

## Chris & Ryan's Timely Market Dispatch

### 7 Reasons Why We Should Not Despair & 3 Actions to Keep Us Sane – March 16, 2020

As media outlets blare non-stop news on the expanding spread of COVID-19 and the resulting economic impact, we are reminded that good news is never printed on the front page. Our intention with this missive is not to make light of the global spread of the virus, rather to bring an element of sober reflection during the current chaos.

1. It took just weeks for China, the world's largest (highest density) population, to slow the coronavirus transmission. Korea is experiencing a similar [result](#). Our takeaway – we are likely to see a similar result by the end of May here in North America, if not sooner.
2. [Sunshine](#) and warmer weather have been shown to slow the coronavirus spread.
3. It took less than a month for the world's scientist community to not only identify the genome and develop a test for it. Testing is undergoing exponential growth. Capability has increased 10 fold with Roche's approved [diagnostic process](#).
4. There are 13 times more people cured, than die. Over 80% of those infected experience mild symptoms. [Statistics here](#).
5. Scientist are going to the war against the coronavirus – the World Health Organization has an open database that is fostering global cooperation. Over 700 [scientific articles](#) have been generated since the outbreak started.
6. [Prototype vaccines](#) have already been developed and today, March 16, 2020, we have already started human testing in Seattle.
7. There are more than 80 antiviral clinical trials underway to test the efficacy against COVID-19. These drugs are already approved and deemed to be safe. Furthermore, it is relatively easy to kill the virus. Surfaces can be cleaned with basic household products – ethanol, hydrogen peroxide and common bleach can disinfectant surfaces in one minute. Yes, we can wash our hands!

#### The Bottom Line

- Yes, this pandemic is going to have some very painful consequences at the human tragedy level. We will lose some of our loved ones and our hearts are already grieving. In my view, we should acknowledge that reality and pray for a better outcome.
- The economic pain is acute. Our portfolios have taken a major hit, for now. As we come out of the fog, what will become apparent is that the global healthcare system will be better prepared for even more severe viruses in the future and there will be a massive spend in the years to come. That will help our holdings like Johnson & Johnson, Steris, CVS and United Healthcare. Companies like 3M will benefit from increased safety equipment sales as will A. O. Smith, China's leading domestic hot water supplier. There will be winners and losers and we intend to adjust as opportunities present.
- It is too late to sell – but do you really want to?
  - ✓ Central banks have taken extreme measures to make sure that our financial system continues to function as it should. The lessons of 2008/09 translated into huge improvements in the financial strength of the banking system. Today, short term interest rates fell (the US 3 Month Treasury Rate) fell to ~0.3%. The 10 year is at ~0.75%. The income from **The Dividend Value Discipline™** remains largely unchanged.

- ✓ The current panic is highly uncomfortable and emotions are at extremes. In a nutshell, this is a toxic environment to try and make sound decisions in. Generally speaking, the fewer the better.
- ✓ When you look at your account balance tonight, it represents what a deeply despondent world is willing to pay you for the future earnings/dividend streams of the companies you own – does selling to the deeply despondent masses sound smart to you?

At the risk of sounding like a broken record, yes, we will get through this and the world will recover. Again be reminded that those of you that are in withdrawal mode, we prepared for times like this. The safe cash is being used to fund your withdrawals. If there have been changes in your circumstances, please reach out to your relationship manager. For those in accumulation, please do not waste a good recession. Bargains are available.

Questions? We are here to help – do not hesitate to forward this missive to anyone you think might benefit from it. Clients and those interested in our services can book time with Chris at <https://go.oncehub.com/ChrisRaper> and/or reach out to our team at 250-405-2445, or toll-free at 1-877-655-5580.

Yours truly,

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