

Nick Lampone

From: Nick Lampone
Sent: Thursday, November 12, 2020 8:03 AM
Subject: Morning CORE
Attachments: Core logo.png

<https://www.themorningcore.com/>

US Futures-World Markets: S&P futures trade lower this am with the tech-laden Nasdaq slightly higher. New restrictions to reduce coronavirus spread has investors on edge. Expect the choppy week of trading to continue. The VIX was -3% yesterday, but is +2.5% this am. The S&P 500 remains within a few points of its all-time closing high. 85% of S&P stocks trade above their 200-day moving average, so a little profit-taking makes sense. Cases in Europe have plateaued after the latest lockdowns, but are they just delaying the inevitable? Next up on the vaccine front is Moderna, which may have trial results in a few days. Another Thursday, another initial jobless claims number. Estimate is 735k. This would be a slight decrease from last week's 751k. Fed Chair Powell speaks at the ECB annual forum today. Oil is lower as the IEW raised doubts about a demand recovery. S&P Futures vs. Fair Value: -12.90, 10-Yr Yield: 0.943%.

CORE Headlines:

- President-elect Joe Biden will press on with building his governing team, ignoring President Donald Trump's refusal to accept defeat.-Reuters
- Serum Institute of India, the world's largest vaccine producer, said it has made 40 million doses of AstraZeneca's potential COVID-19 vaccine, and would soon begin making Novavax's rival shot, as they both seek regulatory approval.-Reuters
- Apple supplier Foxconn forecast strong demand for the new iPhone 12 in the holiday quarter and stressed that it would continue investing in the United States as scheduled and is looking at making new products there.-Reuters
- European banks say they are doing well during the pandemic, but regulators and bank executives are concerned about the elephant in the room: a wave of bad loans that could overwhelm lenders when government rescue packages end.-WSJ
- Biden may change the tone of Washington's relationship with Beijing, but business leaders and Democratic advisers say he is likely to push back on China's aim to become a global technology leader.-WSJ
- New legislation proposed in the UK would bolster the British government's powers to block foreign takeovers, the latest country to follow the US in trying to shield companies deemed important to national security.-WSJ
- A rebound in auto production in China and increased demand for medical gloves have sent prices for rubber soaring, making it one of the best-performing commodities in the world in recent months.-WSJ
- Google announced it is updating its storage policy for high quality photos and video, and will drop free unlimited storage—the company said any uploads after June 1 next year will count toward the 15GB of storage available with every Google account.-USA
- Chinese consumers spent over \$100B during this year's Singles' Day shopping festival, signaling a rebound in consumption as China recovers from the coronavirus pandemic and a battering of the economy.-NYP (A good sign for after a vaccine is distributed in US)
- Biden named Ron Klain, a veteran Democratic operative and a decades-long confidant, to be his White House chief of staff, the first step toward putting in place his administration's senior leadership, and a sign he will rely on people from his inner circle.-NYT

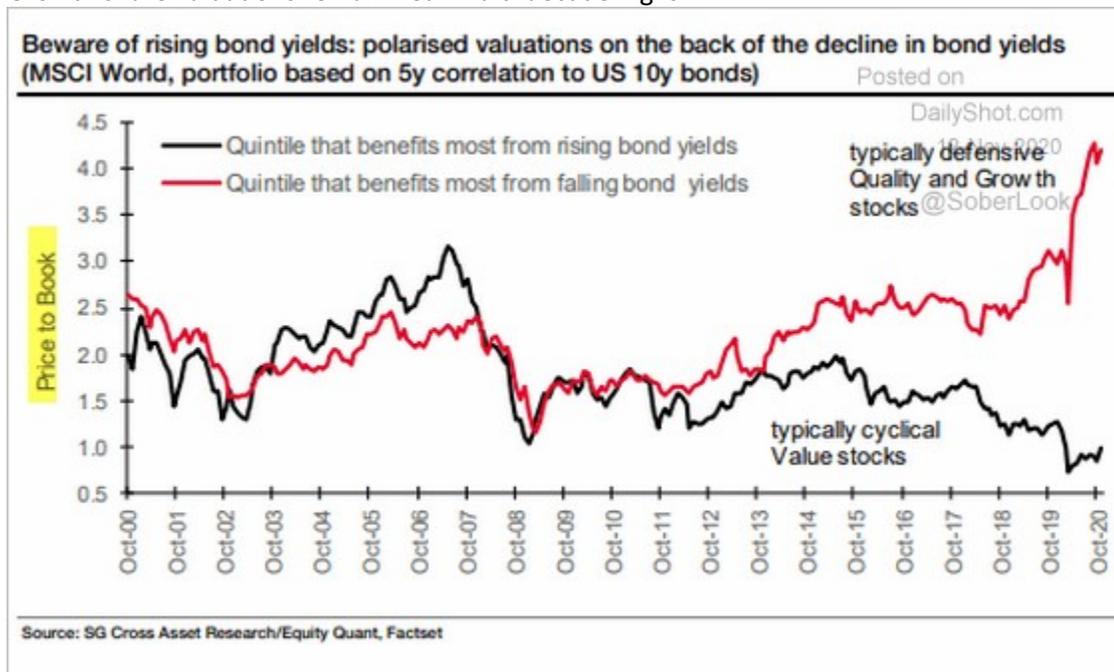
- Conservatives who claim **FB** and **TWTR** are silencing their views or censoring their opinions are migrating to other social sites such as networking app Parler—a Twitter-like app that describes itself as the world’s “premier free speech social network”—MeWe, and Rumble.-NYT
- New York governor Andrew Cuomo announced that the state would tighten restrictions on social gatherings as a surge in Covid-19 cases across the US leads to record hospitalizations and fears about a second major wave as the country heads into the holidays.-FT
- The Hong Kong government’s move to fire four opposition lawmakers—using news powers granted by Beijing that allow their removal on national security grounds—prompted most of the remaining people in the pro-democracy camp to resign.-FT (I’d be on the first ticket out of town.)
- Republicans will have at least 26 women in the House—the most they’ve ever had and more than double what they have now—when the 117th Congress convenes in January. -RollCall

Interesting Reads/Charts:

- Forbes: Lilium to launch air taxi network in Florida <https://bit.ly/32yaaiz>
- Wired: All of the latest Apple announcements <https://bit.ly/3lp0yfg>
- Newsday: Wall St. now on Long Island <https://nwsdy.li/32D5UOE>
- GQ: Why is North Face owner buying Supreme for \$2.1 billion? <https://bit.ly/3px9kfu>

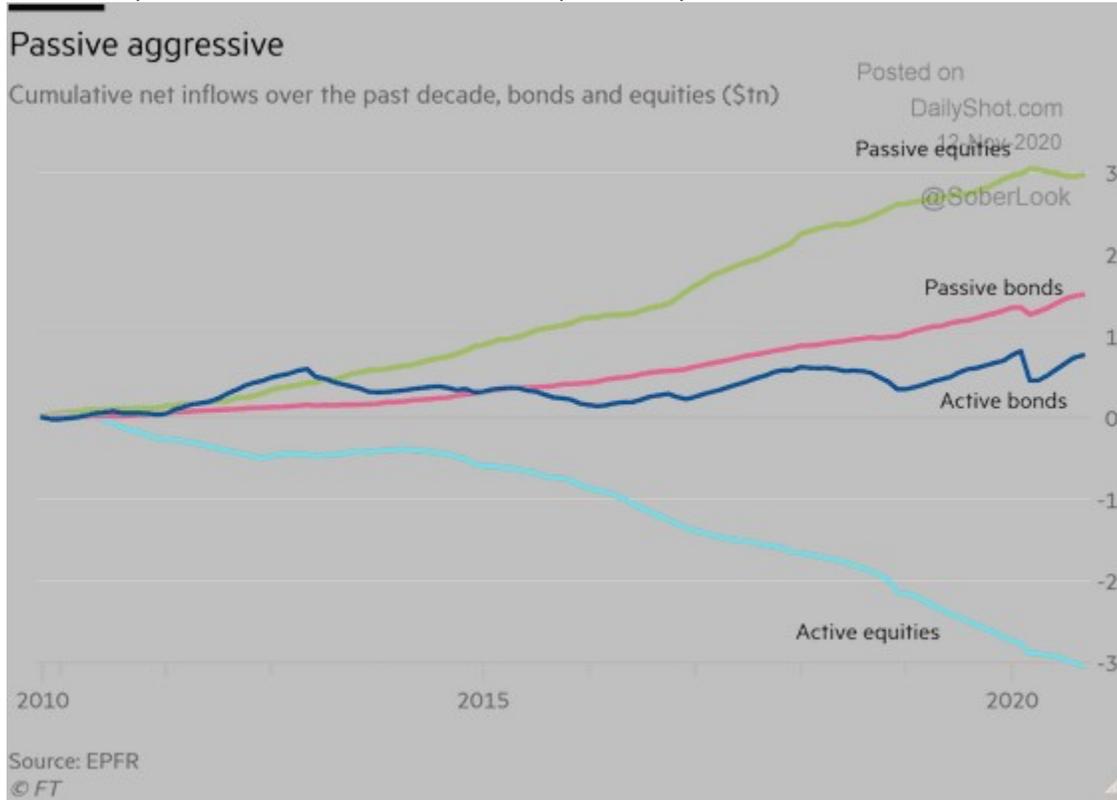
Charts from The Daily Shot:

Growth share valuations remain near multi-decade highs.

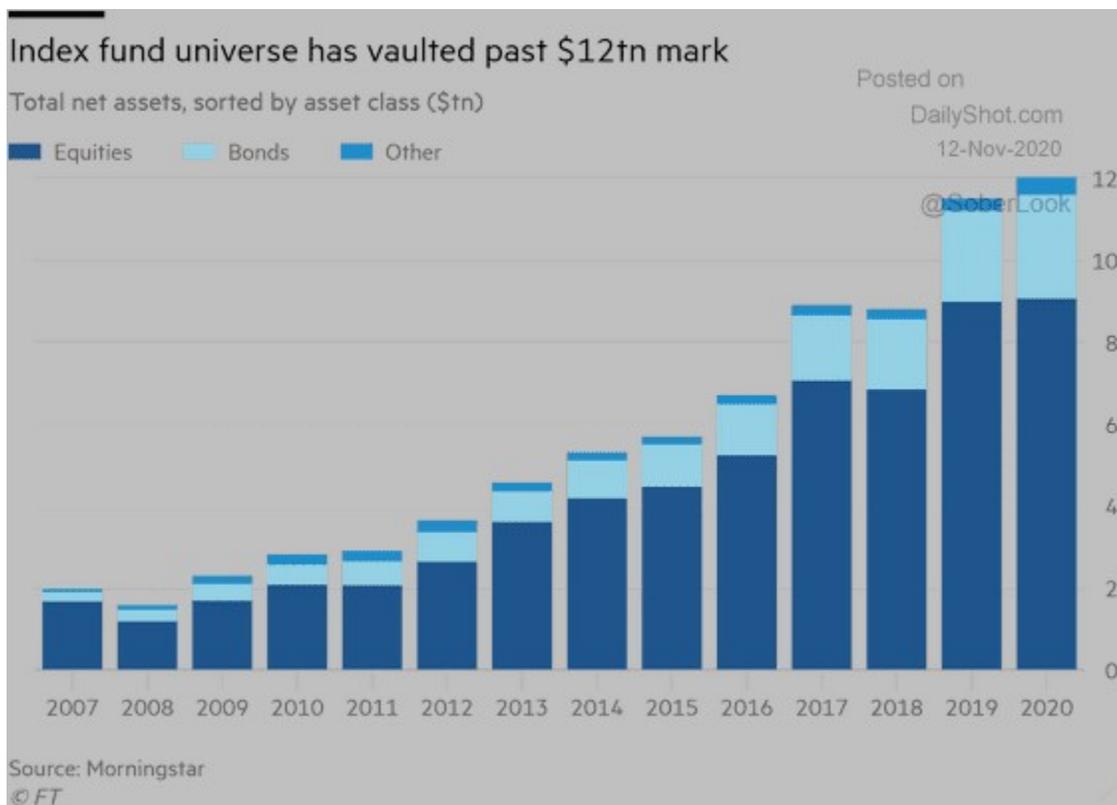


Source: [Cross Asset Research – Societe Generale, @Theimmigrant84](#)

Flows into passive funds continue as investors pull money out of active funds.

