

Top Headline: Largest Relief Package in U.S. History Signed

Trump signed a \$2 trillion stimulus plan following a 96-0 vote in the Senate and strong support in the House. The bill extends aid through direct payments and expanded unemployment insurance to many struggling Americans, provides loans and grants to businesses, supports draining state funds and provides additional resources to in-need health-care providers. Amongst other things, the legislation will provide one-time payments of \$1,200 to Americans with adjusted gross income below \$75,000, with an additional \$500 per child. Government payments will be lowered by \$5 for each additional \$100 over thresholds, with payments phased out for individuals whose income exceeds \$99,000. The package also included \$350 billion in loans to small businesses and \$500 billion allocated in corporate aid.

Other News

The Trump administration announced on Sunday that it would extend social distancing guidelines through April 30th, after previously saying it hoped to reopen the country by Easter. Additionally, President Trump said that the peak of the death rate from the coronavirus was expected to hit in two weeks, and that he expected the country to be on the road to recovery by June 1st. Dr. Fauci, director of National Institute of Allergy and Infectious Diseases said that projections imply between 100,000 and 200,000 Americans could die as a result of the virus.

On Tap This Week

The employment report for February will be released this Friday. Though it will likely show a rise in the unemployment rate, it is unlikely to reflect the full damage done so far.

Past Week's Releases

Date	Indicator	Period	Prev.	Exp.	Act.	Comment
T 3/24	New Home Sales	Feb	800K r↑	750K	765K	Sales were down but above expectations and up on the year
W 3/25	Durable Goods Orders	Feb	0.1% r↑	-1.0%	1.2%	Transportation equipment supported gains across most metrics
Th 3/26	GDP	Q4(f)	2.1%	2.1%	2.1%	The third and last estimate of fourth quarter GDP was in line with previous estimates
Th 3/26	International Trade in Goods	Feb	\$-65.9B r↑	\$-63.5	\$-59.9B	A slowdown in import growth resulted in the lower trade in goods deficit
Th 3/26	Initial Jobless Claims ♦	3/21	282K r↑	1450K	3.283M	Claims hit a new record, beating the previous record of 695K easily
F 3/27	Personal Income	Feb	0.6%	0.4%	0.4%	Spending on services supported consumer spending despite a decrease in spending on goods
F 3/27	Consumer Spending	Feb	0.2%	0.2%	0.2%	Spending on services supported consumer spending despite a decrease in spending on goods
F 3/27	Consumer Sentiment ♦	Mar	101.0	90.0	89.1	Current economic conditions and consumer expectations declined

Actual < Expected

Actual > Expected

♦ Leading Indicator

Market Activity

Indicator	Open	Close	ΔWeek	Δ3M
DJIA	19174	21637	12.84%	-24.47%
S&P 500	2304.9	2541.5	10.26%	-21.56%
USD*	102.82	98.37	-4.33%	1.49%
10-Year Treasury*	0.85%	0.67%	-0.17%	-1.20%

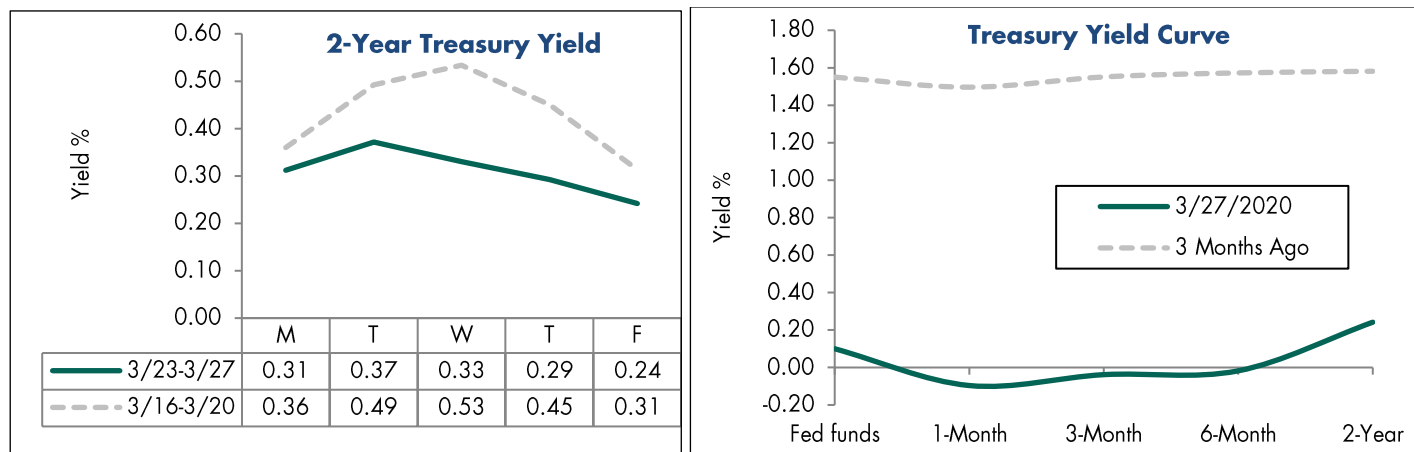
*ICE U.S. Dollar Index Spot Price

*Absolute change in yield over specified period

Upcoming Releases

Date	Indicator	Period	Prev.	Exp.
T 3/31	Consumer Confidence ♦	Mar	130.7	110.0
W 4/1	ISM Mfg Index	Mar	50.1	45.0
W 4/1	Construction Spending	Feb	1.8%	0.6%
Th 4/2	International Trade	Feb	\$-45.3B	\$-40.0B
Th 4/2	Initial Jobless Claims ♦	3/28	3.28M	3.3M
F 4/3	Nonfarm Payrolls	Mar	273K	-100K
F 4/3	Unemployment Rate	Mar	3.5%	3.8%
F 4/3	ISM Non-Mfg Index	Mar	57.3	44.0

