

ECONOMIC & FINANCIAL MARKET UPDATE

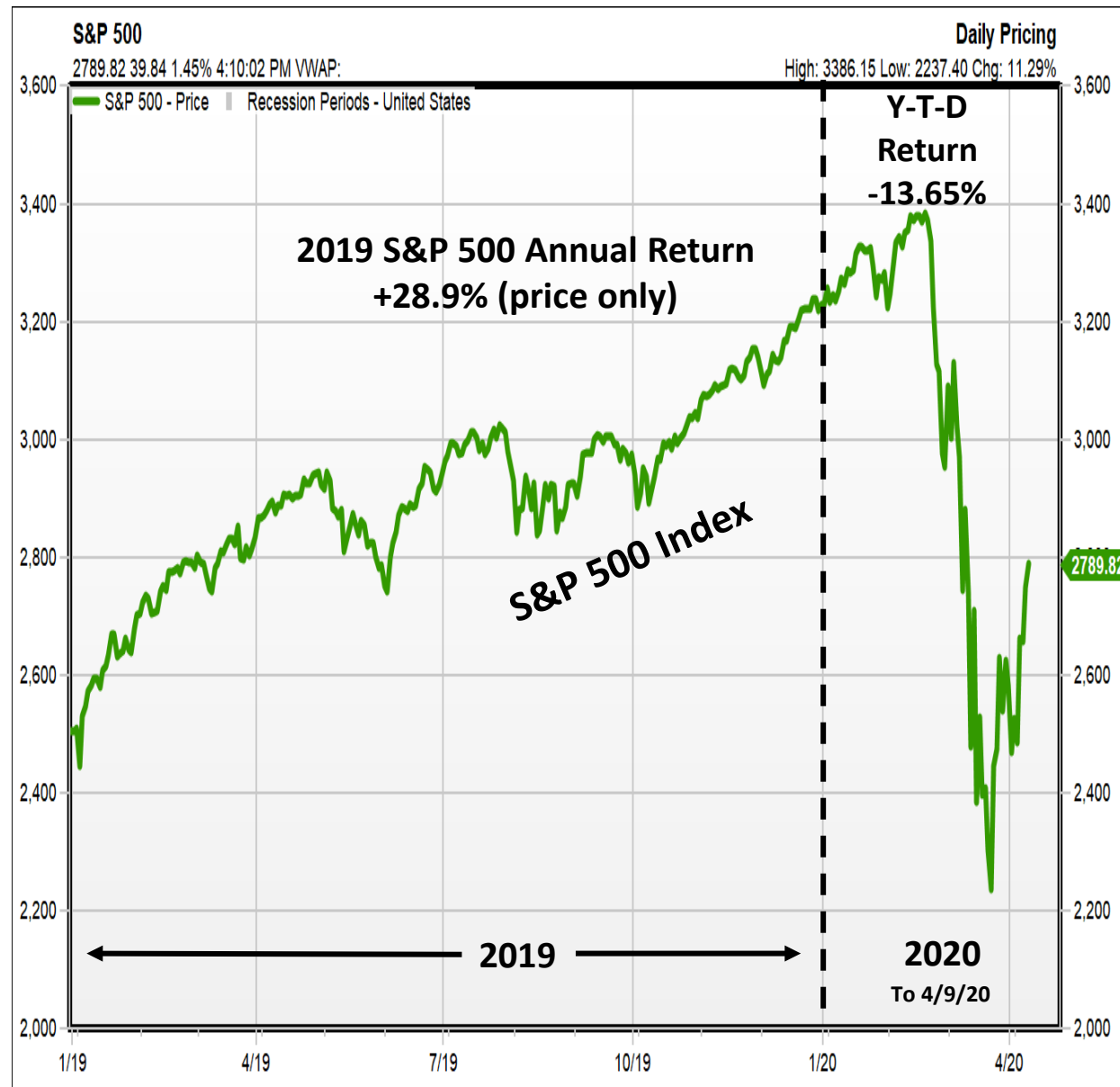
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The economic forecasts set forth in this material may not develop as predicted and there can be no guarantee that strategies promoted will be successful.

