



Market in a Minute

March 3, 2020

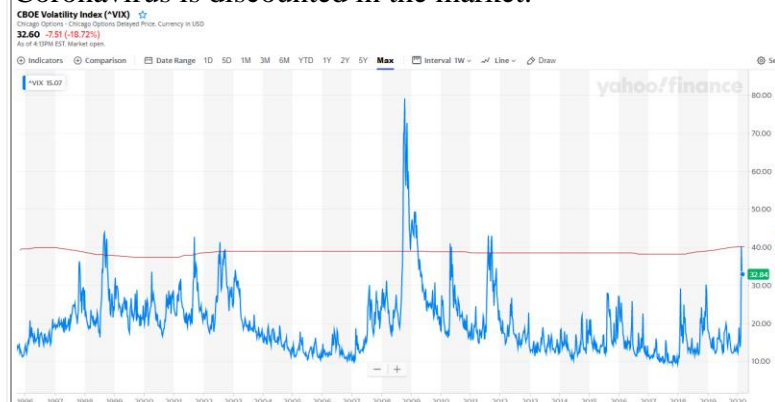
Index Performance: As of February 28, 2020

Index	Price	Last Week	YTD
Dow Jones 30	25,409.36	-12.4%	-10.6%
S&P 500	2,954.22	-11.5%	3.7%
NASDAQ	8,567.37	-10.5%	7.0%
Russell 2000	7,479.81	-12.0%	0.5%
Russell 2000 Growth	7,104.55	-11.6%	3.6%
Russell 2000 Value	10,554.35	-12.5%	-2.4%
Russell 1000 Growth	1,667.18	-10.9%	5.7%
Russell 1000 Value	1,591.29	-12.3%	1.1%
Shanghai SE Index	3,185.33	5.7%	-0.3%
SPDR Gold Shares	148.38	-4.1%	8.3%
GS Crude Oil Total Return	5.01	-16.1%	-15.0%
Powershares US \$ Index	26.53	-1.1%	3.3%
iShares EAFE Index	62.24	-8.8%	-1.7%
iShares Barclays 20+ Yr Treasury Bond	155.31	4.9%	9.3%
Utilities Select Sector ETF	62.18	-11.6%	8.8%
Vanguard REIT ETF	87.33	-12.3%	7.3%
iShares Mortgage Real Estate	42.24	-11.8%	7.5%
Wells Fargo BDC	17.97	-12.0%	0.0%

A Word on the Market by Pat Adams, CFA

Last week was a very tough week for the market and February was a tough month with the S&P 500 down over -8%. Yesterday, when the market did not implode in the morning, driven by a number of new virus cases, we saw massive short covering and also fundamental buying. All sectors were up on Monday. We were trying to buy some of the most beaten down high quality income stocks, like Annaly Capital Management (NLY) with a yield of 13.5%. The market clearly got oversold, with the S&P 500 down by nearly -15% from high to low. The market is expecting the Federal Reserve and other central banks will cut interest rates. The market is expecting a .50% rate cut by the Fed when they meet on March 18th. The futures market is discounting a 100% probability that this will occur. The Federal Reserve is scheduled to have an emergency meeting with all G-7 countries on Tuesday morning before the market opens and before you read this. So perhaps a coordinated rate cut will happen. The central banks better not disappoint. What we take away from this, the news these central banks are picking up from businesses, to do a coordinated rate cut, must be extremely negative, and they must have a very bold plan of action to now satisfy the markets curiosity!

Early last week, we discussed the Volatility Index (VIX), and we said we thought we needed to see the VIX up to around 40 before the market bottomed. The VIX did pop to 40 last week, and rolled back down to around 33 on Monday afternoon. We believe, what we currently know, the Coronavirus is discounted in the market.



Alerian MLP ETF	6.67	-12.8%	-10.0%
iShares Global Telecom	58.22	-8.7%	3.8%
ETFMG Alternative Harvest ETF	13.91	-15.6%	-3.7%
BitCoin Investment Trust	9.85	-21.4%	53.0%

Source: Bloomberg & Yahoo.com, Returns are appreciation only.

