



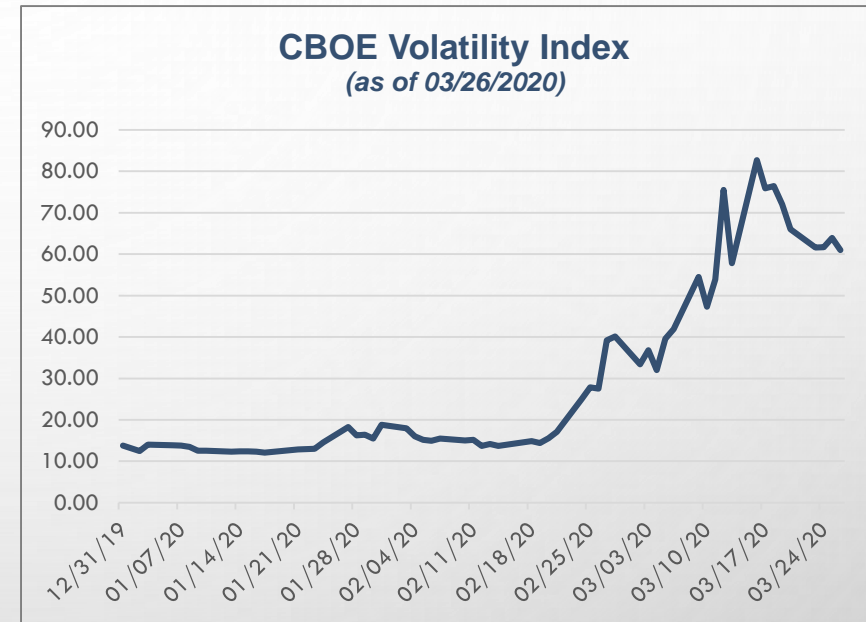
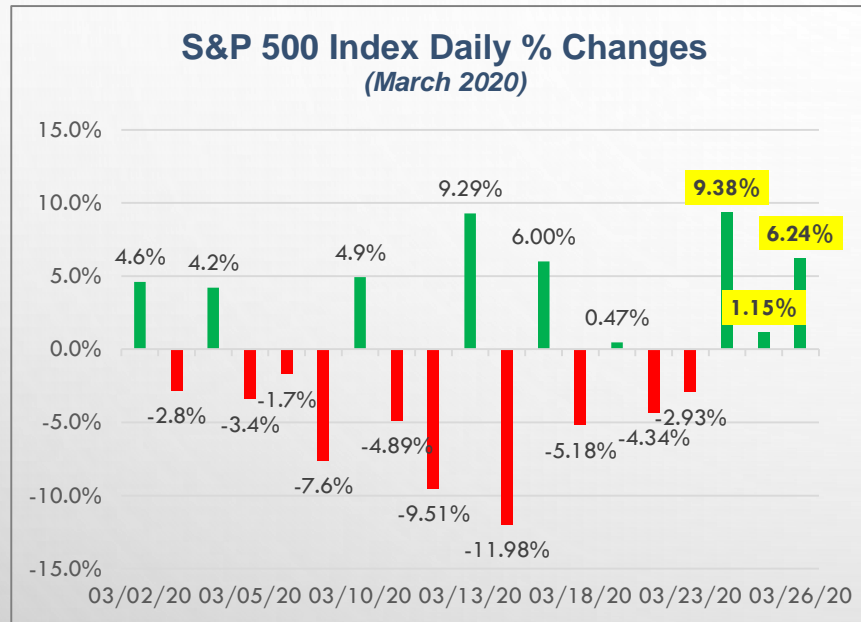
A P O L L O N

Market Update  
March 2020



# STIMULUS TO THE RESCUE

AMID A RAPIDLY SLOWING ECONOMY, SIGNIFICANT STIMULUS (BOTH MONETARY AND FISCAL) HAVE BUOYED MARKETS OVER RECENT TRADING SESSIONS



- +17.6 PERCENT GAIN OVER THE LAST THREE DAYS IS BEST THREE-DAY RUN FOR THE INDEX SINCE 1933\*
- FOUR OF THE S&P 500'S TOP 20 SINGLE-DAY RETURNS (SINCE 1950) HAVE OCCURRED IN MARCH
- VOLATILITY REMAINS ELEVATED BUT HAS MODERATED CONSIDERABLY FROM RECENT MID-MARCH HIGHS

