

Nick Lampone

From: Nick Lampone
Sent: Friday, November 13, 2020 8:04 AM
Subject: Morning CORE
Attachments: Core logo.png

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

Happy Soul Train Friday <https://bit.ly/3lusEbc> Not a line dance, but the song is too good. Who knew red pants were popular.

US Futures-World Markets: S&P futures are strong as we wrap up a volatile week in trading. Investors remain optimistic in the face of higher coronavirus cases in the near-term. This is after a difficult September and October for stocks. The VIX is -4% this morning. Does the market look forward to a divided government? I know I am. No chatter on a stimulus package out of DC, but the Fed continues to clamor for fiscal package. Disney is +3% premarket after reporting earnings with strong subscriber growth for Disney+. DraftKings +8% as they ride stay-at-home play for pent up gambling demand. In sports news, I don't think anyone is surprised the Ivy League cancelled winter sports. Palantir raised revenue forecast, but is -2% pre-open. S&P Futures vs. Fair Value: +25.94, 10-Yr Yield: 0.893%.

CORE Headlines:

- Trump administration said to have finalized Executive Order to ban US purchases or sales of securities in Chinese companies with links to the China military-TTN
- Chicago's mayor issued a month-long stay-at-home advisory on Thursday, and Detroit's public schools called a halt to in-person instruction to curb the spread of the coronavirus as more than a dozen U.S. states reported a doubling of new COVID-19 cases in the last two weeks.-Reuters
- Europe's industry chief Thierry Breton has warned Alphabet CEO Sundar Pichai that he plans to rein in U.S. tech giants via a raft of new rules to curb the excesses of a "Wild West" internet.-Reuters
- Judy Shelton likely has the votes for Senate confirmation to Fed Board next week.-WSJ
- New Jersey Governor Phil Murphy is mulling indoor capacity limits.-Bloomberg
- PayPal (**PYPL**) will allow all US users to buy and sell cryptocurrency.-Verge
- Lawmakers could securely vote remotely from outside the Capitol using existing technology, Democrats on the House Administration Committee said in a report this week, but the idea faces resistance from Democratic leaders.-WSJ
- "Some banks are slashing deposit rates, others are keeping already-low rates at next to nothing, sometimes 0.01 percent—but customers keep stashing cash at banks anyway."-WSJ
- Even if human-caused greenhouse gas emissions can be reduced to zero, global temperatures may continue to rise for centuries afterward, according to a new scientific study, a sign the world is already past a point of no return for global warming.-USA
- A coronavirus vaccine is "unlikely to ride to the rescue" of the global oil market until sometime next year, the International Energy Agency says, because a surge in Covid-19 infections in the US and Europe and the attendant lockdowns will put renewed pressure on the industry.-NYP
- Eight months into the pandemic, New York City's taxi industry is virtually crippled, with revenue down 81 percent over the same period a year ago, even though ride-hailing services such as **UBER** and **LYFT** are bouncing back.-NYT

