



faith . discipline . patience



Considering Q1 GDP fell nearly 5%, it feels like stocks have held up, and clawed back some, relatively well after falling 30-something percent, in 30-ish days in February and March. In fact, April was the **third best month for the S&P 500 since WWII.** (Factset) In the middle of a pandemic, when the economic data alone can at times cause “shortness of breath”, **who saw that coming?** *“What investors need to keep in mind is that when they invest in stocks, they’re not buying shares of GDP; they’re buying shares of specific companies that offer an always changing flow of goods and services. We think the worst news is already factored in. Investors who can grit their teeth through the economic pain should be rewarded in the years ahead.”* Brian Wesbury, First Trust. GDP and the stock market do not move in lockstep, see Federal Reserve Economic Data:

Year	GDP	Stock Market
1949	-0.6%	18.3%
1954	-0.6%	52.6%
1958	-0.7%	43.7%
1962	6.1%	-8.8%
1966	6.6%	-10.0%
1969	3.1%	-8.2%
1973	5.6%	-14.3%
1975	-0.2%	37.0%
1977	4.6%	-7.0%
1981	2.5%	-4.7%
1982	-1.8%	20.4%
2002	1.7%	-22.0%
2009	-2.5%	25.9%

GDP = YoY Real GDP from FRED; Stock Market = S&P 500

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Did you know the stock market showed gains during WWI and WWII? I hear talk about how uncertain things are today---can you imagine back then? In my opinion, the odds of timing the market are slim. **The events of this year being “Exhibit A”!** Generally, the stock market improves before the economy does. Stocks are forward looking, GDP is backward looking data. I believe this is why wait-until-it-feels-better-market-timers are **frequently** failed investors. A recent report by Legg Mason found over the last 80 years, the equity market has turned up an average of 107 days before a recession ended. Warren Buffett said it best—*‘Those who invest only when commentators are upbeat end up paying a heavy price for meaningless reassurance.’*



Happy Birthday Tom Moore—he turned 100 last week. He is the British army veteran that pledged to shuffle 100 laps in his backyard in an attempt to raise about \$1000 for the National Health Service. So far, his efforts have raised....over 36 million. The most money raised by an individual thru a charity walk, according to Guinness World Records. Like many of you I am taking more walks than usual these days. (besides to my pantry 😊) To other pandemic pavement pounders--don't be afraid to mix in a smile as you make your wide walking arcs past others. Smiles are in shorter supply than TP these days. While I am not an “-ologist” of any kind....I am pretty sure smiles from a distance don't spread the virus. Plus, smiling is good for you, and the wiring of your brain. Smiles works well in relaxing others a little too. Smile when on the phone also—you can hear it in your voice.



Tomorrow begins National Nurse Week. May 6th through May 13th. Find some and thank the heck out of them! I think you will be proud to know SKV is buying piles of pizzas to thank our local “superheroes in scrubs”.

As always, I'm honored and humbled you have given me the opportunity to serve as your financial advisor. I am lucky to be in the foxhole with the greatest clients in all the land. We hope you view us as your ***friendly, knowledgeable, and reassuring source of financial guidance.***



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CAR-0520-00069

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