

Subject: Morning CORE

US Futures-World Markets: S&P futures are weaker as coronavirus cases continue to climb in certain hotspots. US equities continue to trade in choppy fashion, but it's better for the S&P to frolic above 3000 than 2700. Expect more volatility as uncertainty returns. Infection rates are rising, but we're still in a much better place than 2 months ago. Death rates are way down and we haven't rioted and looted in a couple of weeks. Also, China and India aren't going to war, so cheer up. Sydney, relax. Have a cream soda!! Expectations are for another stimulus package from Congress in July to boost the economy. Disney indefinitely delayed the reopening of its theme parks in California as massive outbreaks continue. The forecast for Initial jobless claims (8:30am release) is 1.3 million and continuing claims are expected to remain above 20 million. Asia finished lower, but China and Hong Kong were closed for Dragon Boat Festival. Oil is trading under \$38 a barrel. Hertz is +15% in pre-market trading. S&P Futures vs. Fair Value: -13.43, 10-Yr Yield: 0.669%.

Market Facts from Wall Street Journal: "The S&P 500 is on track for its best quarter since 1998, but many sectors are still struggling to find steady footing. The index's consumer discretionary and energy segments are both on pace for their best quarterly performances on record, while the utilities and real-estate sectors are hovering just above correction territory—marked by a 10% drop from their recent highs."

CORE Headlines:

- Businesses from factories and offices to salons and bars, once hopeful about a smooth reopening this summer, are now grappling with whether to close, stay open or find some in-between as the number of cases of Covid-19 increases in dozens of states.-WSJ
- Wisconsin governor Tony Evers deployed the National Guard after a night of protests led to the toppling of statues, an attack on a state senator, and attempts to enter the capitol building.-WSJ
- A new study that looks at earnings of prime-aged men (those 25 to 54 years old) since the early 1970s found two distinct trends: a steady rise at the top relative to the median, and a saw-toothed decline at the bottom, with all of the decline occurring around recessions.-WSJ
- Germany "is struggling to pick sides in the escalating dispute between the US and China over issues ranging from trade to human rights, amid mounting American pressure and Beijing's authoritarian drift."-WSJ
- The government activated four hundred National Guard troops in Washington, D.C., to guard monuments and infrastructure amid protests over racial injustice and some demonstrators' attempts to pull down statues.-USA
- Disney has ended the practice of offering a free trial period for new subscribers to Disney+ and ESPN+ video streaming services—consumers will not have to pay for subscriptions on the first day of use.-USA
- FBI director Christopher Wray said China's Communist government is the biggest threat to the US, and revealed his agency has more than 2,000 active investigations which trace back to the shadowy regime.-NYP
- **GOOGL:** After years of criticism about how it keeps records of what people do online, Google said it would start automatically deleting location history and records of web and app activity as well as voice recordings on new accounts after 18 months.-NYT

- Brussels criticized the Trump administration’s threat to impose tariffs on an additional \$3.1B of European products—from German beer to French clothing—and said the move would further harm companies already grappling with the pandemic.-FT
- Healthcare officials in Houston are raising the alarm as the city becomes one of America’s new Covid-19 hotspots, as well as warning of dwindling capacity at hospitals, difficulty procuring protective equipment, and an inability to contain the spread of the virus.-FT
- Scientists in the US have developed a way to create cells in the adult brain that control how people think and move, which researchers hope can be used to reverse symptoms of Parkinson’s and other human neurodegenerative diseases.-FT
- House Democrats are poised to pass historic police reforms today, setting the stage for a showdown with Republicans in the Senate where efforts to strike a bipartisan deal are dwindling.-TheHill
- Polling averages show Joe Biden ahead of President Trump by 10 points nationally and Mr. Biden is ahead in most swing states.-RCP
- Restaurant chain Chuck E. Cheese parent CEC Entertainment filed for Chapter 11 bankruptcy, making it the latest casualty of the COVID-19 pandemic that has crushed entertainment and leisure industries globally.-Reuters
- German payments company Wirecard collapsed after disclosing a massive financial hole in its books, leaving creditors owed nearly \$4 billion facing an almost complete wipeout.-Reuters