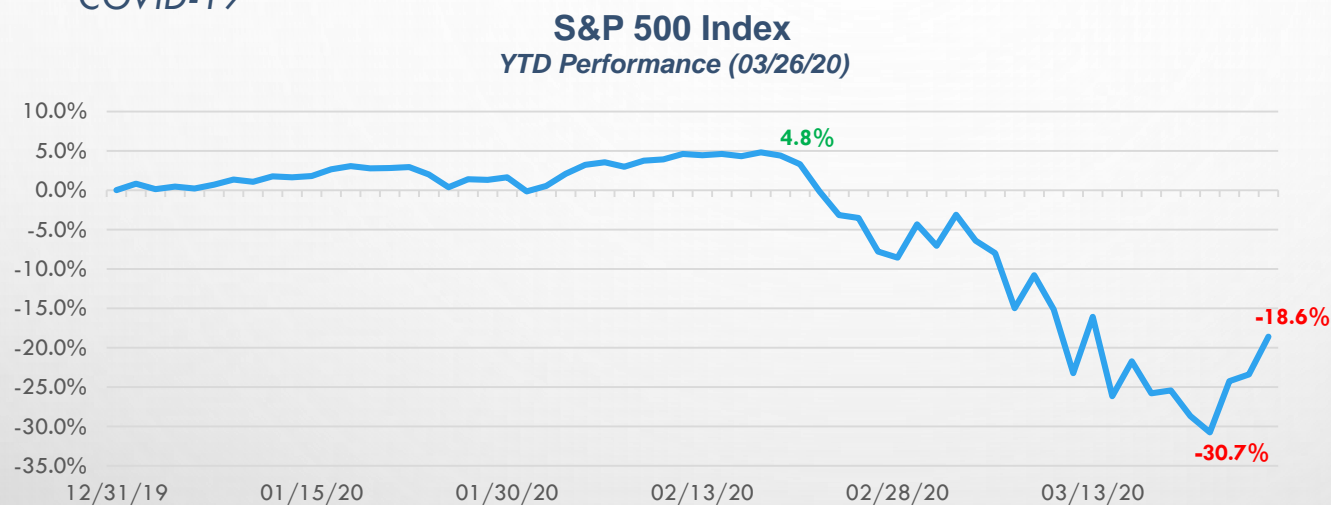
Source: Yahoo Finance

Source: Howard Silverblatt, senior index analyst for S&P Dow Jones Indices\*

Past performance does not indicate future performance.

# EQUITY MARKET RALLY

RECENT THREE-DAY RALLY HAS SIGNIFICANTLY IMPROVED MONTH-TO-DATE AND YTD RETURNS, THOUGH MARKET VOLATILITY IS LIKELY TO PERSIST UNTIL GREATER CLARITY ON COVID-19

