



Basis Points – May 21, 2020

 westwoodgroup.com/weeklyblog/basis-points-may-21-2020/

Above the Fold

Americans, Governments Eager to Get Back to Normal

After months of shutdowns, stay-at-home orders and preventative social distancing measures (of which the latter are likely to remain in place), U.S. states and governments are working to reinvigorate their economies by relaxing some restrictions through a systematic reopening process that seems to be moving quicker than most expected — every state is now at least partially back open.

While nearly 5 million cases have been confirmed worldwide, reports from many areas show its spread slowing, and Johns Hopkins data shows a declining death rate. The global race for a vaccine and effective treatment are adding to the increased confidence as early indications seem

like we are not far off from one or both. And though the future is anything but clear, human resilience and determination are hard to deny. Oil prices jumped to a two-month [high](#) above \$33 yesterday as consumption increased, along with optimism about a recovery.

Homebuilder confidence also turned a corner, [bouncing](#) in May after a record plunge. Steady increases in housing activity and mortgage applications, along with busier highways and businesses, all seem to point to palpable improvements in our economy. The big question is how quickly, and by how much, we return to the economic activity experienced before the pandemic.

Three Things

1. *eCommerce Battle Heats Up* – With the future of retail constantly being shaped, Facebook is joining the fray with a big push into online shopping. [Facebook Shops](#) will allow small businesses to create virtual storefronts and customize marketing plans to target and sell to specific buyers. Stores will even be able to use augmented reality to allow customers to “try on” products if they want.
2. *Should You Sacrifice Privacy for Fresher Delivery?* – Want your food delivered quicker? DoorDash launched a new feature that allows users to share their device location so restaurants can best time meal preparations and even move orders to the pickup area when a customer is nearby. There are obvious privacy concerns, but the company believes the benefits outweigh the risk.
3. *Bonds Still Not Convinced of Quick Recovery* – Even with recent optimistic developments, U.S. government bond yields continue to hover around all-time lows. For more than 45 days, the 10-year benchmark has been mulling just above the 0.5% level. These prices suggest an extended period of near zero interest rates, and only a modest increase even out seven to 10 years.

Did You Know?

The Latest (Fact-Checked) COVID-19 Positives

- The Centers for Disease Control and Prevention finally [released](#) updated general guidelines that will help restaurants and bars get back to business (sort of) as usual. Cloth face coverings are recommended for all staff, in addition to proper disinfection protocols and more. The guidelines are meant to supplement, not replace, states’ rules.
- Sorrento Therapeutics is developing a COVID-19 antibody, called STI-1499, that surrounds the virus inside the body and prevents it from infecting more cells. The company is seeking approval to test its antibody on humans, but still has a long way to go after announcing its preclinical results last week.

The information contained herein represents the views of Westwood Wealth Management at a specific point in time and is based on information believed to be reliable. No representation or warranty is made concerning the accuracy or completeness of any data compiled herein. Any statements non-factual in nature constitute only current opinion, which is subject to change. Any statements concerning financial market trends are based on current market conditions, which will fluctuate. Past performance is not indicative of future results. All information provided herein is for informational purposes only and is not intended to be, and should not be interpreted as, an offer, solicitation, or recommendation to buy or sell or otherwise invest in any of the securities/sectors/countries that may be mentioned.