

Subject: Morning CORE

US Futures-World Markets: Good news on the vaccine front has boosted S&P futures ahead of the opening bell. Moderna announced that all patients in their safety trial produced antibodies to the coronavirus (stock +17% pre-open). Even Dr. Fauci called the results “good news”, although he may say the opposite in an interview today. AstraZeneca’s vaccine remains on track with human trials in September. All travel and leisure stocks are jumping. The Dow is set to open +450 points. UnitedHealth doubled their profit as people delayed less urgent surgeries and procedures. No wonder hospitals are going bankrupt. Chinese equity markets are lower after the US placed sanctions on China over Hong Kong laws. Apple is higher after the co. won a major legal battle with the European Union over \$15 billion in back taxes. European indices are higher across the board. Goldman Sachs +4% after reporting earnings. S&P Futures vs. Fair Value: +36.00 10-Yr Yield: 0.618%.

CORE Headlines:

- Hospitals across the country are stocking up on drugs for treating Covid-19, hoping to avoid another scramble for critical medications should a second wave of the virus threaten new drug shortages.-WSJ
- Tommy Tuberville (who President Trump endorsed) easily defeated Jeff Sessions in the Republican Senate primary in Alabama.-NYT
- President Trump says he's "not interested" in speaking with China about trade.-CBS
- CDC director Robert Redfield says coronavirus pandemic will be "under control" in 4-8 weeks if everyone in US wore masks.-Axios
- Chinese imports from the US rose for the first time since the new coronavirus emerged earlier this year, showcasing Beijing’s post-pandemic purchasing power even as political tension between the world’s two largest economies continues to rise.-WSJ
- **F, GM:** The Detroit automakers are struggling to keep workers on the job as coronavirus cases increase, forcing the companies to cut shifts, hire new workers, and transfer others to fill vacant roles.-WSJ
- Supreme Court justice Ruth Bader Ginsburg was admitted to a hospital Tuesday for treatment of a possible infection, marking the latest medical challenge for the four-time cancer survivor.-USA
- Amazon unveiled the “Amazon Dash Cart,” a smart shopping cart that knows what consumers are selecting and can charge them for their goods without the involvement of a cashier.-USA
- JetBlue announced it will be extending its middle seat ban through summer, and will continue to block off middle seats on its larger aircraft and aisle seats on smaller planes in bookings through September 8.-NYP
- Google Cloud is racing to roll out new features and services to help its enterprise customers maintain business continuity during the coronavirus pandemic, including a new security product that is set to be unveiled next week.-WSJ
- New York, once the center of the coronavirus pandemic, has so successfully stemmed the outbreak that its death and hospitalization rates have plummeted and it has among the lowest infection rates in the country—but travelers from states with high infection rates could change that.-NYT
- The Atlantic and Gulf Coasts have seen a major increase in high-tide flooding since 2000, according to the National Oceanic and Atmospheric Administration, damaging homes, imperiling the safety of drinking water, inundating roads, and hurting coastal communities.-NYT
- Blackrock: The asset-management giant has punished more than 50 companies for their lack of progress on dealing with global warming, and in a report released Tuesday said it has placed 244 companies “on watch” for insufficient progress on climate issues.-FT

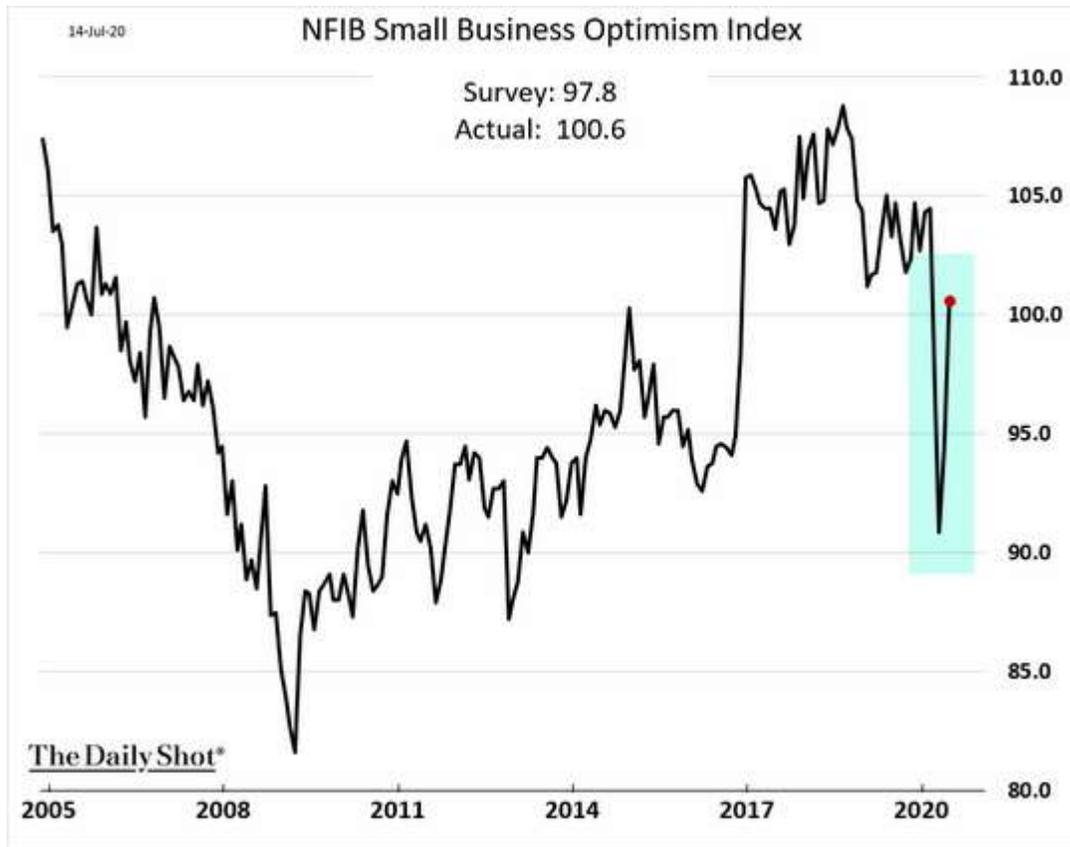
- The Trump administration rescinded a rule that would have forced foreign students to leave the country if their universities held online-only courses in the fall, a move that prompted a lawsuit by Harvard and MIT and led to widespread criticism from schools, business groups, and companies.-FT
- Three of America’s biggest banks—**C**, **JPM**, and **WFC**—have set aside a combined \$28B for current and future loan losses, based on fears damage from the coronavirus pandemic could grow more dire if the economy worsens.-FT
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Interesting Reads/Charts:

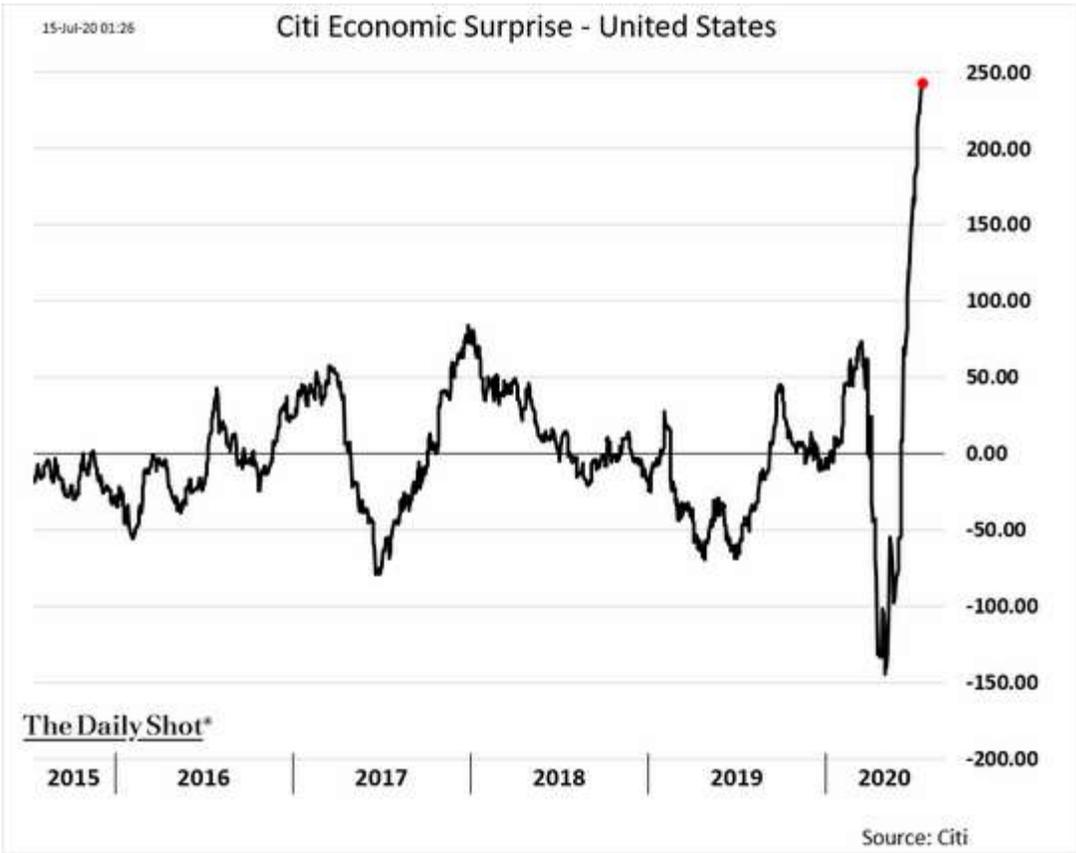
- NYT: Ross Douthat on cancel culture <https://nyti.ms/3eqWTeB>
- CNN: Richard Branson secures \$1.5 bln rescue for Virgin Atlantic <https://cnn.it/3ez5qVw>
- YouTube: Video from Sixers’ rookie on life in the NBA bubble <https://bit.ly/3qWnH88>
- Ladders: 5 action words you should always use on your resume <https://bit.ly/2OsyAmq>

Charts from WSJ Daily Shot:

the NFIB small business optimism index topped economists' estimates.



