



## WEDNESDAY LUNCHO LEARNO







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SCOTT HUGHES, CFP<sup>®</sup>, MBA Managing Partner & Financial Advisor

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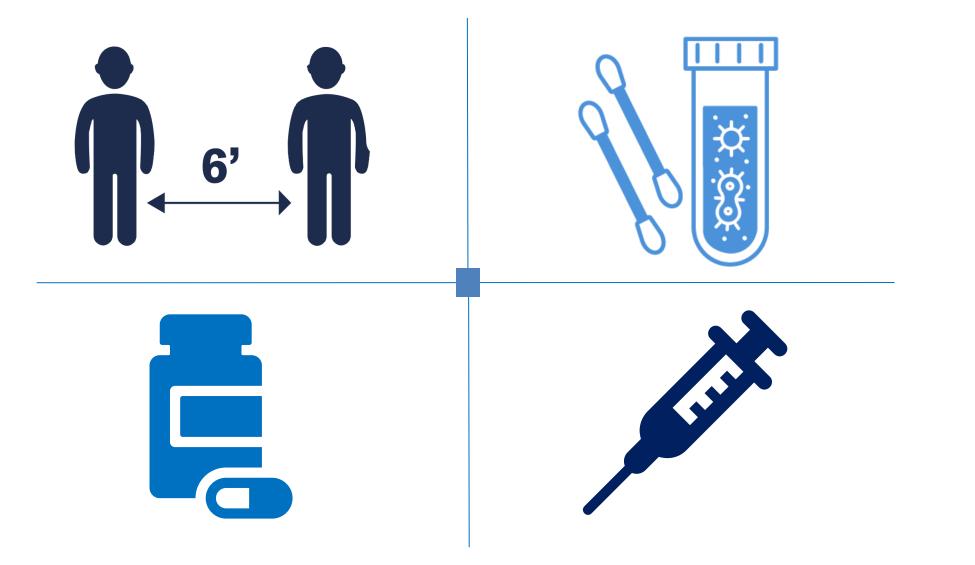


# "Virus World War II has been a three-front war, with a health, financial and economic front."

EDWARD YARDENI | PRESIDENT, YARDENI RESEARCH, INC.



#### WHAT THE EXPERTS ARE TELLING US On the Health Front



## FRONT RUNNERS START TO EMERGE IN RACE FOR COVID-19 VACCINE

DEVELOPER	STATUS	TARGET	MANUFACTURING GOAL
Moderna	Phase 1 ongoing; phase 2 beginning soon	Emergency authorization by Fall	One billion doses per year
Pfizer and BioNTech	Phase 1 ongoing	Emergency authorization in October	Hundreds of millions of doses in 2021
Sanofi/Glaxo Smith Kline	Phase 1 to start in second half of 2020	Approval in mid-2021	Up to 600 million doses by mid- 2021
Johnson & Johnson	Phase 1 to start by September	Emergency authorization in early 2021	Hundreds of millions of doses by 2Q 2021, one billion doses by end of 2021
Oxford University and AstraZeneca	Phase 1 ongoing	No date set	No goal set
Inovio Pharmaceuticals	Phase 1 ongoing	No date set	One million doses in 2020
Novavax	Phase 1 beginning in days	Emergency authorization by end of 2020	100 million dosses in 2020, one billion doses in 2021

## WHAT THE EXPERTS ARE TELLING US S&P 500 Index Performance



## WHAT THE EXPERTS ARE TELLING US

The Markets vs the Real Economy



## WHAT THE EXPERTS ARE TELLING US **COVID-19** Relief

# Quick government response when compared to 2008-09 financial crisis

#### How Fast the Economy Crashed— And Washington Responded The Fed and Congress sped up the response to the coronavirus pandemic using strategies tested a decade ago in the financial crisis AND HANNA SENDER century Great Depression. One big difference: speed. \$2 trillion to subdue the There are similarities Washington has this time between the financial crisis done in weeks what took a of 2008 and the coronavirus pandemic of 2020. A sudden,

year and a half back then. The first signs of the financial crisis emerged in August 2007, when securities backed by subprime response from policy makers mortgages plunged. Congress and the White House ultimately allocated about

disaster. The final big piece wasn't enacted until February 2009. This year, Congress has in March alone passed three laws throwing about the

same amount of money at the problem, barely two months after the first officially reported coronavirus death

