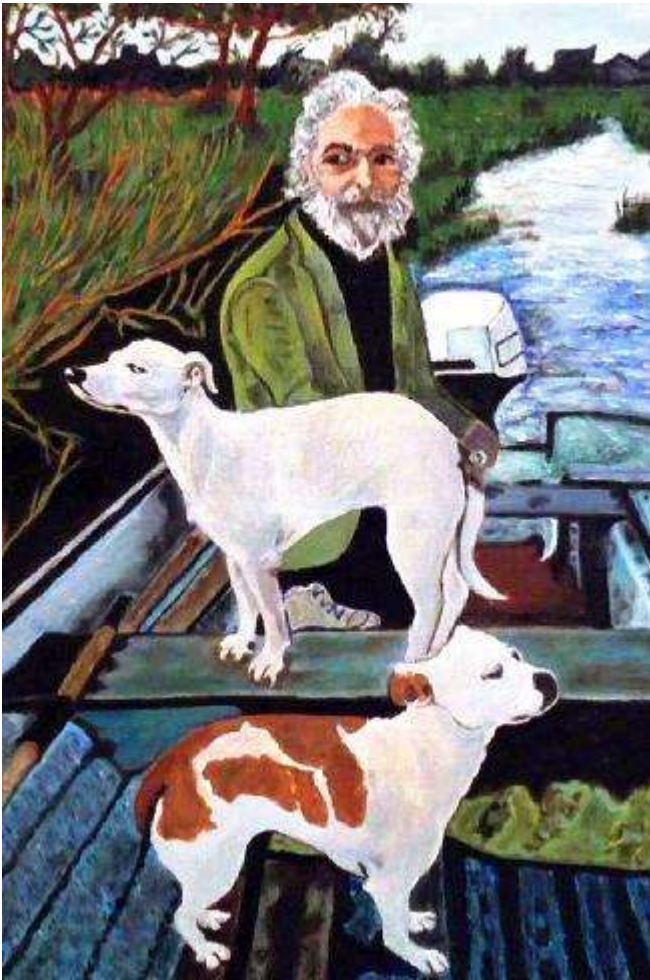


Subject: Morning CORE

Painting reminds me of: value stocks, growth stocks and the S&P 500 (explanation and performance stats below...good charts on this today).



US Futures-World Markets: US markets look to open lower as coronavirus cases continue to surge in TX, FL, AZ and CA. Continued trade tensions between the US and EU have added to risk-off sentiment. Big-cap technology names continue to crush it as investors are willing to pay higher multiples for growth companies. The Vanguard Growth ETF (VUG) is +12%YTD. Vanguard Value ETF (VTV) is -15%YTD. Meanwhile, the S&P "is in the middle (-2%YTD) sayin' whaddaya want from me?" Goodfellas clip: <https://bit.ly/2V9jlwC> Asian indices closed on a mixed note. Europe is trading down with Germany imposing a new one-week lockdown in its most populous state. Oil dropped below \$40 per barrel. S&P Futures vs. Fair Value: -24.60, 10-Yr Yield: 0.704%.

CORE Headlines:

- Dr. Anthony Fauci says states with increasing cases may not need to impose "absolute shutdown" if they run into trouble.-CNBC (still can't keep track of what this guy really thinks)
- White House national security adviser Robert O'Brien will criticize China in speech today.-Axios

- Texas Governor Greg Abbott urges residents to stay home, but he will not reimpose any restrictions on businesses.-TheHill
- Judge Carl Nichols upheld rule requiring hospitals to disclose rates negotiated with insurance companies.-WSJ
- A surge in big tech stocks has helped the Nasdaq Composite rally 13 percent in 2020, while the Dow Jones Industrial Average of blue-chip stocks is down 8.3 percent and the benchmark S&P 500 is off by 3.1 percent—the Nasdaq’s advantage is the biggest since 1983.-WSJ
- Alexandria Ocasio-Cortez and other progressives had a successful night in New York’s Democratic congressional primaries.-NYDailyNews
- Senate Democrats threatened to block consideration of Republicans’ law-enforcement bill unless bipartisan negotiations over a broader overhaul begin, dimming hopes of passing any legislation in response to the recent nationwide protests.-WSJ
- Latin America is the new center of the pandemic, accounting for nearly half the world’s Covid-19 deaths in the past two weeks, a situation that is increasing poverty rates and eroding many of the social gains the region made in the past two decades.-WSJ
- Saks Fifth Avenue will reopen its Manhattan flagship store today with ultraviolet handrail cleaners on its escalators, a remote video-shopping service, and other measures geared to make customers feel safe amid the Covid-19 pandemic.-WSJ
- Shares of the at-home exercise company reached new highs after Cowen analyst John Blackedge said the stock is the firm’s best small and mid-cap idea, and will benefit from a ramp up in connected fitness subscriptions and engagement and multiyear secular tailwinds behind the connected home fitness trend.-IBD (stock already +93%YTD)
- McDonald’s plans to shutter its four-story former flagship location on West 42nd Street in Times Square, which opened 17 years ago.-NYP
- The vagaries of supply and demand during the pandemic have caused sharp swings in cheese prices, which rose to record highs this month, just weeks after plummeting to nearly 20-year lows.-NYT (good luck, Greek)
- In an interview with the FT, ValueAct Capital’s Jeff Ubben explains why he’s stepping down from the \$16B hedge fund he founded to launch a new environmental and social impact investment company called Inclusive Capital Partners, saying the move is a logical next step for activist funds.-FT
- **NFLX** has long been known for its “culture deck,” a slideshow about its HR philosophy it made public years ago and that has been broadly influential in the startup world.-Recode
- Pershing Square Tontine Holdings, activist investor Bill Ackman’s “blank check” company, is seeking to raise as much as \$6.5B in a share sale, ranking it as one of the largest buyout vehicles of its kind.-FT
- The governor of Washington state on Tuesday ordered residents to wear face masks in public as officials across the country sought new means to control the coronavirus pandemic while easing clamp-downs on residents and reopening the economy.-Reuters
- U.S. wireless carrier T-Mobile US said it has priced a sale of its shares at \$103 each in a deal that will see SoftBank Group divest a portion of its stake - a major step in the Japanese conglomerate’s plan to sell assets.-Reuters

