

The Month the World Stopped

Volume 35, Issue 4 | April 6, 2020

By: Mark R. Shenkman, President & Co-Chief Investment Officer

A previously unseen pathogen, identified as COVID-19, has crushed the global economy and shattered societal norms. This spreading global health crisis could have catastrophic consequences for businesses and individuals as many countries become subject to quarantine. It is now estimated that over 90% of people in the United States, with a \$21 trillion economy, are currently under stay-at-home orders. The current pandemic is the most serious public health threat since the Spanish influenza in 1918. This resulted in U.S. equities suffering their fastest correction in history as investor panic gripped the markets. As in past financial meltdowns, the Federal Reserve came to the rescue to keep credit flowing into a paralyzed U.S. economy. With a historic 10 million surge in unemployment claims over the past two weeks, a "coronavirus recession" seems inevitable. Since the length and severity of this pandemic is unknown, the duration and depth of the recession is difficult to quantify. The longer the U.S. economy remains in hibernation, the longer it will take for the economy to recover from this once-in-a-century, devastating event.

***SPECIAL NOTE:
We hope all of our
clients and friends of
the firm are safe and
well during these
trying times.***

Please Contact Marketing@ShenkmanCapital.com for the full letter.