

## **Nick Lampone**

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**From:** Nick Lampone  
**Sent:** Friday, October 9, 2020 8:03 AM  
**Subject:** Morning CORE  
**Attachments:** Core logo.png

Happy Friday. Here's some Love Train to start your day the right way <https://bit.ly/3lu7QiD> . Is that ReeRun at the 1:08 mark or am I going crazy? Disregard that joke if you are younger than 45 years old.

**US Futures-World Markets:** S&P futures are higher as investors anticipate another round of economic stimulus. President Trump said he wants a 'big' proposal in a reversal from his position on Tuesday. It was all a bluff anyway, but can the morons in DC get it done? We shall see. Presidential polls show Biden with a commanding lead. This has contributed to a risk-on rally. A delayed or contested election seems less likely, so investors are buying equities now instead of waiting until after the election. I think Trump bouncing back so quickly from COVID-19 has given hope on the treatment and vaccine front. Oil edged lower as Hurricane Delta interrupts production in the Gulf of Mexico. The Supreme Court heard oral arguments in Oracle vs Google yesterday. Sounds like it didn't go well for Google. S&P Futures vs. Fair Value: +15.60, 10-Yr Yield: 0.769%.

### **CORE Headlines:**

- Even though they fell slightly last week, US unemployment claims remained elevated above pre-pandemic highs as layoffs persist and the labor-market recovery indicates signs of slowdown.-WSJ
- Religious groups filed two lawsuits challenging the constitutionality of New York governor Andrew Cuomo's order limiting the size of gatherings inside houses of worship in communities seeing a rise in Covid-19 cases.-WSJ
- Global demand for oil is unlikely to peak for two more decades but may already have crested in the US and other wealthier countries, according to a forecast by OPEC, which expects demand to fall more than 10 percent among the world's richest economies this year.-WSJ
- **AMGN, CYTK:** Shares of both companies dropped after they released disappointing results in a key final-phase clinical trial for omecamtiv mecarbil, a heart treatment they are partnering on—SVB Leerink analyst Geoffrey Porges said it was a disappointing result after 15 years of research and development.-IBD
- Senate majority leader Mitch McConnell said he hasn't visited the White House in two months because of its lax coronavirus practices, noting the Senate has chosen to insist on masks and social distancing to handle the pandemic.-USA
- The Trump admin imposed a new round of economic sanctions against Iran's financial sector, as Washington seeks to increase pressure on Tehran in the weeks leading up to the presidential election.-NYT
- Investors are growing increasingly aware of the risk of a decline in long-term US government bond prices that would occur after the November election, when a more robust economic recovery and additional government spending are likely to occur.-FT
- Federal and local prosecutors in Michigan arrested 13 men in a militia group called Wolverine Watchmen for attempting to kidnap Gretchen Whitmer, the state's Democratic governor, because of her coronavirus lockdown actions.-FT
- Republican President Donald Trump prepared to return to the campaign trail with a pair of weekend rallies after his COVID-19 diagnosis sidelined him for a week in the race against Democratic nominee Joe Biden for the White House.-Reuters

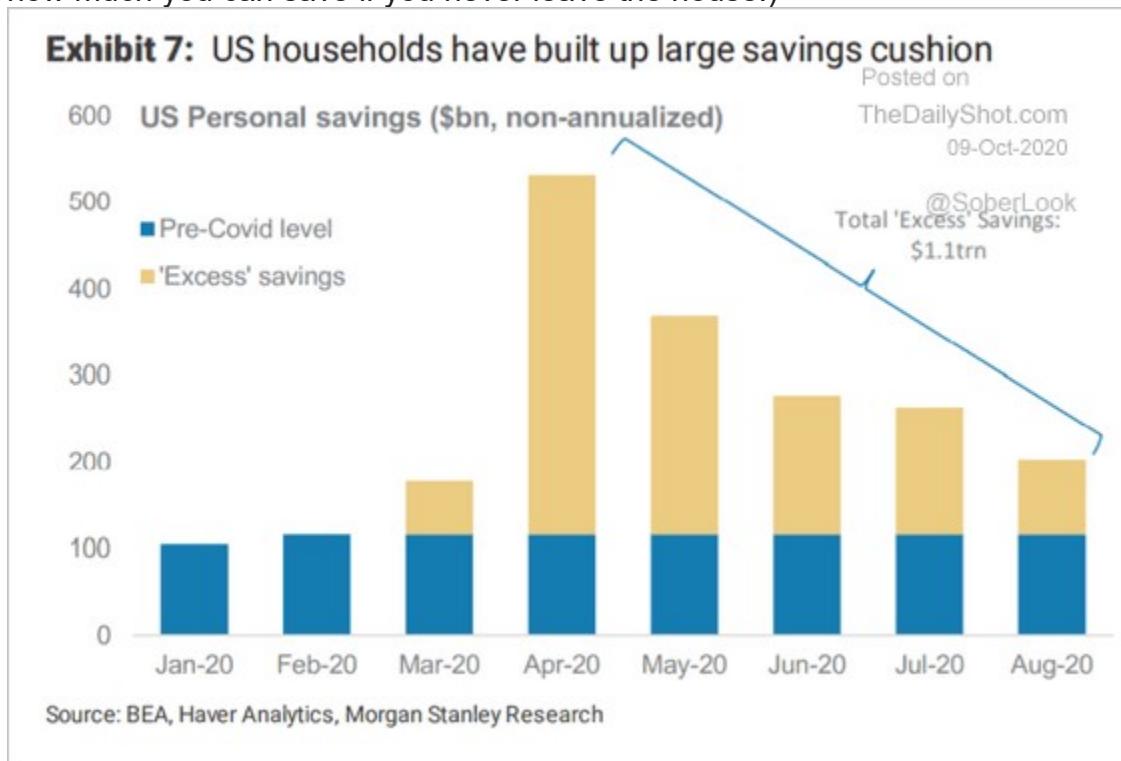
- IBM will make its bow in the esports industry after signing a multi-year deal with the Overwatch League, the world's first global esports league with city-based teams across Asia, Europe, and North America.-Reuters
- President Trump: May do public events sooner than Sat, will do another coronavirus test on Friday; To try to conduct rally on Sat night, probably in Florida - Fox News Interview
- AMD is in advanced talks to buy Xilinx in a \$30 billion tie-up.-WSJ (XLNX +16% pre-market)
- Belgium chose Nokia to help build 5G networks in a blow to Huawei.-Reuters

