

# ***Polaris Financial Partners Does the Right Thing at Easter and the ‘Bear Market Rally’ of last Week***

*By Bob Deitrick, CEO, ChFC  
Easter Sunday, April 12<sup>th</sup>, 2020*

*Steven and I are very proud to share with you that on Good Friday, Polaris Financial Partners went to visit the disabled Vets housed at Freedom’s Path in Chillicothe. Our group, which included eight of PFP’s board members, passed out a Good Friday lunch to 60 Vets along with Easter Dinner - which included a ten-pound Honey Baked® Ham, two sides, and a pound of bacon for dessert. Yes, we passed out bacon for dessert. We were joined by board members - Mick Rings, Dave Smith, Cheryl Hettinger, Dave Reisdorf as well as Tom and Vicki Harper. We also want to thank our friends, Hitesh and Shyamal Patel - owners of Honey Baked® of Polaris, for their assistance and tireless effort in helping us procure dinner for the Vets. These Vets were very happy to see us, and we were delighted to be there to support our heroes. As we arrived in Chillicothe, I received a call from Rob Sneed of WCMH-TV4. I had sent them a press release earlier in the week, and they showed up, unexpectedly. Rob taped our time at Freedom’s Path for an hour. And we were the lead story on TV4’s 5:30 broadcast on Good Friday and the clip aired all weekend. Below are the links from WCMH of our story:*

<https://www.nbc4i.com/news/helping-veterans-in-need-during-the-holiday-weekend/>

<https://www.youtube.com/watch?v=pREVAz6q10U>



*The day before Good Friday, thanks to Honey Bank® Ham of Polaris, Steven and I (working with Jesica Kantner and Jana Reardon of Eddie Merlot’s) passed out Easter dinner (including ten-pound hams and sides) to 40 of the Eddie’s staff who were laid off recently. This was the second time we had done this for their staff in three weeks. It was fun for us and much appreciated by their folks too.*

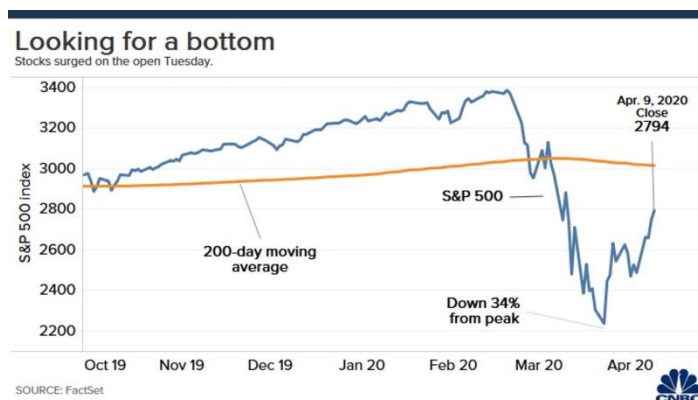
***Polaris Financial Partners is very proud to be working with our board members toward healing our community through these challenging times of COVID-19.***

*From a market vantage point, Easter week was exciting as the Fed went “all in” with a surprise injection of \$2.3 trillion of cash. We were pleased to see this as it bolstered the market and provided much needed liquidity to businesses. However, this was a “bear rally” - not to be confused with a real one. We are not out of the woods as this market has much to contend with looking forward. Whether this becomes a U-shaped recovery or a V-shaped one is a function of how long the crisis endures and how long it takes to get us back to work and to get the restaurants, bars, airlines and hotels functioning again. How long it takes will dictate to get back to some sense of normal will dictate what happens to the market in the short term. Longer term, we will get through this.*

*The stock market’s plunge into a bear market in March has been nearly matched by a rally off its lows. Through Good Friday, the S&P 500 has rallied 25% from the low point reached on March 23<sup>rd</sup>. The broader market average has also retraced half of its initial drop from its record high. The Dow is up more than 28% from its late-March low while the Nasdaq Composite has jumped 20% in that time.*

