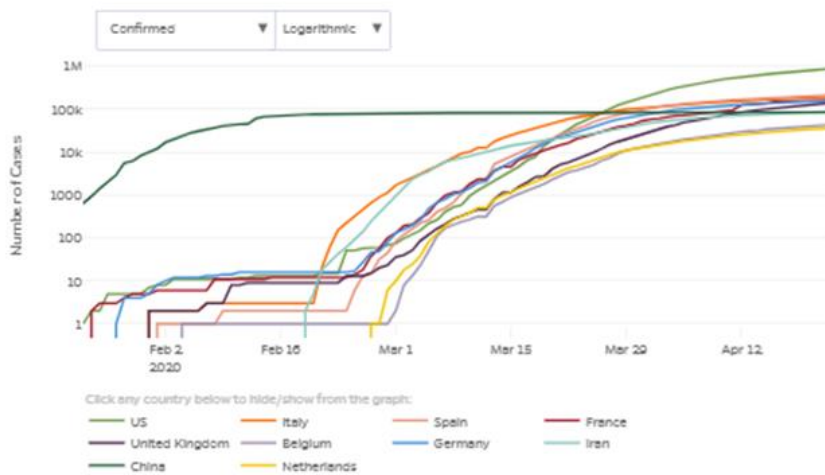




April 24, 2020

2.7 million coronavirus cases worldwide (+23% from last week)
192,000 deaths (+30% vs. last week)
869,000 US cases (+31% vs. last week)
50,000 US deaths (+72% vs. last week)
4.6 million tested in US (3.4M last week)

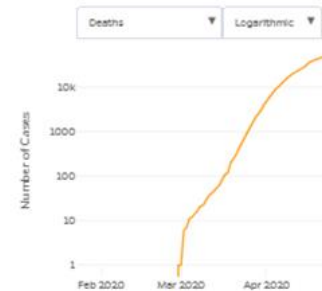
Dear Clients and Friends,



US

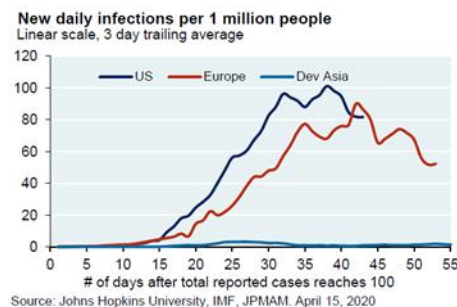
Yesterday's date (4/24/2020)
NEW CASES: 28,819 | DEATHS: 3,332

The first case of COVID-19 in US was reported 91 days ago on 1/22/2020. Yesterday, the country reported 28,819 new confirmed cases and 3,332 deaths.



It is easy to see the flattening of the growth rate in the cumulative cases, but not in US deaths. There are some interesting trends in the data. New York and New Jersey are outliers in infections. Perhaps it is because of the concentration of the population in NYC, but I've been curious why Rome, for example, wasn't harder hit since Italy was the first western country to be hard hit.

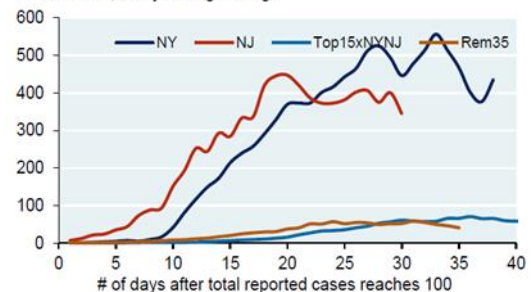
Another interesting phenomenon is that western countries have been hit harder than the east. The reason probably lies in privacy concerns in the West that makes us unwilling to sacrifice certain rights, whereas China completely quarantined a city of 40 million, South Korea uses GPS to track people's movements, Singapore uses a Bluetooth app to track users, and in Taiwan people with low risk are sent a health declaration to their phones that acts as a border pass.