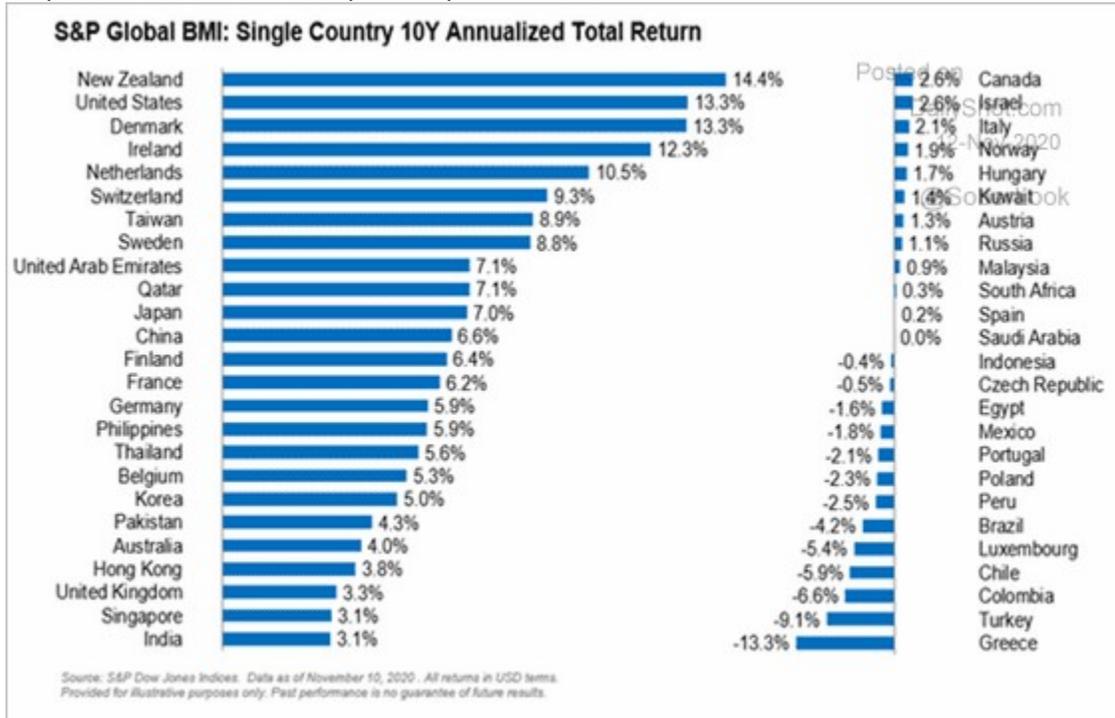


Source: @financialtimes, h/t @trevornoren [Read full article](#)



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10-year annualized returns by country.

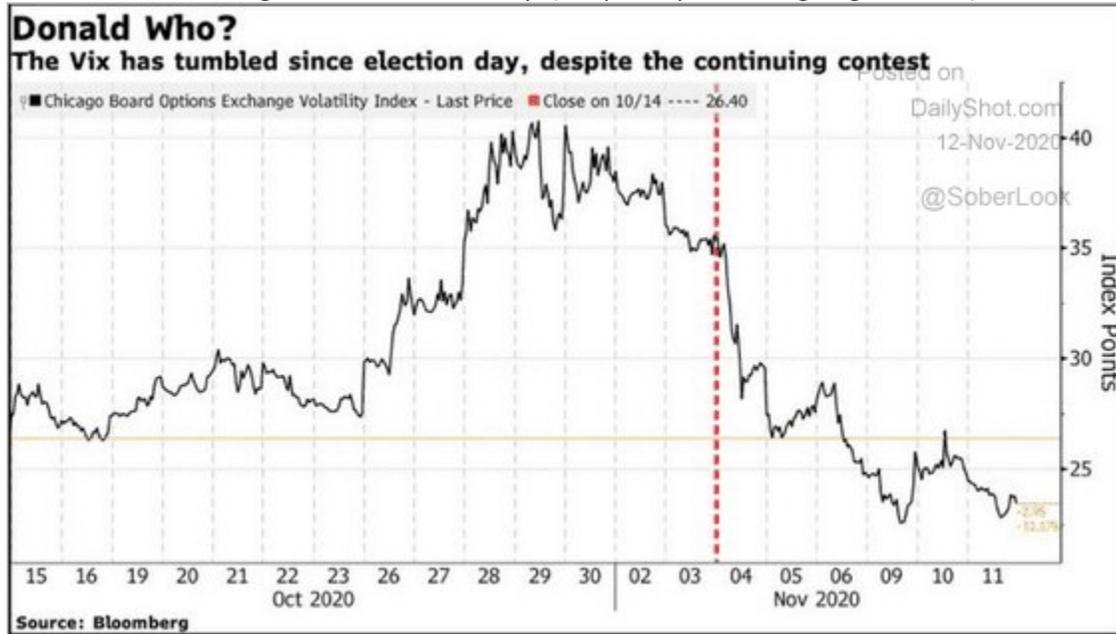


Source: [S&P Global Market Intelligence](https://www.spglobal.com/marketintelligence)

Some 85% of S&P 500 members are now above their 200-day moving average.