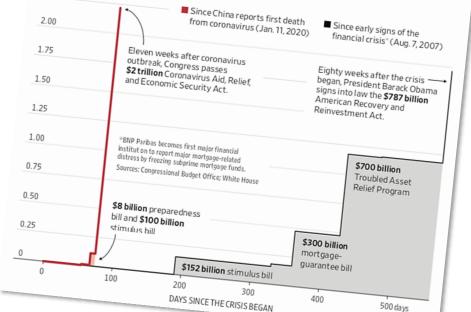
Total funds authorized by Congress

jarring breakdown in the

economy and markets,

followed by a massive

to try to prevent a 21st-



Source: Wall Street Journal

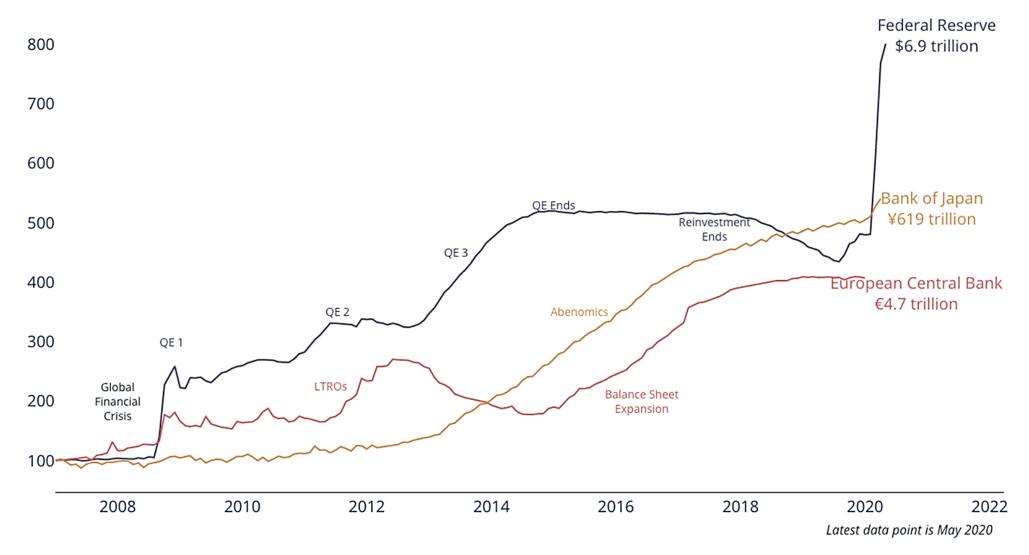
## WHAT THE EXPERTS ARE TELLING US COVID-19 Relief

## Quick government response when compared to 2008-09 financial crisis

#### Total funds authorized by Congress \$2.25 trillion Since China reports first death Since early signs of the from coronavirus (Jan. 11, 2020) financial crisis\* (Aug. 7, 2007) 2.00 Eleven weeks after coronavirus 1.75 outbreak, Congress passes began, President Barack Obama \$2 trillion Coronavirus Aid, Relief, signs into law the \$787 billion and Economic Security Act. American Recovery and 1.50 Reinvestment Act. 1.25 \*BNP Paribas becomes first major financial \$700 billion 1.00 institution to report major mortgage-related Troubled Asset distress by freezing subprime mortgage funds. Relief Program Sources: Congressional Budget Office; White House 0.75 0.50 \$8 billion preparedness bill and \$100 billion \$300 billion stimulus bill 0.25 mortgageguarantee bill \$152 billion stimulus bill 0 0 100 200 300 400 500 davs DAYS SINCE THE CRISIS BEGAN