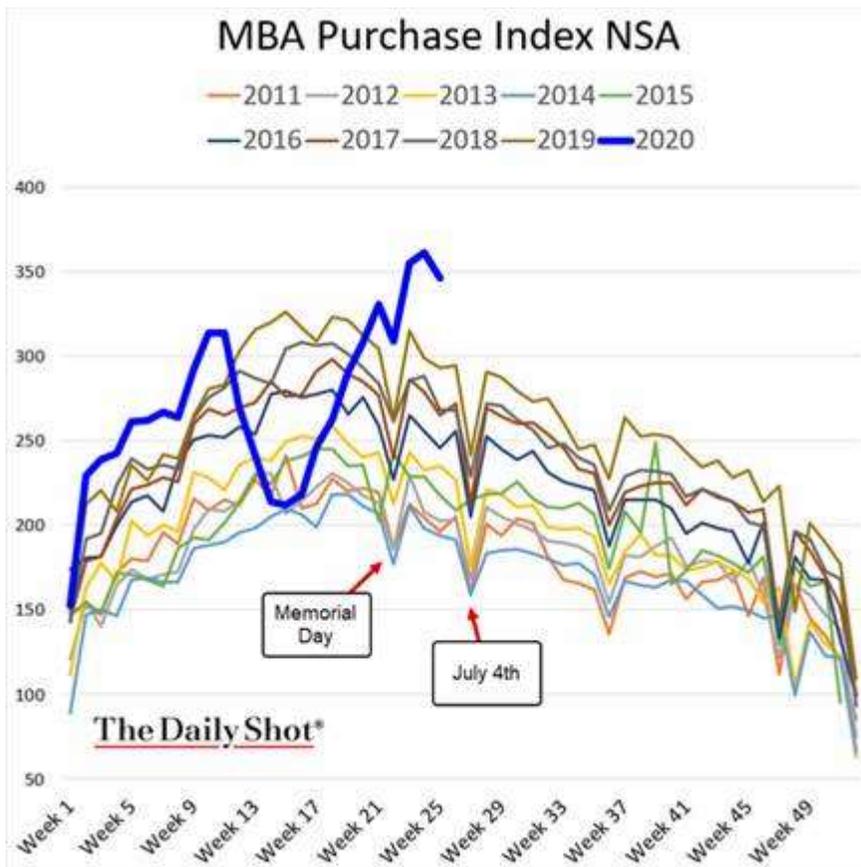
Interesting Reads/Charts:

- Quillette: Attraction inequality between men and women <https://bit.ly/31c2N0n> “the great majority of women are only willing to communicate romantically with a small minority of men while most men are willing to communicate romantically with most women” (Is anyone surprised by this? I’m just glad I don’t have to date in today’s environment.) Reminds me of an old Chris Rock joke (watch foul language) <https://bit.ly/3fROEth>
- Reuters: Johnson Assoc report predicts Wall St to cut bonuses 15-20%, make significant layoffs <https://reut.rs/2BxAMFI>
- The Atlantic: Interview with Jon Stewart on his new movie “Irresistible” <https://bit.ly/2zY8of0>
- BI Op-Ed: Google/ Apple contact tracing and the privacy nightmare (thx Tim) <https://bit.ly/3fTQlGx>
- ET Online: Bill Cosby’s wife still thinks he is innocent... Amazing!! <https://et.tv/2BAptq4>
- Mic: Get stronger by using your own body weight <https://bit.ly/2Yw3qzU>

Charts from WSJ Daily Shot:

A quick look at the housing market.