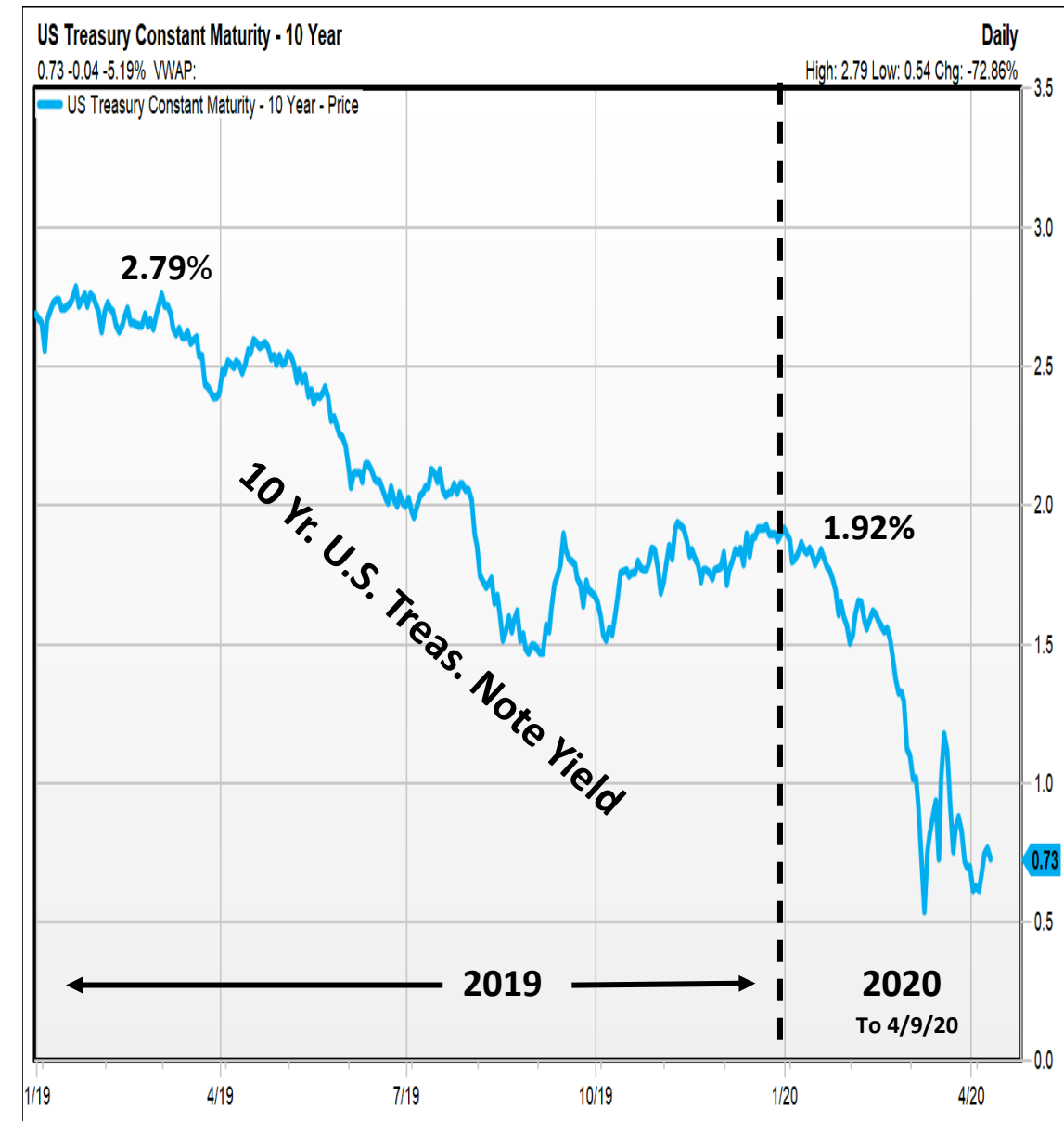
Stock investing involves risk including loss of principal.