*The market’s comeback has been fueled by three key factors:*

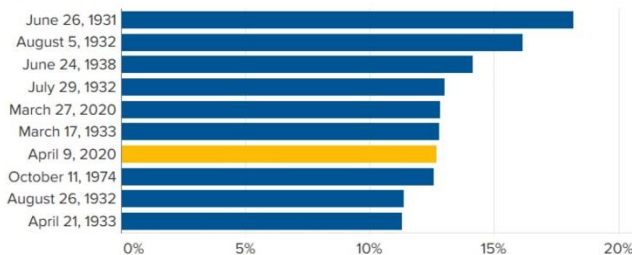
- *An improving outlook on the coronavirus outbreak in New York and other states.*
- *Massive monetary and fiscal stimulus from the Fed and the Federal Government.*
- *Stabilizing oil prices which caused the market to collapse on March 5<sup>th</sup>.*



*The world is moving exceptionally fast right now. The markets need to get over some big hurdles before this “bear” dies. Last week, the Dow had its seventh-best weekly performance ever while the S&P 500 posted its biggest one-week gain since 1974.*

### Strong week for Dow among best all-time

Top 10 ranked by Dow Jones Industrial Average weekly performance



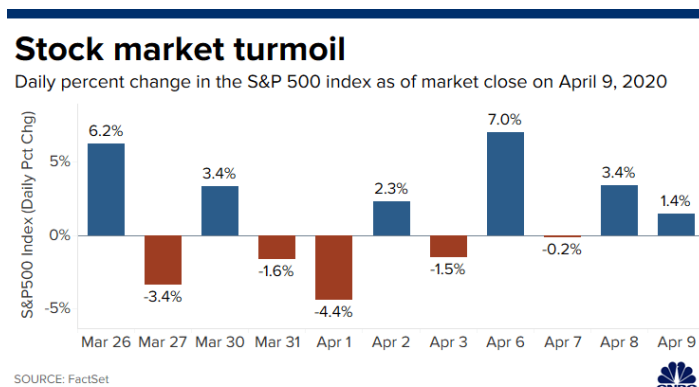
SOURCE: FactSet. Data as of market close on 4/9/20. Dates indicate final day of week.

*We at PFP started buying back into the market the week of March 23<sup>rd</sup> into the sectors of energy, large tech, cyclicals as well as the airlines. Things are not going to return in a straight line; indeed, we have some tough times ahead, but last week signified a recovery taking hold. The indices remain below the record highs set in late-February and we could re-test those lows if the COVID-19 economic damage is greater than originally feared.*

**Nonetheless, we are optimistic but recommend remaining cautious...**

*The markets are speculating that the COVID-19 curve will flatten. As the dust settles and things are normalized – we suspect the GDP numbers are going to look dire. Wall Street has had a glimpse of the massive economic shock COVID-19 is having, but I am unsure we are ready to see the 3<sup>rd</sup> quarter results. The U.S. has misplaced 16M workers over the past three weeks - 10% of our labor force. The number of people who filed for unemployment benefits last week totaled 6 million plus - tying a record set the previous week.*

*With the VIX over 40 for over six weeks, The S&P has posted a daily move of 1.5% in 6 of 7 trading days. Since March 23<sup>rd</sup>, the S&P 500 has moved more than 1% in 12 of 13 trading sessions.*



*Normally moves like these take days but now they're happening in minutes. There is intense risk here, but that creates intense opportunity as well. Clearly, the selling in March was overdone. Having said that, we have a tough road ahead, but we are gonna get through this.*

**We are Americans, undeniably, being resilient is what we do best!**

*Steven and I are watching these events for you with prodigious scrutiny. We will take advantage of the opportunities as they arise. Until then, please feel free to contact us by email to the extent you have any questions.*

**[Bob Deitrick – bdeitrick@pfp.llc](mailto:bdeitrick@pfp.llc)**  
**[Steven Morgan – smorgan@pfp.llc](mailto:smorgan@pfp.llc)**

*In the interim, enjoy the break from work, stay safe, enjoy your family and friends by Zoom, and do your best at social distancing. We will emerge stronger from this predicament! Call anytime if you would like. We wish you a Happy Easter and a Happy Passover to all - from Steven and Bob.*

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