

# Coronavirus and The Markets: What You Need to Know

With coronavirus (COVID-19) all around us, investors may be wondering how their investments will fare as this 'global pandemic' spreads. Is COVID-19 capable of moving markets? We know it is and came at a time when the economy was already stressing. Earlier market movements starting in February 2020 were the result of unassociated economic factors [and the public's reaction to fear](#). Now, while the U.S. economy is impacting, investor's resilience to react will be tested. The 'markets' hate uncertainty and how much COVID-19 will affect economies and for how long is yet to be determined.

While COVID-19 is expected to cost more than any previous epidemic, companies around the world are preparing for their impacts after witnessing China's production come to a standstill. Perhaps this period can teach us all lessons about unpreparedness. One thing for investors to consider is that while COVID-19 is active, markets are still trading regardless. Even though exchanges halted trading in early March to stem the decline, a technique used to force a pause and reduce the pressure of panic selling, market volatility will continue for some time. Additional steps to curb the impact, most recently by The Fed lowering rates, will help support a slowing global economy over the next weeks to months.

## What investors should keep their eye on during the upcoming weeks, if not months:

- Market swings- heightened volatility will create its momentum as investors are concerned and likely to sell.
- Interest rates- with The Fed's intervention, investors are hoping for lower rates, reflecting in overall economic uncertainty.
- Bonds- will continue to move higher on concerns over slowing growth.
- Sector stocks will impact- dependent on trading to avoid portfolio loss to manage risk.
- Economic and political data- will impact markets for the next weeks and months. It is not unusual for an election year to increase trading, which is not correlated to market loss or gains, regardless of election outcomes. Future jobs and economic reporting due to COVID-19 may impact.

When investors give in to emotion at the wrong time and pull assets out of the market, inevitably, they create a loss that is difficult to recover. If you have concerns about your portfolio during this heightened period, we recommend that you contact your investment advisor to discuss your options.