

Nick Lampone

From: Nick Lampone
Sent: Friday, October 2, 2020 7:57 AM
Subject: Morning CORE
Attachments: Core logo.png

US Futures-World Markets: S&P futures are fading on news that President Trump and the First Lady tested positive for Covid-19. The risk-off trade is back with the VIX +9% this morning. We knew volatility would remain high around the election, but this one was not on the radar. Does the President's positive test make a stimulus package more likely? I have no idea how this affects the campaign, but we're only 32 days away from the election, so we have that going for us, which is nice. Caddyshack for younger crowd <https://bit.ly/3iNTcC>. September Jobs data is out at 8:30am. Oil is down 4% this morning after earlier losses this week. S&P Futures vs. Fair Value: -54.20, 10-Yr Yield: 0.665%.

CORE Headlines:

- House passes \$2.2 trillion stimulus bill 214-207, but it currently has no chance of passing the Senate. Talks are ongoing to reach a bipartisan compromise, but both sides remain far apart on some issues.- WaPo
- Mississippi becomes first state to remove mask mandate.-Forbes
- General Motors (**GM**) mulling increased stake in Nikola (**NKLA**).-Bberg
- Though consumer spending rose in August, US household income fell sharply in late summer while worker layoffs remained high, developments that could weigh on an already-slowing recovery from the coronavirus pandemic.-WSJ
- The Justice Department's efforts to prosecute some Chinese researchers in the US accused of hiding their ties to the Chinese government is facing increasing pushback from some academics and Chinese-American groups.-WSJ
- Russia's top arms-control negotiator rejected the Trump administration's core requirements for a new nuclear arms-control treaty, diminishing the White House's hopes of concluding an election-year agreement with Moscow.-WSJ
- A report from real estate brokerage firm Colliers Group says net absorption—or occupancy—a key measure of demand for big warehouses, rose 51% in the first half as the pandemic-driven surge in online sales sent companies scrambling for space to store goods.-WSJ
- **AAPL:** iPhone sales are poised to get a boost as **Huawei** winds down smartphone production, according to **Cowen** analyst Krish Sankar, who said its smartphone shipments could end by the second quarter next year, potentially leaving 15-20M in annual premium device sales up for grabs.-IBD
- A survey from Accenture found that 76% of US consumers said retailers should be closed on Thanksgiving, with slightly over half of the respondents saying workers deserved the day off, while others said they should spend time with their families.-NYP (I agree)
- China has kicked off Golden Week, the annual spree of shopping and travel built around the October 1 National Day celebrations, the first major holiday since the country brought its epidemic more or less under control.-NYT
- Assets such as gold and US Treasurys failed to provide the hedge in September that they normally do in a stock market rout, compounding investors woes in the worst month for global equities since the coronavirus nadir in March.-FT

Interesting Reads/Charts:

- LA Times: A look at Stevie Nicks <https://lat.ms/3nd8jZ2>
- Virtual work partners to help you focus <https://bit.ly/2Ga3Rd9>
- Institutional Investor: The future according to Chamath Palihapitiya <https://bit.ly/3nbiP37>

Charts from The Daily Shot:

The market-based probability of Pence winning the 2020 election jumped after Trump's positive test.

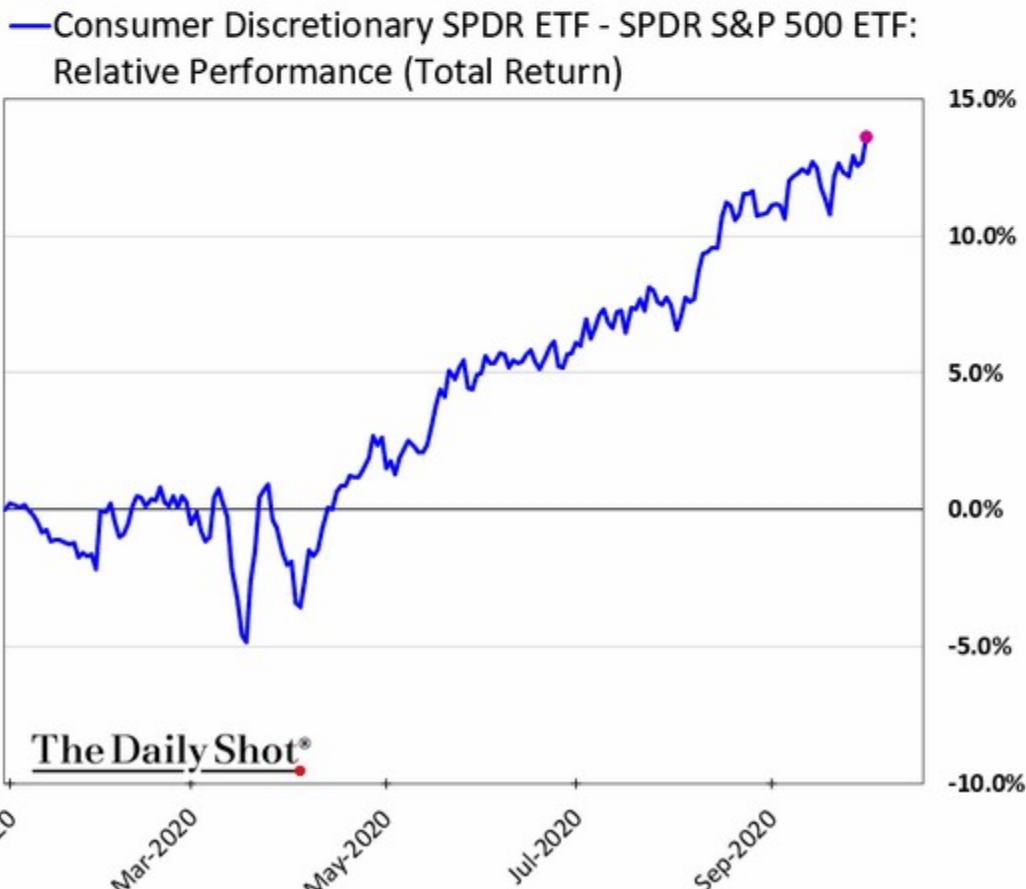


The CBOE Skew Index continues to fall amid increased demand for downside protection (deep out-of-the-money put options).

