

# MARKET OUTLOOK | FRANCIS J. PERFETUO, JR., CFA

Happy Friday to you from all of us at Veritas. This past week's news and important developments include:

- An unprecedented decline in the price of expiring oil futures contracts to start the week that has since moved up to a price range that better reflects expected improvements in the low demand / high supply conundrum of oil.
  - Despite the recent OPEC deal and other plans to cut production, the most effective way to normalize the price of oil will come with the increased demand from our economy opening
- The flattening of “the Curve” continues. The IHME model that is often mentioned by the White House Talk Force is now showing in the U.S. it has been 9 days since the peak in fatalities.
  - For those of us in MA, we appear to be still working towards a plateau
- The latest Economic Reports include:
  - Existing home sales decreased 8.5%
  - New home sales decreased 15%
  - Weekly unemployment claims came in at 4.4M (but lower for the second week in a row) 1
- The Latest Stimulus Package 3.5 (signed into law today) includes:
  - An additional \$320B for the popular PPP Loan program through the SBA
  - \$75B for hospitals and other healthcare facilities
  - \$60B for the Small Business Administration’s Economic Injury Disaster Loan program
  - \$25B for COVID-19 testing 2
    - Speaking of testing: Roche, Abbott Labs, Becton Dickinson and Rutgers University among others have already made tremendous strides in receiving fast-track FDA authorization for their tests that generate Covid-19 results in minutes or hours, rather than days or weeks 3
- A handful of States have already begun the slow process of opening up, while many others are making plans to open.
  - Most are adhering to the to the 3 Phase Plan presented last week by the White House Task Force
  - While the Task Force has provided these guidelines to include safety and health goalposts that should be met prior to entering each phase, they are empowering the Governors of each state to decide when and how best to open
- It appears the worst is behind us on two fronts:
  - Both the number of new cases and fatalities in the US are trending down
  - While there are never any guarantees, with the past month’s strong equity market rebound, more and more strategists agree that March 23<sup>rd</sup> was the bottom though the volatility will persist



**Francis J. Perfetuo, Jr., CFA**  
*Managing Partner*  
*Portfolio Manager*

**Mark T. Roman**  
*Managing Partner*

**Kevin C. Duffalo**  
*Partner*

**Timothy Duggan**  
*Financial Advisor*

While it has been another week of mixed news, the market is looking ahead and showing some optimism around plans to reopen the economy.

Enjoy your weekend and be safe.

**FRANCIS J. PERFETUO JR., CFA ®**  
*Managing Partner & Portfolio Manager*



1050 HINGHAM ST. | ROCKLAND, MA 02370

Investment advice offered through Stratos Wealth Advisors, LLC., a Registered Investment Advisor dba, Veritas Boston Wealth Management. The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations for any individual. The economic forecasts set forth in this material may not develop as predicted and there can be no guarantee that strategies promoted will be successful. Investing involves substantial risk. Veritas Boston Wealth Management does not make any guarantee or other promise as to any results that may be obtained from the company's "Market Commentary" letter ("Letter"). While past performance may be referenced in the Letter, past performance should not be considered indicative of future performance. No reader should make any investment decision without first consulting his or her own personal financial advisor and conducting his or her own research and due diligence. All indices are unmanaged and cannot be invested into directly.