Investment advice offered through Stratos Wealth Partners, Ltd. a registered Investment Advisor

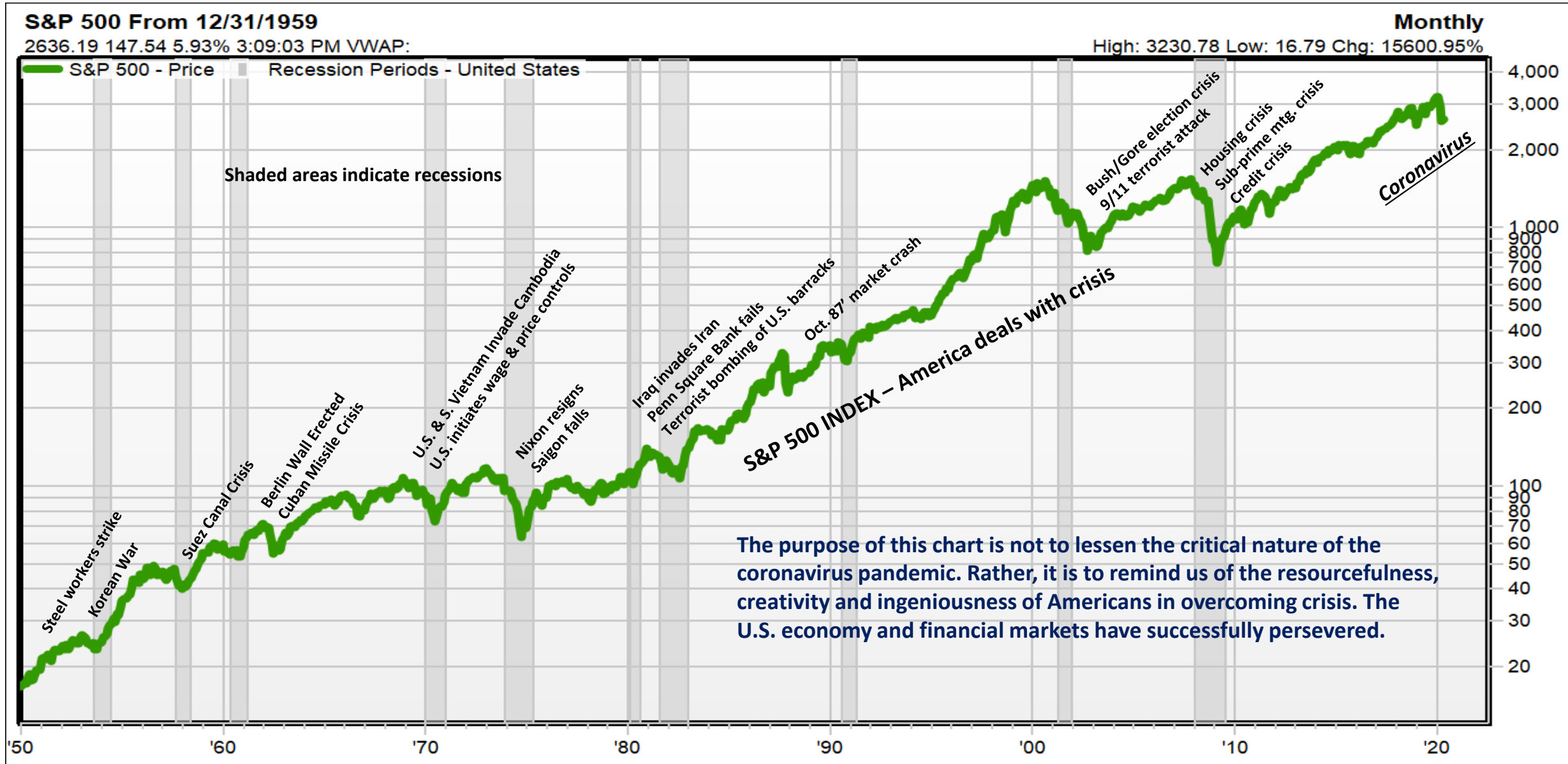
A POSITIVE BEGINNING (2020) TURNS NEGATIVE



Source: FactSet Research Systems



MAINTAIN A LONGER-TERM PERSPECTIVE – AMERICA PERSERVERES



RESEARCH SUGGESTS NEAR TERM WILL BE TOUGH ON GLOBAL ECONOMIES



* Surveys re: sample of U.S. companies outlook for orders, sales, etc. and the relationship between the survey results and U.S. GDP.