### **Interesting Reads/Charts:**

- The Hustle: The economics of the vending machine business <https://bit.ly/2SHB16w>
- Bloomberg: Top 50 richest people in the US are worth as much as poorest 165 million <https://bloom.bg/3nozwYS> (thx John)
- Atlassian: This is how many hours you should really be working each week <https://bit.ly/30Naklj>

Charts from The Daily Shot:

According to Morgan Stanley, US households have built up substantial 'excess' savings. (It's amazing how much you can save if you never leave the house.)

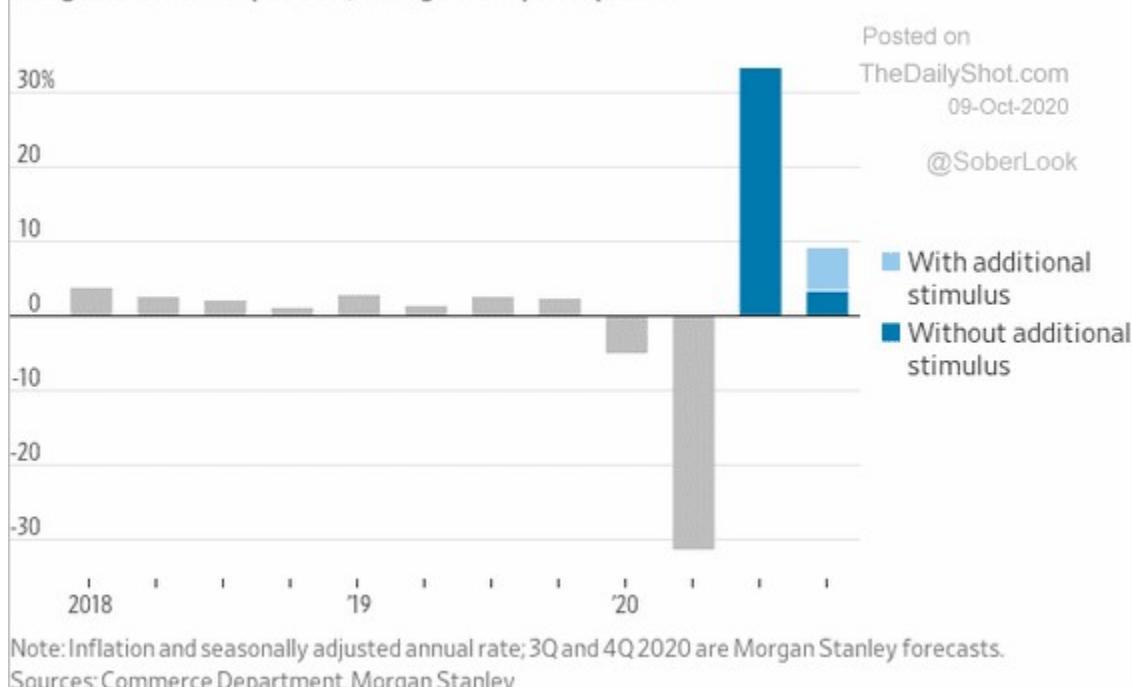


Source: [Morgan Stanley Research](#)

Will this cash cushion help power the economy despite the lack of progress on stimulus? Here is a

projection for the current quarter's growth with and without additional government support.

#### U.S. gross domestic product, change from prior quarter



Note: Inflation and seasonally adjusted annual rate; 3Q and 4Q 2020 are Morgan Stanley forecasts.

Sources: Commerce Department, Morgan Stanley

Source: [@jeffsparshott](#), [@WSJ](#)

