

In this week's recap: Promising drug trials and plans to ease public lockdowns turn thoughts to economic normalization.

Weekly Economic Update

Presented by RBF Wealth Advisors, May 4, 2020

THE WEEK ON WALL STREET

Stock prices ended the week slightly lower, despite news of positive results from a test trial of a COVID-19 drug treatment and several states easing their economic lockdowns.

The Dow Jones Industrial Average slipped 0.22%, while the Standard & Poor's 500 lost 0.21%. The Nasdaq Composite Index dropped 0.34%. The MSCI EAFE Index, which tracks developed stock markets overseas, rose 4.34%.^{1,2,3}

LIGHT AT THE END OF THE TUNNEL?

Investors were emboldened last week by two significant developments: a quickening in the pace of state re-openings and positive results from a clinical trial of a treatment for COVID-19. These developments turned investor focus toward economic normalization and away from the economic destruction that has occurred.

Market optimism was also supported by earnings reports early in the week, which showed that some companies were navigating reasonably well through the crisis. But stocks retreated on Friday as traders reacted to mixed earnings from two tech titans. The two firms offered a reminder that even the strongest companies have not escaped the economic impact of the pandemic.

Worries over possible new China trade tariffs also weighed on stocks as the trading week came to a close.

CORPORATE EARNINGS

It was a busy week for corporate earnings reports. So far, the earnings season has been mixed; it has provided some clarity, though, about the impact of COVID-19 on businesses.

With 193 of S&P 500 companies reporting, 65% have checked in with results ahead of consensus Wall Street estimates. Among the better-performing sectors to date were Technology and Consumer Staples. Financials were among the laggards.^{4,5,6}

FINAL THOUGHT

Despite the continued shutdown of businesses nationwide, stocks staged a powerful rebound in April, leading some to wonder if Wall Street is disconnected from Main Street. But market watchers are quick to point out that Main Street may not be as disconnected as it appears. April's rally was led by a group of very large companies, with over 75% of stocks in the S&P 500 trading below their 200-day moving average.⁷

TIP OF THE WEEK



Before accepting a college loan, be sure that you and your student understand the consequences of a default.

THE WEEK AHEAD: KEY ECONOMIC DATA

Monday: Factory Orders.

Wednesday: Automatic Data Processing (ADP) Employment Report.

Thursday: Jobless Claims.

Friday: Employment Situation Report.

Source: Econoday, May 1, 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

Monday: Skyworks Solutions (SWKS), Tyson Foods (TSN).

Tuesday: Walt Disney (DIS), Electronic Arts (EA), Prudential Financial (PRU), Illinois Tool Works (ITW), Sysco (SYY).

Wednesday: Square (SQ), CVS Health (CVS), General Motors (GM), Shopify (SHOP), T-Mobile (TMUS).

Thursday: Bristol-Myers (BMY), Anheuser-Busch (BUD), Becton Dickinson (BDX), Danaher Corp. (DHR).

Source: Zacks, May 1, 2020

Companies mentioned are for informational purposes only. It should not be considered a solicitation for the purchase or sale of the securities. Any investment should be consistent with your objectives, time frame and risk tolerance. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost. Companies may reschedule when they report earnings without notice.

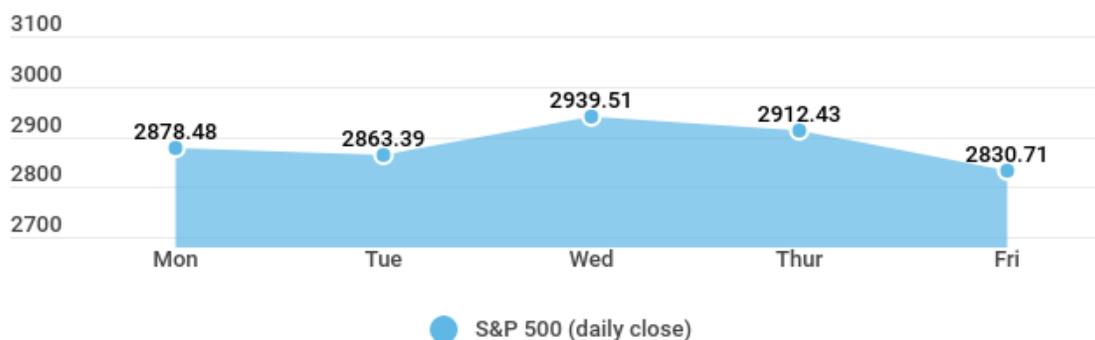
QUOTE OF THE WEEK



“The greatest obstacle to discovery is not ignorance – it is the illusion of knowledge.”