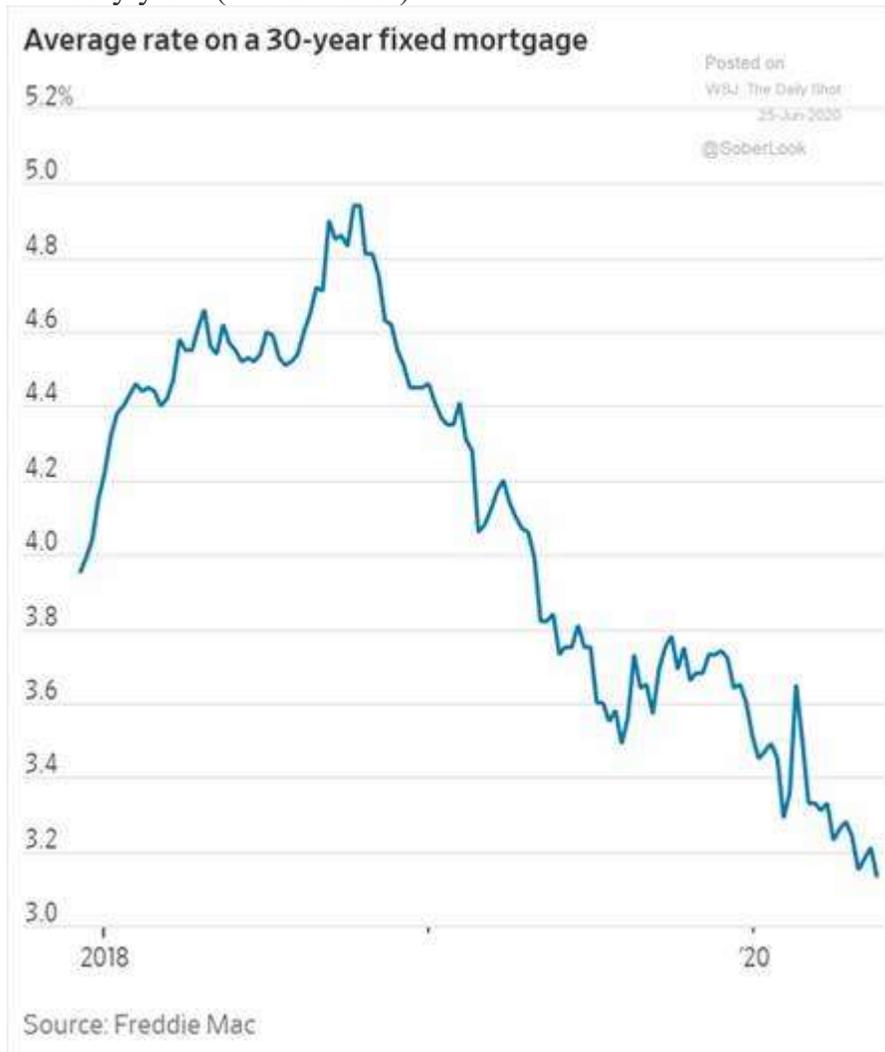
- Mortgage applications to purchase a house are holding at multi-year highs for this time of the year.



- Home price appreciation ticked lower in April, but still registered a 5.5% increase from a year ago.



- Mortgage rates are hovering near record lows, but they have lagged the declines in the 10-year Treasury yield (second chart).

