

USA FINANCIAL
TRENDING REPORT

**VISUAL
REFERENCES**

**March 2020
Special Edition**

Be sure to subscribe to the USA Financial Trending Report podcast via iTunes, Google Play, or your favorite podcast player to always have the latest commentary at your fingertips.

Coronavirus Special Edition:
2020.03.02 Trending Report



Power Your Legacy

SECURITIES Broker-Dealer & RIA Member FINRA/SIPC	FORMULAS Formulaic Trending Asset Management	EXCHANGE Turnkey Asset Management Program	INSURANCE SERVICES Insurance & Annuity Distribution	MARKETING Multimedia Marketing Consulting & Technology	PROTOCOL Business Refinement & Practice Management Consulting	HQ FinTech Development & Integration
---	---	--	--	---	--	---

6020 E. Fulton St., Ada, Michigan 49301 | 888.444.0125 | usafinancial.com

The opinions expressed herein are not meant to provide specific investment advice or serve as a prediction for future stock market performance. We recommend everyone consult with a financial professional for advice related to their own, individual financial situation or plan



Coronavirus Disease 2019 vs. the Flu



Reviewed By:



Lisa Lockerd Maragakis, M.D., M.P.H.

Influenza ("the flu") and COVID-19, the illness caused by the new coronavirus, are both infectious respiratory illnesses. Although the symptoms of COVID-19 and the flu can look similar, the two illnesses are caused by different viruses.

As of Feb. 28, 2020, the flu is showing much more of an impact on Americans than COVID-19. You can find up-to-date information on COVID-19 at the [Centers for Disease Control and Prevention \(CDC\)](#).

Symptoms

- Both cause fever, cough, body aches, fatigue; sometimes vomiting and diarrhea.
- Can be mild or severe, even fatal in rare cases.
- Can result in pneumonia.

Infections

COVID-19: Approximately 89,198 cases worldwide; 86 cases in the U.S. as of March 3, 2020.

Flu: Estimated 1 billion cases worldwide; 9.3 million to 45 million cases in the U.S. per year.

Deaths

COVID-19: Approximately 3,048 deaths reported worldwide; 2 deaths in the U.S., as of March 3, 2020.

Flu: 291,000 to 646,000 deaths worldwide; 12,000 to 61,000 deaths in the U.S. per year.

Here's the Skinny...

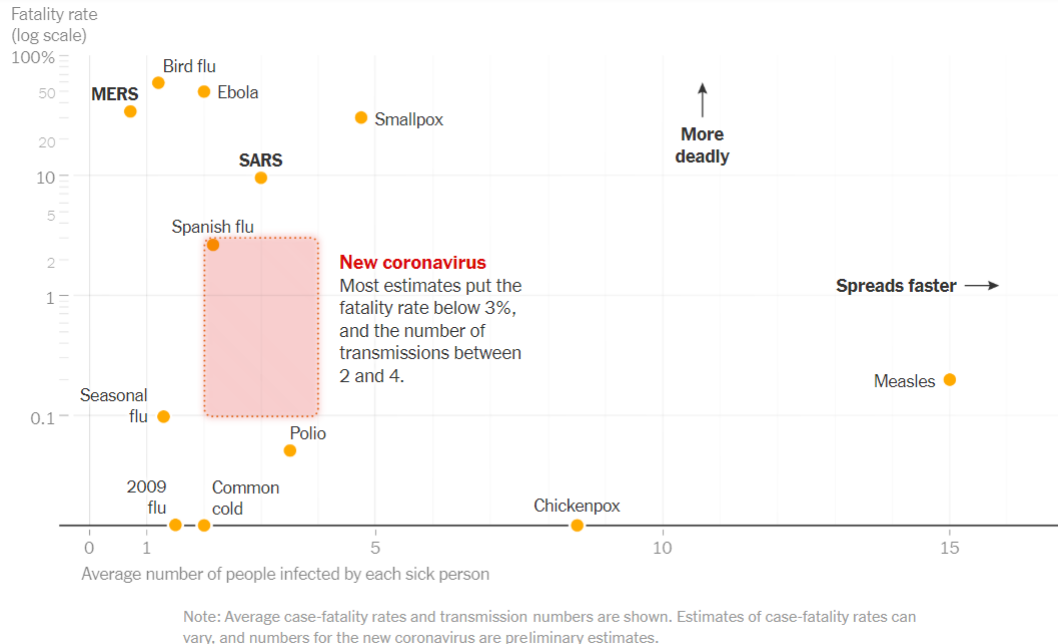
- Just like the flu, the Coronavirus can be mild, severe, or sometimes fatal.
- Numerically, the flu is much more dangerous (at least for now) in comparison to the Coronavirus.
- People fear the unknown.
- The stock market has become more emotion based with the 24/7 news-cycle.

