

## Nick Lampone

---

**From:** Nick Lampone  
**Sent:** Tuesday, October 20, 2020 8:02 AM  
**Subject:** Morning CORE  
**Attachments:** Core logo.png

In honor of the World Series starting tonight, here is the greatest baseball movie scene of all-time. For the younger crowd, Naked Gun is not an erotic thriller. It is pure slapstick comedy. <https://bit.ly/2TcdJpm> Still not sure if the Strike 2 call or Strike 3 call is better. Enjoy!!

**US Futures-World Markets:** US equity markets continue to chop around (yes, that is a professional trading term) ahead of Pelosi's deadline on a new stimulus package. Nothing like brinksmanship and politics when Americans desperately need direct support. Can we please get term limits for politicians? Anyway, S&P futures are bouncing back after yesterday's selloff. Corporate earnings have been strong so far. This is what matters for stock prices. The rest is more background noise. It can get on your nerves and may get too loud every so often, but block it out and focus on earnings. Goldman Sachs agreed to a \$2billion settlement with the Justice Dept. to settle the 1MDB scandal. Ireland and Wales announced full lockdowns as virus outbreaks continue in Europe. Daily cases in Germany hit a record high. US housing starts data is released at 8:30am. Netflix, Lockheed, Snap and others report results today. More M&A in the energy sector as PXD nears an agreement to purchase Parsley Energy (PE). S&P Futures vs. Fair Value: +24.90, 10-Yr Yield: 0.779%.

### CORE Headlines:

- U.S. Senate Republicans are preparing to bring up legislation to replenish a program that helps small businesses slammed by the coronavirus, as House Speaker Nancy Pelosi and Treasury Secretary Steve Mnuchin discuss a larger stimulus package.-Reuters
- House Speaker Nancy Pelosi (D-CA) and Treasury Secretary Steven Mnuchin have "narrowed" some differences on stimulus and will speak again today. Senate Republicans continue to be against a larger package, but will vote on extension of PPP funding today and a \$500 bln package tomorrow (neither bill is expected to get 60 votes needed to pass).-Bloomberg
- Pfizer and BioNTech announced the start in Japan of combined Phase I and Phase II clinical trials of their mRNA vaccine candidate against the coronavirus.-Reuters
- Many farmers are sticking with Trump despite the problems his trade war has caused them, based on their belief a Biden presidency would bring stricter environmental regulations and higher taxes than the incumbent.-WSJ
- Fed vice chairman Richard Clarida said the US economy could stage a faster recovery from the coronavirus-induced recession than it did following the 2008 global financial crisis, though it could take another year before broad measures of economic output recover to pre-pandemic levels.-WSJ
- Tens of thousands of protesters brought Lagos, Nigeria, the largest city in Africa, to a standstill on Monday, in a campaign against police brutality, escalating a standoff with a government that has pledged to restore order.-WSJ
- Auto makers are confronting a new challenge in their race to sell more electric cars: battery-related fires leading to vehicle recalls and safety probes, a problem that comes when energy-dense, flammable lithium-ion batteries are used.-WSJ
- **BIIB:** The FDA is likely to give an unfavorable review next month for a key Alzheimer's treatment, aducanumab, according to **RBC** analyst Brian Abrahams, who said the drug's chances at approval stand at "just under a coin flip," and lowered his price target on Biogen stock to 268 from 281.-IBD

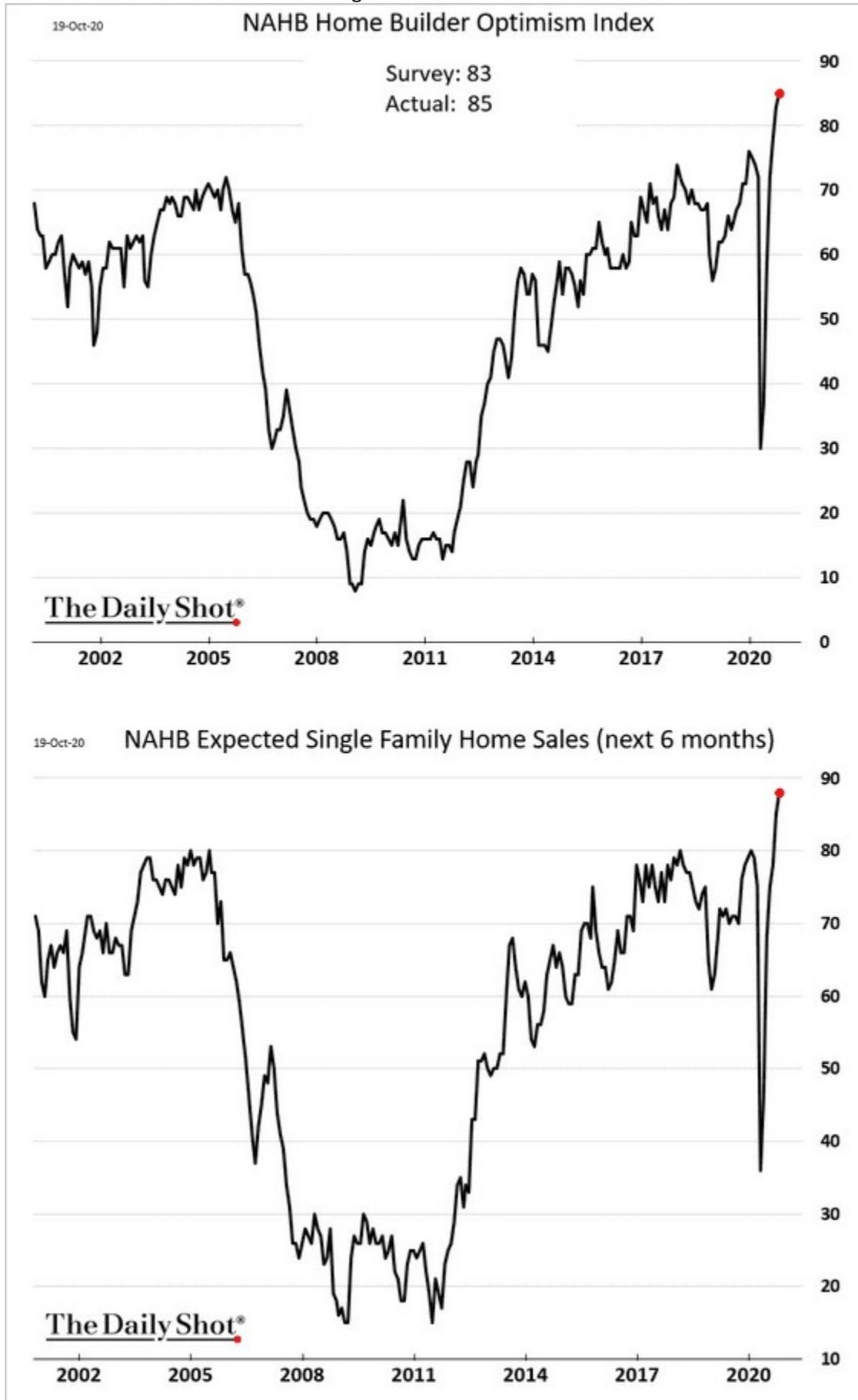
- **AMC:** The struggling movie theater chain announced a package which will allow a group of as many as 20 people to arrange for a private screening for as little as \$99, with a choice of 17 films, including classics such as “Jurassic Park.”-NYP (They will basically pay you to go to the movies now.)
- The CDC issued a “strong recommendation” that all passengers and employees on airplanes, trains, subways, buses, taxis and ride-share vehicles should wear masks to prevent the spread of Covid-19.-NYP
- The oil and gas industry is trying to survive a pandemic that has sharply reduced demand for its products, and while most companies have cut back drilling, laid off workers, and written off assets, some are seeking out merger and acquisition targets to reduce costs.-NYT
- Large US banks including **C, BAC,** and **JPM** told staff members that their bonuses won’t be in line with strong performances in areas such as fixed-income trading and debt and equity underwriting, a sign there may be a bigger gap than usual between bank profits and bonus payouts.-FT (Nothing like working for a big bank. “Gee, thanks for crushing it this year, but Joe in investment banking had brutal year, so we’re paying you down 30%. Sorry.”)
- Trump agreed to remove Sudan from a state list of sponsors of terrorism, where the country has been since 1993, in exchange for Khartoum paying \$335M to US terror victims and their families, a move that allows the country to regain access to the international financial system.-FT
- President Trump and Joe Biden will have their microphones muted during a portion of Thursday's presidential debate where each candidate will give opening statements on the topic.-NYT
- Disneyland (**DIS**) unions believe California resort can be reopened safely.-Reuters