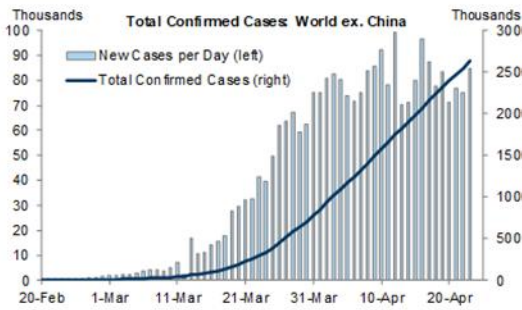
Source: Johns Hopkins University, IMF, JPMAM. April 15, 2020

Silver linings for the US: NY and NJ are exceptions

US new daily infections per 1 million people
Linear scale, 3 day trailing average

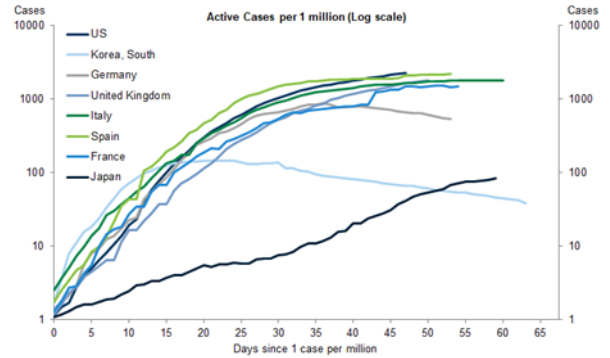


Source: Johns Hopkins University, IMF, JPMAM. April 15, 2020



As mentioned last week, states are beginning to relax restrictions. This is welcome news, but the problem is it only takes a small number of infectious people wandering around to ignite a second wave. There is no consensus about when, and how rapidly various industries and geographies can try to return to normal. The lack of an effective, coordinated, national strategy has exacerbated issues like insufficient testing, slow development of tracking systems, and uneven allocation of important equipment and PPE to hospitals.

The search for a vaccine or treatment had a setback this week as a draft report regarding Gilead's Remdesivir was accidentally posted on the World Health Organization's clinical trials site. It revealed the drug did not help patients. A Gilead spokesman said there is still a possibility the drug may benefit patients if they are treated early. Additionally, England's chief medical officer warned there was only "an incredibly small chance" of a vaccine or treatment being ready this year.



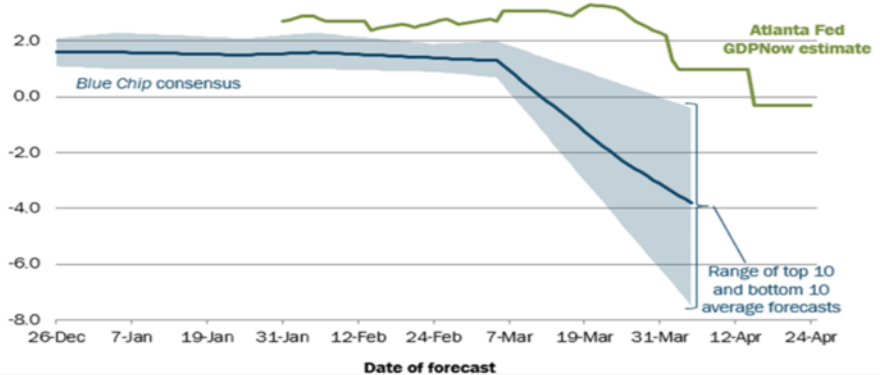
Economic news is only in the beginning of showing the fallout from the shutdown. It will take some time for the data to catch up.



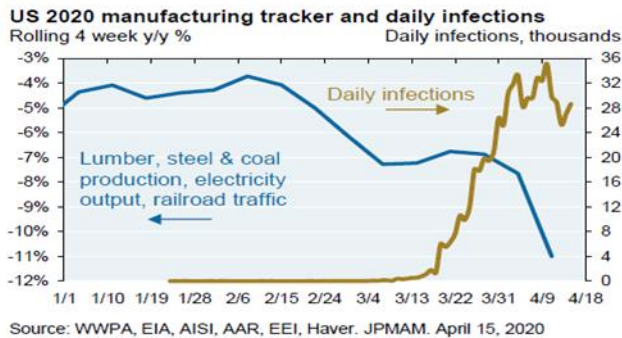
GDPNow is not an official forecast of the Atlanta Fed. Rather, it is best viewed as a running estimate of real GDP growth based on available data for the current measured quarter. There are no subjective adjustments made to GDPNow—the estimate is based solely on the mathematical results of the model.

In particular, **it does not capture the impact of COVID-19** beyond its impact on GDP source data and relevant economic reports that have already been released. It does not anticipate the impact of COVID-19 on forthcoming economic reports beyond the standard internal

Evolution of Atlanta Fed GDPNow real GDP estimate for 2020: Q1
Quarterly percent change (SAAR)



US economic collapse just getting started



This week another 4.4 million Americans filed for unemployment, bringing the total to 26 million. As with last week, the only silver lining is that the number is getting smaller.