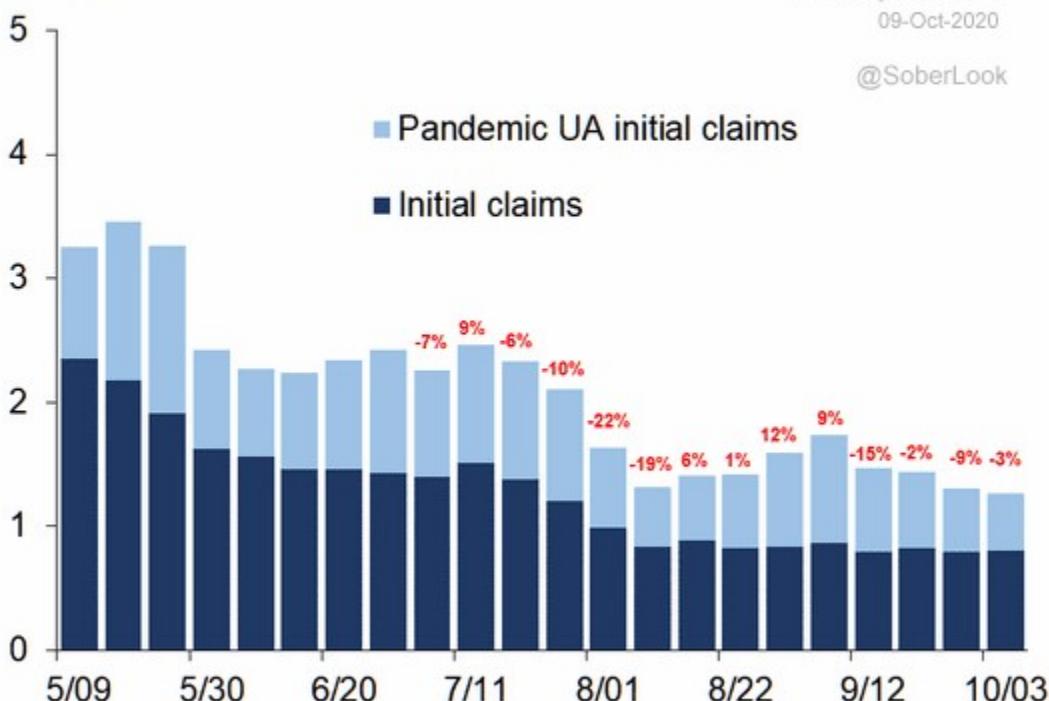
Total initial jobless claims are holding above one million per week.

#### US: Total initial claims for unemployment benefits

Millions, nsa

Posted on  
TheDailyShot.com  
09-Oct-2020  
@SoberLook

■ Pandemic UA initial claims  
■ Initial claims



Source : Oxford Economics/Haver Analytics

Source: [Oxford Economics](#)

Bloomberg's consumer sentiment index pulled back over the past couple of weeks as Americans became less upbeat about their personal finances. (I'm sure the politicians are looking at these charts.)