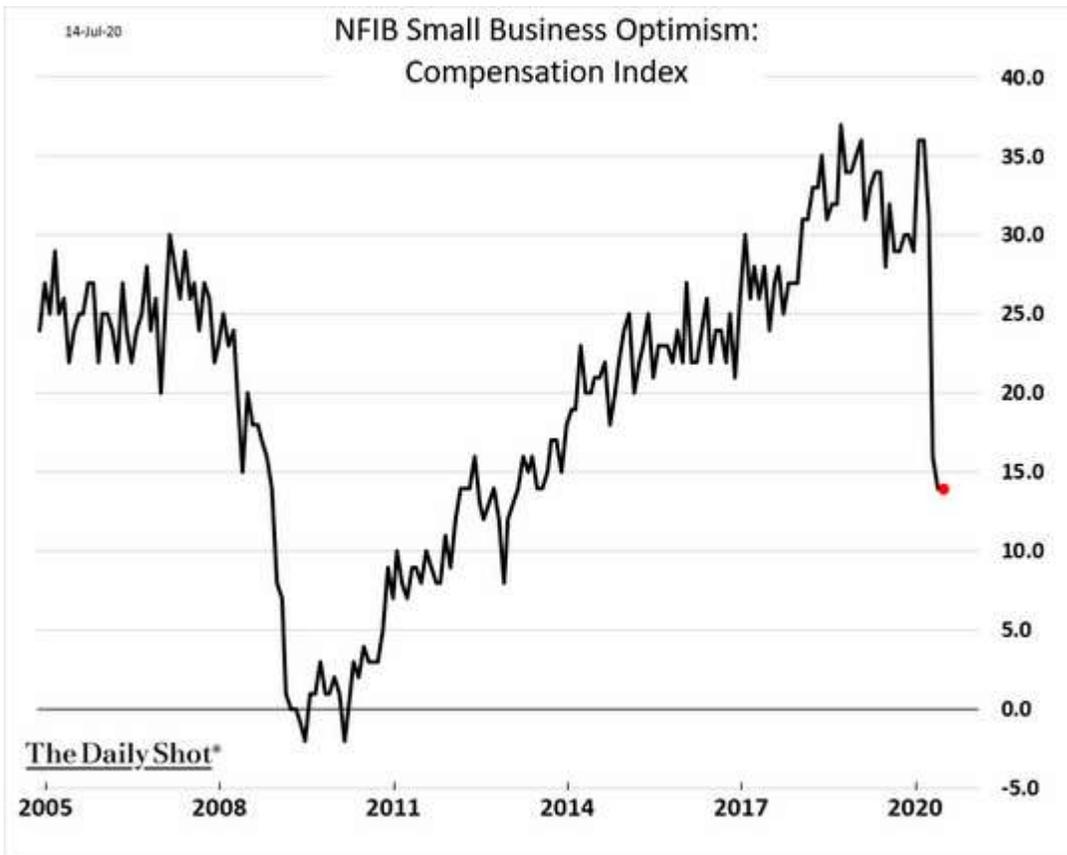
The report further strengthened the Citi Economic Surprise Index, which keeps hitting record highs.



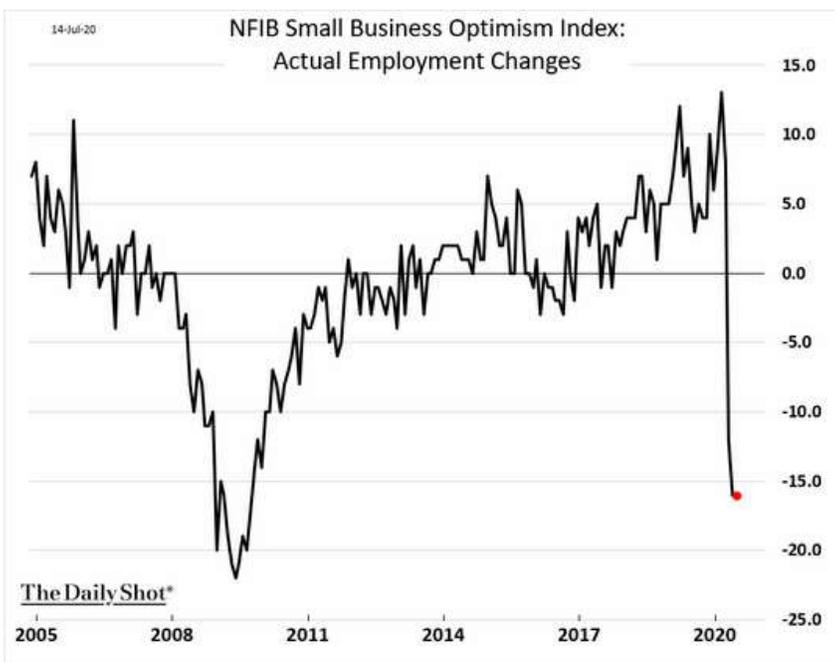
- Small firms continue to struggle, with indicators of current conditions remaining weak in June.
- Earnings:



- Compensation:

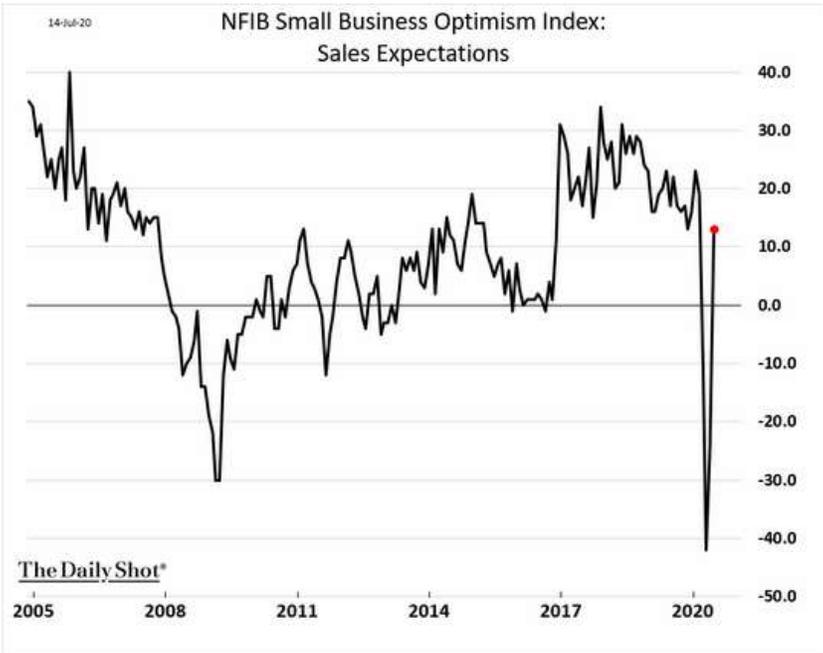


- Employment:

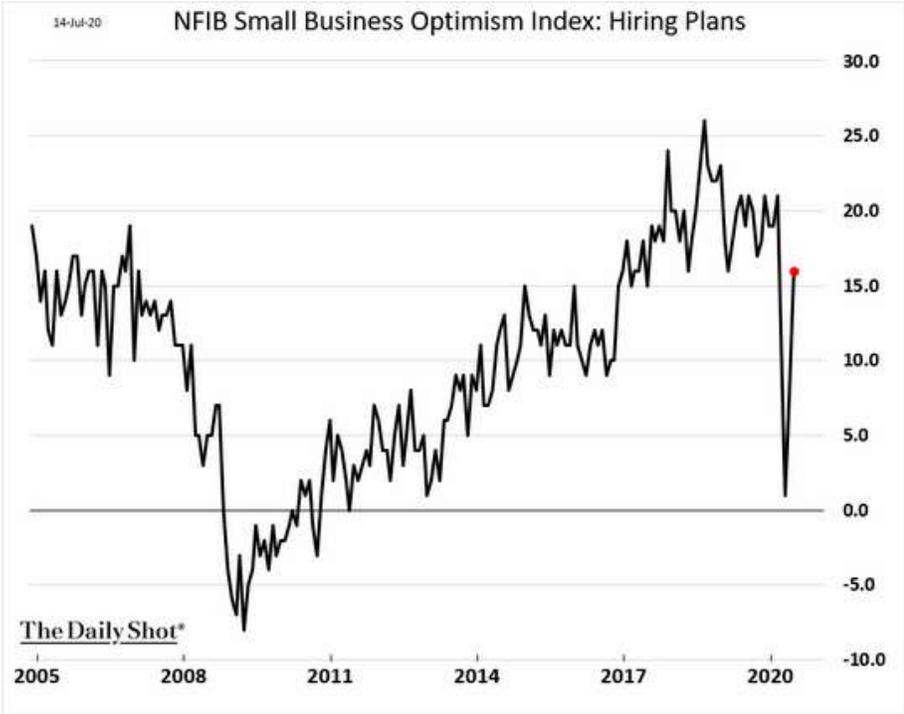


However, business owners have become more upbeat about future growth.