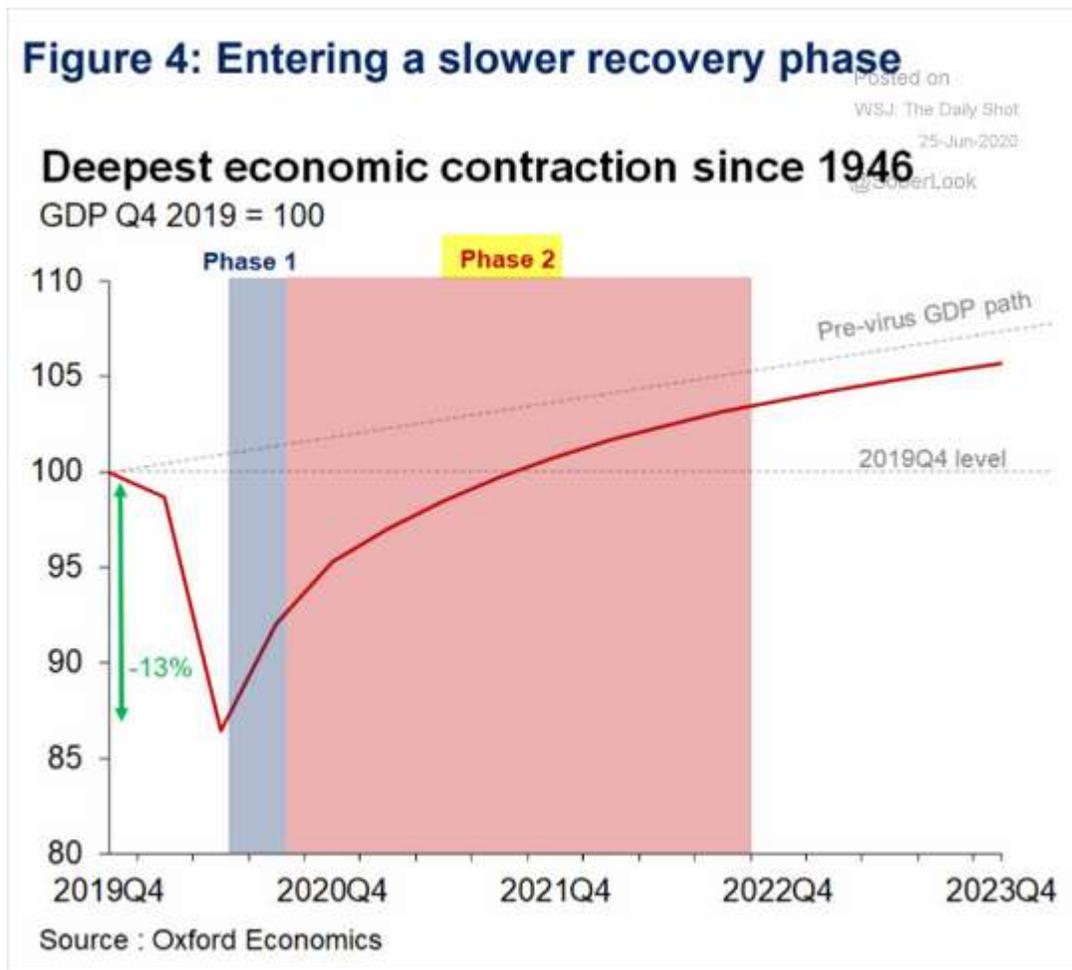


Source: @WSJ; [Read full article](#)



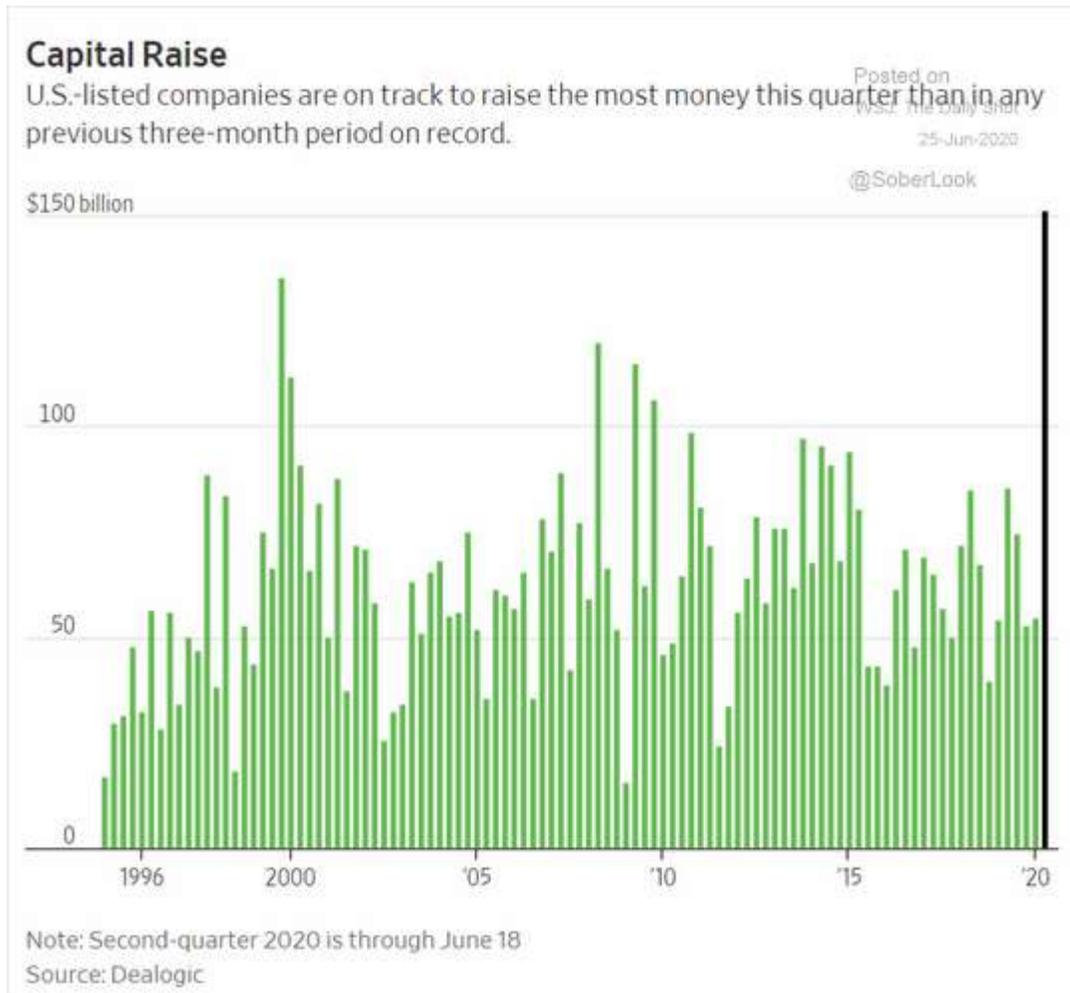
Source: [Piper Sandler](#)