## WHAT THE EXPERTS ARE TELLING US

#### **Global Central Bank Balance Sheets**

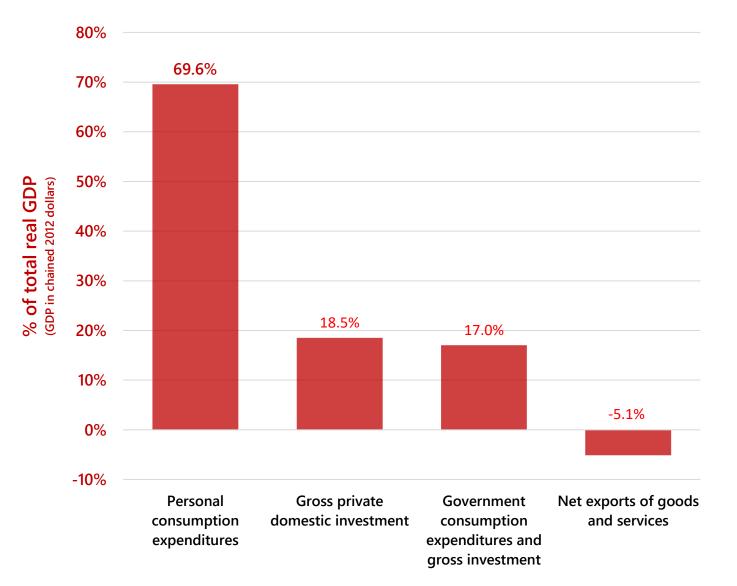


Source: Federal Reserve, ECB, Bank of Japan

"Lots of progress on the financial front since the Fed launched **B-52 bombers** and carpet-bombed the market with liquidity starting March 23."

EDWARD YARDENI PRESIDENT, YARDENI RESEARCH, INC.

## WHAT THE EXPERTS ARE TELLING US GDP Breakdown





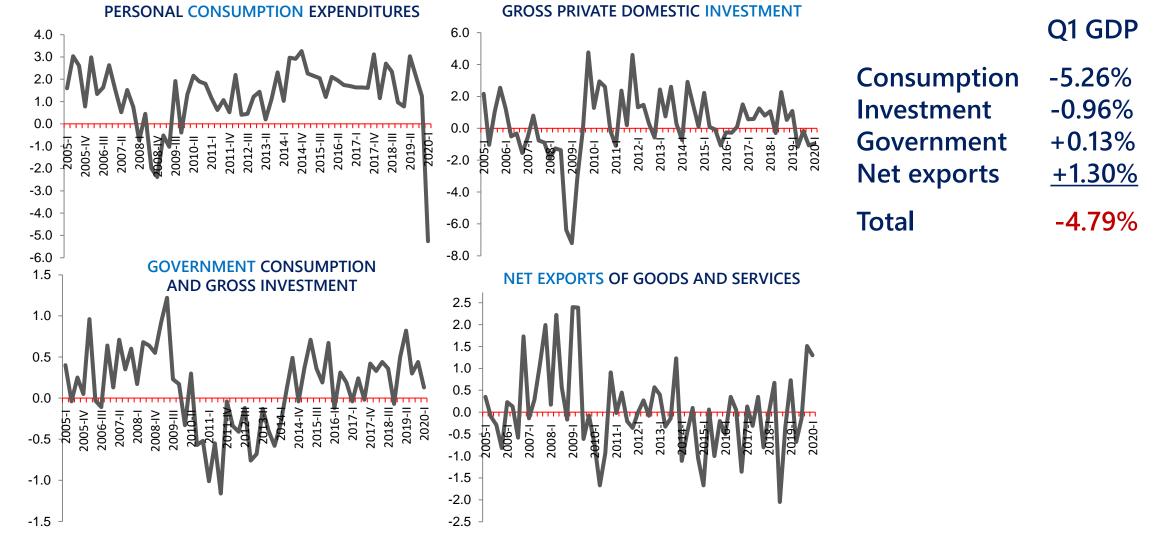
# WHAT IS GDP (gross domestic product)?



## WHAT IS GDP? (Gross Domestic Product)

- Measure of total market value of all goods and services
- Reported quarterly by Bureau of Economic Analysis (BEA)
- Proxy for economic growth

