



The Concord Advisory Group, Ltd.

April 2020 Market Highlights

“Broken Oil Market”

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Concord Advisory Group: April 2020 Market Highlights

Commentary: “Broken Oil Market”

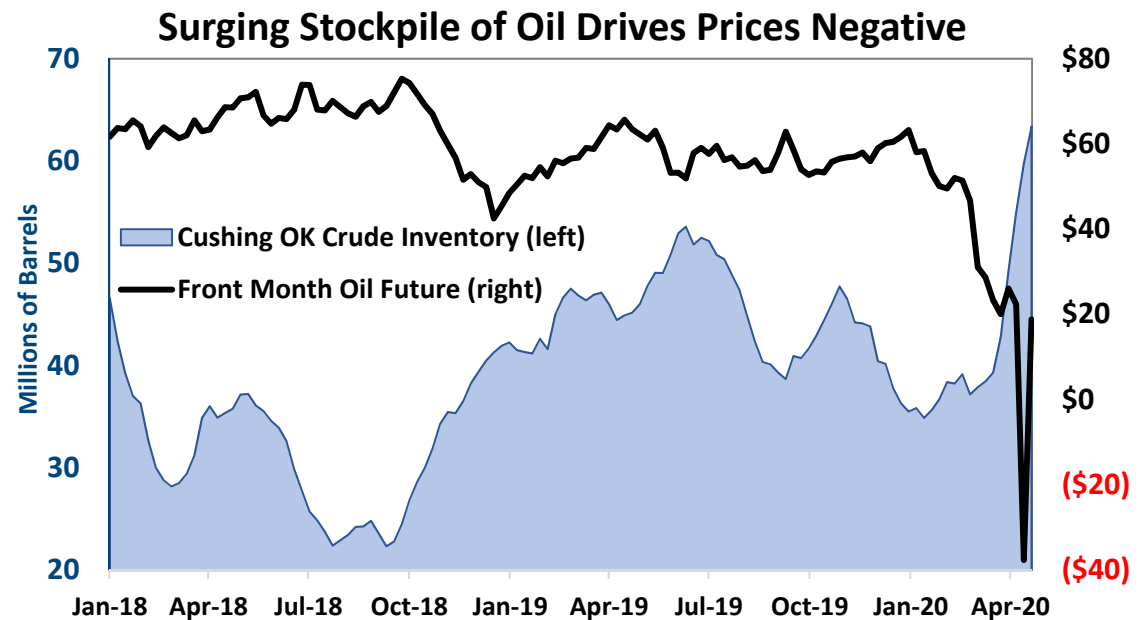


It is not a coincidence that the air conditioner tends to break on the hottest day of the year. The stress from overuse and excessive heat exposes the weakness in the AC system. Weaknesses in investments also become apparent in times of financial stress, and this month it was the oil market that broke down.

On April 20th, WTI crude oil futures for May delivery fell almost \$56 dollars and settled at a negative \$37.60/barrel. Oil prices became negative because of the settlement rules of WTI futures contracts. In the case of oil, each WTI futures contract is an agreement to deliver 42,000 gallons (1,000 barrels) of crude oil to Cushing Oklahoma. However, with the global economy in a state of near lock-down, the oil storage facilities globally are nearing capacity. With no means to accept delivery of a hazardous material, panicked selling pushed prices well below zero.

The oil crash exposed a systematic weakness in the structure of the USO ETF. The USO ETF, which was a tool for retail investors to speculate on the price of oil, was forced to sell oil futures at negative prices, because it had no ability to take delivery of oil.

The importance of understanding the structure and hidden risks of an investment often only becomes apparent during the stress periods. Before last month's steep losses, most investors in USO probably did not realize the settlement and roll risks they were taking. The most frequent shock to some in recent years has been discovering that investments they own are less liquid than they were promised. In bear markets, losses due to lower valuations are expected, but losses due to poorly structured investments are painfully unexpected.

