# Goldilocks Is Back, With a Face Mask On. Bears Beware

*Excerpt from…*

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**The promise of easy money means there's no alternative to U.S. stocks, damage from China's coronavirus epidemic permitting.**
By John Authers – February 4, 2020


*Vincent Deluard, global macro strategist at INTL FCStone Financial Inc. in San Francisco, suggests that the coronavirus scare intervened in a move toward reflation – a stance that the manufacturing data appear to confirm. He had been recommending moving into assets that traditionally benefit from an inflationary environment, such as emerging markets and commodities, but concedes that this is now a very difficult call to make until the full extent of the epidemic is clear.*

*Meanwhile David Kotok, the veteran market observer who heads Cumberland Advisors Inc., suggests that the most likely scenario is as follows: China has allowed the virus to spread too far before taking action, and now has little choice but to* *take measures that will have a severe effect on its economy. It also risks losing credibility in trade negotiations, and seeing its position weakened. Meanwhile in the rest of the world, the epidemic adds to the pressure on governments and central banks to keep conditions easy. With interest rates held low, and stocks having just sold off, he moved to buy U.S. stocks Monday, depleting his position in cash.*

Full story: https://www.bloomberg.com/opinion/articles/2020-02-04/coronavirus-global-easing-should-support-u-s-stocks