

Dow stages comeback from deep losses fueled by uncertainty on U.S.-China trade deal

Excerpt below of “Dow stages comeback from deep losses fueled by uncertainty on U.S.-China trade deal”

By Taylor Telford, Heather Long, and Thomas Heath December 6 at 4:04 PM



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In The News

The image features the Cumberland Advisors logo on the left, which includes the company name and website. Below the logo is a graphic showing several newspapers and a tablet displaying news. To the right of the logo is a portrait of a man with a beard and glasses, wearing a suit and tie.

U.S. stock markets on Thursday spent most of the day deep in the red in an across-the-board rout triggered by the prospect that a U.S.-China trade deal was in jeopardy.

Investor angst was fueled by the arrest of a Chinese executive that further threatened progress on trade, coupled with omens of a recession in the bond market and a steep drop in oil prices.

“Markets are being flailed by a flurry of worrisome inferences that include the 2-year-to-5-year yield-curve inversion, skepticism toward a near-term resolution to the ongoing trade dispute and the possibility that Friday’s employment report will be strong enough to delay the Fed’s anticipated slowdown

in its pace of rate increases,” said Sam Stovall, investment strategist at CFRA Research.

If stocks don’t rebound and interest rates keep rising, it makes it more expensive for businesses to borrow money and invest for the future. That, in turn, slows growth. While the overall economy looks healthy right now, sentiment could shift quickly if markets stay down.

“Trump blames others and says we are imposing tariffs on ‘them.’ Nope. The payment comes from my pocket and yours,” said David Kotok, chairman of Cumberland Advisors. “Business doesn’t know how to plan. So it waits. Capital investment waits. And growth slows.”

Read the full article at [The Washington Post](#).