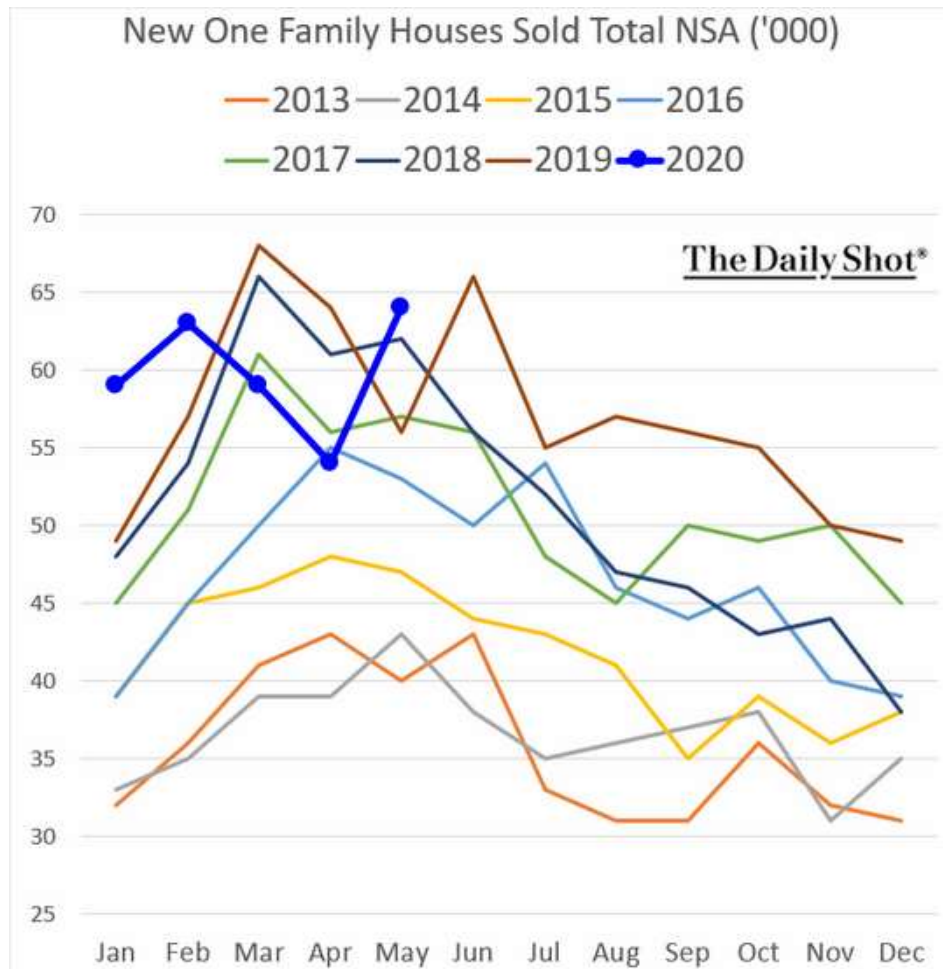
Interesting Reads/Charts:

- WSJ: The best way to ask for a raise or promotion <https://on.wsj.com/2Ypi38d> (Excellent article, especially for the younger crowd. Let me know if you can’t view full article and would like a copy.)
- CNBC: Etsy’s stock hit all-time high on surge in face mask sales <https://cnb.cx/31cZKow> (can’t believe I just typed that headline)
- Golf.com: Diversity in golf. Time for a new approach <https://bit.ly/2NpFOCO>

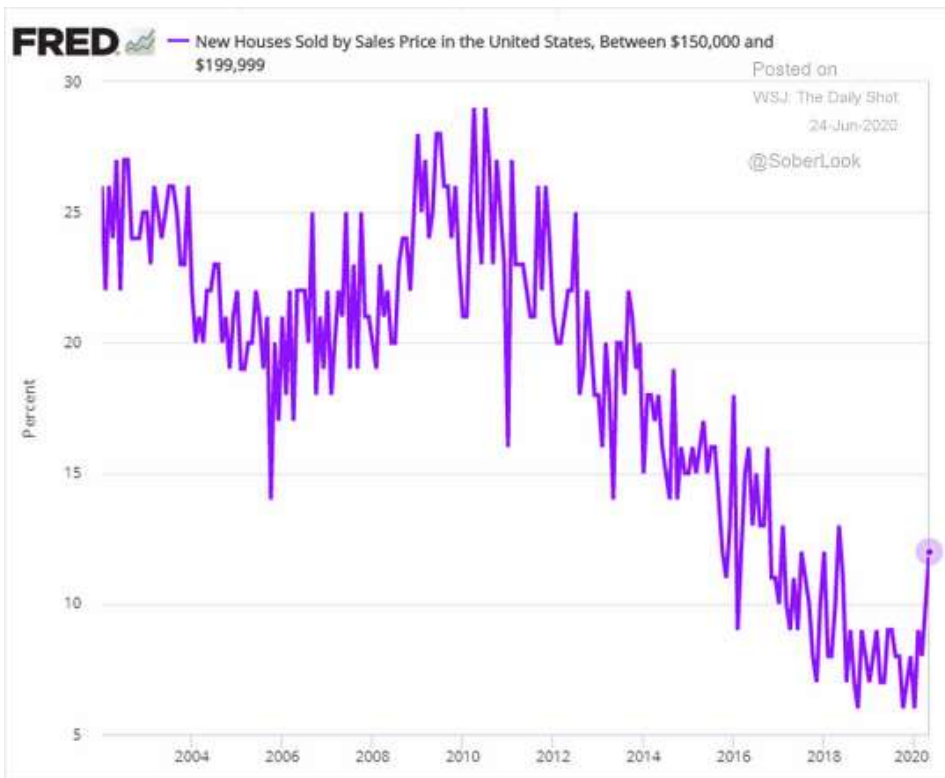
Charts from WSJ Daily Shot:

new residential sales report.

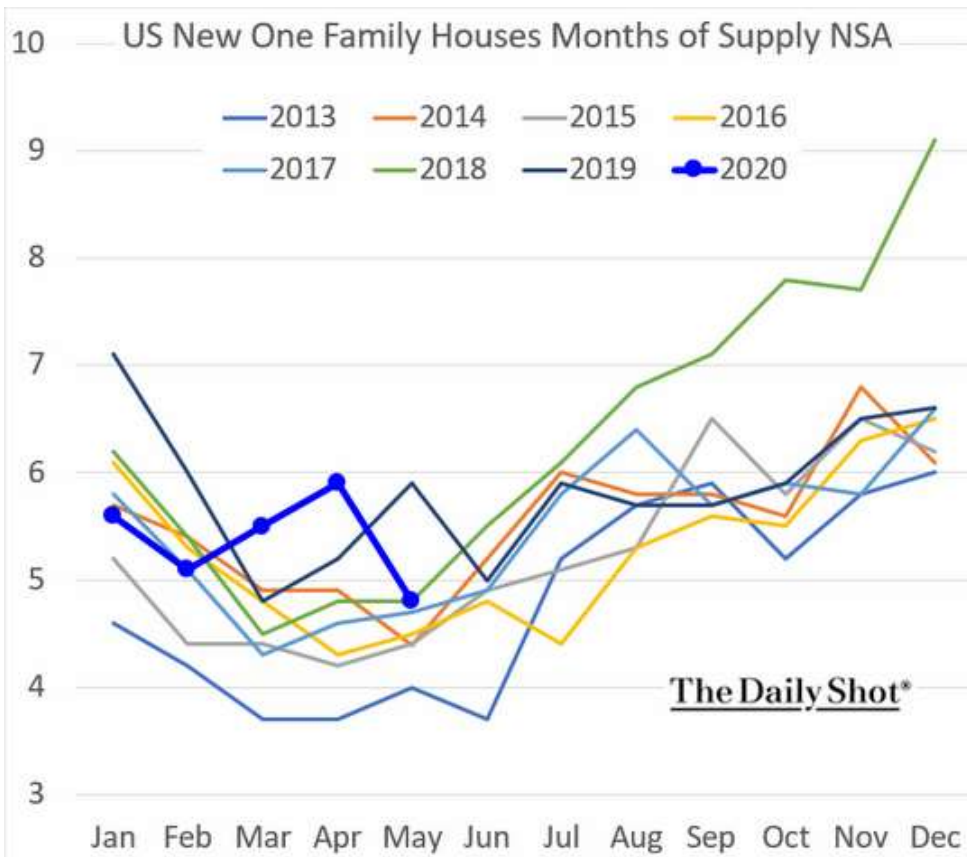
- New home sales rebounded in May.