08-Oct-20

### Bloomberg US Weekly Consumer Comfort Index

Latest: 48.0

70.0

65.0

60.0

55.0

50.0

45.0

40.0

35.0

30.0

The Daily Shot\*

Oct Nov Dec | Jan Feb Mar Apr May Jun Jul Aug Sep  
2019

2020

08-Oct-20

### Bloomberg US Weekly Personal Finance Index

Latest: 61.7

75.0

70.0

65.0

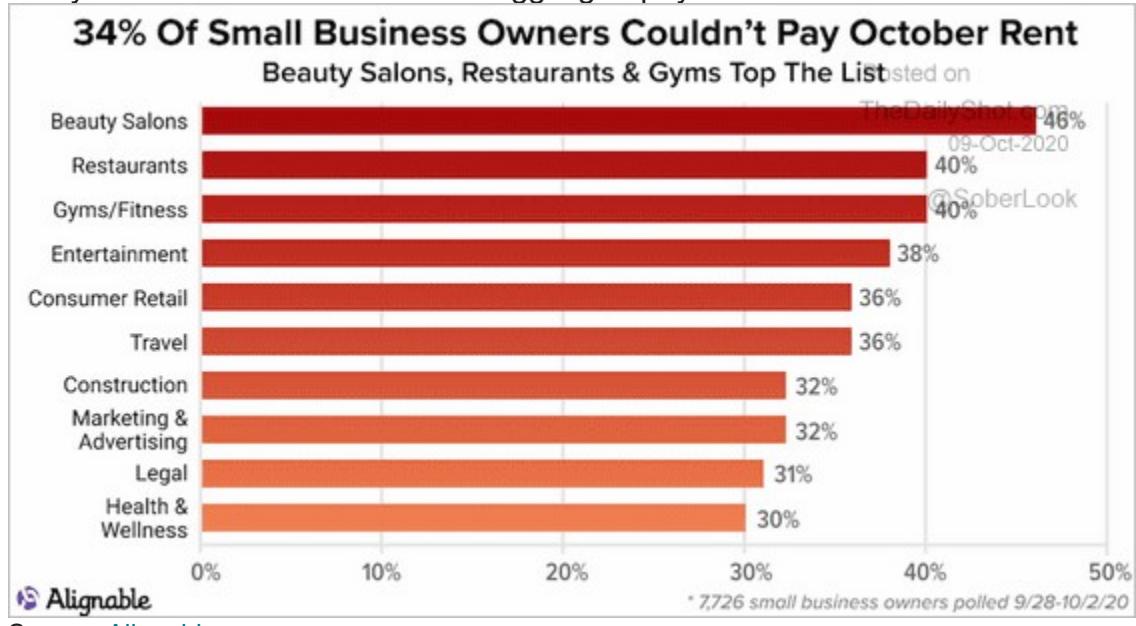
60.0

55.0

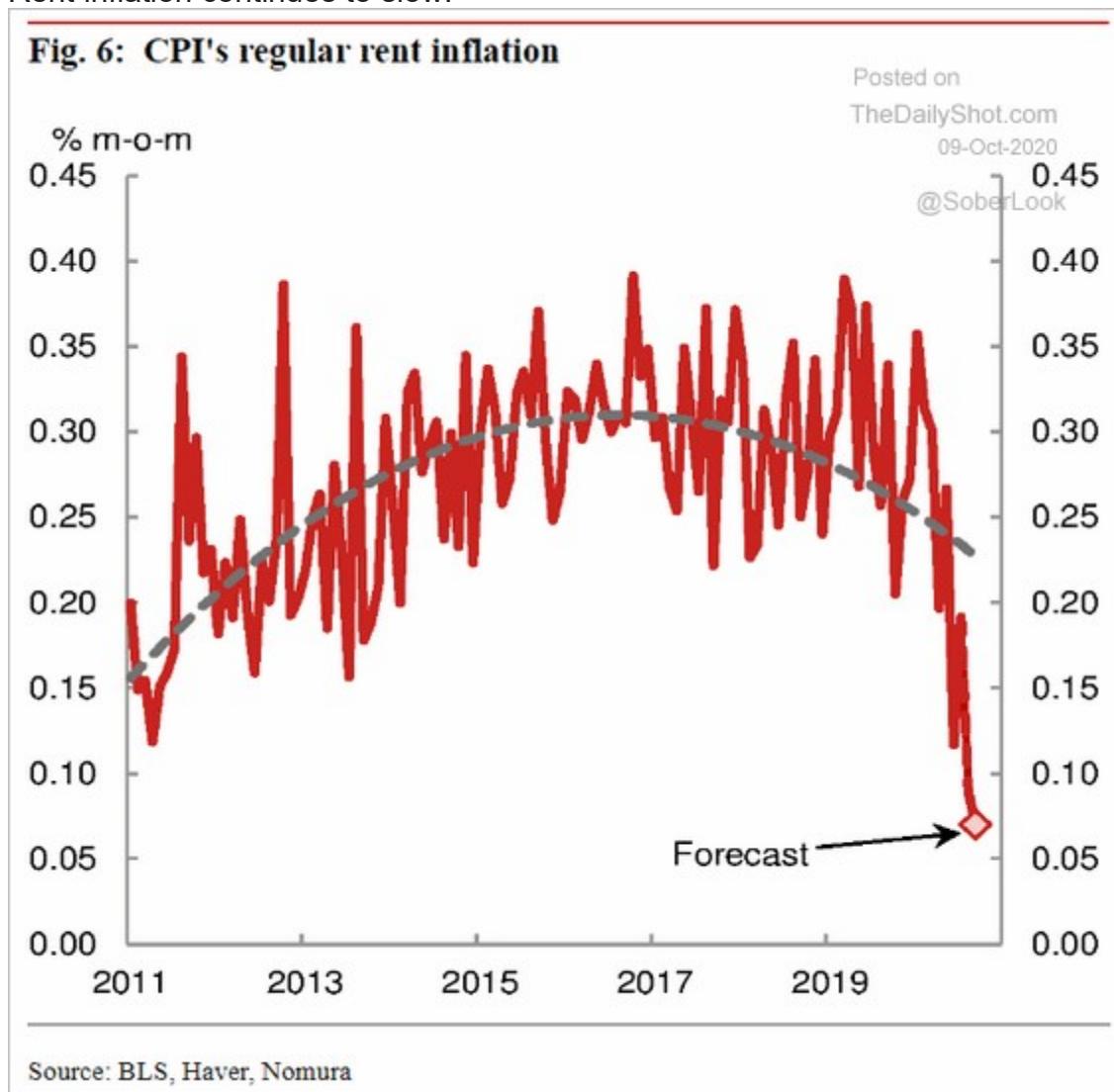
50.0

The Daily Shot\*

Many small businesses are still struggling to pay their rent.



Rent inflation continues to slow.



Source: [Nomura Securities](#)

Stocks continue to rally on stimulus hopes?



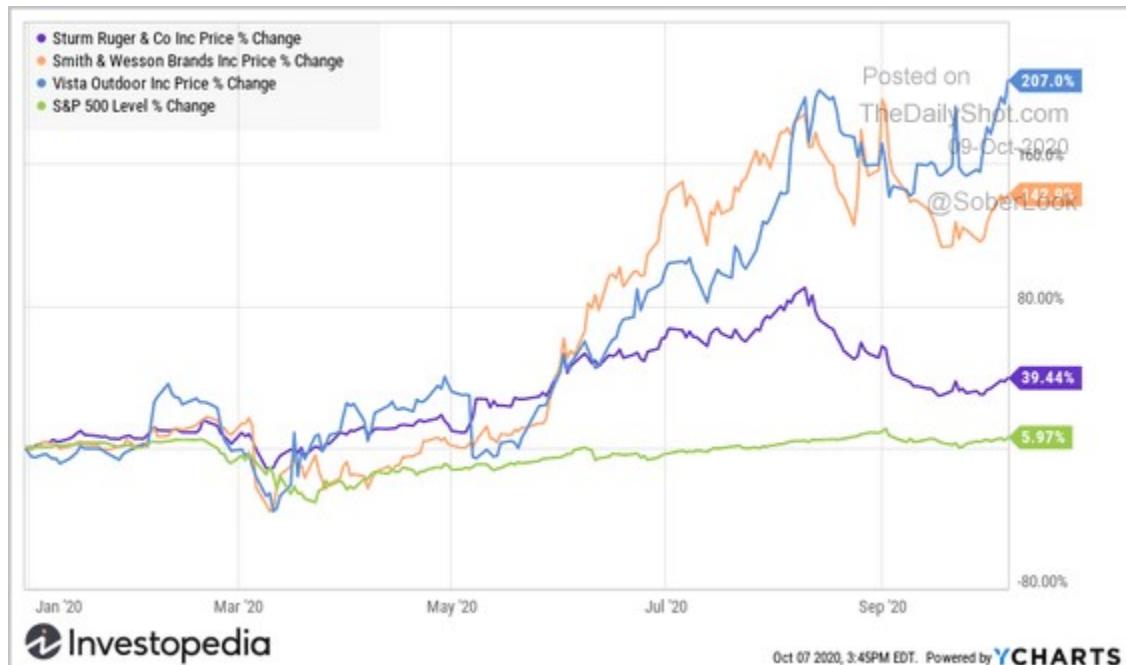
Talks seem to be back on. Perhaps.