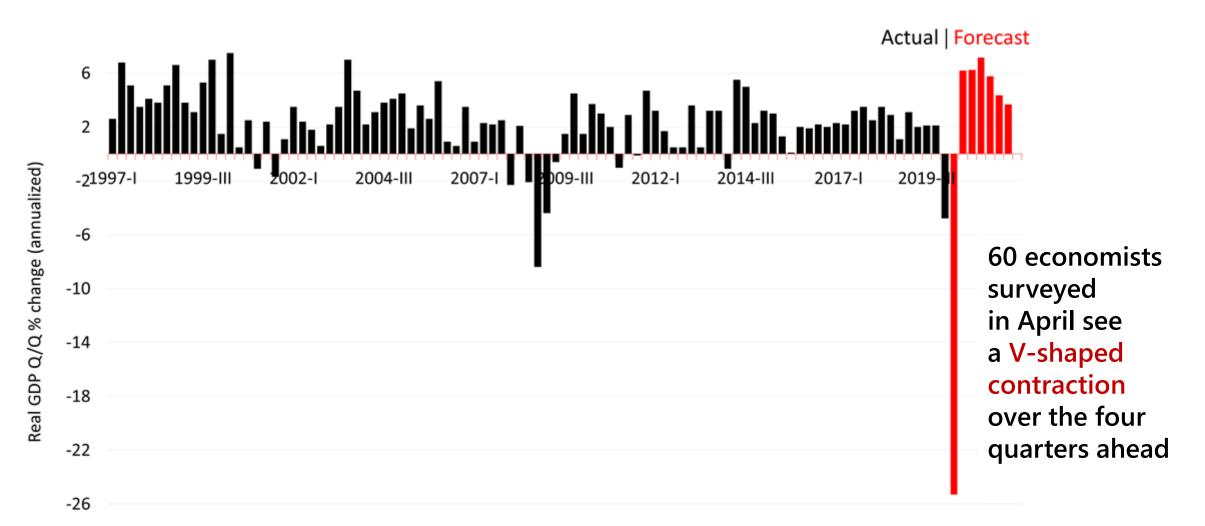
#### WHAT THE EXPERTS ARE TELLING US Contributions to GDP Growth: C + I + G + NE