#### Interesting Reads/Charts:

- The correct link on Clear ID article from yesterday <https://bit.ly/31o7X8H> I’d apologize for the mistake, but no one pays me to write this thing.
- Arnold Kling: An interesting look on gossip and how it affects us today <https://bit.ly/3kqUl6y>
- TheVerge: TikTok puts Fleetwood Mac’s Rumours back in the Top 10 <https://bit.ly/31oJzny>

Charts from The Daily Shot:

Homebuilder sentiment is at record highs as demand for new houses soars.



- Most home prices across key metro areas have rebounded above the 2008 peak. Property markets in cities such as San Francisco and Denver appear frothy.

**Figure 23: Home Prices by City**

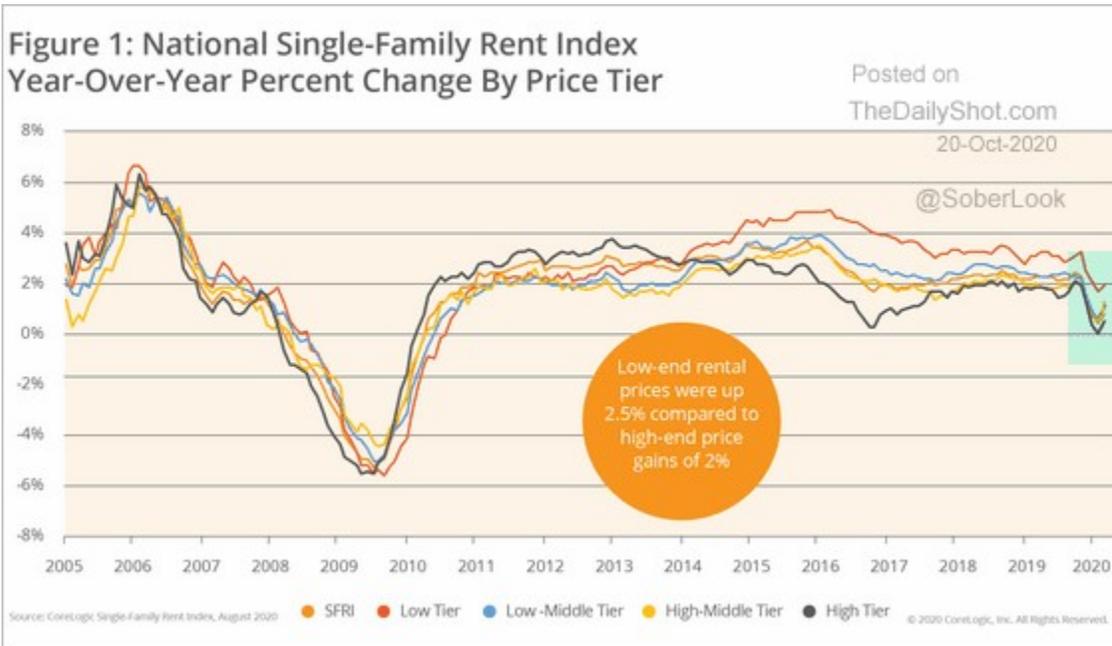
City	m/m%	y/y%	% Change 2008 Peak
Portland	1.3%	5.0%	60%
Cleveland	1.3%	5.5%	28%
Los Angeles	1.1%	5.3%	76%
San Diego	1.1%	5.5%	83%
Boston	1.0%	4.4%	53%
Phoenix	0.9%	9.2%	71%
San Francisco	0.9%	2.5%	113%
Washington DC	0.8%	4.4%	39%
Tampa	0.6%	5.9%	49%
Chicago	0.5%	0.8%	8%
Minneapolis	0.5%	5.2%	50%
Atlanta	0.5%	4.8%	42%
Miami	0.5%	4.1%	54%
Denver	0.4%	4.4%	86%
Dallas	0.4%	3.2%	72%
New York	-0.1%	1.3%	11%

Source: MarketDesk Research, National Association of Realtors

Note: Home Prices are delayed by 2 months.