How Bad Will the Coronavirus Outbreak Get?

Here Are 6 Key Factors

By Knvul Sheikh, Derek Watkins, Jin Wu and Mika Gröndahl Updated Feb. 28, 2020

As the coronavirus spreads in Asia, Europe and the Middle East, a flurry of early research is drawing a clearer picture of how the pathogen behaves and the factors that will determine how much it can be contained.



Here's the Skinny...

1. In terms of deadliness, the Coronavirus falls somewhere between the Seasonal Flu and the Spanish Flu.
2. Both MERS and SARS are more deadly than the Coronavirus.
3. For each 50 people infected, MERS killed 17, SARS killed 5, and Coronavirus killed 1.
4. Coronavirus appears to spread at about the same pace as SARS had, but is less deadly.
5. As perspective, the Chickenpox and Measles spread much faster than Coronavirus.



3 charts that compare coronavirus to previous outbreaks



The outbreak has seen a surge in demand for surgical masks. Image: REUTERS

The latest statistics indicate a fatality rate of about 2.2%, but disease experts say the actual rate may be higher or lower as there are likely more unconfirmed cases.

The SARS virus killed about 10% of all infected individuals, while the MERS outbreak identified in 2012 had a fatality rate of around 35%.

FATALITY RATE

For every 50 people that were infected, MERS killed **17 people**



SARS killed **five people**



and the new coronavirus killed **one**



Fatality rate

Image: Reuters

Some experts question whether the new virus shares similarities with seasonal flu, which has a low mortality rate but infects so many people that more than half a million may die from it each year, according to global health estimates.