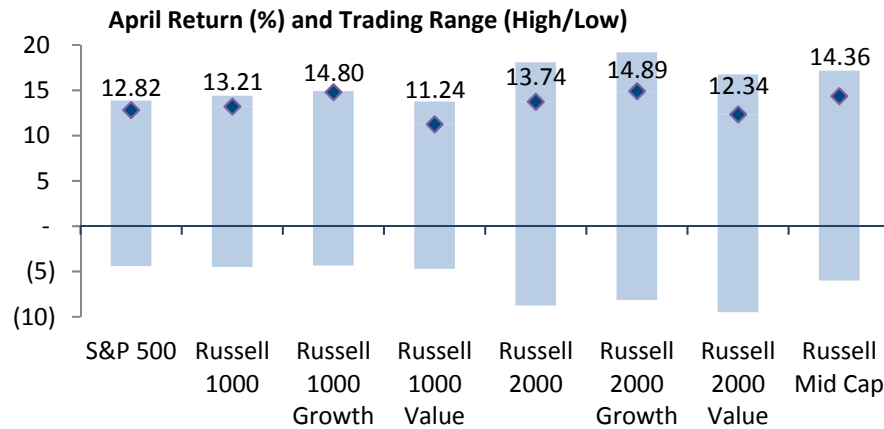


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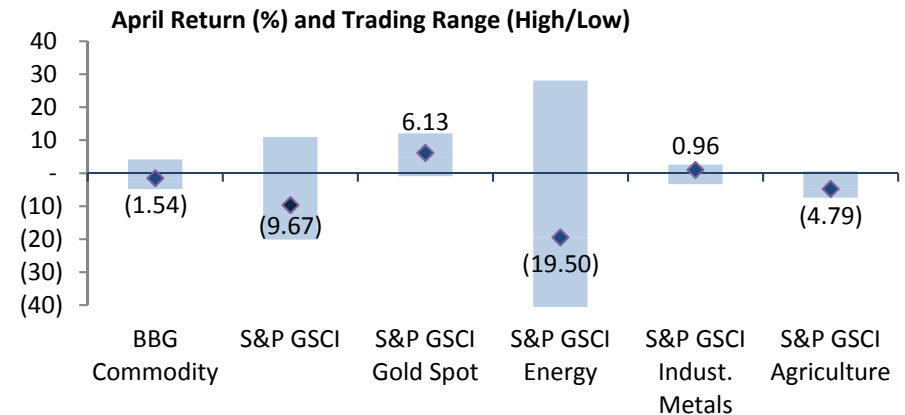
Monthly Charts



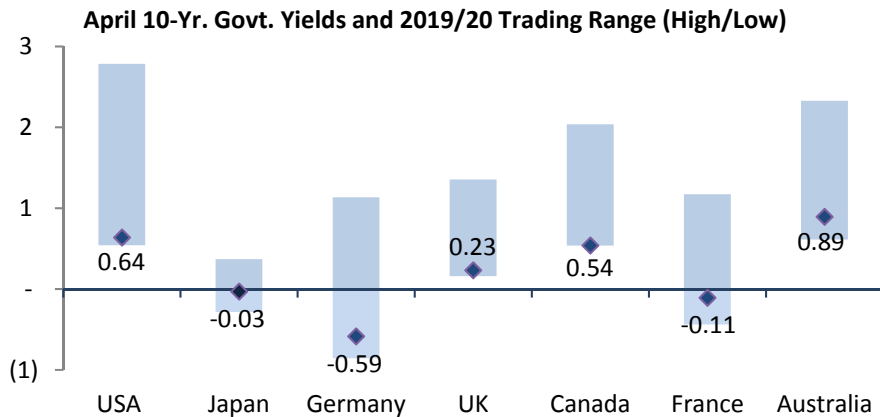
U.S. Equities: U.S. equities rebounded sharply in April, following the March sell off. Extreme market intervention from the Federal Reserve bolstered risk assets, prompting the best monthly return since 1987.