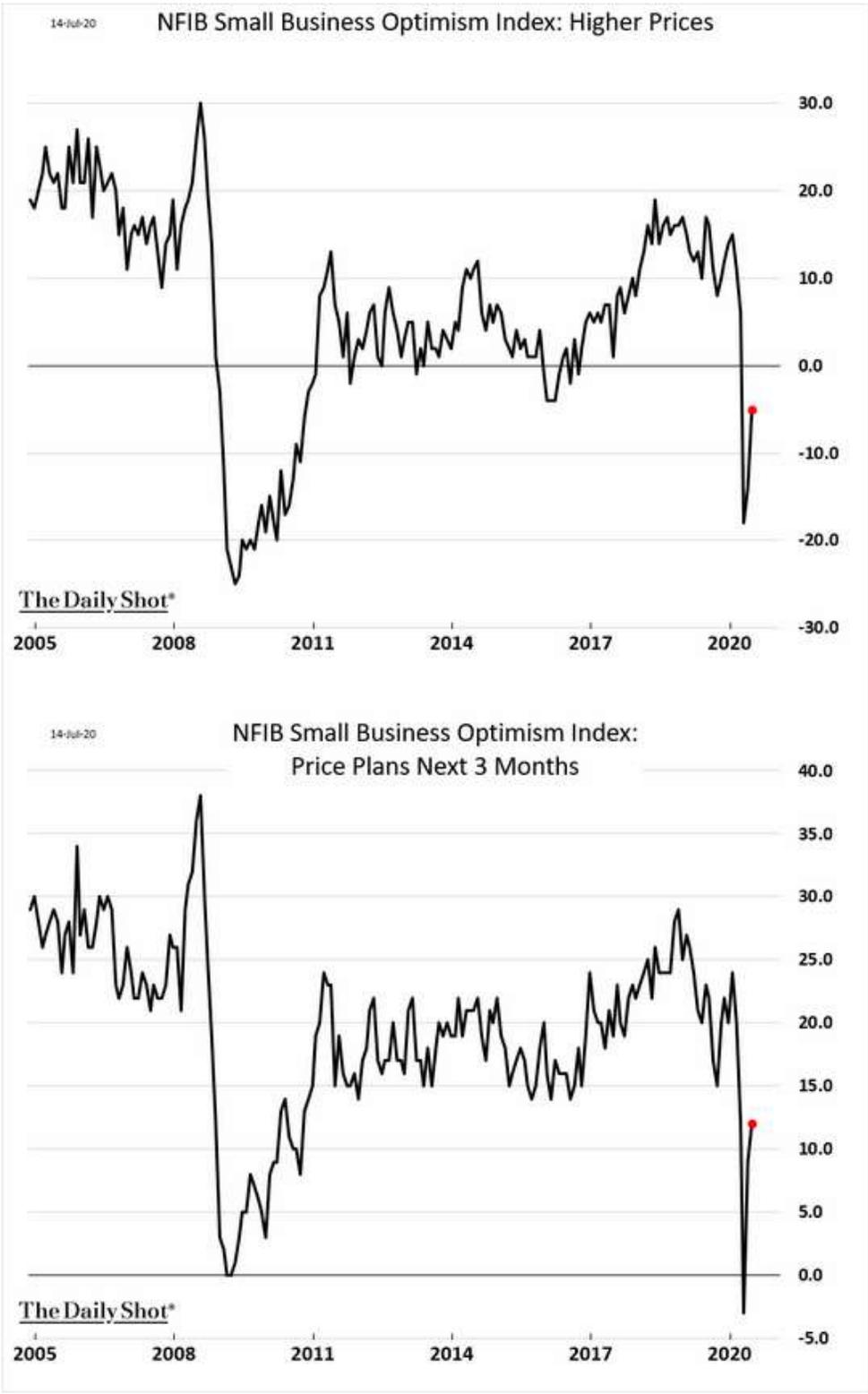
- Sales expectations:



- Hiring plans:



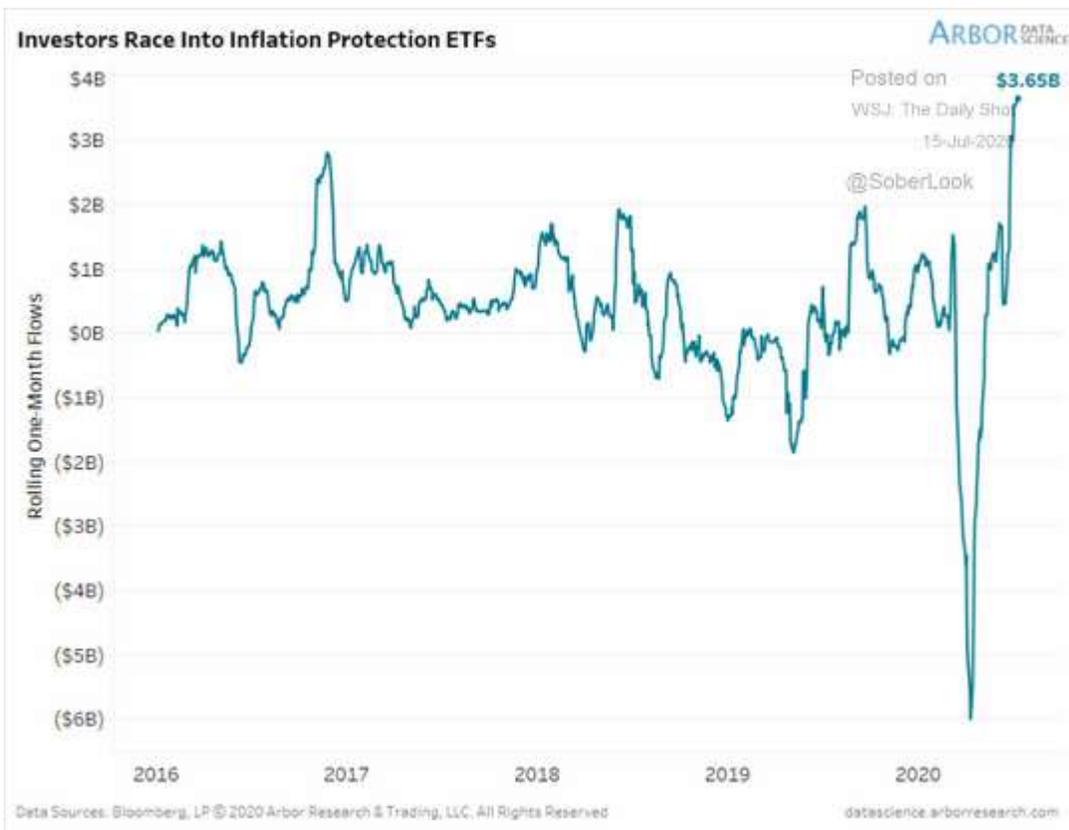
- Pricing plans:



Market-based inflation expectations have nearly recovered from the pandemic-led decline.