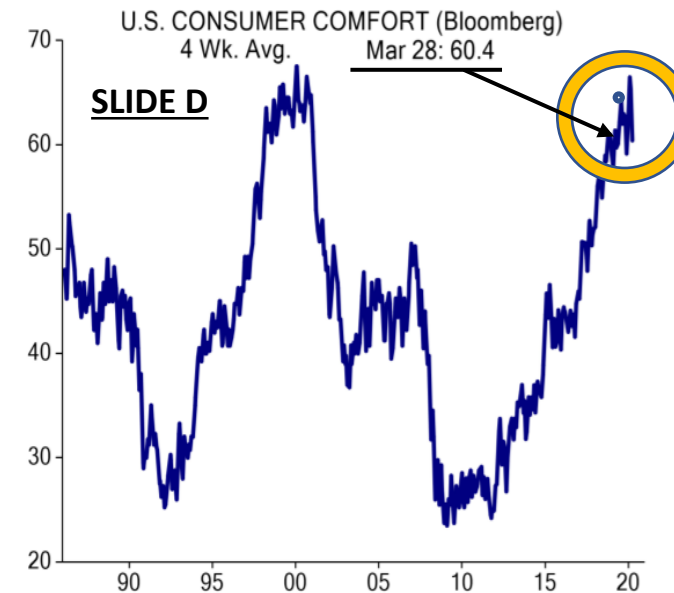
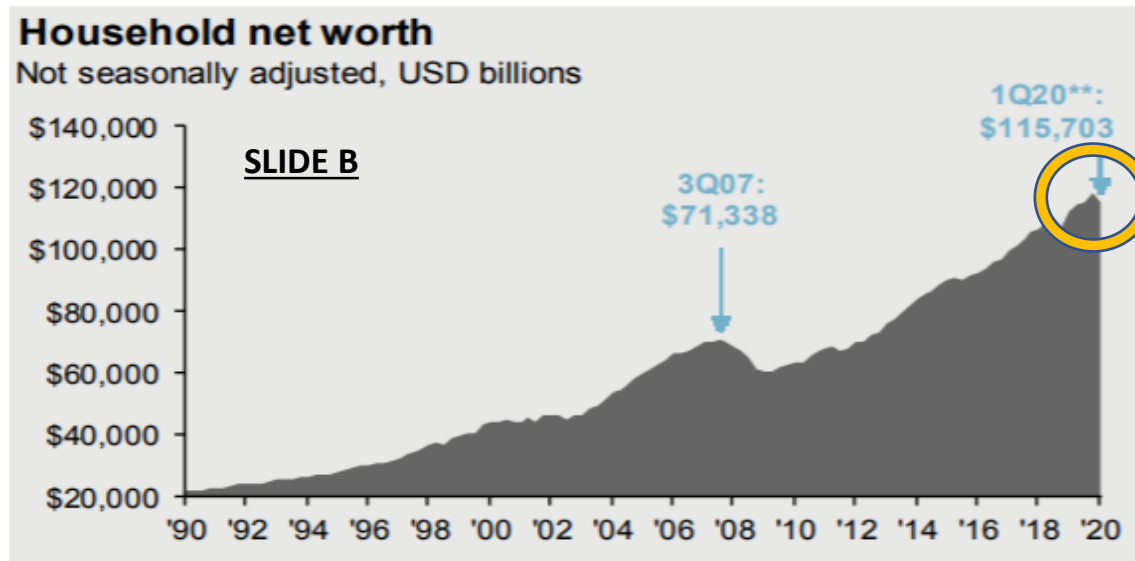
