MARKET OUTLOOK | FRANCIS J. PERFETUO, JR., CFA

With another week behind us we enter the month of May with some expected soft economic data mixed with cautious optimism:

- New Economic Data:
  - GDP slowed by 4.8% in Q1 2020 (this will get worse in Q2)
  - Weekly Unemployment claims were 3.8M (and lower for the 3rd week in a row)
  - Consumer Spending dropped 7.5% in March
  - Personal Income fell 2% in March 1
- Latest Medical Developments
  - There are at least 21 companies working on various COVID-19 treatments and vaccines 2
  - The most promising news this week was from Gilead Sciences Inc., who announced that its experimental COVID-19 therapy Remdesivir met its primary clinical trial goal
- Reopening of America
  - The states that have already partially opened include: Alaska, Colorado, Georgia, Minnesota, Mississippi, Montana, Oklahoma, S. Carolina, and Tennessee
  - The states with stay-at-home orders expiring April 30 include: Alabama, Arizona, Florida, Idaho, Maine, Nevada, Texas. These are among the states expected to open next 3
- Market Performance
  - Despite the soft economic data, markets have been more focused on the positive medical news, the reopening of America, and the forward looking optimism that we're getting closer to the other side of this
  - For the month of April, the performance of the S&P 500 (representing US Large Cap stocks) was up 12.7% marking the best monthly rise since 1987 4
  - With the strong month of April behind us, the S&P 500 Total Return year-to-date stands at -9.29% 5

At Veritas, we are hoping May will bring you more hope that we are getting through this together. Stay safe!

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1,2 Source: Market Watch
3 Source: New York Times 4/27/20
4 Source: Dow Jones Market Data
5 Source: Slickcharts.com