New Deadline for U.S.-China Talks Can’t Prop Up Sluggish Market

President Trump extended the Mar. 1 deadline for a trade deal with China, giving stock prices a nice pop in the morning that faded through the day.

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The news sent the Shanghai Composite stock index to its biggest gain in more than three years, but the Dow and S&P indexes were up a more modest 0.23 percent and 0.12 percent respectively The Nasdaq Composite gained 0.36 percent. The Entrepreneur Index™ was down 0.06 percent today despite a big day for Danaher Corp.

The diversified manufacturer announced a major acquisition of General Electric’s biopharma division. Danaher will pay $21.4 billion for the business, which makes instruments and software for drug R&D activities. GE chief executive Larry Culp, a former CEO of Danaher, was undoubtedly central to the transaction. Investors see the deal as a win for both companies. GE shares were up 6.39 percent, while Danaher stock gained 8.52 percent, the biggest gain on the Entrepreneur Index™ today.

Technology stocks were generally up today with Facebook, (1.69 percent), and Analog Devices, (1.88 percent) posting the biggest gains. TripAdvisor had the biggest decline in the sector and on the Entrepreneur Index™, falling 3.22 percent.

The online travel website is down twelve percent since reporting poor earnings results on Feb. 12 and is now down 1.8 percent so far this year.

Alexion Pharmaceuticals had the second biggest gain on the Entrepreneur Index™ today, jumping 2.65 percent. The company, which focuses on drugs to treat rare diseases, has been on a tear this year with shares rising just under 37 percent so far.

Other prominent gains on the index included clothing-maker L Brands, (2.25 percent) and retailer Gap Inc. (1.49 percent). Tesla was up 1.38 percent. It had a rough ride last week after Consumer Reports panned its Model Three sedan because of reliability issues. The stock is down 10.3 percent so far this year.

Notable declines on the Entrepreneur Index™ included Tyson Foods, (-1.58 percent), retailer O'Reilly Auto Parts, (-2.3 percent), and casino-operator Wynn Resorts, (-1.94 percent).

All eyes will be on Federal Reserve Bank Chairman Jerome Powell tomorrow when he testifies before the Senate Banking Committee. He'll likely be pressed to explain the reasons for the Bank's recent pivot toward more accommodative monetary policies. The market has typically not reacted well to comments from Chairman Powell. He will speak to the House Financial Services Committee on Wednesday.

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