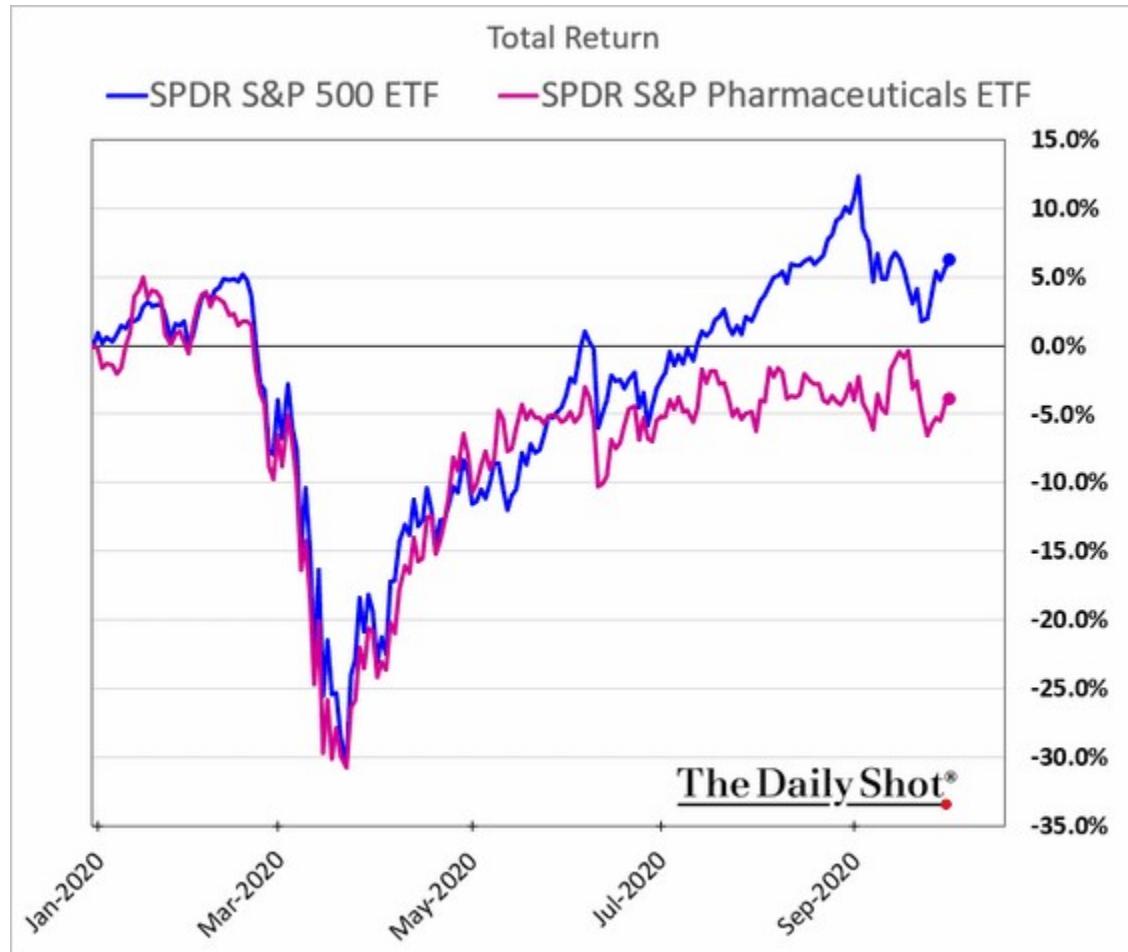


Some charts on year-to-date performance:

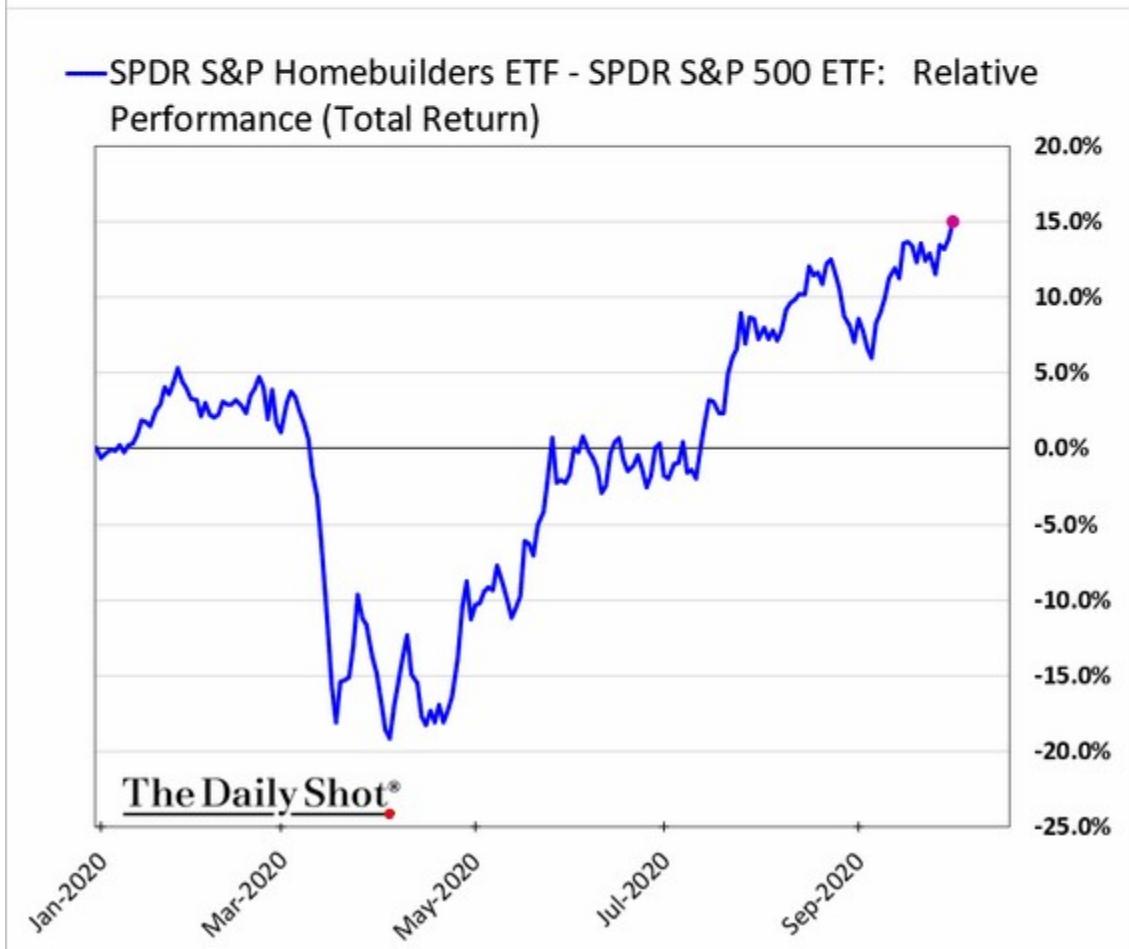
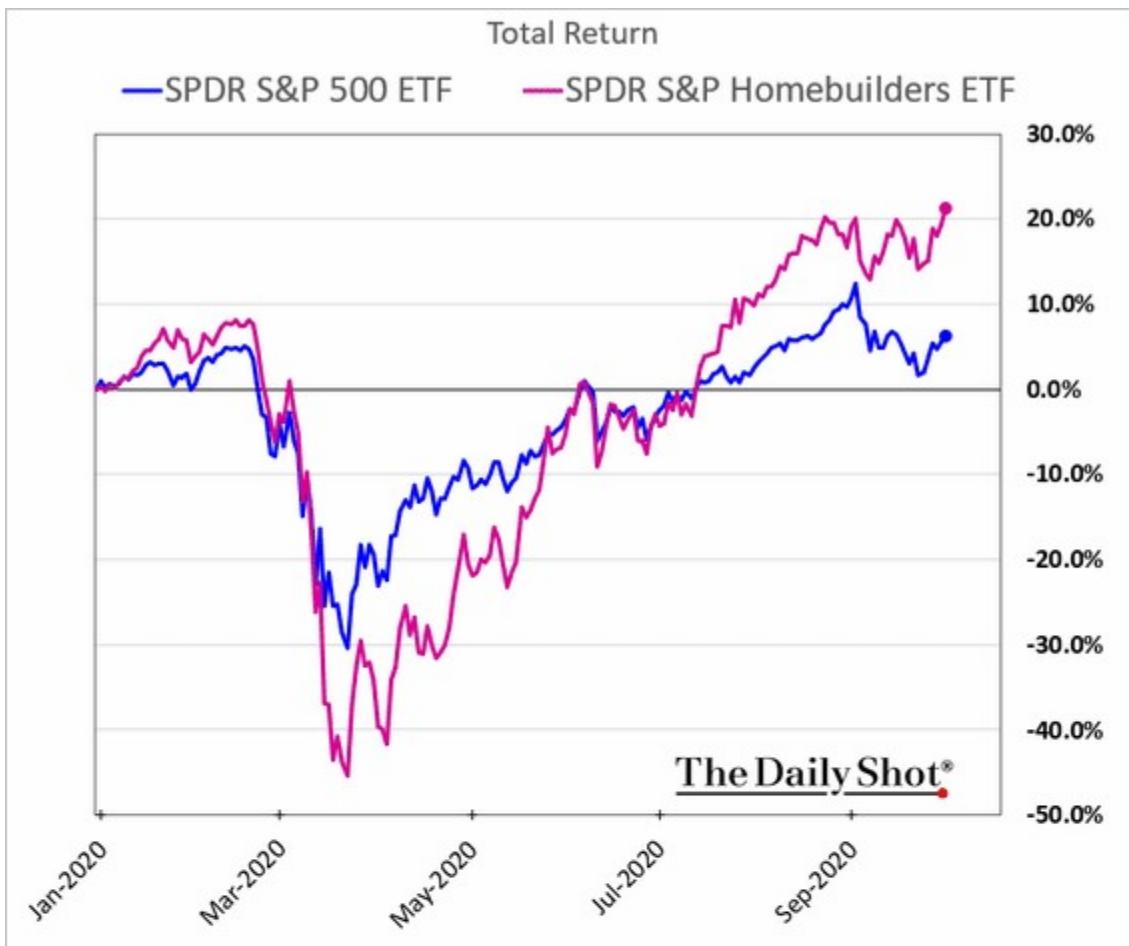
- Consumer discretionary:



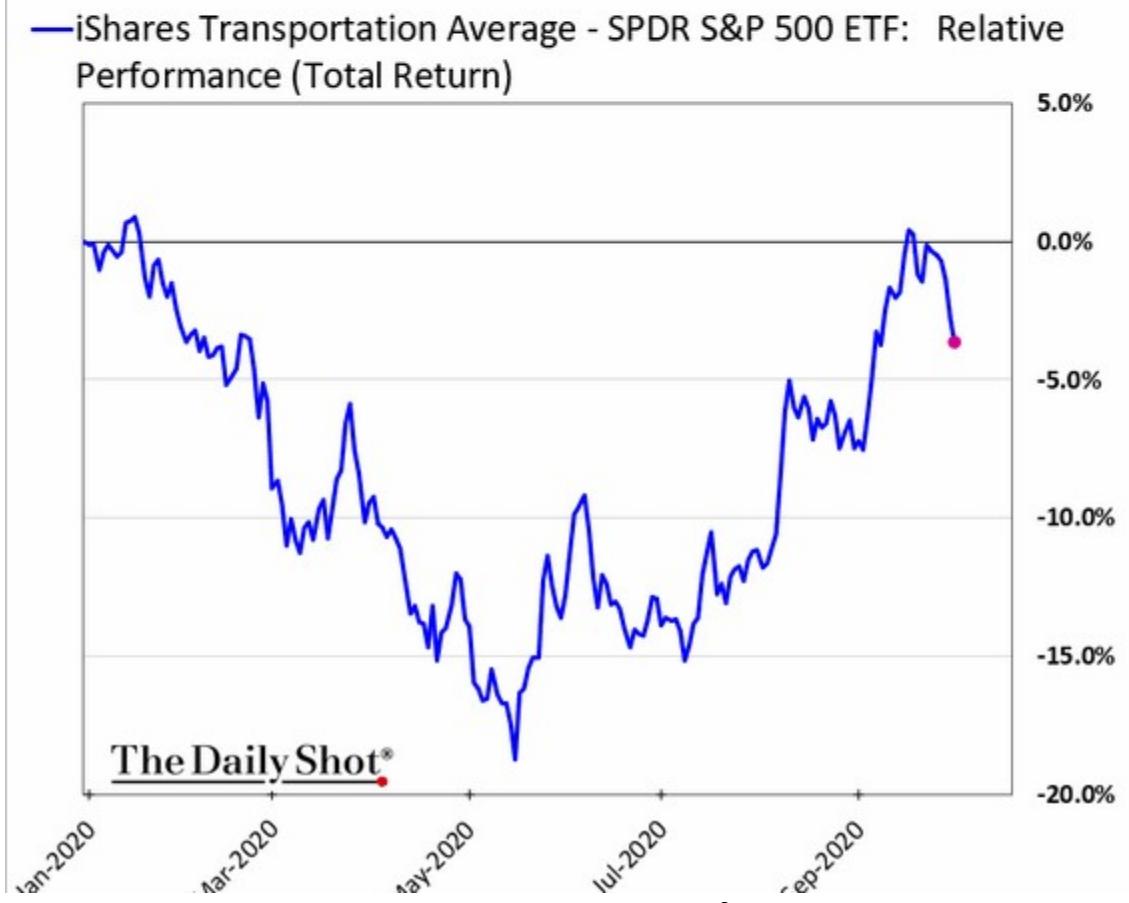
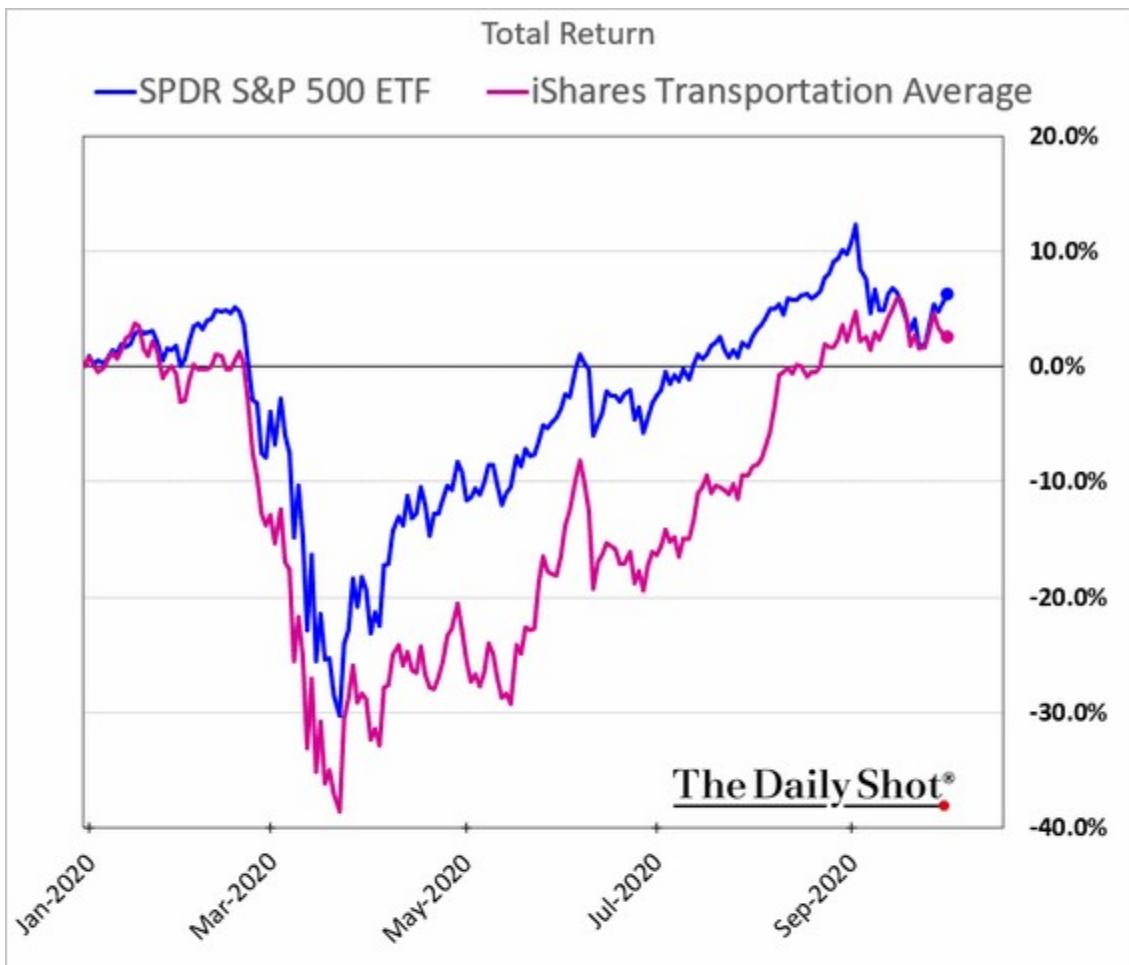
— Pharma:



— Housing (and related stocks) —



— Transportation:





— Real estate operators (REITs):



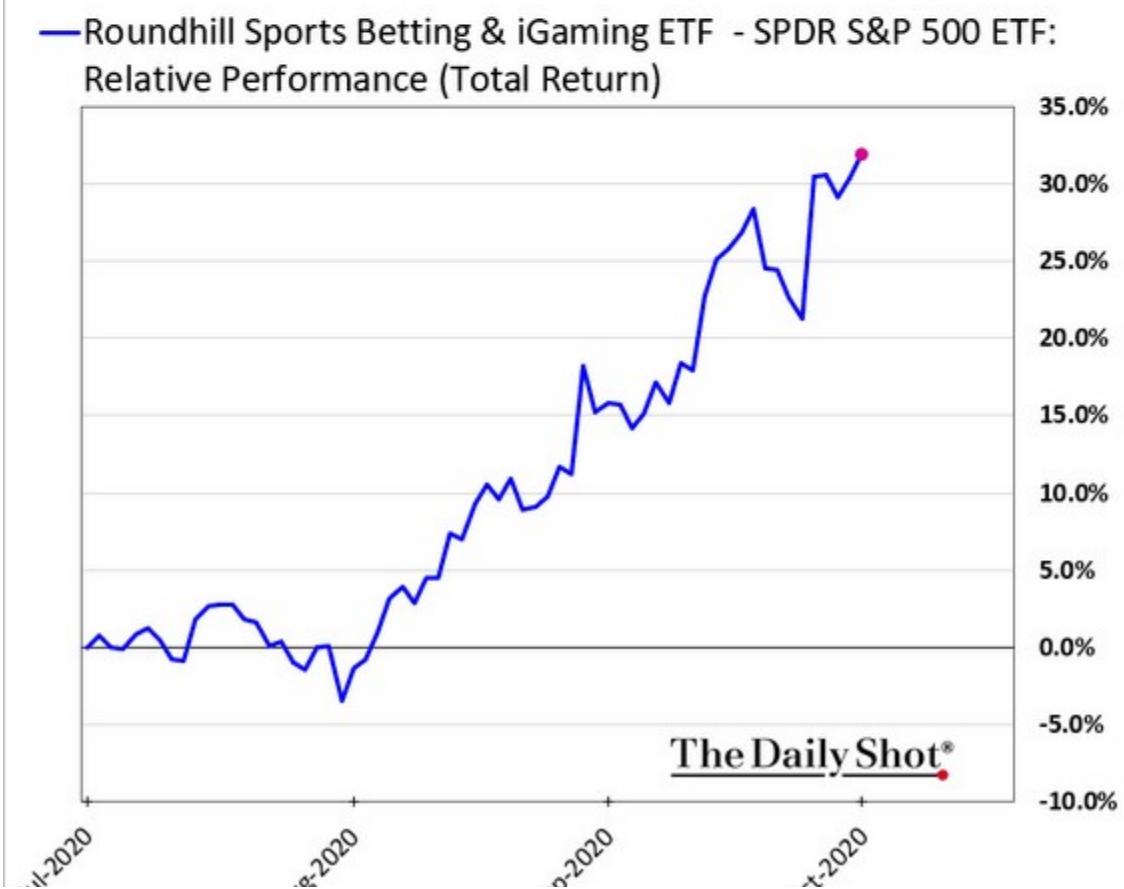
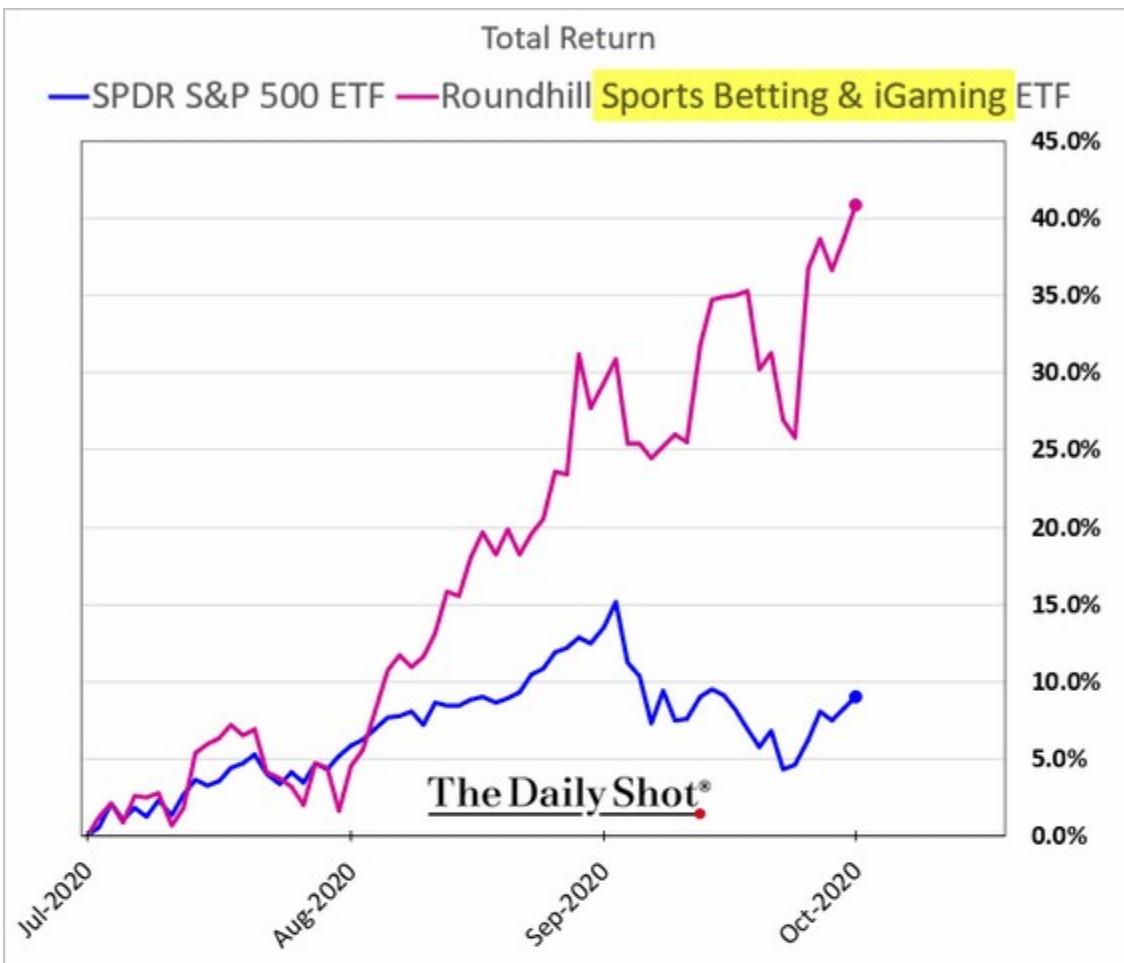
— Energy:



— Energy Sector SPDR ETF - SPDR S&P 500 ETF: Relative Performance (Total Return)

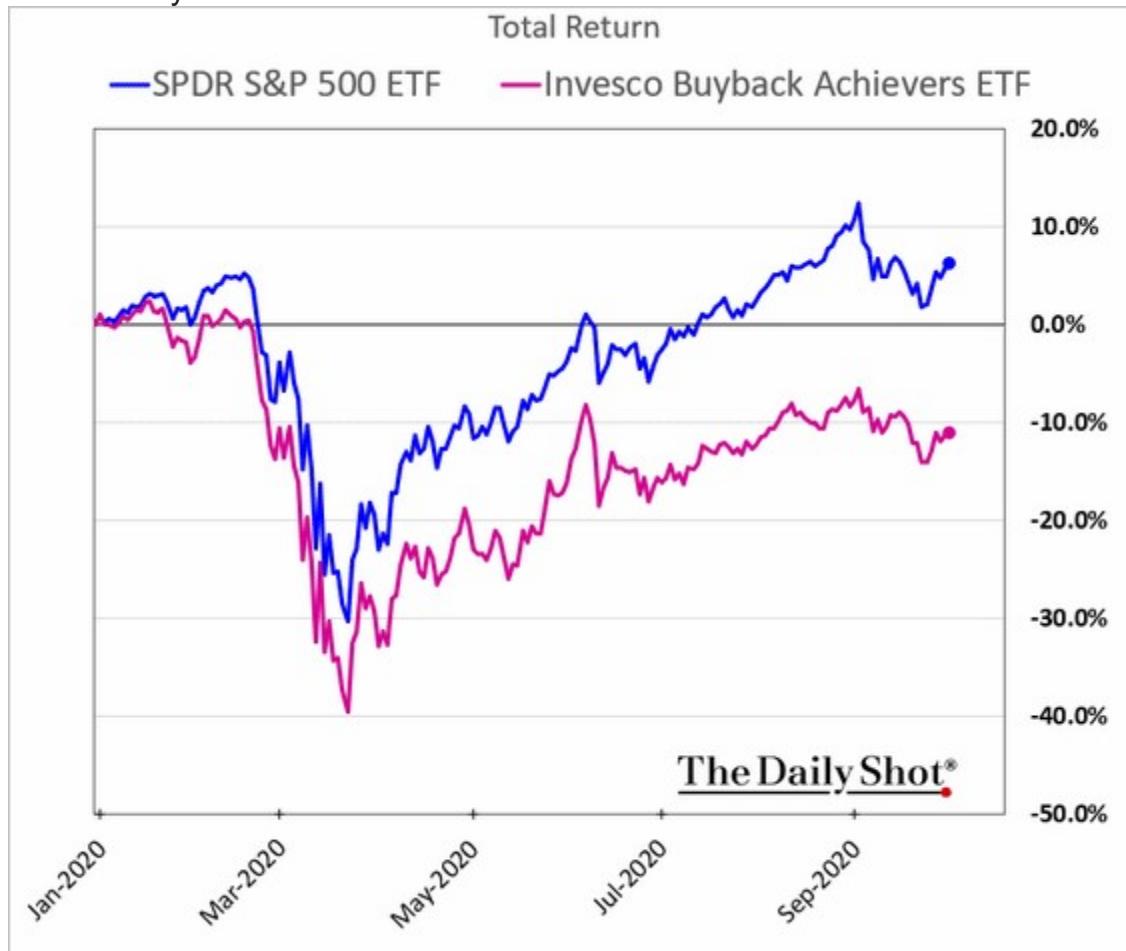


Sports betting (3 months): DraftKings is +477% YTD



some year-to-date style/factor performance charts.

— Share buyback focus:



— Dividend Dogs:



Small caps:



Growth vs. value:



The increase in money-market fund assets has been much sharper during this recession.

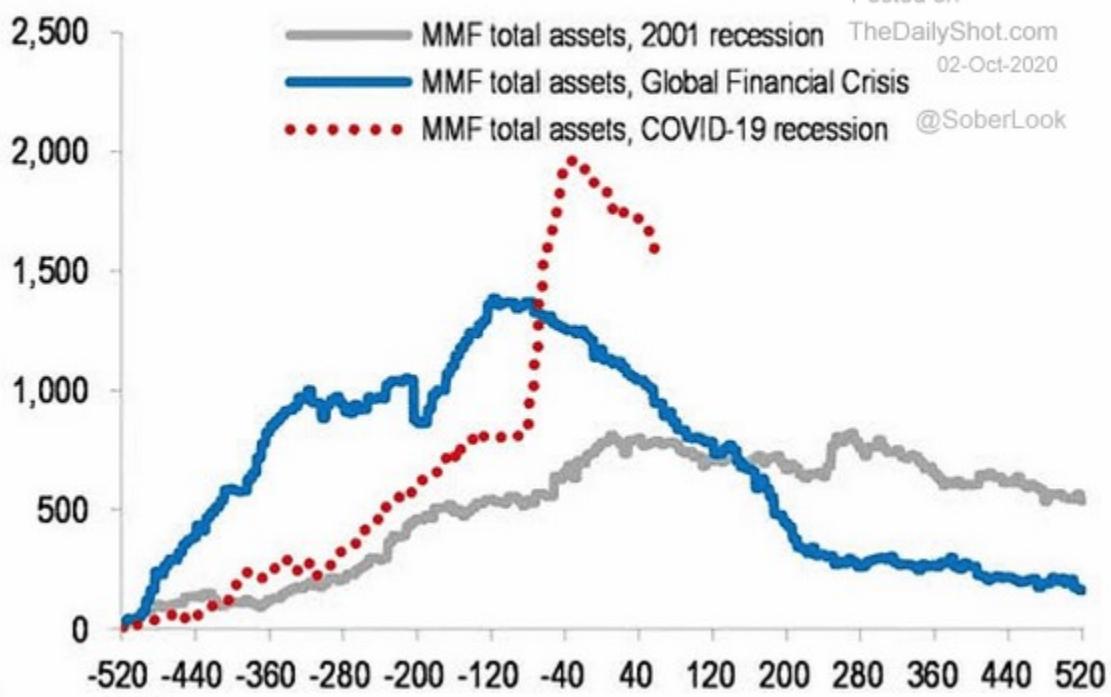
Cumulative change in US money market fund holdings (retail and institutional) in two years before and after end of recessions in 2001, 2008-09 and 2020. US\$ bn.

