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### February 2020 and the Coronavirus

The US stock market hit all new highs in February 2020, and then saw its fastest correction (10%+ drop) ever in just a matter of days - courtesy of COVID19 - Coronavirus. The market had a pretty great run until about a week ago, which might have also added to the speed of the correction with more investors taking profits.

- Should we be more afraid of the Coronavirus? Who knows? It appears to be deadlier than the flu, less deadly than SARS and MERS, and **past epidemics have had little long term effect on the US stock market.**

• **There will be a short term impact, especially in China.** However, the Chinese government is using "fiscal transfer" to delay and/or reduce government taxes or fees - providing more immediate help to help keep Chinese businesses afloat while they have a temporary drop or pause in production.

- **Plus other trends that follow panic:** A flight to quality (a.k.a. US Treasuries) and commodities like gold and silver.

• **When the second largest economy slows its production or its consumption, there is a trickle effect to the outside world.** Chinese New Year celebrations were effectively canceled in China. iPhones are "made in China", but there are lots of other parts that might not be making their way in or out as quickly and slowly bringing other manufacturers to a halt, too. It will be interesting to see how other governments react.

Despite distrust about the Chinese government, most of the world is now aware of the Coronavirus. This isn't the Dark Ages. Maybe I'm naive, but increased information flow, a global economy, and a desire for self-preservation should make a difference. If everyone sneezes into their elbows, washes their hands more often, and uses a little common sense, isn't it possible that this won't turn into a pandemic? -Anita

	Current Month	Prior Month	1 Month	Prior Year	52 Week	
	*Feb-2020	Jan-2020	% Change	Feb-2019	High	Low
<b>Dow</b>	25,409.36	28,256.03	-10%	25,916.00	29,568.57	24,680.57
<b>S&amp;P 500</b>	2,954.22	3,225.52	-8%	2,784.49	3,393.52	2,722.27
<b>NASDAQ</b>	8,567.37	9,150.84	-6%	7,532.53	9,838.37	7,292.22
<i>Commodity Prices</i>						
<b>gold</b>	1,642.50	1,587.90	3%	1,316.10	1,691.70	1,267.30
<b>silver</b>	16.55	18.01	-8%	15.63	19.75	14.27
<b>oil</b>	47.09	51.56	-9%	57.22	66.60	43.32
<i>Yield</i>						
<b>2 Year Treasury</b>	0.93%	1.32%	-30%	2.52%	2.57%	0.84%
<b>10 Year Treasury</b>	1.16%	1.51%	-23%	2.72%	2.77%	1.10%
<b>30 Year Treasury</b>	1.68%	2.00%	-16%	3.08%	3.14%	1.64%
<i>Currencies</i>						
<b>USD/Euro</b>	1.10	1.11	-1%	1.14	1.08	1.14
<b>Yen/USD</b>	108.09	108.34	0%	111.91	112.40	104.46
<i>Interest Rates</i>						
<b>Prime</b>	4.75%	4.75%	5%	5.50%	5.50%	4.75%
<b>30 Yr Mortgage</b>	3.66%	3.68%	-1%	4.44%	4.44%	3.60%

\*Reflects the last business day of that month.

Data source: [www.WSJ.com](http://www.WSJ.com)

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