

Subject: Morning CORE

US Futures-World Markets: Can the Nasdaq keep its streak going? It has been up 7 sessions in a row and looks to open higher again this morning. White House trade advisor Navarro temporarily spooked the markets when he told Fox News the trade deal was “over” in an interview. Pres. Trump clarified the remark and tweeted the deal was “fully intact.” China was down 2% on this news, but quickly rallied to close higher on the day. Europe saw similar action and has rebounded to lofty levels. US new home sales data for May is out at 10am. Oil is trading above \$41. Seems like it was yesterday the front month crude contract was trading negative. How time flies. S&P Futures vs. Fair Value: +29.42 10-Yr Yield: 0.714%.

From WSJ on sports betting: “Some sports bettors and newbie investors who have turned to the stock market for action in recent months are placing their wagers on a new gambling-themed exchange-traded fund. The Roundhill Sports Betting & iGaming ETF, launched earlier this month, has amassed \$77.5 million in assets. Most ETFs take at least three years to hit that mark—and many fail before getting there.”

CORE Headlines:

- President Trump tweet : US China Trade deal fully intact; Hopes China will continue to live up to terms of trade deal-TTN
- President Trump considering new 10% aluminum tariffs on Canada by the end of the week if Canada refuses to impose export restrictions on aluminum.-Bloomberg
- Joe Biden rejects request from President Trump that more presidential debates get added. There will be three debates between the two candidates.-WSJ
- Sanofi has agreed a potential \$2 billion deal with Translate Bio to make vaccines, expanding their collaboration in development of an inoculation against COVID-19.-Reuters
- Former Wirecard Chief Executive Markus Braun has been arrested on suspicion of falsifying company revenue to make it appear stronger and more attractive for investors and customers, prosecutors said in a statement.-Reuters (What a debacle)
- The collapse in Wirecard’s share price has wiped out hundreds of millions of dollars in paper profits for some **SoftBank** investors and an Abu Dhabi sovereign wealth fund, both of which were set to reap major gains from bets on the German company.-FT (SoftBank is on a bad run)
- As America begins to emerge from lockdown, smartphones apps meant to track where people have traveled or whom they have been near are mostly buggy, little-used, or not ready for major rollouts, raising concerns as infections rise.-WSJ
- As more businesses are permitted to resume operations around the US, employers are plotting fresh rehiring strategies, such as curbside job fairs and remote onboarding that help maintain social distancing.-WSJ
- US and Russian negotiators held long-awaited talks on nuclear arms control Monday, as the Trump administration presses for an ambitious new accord to replace the New START treaty, which expires in February.-WSJ
- As China’s government grows more combative abroad, overseas consumers and regulators have responded by pressuring Chinese companies or spurning Chinese brands altogether, especially its technology players.-WSJ (Still not sure why this hasn’t gained traction. I’d love to see Adam Silver and the NBA have the guts to pull back on marketing in China, but it will never happen.)

- Apple announced an update to memoji, the program for creating custom cartoon avatars, and which will now allow users to put a mask on their virtual personas.-NYP
- A severe dust storm from the Saharan desert has crossed the ocean and is nearing the southern US, posing a potential problem for those already struggling with respiratory issues due to coronavirus complications.-NYP (Is this a headline for The Onion? Maybe JD was right about that weather war.)
- The US Department of State designated four Chinese media outlets—CCTV, China News Service, the People’s Daily, and the Global Times—as government missions, saying they produce propaganda for the Chinese Communist party and aren’t legitimate news organizations.-FT
- Customer relations management has gained new relevance in the pandemic era, and retailers and brands are forging increasingly personal ties with clients.-WWD

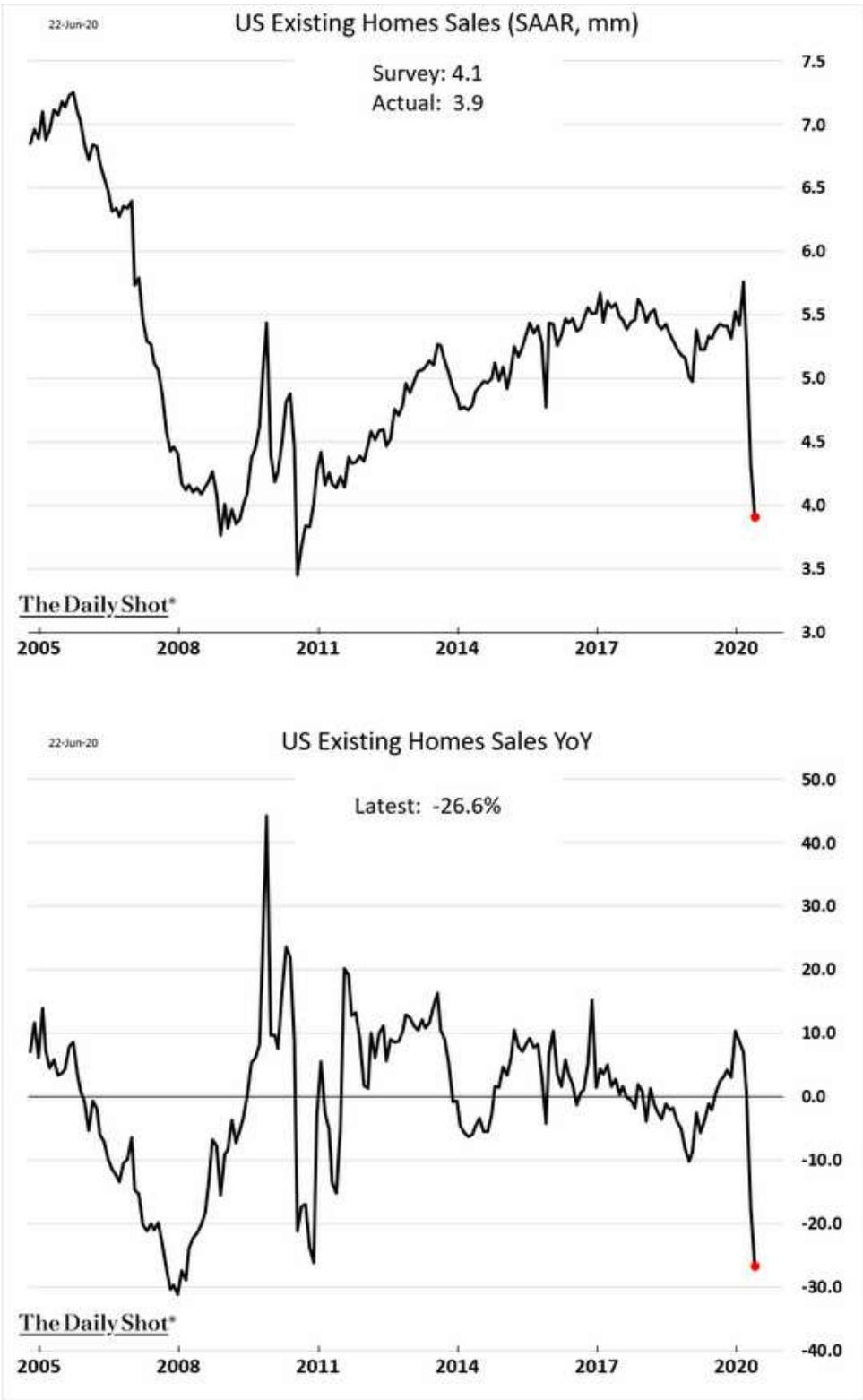
Interesting Reads/Charts:

- Fast Company: Cities offer cash incentives to recruit new residents <https://bit.ly/3epsRsD> “Rather than recruiting an entire company or office worth of people, however, cities like Savannah can enjoy similar benefits from incentivizing well-paid remote workers one at a time. Bonnett adds that the benefits to the city are similar; remote workers inject money into the local economy, generate tax revenue, and help establish a local talent cluster.” (Mayor of San Fran can’t be happy. I love these big city mayors that act like they are doing YOU a favor by letting you live in their city.)
- USA Today: Colleges’ plans for fall 2020 vary <https://bit.ly/2zWCbFj>
- A Grateful Dead line of deodorant? <https://bit.ly/2Yo4HJn> Why would you pay to smell that bad? Just don’t shower for 3 days and save the money.

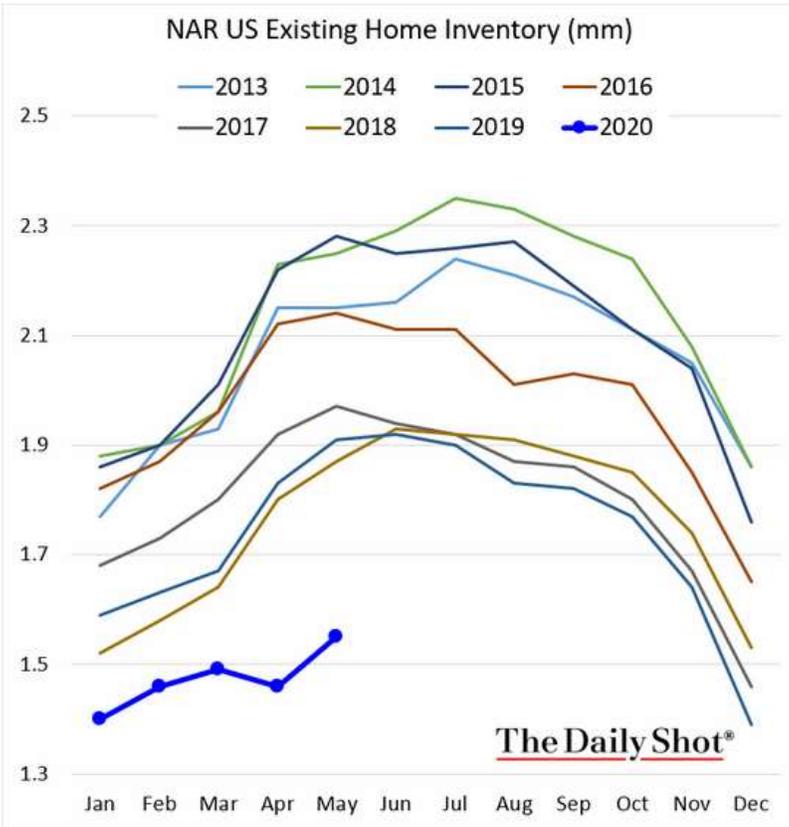
Charts from WSJ Daily Shot:

Quick look at the housing market.

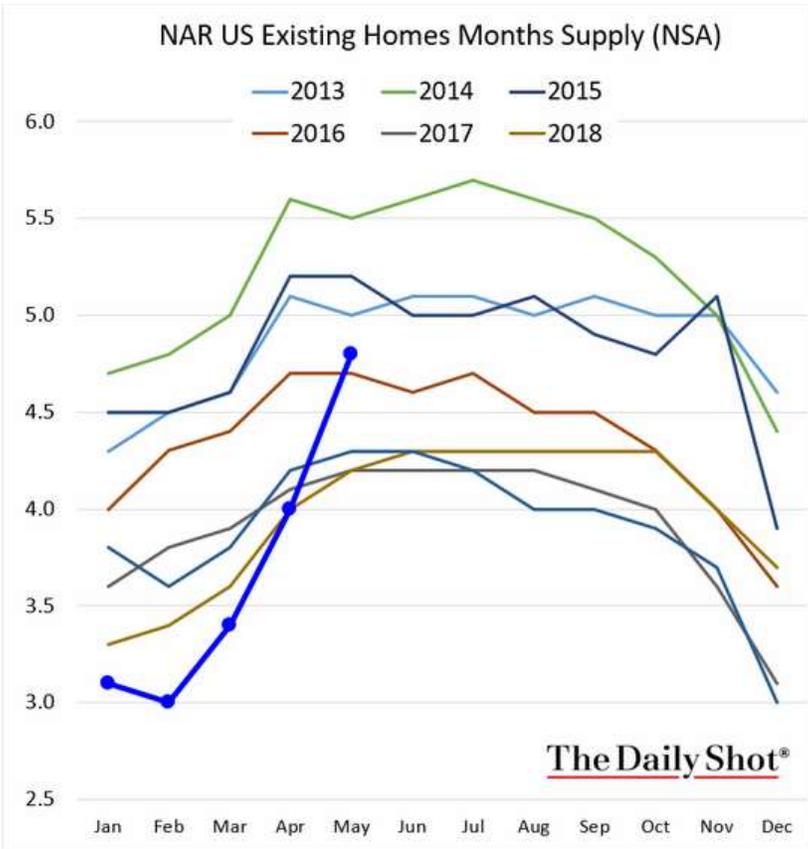
- The existing home sales report for May was disappointing, with sales down almost 27% from May of 2019 (second chart).