Yield Curve Highlights



Detailed Economic Releases

3/24/2020	Prev.	Exp.	Act.
New Home Sales	800K r↑	750K	765K

New home sales were 4.4% below last month's upwardly revised number of 800K to 765K, but 14.3% above the year-ago period. The median and average sales price was \$345,900, and \$403,800, respectively. Finally, inventory of 319,000 reflect a supply of 5 months given the current sales rate.

Summary: New home sales were down on the month slightly but significantly up on the year.

3/25/2020	Prev.	Exp.	Act.
Durable Goods Orders	0.1% r↑	-1.0%	1.2%

New orders increased by \$2.9 billion or 1.2% to \$249.4 billion. The increase followed an upwardly revised 0.1% increase in January. Excluding transportation, new orders were down 0.6%, and excluding defense, were up 0.1%. Transportation equipment supported the increase, up 4.6% or \$3.8 billion to \$87.0 billion. Shipments of manufactured durable goods were up 0.8% or \$2.1 billion to \$252.3 billion. Transportation equipment was up after being down for seven consecutive months, and led shipments overall with its 2.9% increase to \$85.0 billion. Unfilled orders were up 0.1% to \$1,158.6 billion, with this increase also driven by transportation equipment. Inventories were also up slightly to \$434.9 billion, with transportation equipment driving this increase as well.

Summary: Durable goods orders were supported by transportation equipment, as were shipments, unfilled orders, and inventories.

3/26/2020	Prev.	Exp.	Act.
GDP	2.1%	2.1%	2.1%

The Bureau of Economic Analysis' third and final estimate of fourth quarter GDP was in line with previous estimates of 2.1%. With access to more complete data, the BEA upwardly revised personal consumption expenditures, which was offset by downward revisions to federal government spending and nonresidential fixed investment. GDP reflected positive contributions from PCE, exports, residential fixed investment, federal government spending, and state and local government spending, with downward pressure from private inventory investment and nonresidential fixed investment.

Summary: The third estimate of fourth quarter GDP was in line with previous estimates of 2.1%, with changes limited to an upward revision to personal consumption expenditures and downward revisions to federal government spending and nonresidential fixed investment.

3/26/2020	Prev.	Exp.	Act.
International Trade in Goods	\$-65.9B r↑	\$-63.5B	\$-59.9B

The U.S. trade deficit in goods narrowed much more than expected in February, from the upwardly revised \$-65.9B to \$-59.9B. A decrease in the growth of imports caused the decline. The report also reflected a 0.5% fall in wholesale inventories, with advanced retail inventories also down 0.3%. Aside from autos, retail inventories were unchanged.

Summary: The deficit in goods fell by more than expected, due to a decrease in the growth of imports.

3/26/2020	Prev.	Exp.	Act.
Initial Jobless Claims	282K r↑	1450K	3.283M

Initial jobless claims hit 3.283M for the week ended March 21st, up from last week's claims of 281K. This marks the highest level of claims ever, topping the previous high of 695K in October of 1982. The four-week moving average was up by 765,750 to 998,250, while the previous week's average was revised up by 250 to 232,500. Continuing claims were up by 1,000 to 1.702K, with this four-week average up 27,500 to 1.731K.

Summary: Claims of 3.283M set a historic record, easily topping the previous record of 695K.

3/23/2020	Prev.	Exp.	Act.
Personal Income	0.6%	0.4%	0.6%
Consumer Spending	0.2%	0.2%	0.2%

Personal income increased by 0.6% in February to \$106.8 billion, while consumer spending increased by 0.2% to \$27.7 billion. The increase in personal income was mostly due to increases in compensation of employees and farm proprietors' income. The increase in personal consumption expenditures reflected a \$18.3 billion increase in spending for services, which was offset by a \$7.7 billion decrease in spending for goods. Growth in spending on services was attributable to electricity and gas, while spending on goods fell due to motor vehicles and parts and recreational goods and vehicles.

Summary: Personal income and consumer spending growth matched January levels, with spending growth on services more than offsetting a drop in spending on goods.

3/27/2020	Prev.	Exp.	Act.
Consumer Sentiment	101.0	90.0	89.1

Consumer sentiment dropped by 11.9 points in March, in what was the fourth largest one-month decline in almost fifty years. The drop comes close to matching the largest decline ever of 12.7 during the height of the Great Recession in October 2008. The current economic conditions index fell from 114.8 to 103.7, while the index of consumer expectations fell from 92.1 to 79.7. Those declines were 8.5% and 10.2%, respectively.

Summary: Sentiment experienced its fourth largest decline in fifty years, with both the economic conditions and consumer expectations components falling steeply.

About Us

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