After a sharp post-reopening rebound, we are entering the slow phase of the recovery.



Source: [Oxford Economics](#)

US-listed companies have raised record amounts of cash to get through the crisis.



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

Wednesday was a tough day for stocks as pandemic-related concerns reemerged.

Virus-Induced Volatility

S&P 500 tumbles with coronavirus threatening economic recovery

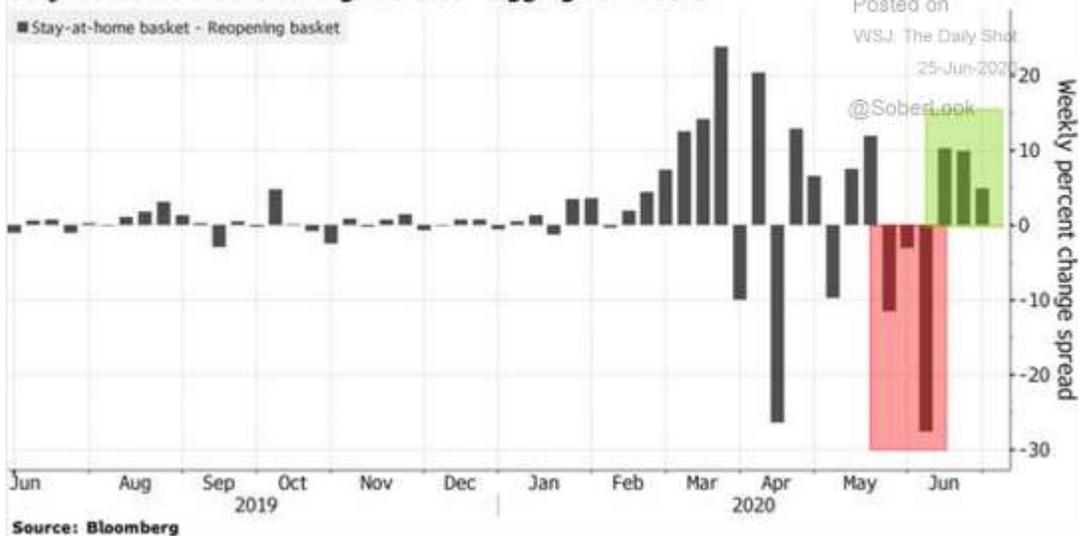


Source: @markets; [Read full article](#)