- There was increased activity in starter homes.



- Inventories, measured in months of supply, tightened to 2018 levels.



- Mortgage applications point to further improvements in new home sales.

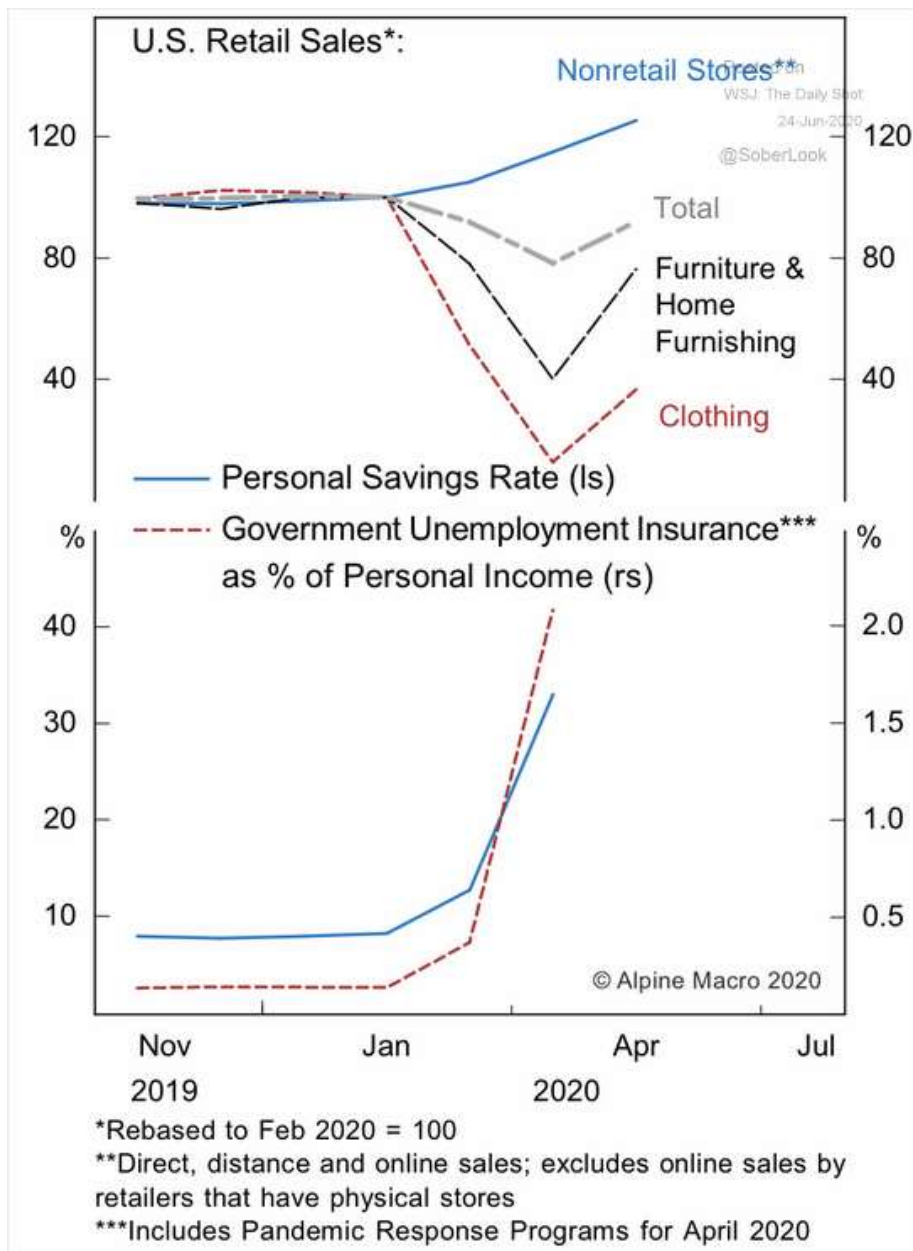


Source: [Pantheon Macroeconomics](#)

The Citi Economic Surprise Index continues to climb.



According to Alpine Macro, stronger than expected retail sales in May were partly driven by a temporary boost in consumer incomes (in excess of savings).



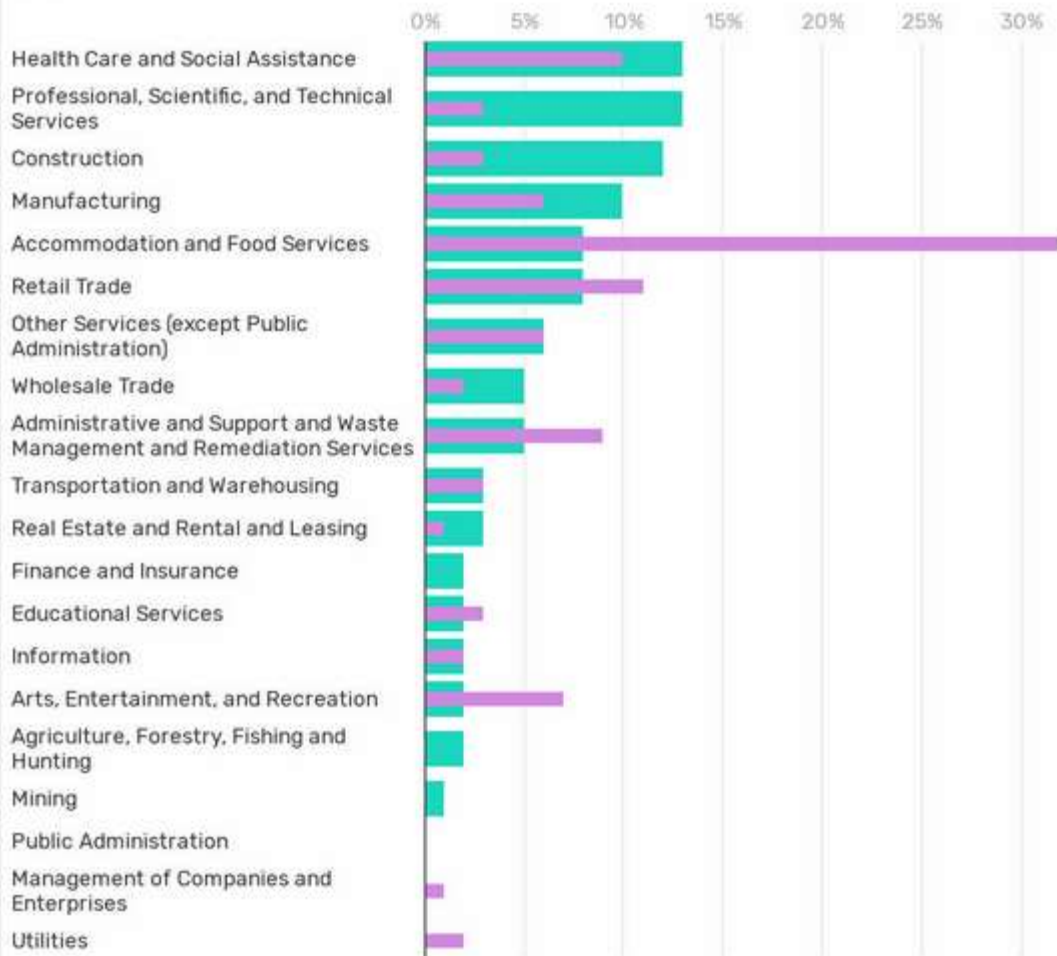
Source: [Alpine Macro](https://www.alpinemacro.com/)

