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## The Spyglass Advisor: Coronavirus Costs Skyrocket to \$62billion

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### Coronavirus Costs Skyrocket to \$62billion

The world is facing a new pandemic as the Coronavirus spreads beyond China's borders. In that nation, more than 14,500 people are reported to be infected, and there have been more than 304 deaths as China begins to celebrate the Year of the Rat. China has had other viral outbreaks that affected cities worldwide. The U.S., Japan, Britain, Italy and Russia have issued orders such as "Do Not Travel to China Due to the Coronavirus," with all foreign nationals who had recently traveled to China being barred from entering the U.S., the Trump administration stated. This development represents a severe blow to the Chinese economy.

#### Coronavirus numbers reported by WHO as of Feb. 2:

- Total of 14557 cases reported worldwide;
- China had 14,411 cases confirmed with 304 reported deaths;
- Outside of China, 146 confirmed cases in 23 countries, with 7 in the U.S., and one death.

The economic impact on China is said to be north of \$62 billion and may force an already fragile economy to take extreme measures to restart.

#### 1. Economic front: Primary indicators for Jan. 27-Feb. 2

- **U.S. New Single-Family Houses Sold:** On Jan. 27, it was reported that 694,000 new houses were sold; this compares with 697,000 on Dec. 19.
- **U.S. Durable Goods New Orders YOY:** On Jan. 28, new orders year over year (YOY) were reported to have fallen by -3.66 percent, which compares favorably with the previous month when it fell by -4.61 percent.
- **U.S. Initial Jobless Claims:** Published Jan. 30, the numbers were less than expected, at 216,000, versus 220,000 the past week.
- **U.S. Real GDP Growth:** Reported at 2.10 percent, remaining at the same rate as the past quarter.
- **U.S. Personal Savings Rate:** Reported on Jan. 30 at 7.70 percent, this was a slight decrease from the 7.80 percent reported in the past quarter.

#### 2. Primary U.S. Economic Indicators Calendar Feb. 3-Feb.7

- **U.S. ISM Manufacturing PMI-** reports on 02/03/2020 at 10:00 AM
- **U.S. Manufacturing Shipments-** reports on 02/04/2020 at 10:00 AM
- **U.S. Manufacturing New Orders-** reports on 02/04/2020 at 10:00 AM
- **U.S. Trade Deficit-** reports on 02/05/2020 at 8:30 AM
- **U.S. Initial Jobless Claims-** reports on 02/06/2020 at 8:30 AM

- **U.S. Unit Labor Costs:** Nonfarm Business QoQ- reports on 02/06/2020 at 8:30 AM
- **U.S. Productivity-** reports on 02/06/2020 at 8:30 AM
- **30 Year Mortgage Rate-**reports on 02/06/2020 at 10:00 AM

### 3. U.S. Stock Market Update Coronavirus impacts markets

The Dow Jones Industrial Average closed Jan. 31 at 28,256.03 for a loss of 733.70 points, or -2.53 percent, and a YTD return of -1.00 percent. In addition, the S&P 500 closed Jan. 31 at 3,225.52, for a loss of 70.27, or a loss of 2.12 percent and a YTD loss of 0.17 percent. The Nasdaq closed Jan. 31 at 9,150.94 for a loss of 163.97 or a loss of 1.76 percent and YTD return of 1.99 percent. The Birling Capital Puerto Rico Stock Index closed Jan. 31 at 1,920.05 for a loss of 34.93, or -1.79 percent, and YTD return of minus 5.78 percent. Meanwhile, the U.S. Treasury's 10-year note also lost, closing at 1.51 percent, or a decrease of 10.65 percent and year to date return of minus 0.4 percent. The U.S. Treasury's 2-year note fell to close at 1.33 percent, a return of minus 10.74 percent and YTD return of minus 0.4 percent.

Weekly Market Close Comparison	1/31/2020	1/24/2020	Change	YTD Return
Dow Jones Industrial Average	28,256.03	28,989.73	-2.53%	-1.00%
Standard & Poor's 500	3,225.52	3,295.47	-2.12%	-0.17%
Nasdaq	9,150.94	9,314.91	-1.76%	1.99%
Birling Puerto Rico Stock Index	1,920.05	1,954.98	-1.79%	-5.78%
U.S. Treasury 10-Year Note	1.51%	1.69%	-10.65%	-0.4%
U.S. Treasury 2-Year Note	1.33%	1.49%	-10.74%	-0.4%

Our market perspective report The Spyglass Advisor contains both our analysis that the economy in the U.S. and markets and banking sector. We hope that you have enjoyed this issue of The Spyglass Advisor ©, and we very much welcome your comments, thoughts, and ideas; you may reach us at [frc@birlingcapital.com](mailto:frc@birlingcapital.com) or 787-247-2500.



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**You have particular problems. We provide long term solutions. Doing the right thing at the right time.**

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