VELOCITY OF THE VIRUS

For the first 1,000 people to be infected, MERS took **903 days or 2.5 years**



SARS took **130 days**



and the new coronavirus took **48 days**



Velocity of the virus

Image: Reuters

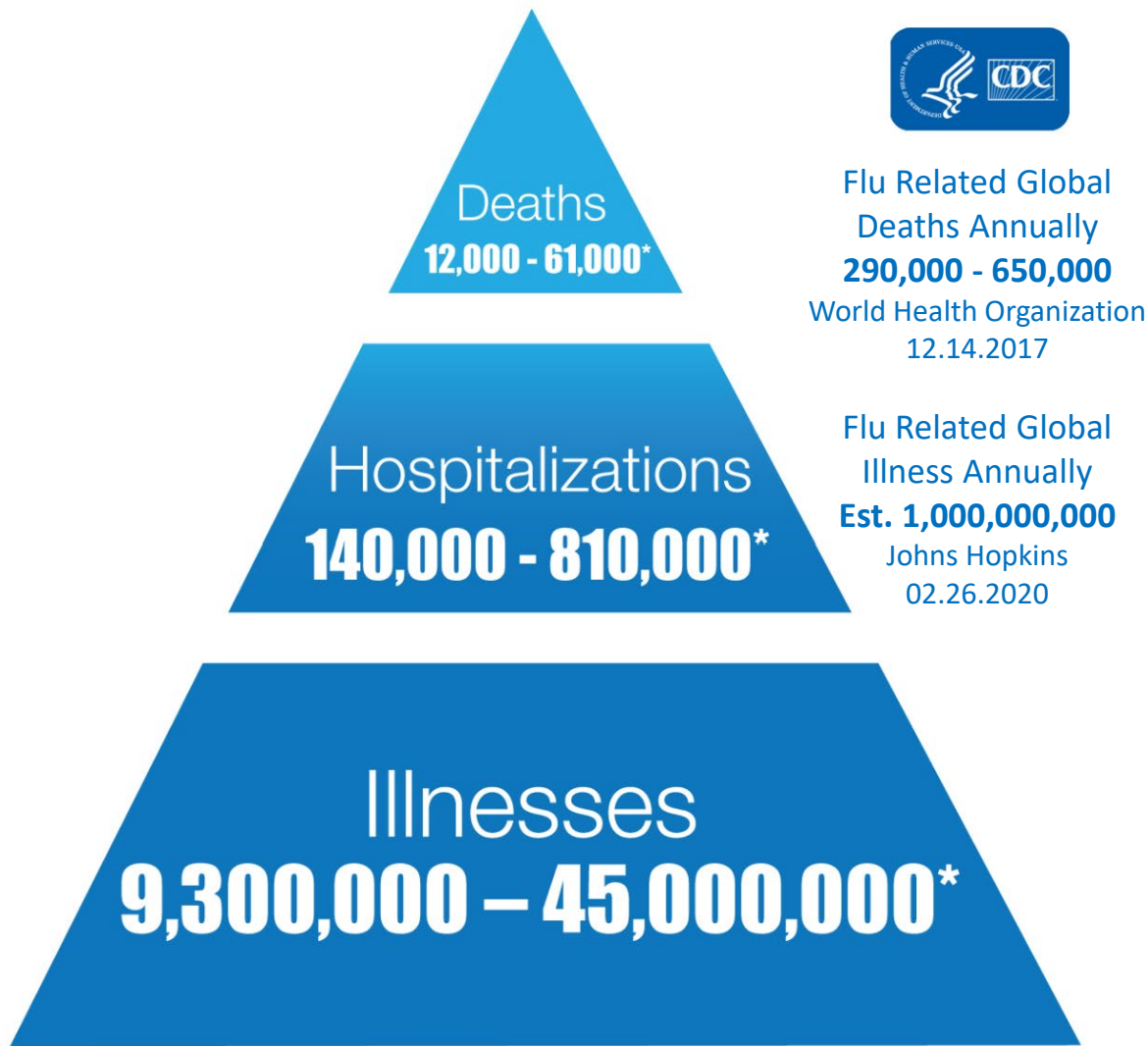
In emerging infectious disease outbreaks, the most serious cases are identified first. Coronavirus infections can range from mild cold-like symptoms to severe cases that cause pneumonia, acute respiratory illness and death.

Trending Report



Power Your Legacy

Figure 1: Estimated Range of Annual Burden of Flu in the U.S. since 2010



*The top range of these burden estimates are from the 2017-2018 flu season. These are preliminary and may change as data are finalized.

COVID-19 CORONAVIRUS OUTBREAK

Last updated: March 02, 2020, 16:25 GMT

[Cases](#) - [Deaths](#) - [Countries](#) - [Death Rate](#) - [Incubation](#) - [Age](#) - [Symptoms](#) - [Opinions](#) - [News](#)

Coronavirus Cases:

89,861

[view by country](#)

Deaths:

3,069

Recovered:

45,636

U.S. Coronavirus Cases:

86

includes 47 repatriated to U.S.
from Wuhan, China & Diamond
Princess Cruise Ship, Japan

U.S. Deaths:

2

U.S. Recovered:

9

ACTIVE CASES

41,156

Currently Infected Patients

33,782 (82%)
in Mild Condition

7,374 (18%)
Serious or Critical

[Show Graph](#)

CLOSED CASES

48,705

Cases which had an outcome:

45,636 (94%)
Recovered / Discharged

3,069 (6%)
Deaths

[Show Graph](#)

Trending
Report

USA
FINANCIAL

Power
Your
Legacy

THE INTERPRETER

Coronavirus ‘Hits All the Hot Buttons’ for How We Misjudge Risk


Psychologists say that differing responses to coronavirus and the flu illustrate our shortcomings when it comes to evaluating danger.