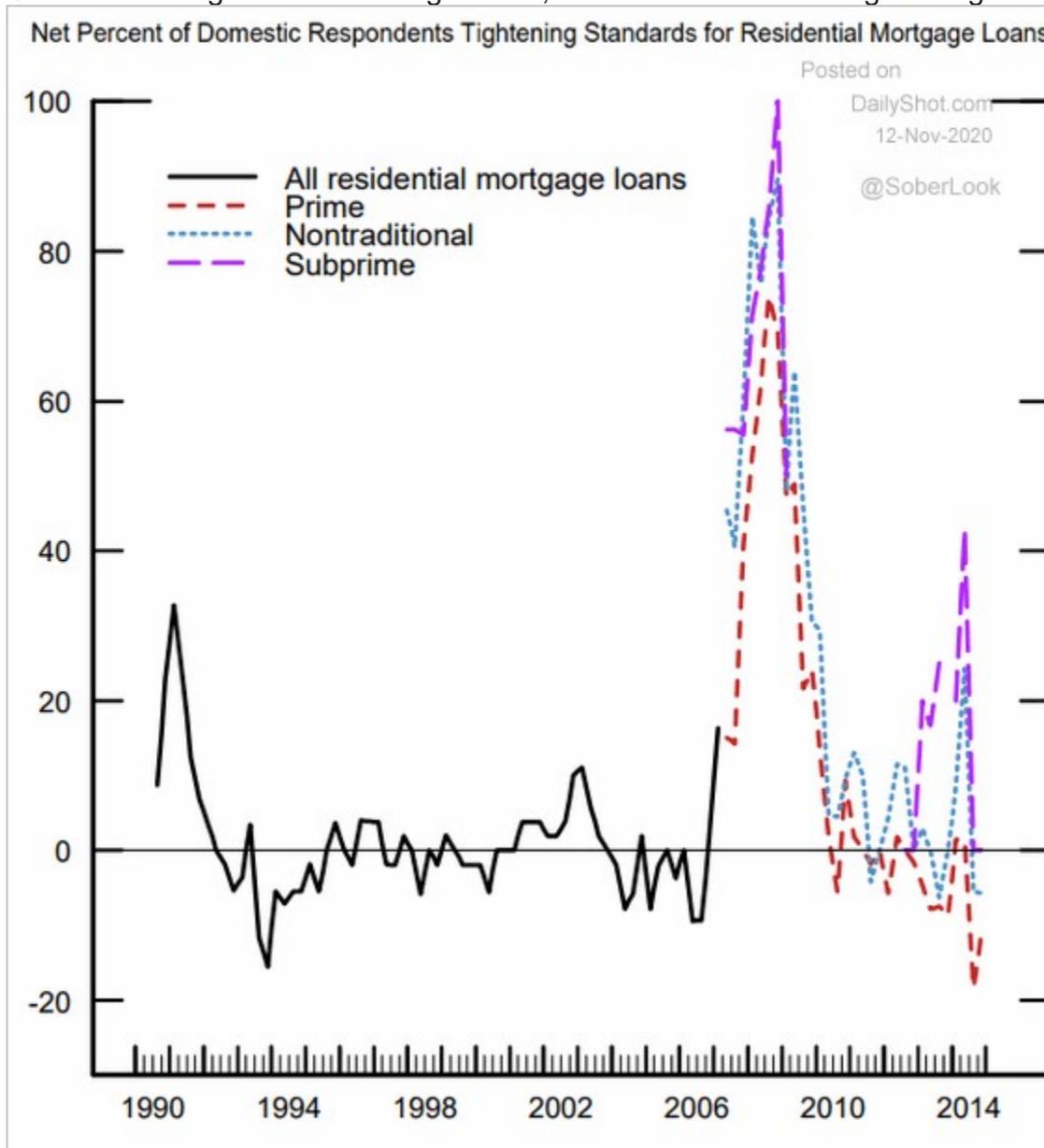


VIX has been declining since the election day. (Keep an eye on this going forward.)



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

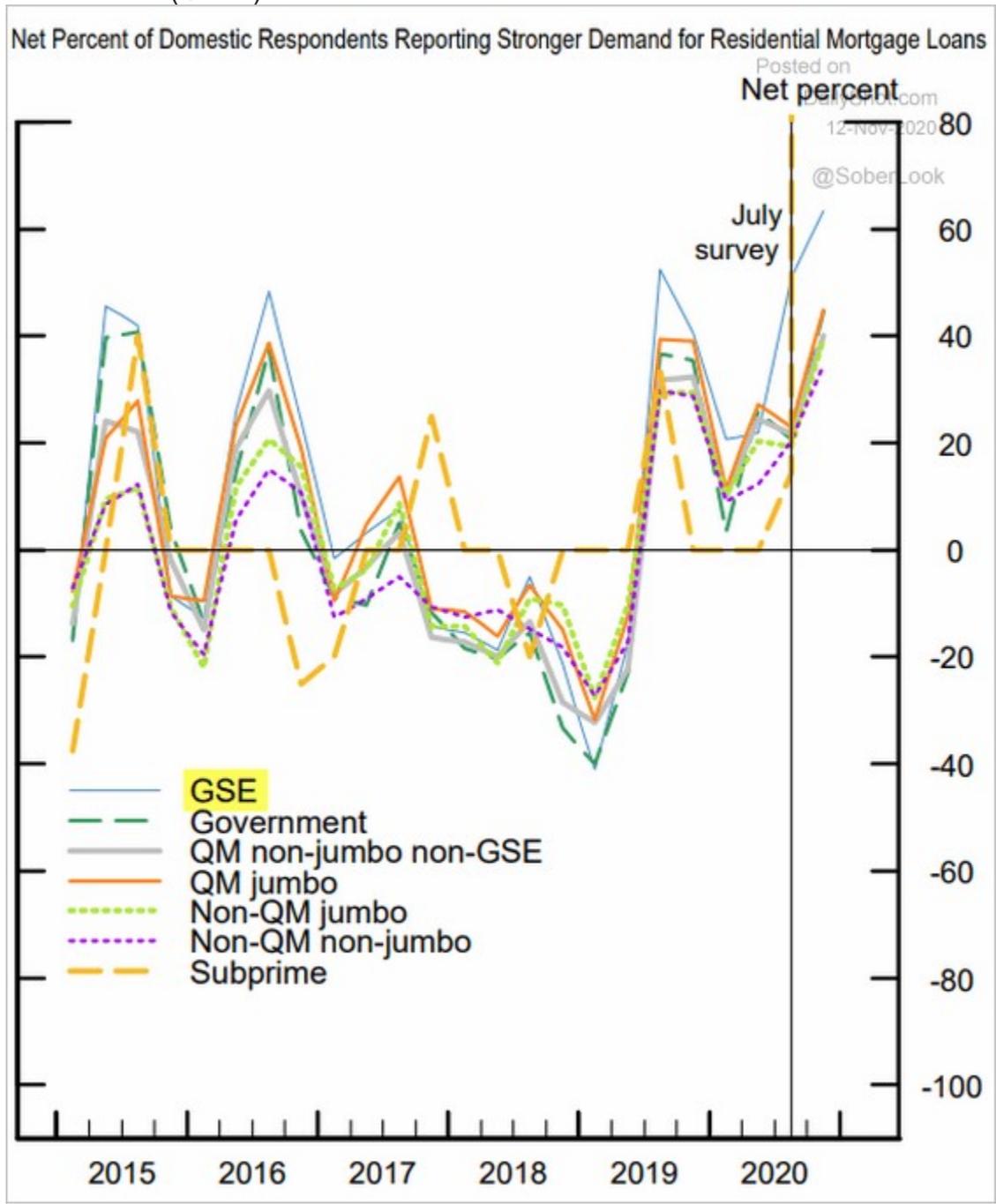
Given the strength in the housing market, banks have been easing lending standards on mortgages.