Demand for ETFs that invest in inflation-protected Treasuries has been robust.



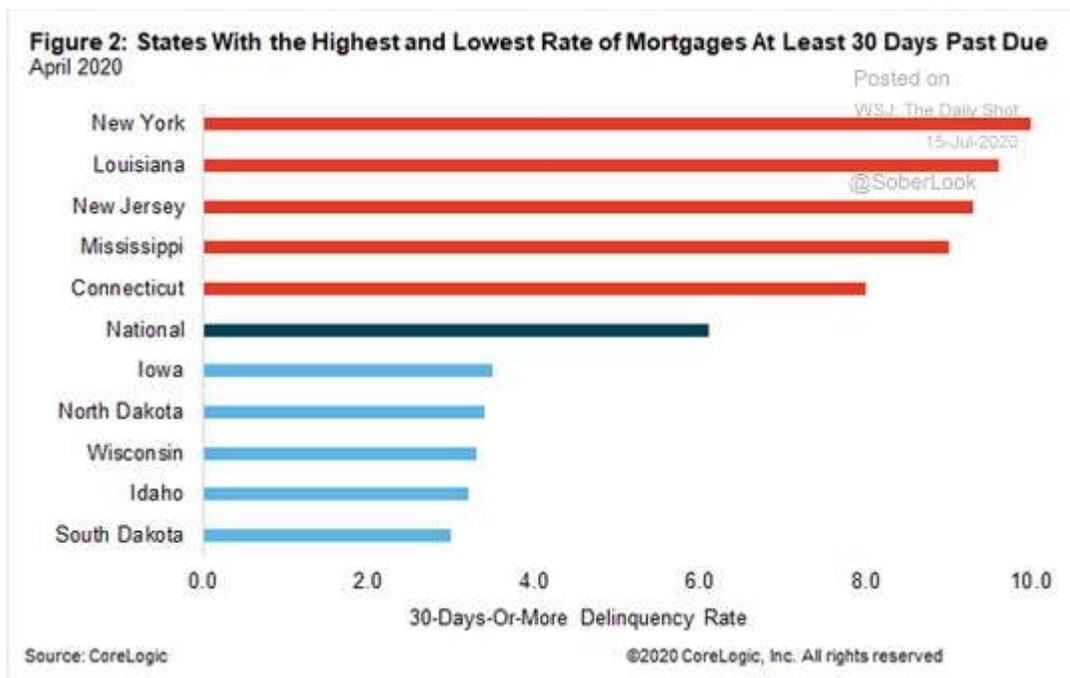
Source: [Arbor Research & Trading](#)

US mortgage delinquencies are soaring. The chart below doesn't include mortgages that are in forbearance.



Source: [CoreLogic](#)

Here are the states with the highest and lowest percentage of past-due mortgages.



Source: [CoreLogic](#)

US shares continue to outperform the rest of the world.



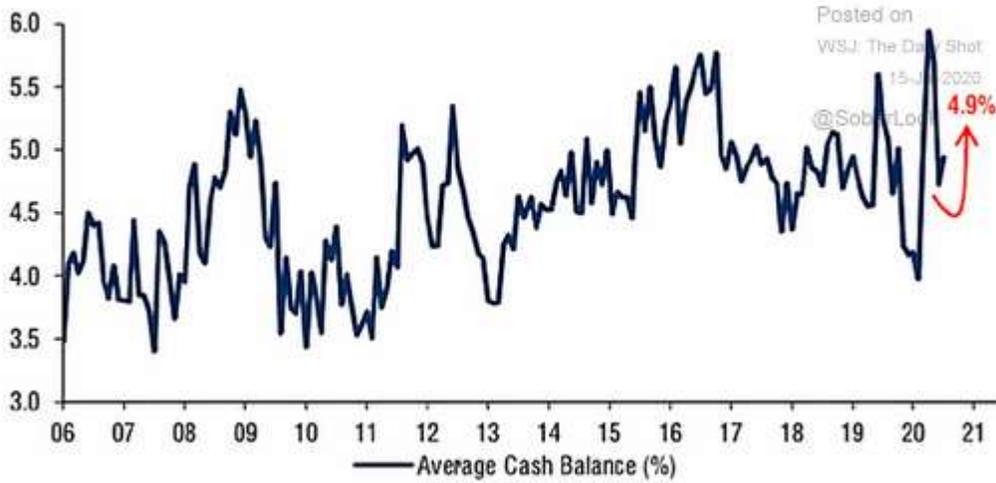
Excluding the tech mega-caps, the S&P 500 recovery has been tepid.