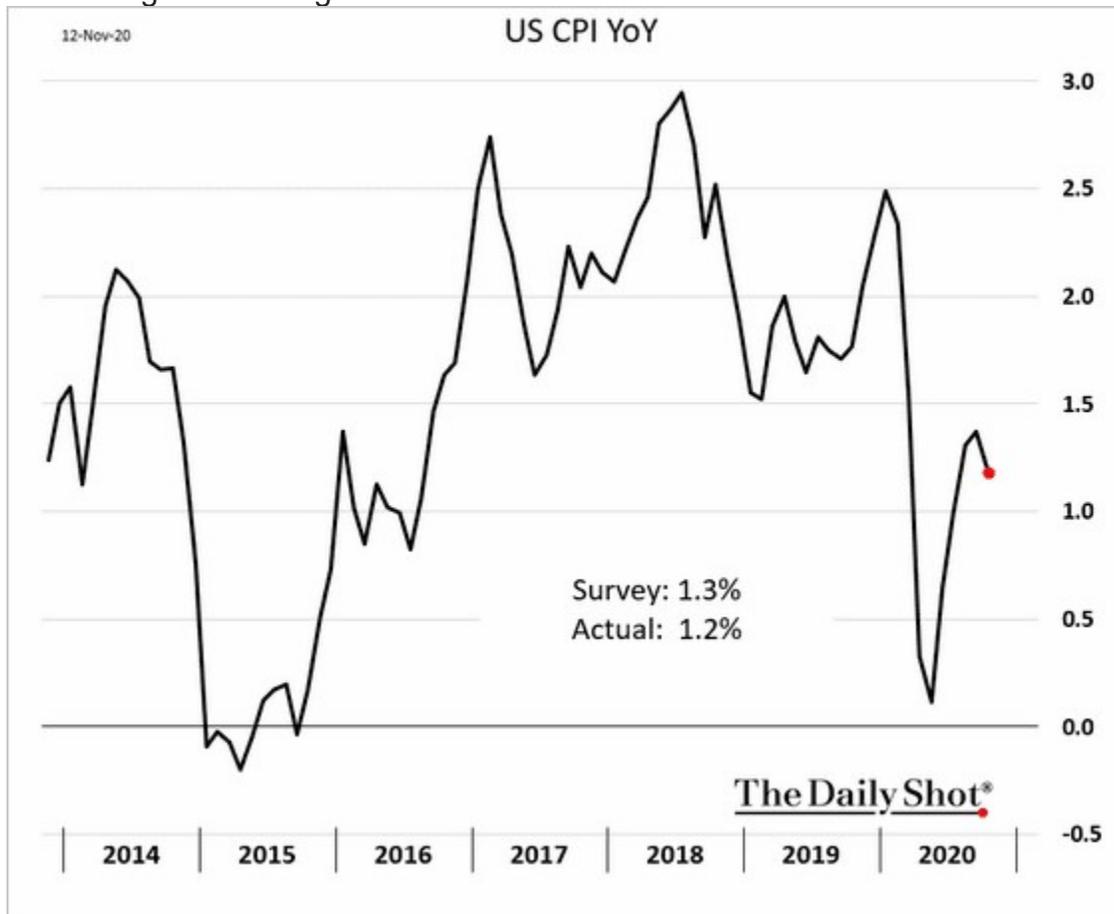
- If **PFE** receives authorization for its Covid-19 vaccine from the FDA in the coming weeks, the company could vaccinate millions of Americans by the end of the year, but success will depend on collaboration among companies, federal and state agencies, and on-the-ground health workers.-NYT
- **GS**: Almost half of the firm’s new round of partners are women and ethnic minorities, lessening the dominance of white men at the firm, which named 60 new partners, down from 69 last year and well below the 100 or so typically named by previous chief Lloyd Blankfein.-FT
- “New York’s hotel industry is in crisis, with four out of five properties underpinning commercial mortgage bonds now showing strain under the weight of coronavirus and investors worrying whether hoteliers will be able to make good on their loans.”-FT

Interesting Reads/Charts:

- CNBC: What scares Jerome Powell most about this economy right now <https://cnb.cx/32D0rY3>
- Billboard: Ticketmaster plans to check your vaccine status for concerts <https://bit.ly/36sGhRY> (I’ll take a hard pass)
- AEI: Damage from closing schools is worse than you think <https://bit.ly/2H0bq6A> (Serious tradeoffs and unintended consequences)

Charts from The Daily Shot:

The October CPI report showed a slowdown in price increases, with both the headline and the core inflation figures coming in below consensus.