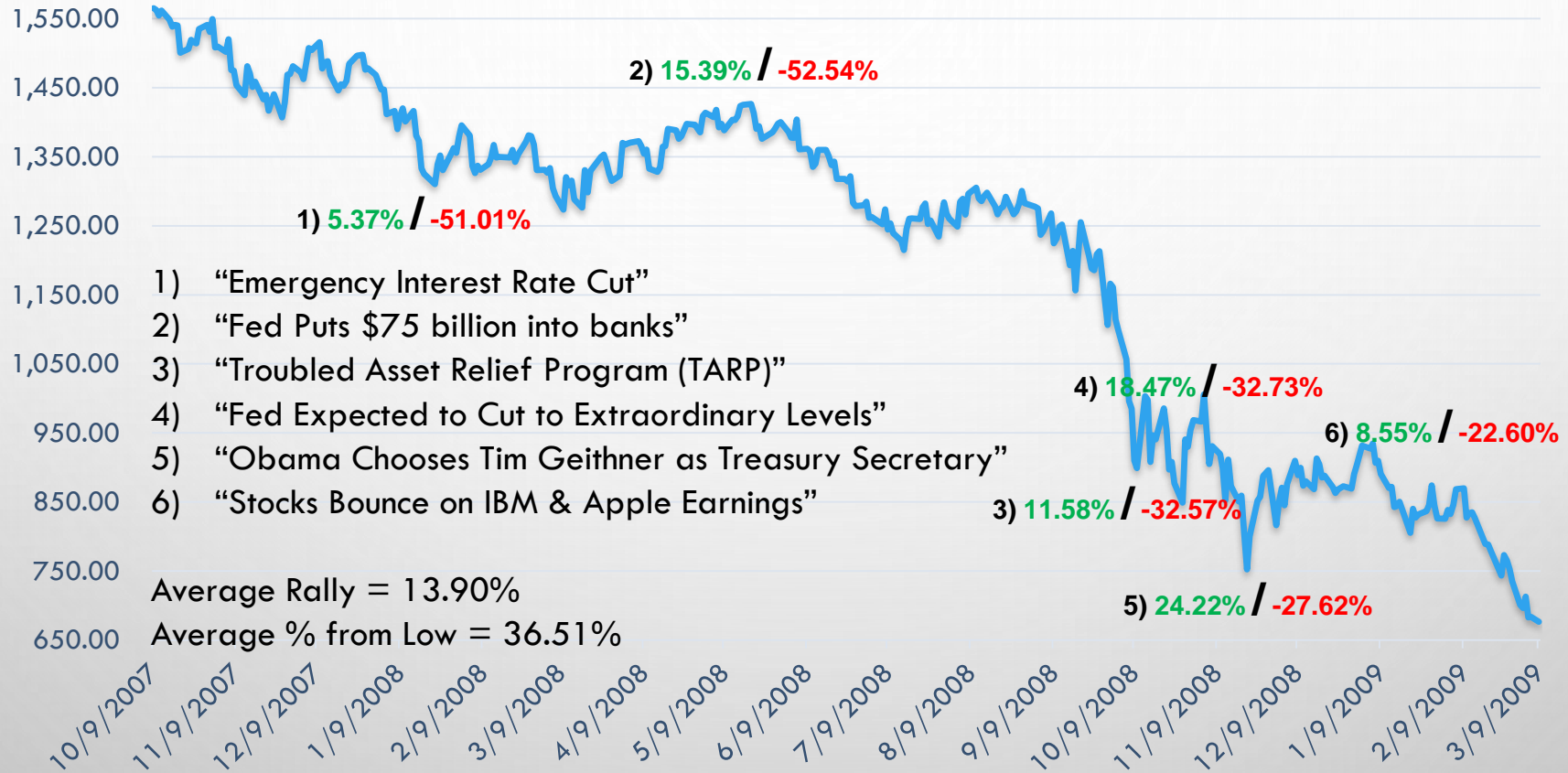


- AS OF MARCH 26...
  - THE S&P 500 INDEX IS DOWN 19 PERCENT FOR THE YEAR
  - THE S&P 500 INDEX IS DOWN 23 PERCENT SINCE ITS FEBRUARY 19 HIGH
  - IN 13 OF 19 TRADING DAYS FOR THE MONTH, THE S&P 500 INDEX CLOSED +/- 4 PERCENT FROM THE PRIOR DAY'S CLOSE (ONLY 10 SUCH DAYS FROM 2010-2019)
  - AVERAGE DAILY MOVE OF +/- 5.3 PERCENT IN MARCH

03/09/20	-7.6%
03/10/20	+4.9%
03/11/20	-4.9%
03/12/20	-9.5%
03/13/20	+9.3%
03/16/20	-12.0%
03/17/20	+6.0%
03/18/20	-5.2%
03/19/20	+0.5%
03/20/20	-4.3%
03/23/20	-2.9%
03/24/20	9.4%
03/25/20	1.2%
03/26/20	6.2%