This chart shows the industry distribution of [PPP loans](#) vs. job losses.

Worst Hit Sectors Get Surprisingly Small Share of PPP Loans

The restaurant and hotel sector (labeled Accommodation and Food Services) lost the biggest chunk of jobs over the past three months, but you wouldn't know it looking at the share of relief it's gotten from the PPP.

Share of PPP Loan Proceeds Through June 20 Share of Private Job Losses in March, April, and May



Employment sectors are as labeled by the SBA.

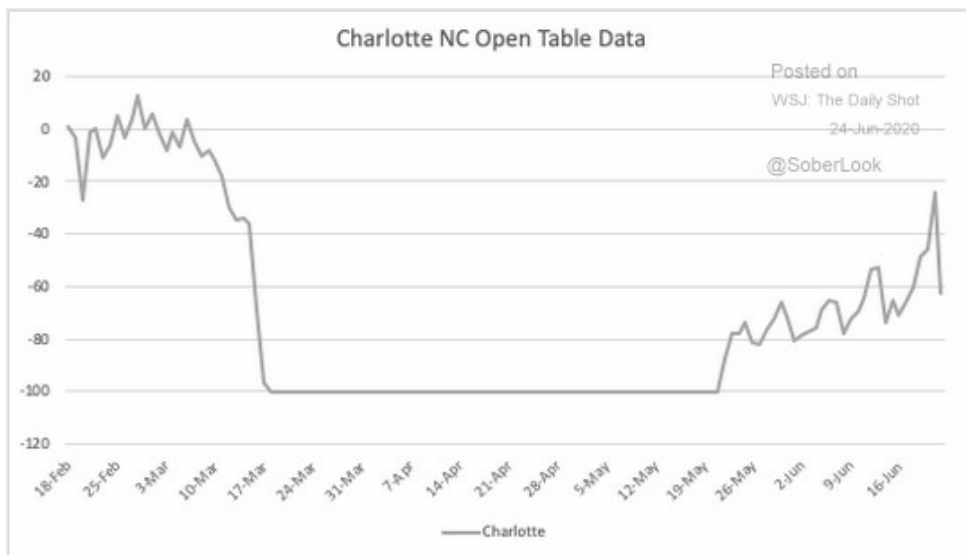
Source: U.S. Bureau of Labor Statistics, U.S. Small Business Administration

Source: The Balance; [Read full article](#)

Restaurant reservation data suggest that consumers are becoming apprehensive again in some communities.

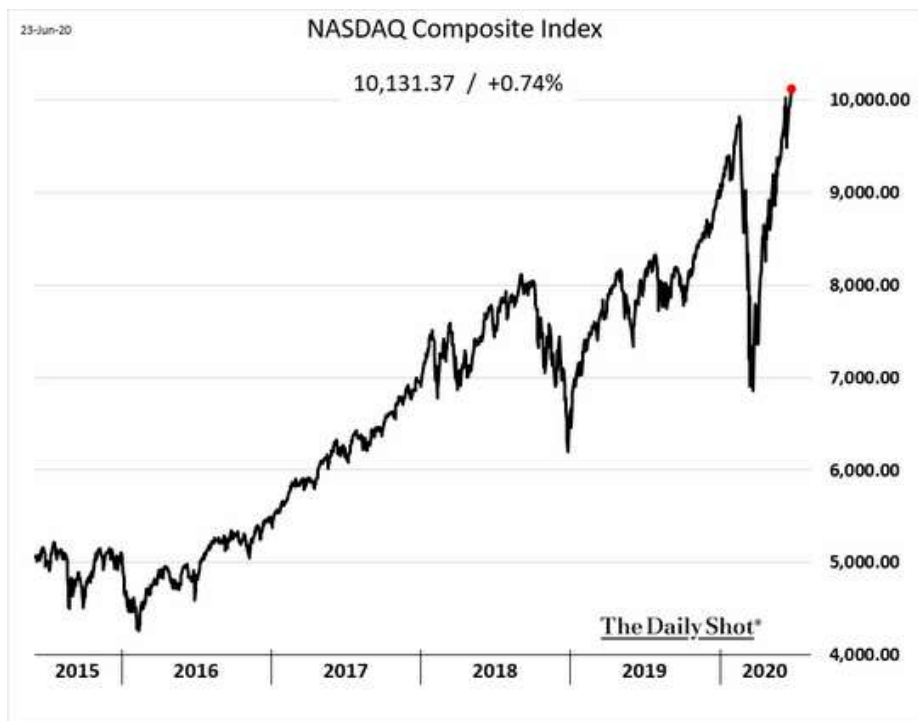


Source: [@ModeledBehavior](#)

