



## Capital Market Outlook

5/4/2020

### MARKETS THIS WEEK

- **Last week, the S&P 500 and Dow Jones Industrial Index** closed with trailing 1-month total returns of 12.7% and 11.1%, respectively.<sup>1</sup> This marked the best monthly performance for each index since 1987 – a stark contrast from March, which logged the worst monthly index returns since 2008.
- **Warren Buffet, CEO of Berkshire Hathaway**, hosted his annual address to shareholders this past weekend. The business tycoon’s long record of successful investment has placed added value on his insights by investors of varying sophistication, and his commentary tends to carry significance in overall market sentiment. Buffett’s outlook for the U.S. economy was positive, saying “Never bet against America... [its] magic has always prevailed, and it will do so again.” However, his forecast for the Airline industry was bleak, saying “our airline position was a mistake... [the industry] has changed in a very major way.”<sup>2</sup>
- **Remdesivir, Gilead’s candidate drug for treatment of the deadly Coronavirus**, was preliminarily shown to have positive results in a study released by the company. The drug was subsequently approved by the FDA for emergency use to treat the disease. Reports estimate that 140,000 doses will be delivered to medical professionals by the end of May, and 1 million will be shipped by the end of 2020.<sup>3</sup>
- **Weekly economic data** continues to show American businesses struggling mightily. The most recent report of quarterly, real GDP growth, released by the U.S. Bureau of Economic Analysis, reflected a Q1 2020 decline of 4.8% on an annualized basis. Contributing factors included reductions in personal consumption expenditures, nonresidential fixed investment, exports, and private inventory investment.<sup>4</sup>

To learn more, contact one of our knowledgeable advisors today.

1. <https://www.cnn.com/business/live-news/stock-market-news-043020/index.html>
2. <https://markets.businessinsider.com/news/stocks/warren-buffett-25-best-quotes-berkshire-hathaway-annual-meeting-2020-5-1029160195>
3. <https://www.cnbc.com/2020/05/03/gilead-ceo-says-remdesivir-available-to-coronavirus-patients-this-week-weve-donated-the-entire-supply.html>
4. <https://www.bea.gov/news/2020/gross-domestic-product-1st-quarter-2020-advance-estimate>