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Weekly Economic Update

April 27, 2020

In this week's recap: Markets react to the plunging oil prices, corporate earnings, and the first attempts to restart the U.S. economy.

THE WEEK ON WALL STREET

Stock prices bounced around last week as investors reacted to wild swings in the price of oil and reports that called into question the efficacy of two potential virus treatments.

The Dow Jones Industrial Average retreated 1.93%, while the Standard & Poor's 500 lost 1.32%. The Nasdaq Composite Index slipped 0.18%. The MSCI EAFE Index, which tracks developed stock markets overseas, declined 1.21%.^{1,2,3}

OIL WAVERS, PROMISING VIRUS TREATMENTS DISAPPOINT

Stocks opened the new week lower on the heels of a plunge in oil prices that saw the May oil futures contract fall into negative territory. While negative prices were largely reflective of technical issues associated with trading the contracts rather than the actual price of oil, the unprecedented move unsettled investors.

Stocks found some positive momentum as the week wore on, buoyed by corporate earnings reports that showed solid performance amid a challenging environment.

On two separate days, however, moves to the upside were derailed by disappointing news on promising COVID-19 treatments. One drug failed to produce positive results in its first trial, followed the next day by an FDA warning against taking chloroquine and hydroxychloroquine to treat COVID-19. Stocks managed to rally and trim the week's losses during the final hours on Friday.

THE ECONOMIC REOPENING BEGINS

States across the nation, including Georgia, Tennessee, South Carolina, and Texas, have begun the process of slowly reopening commerce, while Montana's governor announced the first phase of restarting its economy.^{4,5}

Each state is taking a different approach, potentially serving as a laboratory to help guide other states in their efforts to reopen businesses. From the market's perspective, these early steps are not only hopeful signs that the journey to normalization may have begun, but they may provide important clues to how quickly business activity can rebound and the degree to which individuals resume social engagement – two important metrics that may influence the market in the weeks ahead.

TIP OF THE WEEK



*Do you really need a weekly housecleaning service, a gardener, or a dog walker?
The money you save by not using these services could go toward debts, an
emergency fund, or investing.*

THE WEEK AHEAD: KEY ECONOMIC DATA

Wednesday: Gross Domestic Product (GDP). Federal Open Market Committee (FOMC) Meeting Announcement.

Thursday: Jobless Claims.

Friday: Purchasing Managers Index (PMI): Manufacturing Index. Institute for Supply Management (ISM) Manufacturing Index.

Source: Econoday, April 24, 2020

The Econoday economic calendar lists upcoming U.S. economic data releases (including key economic indicators), Federal Reserve policy meetings, and speaking engagements of Federal Reserve officials. The content is developed from sources

believed to be providing accurate information. The forecasts or forward-looking statements are based on assumptions and may not materialize. The forecasts also are subject to revision.

THE WEEK AHEAD: COMPANIES REPORTING EARNINGS

Tuesday: Advanced Micro Devices (AMD), Ford Motor Company (F), Pfizer (PFE), Caterpillar (CAT), Starbucks (SBUX), Merck & Co. (MRK), United Parcel Service (UPS), D.R. Horton (DHI).

Wednesday: Microsoft (MSFT), Facebook (FB), Boeing (BA), Tesla (TSLA), Qualcomm (QCOM).

Thursday: Apple (AAPL), Amazon (AMZN), Visa (V), McDonald's (MCD), Gilead Sciences (GILD).

Friday: Exxon Mobil (XOM), Chevron (CVX), Clorox (CLX), Abbvie (ABBV).

Source: Zacks, April 24, 2020

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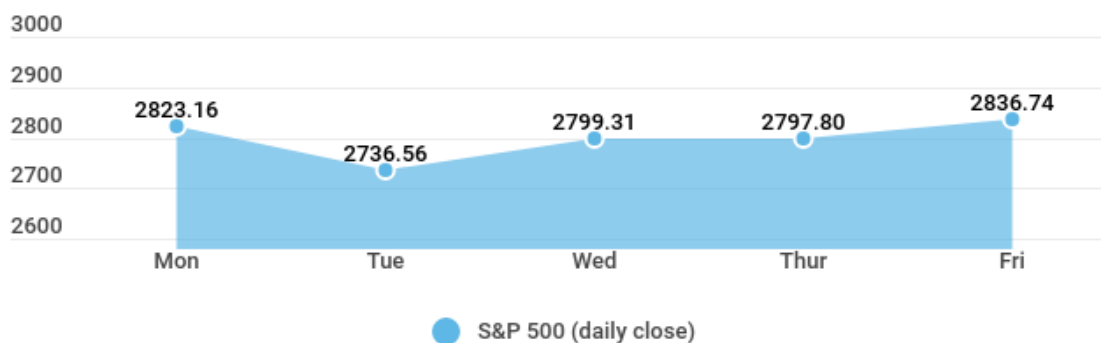
QUOTE OF THE WEEK



“It is a kingly act to assist the fallen.”

OVID

Market Index	Close	Week	Y-T-D
DJIA	23,775.27	-1.93%	-16.69%
NASDAQ	8,634.52	-0.18%	-3.77%
MSCI-EAFE	1,602.60	-1.21%	-21.32%
S&P 500	2,836.74	-1.32%	-12.20%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.60%	-0.05%	-1.32%

Sources: The Wall Street Journal, April 24, 2020; Treasury.gov, April 24, 2020

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THE WEEKLY RIDDLE



Can you name two perennial vegetables? (That is, vegetables that don't need to be replanted and can live on, yielding a future growing season?)

LAST WEEK'S RIDDLE: Can you name a sport in which neither the spectators, nor the participants, know the score or the winner until the match ends?

ANSWER: Boxing.

Know someone who could use information like this?

Please feel free to send us their contact information via phone or email. (Don't worry – we'll request their permission before adding them to our mailing list.)

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CITATIONS:

- 1 – The Wall Street Journal, April 24, 2020
- 2 – The Wall Street Journal, April 24, 2020
- 3 – The Wall Street Journal, April 24, 2020
- 4 – US News & World Report, April 21, 2020
- 5 – US News & World Report, April 22, 2020

CHART CITATIONS:

- The Wall Street Journal, April 24, 2020
- The Wall Street Journal, April 24, 2020
- Treasury.gov, April 24, 2020