Source: [MarketDesk Research](#)

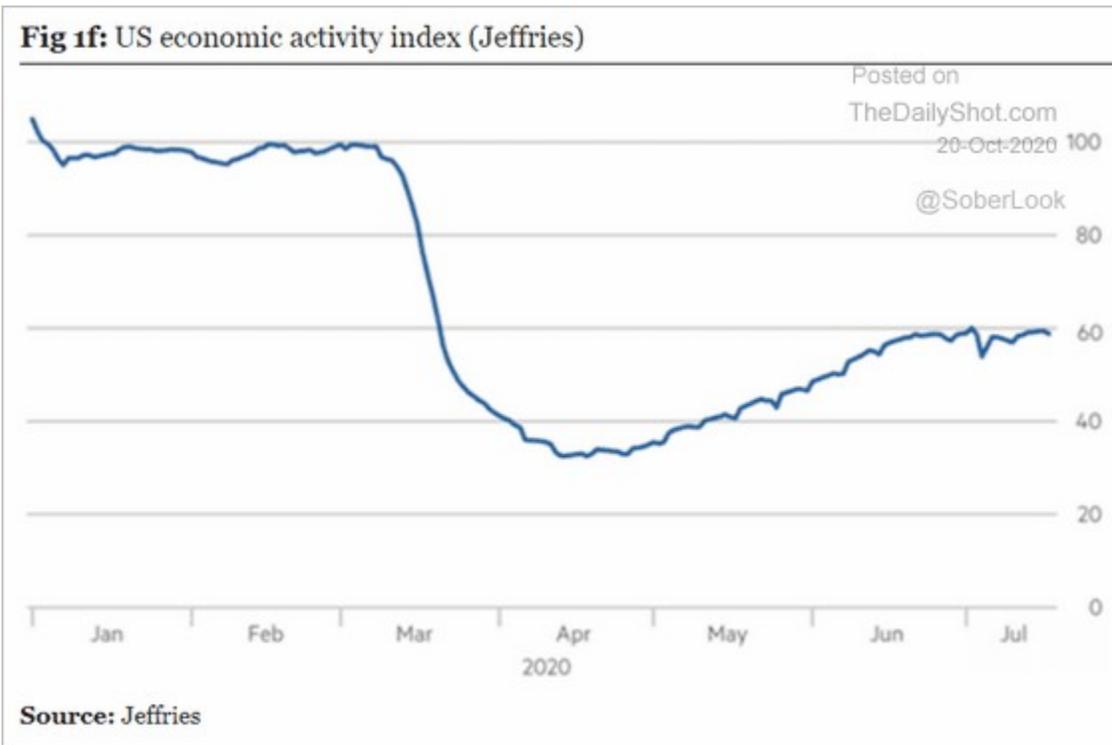
- According to CoreLogic, rents seem to be bottoming.



Source: [CoreLogic](#)

High-frequency indicators continue to signal slower economic recovery.

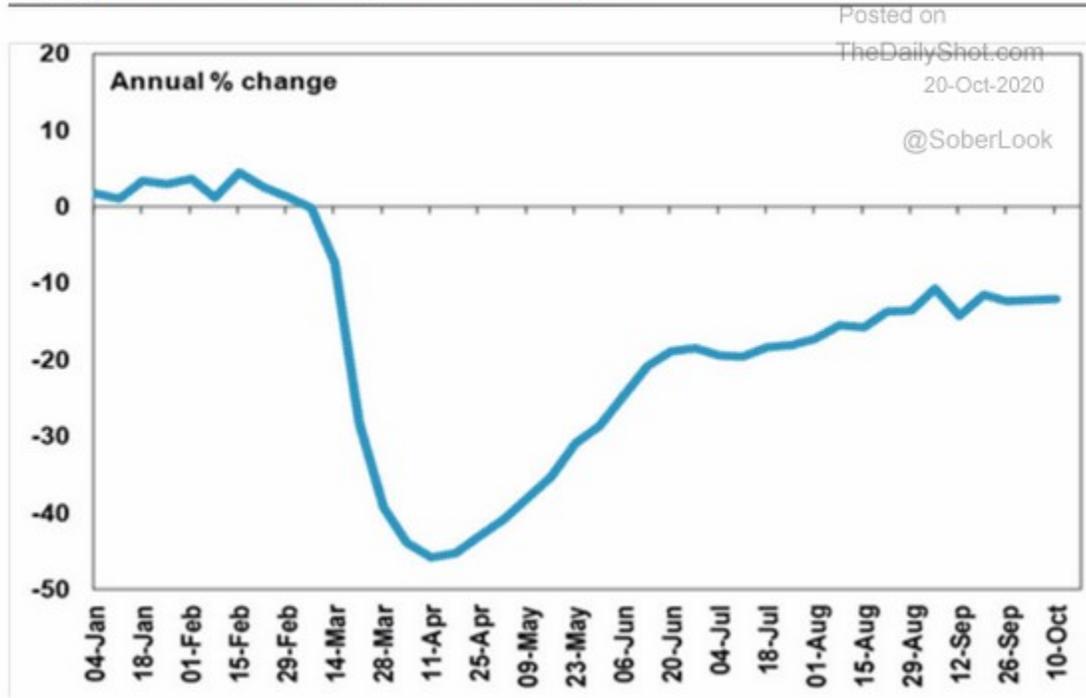
- Jeffries:



Source: [Jeffries, Longview Economics](#)

- AMP Capital:

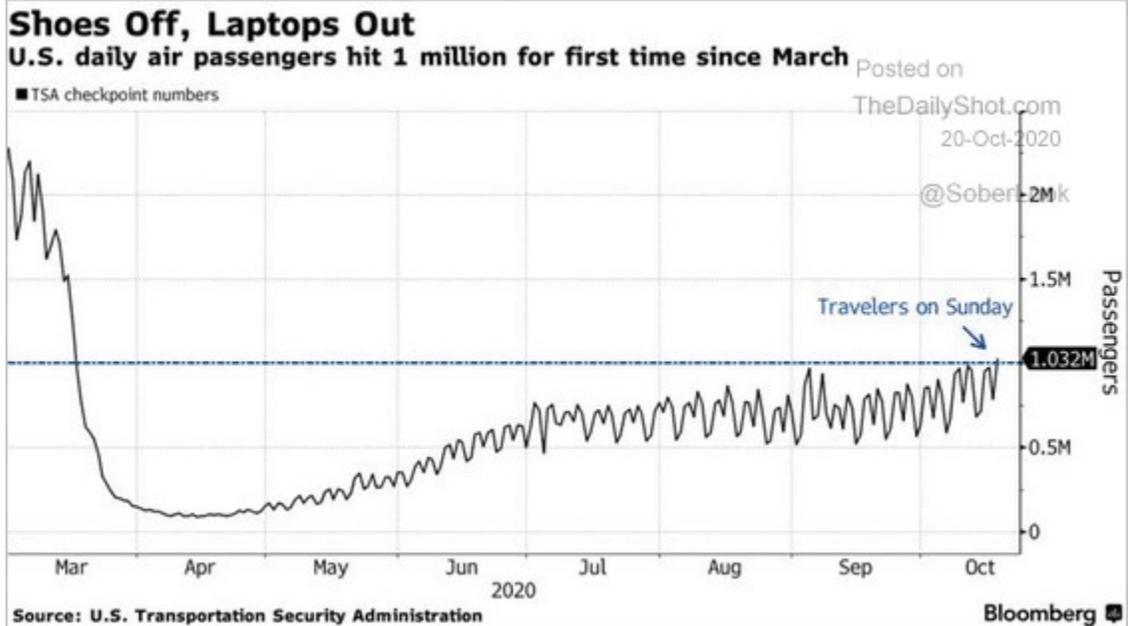
**Fig 1g: US economic activity index (AMP Capital)**



Source: AMP Capital

Source: [AMP Capital, Longview Economics](#)

However, the number of air passengers climbed above one million for the first time since March.



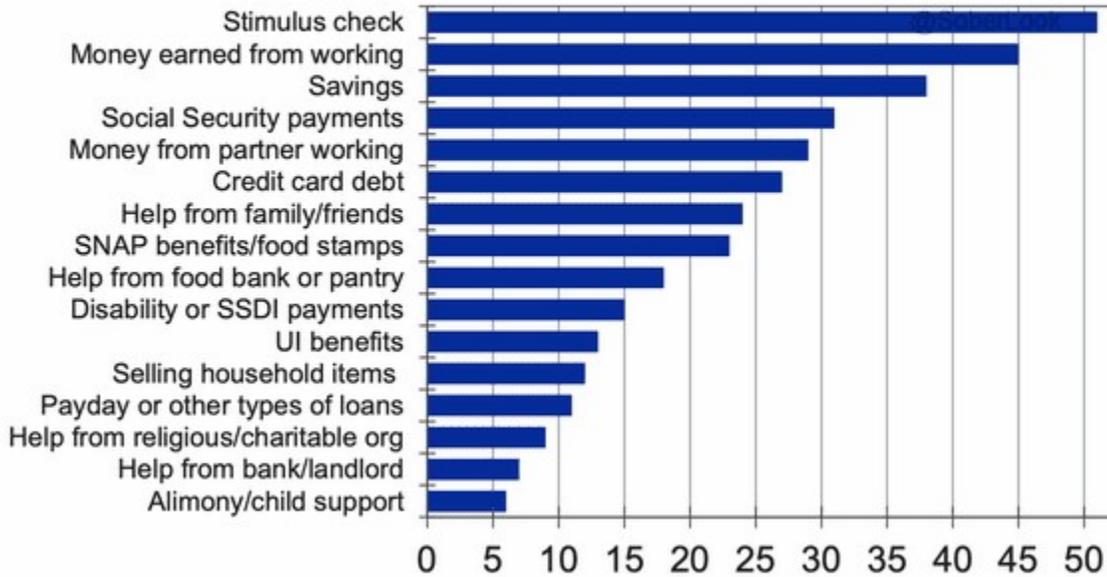
Source: U.S. Transportation Security Administration  
 Source: @business [Read full article](#)

Many households are struggling to pay expenses and absent another stimulus package, the situation may deteriorate further.

# Chart 1: Household Finances Strained

TheDailyShot.com

% of total respondents paying for expenses using... 20-Oct-2020



Sources: Morning Consult, Moody's Analytics

Source: [Moody's Analytics and Morning Consult](#)

US trucking fleets have been shrinking.

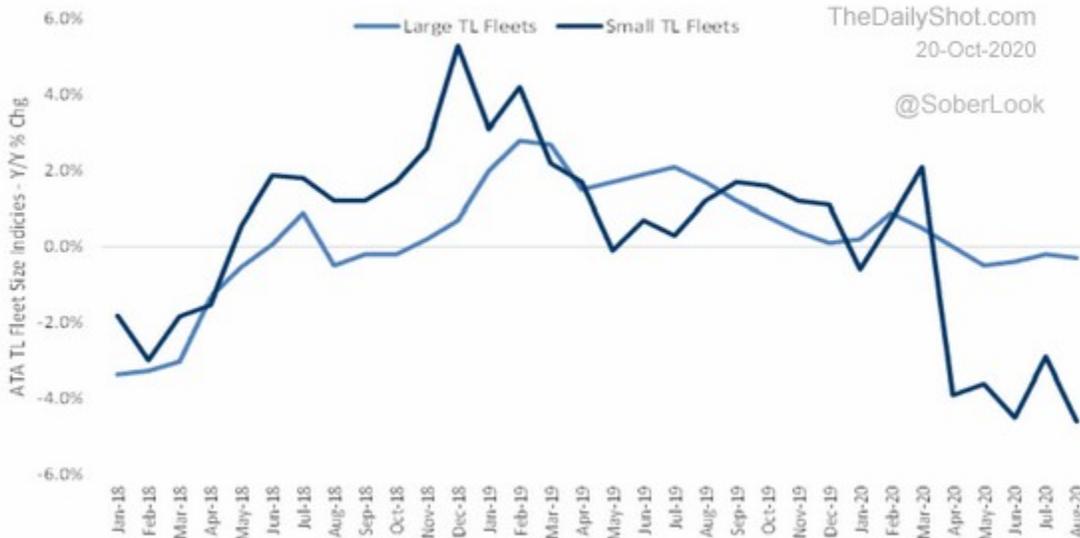
# Chart 9 - Both large and small trucking fleets have shrunk in 2020

Posted on

TheDailyShot.com

20-Oct-2020

@SoberLook



Source: American Trucking Associations and Stifel research

Source: [Cass Information Systems](#)

As inventories [tightened](#) this year, demand for shipments boosted truck freight rates.

