

Market action in the first half of March made February's run of the mill correction feel like a summer breeze. That said, February did mark the end of the euphoria of the mid-January U.S.-Sino trade deal and record high equity prices both of which were washed out by global economic concerns surrounding coronavirus/COVID-19 outbreaks, falling oil prices, and early tremors of U.S. election rhetoric. U.S. equity markets peaked on February 19th ended the month with a week to forget as stocks succumbed to relentless selling and safe haven assets were bid up to record levels. U.S. treasury yields and oil prices both began to fall in middle February in sympathy with the overall risk off tone which picked up momentum well into March.

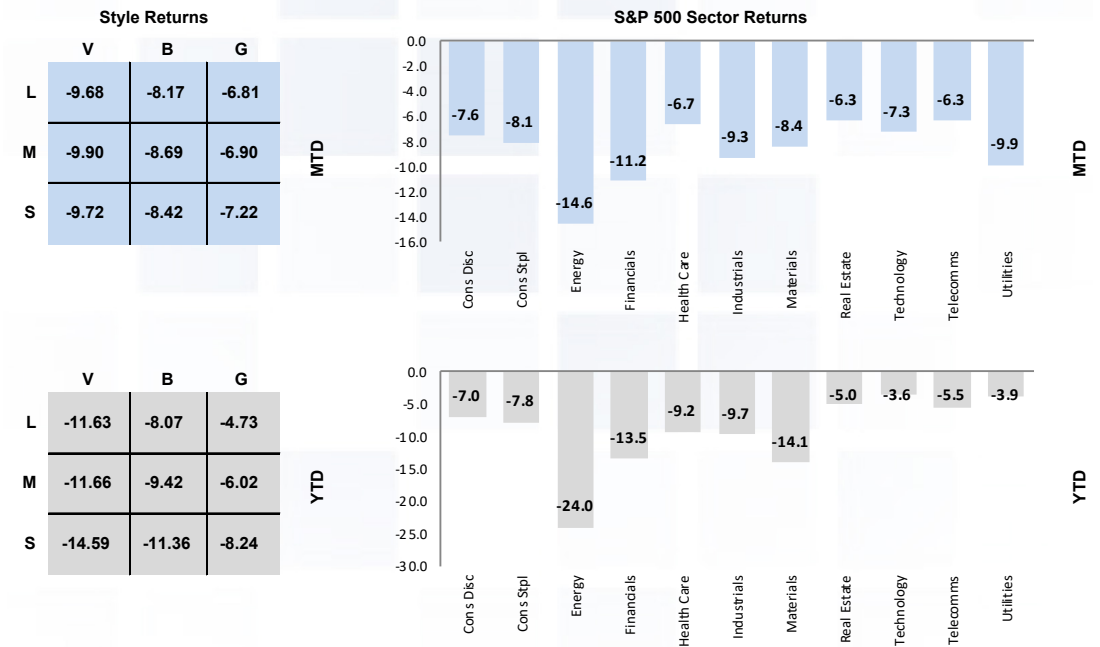
Market Anecdotes

- Despite relatively encouraging economic data during the month, the outlook turned progressively downward as coronavirus morphed from a Chinese concern to a global concern throughout the month.
- Debate about the duration and depth of the COVID-19 related downturn raged on while policy makers prepared containment and treatment strategies based on Asia's first mover experience.
- February saw the S&P 500 record its fastest 10% correction in history (6 days) as the month wrapped with the worst week of performance since the GFC.
- The S&P 500 was +5% for the first eighteen days of February but then went on to lose nearly 13% in the last eight trading days to finish -8.5% for the month.
- Final Q4 earnings growth for the S&P 500 registered 0.8%, which was the first YoY positive growth since Q4 2018 but are now forecasted to decline in Q1 with guidance mostly suspended until the virus concerns begin to fade.
- Of interest is the MSCI China Index returned 0.97% during the month of February while coronavirus infections continued to rise then plateau during the month.

Economic Release Highlights

- Headline and core PCE registered 1.7% and 1.6% respectively, again lacking any inflationary concerns while MoM personal income (0.6% vs 0.3%) came in higher than forecast and consumer spending (0.2% vs 0.3%) was relatively in line.
- February payrolls (273,000 vs 250,000) far exceeded expectations and came with an 80,000 upward revision to Dec/Jan numbers.
- February's ISM Manufacturing Index sustained most of January's 3.1 point surge, coming in at (50.1 v 50.4) while ISM Non-Manufacturing handily beat expectations (57.3 v 55.0).
- February's PMI numbers expectations (50.7m, 59.4s, 49.6c) remaining in expansionary territory but are survey results were tallied mostly before the full-scale coronavirus outbreak.
- February consumer confidence (130.7) and consumer sentiment (101) both held onto January's surge but also are results tallied mostly before the full-scale coronavirus outbreak.
- Housing market data remained very strong with new and pending homes sales both handily beating consensus (764k vs 710k) and (5.2% vs. 2.2%). December home prices increased at a 5.37% annual clip, the fastest pace since March 2018.
- The February housing market index came in the consensus range at 74, after posting back to back readings near three-decade highs in the past two months.

Equity	Level	1 Mo	3 Mo	YTD	1 Yr	3 Yr	Commodities	2/29/20	12/31/19	9/30/19	6/30/19
Dow Jones	25409	(11.21)	(9.18)	(10.55)	0.45	9.42	Oil (WTI)	31.72	61.14	54.09	58.20
NASDAQ	8567	(7.46)	(1.35)	(4.37)	14.94	14.94	Gold	1609.85	1514.75	1485.30	1409.00
S&P 500	2954	(9.63)	(5.86)	(8.27)	8.19	9.87					
Russell 1000 Growth		(8.06)	(2.25)	(4.73)	15.11	15.67	Currencies	2/29/20	12/31/19	9/30/19	6/30/19
Russell 1000 Value		(11.19)	(9.57)	(11.63)	0.54	3.78	USD/Euro (\$/€)	1.10	1.12	1.09	1.14
Russell 2000		(10.85)	(9.32)	(11.36)	(4.92)	3.52	USD/GBP (\$/£)	1.28	1.33	1.23	1.27
Russell 3000		(9.63)	(6.04)	(8.29)	6.90	9.28	Yen/USD (¥/\$)	108.12	108.67	108.11	107.84
MSCI EAFE		(9.73)	(8.37)	(10.92)	(0.05)	4.44					
MSCI Emg Mkts		(8.65)	(3.84)	(9.68)	(1.51)	5.28	Treasury Rates	2/29/20	12/31/19	9/30/19	6/30/19
Fixed Income	Δ Yield	1 Mo	3 Mo	YTD	1 Yr	3 Yr	3 Month	1.27	1.55	1.88	2.12
US Aggregate	2.59	(0.06)	(0.12)	(0.11)	(0.13)	0.22	2 Year	0.86	1.58	1.63	1.75
High Yield	5.54	0.08	(0.00)	0.11	(0.03)	(0.39)	5 Year	0.89	1.69	1.55	1.76
Municipal	2.08	(0.02)	(0.08)	(0.06)	(0.17)	(0.10)	10 Year	1.13	1.92	1.68	2.00
							30 Year	1.65	2.39	2.12	2.52





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