Stock Market Mayhem

The Coronavirus and Indian Country Webinar Series

Presenter: Shawn Spruce
Wednesday, April 15th, 2020
What date marked the largest percentage drop ever for the Dow Jones Industrial Average?

- October 19th, 1987
- March 16th, 2020
- October 28th, 1929
Which company’s stock was a victim of mistaken identity in 2019?

- Domino’s Pizza
- Delta Airlines
- Zoom Technologies
The Great Recession bailout cost more than the Coronavirus stimulus package.

- True
- False
- Maybe
Today’s Topics

• Flashback: Great Recession

• Overview of current financial crisis

• Possible outcomes

• Tips for success
COVID-19 Crisis vs Great Recession

• Faster meltdown
• Steeper meltdown
• Volatility is back
• Less moral hazard
S&P 500 Annual Performance
Post Great Recession

2008: -38.49%
2009: 23.45%
2010: 12.78%
2011: 0.00%
2012: 13.41%
2013: 29.60%
2014: 11.39%
2015: -0.73%
2016: 9.54%
2017: 19.70%
2018: -6.24%
2019: 28.88%
2020: -13.65%

YTD
CBOE Volatility Index (VIX)
5 Year Performance
Average Holding Period For a Stock

Data Source: “Dark Pools” copyright 2012
S&P 500
Year to Date

First confirmed case in U.S on January 21st

China reports first death on January 11th

First U.S. Death on February 29th

National Emergency declared on March 13th (Bull Market Ends)

U.S. leads world in confirmed cases on March 23rd
First coronavirus case confirmed in U.S. on January 21st

CARES Act signed into law on March 27th
Price of Oil
Year to Date

First coronavirus death reported in Europe on February 14th

Tokyo Olympics postponed until 2021 on March 24th
Price of Gold
Year to Date

CDC recommends no gatherings of 50 or more people on March 15th.
Visitors blocked from most European countries on March 11th.
Good Outcome

• Fewer cases and deaths
• Less prolonged lock down
• Infrastructure
• Short recession
• Consumers are confident
Less Good Outcome

- Longer lockdown and social distancing measures
- Business is slow to recover
- Lost jobs don’t return
- Much more debt
- Inflation risk
- Consumers are weary
Tips for Success

• 4 P’s – Proactive, Prioritize, Paper Trail, and Patience
• Limit debt
• Track investments
• Consider your timeline
• Only rebalance if necessary
• Stay healthy!
Ask Yourself . . .

1. What do I want?

2. When do I want it?

3. How will I achieve it?
Understanding Risk

1. Collectibles
2. Equity / Stock & Mutual Funds
3. Debt / Bonds

Higher Risk, Higher Potential Return

Lower Risk, Lower Return
Asset Allocation

Asset Allocation: selecting a mix of asset classes in a manner that aligns with your investing goals.
What Drives Investment Returns?

- Asset Allocation: Stocks, Bonds, Cash, Other Asset Classes (70%)
- Stock Sub-Asset Allocation: Country, Sector, Market Cap, Valuation (20%)
- Bond Sub-Asset Allocation: Duration, Issuer Type, Credit Quality, Taxable vs Tax Free (10%)
- Individual Security Selection
Related Resources

• Fake cures and vaccines
• Bogus charities requesting donations
• Early access to stimulus payments
• For more information on coronavirus fraud and market volatility check out:

https://www.finra.org/investors/insights
Key Takeaways

• 4 P’s – Proactive, Prioritize, Paper Trail, and Patience

• Volatility is back

• Health, policy, and people

• Focus on your timeline

• Monitor your holdings

• Coronavirus Survival Kit
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