Source: [FRB](#)

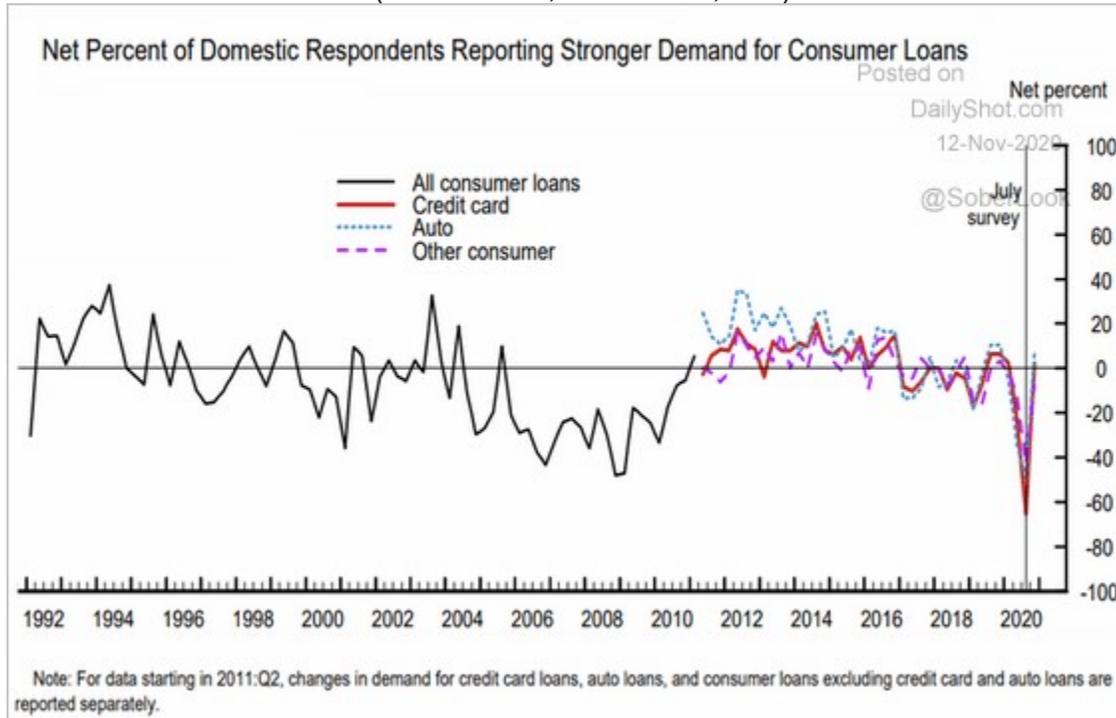
As we've seen from the Mortgage Bankers Association data (see [US section](#)), mortgage demand has been strong. This is especially true for conforming loans, which are bought by Fannie Mae and

Freddie Mac (GSEs).



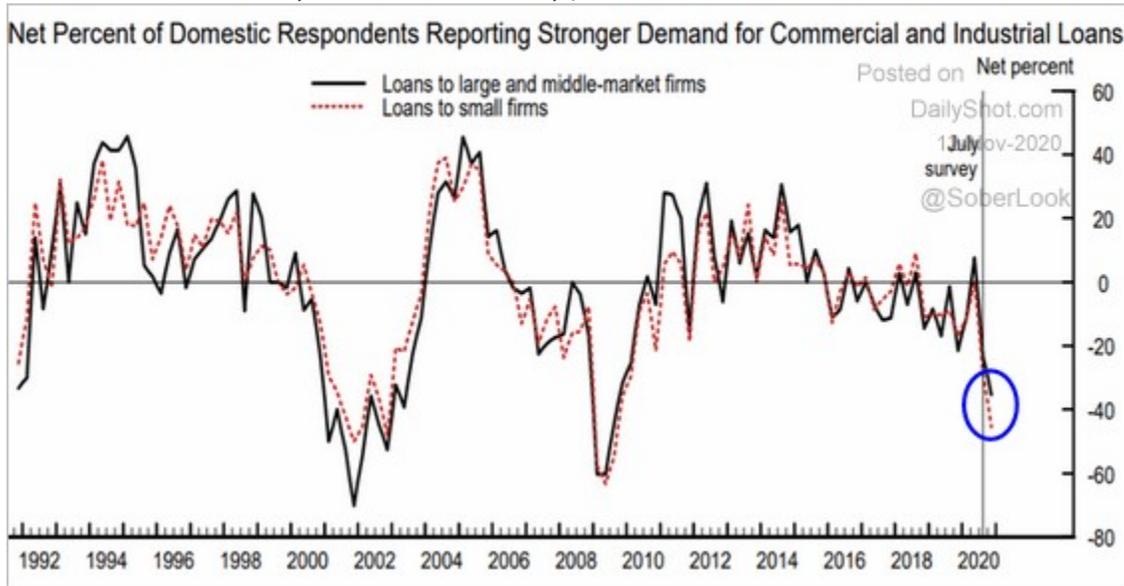
Source: [FRB](#)

Consumer credit demand (credit cards, auto loans, etc.) has rebounded.



Source: [FRB](#)

Corporate loan demand is now at its weakest since the financial crisis. Small business demand is particularly soft. (Tough to take out a loan when you have zero visibility.)



Source: [FRB](#)

Bitcoin has retested the \$16k resistance. Should we be concerned about a double top here?