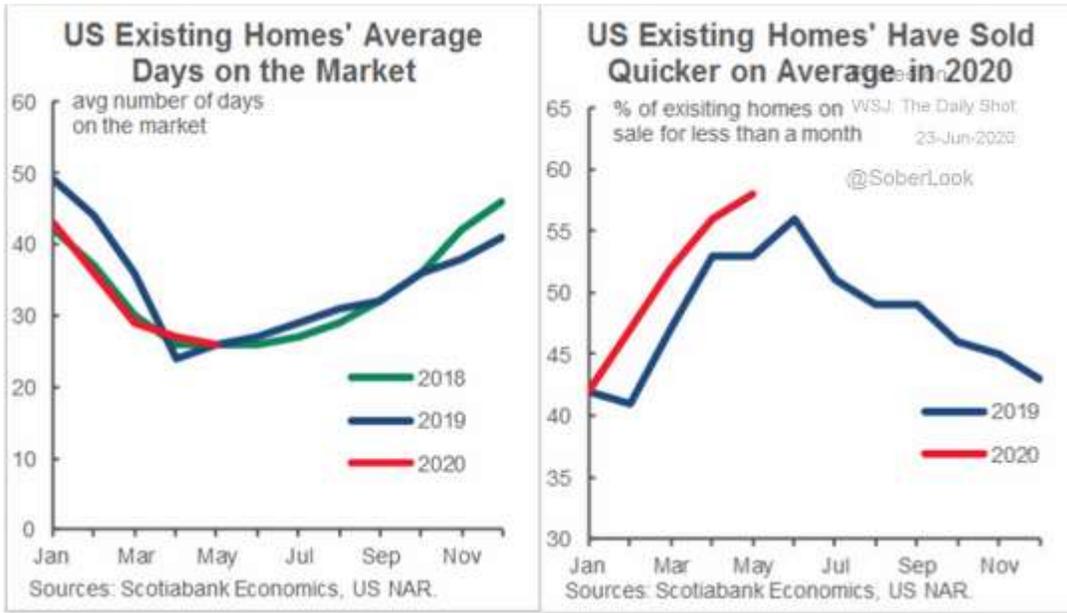
Inventories of existing homes for sale remain at multi-year lows.



However, when measured in months of supply, inventories are above 2016 levels. This is due to the sharp slowdown in sales (above).

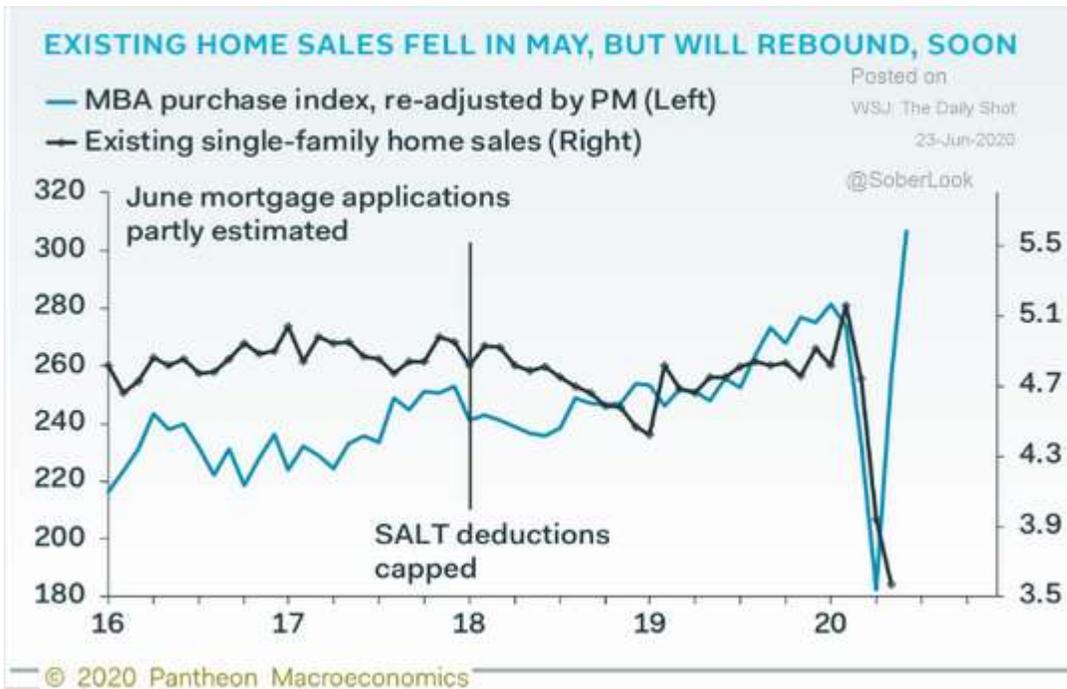


Nonetheless, the average time houses are in the market is consistent with previous years, and homes have been selling quicker on average.