S&P Sector Performance: As of February 28, 2020

Index	Price	Last Week	YTD
Information Technology	1,549.24	-11.1%	8.2%
Consumer Disc.	915.77	-11.2%	4.8%
Consumer Staples	595.21	-10.4%	2.8%
Health Care	1,075.66	-10.6%	1.7%
Financials	440.7	-13.5%	0.0%
Industrials	618.39	-12.2%	2.7%
Energy	343.53	-15.4%	-10.6%
Communications Services	171.25	-9.4%	4.4%
Utilities	313.85	-11.8%	8.9%
Materials	330.67	-12.7%	-1.4%
Real Estate	227.7	-12.3%	8.5%

Source: Bloomberg website, Returns are appreciation only.

Interest Rates

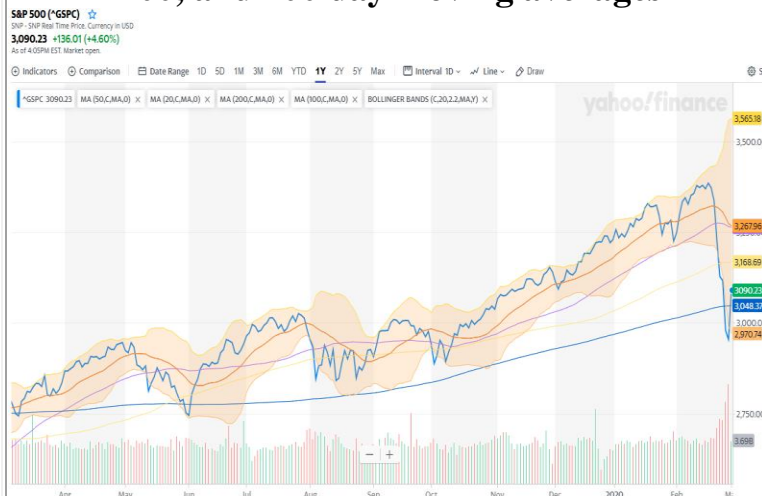
Fed Fund	1.50-1.75	5-Year	0.89
3-Month	1.27	10-Year	1.13
6-Month	1.11	30-Year	1.65
2-Year	0.86		

Source: Bloomberg.com

Economic Events This Week

2-Mar	ISM Manufacturing PMI	50.5%	50.9%
2-Mar	Building Approvals m/m	1.1%	3.9%
2-Mar	Cash Rate	0.50%	0.75%

S&P 500, with Bollinger Bands and the 20, 50, 100, and 200 day moving averages



Our tactical strategies performed well in February, the PVG Tactical Total Return (TTR) strategy was down only -.63% and the S&P 500 TR was down -8.24%. Dynamic Core was down -2.27% in February. In TTR on Monday we increase our long exposure to the Nasdaq and reduced some of the short position on the S&P 500. Our Loss Averse Equity income on Monday reduced some of the hedge and bought selectively quality income stocks. Loss Averse Equity Income was down -5.8% in February, better than the market, but the energy names we owned did not hold up as expected. This is generally our most conservative strategy,

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6-Mar	GDP q/q	0.4%	0.4%
4-Mar	ADP Non-Farm Employment Change	170K	291K
4-Mar	Overnight Rate	1.50%	1.75%
4-Mar	ISM Non- Manufacturing PMI	55.1	55.5
4-Mar	Trade Balance	4.80B	5.22B
5-Mar	Retail Sales m/m	0.0%	-0.5%
5-Mar	Employment Change		34.5K
5-Mar	Trade Balance		-0.4B
6-Mar	Unemployment Rate		5.5%
6-Mar	Average Hourly Earnings m/m	0.3%	0.2%
6-Mar	Non-Farm Employment Change	185K	225K
6-Mar	Unemployment Rate	3.5%	3.6%

Source: Briefing.com

Economic Events Last Week

Date	Event
25-Feb	Consumer confidence still high in February, but corona virus impact not yet factored in
27-Feb	U.S. economy grew only 2.1% in 4 th quarter and coronavirus might reduce GDP even more
28-Feb	PCE inflation index climbs at 1.7% yearly rate in January
28-Feb	Strong job market and low mortgage rates send new home sales to highest level since 2007
28-Feb	Consumer sentiment high in February, but Covid-19 worries grow
Source: Briefing.com	

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