**Trump tells House GOP leader he wants a "big deal" on COVID relief**

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

The elections are impacting niche areas of the market.

- Guns:



Source: [Caleb Silver, Investopedia](#)

- Cannabis:



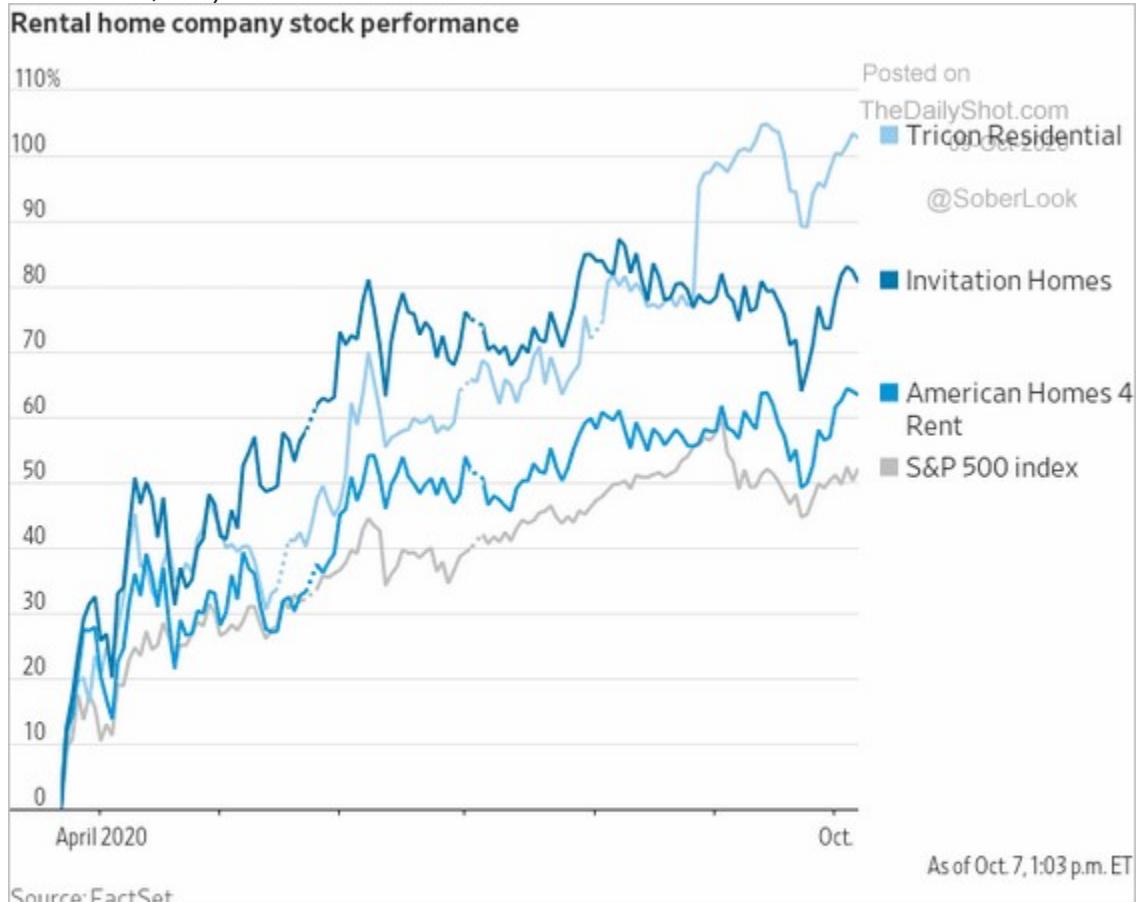
# Weed stocks surge as Kamala Harris vows to decriminalize pot in debate

By Shariq Khan



Source: Reuters [Read full article](#)