3/1 – 3/6	+0.6%
3/9 – 3/23	-24.7%
3/24 – 3/26	+17.6%
3/1 – 3/26	-11.0%

## BEWARE OF A FALSE START!

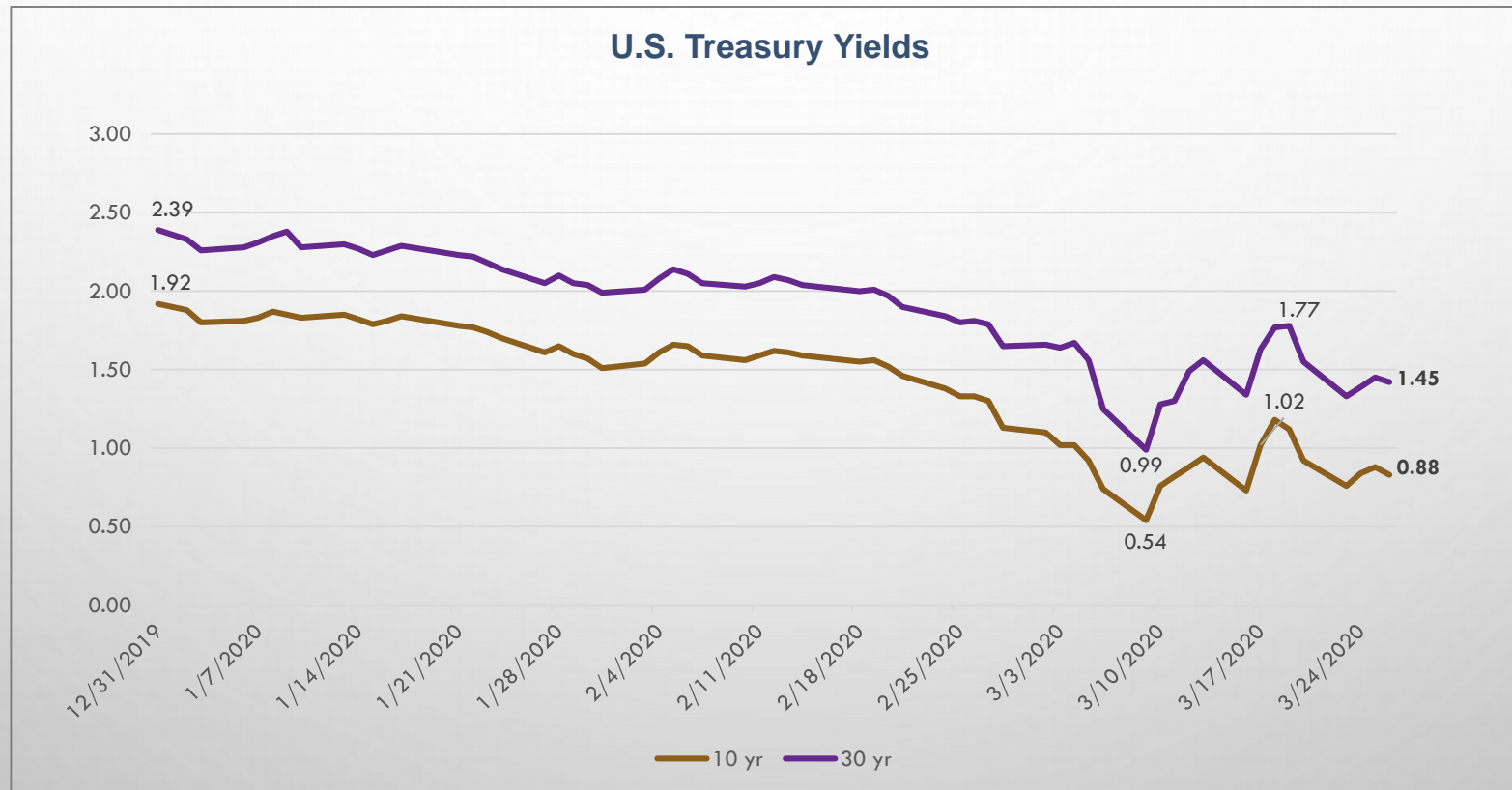


Source: Bloomberg as of 3/26/20. Past performance does not indicate future performance..



# BONDS BOUNCE BACK

FOLLOWING A BRIEF SPIKE IN YIELDS, BOND MARKETS HAVE STARTED TO RECOVER  
FOLLOWING SIGNIFICANT INTERVENTION BY THE FEDERAL RESERVE



Source: Treasury.gov

Past performance does not indicate future performance.