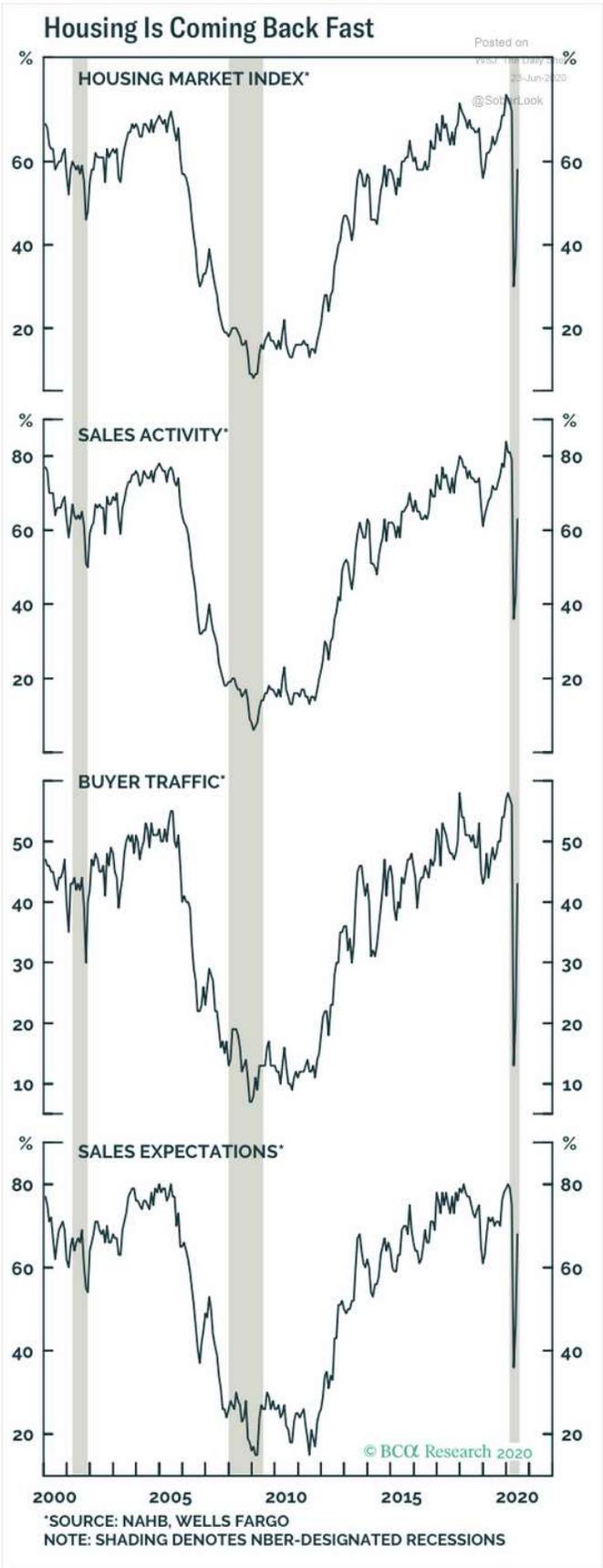
Source: [Scotiabank Economics](https://www.scbank.com/economics)

Mortgage applications (chart below) and mortgage rates (second chart) point to a sharp rebound in home sales this month.



Source: [Pantheon Macroeconomics](https://www.pantheonmacro.com)

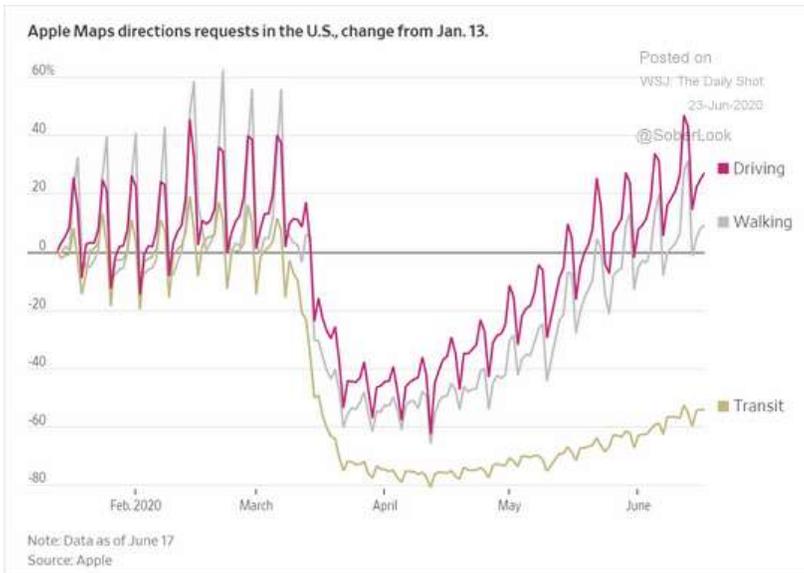
Other indicators also point to strength in the housing market.



Source: [BCA Research](#)

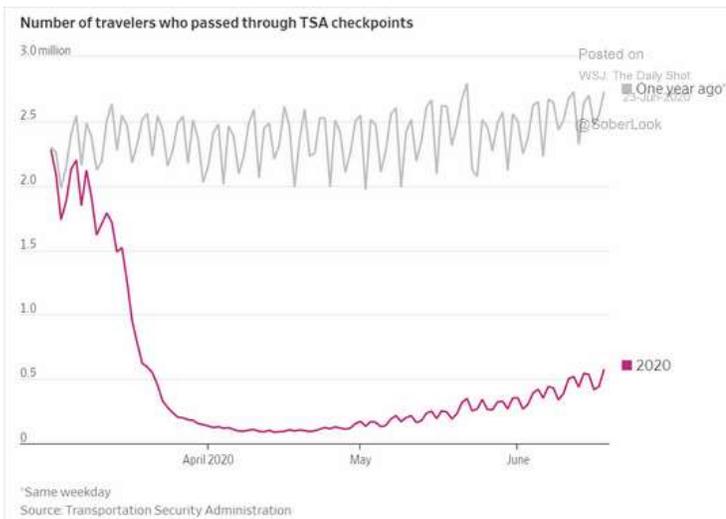
a look at some economic activity indicators

Driving, walking, and public transit:



Source: @WSJ; [Read full article](#)

● Flying:



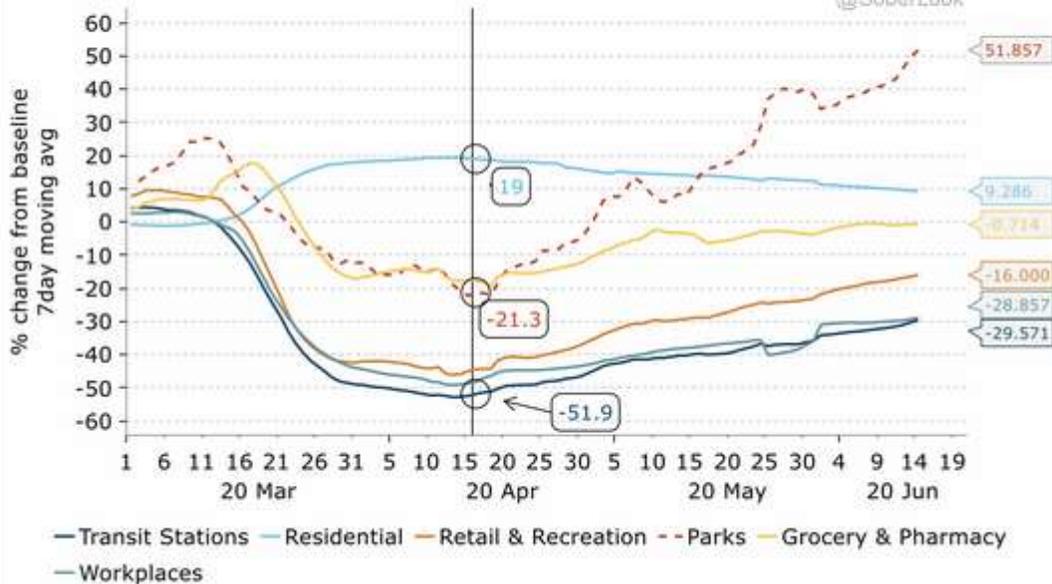
Source: @WSJ; [Read full article](#)

● Mobility trends by destination:

Google mobility tracker

Posted on
WSJ: The Daily Shot
23-Jun-2020

@SoberLook



Source: Google, Macrobond, ANZ Research

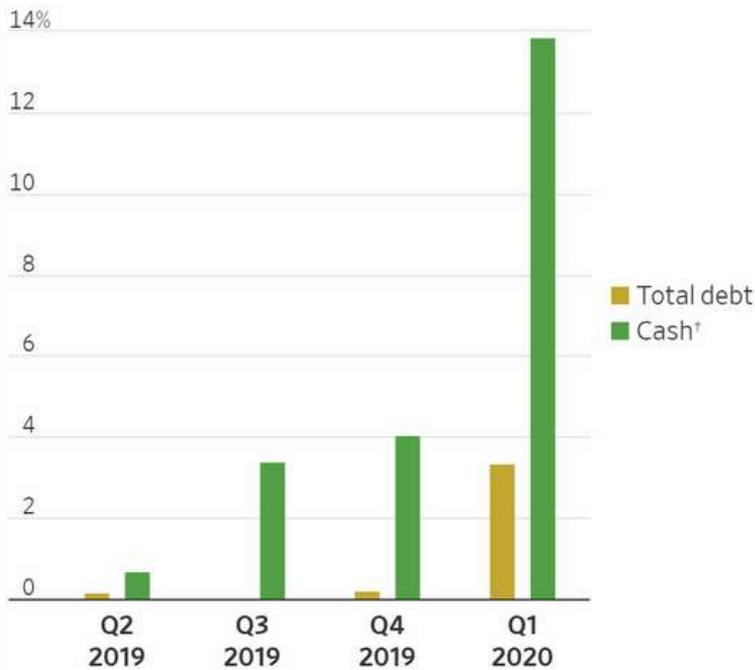
Source: [ANZ Research](#)

In the US, large firms are sitting on a great deal of cash.

Cash Flow

Median quarterly change in cash and debt for S&P 500 companies*

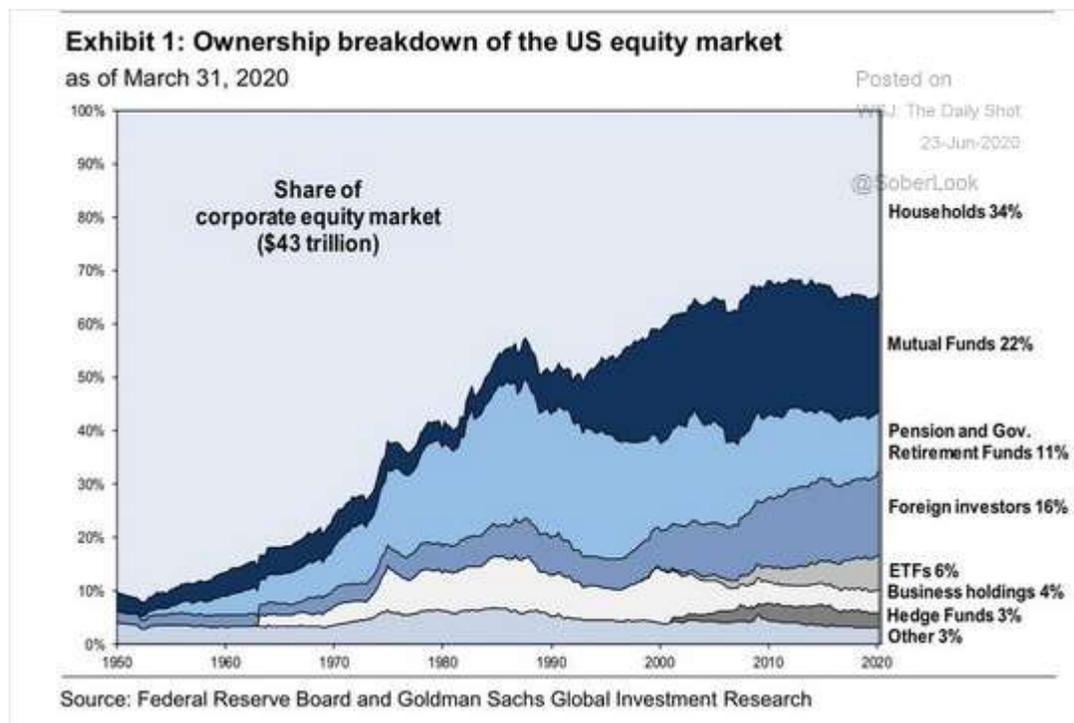
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*Excludes financial companies †Includes short-term investments
Source: S&P Global Market Intelligence

Source: @WSJ; [Read full article](#)

Who owns US equities?