DANIEL BOORSTIN

Market Index	Close	Week	Y-T-D
DJIA	23,723.69	-0.22%	-16.87%
NASDAQ	8,604.95	-0.34%	-4.10%
MSCI-EAFE	1,657.69	+4.34%	-18.62%
S&P 500	2,830.71	-0.21%	-12.38%



	Treasury	Close	Week	Y-T-D
	10-Year Note	0.64%	+0.04%	-1.28%

Sources: The Wall Street Journal, May 1, 2020; Treasury.gov, May 1, 2020

The market indexes discussed are unmanaged and generally considered representative of their respective markets. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. Weekly performance for the Dow Jones Industrial Average, Standard & Poor's 500 index, and NASDAQ Composite is measured from the close of trading on Friday, April 24 to the Friday, May 1 close. Weekly performance for the MSCI-EAFE is measured from the Friday, April 24 open to the Thursday April 30 close. U.S. Treasury Notes are guaranteed by the federal government as to the timely payment of principal and interest. However, if you sell a Treasury Note prior to maturity, it may be worth more or less than the original price paid. Weekly and year-to-date 10-year Treasury note yield are expressed in basis points. International investments carry additional risks, which include differences in financial reporting standards, currency exchange rates, political risks unique to a specific country, foreign taxes and regulations, and the potential for illiquid markets. These factors may result in greater share price volatility.

THE WEEKLY RIDDLE



Can you name three words in everyday English that begin with the letters “dw”?

LAST WEEK’S RIDDLE: Can you name two perennial vegetables? (That is, vegetables that don’t need to be replanted and that can live on to produce in a future growing season?)

ANSWER: Asparagus and rhubarb.

RBF Wealth Advisors may be reached at 314-997-1652 or info@RBFadvisors.net

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.)

We cannot accept trades through Email. Advisors services offered through RBF Wealth Advisors. Securities offered through Triad Advisors LLC, Member FINRA/SIPC. RBF Wealth Advisors and Triad Advisors LLC are not affiliated companies.

This material was prepared by MarketingPro, Inc., and does not necessarily represent the views of the presenting party, nor their affiliates. The information herein has been derived from sources believed to be accurate. Please note - investing involves risk, and past performance is no guarantee of future results. Investments will fluctuate and when redeemed may be worth more or less than when originally invested. This information should not be construed as investment, tax or legal advice and may not be relied on for the purpose of avoiding any Federal tax penalty. This is neither a solicitation nor recommendation to purchase or sell any investment or insurance product or service, and should not be relied upon as such. All market indices discussed are unmanaged and are not illustrative of any particular investment. Indices do not incur management fees, costs and expenses, and cannot be invested into directly. All economic and performance data is historical and not indicative of future results. The Dow Jones Industrial Average is a price-weighted index of 30 actively traded blue-chip stocks. The NASDAQ Composite Index is a market-weighted index of all over-the-counter common stocks traded on the National Association of Securities Dealers Automated Quotation System. The Standard & Poor’s 500 (S&P 500) is a market-cap weighted index composed of the common stocks of 500 leading companies in leading industries of the U.S. economy. NYSE Group, Inc. (NYSE:NYX) operates two securities exchanges: the New York Stock Exchange (the “NYSE”) and NYSE Arca (formerly known as the Archipelago Exchange, or ArcaEx®, and the Pacific Exchange). NYSE Group is a leading provider of securities listing, trading and market data products and services. The New York Mercantile Exchange, Inc. (NYMEX) is the world’s largest physical commodity futures exchange and the preeminent trading forum for energy and precious metals, with trading conducted through two divisions – the NYMEX Division, home to the energy, platinum, and palladium markets, and the COMEX Division, on which all other metals trade. Additional risks are associated with international investing, such as currency fluctuations, political and economic instability and differences in accounting standards. This material represents an assessment of the market environment at a specific point in time and is not intended to be a forecast of future events, or a guarantee of future results. MarketingPro, Inc. is not affiliated with any person or firm that may be providing this information to you. The publisher is not engaged in rendering legal, accounting or other professional services. If assistance is

needed, the reader is advised to engage the services of a competent professional. The market indexes discussed are unmanaged and generally considered representative of their respective markets. Individuals cannot directly invest in unmanaged indexes. Past performance does not guarantee future results. The return and principal value of investments will fluctuate as market conditions change. When sold, investments may be worth more or less than their original cost.

CITATIONS:

- 1 – The Wall Street Journal, May 1, 2020
- 2 – The Wall Street Journal, May 1, 2020
- 3 – The Wall Street Journal, May 1, 2020
- 4 – NASDAQ, April 30, 2020
- 5 – NASDAQ, April 30, 2020
- 6 – NASDAQ, April 30, 2020
- 7 – Index Indicators, May 1, 2020

CHART CITATIONS:

- The Wall Street Journal, May 1, 2020
- The Wall Street Journal, May 1, 2020
- Treasury.gov, May 1, 2020