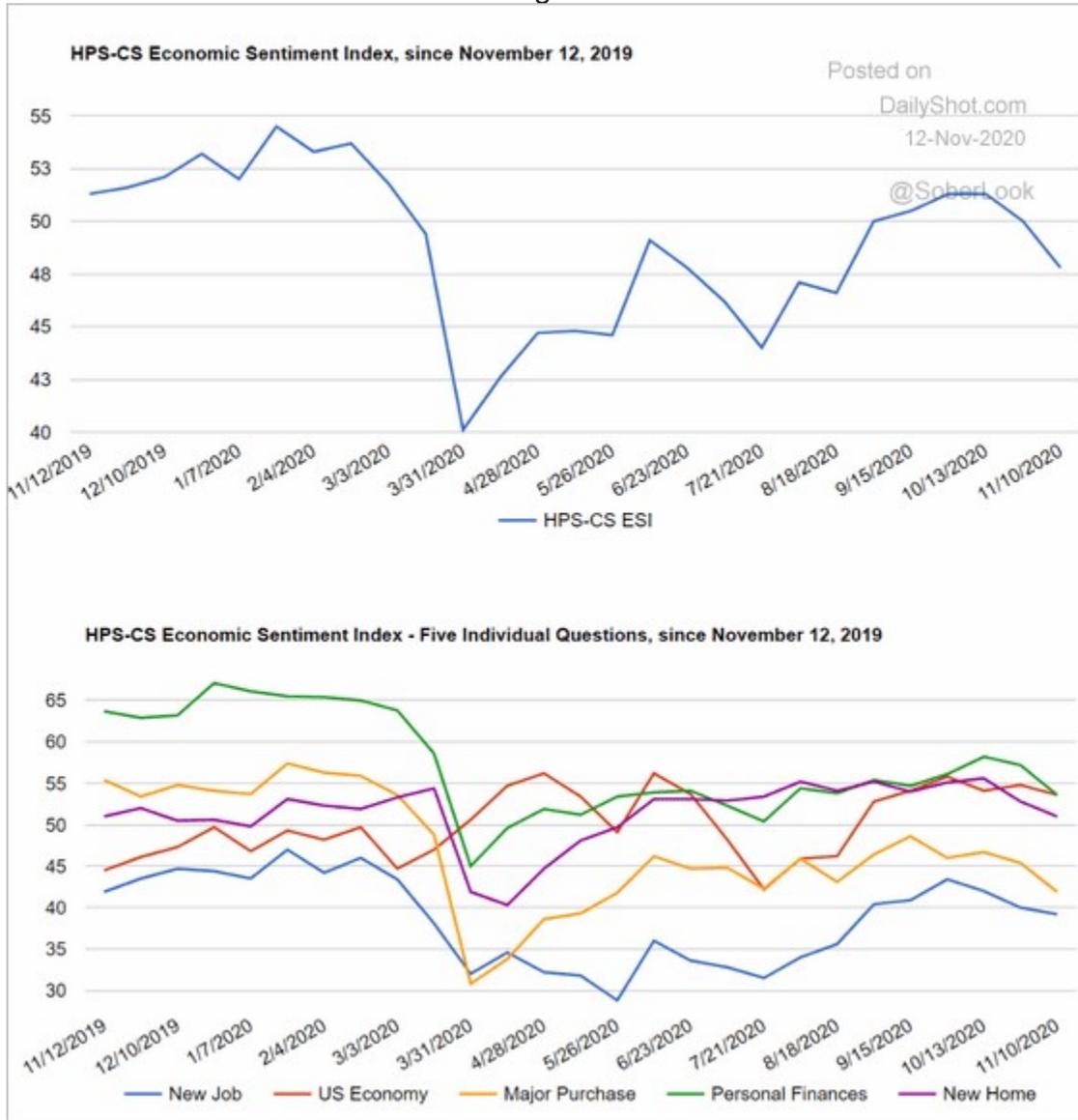


Source: barchart.com

Below is the relative performance of Bitcoin, Ethereum, and XRP over the past month.

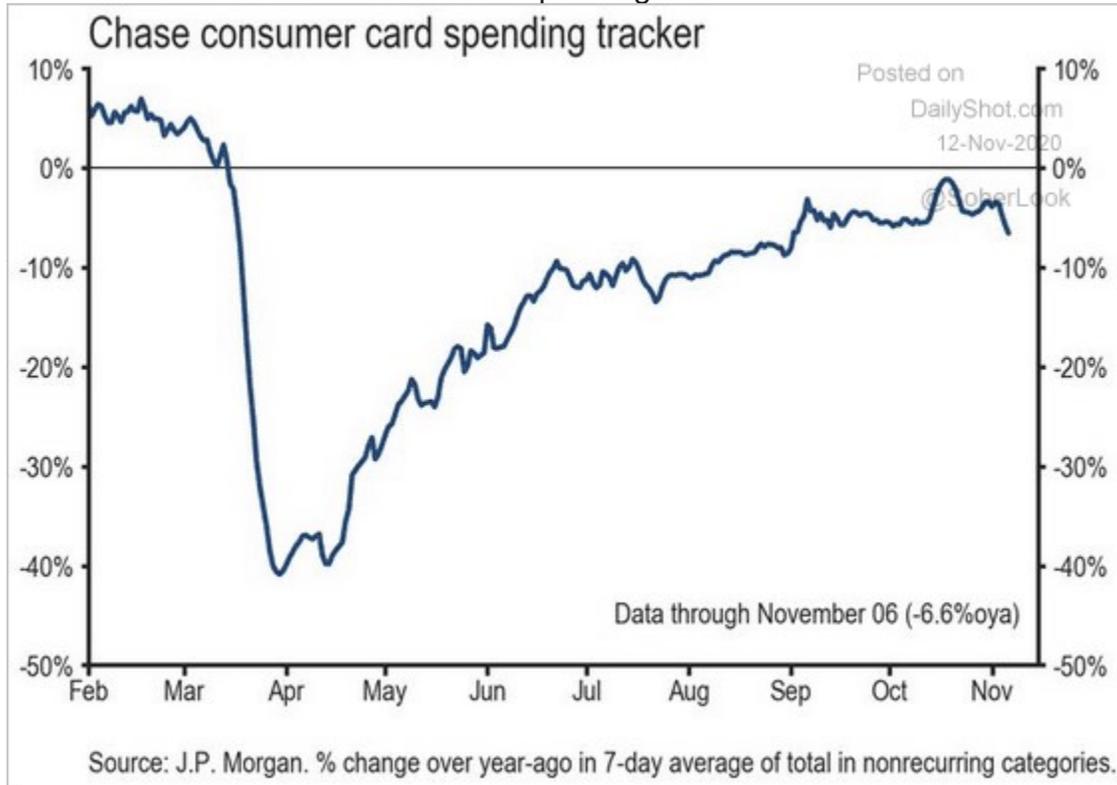


consumer sentiment has been softening.