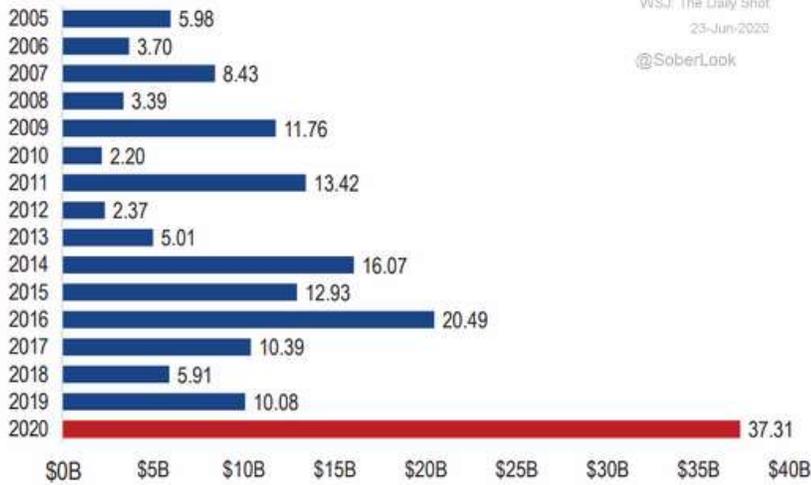


Source: [Goldman Sachs](#), @Callum_Thomas, @PriapusIQ

In Bond-land, high yield debt issuance this month has been unprecedented.

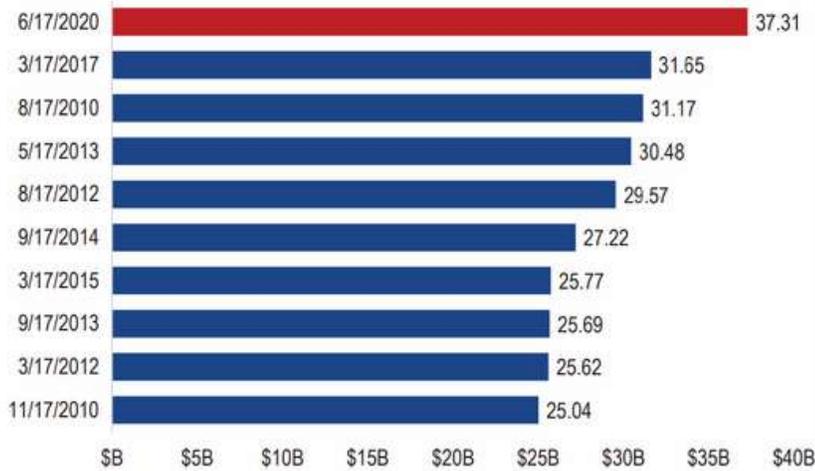
June HY issuance volume through 17th day of month

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Source: LCD, an offering of S&P Global Market Intelligence

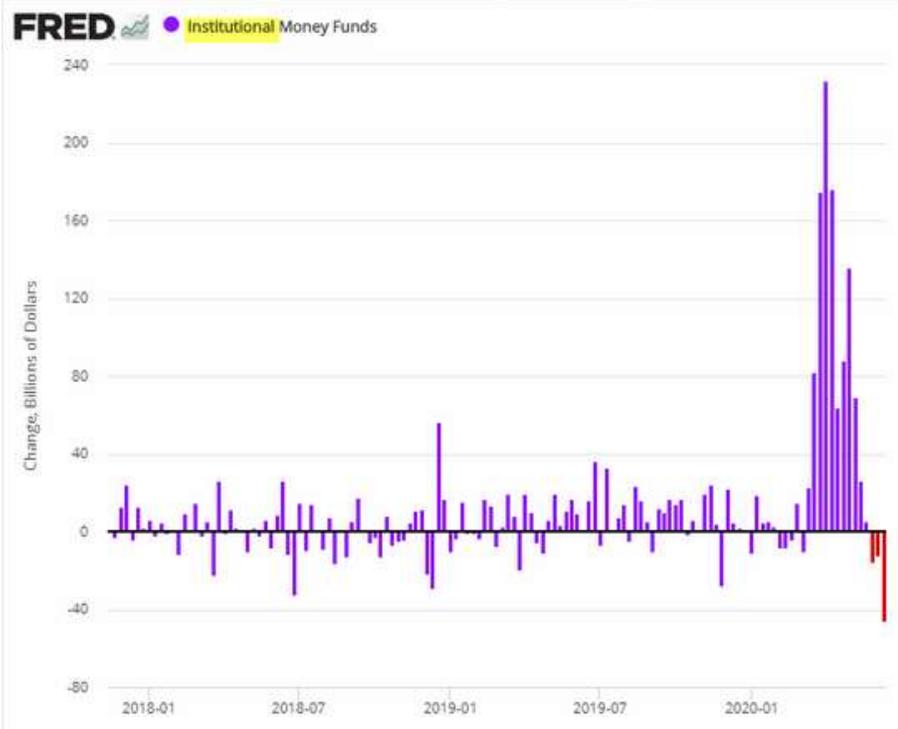
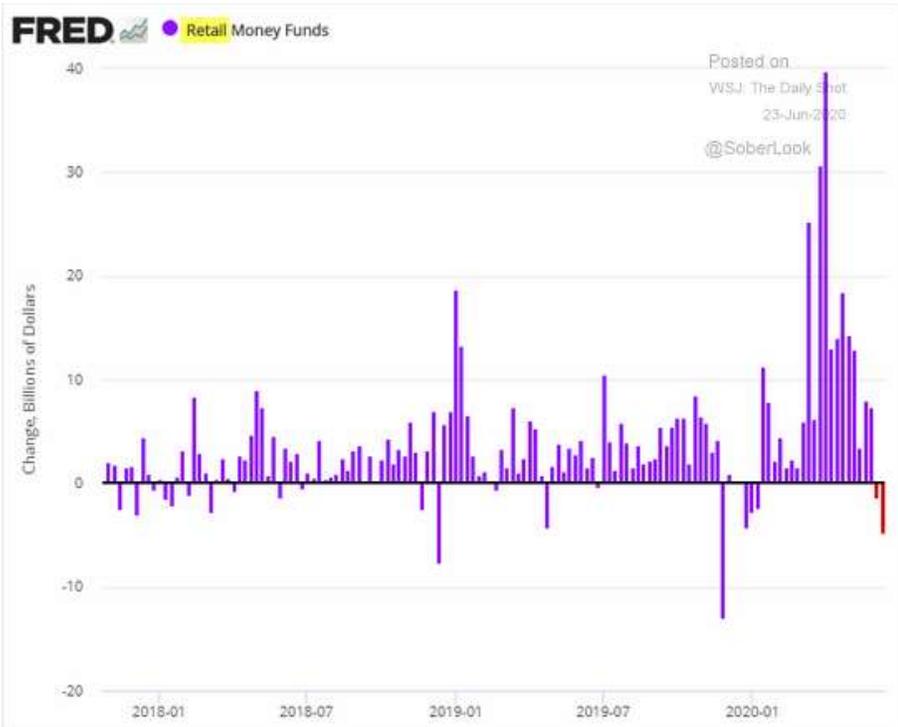
Top 10 HY issuance volume through 17th day of month



