

My Atlantic Wealth

SPRING EDITION 2020

From Our Corner

From our families to yours, here are a few recent happenings and reflections

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THE FREEDOM TO LIVE INSPIRED

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COVID-19

By Greg Patterson

Less than two months ago markets were at record highs and continued growth and healthy economic data supported those valuations. In our October 2019 newsletter, I wrote “provided real consumer spending, which makes up 70% of aggregate demand, continues to increase at a pace of 2%, it will take noticeable weakness elsewhere to move the US into a recession.” Little did we know that the “noticeable weakness” would be a virus that called a global timeout to most parts of the world’s economy, the likes of which we have not seen before.

The coronavirus pandemic has resulted in joblessness across our country reaching numbers not seen in many years. For the third straight week we have seen the jobless claims numbers increase more than 6 million, bringing the three week total to almost 17 million claims since the shutdown began, far eclipsing any previous records. Federal Reserve Chairman Jerome Powell reiterated that the central bank is committed to using all of its available tools to aid in the recovery. This news sent markets up by 12% to close on Thursday, April 9th at 23,719 on the Dow Jones Industrial average. Then the S&P 500 Index had its single best day since 1974 - another reason to remember that staying invested during these times ensures you participate in the recovery. And remember, bad days in the market are usually followed by good days.

First quarter earnings season begins this week and, at the time of writing, we expect that the numbers will be negative to reflect the government required shutdown of the economy. In addition, the weekly jobless claims numbers and retail sales will continue to show a major correction in the economy. We expect this news will only improve when the number of COVID-19 cases begins to recede. This statistic has most leading economists’ attention as it has ours and we will all breathe easier when the economy reopens.

We have been reminded by many of you on our phone calls and meetings just why we love what we do. It is the relationships we share and hearing your stories of resolve and how you are helping others during this time. We have heard how you are checking on your elderly neighbors, preparing meals for others and giving financially to those who have been among the jobless. These are indeed tough times to go through, but we will get through and we will persevere. Your spirit is encouraging to us and to others.

At AWM, our thoughts and prayers go out to those impacted by this virus and those who have lost jobs due to the shutdown. We remain steadfast in our duty to you, our clients, and we will continue to take seriously the job of stewarding your assets. As always, we are on standby to help you or anyone you know with any financial issues and we appreciate the trust and confidence you have placed in us. We are honored to serve as your trusted advisors. ■

“In the world you will have tribulation. But take heart; I have overcome the world.” - John 16:33

In the Life of Our Firm and Our Families

From Greg

I am thankful for the telephone and internet as both have made keeping in touch with you much easier during social distancing. I've learned to use the video conference feature through Zoom, which has taken practice but has become relatively easy and is the next best thing to an in-person meeting. As with many of you, we miss face-to-face meetings here at our office but are glad to be safe as we take these precautions.

Melissa and I have been using any free time to catch up on projects at the farm. We witnessed the birth of a new lamb and have a total of twelve sheep now – enough, I hope, to keep me from having to mow the pasture. Many of you have asked about my son, Tyler, who is currently overseas with the Army National Guard serving a year of duty in the Kuwait/Saudi Arabia area. We enjoyed a video call with him on Easter and he is doing fine and is healthy. He is a 2nd Lieutenant leading soldiers with a tank division. Tyler is scheduled to return home around September. We also had a chance to use Zoom to watch the Jesus story production with our two oldest daughters and sons-in-laws. It was quite a production and fun to be part of. Like you, we are looking forward to summer and being with our friends and family again. We continue to keep you and your family in our thoughts and prayers during this difficult and uncertain time.

From Kim

With spring comes Easter, my most favorite holiday. Every year on Easter morning I have been at Fort Macon State Park with sometimes more than 100 people from various denominations all singing "Amazing Grace" as the sun rises over the horizon.



Greg and JA with Ron Blue, founder of Kingdom Advisors, at the National Kingdom Advisor conference in February.

It's always good to gather for worship and just be together. This year we were unable to do this because of the coronavirus, but I did make the effort to watch the sunrise on Easter morning. I was once again reminded, more than ever, of what is most important in life and of the freedom and liberties of simply being together that we have sometimes taken for granted. How I miss that so much! I am humbled by the gift of Jesus. And I look forward to the opportunity to sit down once again across the room and face-to-face with all of you here at the office.



