

Financial Daily Dose 4.30.2020 | Top Story: Fed Holds Rates Near Zero, Pledges to Use All of its Tools to Protect US Economy

The Fed closed out its April Open Markets Committee by holding rates steady at nearly zero but also pledging to “use its ‘full range of tools’ to insulate the economy as coronavirus lockdowns sap economic growth and throw millions out of work.” That strong reassurance helped drive markets up even as the US revealed on Wednesday that its Q1 GDP shrank nearly 5% – NYTimes and WSJ and Bloomberg and MarketWatch

Some context for those GDP numbers? Try the “first decline since 2014, and the worse quarterly contraction since 2008, when the country was in a deep recession.” Oh yeah, and there’s “much rose to come,” with economists anticipating as much as a mind-boggling 30% contraction in Q2 – NYTimes and WSJ and MarketWatch and Marketplace

A former CFPB economist is accusing current director Kathy Kraninger of “manipulat[ing] the agency’s research process to justify altering a 2017 rule that would have sharply curtailed high-interest payday loans.” The Bureau is set to release the revised payday lending rule this week, “which will no longer require lenders to assess whether customers can afford their fees before offering a loan” – NYTimes

Checking in on the expanding dispute between insurers and their insureds over the applicability of business-interruption coverage to coronavirus-related losses—a battle that could potentially involve “hundreds of billions of dollars in claims” when all’s said and done – WSJ

Boeing will axe 16,000 jobs after its Q1 revenue fell by 26%, as the pandemic and the company’s ongoing 737Max problems continue to wreak havoc on its bottom line – NYTimes and WSJ

Juul, too, is looking at cuts—some 30% of its workforce—though for slightly different reasons – WSJ

Facebook, on the other hand, rode rising daily active user figures to a higher-than-expected quarterly revenue of \$17.7 billion – WSJ and Bloomberg and NYTimes

Hertz is prepping for a “possible bankruptcy filing after the rental--car company failed to make lease payments to preserve cash amid the

Covid-19 pandemic.” The situation is “fluid,” though, and the company may avoid bankruptcy if it forges forbearance agreements with its lenders – WSJ and Bloomberg

Hertz’s problems are emblematic of larger end-of-the-month worries, with rents coming due and businesses and individuals alike struggling to come up with the money – Bloomberg

Take a few minutes (because you’ve got them, let’s be honest) to get to know Frank Ramsey—one of the “greatest minds of the last century” whose ideas in philosophy, economics, and math were not only far beyond his years but decades (at least) ahead of his time – NewYorker

Stay safe,  
MDR