The "stay-at-home" basket has been outperforming,

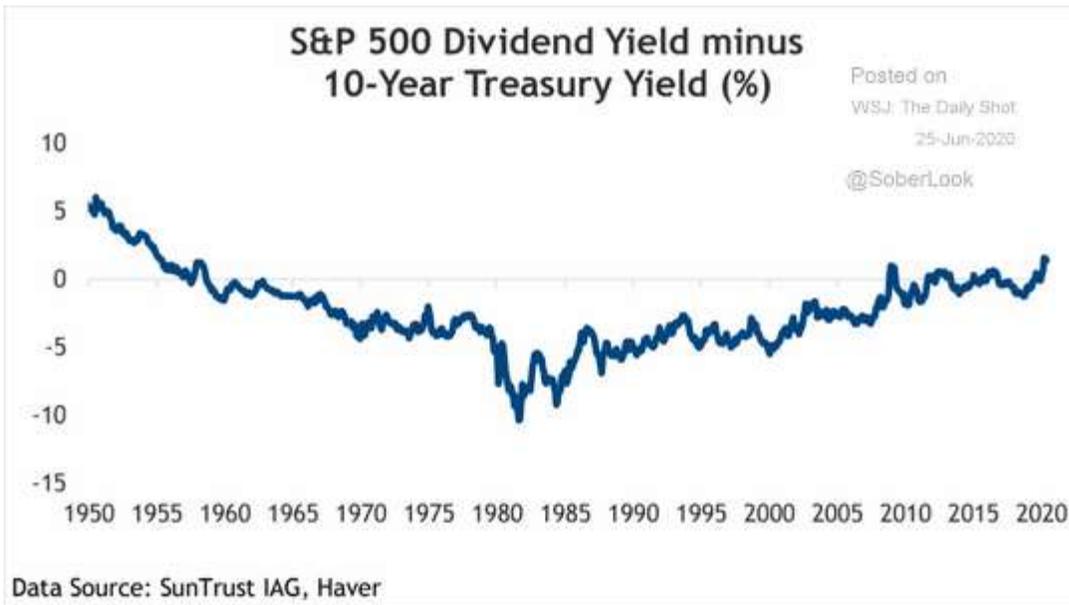
Lockdown Trade

Stay-at-home stocks lead gains after lagging for weeks



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

he S&P 500 dividend yield remains above the 10yr Treasury yield.



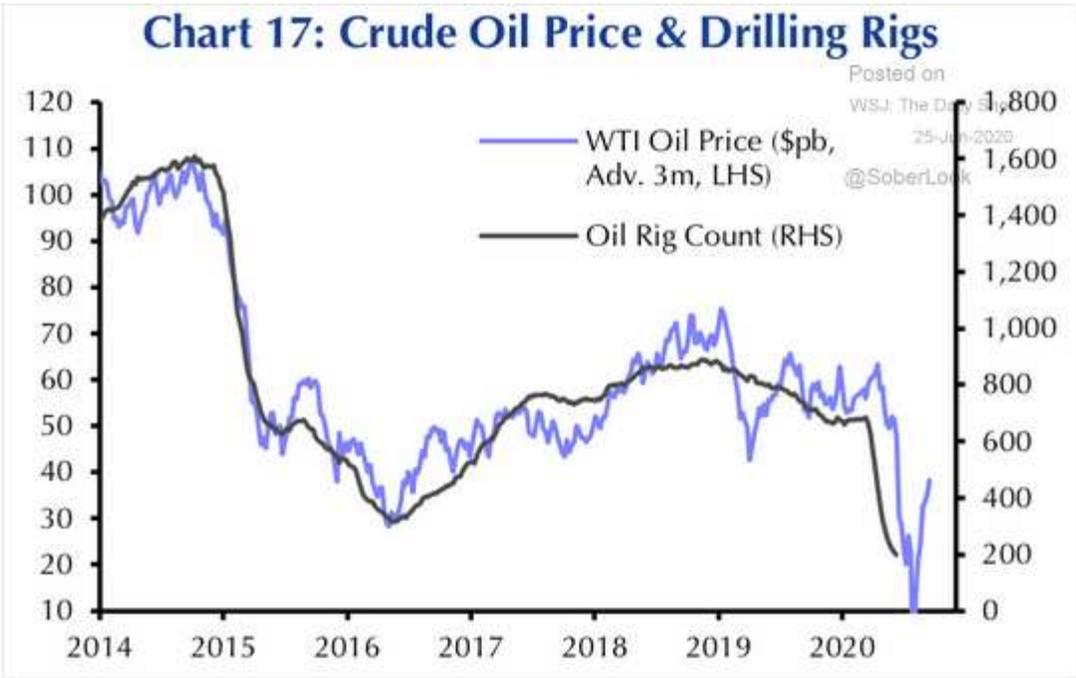
Source: [SunTrust Private Wealth Management](#)

The US market's outperformance vs. the rest of the world has been unprecedented. Will we ever see mean reversion?