# CHALLENGING ENVIRONMENT

WHILE THE RECENT MARKET RALLY IS A WELCOME RESPITE, INVESTORS SHOULD NOT BECOME COMPLACENT WITH RISK GIVEN STILL-PRESENT GLOBAL ECONOMIC CHALLENGES

	YTD Performance	3/24 – 3/26 Performance	3/1 – 3/23 Performance	2019
<b>FIXED INCOME</b>				
* TIPS (Barclays US TIPS)	2.9%	1.4%	-1.9%	8.4%
* Core Domestic (Barclays Aggregate)	2.2%	1.2%	-2.6%	8.7%
* Municipal (Barclays Municipal 5-Year)	-1.6%	5.6%	-8.5%	5.4%
* High Yield Municipal (Barclays HY Municipal)	-6.3%	10.7%	-19.1%	10.7%
* High Yield (Barclays Corporate High Yield)	-15.3%	5.6%	-18.7%	14.3%
* Int'l Hedged (Barclays Global Agg Ex USD Hedged)	0.4%	0.1%	-2.2%	7.6%
* Int'l Unhedged (Barclays Global Agg Ex USD)	-3.1%	2.7%	-6.2%	5.1%
* Em Mkts Debt (JPM GBI EM Global Diversified)	-14.3%	6.3%	-15.5%	13.5%
<b>EQUITIES</b>				
* Large Cap (S&P 500)	-18.2%	17.6%	-24.2%	31.5%
* Small Cap (Russell 2000)	-29.0%	17.7%	-32.0%	25.5%
* International (MSCI EAFE)	-22.9%	15.4%	-25.0%	22.0%
* Emerging Markets (MSCI Emerging Markets)	-23.4%	12.4%	-24.5%	18.4%
<b>REAL ASSETS</b>				
* Domestic Real Estate (NAREIT Equity REIT)	-27.3%	22.5%	-36.3%	26.0%
* Global Real Estate (S&P Developed Property)	-27.8%	19.5%	-34.9%	22.8%
* Energy Infrastructure MLPs (Alerian MLP)	-57.0%	13.0%	-53.1%	6.6%

Source: Morningstar Direct

Past performance does not indicate future performance.