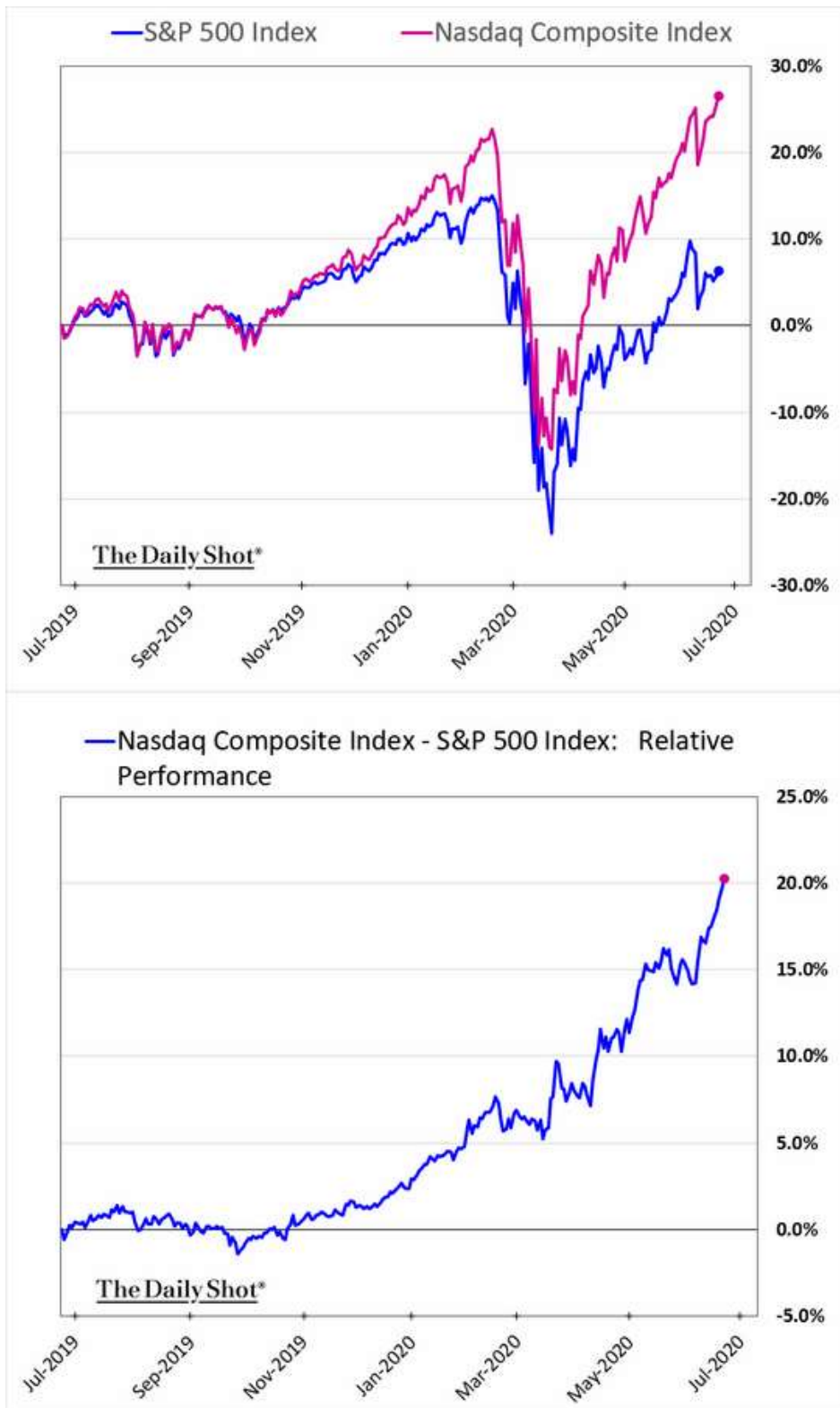


Source: [@ModeledBehavior](#)

The Nasdaq Composite hit a record high.



- The index beat the S&P 500 by more than 20% over the past twelve months.



- The tech mega-caps have been driving the outperformance.



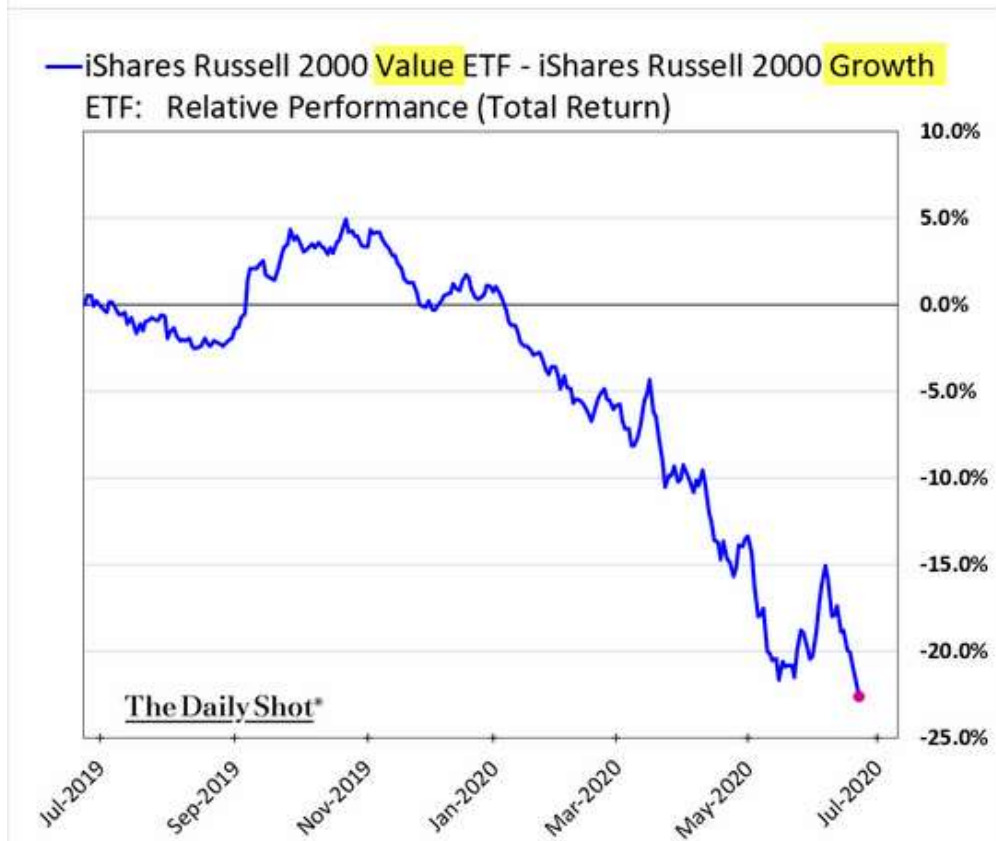
Source: [@ISABELNET_SA](#), [@GoldmanSachs](#)

The outperformance of growth stocks vs. value keeps widening.

