activity index arrives.

**Wednesday:** Automatic Data Processing (ADP) publishes its February private payrolls report, and ISM's index of February service-sector business activity appears.

**Friday:** The Department of Labor presents its February employment report.

Source: MarketWatch, February 28, 2020

The MarketWatch economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

## **THE WEEK AHEAD: COMPANIES REPORTING EARNINGS**

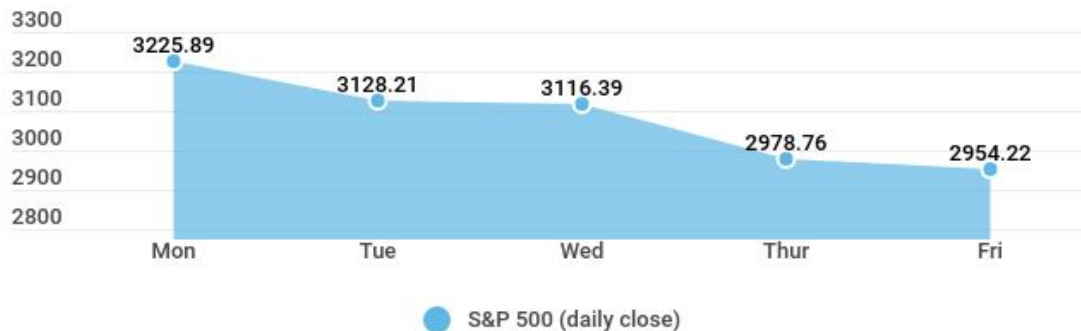
**Tuesday:** AutoZone (AZO), Ross Stores (ROST), Target (TGT)

**Thursday:** Costco (COST), Kroger (KR)

Source: Zacks, February 28, 2020

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Any investment should be consistent with your objectives, time frame and risk tolerance. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

Market Index	Close	Week	Y-T-D
DJIA	25,409.36	-12.36%	-10.96%
NASDAQ	8,567.37	-10.54%	-4.52%
MSCI-EAFE	1,867.64	-6.75%	-8.31%
S&P 500	2,954.22	-11.49%	-8.56%



	Treasury	Close	Week	Y-T-D
	10-Year Note	1.13%	-0.33%	-0.79%

Sources: The Wall Street Journal, February 28, 2020; Treasury.gov, February 28, 2020

The market indexes discussed are unmanaged and generally considered representative of their respective markets. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite is measured from the close of trading on Friday, February 21 to the Friday, February 28 close. Weekly performance for the MSCI-EAFE is measured from the Friday, February 21 open to the Thursday, February 27 close. U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

## QUOTE OF THE WEEK



*"Life is like riding a bicycle. To keep your balance, you must keep moving."*

*– Albert Einstein*



## Curry in a Hurry



Serves 2

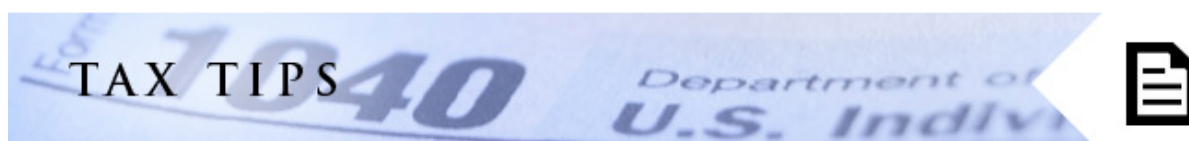
### Ingredients:

- 2 Tbsp. vegetable oil
- 2 large diced onions
- Salt and pepper
- 2 tsp. curry powder
- 1 can coconut milk, unsweetened
- 1½ pounds of your preferred meat (peeled shrimp or diced boneless chicken)
- 1 cup diced tomato, no peel or seeds

### Directions:

1. Peel and dice onions.
2. Oil skillet and place over medium-high heat.
3. Add onions with a bit of salt and pepper. Stir until very soft, 15 minutes or more.
4. Mix in curry powder, stir for one minute.
5. Pour in coconut milk and cook for two minutes, stirring lightly.
6. Add meat of choice and cook for another 3 to 6 minutes.
7. Stir in tomato and cook for another minute.
8. Serve over rice.

Recipe adapted from [cooking.nytimes.com](http://cooking.nytimes.com)<sup>7</sup>



### Rules for Home Office Deductions

If you have a business and work out of your home, the IRS allows you to deduct certain expenses on your return. Here are a few key things to keep in mind:

- The IRS requires you to use your office (or a part of your home) for “regular and exclusive use.” The part of the house should be your principal place of business, a place where you meet customers, or a separate structure dedicated to the business, like a garage or studio.
- To calculate your deduction, you can use two methods:
  - The simplified option allows you to multiply the allowable square footage of your office by \$5 up to a maximum of 300 square feet.
  - The regular method allows you to specifically calculate the actual expenses like rent, mortgage interest, taxes, repairs, depreciation, and utilities you pay for the portion of your home used for the business. If you use only part of a space for your business, you’ll need to figure out the percentage devoted to business activities.

\* This information is not intended to be a substitute for specific individualized tax advice. We suggest that you discuss your specific tax issues with a qualified tax professional.

