



COOK CAPITAL MANAGEMENT
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Greetings,

The opening quarter of 2020 is one that we won't soon forget. Cautionary measures taken to prevent an outbreak of the coronavirus reduced the US economy to a trickle and introduced significant uncertainty into our stock markets. As a result, preliminary economic estimates for the first quarter are bleak and the S&P 500 stock index was down nearly 20% for the quarter. The decline in the S&P 500 from its peak in February was the quickest drop since 'Black Friday' in October of 1987 and the biggest quarterly decline since 2008 during the 'Great Recession.' Those comparisons seem scary, but stock investors who endured those times were rewarded handsomely as good times soon prevailed.

With all that is going on around us, our banks and financial institutions are as strong as they have ever been, and an economic stimulus package has been passed to help stabilize the economy worth around \$4 trillion through both fiscal policy and backing by the Federal Reserve.

Although, many non-essential businesses have been forced to shut down and lay off employees at a record pace. There are also businesses like Walmart, Amazon, medical suppliers, and pharmacies that can't hire workers fast enough.

The fallout from these unprecedented times has yet to fully play out. There are plenty of employers and consumers who are anxious to return to normal, yet we won't be certain the virus is under control until a vaccine is developed. Meaning, we could bounce back quickly like other foreign countries, or we could see a sustained slowdown in future quarters. The range of potential outcomes is enormous.

Some businesses will not make it, some will endure, and some will come out better when we recover. I don't make predictions about the near-term future of the economy because it is nearly impossible to get it right consistently. What we do know with certainty is that the US has a resilient economy and ultimately, we'll prosper again. Now more than ever, it is important for investors to keep a long-term mindset and a level head regarding their investments.

Our approach has always been to invest in the securities of great businesses at opportunistic prices. Those opportunities are currently upon us.

Please reach out with any joys or concerns.

"Be fearful when others are greedy and be greedy when others are fearful."

-Warren Buffett

Stay well,

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