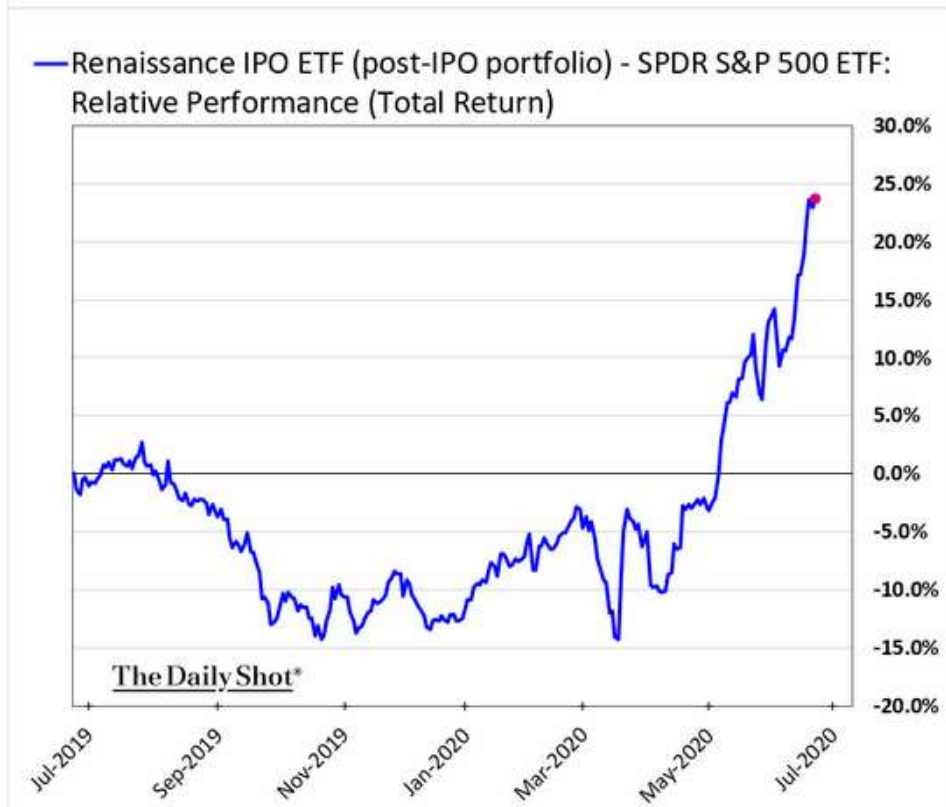
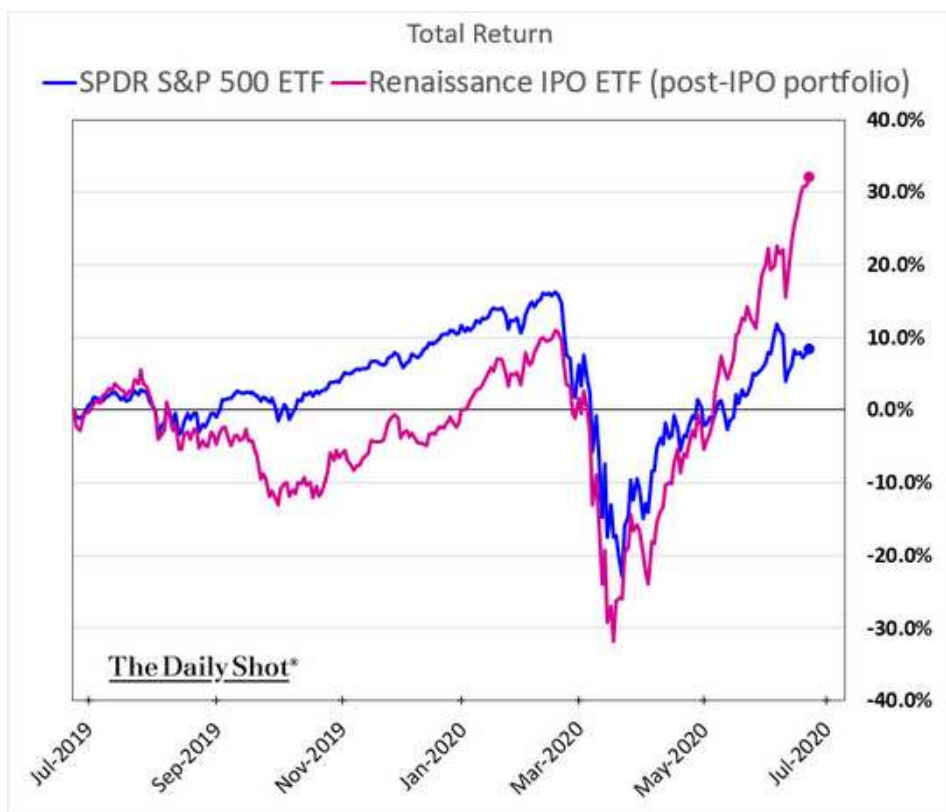
- Large caps:



- Small caps:



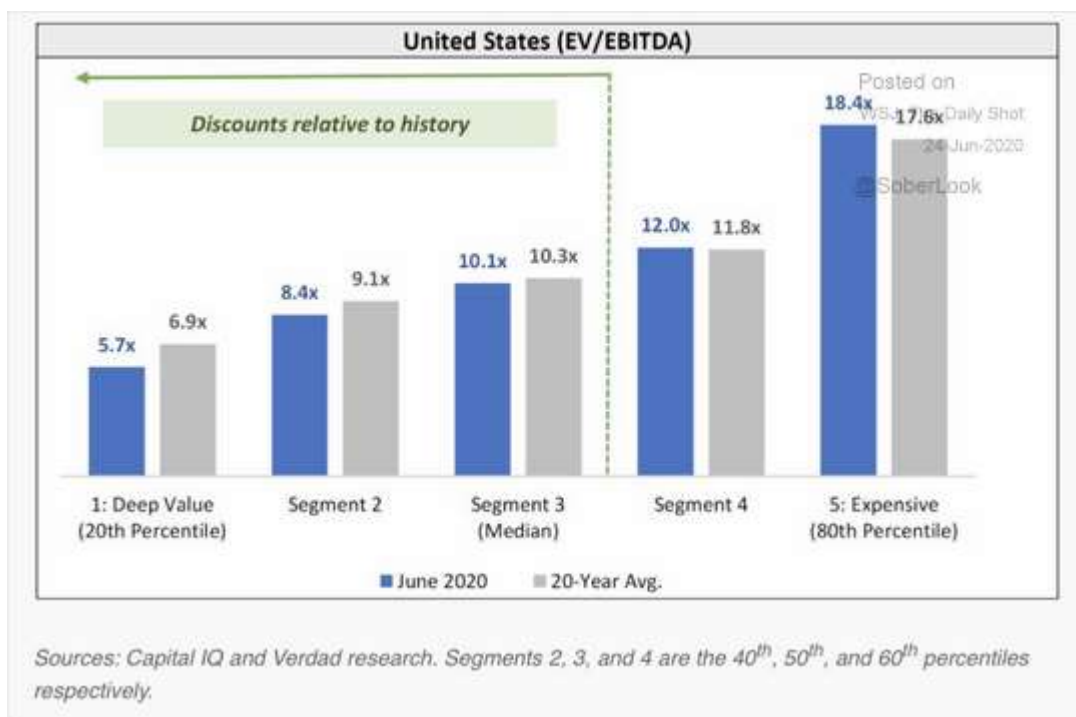
Post-IPO stocks have massively outperformed the S&P 500, making it a great time to launch an IPO.