Source: [Deutsche Bank Research](#)

Based on cash levels, fund managers remain cautious. (Cash on the sidelines is usually bullish.)

Exhibit 1: Cash says investors still cautious on virus, macro and election



Source: BofA Global Fund Manager Survey

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

On average, the S&P 500 tends to do well after its 50-day moving average crosses above its 200-day moving average ([see chart](#)).

Days	25	50	100	200
Average	3.11%	4.01%	7.25%	13.18%
3/29/2019	3.92%	1.37%	1.92%	14.13%
4/25/2016	0.44%	0.57%	2.85%	9.91%
12/22/2015	-4.84%	-1.82%	0.40%	5.63%
2/1/2012	2.16%	3.37%	2.39%	5.32%
10/22/2010	0.53%	6.30%	10.24%	9.23%
6/24/2009	8.24%	10.41%	21.93%	29.80%
9/13/2006	3.63%	6.68%	9.12%	14.78%
11/8/2004	2.90%	1.69%	0.81%	5.92%
5/14/2003	7.54%	5.25%	8.40%	22.63%
12/11/1998	6.58%	6.24%	14.46%	14.48%

Source: [Cantor Fitzgerald Market Strategy Team](#)

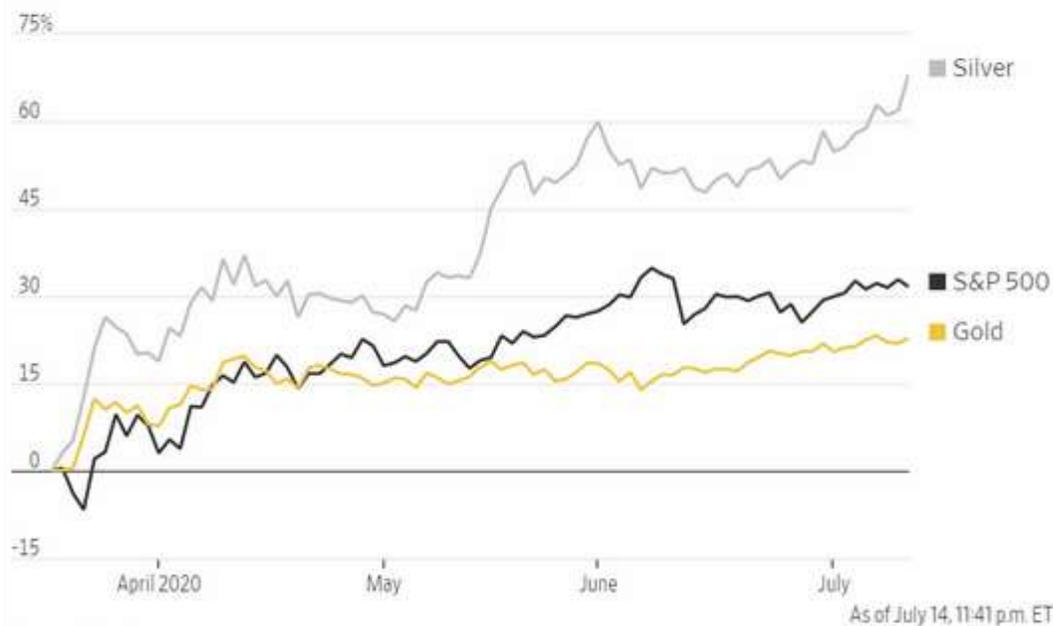
Silver has been outperforming.

Precious metal has climbed 68% since mid-March, fueled by industrial demand and investors' appetite for alternatives to gold and government bonds

