After posting the worst quarterly performance since the financial crisis, the market’s decline on the first day of the second quarter seemed like a cruel April Fool’s trick. The market lost nearly 5 percent on Wednesday, based largely on skepticism that the market had reached a bottom and was headed for a more rapid, V-shaped recovery. The decline occurred as the number of new cases passed 200,000, despite better-than-expected ISM manufacturing and ADP payroll reports. Investors seemed to be still digesting the previous day’s White House warnings that the next two weeks would be “very painful” and that pandemic deaths could range between 100,000 and 240,000. Feeding market doubts were concerns about the inadequacy of virus testing, shortages of medical supplies and a number of states still not in lockdown — all pointing to potential for delays in containing the virus and extended economic losses.

Nevertheless, our view remains that the market is in a bottoming process. We acknowledge the wide range of potential outcomes and uncertain timing of fully reopening the economy. Investors should expect continued volatility as headlines worsen, but we should also remember that the stock market is forward looking and is likely to start to improve long before the headlines turn positive. As hard as it is to do, we believe the risk of staying in the market — or buying at these lower levels — should be balanced against the risk of missing the rebound when it inevitably comes.

As we have said in prior correspondence, there won’t always be a clear explanation for large daily moves, whether up or down, but we assure our readers that we are closely monitoring market action. One indicator we are looking for is improvement on the health policy front. The second link in this e-mail communication is a webcast in which Glenmede’s Jason Pride and Andy Laperriere, a leading Washington policy analyst, discuss the costs of containment and potential public health solutions. Please listen to this insightful commentary on policy actions the market is looking for to break the current cycle of volatility.