# NOTABLE REBOUNDS AMID UNCERTAINTY

SINCE 1950, 15 OF THE 20 BEST DAYS FOR THE S&P 500 INDEX HAVE OCCURRED DURING BEAR

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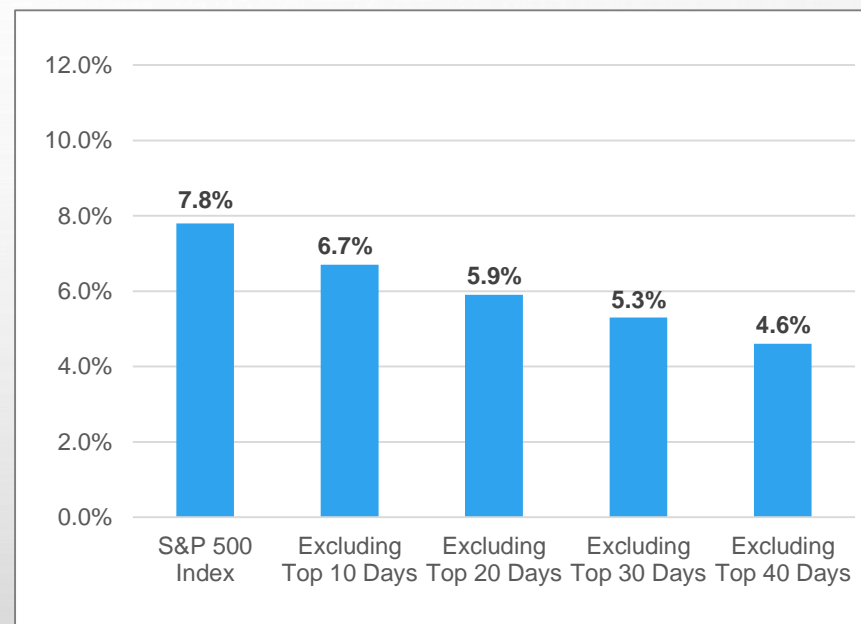
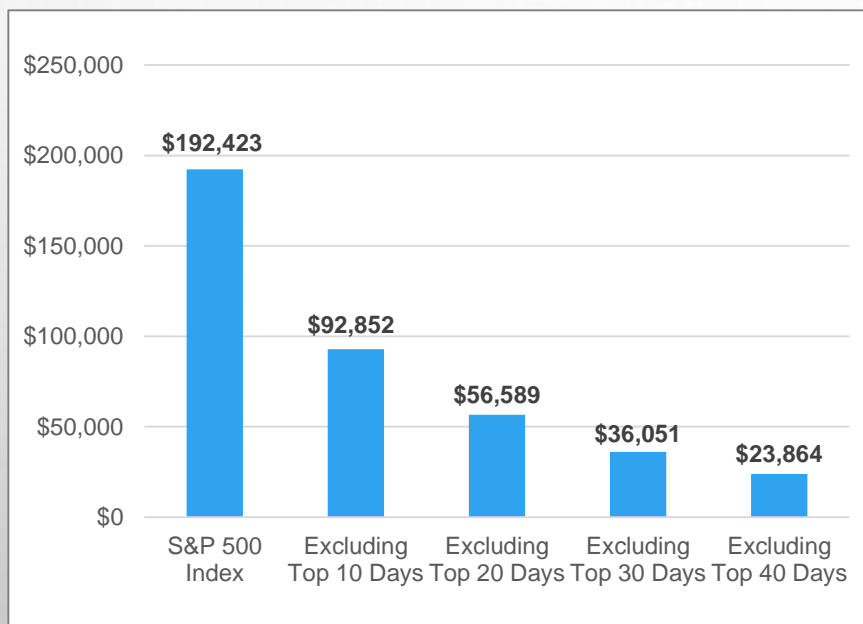
Date	Daily % Return	Bull or Bear Market	Prior to Rebound, S&P 500....
10/13/08	11.58	Bear	dropped 15% in prior week
10/28/08	10.79	Bear	dropped 11% in prior week
03/24/20	9.38	Bear	dropped 12% over prior four days
03/13/20	9.29	Bear	dropped 17% over prior four days
10/21/87	9.10	Bear	down nearly 30% in prior week
03/23/09	7.08	Bull	recently concluded -57% bear market
11/13/08	6.92	Bear	in bear market of Global Financial Crisis; no bottom until March 2009
11/24/08	6.47	Bear	in bear market of Global Financial Crisis; no bottom until March 2009
03/10/09	6.37	Bull	recently concluded -57% bear market
11/21/08	6.32	Bear	in bear market of Global Financial Crisis; no bottom until March 2009
03/26/20	6.24	Bear	followed shortly after March 24 rally
03/17/20	6.00	Bear	followed 12% drop on March 16
07/24/02	5.73	Bear	down 48% from March 2000 high
09/30/08	5.42	Bear	in the midst of 30% drop from October 2007 high
07/29/02	5.41	Bear	down nearly 40% and attempting to stabilize
10/20/87	5.33	Bear	down nearly 30% in prior week
12/16/08	5.14	Bear	in deeper bear market after rebound attempt; no bottom until March 2009
10/28/97	5.12	Bull	down 11% in same month
09/08/98	5.09	Bull	down 18% in prior three months
05/27/70	5.02	Bull	just concluded 36% bear market

Source: Charles Schwab, Bloomberg, as of 3/26/2020. This example is for illustrative purposes only. Bull and bear markets classified using rounded +/-20% changes in S&P 500. Note: March 2000-October 2002 and October 2007-March 2009 are considered bear markets. Past performance is no indication of future results.

# NOT A MATTER OF 'TIMING THE MARKET'

SOME INVESTORS MAY THINK THAT TIMING THE MARKET DRIVES INVESTING SUCCESS, BUT  
'TIME IN THE MARKET' IS FAR MORE IMPORTANT; MISSING A FEW TOP DAYS  
SIGNIFICANTLY DIMINISHES LONGER-TERM RETURNS

## TIME IN THE MARKET IS MORE IMPORTANT THAN TIMING THE MARKET



Source: Schwab Center for Financial Research with data provided by Standard and Poor's. The example is hypothetical and provided for illustrative purposes only. Returns do not assume reinvestment of dividends and the example does not reflect the effects of taxes or fees. When out of the market, cash is not invested. Market returns are represented by the S&P 500® Index which represents an index of widely traded stocks (purple bar). Top days are defined as the best performing days of the S&P 500 during the seventy-year period. Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly. For more information, please see [Schwab.com/IndexDefinitions](https://www.schwab.com/IndexDefinitions). Past performance is no indication of future results.





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