The stock market is attractive relative to credit as investment-grade yields hover near record lows.
(This is amazing to me, but Fed money keeps flowing)



The cheapest three quintiles of stocks are trading below their 20-year average, while the most expensive quintile is trading above average.

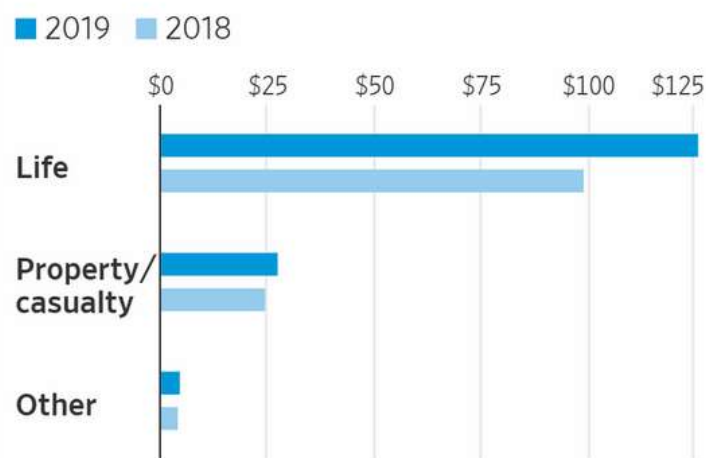


Source: [@verdadcip](#)

Insurance companies have pulled back on CLO investing this year.

CLOs—popular investments tied to pools of corporate loans—are proving riskier than many insurance firms expected

U.S. insurers' holdings of collateralized loan obligations (CLOs), in billions



Source: National Association of Insurance Commissioners

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

Which firms are most affected by H-1B visa restrictions?

H-1B visa approvals

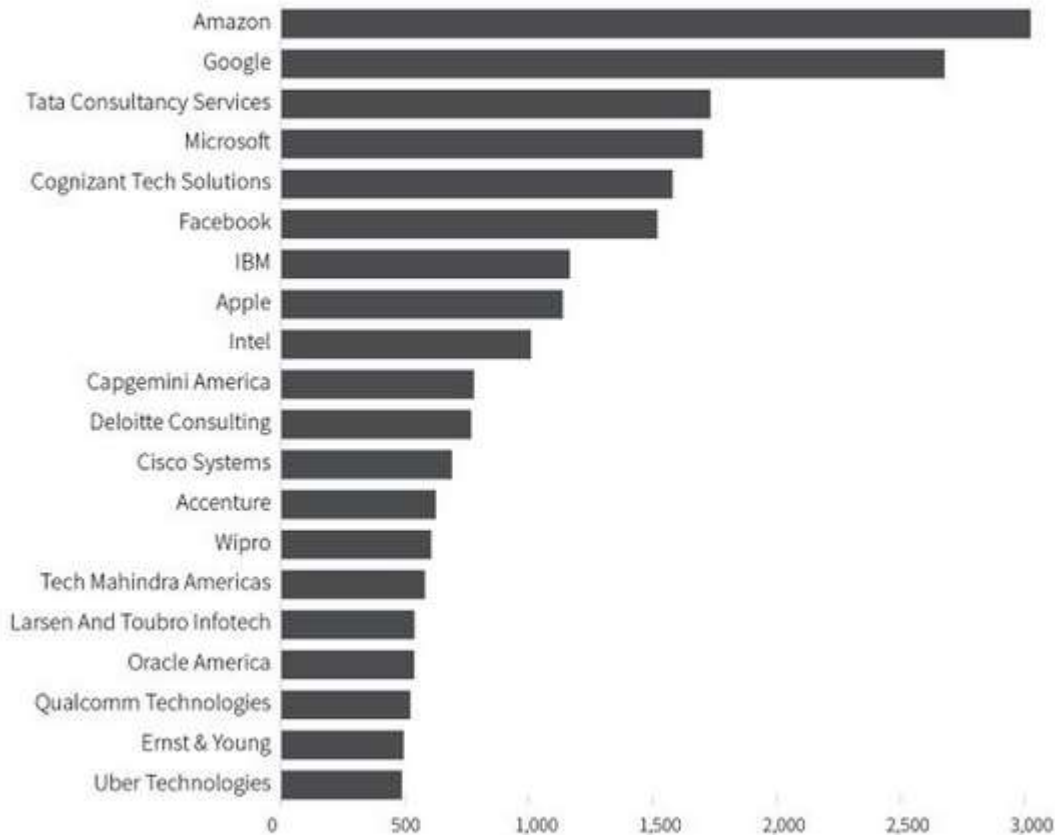
The Trump administration is considering caps on the H-1B program, which issues visas to skilled foreign workers. Such caps would hit the technology sector the most, including tech giants like Amazon and Google.

Posted on

Week in The Daily Shot

@SoberLook

Initial approvals for H-1B visas in 2019



Source: U.S. Citizenship and Immigration Services

M. Funakoshi, 22/6/2020

REUTERS

Source: @Reuters, @dvdwyer; [Read full article](#)

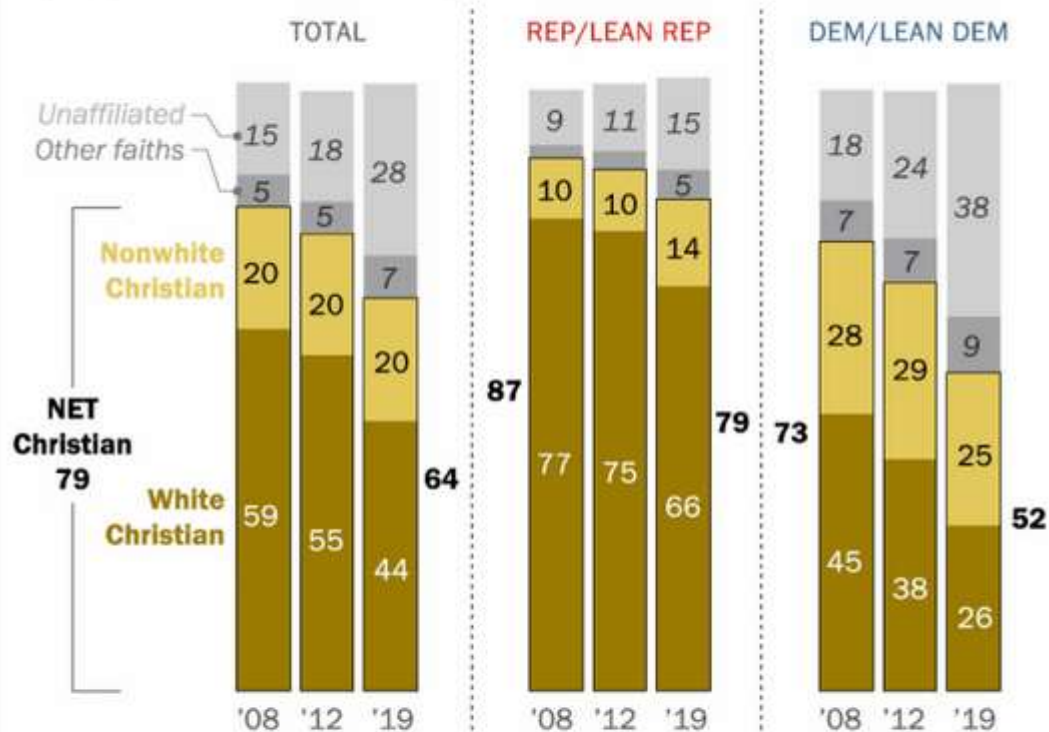
The shift in religious affiliation:

About half of Democratic voters are Christian, down from nearly three-quarters in 2008

WSJ: The Daily Shot
24-Jun-2020

% of registered voters who identify as ...