Posted on

TheDailyShot.com

02-Oct-2020

@SoberLook

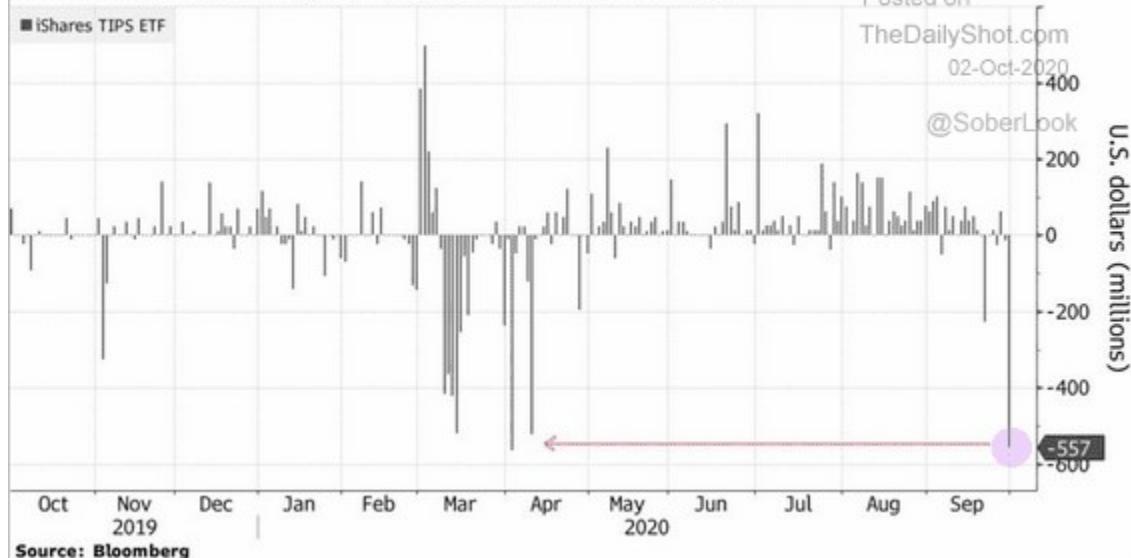


source: J.P. Morgan

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

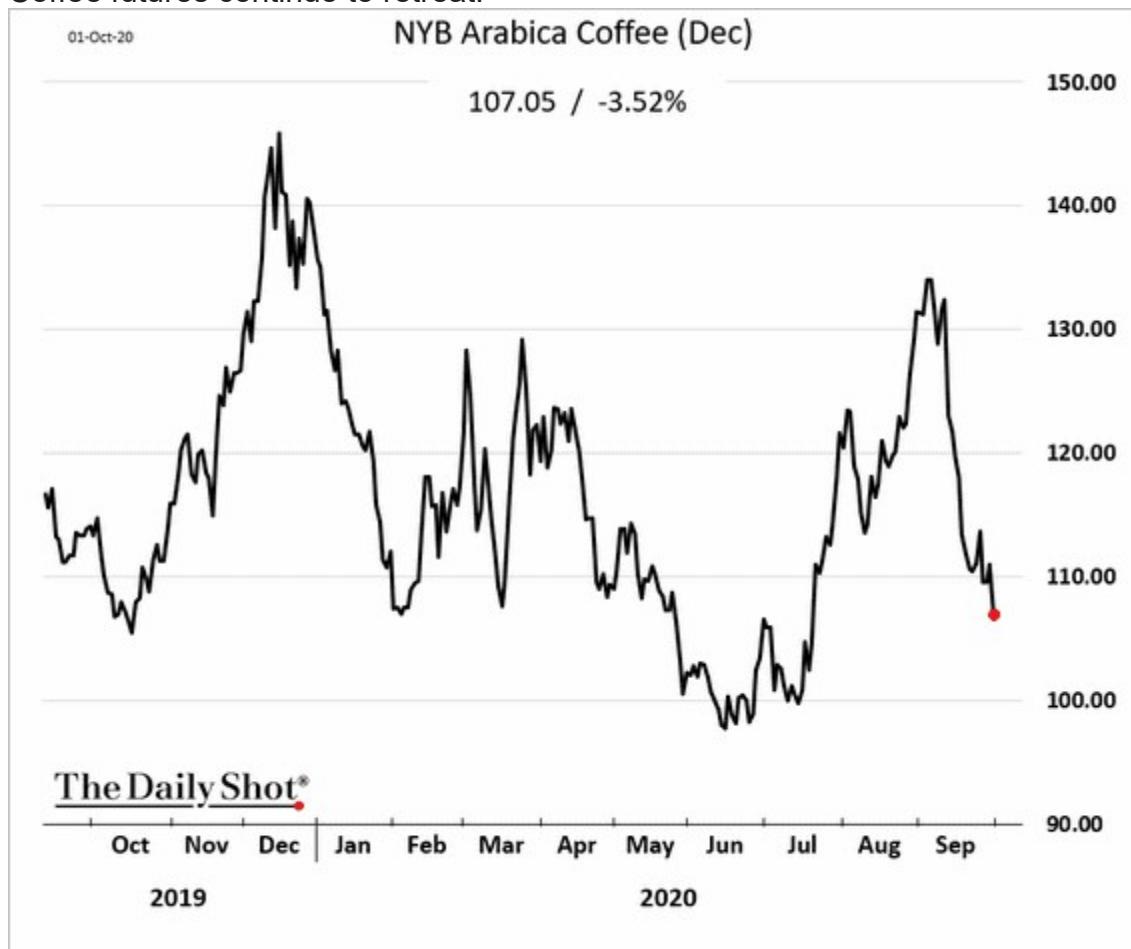
Someone is unloading [TIPS](#). Is the rally over?

Heading for the Exits Inflation-focused ETF posts biggest outflow since April



Source: Bloomberg [Read full article](#)

Coffee futures continue to retreat.



Brent is below \$40/bbl again and testing support.



