Q: How do we know if this is a bear market bounce, or if the bear market is over?

Brian Lockhart: Typically, you answer that question by studying history and looking for indications of what defines a bear market bounce from a new bull market. There are a couple of problems with this approach. First, we are in unprecedented times in the economy and there really is no period to look upon to get guidance on how the economy will respond when we reopen. In the early days of the lockdown, I argued for a sharp rebound because there were no structural issues that led to the recession/depression. In the late 1990's, when the markets valued companies based on "eyeballs" on websites, there was tremendous speculation in technology that created a large dislocation when it became evident many of those companies would never turn a profit. In 2007-2008 the speculation in housing created unsustainable mortgage issuance, where defaults would soar on the first sign of a slowdown and financial engineering of mortgage-backed products meant no one knew who owned bad debt. There were no structural problems leading to the contraction, so the hope was for a quick recovery. The length of the lockdown has surprised me and risks more permanent damage to the economy and corporate earnings. China, ground zero for the virus, remained in lockdown for less than 3 weeks, while many parts of the U.S. are approaching 3 months. Second is the Fed's historic intervention in the markets that we can only guess as to the ultimate impact it will have.

Clint Pekrul, CFA: That's the million-dollar question. It's always easy to look back in hindsight and pinpoint where a bear market officially ended. It's another thing to identify the bottom in real time. My point of view is that the worst of the pandemic is likely over. As the country begins to reopen and business activity picks up, we'll get a clearer picture of what businesses will survive and what businesses will never come back. How the economy gets back on track will be interesting to watch. Given the pandemic and social distancing over the past months, consumer spending habits have likely permanently changed. Some parts of the economy will benefit, such as technology, while others might not get back on track for some time, such as travel and airlines.

My guess is that we might have some additional selling pressure once it is better understood how deeply the shutdown has impacted the economy. Now might prove to be an opportune time to wade into some sectors that have been beaten down considerably. We might not retest the lows we experienced in March, but a 10% pullback from current levels wouldn't surprise me. One thing is for certain, though — we can't time the bottoms and I wouldn't want to be completely out of equities.