

# [***Donald Trump's Stock is Already Losing Steam***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BP8-GMM1-JBR6-9002-00000-00&context=1516831)

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**Byline:** Alexander Fabino

**Highlight:** Amidst market reevaluation, TMTG confronts a revenue deficit next to a dwindling stock, signaling challenges ahead.

**Body**

Despite being valued at a towering $7 billion, fueled largely by the brand allure, [*Donald Trump*](https://www.newsweek.com/topic/donald-trump?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships)'s media enterprise booked a mere $4.1 million in 2023—and it bled $58 million in the same breath.

Trump's financials for Truth Social, laid out in Monday's SEC [*filings*](https://www.sec.gov/ix?doc=/Archives/edgar/data/0001849635/000114036124016719/ef20025342_8k.htm), draws attention to the chasm between Trump Media & Technology Group's (TMTG) market worth and its actual earnings. As the company grapples with a substantial operational loss, the fiscal year's close reveals a Truth Social platform that's generating revenue at a trickle.

It's a disparity that [*casts a shadow over last week's market enthusiasm*](https://www.newsweek.com/trump-truth-social-djt-stock-spikes-market-debut-1883576#:~:text=Former%20President%20Donald%20Trump%20owns%20about%2058%20percent%20of%20the%20company's%20shares.?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships), with its stock price wobbling under the fresh weight of the revelations, challenging the company's nascent fiscal narrative.

The investor retreat, drawing the stock down over 15 percent, appears to reflect a reassessment of TMTG's prospects.

"I am a shareholder but I trade in and out [of the stock]," Matthew Tuttle, founder of Tuttle Capital Management, told *Newsweek.* He added that extreme price changes, known as volatility, are expected with this type of stock.

"This is basically the memiest of all meme stocks at this point," Tuttle shared.

When the former president's media venture debuted on the stock market last week, buoyed by the fervor of retail investors and Trump loyalists, it briefly had a valuation that would be the envy of far larger (and profitable) tech companies.

Yet, Monday's SEC filings have provided a dose of hard financial reality.

In 2023, TMTG's expenses vastly outpaced its revenues, highlighted by an operating loss of $15.96 million, according to the filing. The bulk of the loss was not driven by operational inefficiencies alone but by substantial interest payments on debt.

Unlike established social platforms that had built robust revenue streams by the time they went public, TMTG's Truth Social is still in the nascent stages of monetizing its user base, which remains a fraction of those on X, formerly [*Twitter*](https://www.newsweek.com/topic/twitter?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships), and [*Facebook*](https://www.newsweek.com/topic/facebook?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships).

*Newsweek* has sought comment from Truth Social through its designated investor relations channel on Monday.

TMTG's market debut and subsequent valuation have rekindled conversations about the unpredictable nature of so-called "meme stocks," according to [*market experts*](https://www.newsweek.com/trumps-stock-warning-jim-cramer-djt-overvalued-meme-election-1884195?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships), which can be propelled to astonishing heights by public sentiment and cultural affiliations, rather than business fundamentals.

The stock's early fall reflects a corrective trend where traditional valuation metrics reassert themselves, reminding investors that even in the age of meme stocks, the gravity of revenue and profit eventually pulls.

Yet, there are broader stakes at play. TMTG's performance stands as a proxy for the financial implications of the personal brand of one of the most controversial figures in American ***politics***.

Trump's [*significant 58 percent ownership stake in TMTG*](https://www.newsweek.com/trump-sec-approval-dwac-merger-truth-social-billion-stake-1870406?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) means that the company's fortunes will directly impact his financial status. With a series of legal challenges ahead, including a forthcoming criminal trial and a substantial civil-fraud judgment, the stability and performance of TMTG could be of importance to the former president.

Shares, after a meteoric rise following the merger, are now revealing the tensions between Trump's brand-driven valuation and the hard financial numbers, which according to [*CNBC's Jim Cramer, are overvalued anyway*](https://www.newsweek.com/trumps-stock-warning-jim-cramer-djt-overvalued-meme-election-1884195?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships).

The stock market often serves as a reflection of both economic realities and speculative passions. TMTG's story is still unfolding, and how it reconciles its valuation with its balance sheet will be an important narrative as the November elections draw closer.

[*Link to Image*](https://d.newsweek.com/en/full/2370961/trump.jpg)

**Graphic**

Trump

TOLGA AKMEN/AFP via Getty Images

Former US President Donald Trump seen taking his seat during an event. Trump Media & Technology Group Corp saw its shares fall more than 15 percent on Monday after an SEC document was filed showing $58 million in company losses in 2023.

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