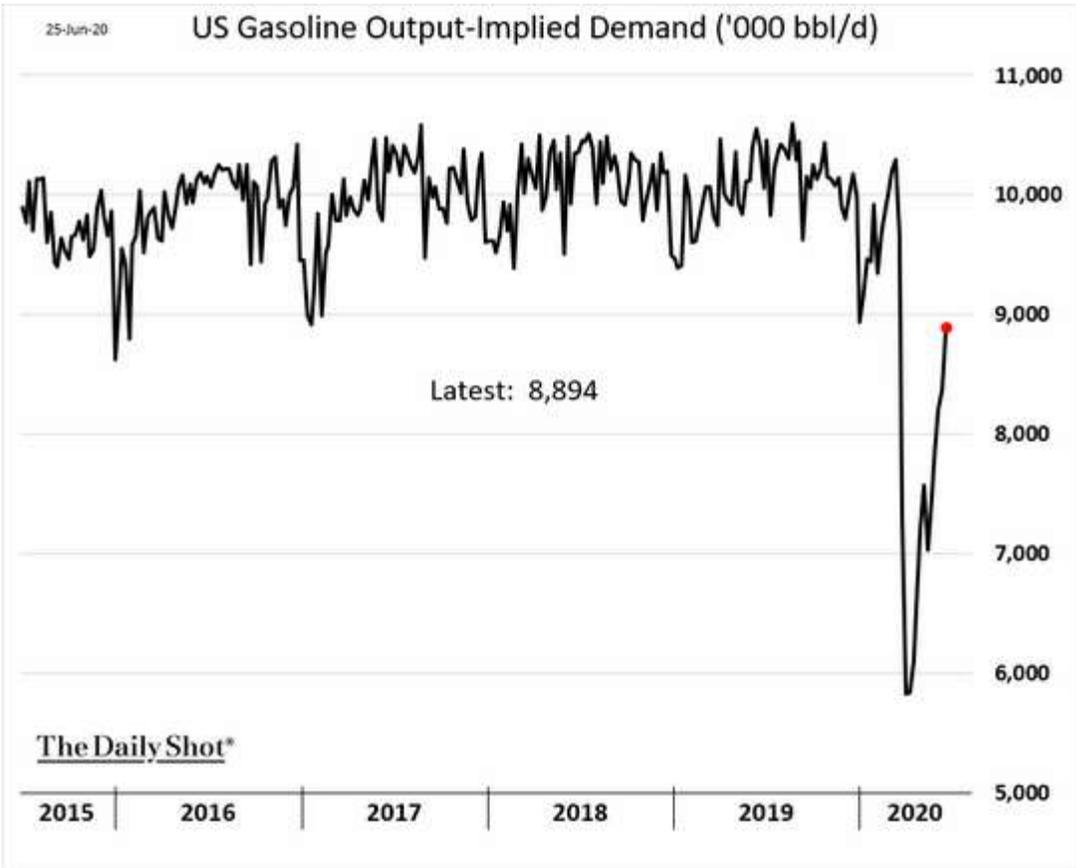
Source: @topdowncharts; [Read full article](#)

Will US rig counts start increasing if oil prices recover further?