From Matt

Greetings! I hope this finds everyone healthy and cheerful in the midst of what is going on. I wanted to share the good news with you that I completed all my securities licensing and insurance exams. This was a big undertaking and I am thankful to get this done. I am also approaching the one-year mark of being a team member at AWM, and I honestly am shocked at how fast this year has flown by. Lately, more time on my hands has led me to self-reflect. I thought about how everything, both good and bad, has led me to where I am today and I could not be more thankful. I am slowly but surely realizing all this area has to offer in terms of life outside work. I will admit, it was quite the change of pace, but that is not always a negative thing. I am starting to find happiness in what living in a true coastal town means. I do believe that is different for each person, so please continue to pray for this transition process for me. My family situation remains the same. My sisters and their respective husbands are doing great, and we talk almost every day. My mom, like all small business owners, is pushing through these difficult times and praying we see the other side soon. I genuinely hope everyone is staying safe and

taking this time to find the joy in life as it stands right now. As I hit this one year milestone at Atlantic Wealth, I will strive to continue to learn and develop professionally in order to help serve you, our clients, in a world-class way!

From JA

Another six months, and another opportunity to share an update on the Canadys! Last month, we had two big birthdays as Jac turned one and Sadie turned six. Jac is still the best baby we've had. He (usually) has the best smile on his face, which is why we call him smilin' Jac. He's grown into a healthy little boy, although we are still waiting for his first steps and his first teeth to cut through! Sadie has matured a lot and remains beautiful on the inside and out. She still loves her art and gymnastics but has also enjoyed learning to read. She also has grown into quite the big sister for her younger siblings.

Speaking of younger siblings, Eliza, Rosa, and Nellie are all still three-year-olds, for a little longer anyway. And while they're all the same age, they are each very different! Rosa is miss social butterfly, full of energy, and into everything. Nellie is the best eater of the bunch. She's fast and athletic. Eliza is the clown and loves to be a "mermaid-ballerina". She's also the sensitive one. They all love playing outside as well as dressing-up as their favorite Disney princesses.

Reese is seven going on seventeen. He enjoyed the soccer season last fall and was really looking forward to his third lacrosse season when everything was suddenly cancelled. He has continued to improve on the drums in both skill and confidence. He even recently helped lead the singing in worship while playing drums. We continue to pray for what God has in store for him.

Elizabeth continues in her role as super-mom. With the impact of coronavirus, this has meant no extra-curricular activities for any of the kids and even more time at home. She has managed this very well, like she has done with all the other challenges we've faced. Elizabeth and I continue to pray for wisdom to know what each child needs with respect to love, discipline, and learning as we strive to parent, teach, and disciple them.



What the Stimulus Package Will (and Won't) Do for the Economy

Presented by Greg Patterson and James Allen Canady

The Federal Reserve (Fed) has been consistently ahead of the coronavirus crisis. To help ensure that this medical crisis does not transmute into a financial one, the Fed stepped up early and hard. Not only did it cut interest rates essentially to zero, it also eased restrictions on banks to enable faster and more business lending. Plus, the Fed has taken unlimited measures to support the financial system as a whole, restarting programs from the last financial crisis to purchase bonds and inject money into the system.

So far, it seems the Fed has been successful in its efforts. The Fed and monetary policy have done what they can do, and they are poised to do more as needed. But monetary policy—think interest rates and bank regulation—can only do so much. We've now added to this direct policy support (i.e., writing checks) for workers and businesses. Spending money, known as fiscal policy, is the province of Congress. With passage of the CARES Act, we have a stimulus deal aimed at providing financial support—checks—directly to workers and businesses. Let's take a closer look at what the stimulus package will (and won't) do for the economy, starting with the numbers.

Unpacking the Stimulus Package

The package totals about \$2 trillion, or almost 10 percent of the economy as a whole. It also includes provisions to enable the Fed and commercial banks to add up to another \$6 trillion in temporary financing. This is real money, larger than what was done in 2008. Although it took longer, Congress has now gone big and hard to get ahead of the damage. And, like the Fed, there is likely more there if needed.

Nearly half of the package is direct payments to both people and firms. Individuals will get a \$1,200 check, with an additional \$500 per

child, up to an income limit. Loan guarantees are available to small businesses, which convert to grants if the businesses maintain their payrolls. Unemployment insurance is now for 100 percent of lost wages for up to four months. There is also money to support the health care system, as well as state and local governments. Finally, a significant part will go to large businesses affected by the crisis, such as airlines.

