

Market Outlook:

Noble intentions

The erroneous belief that everyone is alike and everyone is affected equally by pandemics and financial crises is something I alluded to in last week's commentary. In fact, these are outright mistruths. Despite the nobility of believing the myth, there are many classes and castes that are being disproportionately savaged by the disease and disaffected, displaced, and mistreated by the economics.

The scourge is horrible, relentless, and borderless. More disturbing to this author, though, is that there also exists a nexus of greed. We have to get this next chance to remediate right or there may not be an effective financial renaissance.

The last decade was one of fantastic wealth building and economic recovery. Stock valuations increased by thousands of percentage points; investment banking transacted myriad numbers of deals, creating lucrative and innovative industries in the process; and advances in medicine and technology revolutionized the globe. And yet, we still have generations of homeless families, there is great hunger and poverty worldwide, populations are dislocated by war or drought, thousands are forgotten. How is it that we are dumping milk into sewers, euthanizing cattle and poultry, letting crops rot in the field simply because the global agricultural distribution network is flawed?

The painful human toll minus the wealth created is still a positive integer. **(PHT-WC > 1)**

Perhaps, when you see the suffering and anguish caused by the disease, you are thinking, "*there but for the grace of destiny go I*", or, "*it isn't happening to me so I don't have to worry*"? Would you so blithely choose to surrender any responsibility to build a better future for mankind in lieu of your own personal aspirations? There are no scorecards, no statistics kept on personal "batting averages"....so why bother, you might ask?

Practical reality

Whether one can financially afford the luxury of personal indulgence should not be the issue. Rather, we should declare...loudly....what we are prepared to do, to surrender or sacrifice, to overcome the health pandemic and the economic maelstrom we are confronting, and how we can be better neighbors to those less fortunate than ourselves.

Towards that end, we must be prepared to change our expectations about how and how fast things get done. I said last week that we cannot measure investment returns in the future by traditional benchmarks used in the past. This applies to all things we had previously expected to "get". I remember one time when I was in high school my class attended assembly in the school auditorium. Our proctor asked us as an exercise to sit in our seats quietly for the balance of the 20 minutes remaining in the session. We were asked to think about anything, reflect upon our lives, our goals, meditate even. But we were to be silent and not squirm around in our chairs. Almost no one could do it.

Now we are being asked to reflect upon issues of greater import. The pain, displacement, and distress that we are confronted by now is a monumental hurdle. Sorting out our own meaning, our purpose, is a convulsive process. It remains hard, to this day, to "sit still", to contemplate our meaning in life. But it will be our facility to look at things in the long term as the difference-maker in our ability to overcome the moment. You want your economy back, correct? Well, unfortunately, getting giddy when the Dow Jones bounces back 300, 400, 500 points in a day as it did last week only clouds the fact that the road to recovery will be a long haul. The virus knows no boundaries, neither a Wednesday from a Saturday, Florida from Iowa, rich from poor, Republican from Democrat. It is neither a baseball fan nor a boating enthusiast. It is ubiquitous and deadly. As adults now, can we follow a request by medical experts to "stay at home", or to maintain social distancing?

The more things change, the more they stay the same. We have seen this narrative before.

Presumably, the markets will recover and the virus will be defeated. Market strategists like me will go on measuring recovery rates, identifying the "best buy" inflection points, and expounding upon theories of economics old and new. Similarly, epidemiologists and scientists will quantify the patterns of spread of the disease and predict the probability of its future demise. But calming our fears, and changing our mindset, will be an even bigger task.

Are we "in this together"? The one thing we can acknowledge is that to be connected to one another we must share a "nobler representation", one which encompasses a vision of a new normal, and which accepts that one person's suffering is everyone's suffering.

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