@SoberLook



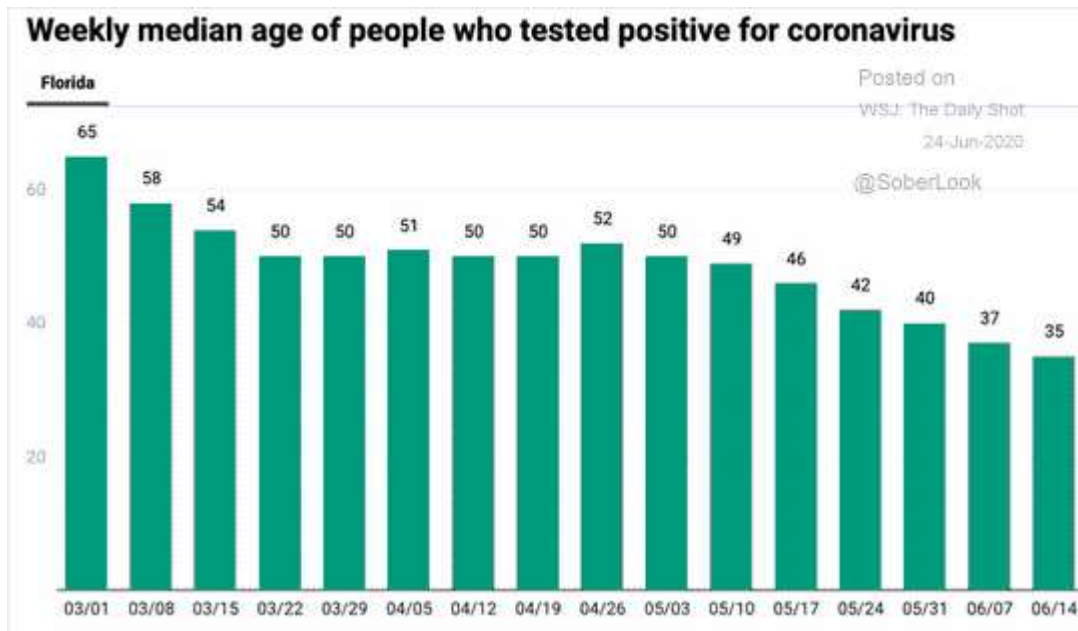
Notes: Based on registered voters. Whites and blacks include only those who are not Hispanic; Hispanics are of any race. See Appendix A for more details on religious category definitions. Don't know/refused responses not shown.

Source: Annual totals of Pew Research Center survey data (U.S. adults).

PEW RESEARCH CENTER

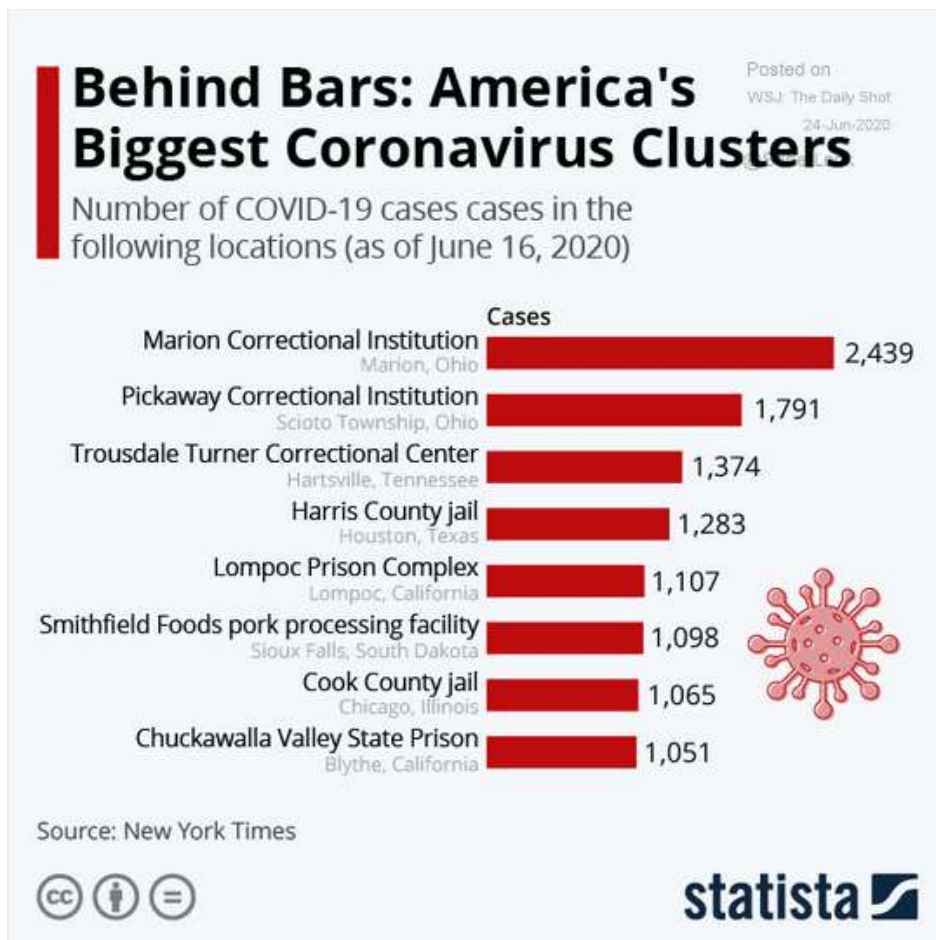
Source: @PewReligion; [Read full article](#)

The median age of Floridians who tested positive for COVID-19: (might be the most important chart on here today)



Source: [@nataliexdean](#), [@ScottGottliebMD](#)

COVID-19 in US prisons: (Has anyone seen coronavirus statistics that split out prisons, nursing homes and food processing plants? I have not.)



Source: [Statista](#)

Complaints about illegal fireworks in New York City (now vs. 2019):

Fireworks Fury

The first 21 days of June saw more than 11,000 complaints to 311 about illegal fireworks, versus just 28 in the same period in 2019.

2019 2020

@SoberLook

15,000

10,000

5,000

0

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21
June

Source: New York City Open Data

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

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