12-Nov-20

US Core CPI YoY



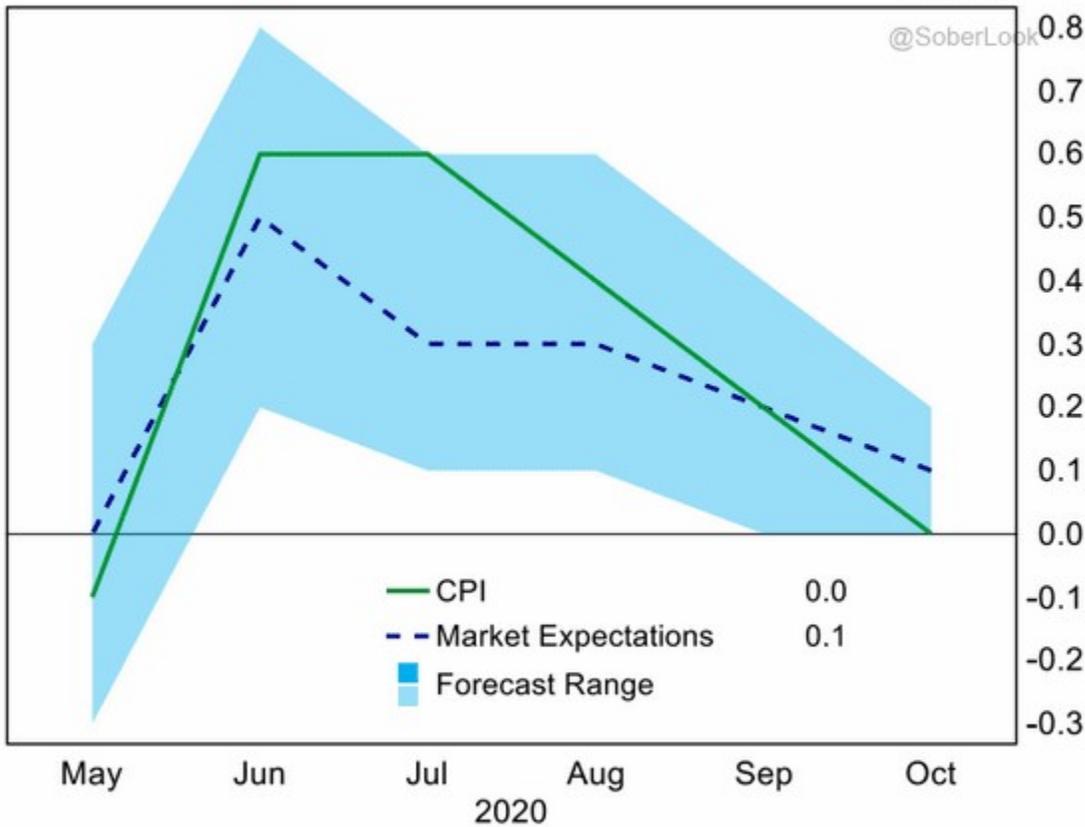
CPI Below Expectations

October 2020 at 0.0 vs Expectations 0.1

Posted on
DailyShot.com

MoM%

@SoberLook



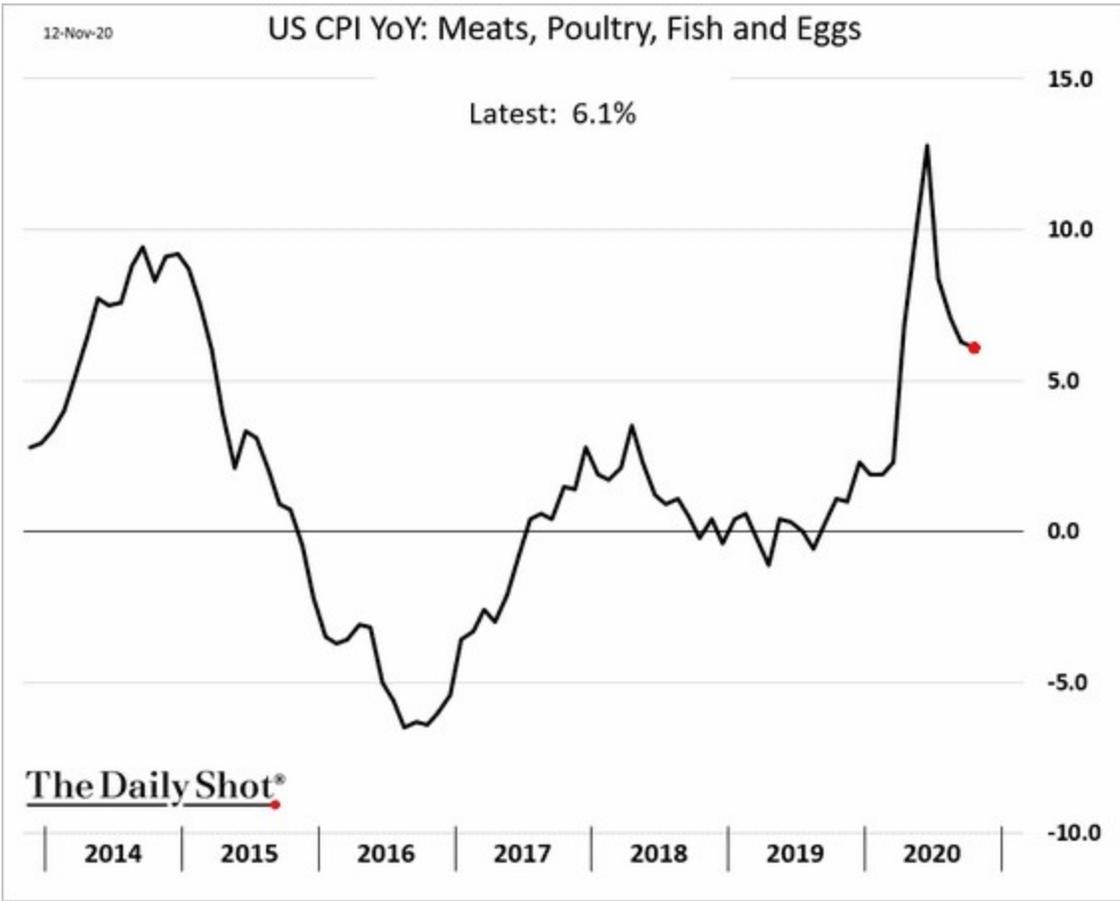
Note: Monthly data through October 2020. Seasonally adjusted.