% change at annual rate

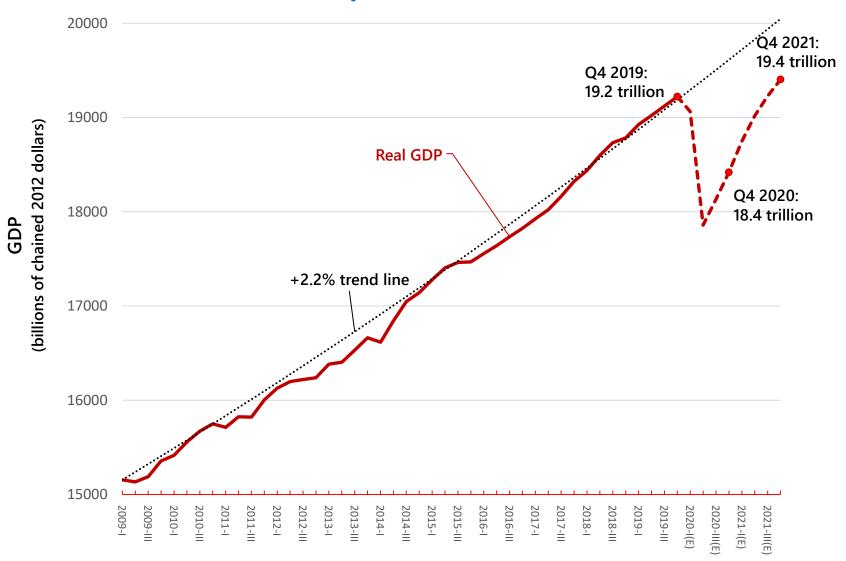
## WHAT THE EXPERTS ARE TELLING US

**Consensus GDP Forecast: Huge Contraction with V-Shaped Recovery** 



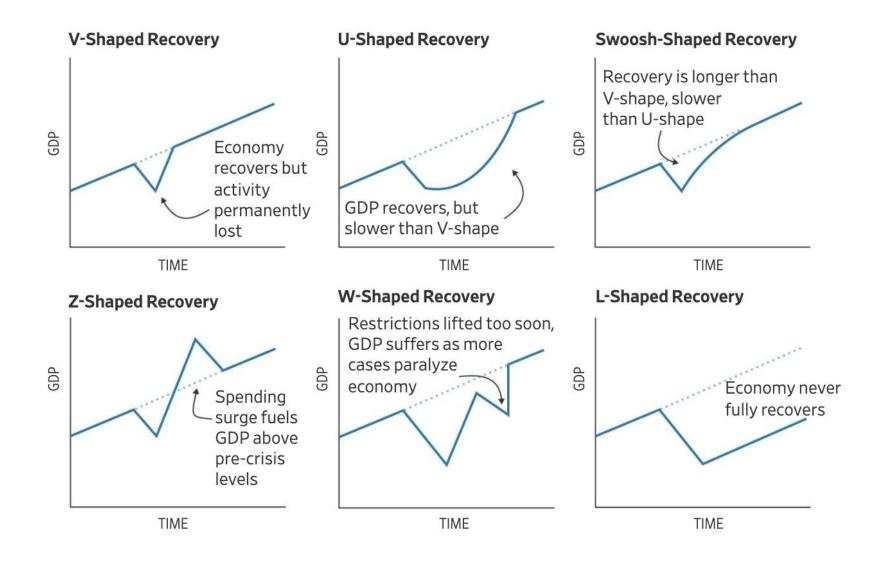
## WHAT THE EXPERTS ARE TELLING US

#### **Consensus GDP Forecast: V-Shaped**

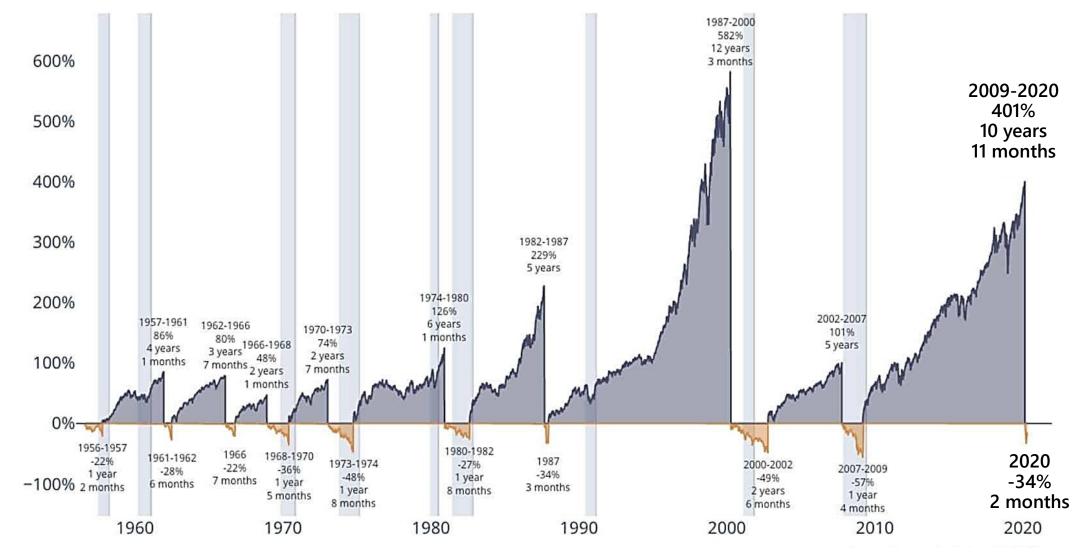


"Americans are starting to awaken from their lockdowns, which started during the second half of March. State governors are gradually lifting stay-in-place restrictions and opening up their economies. There are mounting signs that the US economy may be bottoming after taking a dive during March and April." EDWARD YARDENI | PRESIDENT, YARDENI RESEARCH, INC.

## WHAT THE EXPERTS ARE TELLING US Recovery Alphabet



### WHAT THE EXPERTS ARE TELLING US S&P 500 Price Index Bull and Bear Cycles Since 1956



Source: Clearanomics, Standard & Poor's

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**SOURCES:** Clearanomics; Brookings Institution; *The Economist* (5/9/20); Bloomberg; Johns Hopkins; Institute for Health Metrics and Evaluation (IHME) at the University of Washington (5/4/20), funding sources Bill and Melinda Gates Foundation and the State of Washington; *The Wall Street Journal* (3/28/20, 4/9/20 (survey), 5/6/20, 5/11/20); Bureau of Economic Analysis, actual quarterly data through December 2019; Bureau of Economic Analysis, actual quarterly data through March 2020; Standard & Poor's (5/1/20); Barron's, "Front-Runners Start to Emerge in Race For Covid-19 Vaccine" (5/18/20); Edward Yardeni

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