The coronavirus panic illustrates the flaws in how human beings assess risk. Amanda Mustard for The New York Times


 By Max Fisher

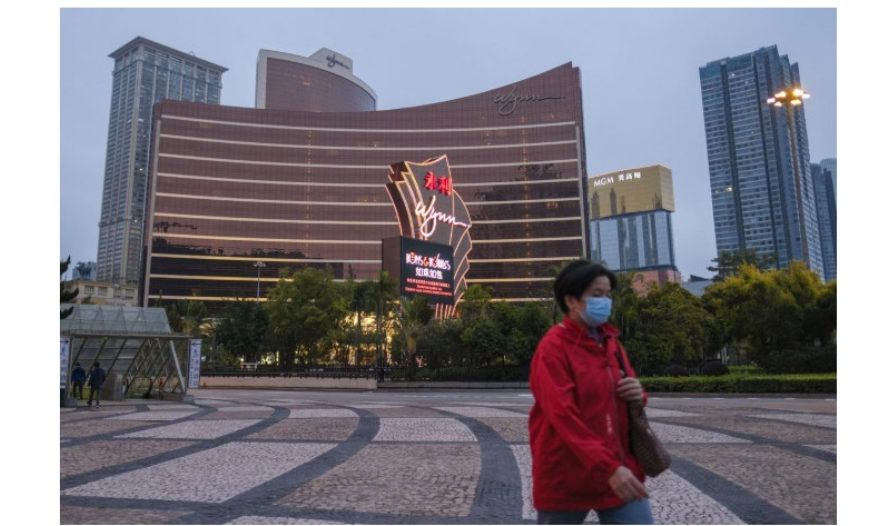
Feb. 13, 2020




 239

Investors Grapple With Coronavirus Impact on Largest U.S. Firms

Disruption may deepen for American companies that rely heavily on overseas revenue and supply chains



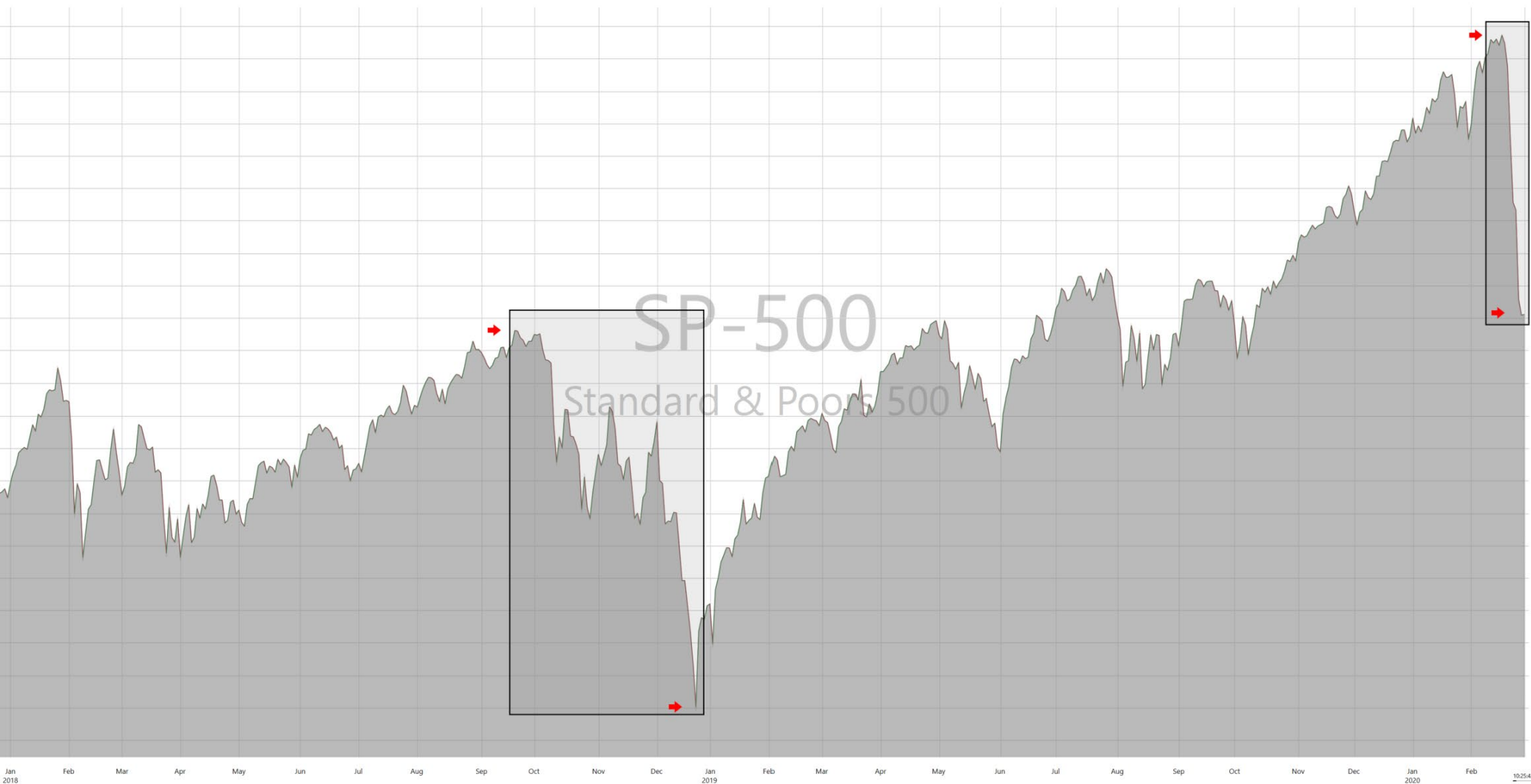
U.S.-based Wynn Resorts, which operates the Wynn Macau casino resort in China, has seen its stock fall over the past five days.