Tip adapted from [IRS.gov](http://IRS.gov)<sup>8</sup>



### This Grip – or That Grip?

Vardon. Interlocking. Baseball. These are the three common ways to grip a golf club, and of course, the Vardon has long been the leading choice. Your choice, however, may or may not correspond to that of the golfing mainstream.

The Vardon (overlap) grip allows the pinky finger of the hand that is lower on the club to overlap a bit of the upper hand. It works well for those who have long fingers and large or strong hands; less well, for others. The interlocking grip (used by Tiger Woods and Jack Nicklaus) locks the pinky finger of one hand into the other, where it would merely rest in a Vardon grip; golfers with smaller hands and fingers tend to favor it. The baseball grip is an unanchored 10-finger grip used by a handful of pros, and some seniors with flexibility or pain issues. You can hit a great shot with any of these grips; in choosing one over another, your comfort and control of the club matter most.

Tip adapted from Golf Distillery<sup>9</sup>



### **Avoid Falling Back When Springing Forward**

Getting used to the clocks shifting back and forth during the onset and conclusion of daylight saving time can throw many of us for a loop, not to mention that “springing forward” tends to be more difficult than “falling back.” It can take longer than we expect to adjust not only a one-hour time change, but also disruptions to our meal, fitness, work, social, and sleep routines. So, how can you combat this? Here are a few tips that may help.

- Gradually prepare for the time change the week before. Try to shift as much as your routine “forward” by 10 minutes each day.
- Manage your environmental lighting as much as possible. Try to get more light in the morning (to suppress your body’s natural sleep hormones) and as little in the evening as possible, especially approaching bedtime and during the night.
- Try to avoid napping, if possible. While it can be really tempting to “catch up” with your lost hour, until you’re adjusted, napping could slow your period of adapting to the new schedule.

Don’t let losing an hour slow you down. Taking some proactive measures may just help you ease into the transition better than you think.

Tip adapted from WebMD.com<sup>10</sup>



## Choosing Sustainable Seafood

Eating fish is a great choice to stay healthy, but the type of fish you eat can also have a significant impact on the environment.

One of the most sustainable fish you can choose is catfish. Catfish is all produced on eco-friendly farms and provides some of the biggest health benefits. Because catfish are all farmed, there's no damage to the environment and their health is closely monitored.

Salmon can be a bit trickier, but there are still delicious and eco-friendly options out there. You should avoid farmed salmon because their living conditions aren't strictly regulated. When you're at the grocery store, wild-caught Alaskan salmon is the healthiest and most environmentally friendly option. Keep an eye out for these salmon species: Chinook, chum, coho, pink, and sockeye.

Tip adapted from HuffPost<sup>11</sup>

### ***Share the Wealth of Knowledge!***

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Investing involves risk including the potential loss of principal. No investment strategy can guarantee a profit or protect against loss in periods of declining values.

Diversification does not guarantee profit nor is it guaranteed to protect assets.

International investing involves special risks such as currency fluctuation and political instability and may not be suitable for all investors.

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 average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. The DJIA was invented by Charles Dow back in 1896.



The Nasdaq Composite is an index of the common stocks and similar securities listed on the NASDAQ stock market and is considered a broad indicator of the performance of stocks of technology companies and growth companies.

The MSCI EAFE Index was created by Morgan Stanley Capital International (MSCI) that serves as a benchmark of the performance in major international equity markets as represented by 21 major MSCI indices from Europe, Australia, and Southeast Asia.

The 10-year Treasury Note represents debt owed by the United States Treasury to the public. Since the U.S. Government is seen as a risk-free borrower, investors use the 10-year Treasury Note as a benchmark for the long-term bond market.

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Past performance does not guarantee future results.

You cannot invest directly in an index.

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<sup>1</sup> <https://www.wsj.com/market-data>

<sup>2</sup> <https://quotes.wsj.com/index/XX/MSCI%20GLOBAL/990300/historical-prices>

<sup>3</sup> <https://finance.yahoo.com/news/stock-market-news-live-updates-february-28-2020-234447699.html>

<sup>4</sup> <https://www.investing.com/economic-calendar/cb-consumer-confidence-48>

<sup>5</sup> <https://www.marketwatch.com/tools/calendars/economic>

<sup>6</sup> <https://www.marketwatch.com/story/new-home-sales-soar-to-highest-level-since-2007-2020-02-26>

<sup>7</sup> <https://cooking.nytimes.com/recipes/6393-easy-chicken-curry>

<sup>8</sup> <https://www.irs.gov/forms-pubs/about-publication-587>

<sup>9</sup> <https://www.golfdistillery.com/tweaks/setup/grip/grip-type/>

<sup>10</sup> <https://www.webmd.com/sleep-disorders/features/coping-with-time-changes>

<sup>11</sup> [https://www.huffpost.com/entry/how-to-choose-the-safest-healthiest-and-most-sustainable\\_b\\_59249c60e4b0ed5eed1322e2](https://www.huffpost.com/entry/how-to-choose-the-safest-healthiest-and-most-sustainable_b_59249c60e4b0ed5eed1322e2)