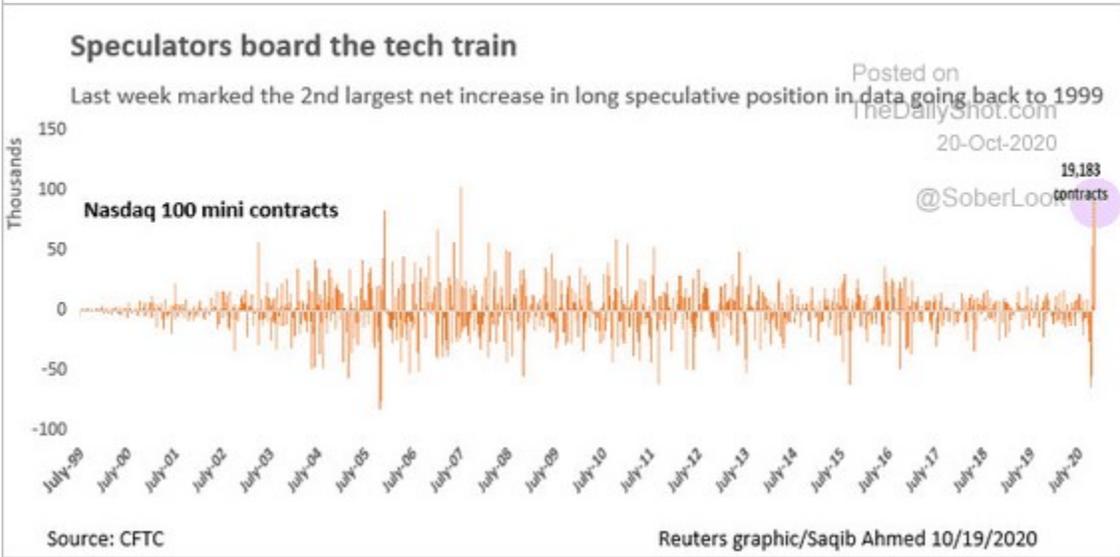
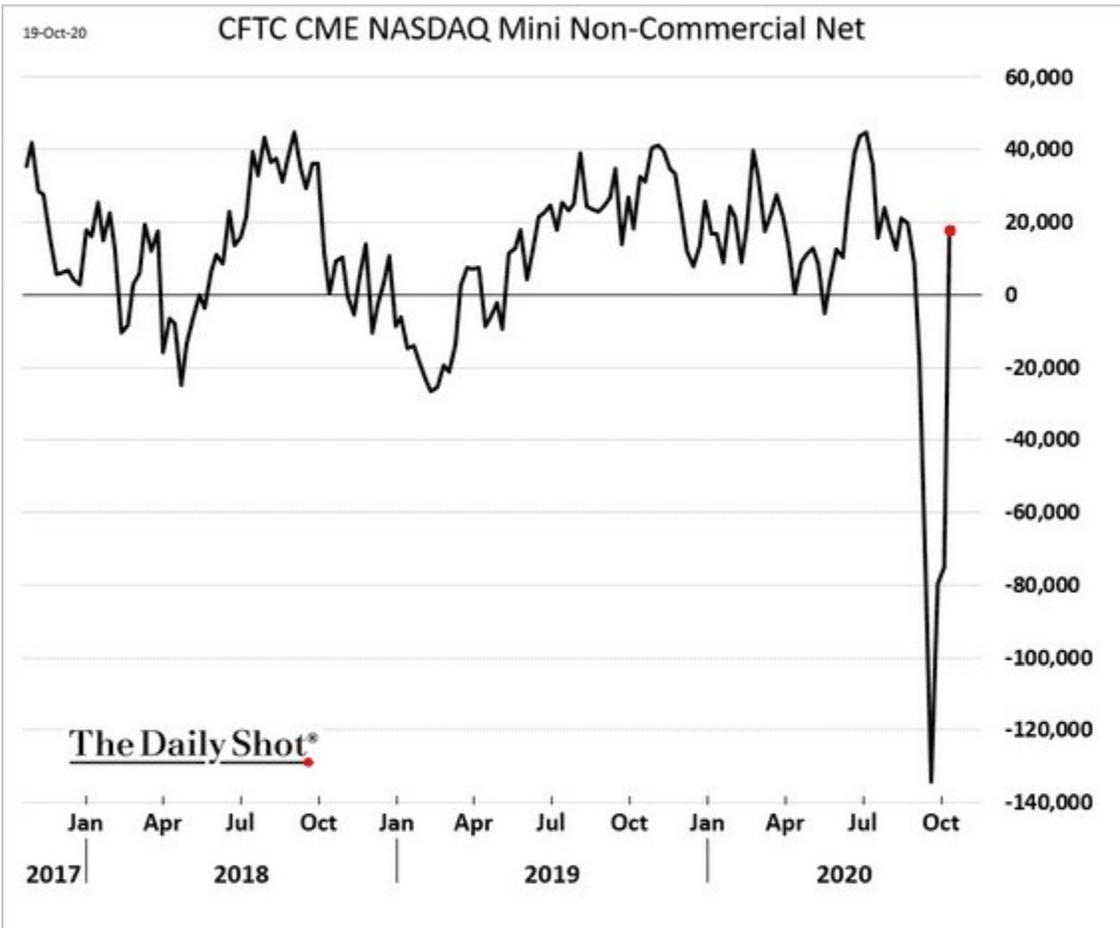
**Chart 11 – All truckload spot rates near, at, or above high 2018 levels**



Source: [Cass Information Systems](#)

Multiple indicators have been signaling increasingly bullish sentiment in the market.

- Speculative bets in Nasdaq 100 futures have turned positive again. It was one of the largest position increases on record (2nd chart).