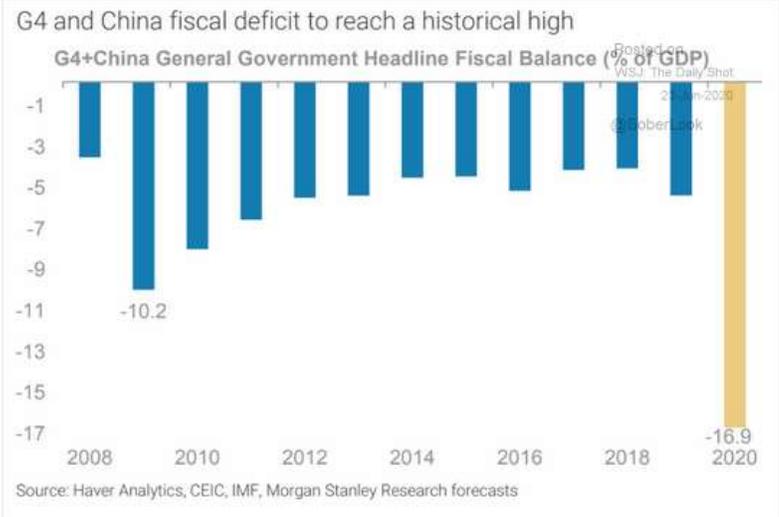
Source: LCD, an offering of S&P Global Market Intelligence

Source: [LCD/S&P Global Market Intelligence](#)

Money market funds registered some outflows in recent weeks. (Still plenty of cash in these accounts)

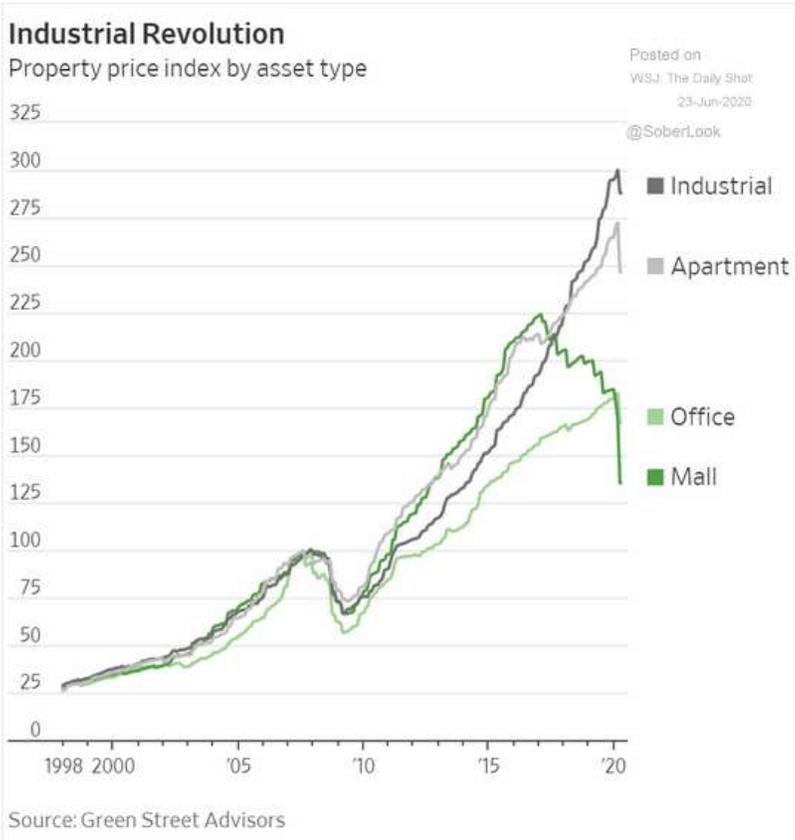


The largest economies are running unprecedented fiscal deficits.



Source: [Morgan Stanley Research](#)

Commercial property prices:



Source: @WSJ; [Read full article](#)

The structure of CEO compensation:

Share of S&P 500 CEO compensation in 2019, when the median pay was \$13.1 million