PHOTO: JUSTIN CHIN/BLOOMBERG NEWS

By [Paul J. Davies](#)
 Updated Feb. 25, 2020 9:56 am ET

Here’s the Skinny...

1. According to the data, many will argue that the market and media have overreacted to the Coronavirus.
2. However, quarantines, shutdowns, and public fear all have a great effect on businesses.
3. Companies who have operations overseas have greater exposure.
4. Companies reliant upon overseas supplies have greater exposure.
5. Companies with large percentage of sales overseas have greater exposure.



Here's the Skinny...

In comparison...

The S&P 500 hit a record high on 9.20.2018 then hit its low on 12.24.2018 for a decline of -19.78%

The S&P 500 hit a record high on 2.19.2020 then by 2.28.2020 it already declined by -12.75%.

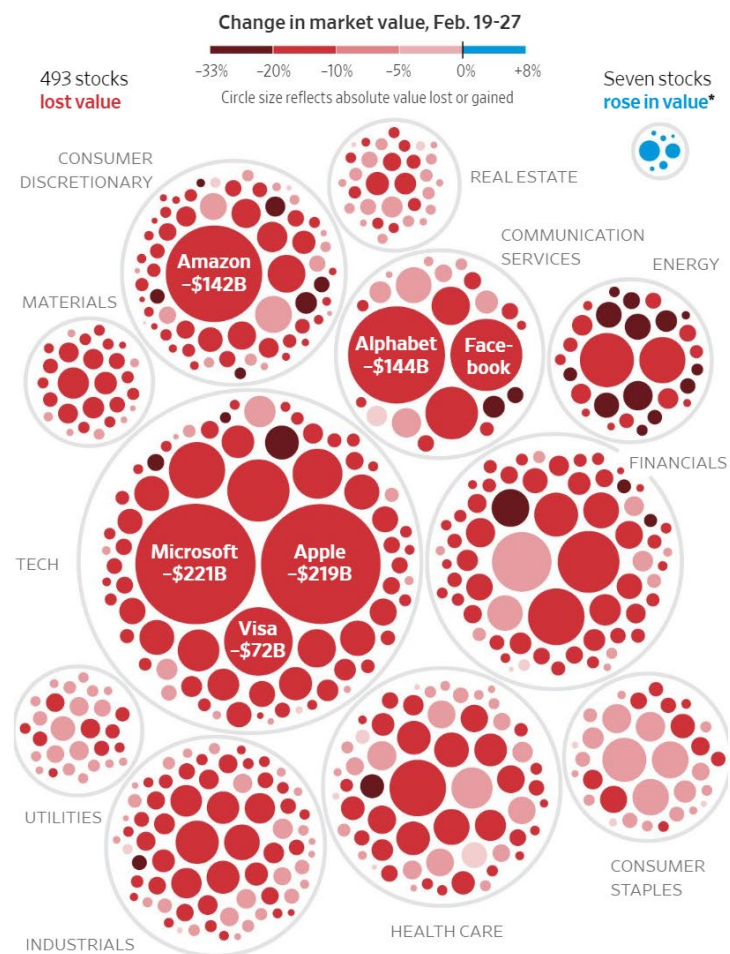
**Trending
Report**



**Power
Your
Legacy**

The Week That Wiped \$3.6 Trillion Off the Stock Market

U.S. stocks were at record levels just last week, seemingly unaffected by fears that the coronavirus could dent the global economy. Then reality took hold.