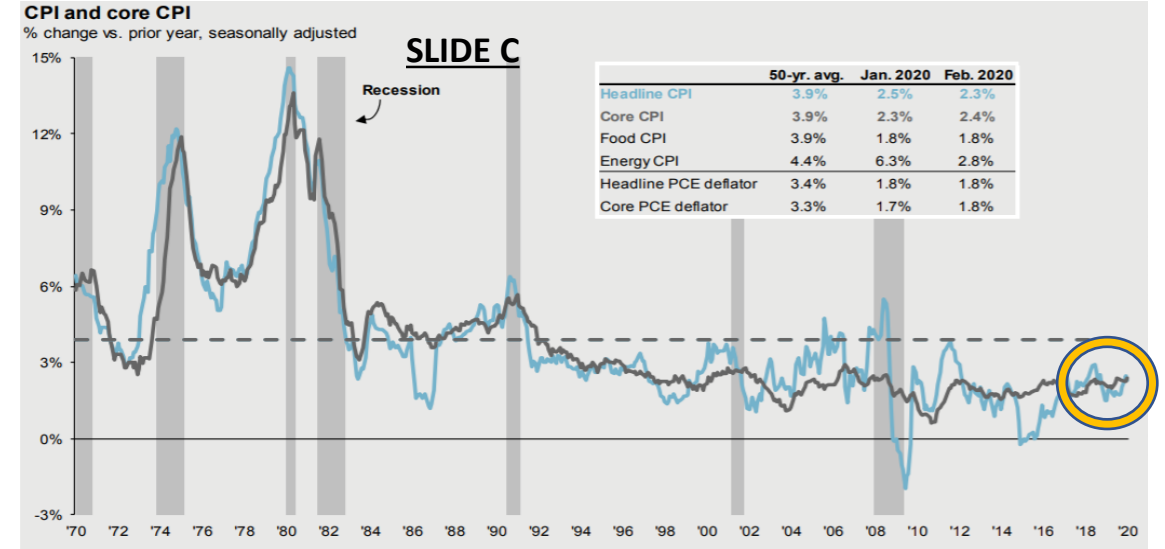
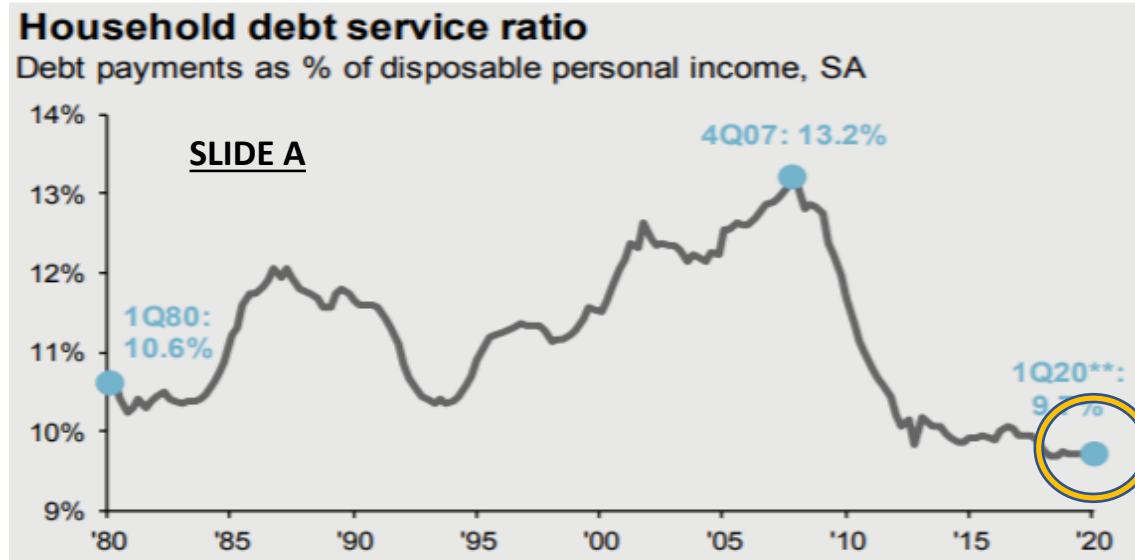