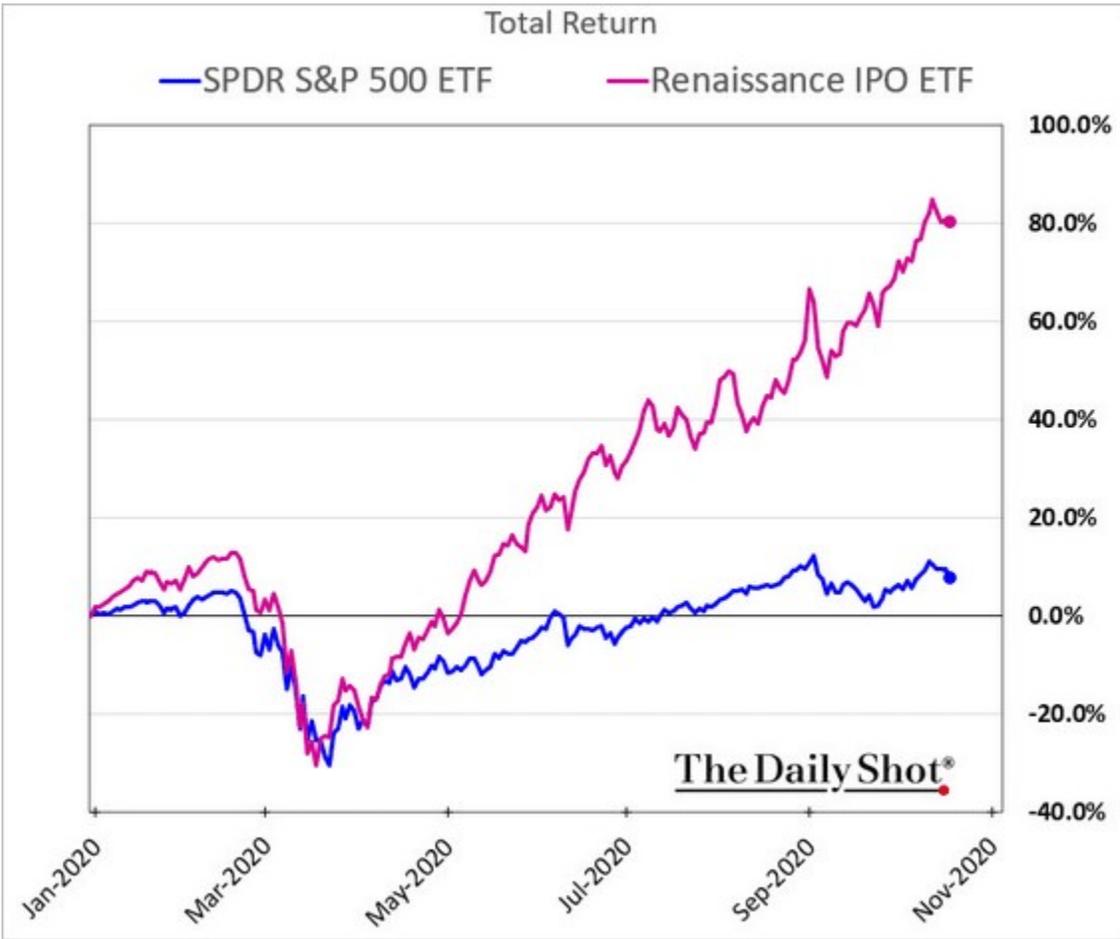


Source: Reuters [Read full article](#)

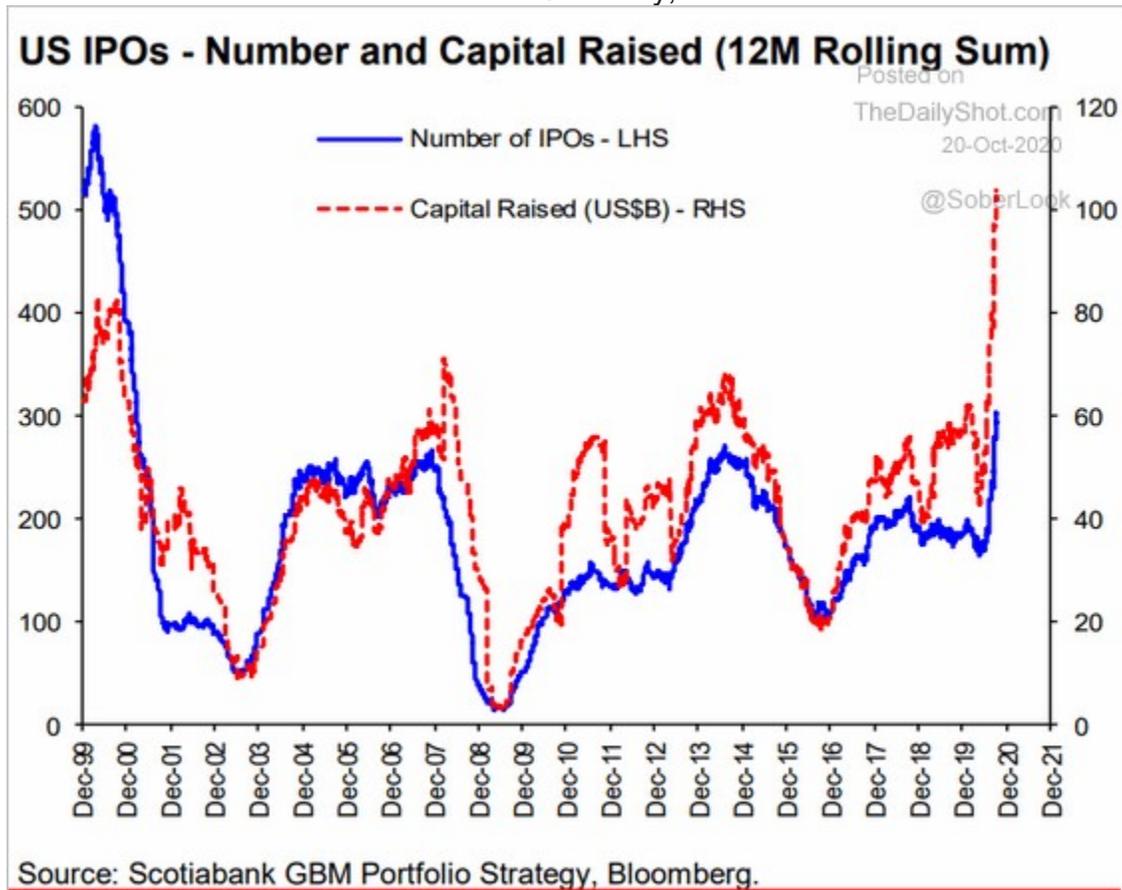
Here are the QQQ (Nasdaq 100 ETF) assets under management.