*The seven S&P 500 stocks that rose in value were Newmont, CME Group, E*Trade, Clorox, Cboe Global Markets, Gilead Sciences and Regeneron Pharmaceuticals.
Source: FactSet

Here's the Skinny...

1. The S&P 500 hit a new record high on February 19.
2. During the trading week of February 24 – February 28 the S&P 500 experienced its worst week of decline since the 2008 Crisis.
3. Of the 500 stocks in the S&P 500... 493 stocks declined in value.
4. Of the 500 stocks in the S&P 500... 7 stocks increased in value.
5. On March 2 (at the time of this info) stocks are surging in anticipation of the Federal Reserve and other major country central banks possibly providing stimulus in tandem effort.

Home > Markets > U.S. & Canada > Market Extra

How the stock market has performed during past viral outbreaks, as coronavirus spreads to Italy and Iran

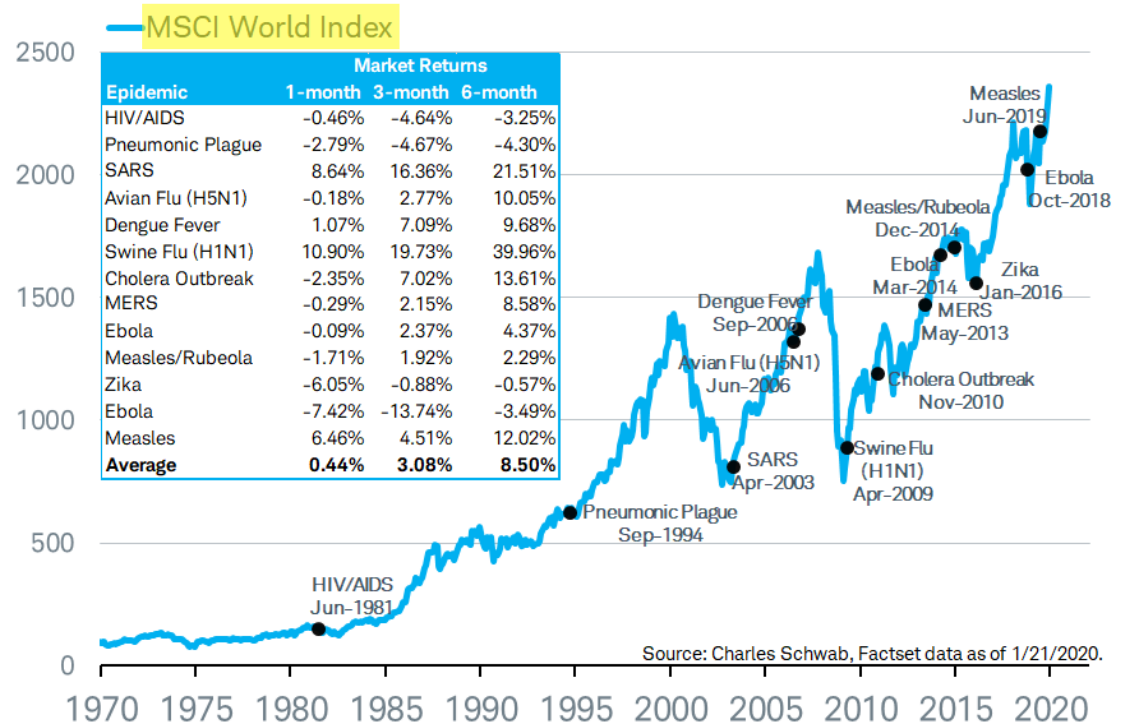
By Mark DeCambre

Published: Feb 24, 2020 3:13 p.m. ET

Epidemic	Month end	6-month % change of S&P	12-month % change of S&P
HIV/AIDS	June 1981	-0.3	-16.5
Pneumonic plague	September 1994	8.2	26.3
SARS	April 2003	14.59	20.76
Avian flu	June 2006	11.66	18.36
Dengue Fever	September 2006	6.36	14.29
Swine flu	April 2009	18.72	35.96
Cholera	November 2010	13.95	5.63
MERS	May 2013	10.74	17.96
Ebola	March 2014	5.34	10.44
Measles/Rubeola	December 2014	0.20	-0.73
Zika	January 2016	12.03	17.45
Measles/Rubeola	June 2019	9.82%	N/A

—Source: Dow Jones Market Data

Immune: world epidemics and global stock market performance



The MSCI World Index captures large and mid cap representation across 23 Developed Markets countries. With 1,646 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country. **Past performance is no guarantee of future results.**

Here's the Skinny...