** An index based upon the results of surveying European Purchasing Managers' outlooks for future business activity.

THE ECONOMIC IMPACT OF THE CORONAVIRUS IS REAL & SIGNIFICANT HOWEVER, U.S. ECONOMY LIKELY TO REBOUND SHARPLY

- ✓ THE IMPACT OF THE \$2T+ CARES ACT IN CONJUNCTION WITH GLOBAL STIMULUS.
- ✓ CONSUMER HOUSEHOLD NET WORTH REMAINS NEAR RECORD LEVELS.
- ✓ HOUSEHOLD DEBT SERVICE AT CYCLICAL LOWS – PROVIDES “CUSHION” TO DISPOSABLE INCOME.
- ✓ INFLATION IS LOW AND LIKELY TO REMAIN SUBDUED.
- ✓ CONSUMER CONFIDENCE REMAINS SURPRISINGLY STRONG.
- ✓ COMPANIES WILL BE ANXIOUS TO HIRE & RESUME BUSINESS.

FACTORS THAT SHOULD HELP ASSURE U.S. ECONOMIC RECOVERY



The **Bloomberg US Consumer Comfort** Index tracks a weekly survey of 1,000 randomly selected Americans and measures sentiment as a scale (vertical axis) toward the economy, personal finances, and spending habits, measured over years (horizontal axis).

CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY ACT (2020)*

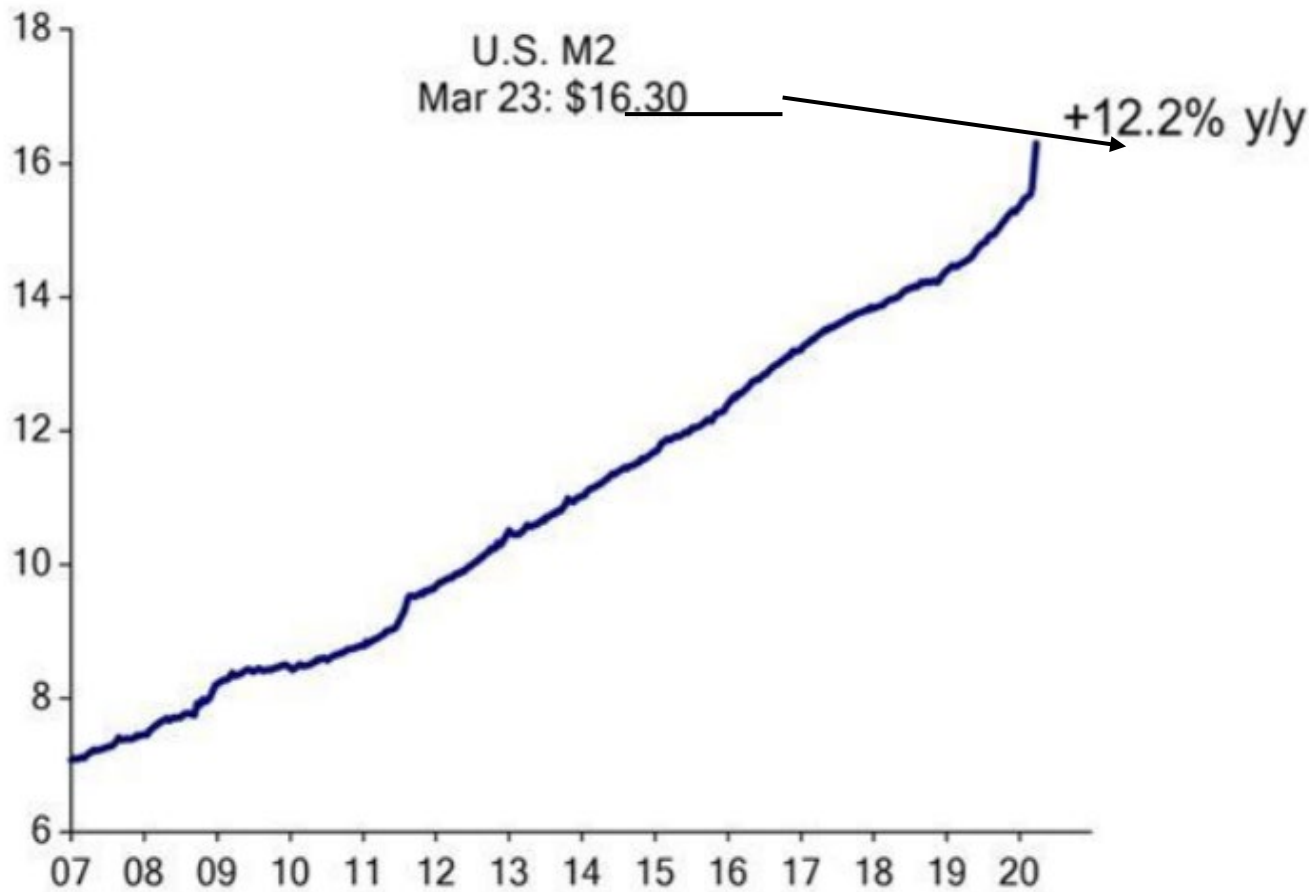
\$290*	One-time stimulus checks amounting to \$1,200 per adult and \$500 per child up to certain income limits.
\$260	Enhanced, expanded and extended unemployment benefits, adding \$600 per week to every unemployment check for 4 months, expanding program to cover contractors and self employed and extending program to 39 weeks from 26 weeks.
\$510	Loans to distressed business, cities and states. Includes \$29 billion for airlines, \$17 billion for firms deemed important for national security and \$454 billion as backstop for loans to other businesses, cities and states.
\$377	Small business relief, largely in the form of “forgivable loans” for spending on payroll, rent and utilities.
\$150	Direct aid to state and municipal governments.
\$180	Health-related spending.
\$516	Other spending and tax breaks.