The outperformance of post-IPO shares has been remarkable.



These valuations have accelerated IPO activity, ...



Source: [Hugo Ste-Marie, Portfolio & Quantitative Strategy Global Equity Research, Scotia Capital](#)

pushing the net US equity market supply into positive territory for the first time in over a decade.



Source: @jessfelder, @VincentDeluard [Read full article](#)

Value stocks have not been able to break resistance.

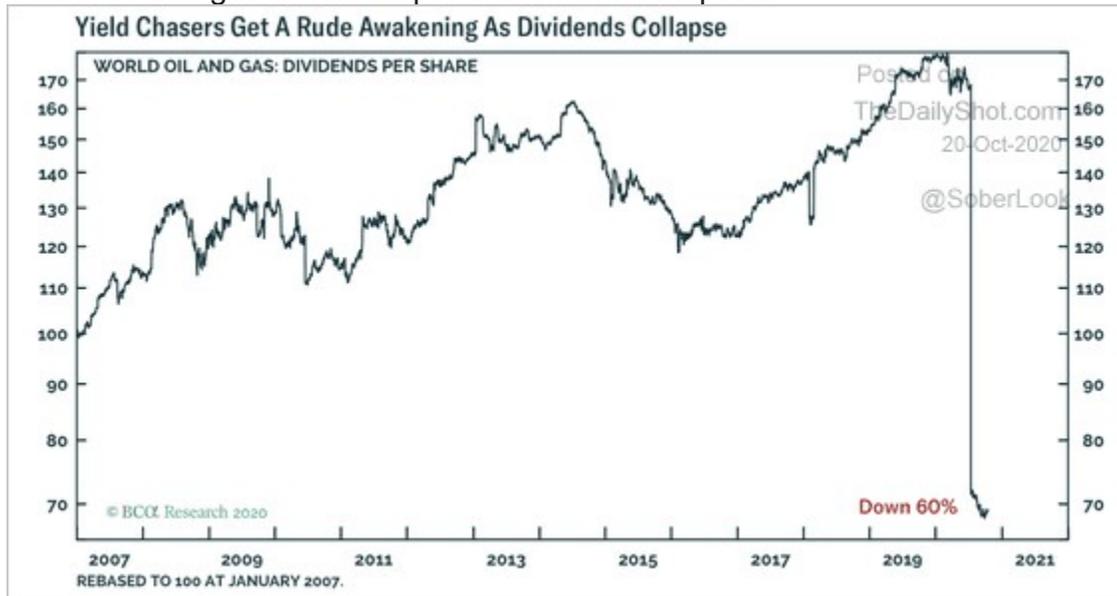


[h/t @lena\\_popina](#)

Strong US demand for pork has been driving hog futures higher.

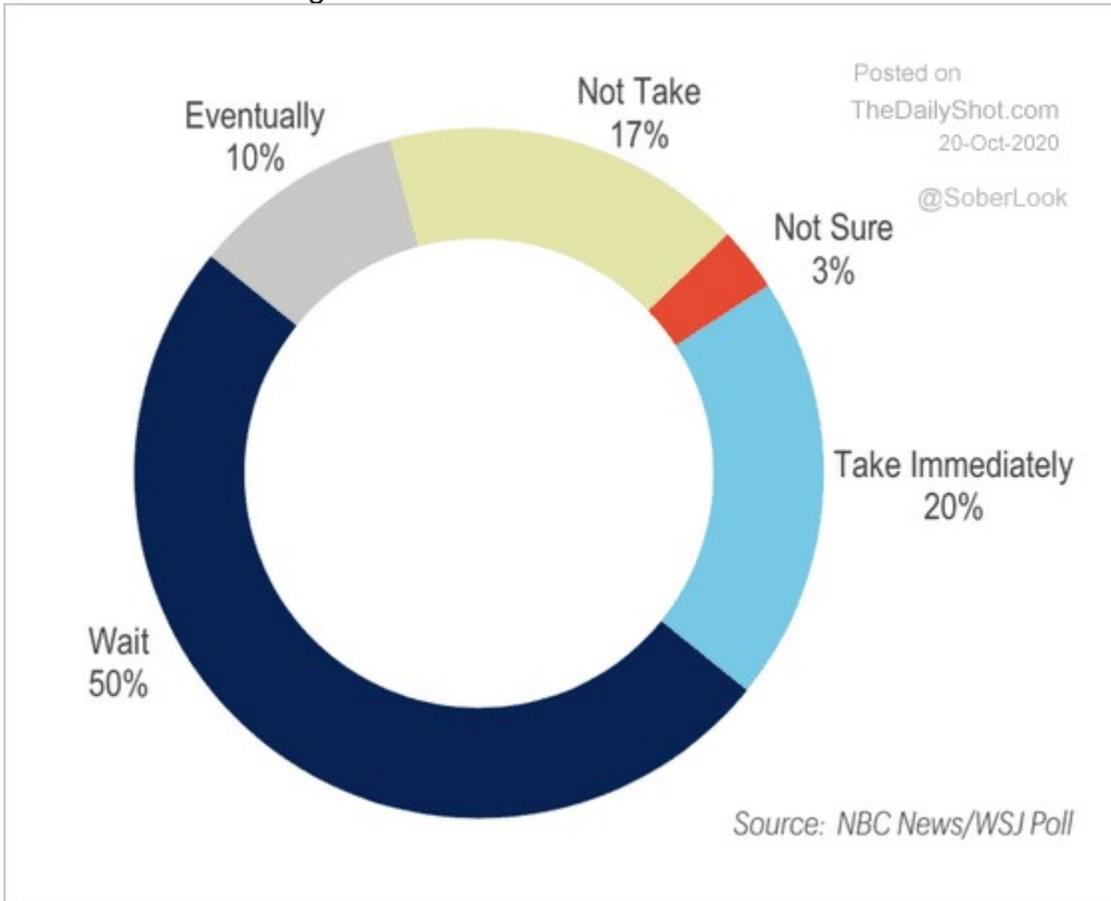


Global oil and gas dividends per share have collapsed.