1. Domestically, the S&P 500 and other U.S. exchanges have shrugged off epidemics rather quickly and efficiently.
2. Globally, the MSCI World Index has also proven to shrug off epidemics similarly.

Trending
Report

USA
FINANCIAL

Power
Your
Legacy



PORTFORMULAS

Soon to be easier known as...

FORMULAS

Here's the Skinny...

Our Formulaic Trending equity model screening criteria for the month of March 2020 has resulted in the Formulas Models continuing to do exactly what they were designed to do...

- **5 Formulas Models have triggered completely out of their primary equity universe of holdings.**
- **1 Formula Model has triggered partially out of its primary equity universe of holdings.**
- **14 Formulas Models remain fully invested in their primary equity universe of holdings.**

**Trending
Report**



**Power
Your
Legacy**

Please note that there are a number of important disclosures that must be considered before investing in Portformulas. Please read the information and disclosures contained in Portformulas’ hypothetical carefully before investing. Any performance figures referenced herein are hypothetical and are not indicative of future results. Purchases and sales of securities within Portformulas’ various strategies may be made without regard to how long you have been invested, which could result in tax implications.

RAM Score and Mapper Score General Disclosures

These illustrations do not represent any particular Portformula® strategy nor is it intended to recommend any Portformula strategy or the RAM Score feature. The information on this page simply attempts to illustrate how our firm’s RAM Score Allocation Management feature operates. This feature can be applied to many Portformula models at no additional cost.

RAM Score utilizing the S&P 500 was not developed until January 2010. Prior to January 2010, clients were utilizing RAM Score’s predecessor, RAM. Clients utilizing RAM may have had different results than those reflected above. RAM Score movement prior to 2010 is hypothetical and based on retroactive application of RAM Score’s indicators to market and economic conditions existing at the time. RAM Score utilizing various other indices as a benchmark were not developed until 2016. Illustrations utilizing the application of these formulas is hypothetical based upon how we believe this feature would have responded to previous market conditions. Portformulas was not managing assets prior to 2007.

It is important to understand that RAM Score is only a tool designed to assist our firm’s management of your account. RAM Score does not guarantee any specific results or performance and even with RAM Score on your account, it is possible that your account will lose value. RAM Score moves assets into or out of the market based on various economic and market indicators. It is possible that the market will move positively while you are not invested or negatively while you are invested, resulting in losses. Any Portformula strategy may under-perform or produce negative results.

RAM Score is a management tool that utilizes Portformulas’ patented scoring system. Services discussed herein may be covered by United States Patent No. 8,630,940. Additional patents pending.

These illustrations utilize various well-known indices in an effort to provide a recognizable frame of reference, and correspond with the various pools of assets that Portformulas strategies analyze. Indices such as those illustrated are not publicly available investment vehicles and cannot be purchased.

About the Fundamental Focus Series

The Fundamental Focus Series investment strategies use RAM Score plus qualitative and quantitative qualification criteria to select targeted holdings across multiple indexes. Its primary selection criteria focus is on the fundamental data of each company that fits the initial universe of stocks being considered for portfolio inclusion.

About the Technical Focus Series

The Technical Focus Series investment strategies provide for the optional addition of RAM Score applied to the specific stock market index being evaluated. These investment strategies evaluate technical data as it relates to the price movement of the particular stocks within the index being evaluated for portfolio inclusion.

Portformula Investment Strategy - Exclusively from Portformulas

IMPORTANT NOTICE: Past performance is no guarantee of future results and your actual results may vary. Investing carries an inherent element of risk. Potential for substantial loss in principal and income exists. You should only invest in Portformulas upon receiving and reading the Portformulas ADV. Portformulas is an SEC registered investment advisor. SEC File No. 801-67442. SEC registration does not imply a certain level of skill or training. © 2009 – 2019 USA Financial Portformulas.