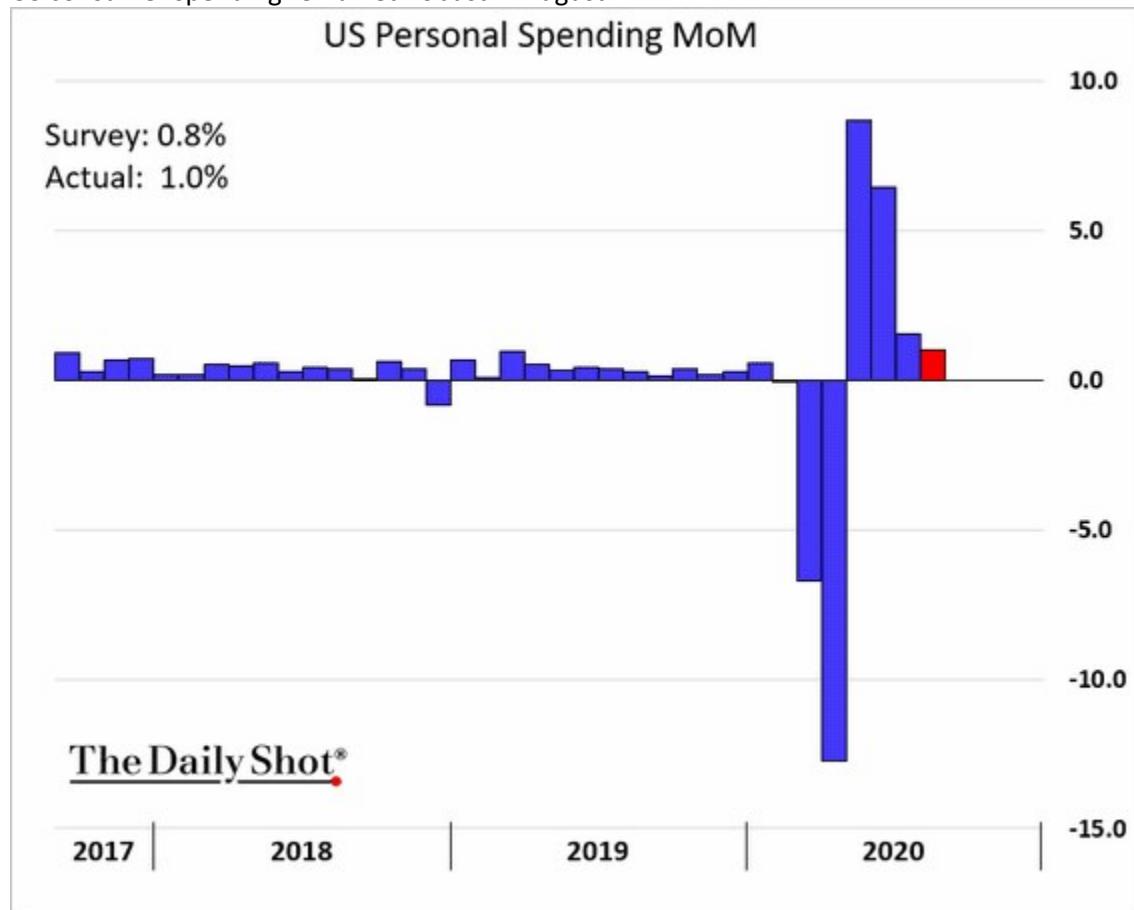
Source: [@TheTerminal, Bloomberg Finance L.P.](#)

Bitcoin is consolidating. Will we see a breakout?

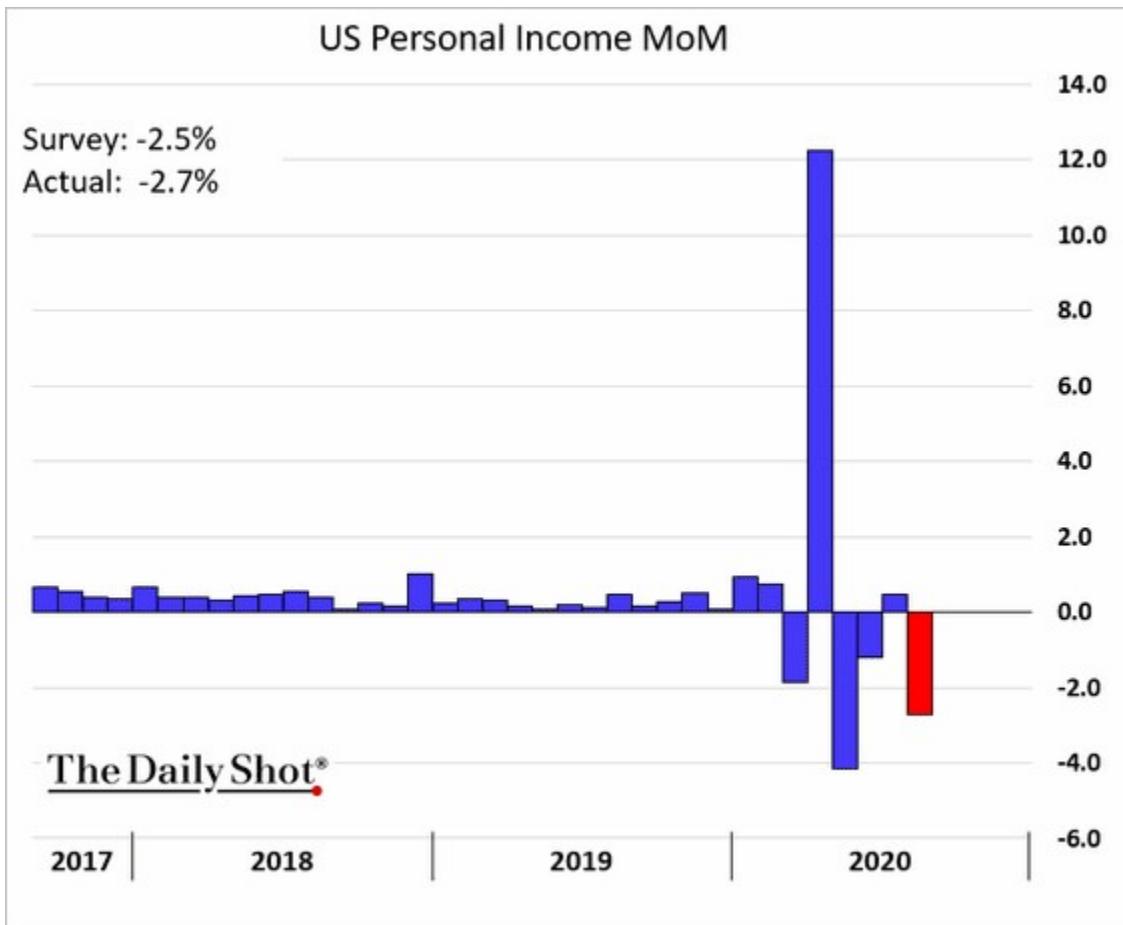


Source: [@TheTerminal, Bloomberg Finance L.P.](#)