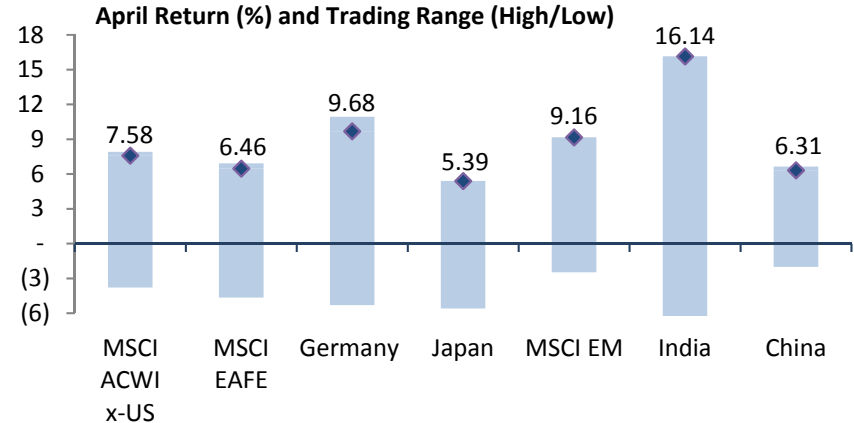
Commodities: Broad commodities prices were negative in April. Oil prices remained at record low levels, weighing on the sector; however, Precious and Industrial Metals advanced.



Fixed Income: Lower interest rates and tighter credit spreads led to positive returns for bonds. Strategies with more interest rate and credit risk performed best.



International Equities: Developed non-U.S. equities lagged domestic markets, but still rallied from the prior month's declines. Each broad emerging market region also participated in the gains.

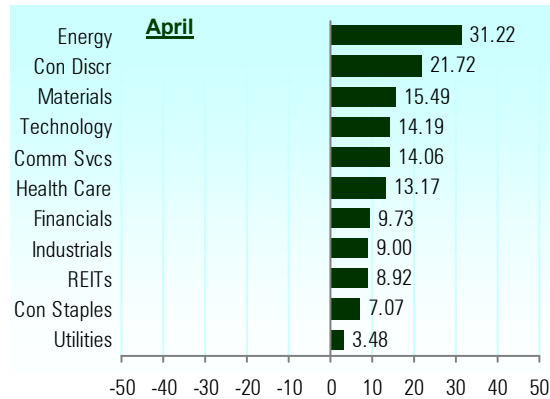


Concord Advisory Group: April 2020 Market Performance

Equity Markets	Past Month	Past 3 Months	YTD	1 Yr	3 Yrs	5 Yrs
S&P 500	12.82%	-9.26%	-9.29%	0.87%	9.05%	9.12%
Russell 1000	13.21%	-9.78%	-9.68%	0.08%	8.68%	8.74%
Russell 1000 Growth	14.80%	-3.54%	-1.38%	10.84%	15.69%	13.34%
Russell 1000 Value	11.24%	-16.70%	-18.49%	-11.01%	1.43%	3.91%
Russell MidCap	14.36%	-15.92%	-16.60%	-10.00%	3.47%	4.81%
Russell 2000	13.74%	-18.47%	-21.09%	-16.39%	-0.82%	2.88%
Russell 2000 Growth	14.89%	-13.76%	-14.71%	-9.22%	4.22%	5.19%
Russell 2000 Value	12.34%	-23.60%	-27.72%	-23.85%	-6.06%	0.30%
MSCI ACWI	10.71%	-11.97%	-12.94%	-4.95%	4.47%	4.37%
MSCI World	10.92%	-11.89%	-12.43%	-4.01%	4.99%	4.92%
MSCI ACWI Ex-US	7.58%	-15.27%	-17.55%	-11.52%	-0.25%	-0.17%
MSCI EAFE	6.46%	-16.09%	-17.84%	-11.34%	-0.58%	-0.17%
MSCI EM	9.16%	-12.52%	-16.60%	-12.00%	0.57%	-0.10%
Bloomberg Commodity	-1.54%	-18.48%	-24.48%	-23.18%	-8.62%	-9.07%