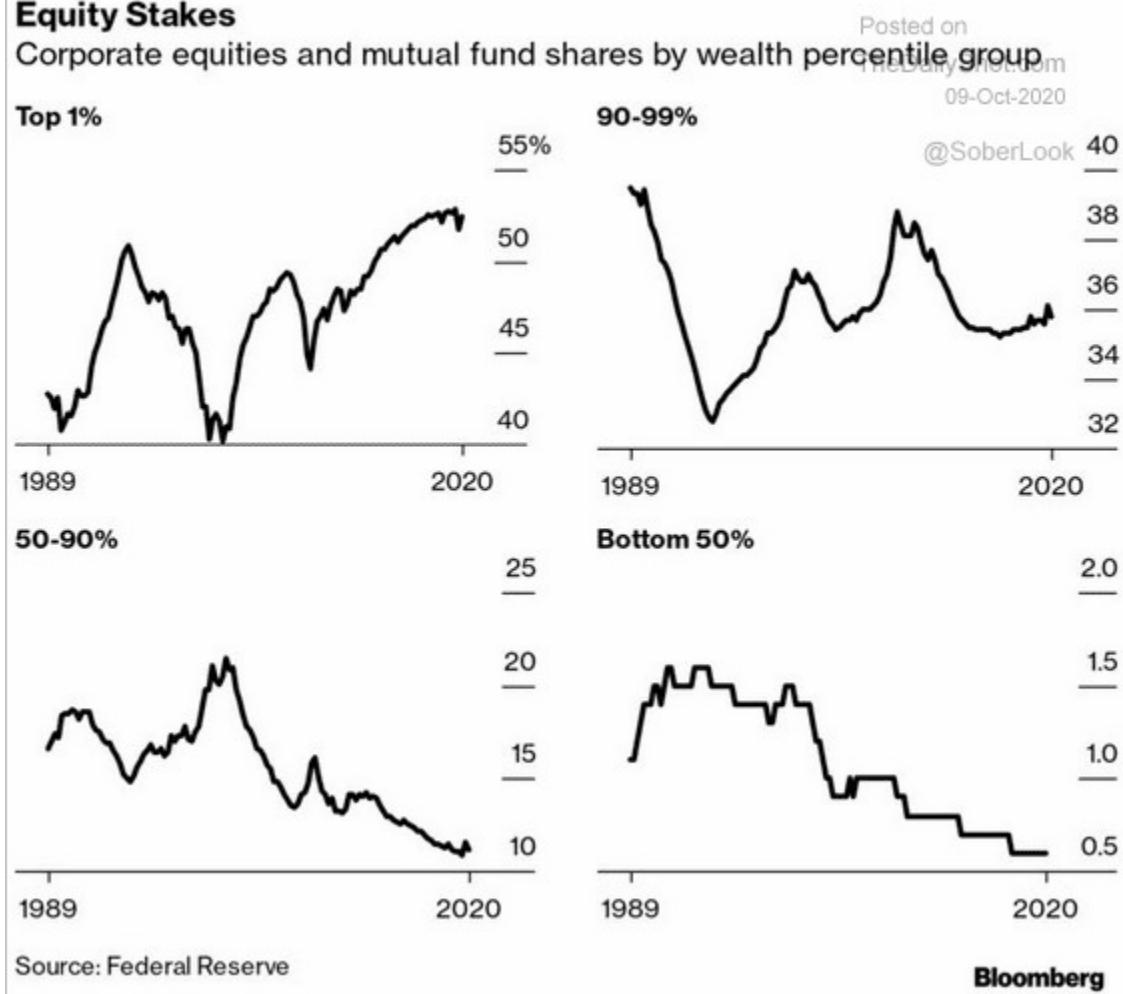
Rising demand for house rentals is evident in the stock market this year (I hope they want a place in Bensalem, PA).



The pandemic has sent Americans rushing to the suburbs in search of a lawn, room for home offices and distance from neighbors.

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

Here are the trends in equity ownership by wealth bracket. (Instead of vilifying the 1% for owning stocks, we should think about how to increase stock ownership for the bottom 50%).



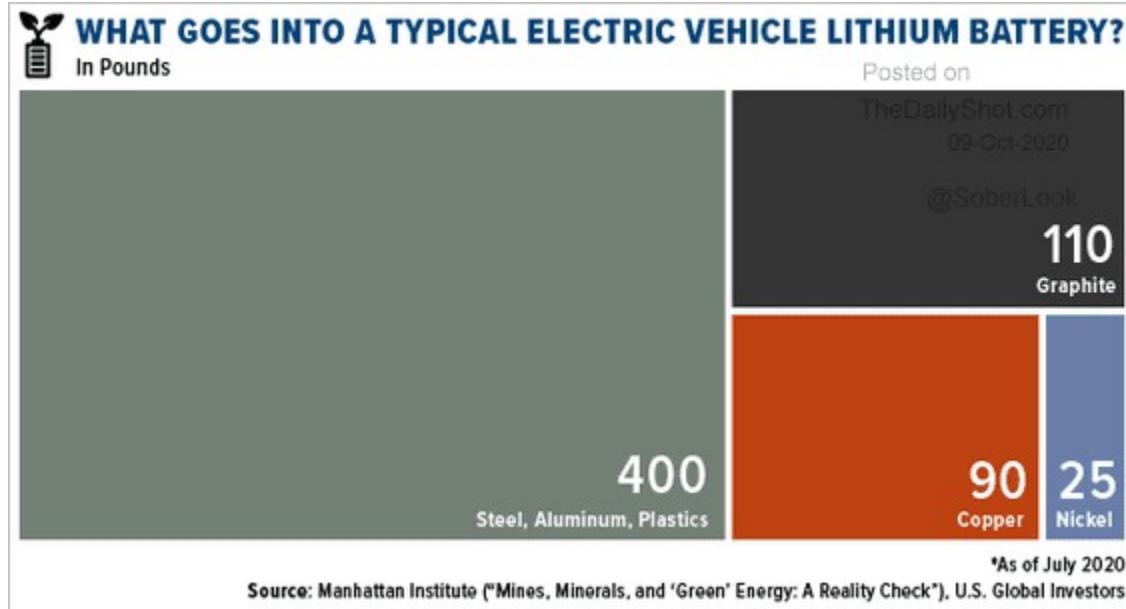
Source: @business [Read full article](#)

Silver is holding support.