WSJ: The Daily Shot
15-Jul-2020

@SoberLook

Performance since March 18

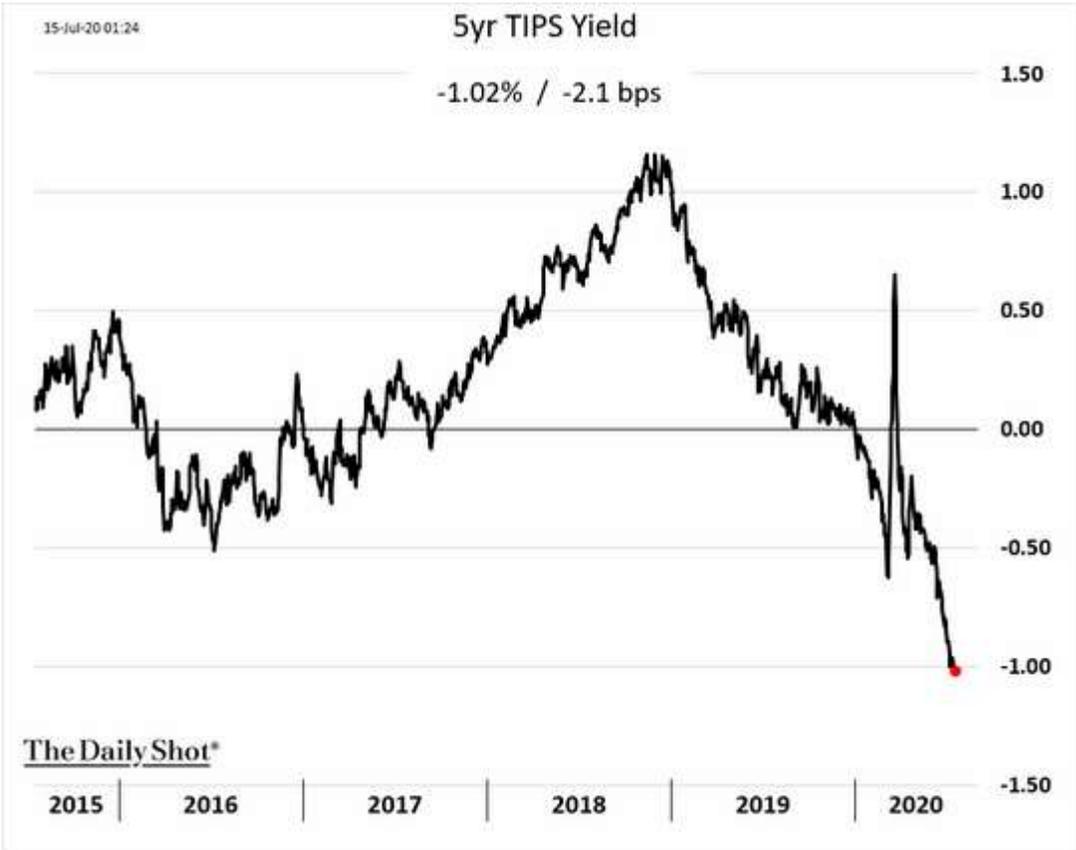


Source: FactSet

As of July 14, 11:41 p.m. ET

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

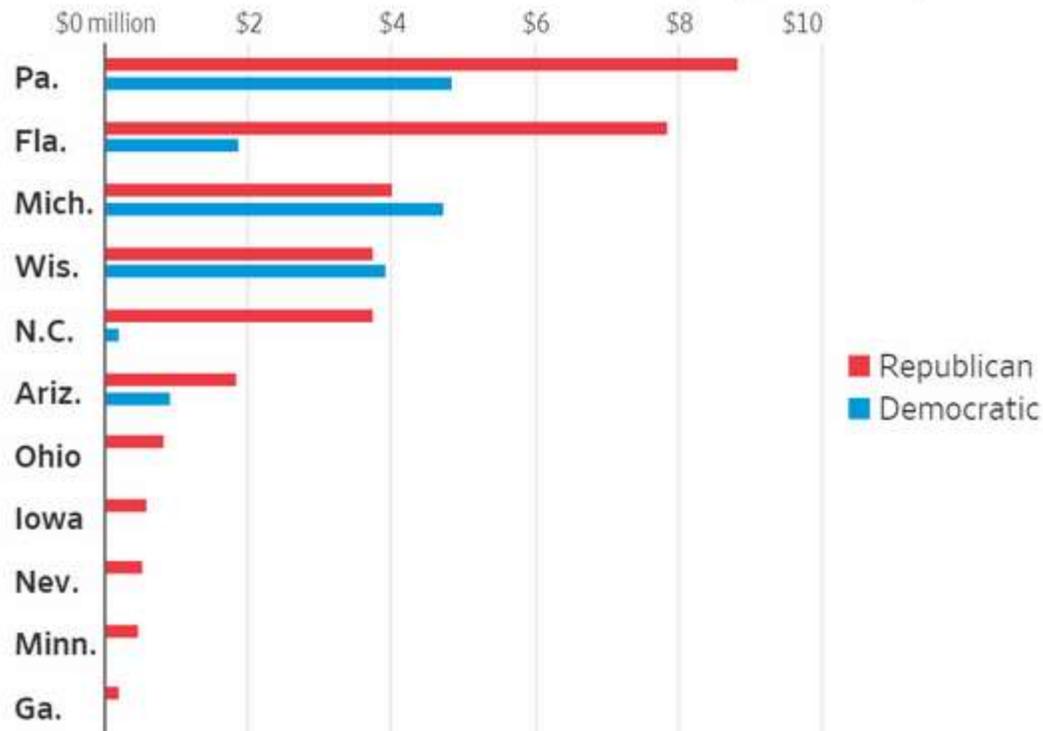
US effective real rates moved deeper into negative territory, an indication of exceptionally easy monetary conditions.



TV spending by Republicans and Democrats:

TV Spending

President Trump's campaign and the top super political action committee backing him spent more on broadcast TV ads in the second quarter of 2020 than former Vice President Joe Biden's campaign and his top allies.



Note: Republican totals include spending by Trump campaign and America First Action PAC. Democratic totals include Biden campaign and Priorities USA.

Source: Kantar/CMAG (March 31 - June 29)

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

Where high-skilled immigrants are needed:

Where High-Skilled Immigrants Are Most Urgently Needed

Breakdown of approved H-1B petitions in the U.S. in FY 2019, by occupation group*



H-1B petitions in FY 2019

Filed 420,549
Approved 388,403

* October 1, 2018 - September 30, 2019

Source: U.S. Citizenship and Immigration Services



statista

Source: [Statista](#)

When reviewing the attached material, it is important to remember that past performance is not indicative of future results.

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