Released on Thursday, November 12, 2020.

Source: Mizuho Securities, Bloomberg, BLS.

Source: [Mizuho Securities USA](#)

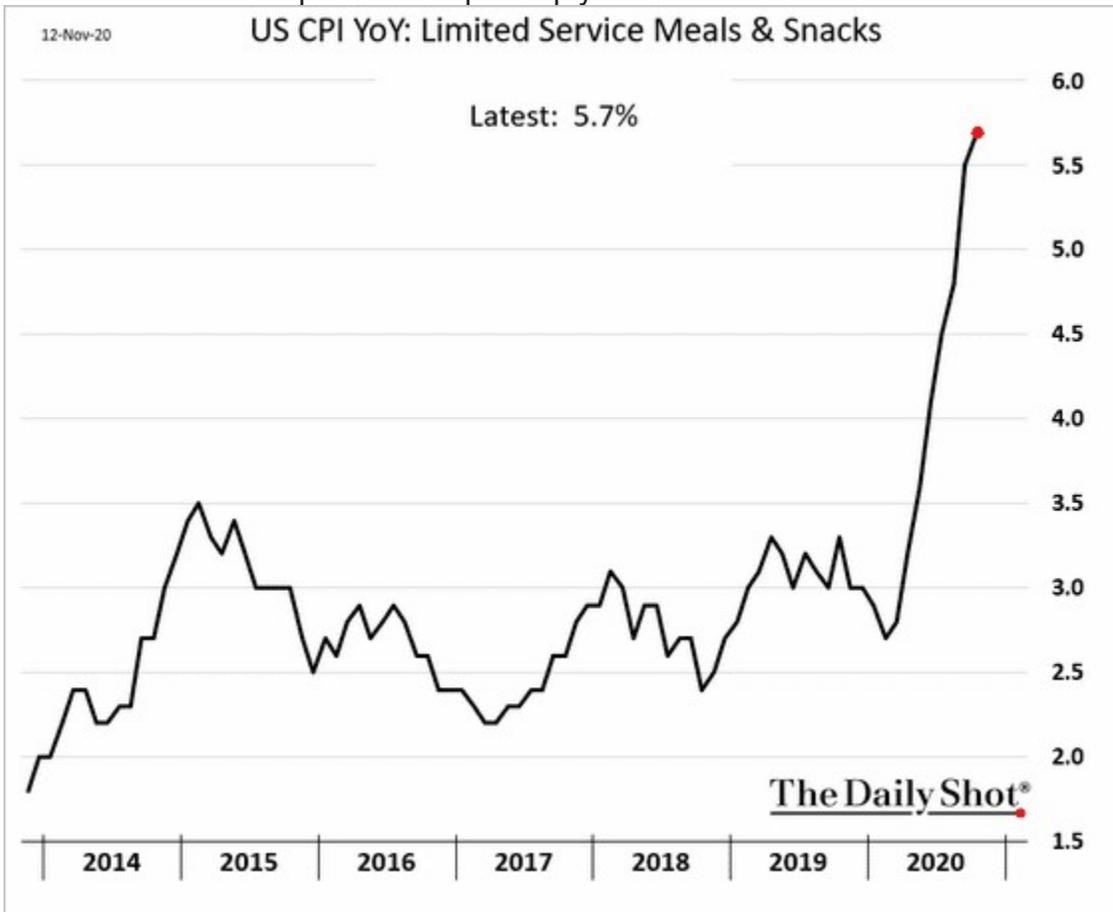
While meat inflation (which spiked earlier this year due to supply bottlenecks) is off the highs, prices are still well above last year's levels.