Source: barchart.com

Typical electric vehicle battery:



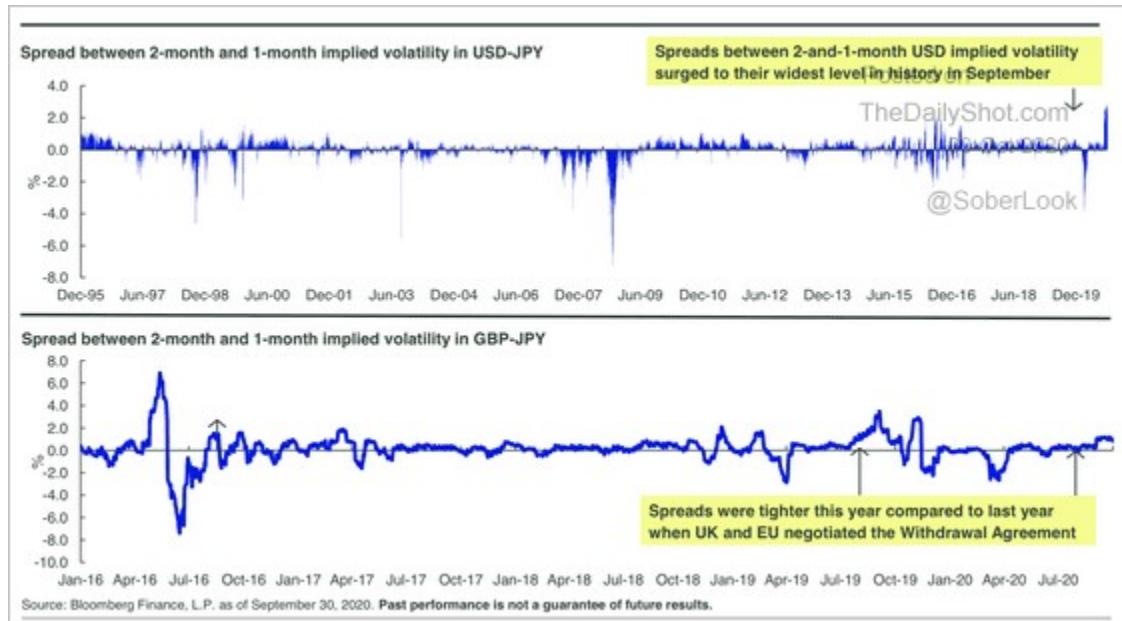
Source: [@bulldogholmes](#)

Brent is testing resistance at the 50-day moving average.



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

Currency markets are pricing in higher volatility in the dollar ahead of US elections while downplaying the risk of a hard Brexit.



Source: [SPDR Americas Research, @mattbartolini](#)

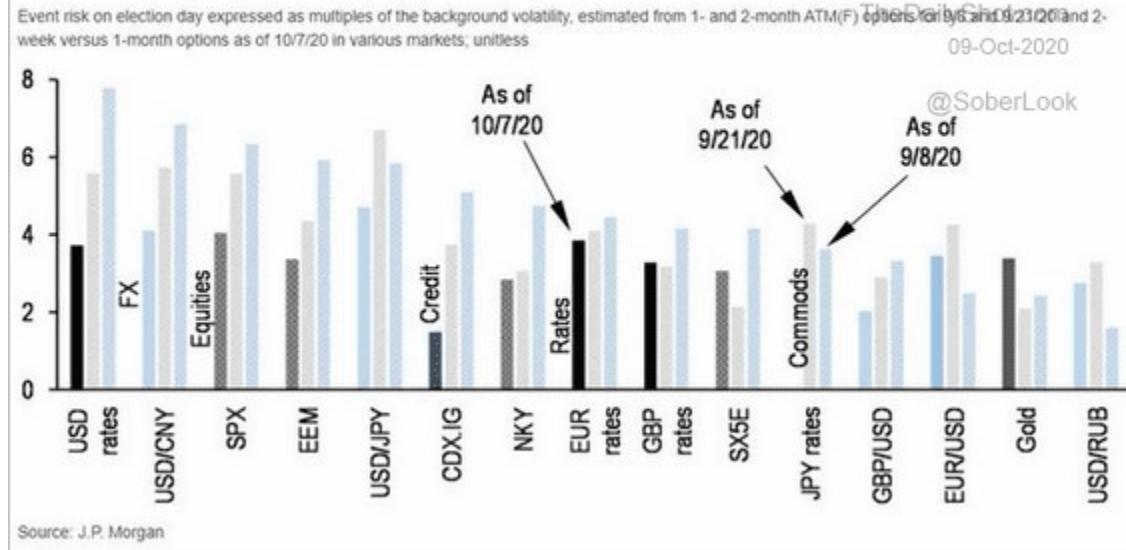
However, markets are becoming less concerned about the US election uncertainty.

**Exhibit 1: Options markets have steadily reduced event risk priced on and around Election Day across a wide range of global asset classes**

Posted on

The Daily Shot

09-Oct-2020



Source: J.P. Morgan

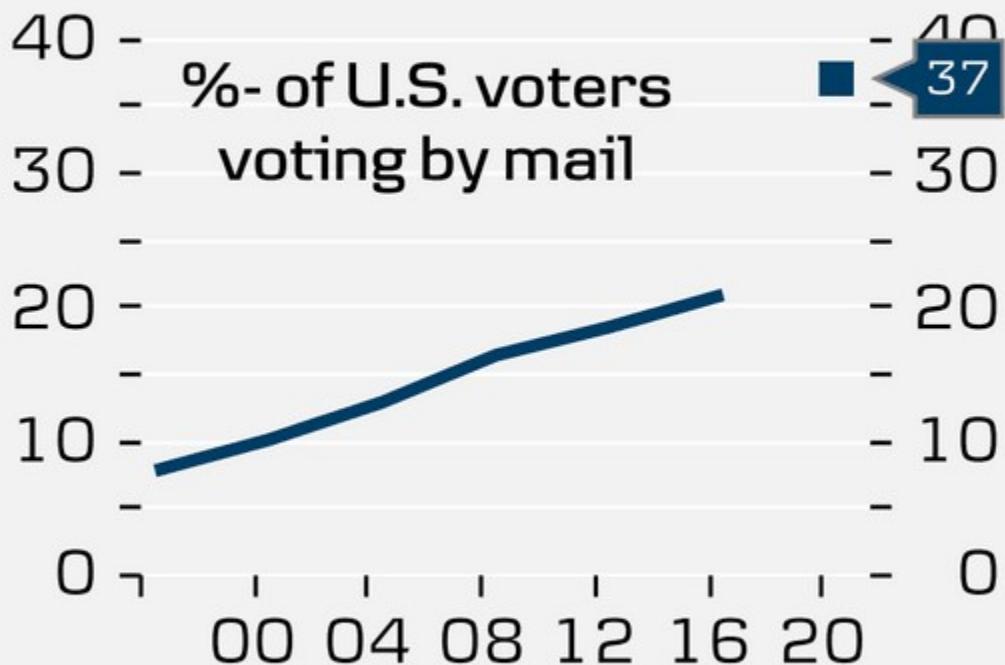
Source: [JPMorgan, @tracyalloway](#)