* Amounts in billions of dollars

Bill totals \$2.3 Trillion or approximately 10.8% of U.S GDP (2019)

*This information is not intended to be a substitute for specific individualized tax or legal advice. We suggest that you discuss your specific situation with a qualified tax or legal advisor.

WHILE U.S. ECONOMY CONTRACTS, U.S. MONEY SUPPLY (M2) IS GROWING



Annual growth rate of money supply (M2) (*y-axis [may substitute with "vertical axis"]*)

During the years 2007-2020 (*x-axis [may substitute with "horizontal axis"]*)

Unlike during the Depression when the U.S. economy was contracting significantly and money supply shrunk by 40%, the current U.S. money supply (M2) is growing rapidly.

An increase in money supply leads to increased consumption, lending/borrowing and thus an eventual increase in GDP.

Also that cash (money supply) could go into stocks, houses, collectables, etc.

A positive element either way.

ACTIONS REQUIRED TO RESTORE ECONOMIC, MARKET & PSYCHOLOGICAL CONFIDENCE

- ✓ Virus cases peak and stabilize. (*Evident in limited areas e.g., Seattle area, New Rochelle, non-U.S.*)
- ✓ Pharmaceutical/Biological solution discovered. (*Clinical trials taking place; Gilead, J&J, University of Pgh.*)
- ✓ Major economic stimulus program enacted. (*CARES Act of 2020; \$2 Trillion to individuals & businesses*)
- ✓ Unified U.S. Government response in place. (*Becoming more evident*)
- ✓ Coordinated global response in place. (**280+ global economic stimulus measures in the past 8 months**)
- ✓ Financial market volatility moderates. (**Moderating factors not yet in place**)
- ✓ “Climactic” media coverages lessens. (**Not likely in the near future – “fear sells”**)