

## Epidemics & Global Equity Markets

The Covid-19 Corona virus has struck fear into investors as governments and business take action to control the spread which will inevitably lead to slower economic growth and a possible recession. Equity markets have responded quickly with the S&P 500 off 22.3% from it's high on Feb 19 to the close on Mar 26.

The good news is that equity markets are typically higher 3 to 6 months after the outbreak. This bull market was the longest in history with the correction severe and swift. The duration of the recovery will be dependent on the spread and severity of the virus and its impact on earnings. The psychology of investors impacts markets which at some point fully discount the news.

We encourage you to take appropriate action to protect your health, but not to panic with respect to your portfolio.

[Contact us](#) or ask your advisor about how SBEA can fit into your portfolio.

This chart highlights the historic response of global equity markets to past epidemics

