

# MARKET MINUTE

MAY 1, 2020

## TODAY'S NEWS

President Donald Trump has begun to ramp up his rhetoric on [how we will deal with China](#) after we are done with the immediate response to the virus.

[Markets turned downward today](#), spurred by disappointing earnings from a couple of tech giants (Apple and Amazon) and Trump's threats of new tariffs on China.

## CURRENT MARKET DRIVERS

After the best April for U.S. stocks since 1987, [markets started off May with sharp losses](#) as earnings reports from Amazon and Apple reminded the market just how bad things are.

Trump started [talking tariffs against China](#), in response to their handling of the coronavirus.

[Companies have begun suspending dividends](#) as revenues dry up.

## THINGS TO LOOK FOR

Markets greeted May with a nasty little selloff. The Dow slid below 24,000 and the S&P 500 neared 2,800, ending pretty much where we were last week. We picked up steam early in the week; markets were focused on the reopening of the economy and treatments/vaccines for the virus. Optimism ruled the moment and we even shrugged off a decline of 4.8% in the GDP reading.

As we closed out the week, there was no ignoring the horrible unemployment, earnings and economic numbers. So, guess what? We are back to 24,000 on the Dow. After the best April since 1987, May could turn out to be very pivotal. If we botch and otherwise fumble the ball on reopening the economy, it could make the old market saying "Stay Away in May" ring true. I said yesterday that I believe in "Stay in May" because I think we will be fine and head into a pretty strong summer. Let's take it one day at a time.

## ECONOMIC VITAL SIGNS

A gritty day as markets sold off. Predictably, volatility rose but Treasuries remained calm.

[Volatility Index](#): 37.19 ↑

[10-year Treasury](#): 0.64 ↑

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