



## Good News Is In Short Supply

John Burke, MS, CFP® | March 2020

Tired of being shut in yet? A couple of years ago, we had dinner with Andrew Fastow. That name may ring a bell, he was the financial “genius” behind Enron. Well, that is until they sent him to prison. We had him as a speaker for our accounting group, to do a lecture on fraud. He joined us for dinner prior to the lecture.

One of the more memorable stories he told was when he first got to prison. In either an intentional move of anger towards him or by mistake, he was put in a general population prison. What he did not realize is that since he had cooperated with the government’s investigation, that made him a target in this environment.

During the first day, the warden came to his cell with some guards, roughed him up, and sent him to solitary confinement for reasons he could not fathom. Later, the warden came to him in confinement and told him he had just saved his life. He had been marked for death. Prisoners with long sentences don’t care about consequences from the justice system, but they can become prison celebrities by such a move.

Mr. Fastow spent a week in confinement and for some reason, they failed to provide reading glasses. He said that it was the worst punishment that can be leveled on a person, alone with only your thoughts. He said he would have rather been tortured.

Many of us are suffering from a far easier confinement because of the virus, with not only reading glasses but also a TV with hundreds of viewing options. Perhaps it seems like a sort of staycation, but you may get sick of it soon. One mom reported that her son, sent home from college only two weeks ago, is going mad.

Maybe this is contributing to the negativity in the markets. Reading the newspapers certainly does not help. With that in mind, we are going to provide you with some good news, and remember that studies show that not only do optimists live longer, they tend to be better investors.

So here we go:

**Bond Market:** The bond market is down today, especially the longer bonds. Why is this good? The bond market seemingly anticipated this recession causing virus before the stock market, perhaps it is telling us something.

**Italy:** Italy recorded the slowest rate of coronavirus infections yesterday, since the outbreak began. This did not make our papers, we found it in a European paper, The Telegraph.

**China and South Korea:** Both continue to recover from the virus.

**Medicine:** As reported in The Guardian, China reports that a Japanese flu drug is “clearly effective” in treating the coronavirus. The drug, Favipiravir, produced encouraging outcomes in clinical trials in Wuhan and Shenzhen involving 340 patients. Patients who were given the medicine turned negative for the virus after a median of four days once becoming positive, compared with a median of 11 days for those who were not treated. The drug, owned by Fujifilm, improved lung conditions in 91% of patients who were treated.

Let us emphasize that we are not medical experts and that the world has never experienced something like this before. Still, we continue to suggest that you not apply the panic you feel about the virus to your investment decisions. The virus is still likely to spread further in the United States before it gets better. As always, we are available to discuss your concerns about your investments and your financial plans.

Stay healthy.

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