States are beginning to make changes toward restarting their economies, but we can expect it to be chaotic. Georgia and South Carolina are the first to announce re-opening, and Texas and Ohio have also moved to loosen restrictions. In Colorado, Governor Polis announced a new 'safer at home' phase beginning next week. Companies can reopen offices with 50% of their workforces beginning May 4th, and retailers can reopen next week with curbside pickup. In-store customers will be allowed on May 1, as long as they have social distancing policies in place.



Restaurants and bars might be allowed to open mid-May. Local orders will supersede the statewide guidance, and Denver's stay at home order is in place until at least May 8th. So, not much changed this week with the economy, except that we appear to be closer to reopening.

The stock market had fewer fireworks this week. There appears to be consolidation around the 2,800 level for the S&P 500, and 23,000 for the Dow Jones Industrials. As we get farther away

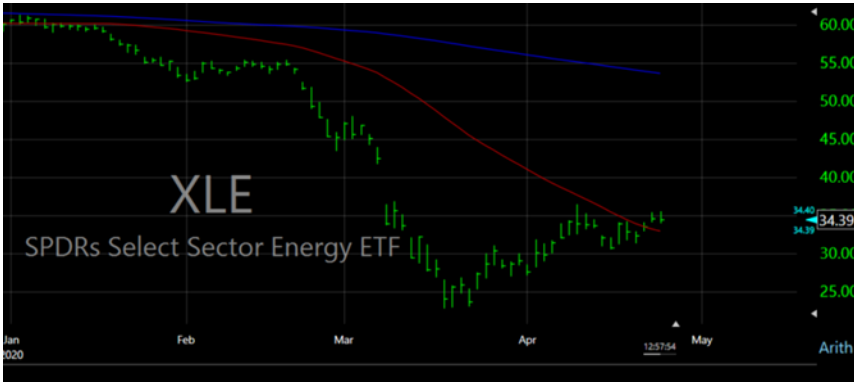
from daily moves of 5% or more, we can begin to feel like markets are doing their job of weighing the value of companies rather than moving because of fear (and greed).

The news this week was in the futures oil market, which briefly traded in negative territory. Shown here is an index that tracks oil prices. You can see that it has fallen from \$60 to \$16 this year. That reflects the reality of supply and demand. Demand has fallen due to the slowed economy, and initially supply was being increased due to a spat between Saudi Arabia and Russia. A week or so ago, there was an agreement to reduce supply, but there is a lag between an agreement and actual reductions in supply. In the meantime, there is a shortage of storage, so the price of near-term oil contracts are falling. Nobody wants the oil because there is no place to put it. Looking out a few months, prices are expected to rise.



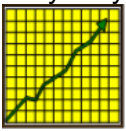
The tremendous volatility in the price of oil this week was more a result of the way that financial markets work than a true indication of a change in the value of a barrel of oil. Oil contracts expire each month, and as we approached the expiration date, some financial investors were about to be stuck taking delivery of thousands of barrels of oil. They had to sell at any price because they couldn't take delivery. This is another example of dislocations in markets, but not really anything to worry

about unless you are a commodity trader. You can see in this chart of oil and gas stocks, that there was not much change in their values this week despite the wild swings in oil prices.



That's it for this week. We are not out of the woods yet, but we are making progress.

Very truly yours,



Brad Bickham, CFA, CFP®
Partner | Chief Investment Officer

And Your Entire Colorado Financial Mgmt. Team

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DIA: *The SPDR Dow Jones Industrial Average ETF Trust seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Dow Jones Industrial Average (the "Index"). The Dow Jones Industrial Average (DJIA) is composed of thirty (30) "blue-chip" U.S. stocks. At 100-plus years, it is the oldest continuing U.S. market index. The DJIA has evolved into the most recognizable stock indicator in the world, and the only index composed of companies that have sustained earnings performance over a significant period of time.*

XLE: *The Energy Select Sector SPDR® Fund seeks to provide investment results that, before expenses, correspond generally to the price and yield performance of the Energy Select Sector Index (the "Index"). The Energy Sector Index seeks to provide an effective representation of the energy sector of the S&P 500 Index. The Index includes companies from the following industries: oil, gas and consumable fuels; and energy equipment and services.*

XOIL.X: *Represents the Light Sweet Crude Oil Index. Light Sweet Crude Oil is a grade of crude oil used to benchmark the price of oil.*