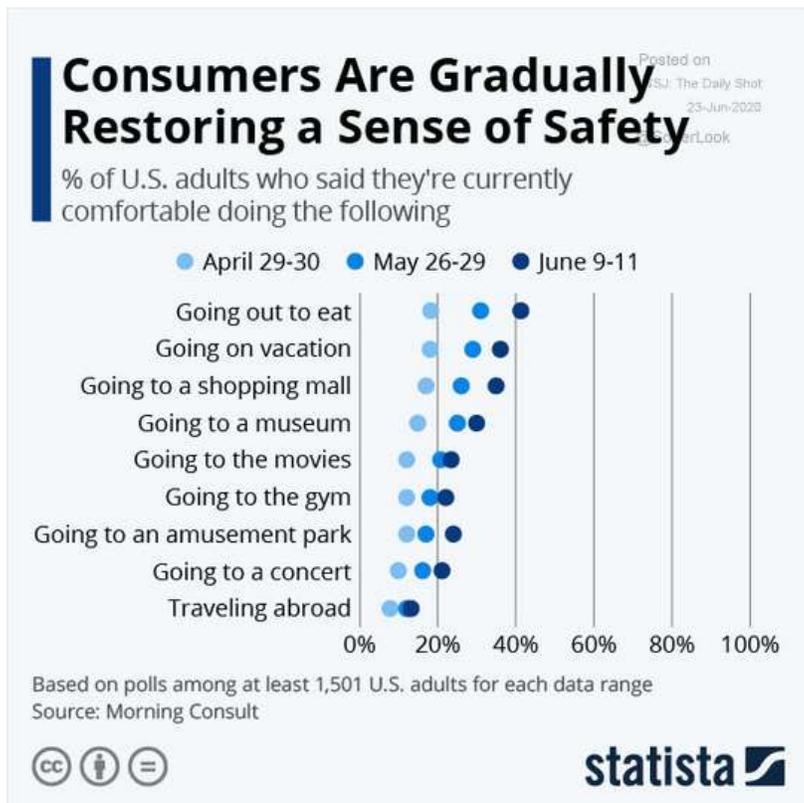


Note: Other includes perquisites and deferred-compensation and pension gains

Source: WSJ analysis of proxy data from MyLogIQ

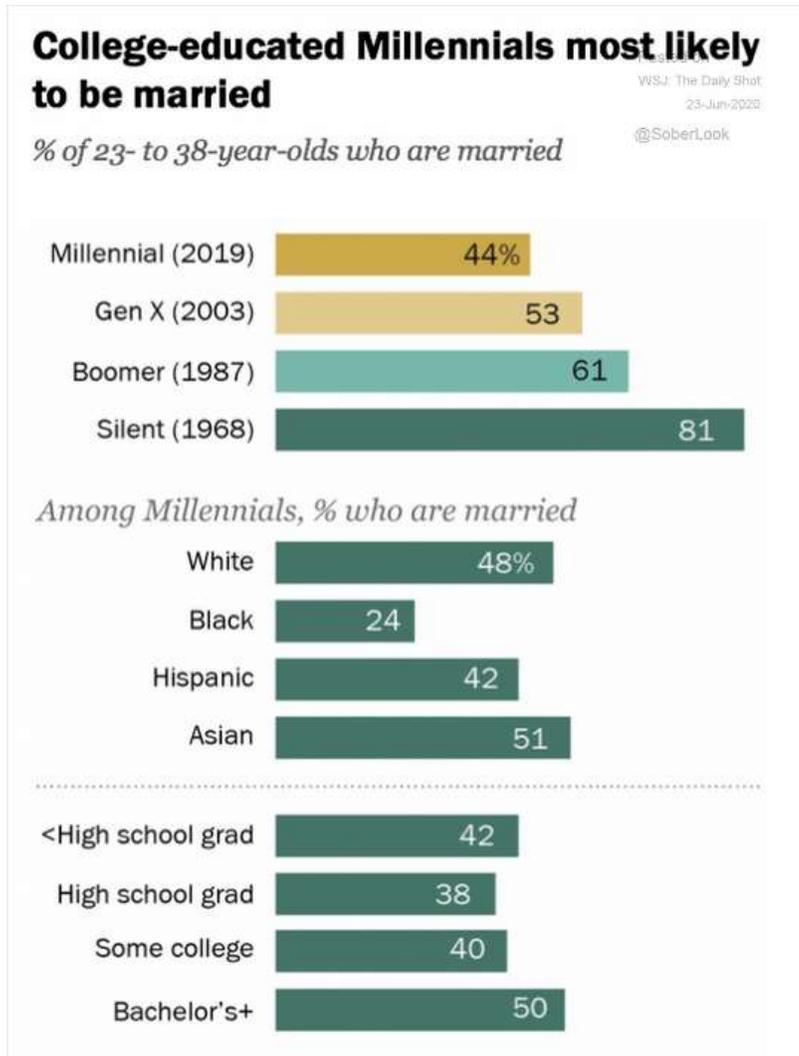
Source: @WSJ; [Read full article](#)

How comfortable are Americans with the following activities?



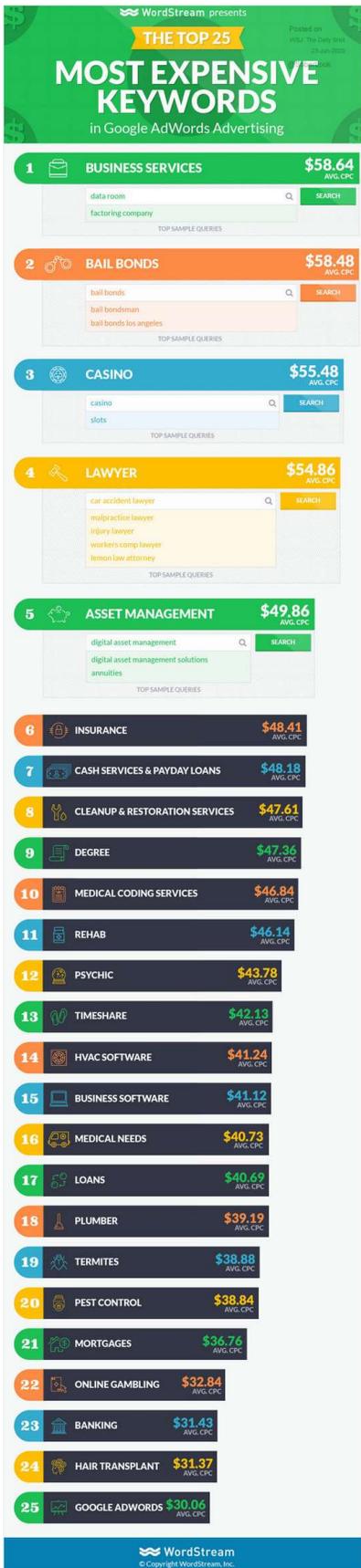
Source: [Statista](#)

The percentage of 23- to 38-year-olds who are married: (important statistic)



Source: Pew Research Center; [Read full article](#)

The most expensive Google [keywords](#): I can't see the words "bail bonds" with thinking of Midnight Run. Top 20 movie for me <https://bit.ly/2VcB6R4>



Source: WordStream; [Read full article](#)

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