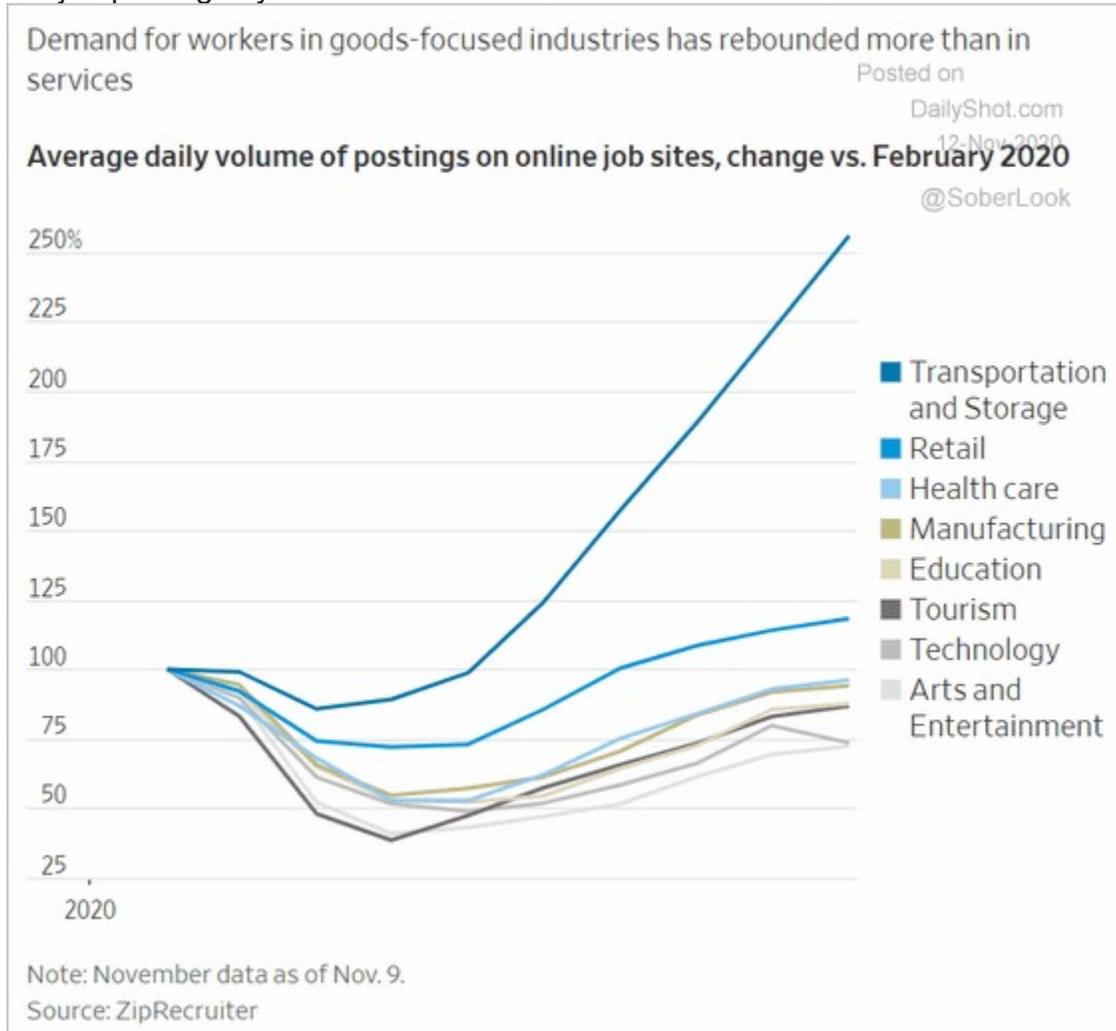
Source: [@HPSInsight](#), [@CivicScience](#)

Below is the Chase debit/credit card spending tracker.



Source: [JP Morgan](#), [@carlquintanilla](#)

US job postings by sector:



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

Trending articles on Investopedia during the US election:

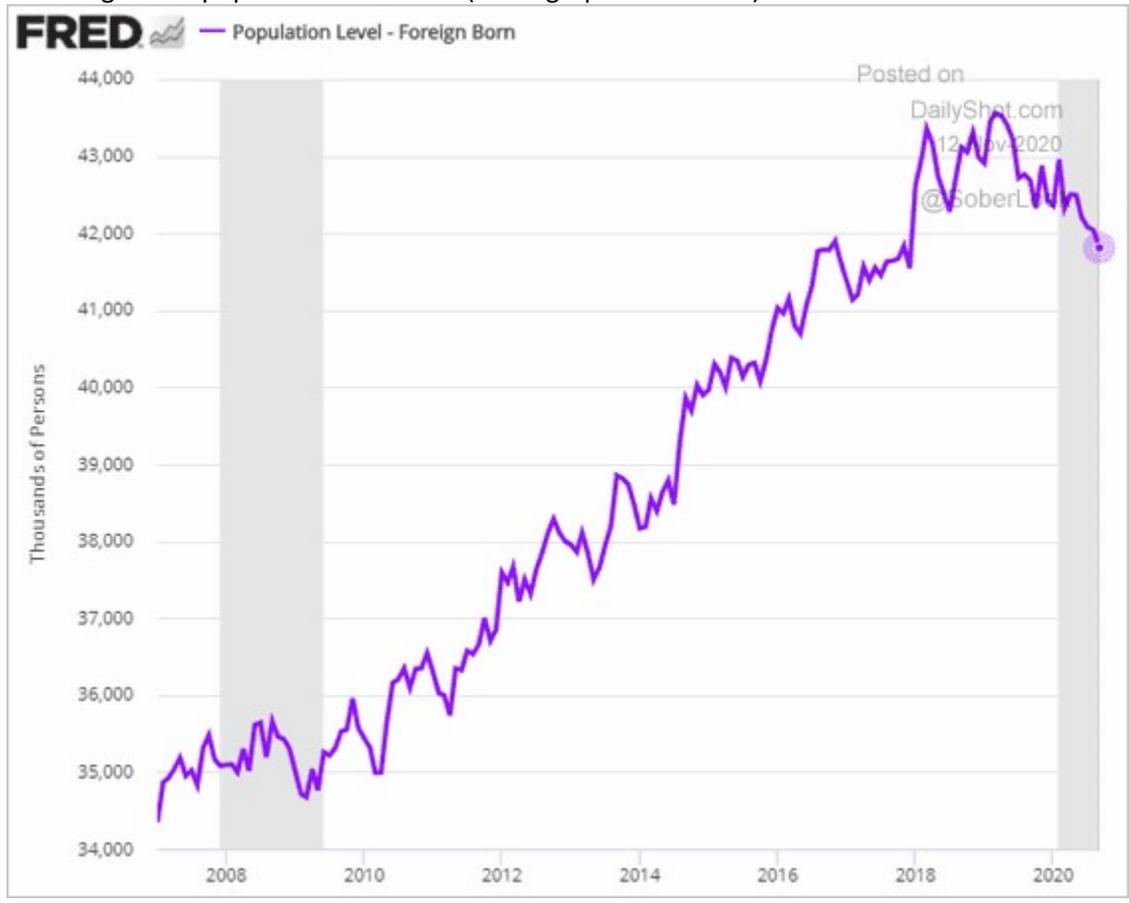
Trending Articles Through 2020 Election		Posted on	When it
Article Title	November 1-8, 2020	Peak Increase	Peaked
Best Marijuana ETFs for Q4 2020	2610% 6229%	+8,063%	Nov, 06
Does Raising the Minimum Wage Increase Inflation?	355% 1429%	+5,715%	Nov, 04
Top Donors to Biden 2020 Campaign	3100% 3741%	+5,518%	Nov, 07
Joe Biden's Economic Plan: Save the Middle Class to Save America	329% 763%	+1,805%	Nov, 07
Presidents and the Stock Market	236% 707%	+1,126%	Nov, 07
Can Socialism Work in America?	160% 550%	+873%	Nov, 07
What Is Donald Trump's Actual Net Worth?	221% 611%	+773%	Nov, 07
Best Alternative Energy ETFs for Q4 2020	164% 330%	+349%	Nov, 03
What is A Capital Gains Tax?	67% 128%	+229%	Nov, 04
How to Buy Bitcoin Legally in the U.S.	181% 122%	+181%	Nov, 01

Percent increase relative to baseline
 Source: Investopedia
[Get the data](#) • [Add this chart to your site](#)

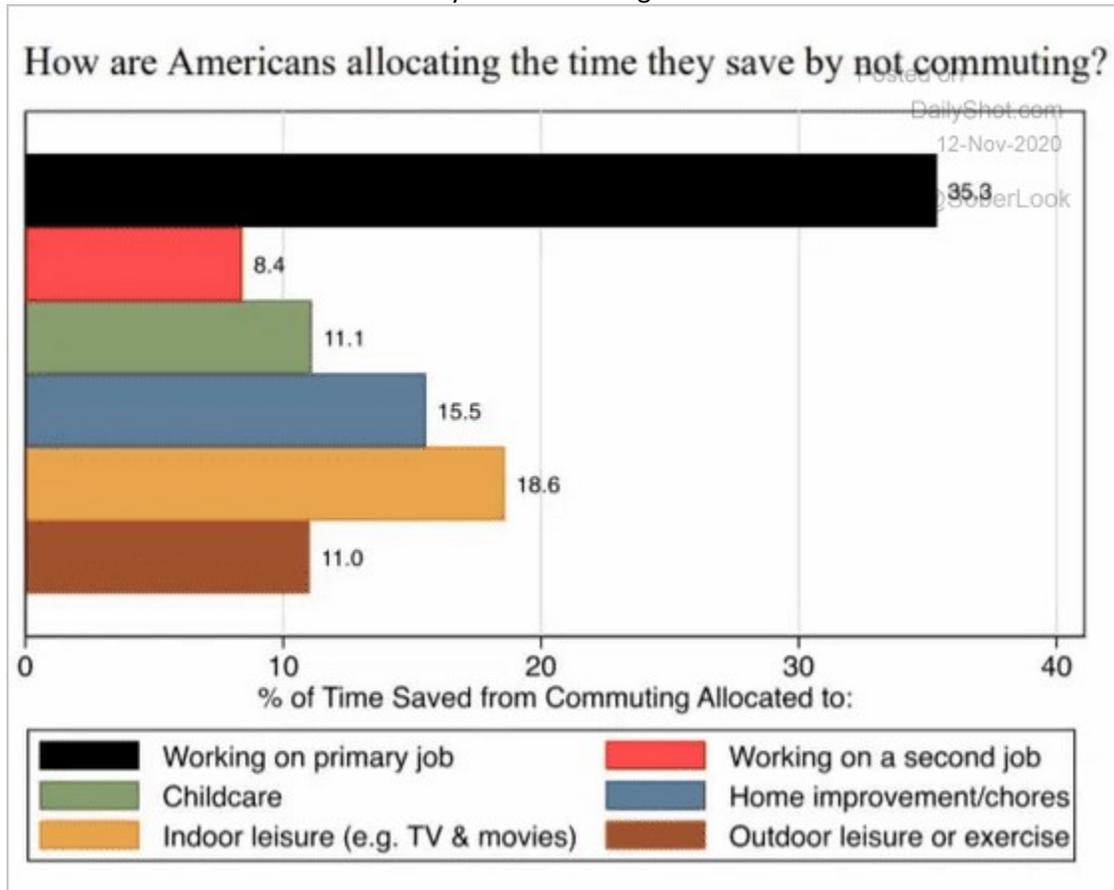
Investopedia

Source: Investopedia [Read full article](#)

US foreign-born population over time: (Demographics matter!!)



How Americans allocate time saved by not commuting:



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