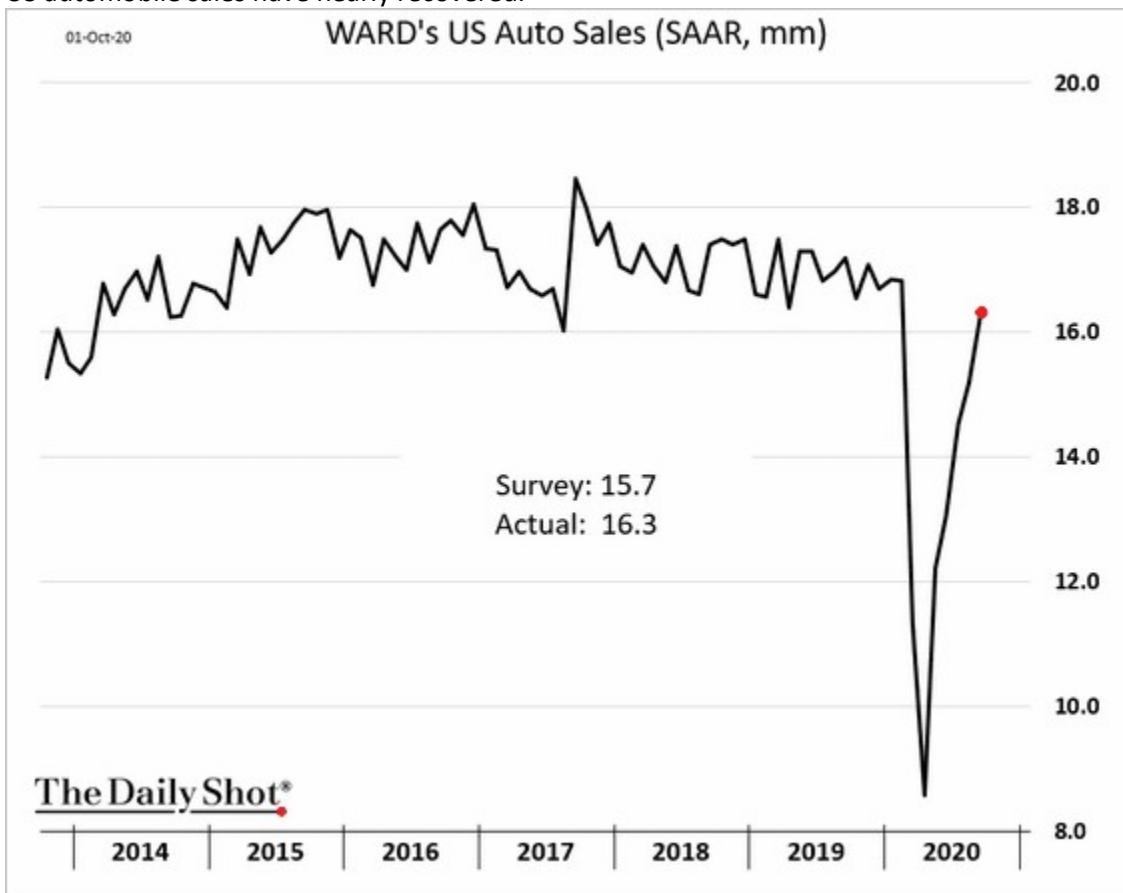
US consumer spending remained robust in August.



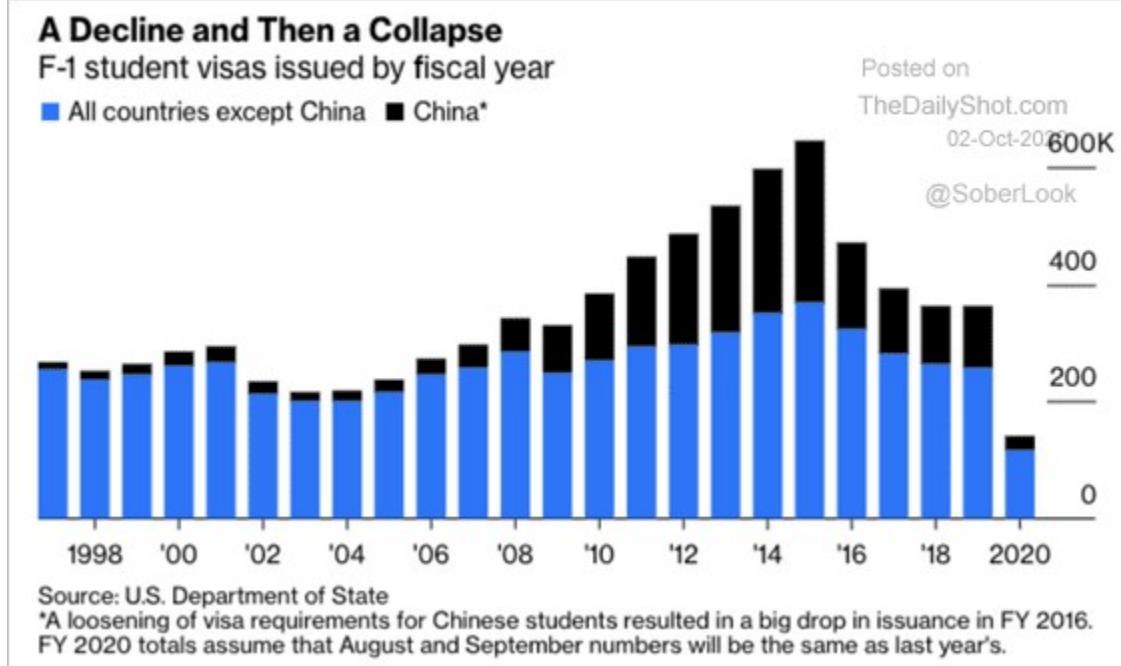
But incomes declined.



US automobile sales have nearly recovered.



Student visas (a major loss for universities and their balance sheets)



Source: @bopinion [Read full article](#)

Which small businesses are struggling?

Home, Local, Professional, and Auto Services Prove Their Strength Amid the Pandemic

Posted on

TheDailyShot.com

02-Oct-2020

@SoberLook



= 1 business closed per 1,000 businesses since March 1
@SoberLook

Home, local, professional, and auto services businesses have been staying afloat

Lawyers
1.6 per 1k businesses



Architects
2.0



Accountants
2.9



Body Shops
6.3



Towing
6.5



Contractors
6.6



Plumbing
6.8



HVAC
8.0



Tree Services
9.0



Auto Repair
9.1



Landscaping
9.5



Roofing
9.9



Restaurants and retail businesses have been struggling

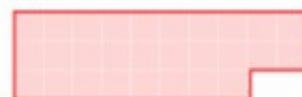
Women's Clothing
24.2 per 1k businesses



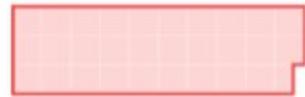
Pizza
25.8



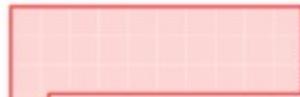
Food Trucks
28.1



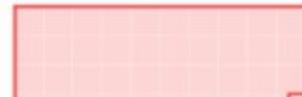
Home Decor
29.6



Men's Clothing
31.3



Gift Shops
39.4



Sandwiches
55.3



Burgers
56.0



Breakfast and Brunch
56.8



Source: Yelp [Read full article](#)

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

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