Source: [Capital Economics](#)

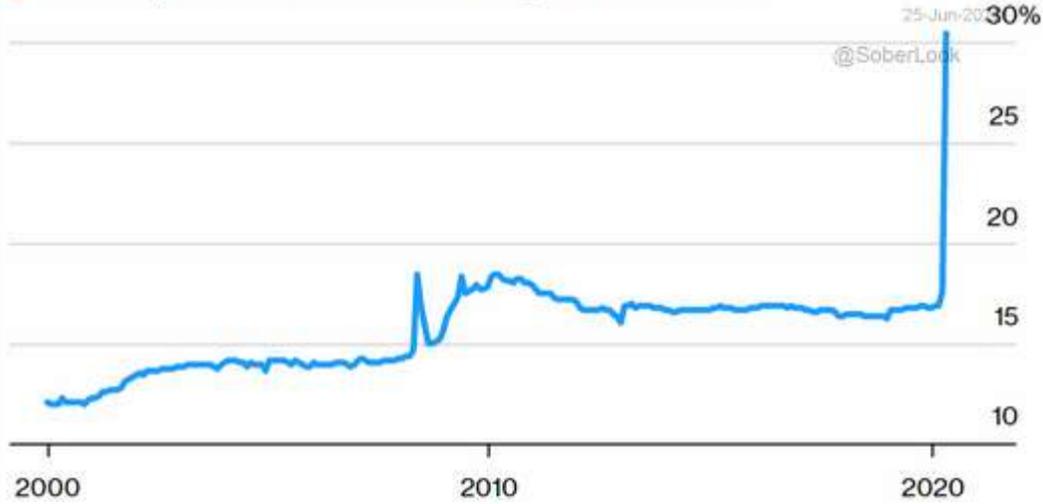
US gasoline demand continues to rebound.



US personal incomes derived from government benefits: (Scary chart)

Safety Net

Share of personal incomes derived from government benefits



Source: Bureau of Economic Analysis

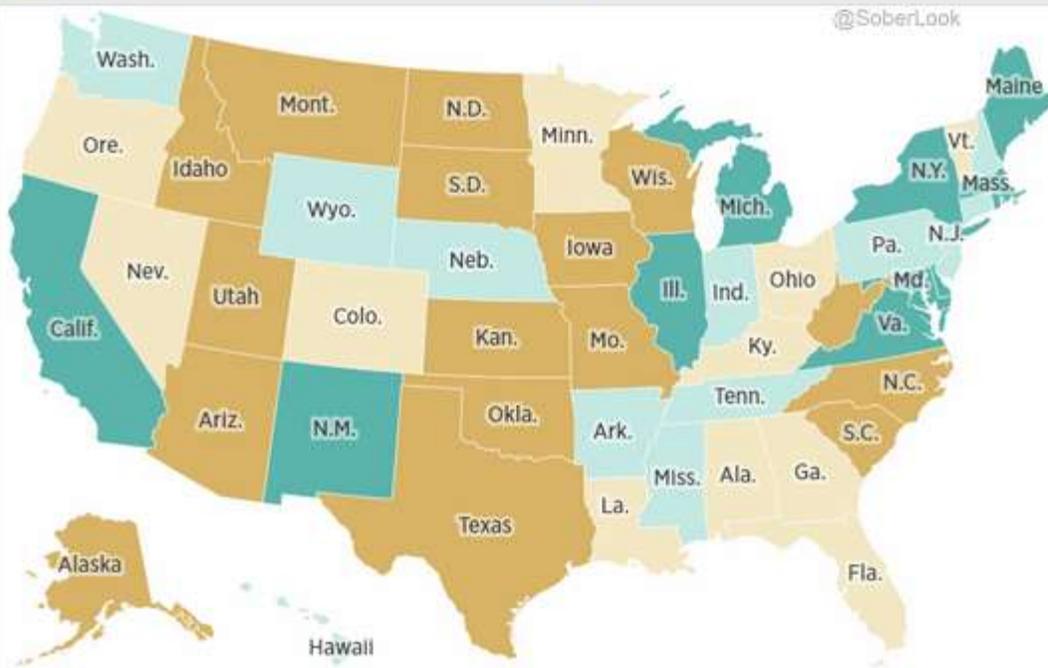
Source: @markets; [Read full article](#)

Mask-wearing requirements:

Mask-wearing requirements by state

Mandatory in public Employees and patrons of certain businesses Employees of certain businesses None

Posted on
WSJ: The Daily Shot
25-Jun-2020
@SoberLook



Source: @jduchneskie, @phillyinquirer; [Read full article](#)

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