How Will the G20 Summit Affect the U.S. Stock Market?

A dinner meeting between President Trump and Chinese President Xi could cause a disruption in economic growth.

November 30, 2018 4 min read

Opinions expressed by *Entrepreneur* contributors are their own.

Thanks, China! U.S. stock prices rallied late in the day after Reuters reported that a Chinese trade official said that "consensus is steadily increasing" between U.S. and Chinese trade negotiators.

The Entrepreneur Index™ closed up 0.64 percent after trading within a narrow range for most of the day. The S&P 500 index was up 0.82 percent while the Dow and Nasdaq composite indexes were both up 0.79 percent.

Investors are eagerly awaiting the outcome of a dinner meeting tomorrow between President Trump and Chinese President Xi Jinping at the G20 economic summit in Buenos Aires. The ongoing tariff battles between the two countries are expected to hurt global economic growth. President Trump continues to send mixed signals on the potential for a deal, saying yesterday that the two countries were very close to an agreement, but that he wasn't sure he wanted to sign it.

The bond market believes an economic slowdown is coming. The yield on the 10-year Treasury bond was down another three basis points to close at 2.995 percent, in part due to comments from Federal Reserve members earlier in the week that expressed concern with global growth and corporate debt levels. The 10-year bond yield hasn't closed below three

percent for more than two months.

With interest rates falling, high dividend-paying real estate investment trust (REIT) stocks posted solid gains on the Entrepreneur Index™. SL Green Realty Corp. (2.77 percent), Kimco Realty Corp. (2.64 percent) and Apartment Investment and Management Co. (2.04 percent) were all up on the day.

The technology sector was relatively quiet again today. Chipmaker NVIDIA Corp. had the biggest gain on the index, rising 3.86 percent. Investors have been worried about demand for the company's high-end processing chips in part because of the crash of crypto-currency markets. NVIDIA's chips are popular with crypto-currency miners. The stock lost half its value since early October, but has been trending up for the last week.

Fellow-chipmaker Analog Devices was up 2.68 percent and salesforce.com rose 2.18 percent. Netflix, which has been up sharply in the last three trading sessions was down 0.91 percent.

Tesla shares rose 2.75 percent after an electric vehicle blog site – Electrek – said the company had successfully ramped up production of its mass-market Model three sedan to 1000 cars/day. Most of the cars have been sold for more than the company's $35,000 target price so far. Earlier this year, CEO Elon Musk said that selling the cars at that price before achieving higher production rates and lower costs could kill the company. Tesla shares are up 13 percent for the year.

Discount retailer Dollar Tree Inc. had one of the larger declines today, falling 1.88 percent after rising more than six percent yesterday. The biggest decline on the Entrepreneur Index™ was posted by O'Reilly Auto Parts, which fell 2.27 percent. Hess Corp. was also down 1.01 percent as the price of oil fell 1.48 percent today. Oil was down 22 percent in November, its worst month in more than ten years.

Other notable declines on the index included Chipotle Mexican Grill (-1.94 percent), retailer L Brands (-1.43 percent) and whiskey-maker B”>Brown-Forman Corp. (-1.2 percent).

The Entrepreneur Index™ collects the top 60 publicly traded companies founded and run by entrepreneurs. The entrepreneurial spirit is a valuable asset for any business, and this index recognizes its importance, no matter how much a company has grown. These inspirational businesses can be tracked in real time on Entrepreneur.com.

https://www.entrepreneur.com/article/324144