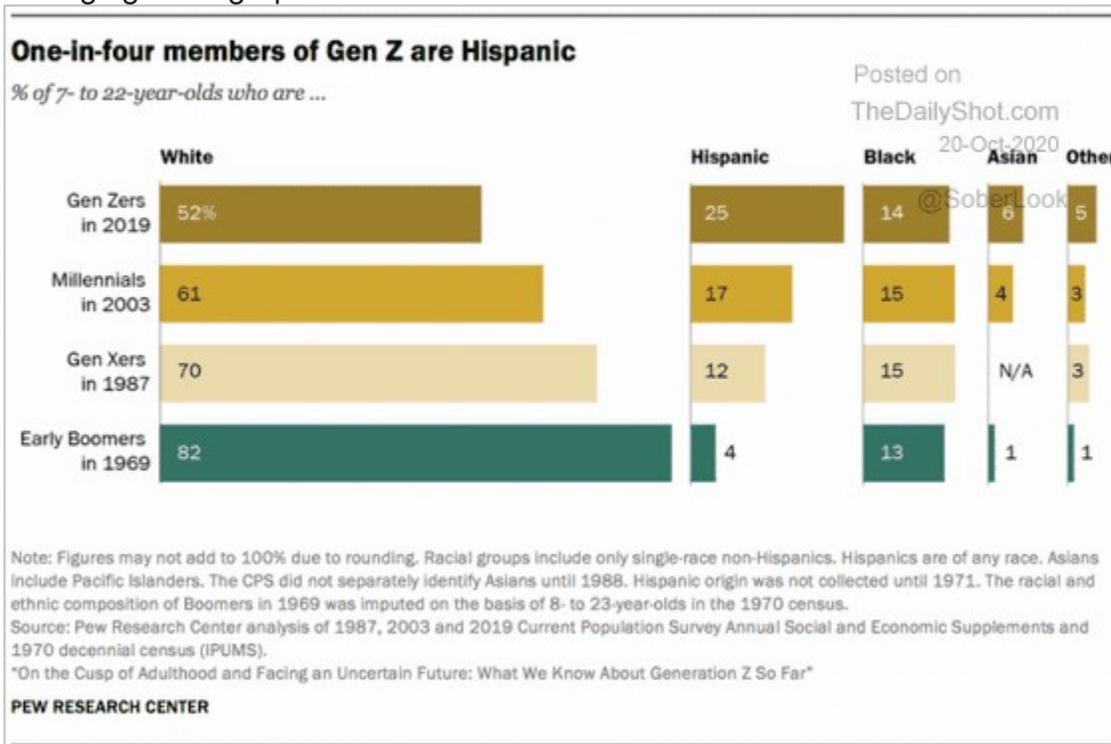
Source: [BCA Research](#)

## When will Americans get vaccinated?



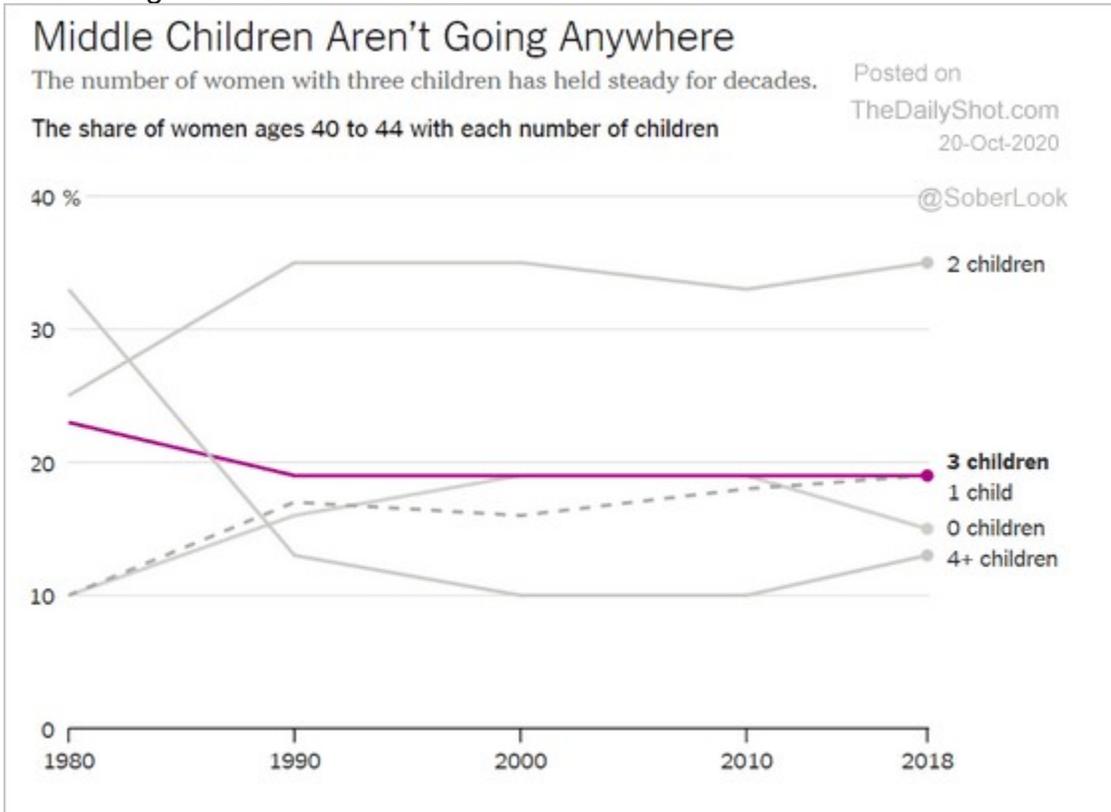
Source: [FHN Financial](#)

## Changing demographics in the US:



Source: Pew Research Center [Read full article](#)

Percentage of women with three children:



Source: The New York Times [Read full article](#)

**Nothing on this email/website constitutes legal, tax, accounting or other professional expert advice. When reviewing the attached material, it is important to remember that past performance is not indicative of future results.**

Nicholas Lampone  
**Dalzell Trading**  
Principal & Director of Trading  
Direct: 617-340-5316  
Main: 617-340-5313  
Cell: 267-980-3481  
Five Neshaminy Interplex  
Suite 307  
Trevose, PA 19053  
[nlampone@dalzelltrading.com](mailto:nlampone@dalzelltrading.com)  
<http://www.dalzelltrading.com/>