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Foto: CNBC

Charts suggest near-term market pain may be over, but don't expect a big rally, Jim Cramer says

CNBC's Jim Cramer said Tuesday that the market will likely move sideways instead of experiencing a monster rally when it recovers, leaning on analysis from DeCarley Trading market strategist Carley Garner.

"The charts, as interpreted by Carley Garner, suggest the near-term pain might soon be over, but you can't expect us to go back into turbo-charged rally mode. Instead, she expects a long period of sideways consolidation as we work off the froth created in 2020 and 2021," the "Mad Money" host said.

He highlighted two important facts to remember when considering the current market:

- We are currently at the heart of earnings season. Garner believes "declining markets often find support from quarterly earnings, especially when the seasonal trends are on your side, which they are supposed to be now," according to Cramer.
- Commodity prices have moderated and the bond market shows some signs of stability. Garner's "not predicting blue skies from now on, but she at least believes this market's headed for a holding pattern where we could see some surprising strength," Cramer said.

To support his interpretation of Garner's chart analysis, Cramer first showed the daily chart of the CBOE Volatility Index, also known as a fear gauge, going back to 2020.

The US economy just shrank. Here's why you shouldn't be worried

The US economy just contracted for the first time since the intense lockdowns of early 2020. But there's no reason to panic.

Gross domestic product remains the benchmark for tracking the performance of a national economy, and data out Thursday morning painted an alarmingly bleak picture of how the US is doing. The American economy shrank at an annualized rate of 1.4%, falling extremely short of the median forecast for 1.1% growth and reversing course from the fourth quarter's 6.9% print.

Despite that scary headline number, the details of the report and most other economic yardsticks show the recovery is trucking along just fine.

The economy isn't as dismal as headline GDP suggests

The headline contraction in GDP "obscures the resilience of the domestic economy," Diane Swonk, chief economist at Grant Thornton, said in a Thursday tweet. Data published earlier in April showed the jobs recovery still charging forward and retail spending at an all-time high by the end of the first quarter.

Other details in the GDP report back up the encouraging outlook, with consumers and businesses alike still spending big.



Foto: businessinsider.com



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FDA proposes ban on menthol cigarettes and flavored cigars

The US Food and Drug Administration proposed on Thursday a rule to ban menthol cigarettes and flavored cigars.

"Through careful consideration of the scientific evidence and our authorities under the Tobacco Control Act, we've determined that these actions are appropriate for protection of the public health," FDA Commissioner Dr. Robert Califf told a Senate subcommittee.

"The proposed product standards would, among other things, improve the health and reduce the mortality risk of current smokers of menthol cigarettes or flavored cigars by substantially decreasing their consumption and increasing the likelihood of cessation. This is another important move forward in the agency's efforts to combat youth tobacco use and promote health equity."

This landmark proposal could have a big impact on public health, experts said.

"I want to underscore the momentous aspect of this. It will be it will be a game-changer," Erika Sward, assistant vice president of national advocacy for the American Lung Association, said Thursday. "The rules will have a tremendous impact on stopping kids from starting to use tobacco and critically save lives of people, particularly from diverse backgrounds."

Biden says he's considering forgiving student loan debt, but not \$50,000 per borrower

President Biden said he is "taking a hard look" into forgiving some federal student loan debt on Thursday, but the amount he is considering is less than \$50,000 per borrower, lower than some top Democrats have been seeking since he took office. "I am considering dealing with some debt reduction," Mr. Biden said in response to a question at the White House.

"I am not considering \$50,000 debt reduction. But I'm in the process of taking a hard look at whether or not there will be additional debt forgiveness." The president said he would have an answer on forgiving additional debt in the "next couple of weeks."

Mr. Biden's comments came days after he gave one of his strongest signals yet that he's looking to cancel student loan debt during a meeting with the Congressional Hispanic Caucus on Monday.

Democratic Rep. Tony Cardenas of California, who attended the meeting, said the president never mentioned a specific amount he was looking to cancel, but said he was open to forgiving debt for borrowers regardless of whether they attended private or public institutions. When the lawmaker reiterated that the caucus supports canceling \$10,000 in student loan debt, the president said, "You're going to like what I do," according to Cardenas.



Foto: AMMJ1

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<https://us.cnn.com/2022/04/28/health/fda-menthol-cigarette-proposed-ban/index.html>

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<https://www.cbsnews.com/news/student-loan-debt-forgiveness-biden-considering/>



California promised to close its last nuclear plant. Now Newsom is reconsidering

Foto: latimes.com

With the threat of power shortages looming and the climate crisis worsening, Gov. Gavin Newsom may attempt to delay the long-planned closure of California's largest electricity source: the Diablo Canyon nuclear plant.

Newsom told the L.A. Times editorial board Thursday that the state would seek out a share of \$6 billion in federal funds meant to rescue nuclear reactors facing closure, money the Biden administration announced this month. Diablo Canyon owner Pacific Gas & Electric is preparing to shutter the plant — which generated 6% of the state's power last year — by 2025.

"The requirement is by May 19 to submit an application, or you miss the opportunity to draw down any federal funds if you want to extend the life of that plant," Newsom said. "We would be remiss not to put that on the table as an option."

He said state officials could decide later whether to pursue that option. And a spokesperson for the governor clarified that Newsom still wants to see the facility shut down long term. It's been six years since PG&E agreed to close the plant near San Luis Obispo, rather than invest in expensive environmental and earthquake-safety upgrades.