And here we have the CPI for cleaning products



Fast-food restaurant prices are up sharply.



Car prices are through the roof.

12-Nov-20

US CPI YoY: New Vehicles

Latest: 1.5%

2.0

1.5

1.0

0.5

0.0

-0.5

-1.0

-1.5

-2.0

The Daily Shot®

2014

2015

2016

2017

2018

2019

2020

12-Nov-20

US CPI YoY: Used Cars and Trucks

Latest: 11.5%

12.0

10.0

8.0

6.0

4.0

2.0

0.0

-2.0

-4.0

-6.0

The Daily Shot®

2014

2015

2016

2017

2018

2019

2020

You can buy men's suits at a much lower price than last year. Has anyone bought a suit in 2020?

12-Nov-20

US CPI YoY: Men's Suits, Sport Coats, and Outwear

10.0

Latest: -23.4%

5.0

0.0

-5.0

-10.0

-15.0

-20.0

-25.0

The Daily Shot*

2014

2015

2016

2017

2018

2019

2020

US CPI YoY: Men's Shirts and Sweaters

12-Nov-20

5.0

0.0

-5.0

-10.0

-15.0

Latest: -12.4%

The Daily Shot*

2014

2015

2016

2017

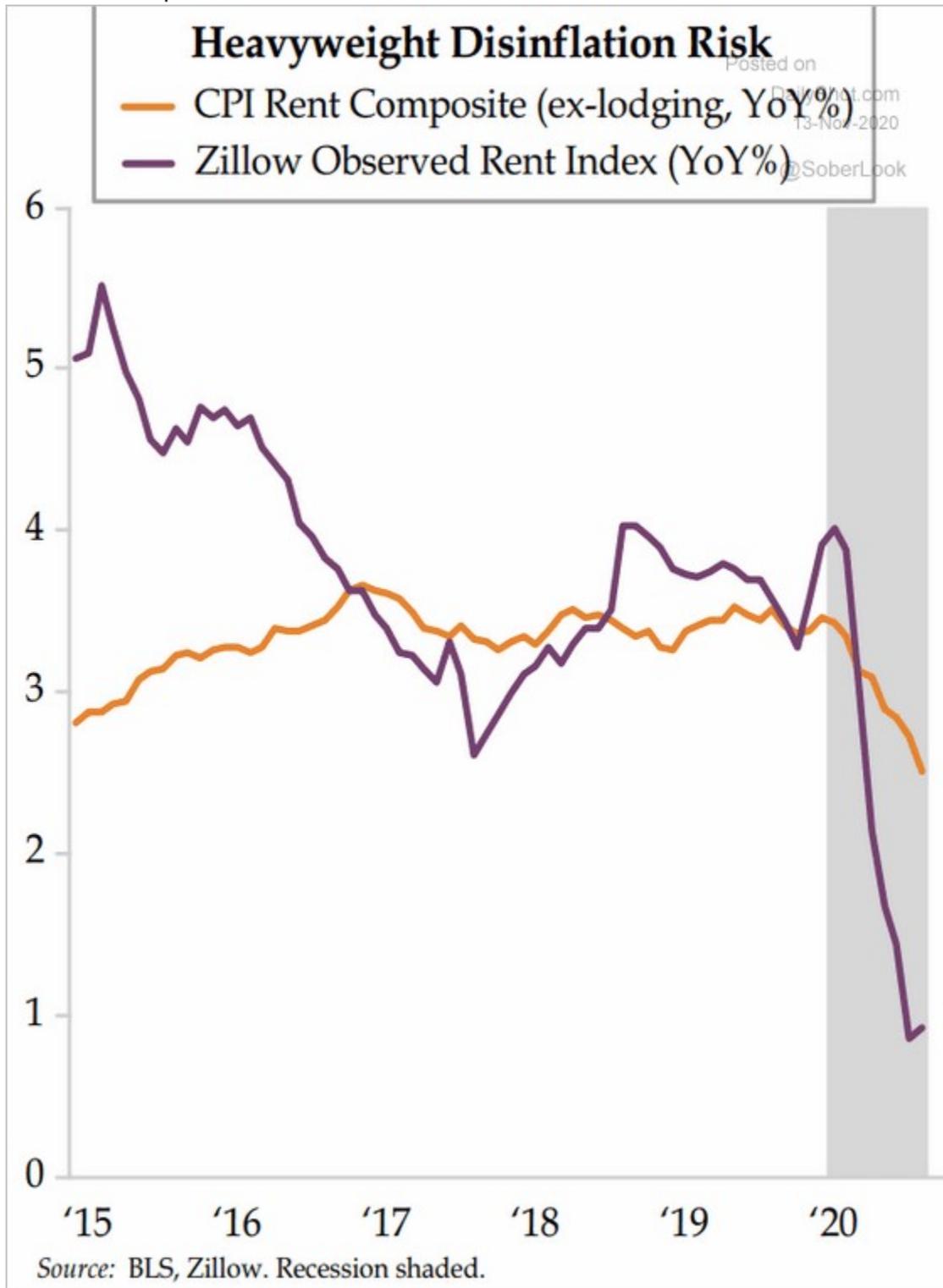
2018

2019

2020

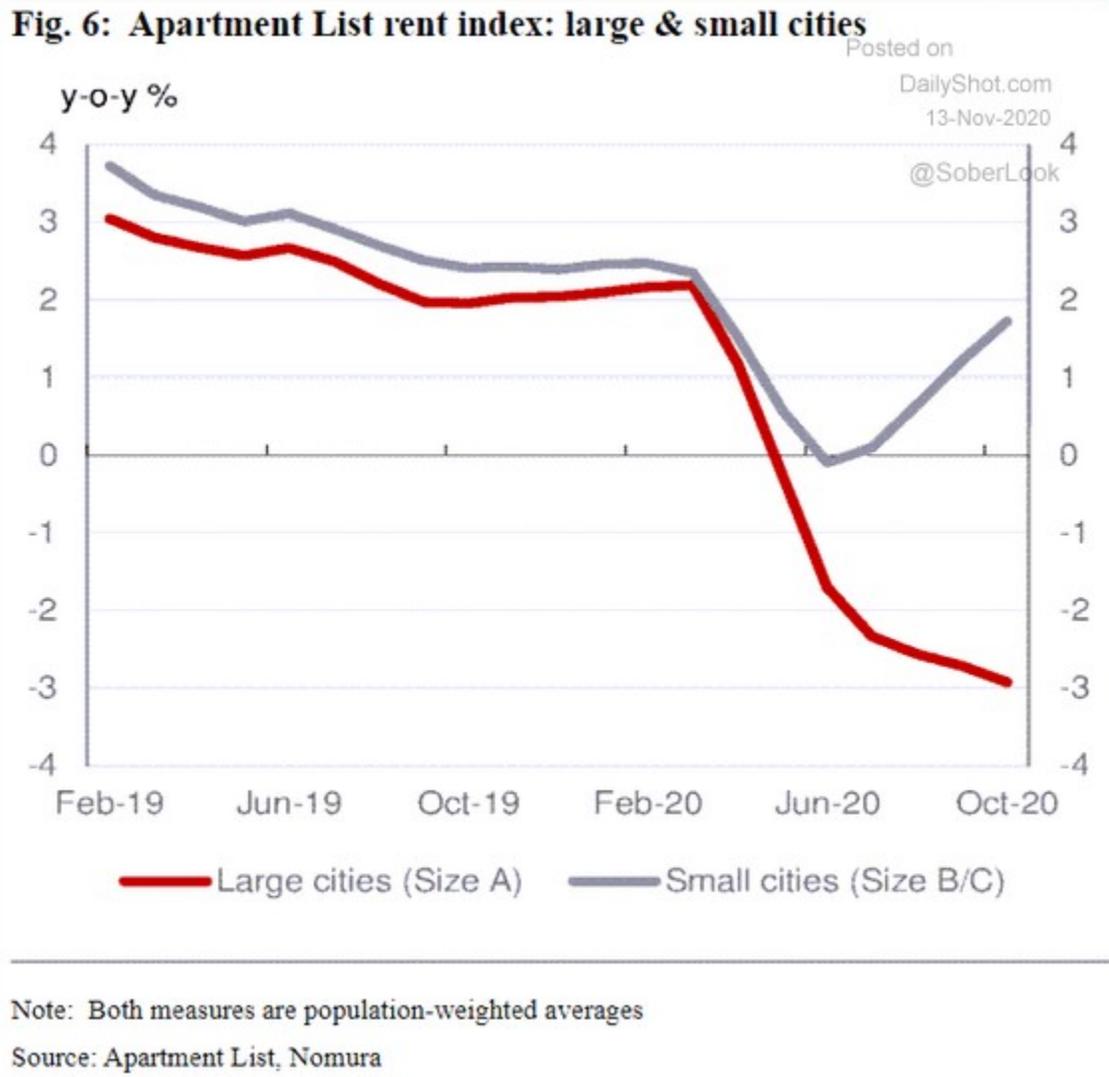
Here are a couple of other updates on inflation.