Voting by mail in the US: (This stat surprised me)

## Chart 1: As many as 37% of the voters may vote by mail

TheDailyShot.com  
09-Oct-2020

@SoberLook



Source: Pewresearch.org

Note: %- of voters that cast a ballot by mail

Source: [Danske Bank](#)

Social Security fund depletion: (It's a shame that we can't have a real conversation about this. )

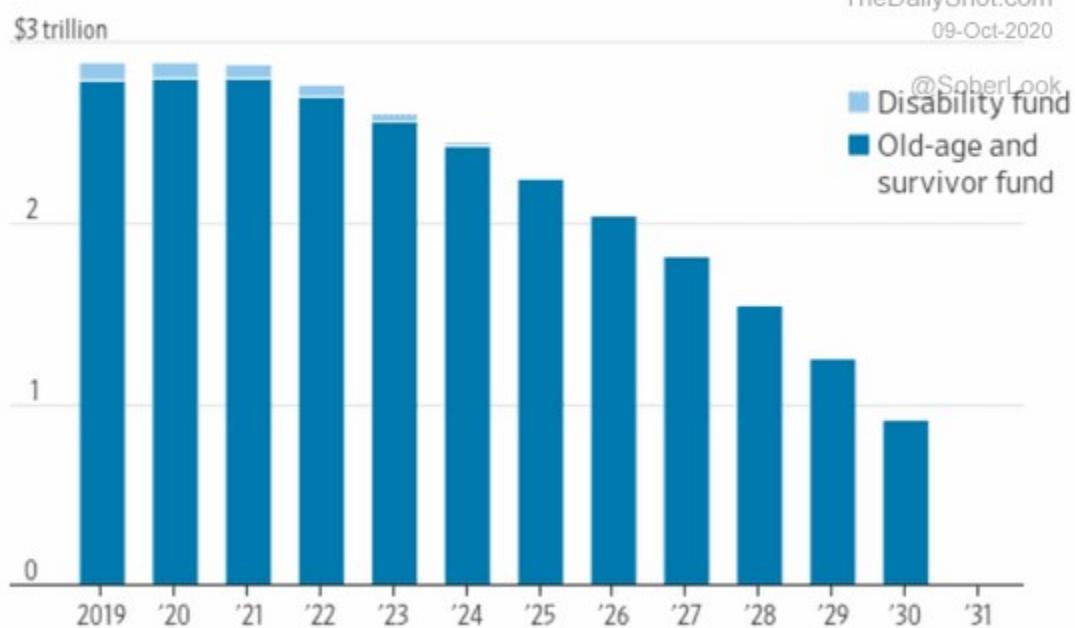
## Social Security Squeeze

The retirement and disability trust funds are set to deplete their reserves by 2031.

Posted on

TheDailyShot.com

09-Oct-2020



Note: Trust fund balances at year-end

Source: Congressional Budget Office

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

Watching sports (by generation):

## Gen Zers Are About Half as Likely as Millennials to Watch Sports Often, Twice as Likely to Never Watch

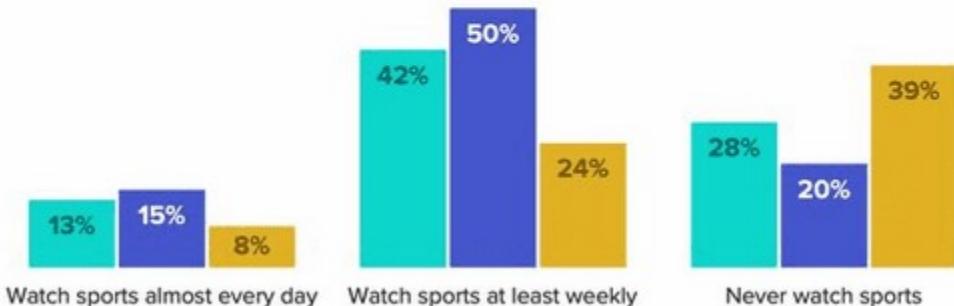
Posted on

TheDailyShot.com

09-Oct-2020

Respondents were asked how often they watch live sporting events

■ All adults ■ Millennials ■ Gen Z



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Gen Z survey conducted Aug. 21-23, 2020, among 1,000 Gen Zers ages 13-23, with a margin of error of +/-3%. All adults and millennials survey conducted Sept. 15-20, 2020, among 2,200 U.S. adults, with a margin of error of +/-2%.

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

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indicative of future results.**

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