In other words, there is something for pretty much everyone here. While there will undoubtedly be mistakes, it provides the framework for getting the economy through the crisis until something like normality returns. This program is what is needed to mitigate the long-term damage from the crisis.

What the Stimulus Won't Do

What this package, and the Fed's actions, will not do is prevent a significant short-term drop in the economy. The second quarter will be terrible, and the third quarter probably won't be great either. With the lockdowns in place, with people unable to work or spend, preventing that decline is impossible.

What It Will Do

What can be done—and what the package is designed to do—is allow people and companies to survive during that period, despite that slowdown. People will be able to pay their rent and buy food, first with the initial check and then with the expanded unemployment insurance. Companies will be able to pay their rent, other expenses, and, in many cases, their people. Critically, with that support, both individuals and companies will be around to start working and spending again when the lockdown eases and when the economy starts up again—which is the goal.

There will certainly be collateral damage here. People will suffer, and some companies won't make it through. But this program will help minimize that damage and help ensure that we have a functioning economy when the virus is brought under control.

Between the Fed and congressional action, we will hopefully have the policy response in place that we need to get through the next difficult weeks. There will still be damage, and there will likely be a need for additional policy response. If that's the case, the signs are that both the Fed and the government will do what is needed, when it is needed.

The Real Message

There are two messages from the stimulus package. The first is that the money will be there, which is critical. It will support confidence from consumers and businesses, and it will help preserve both the capability and the confidence needed to keep the economy going.

The second, and in some ways more important, is that the U.S. government is up to the challenge of this crisis. That position will also help preserve confidence, which will help more than anything to resolve this crisis as quickly as possible. ■

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Creamy Parmesan Basil Shrimp

Ingredients

- 1 1/2 pounds shrimp
- 3 tablespoon butter
- 4 large garlic cloves minced
- 1/2 yellow onion finely minced
- 3-4 ounces roasted red peppers thinly sliced
- 1/4 teaspoon paprika
- 1 1/2 cups heavy cream*
- 1 cup (packed) fresh basil leaves
plus more for garnish
- 1 cup fresh grated parmesan
- 1/4 teaspoon crushed red pepper flakes
- 1/2 cup white wine (or chicken stock)
- Salt to taste
- Black pepper to taste
- *Half and Half can be substituted for the heavy cream, however the sauce will be thinner

Recipe courtesy of Fox and Briar cooking blog
<https://www.foxandbriar.com/creamy-parmesan-basil-shrimp-recipe/>

Instructions

1. In a large non-stick pan on medium heat, melt 2 tablespoons butter. Season shrimp with salt and pepper, then sear, 1-2 minutes on each side, until just pink. Remove from the pan and set aside.
2. In the same skillet, add 1 tablespoons butter. Add onion, garlic, peppers, paprika, red chili pepper flakes, salt and pepper. Sauté for about 5 minutes, until onions and peppers are softened.
3. Add wine to deglaze the skillet and bring to a gentle simmer until reduced by half.
4. Reduce heat to medium low. Add cream to the skillet and stir until a creamy sauce forms. Taste and adjust seasoning with salt and pepper. Add Parmesan, stir until melted into sauce. Stir in basil, simmer until wilted, 1-2 minutes.
5. Add shrimp back to the skillet and reheat 1-2 minutes. Sprinkle with fresh basil and serve over pasta, zoodles, or spaghetti squash and enjoy!

Atlantic Wealth Kids



Celebrating at home in their Easter best!

Left to right: Nellie (3), Reese (7), Eliza (3), Jac (1), Sadie (6), and Rosa (3).

Offer to Help

We are honored to be the advisors you've chosen to help manage your financial life. In our experience, our clients who value the comprehensive services we offer often have a family member or friend who shares those values. If someone you know could benefit from financial guidance, or a fresh perspective on their retirement, we would be honored to help.

We are pleased to offer anyone you refer a no-obligation, complimentary financial review. Your continued trust in us is worth more than we can say. To refer someone, just call our office at (252) 515-7800.



THE FREEDOM TO LIVE INSPIRED

Our Mission

Our advice and counsel is built on a foundation of faith, shared values, open communication and the highest integrity. With world-class service, we grow and protect our clients' hard-earned wealth so that they are free to live inspired.

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