

**Dow has Worst Q1 Ever, But Look Who is Buying**  
March 31, 2020



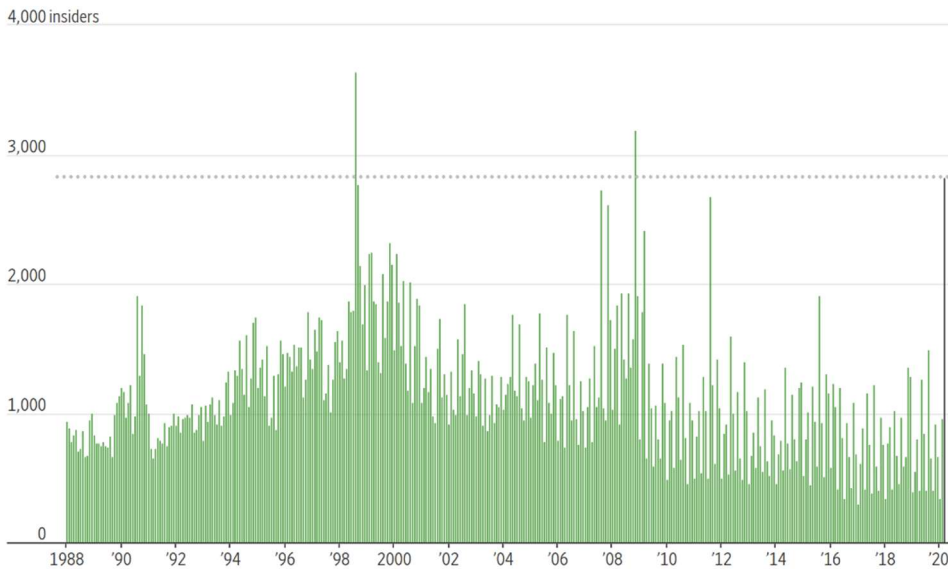
The Dow Jones Industrial Average fell 410 points, or 1.8%, almost giving back all of the 690-point gain from Monday. The S&P 500 followed suit, falling 42 points, or 1.6%. The Dow Jones Industrial Average and the S&P 500 index closed the first quarter with the worst first-quarter performance ever on continuing concerns about the economic toll being exacted by the war on the coronavirus. The Nasdaq Composite also dropped a slightly more modest amount of 1.0%.

Yesterday, pharmaceutical giant Johnson & Johnson announced that it planned to begin human tests of its coronavirus vaccine by September and was so confident in the efficacy of the potential vaccine that it would begin spending money building enormous manufacturing capacity, before the vaccine is approved. Johnson & Johnson is partnering with the Biomedical Advanced Research and Development Authority of the U.S. Department of Health and Human Services to fund over \$1.0 billion in COVID-19 vaccine and antiviral treatment research and development. The company announced an ambitious goal to provide a global supply of more than one billion doses of the vaccine, once approved.

Additionally, Abbott Laboratories unveiled a five-minute coronavirus test, which health care professionals hail as a game changer in their ability to deliver quality and effective care to those suffering the effects of COVID-19, and efficiently use precious resources.

Perhaps lost in the shuffle of all the major news stories in the past week was the report of corporate insider trading. According to the Wall Street Journal, corporate insiders are buying stock in their own companies at a

Number of inside buyers purchasing company shares, monthly



Note: Data collection began in Jan. 1988.  
Source: Washington Service

pace not seen in years. Through March, anyway, corporate insiders were putting their money behind their belief that there will be a rebound after a coronavirus induced stock market plunge.

More than 2,800 corporate executives and directors have purchased nearly \$1.19 billion in company stock since the beginning of March. According to the Washington Service, which tracks insider trading activities that is the third highest level of insider buying on both an individual and dollar amount basis since 1988.

It's always nice to see people running corporations putting their own skin in the game with investors. Significant buying by insiders gives confidence in the companies, the economy and the country – maybe a bit of a contrast with some congressional insider trading.