Fixed Income Markets	Past Month	Past 3 Months	YTD	1 Yr	3 Yrs	5 Yrs
Barclays Capital Aggregate	1.78%	3.00%	4.98%	10.84%	5.17%	3.80%
Barclays Capital Global Aggregate	1.96%	0.35%	1.63%	6.56%	3.83%	2.82%
Barclays Capital Intermediate Aggregate	1.15%	2.43%	3.67%	7.99%	4.05%	3.06%
Barclays Capital Universal	2.00%	1.51%	3.33%	9.14%	4.77%	3.78%
Barclays Capital Government	0.63%	6.19%	8.76%	14.11%	5.76%	3.87%
Barclays Capital Credit	4.58%	-1.03%	1.29%	9.38%	5.41%	4.34%
Barclays Capital Municipal	-1.26%	-3.61%	-1.87%	2.18%	3.28%	3.04%
Barclays Capital High Yield	4.51%	-8.78%	-8.75%	-4.11%	1.86%	3.44%
Barclays Capital Mortgage	0.64%	2.75%	3.47%	7.76%	4.03%	3.06%
Barclays Capital 1-3 Yr Gov/Credit	0.63%	1.77%	2.33%	4.95%	2.74%	2.01%
FTSE 3-Month Treasury Bill	0.08%	0.33%	0.47%	1.91%	1.75%	1.14%
FTSE World Govt Bond	1.19%	1.57%	3.22%	7.97%	4.24%	2.98%
Barclays Capital U.S. TIPS	2.78%	2.37%	4.52%	9.47%	4.22%	3.09%
BofAML Invest Grade Convertible	6.47%	-10.30%	-8.41%	2.14%	8.65%	9.45%

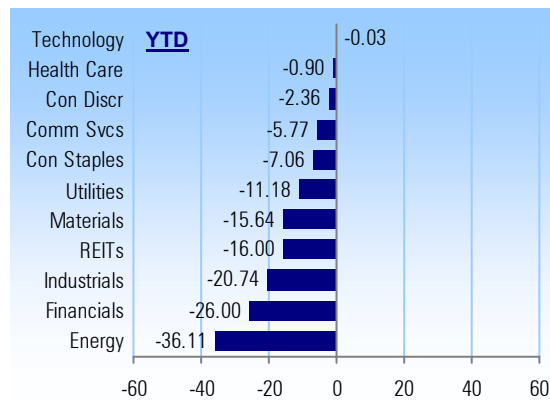
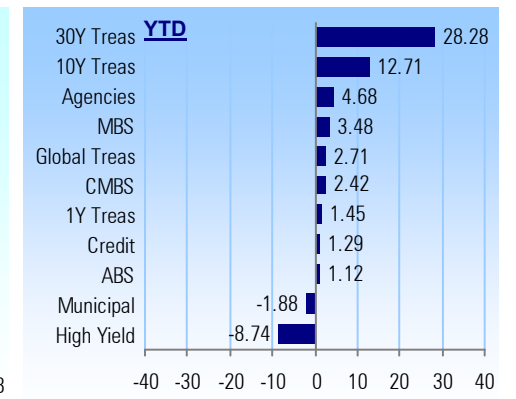
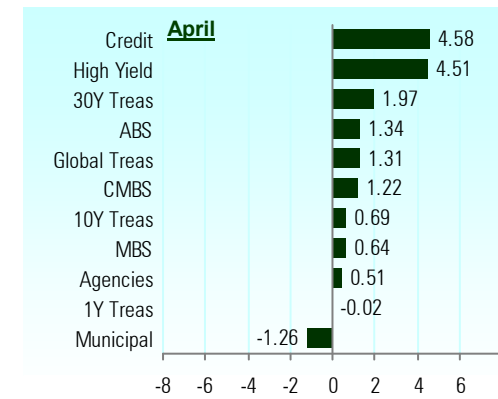
Equity Sector Returns (%)



Equity Style Returns (%)

Style	Value	Core	Growth
Large	11.24	13.21	14.80
Mid	13.35	14.36	15.66
Small	12.34	13.74	14.89

Fixed Income Sector Returns (%)



Style	Value	Core	Growth
Large	-18.49	-9.68	-1.38
Mid	-22.59	-16.60	-7.51
Small	-27.72	-21.09	-14.71

Treasury Yield Curve