- Zillow data point to more downside for rent inflation.



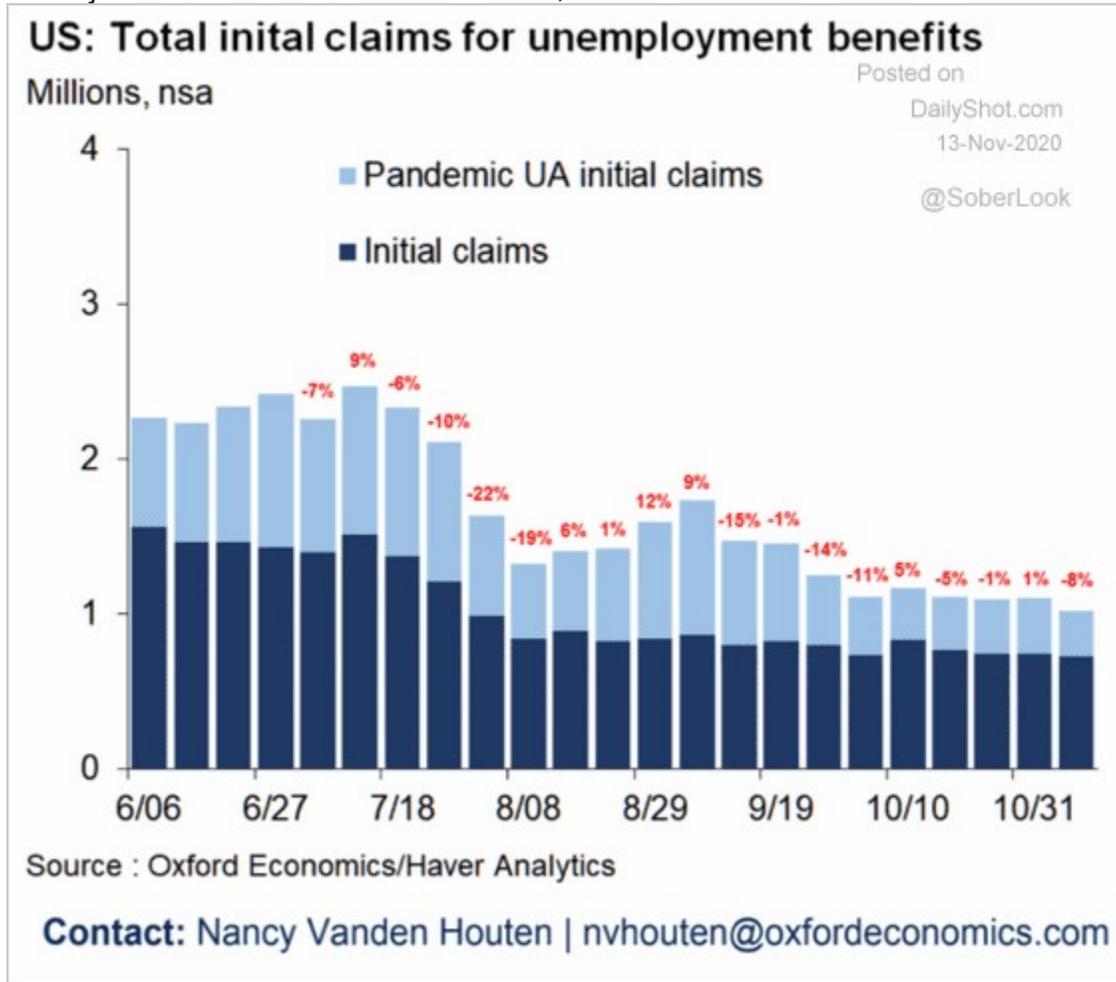
Source: [The Daily Feather](#)

- Here is another illustration of migration out of large metro areas.



Source: [Nomura Securities](#)

Initial jobless claims declined last week, but there are risks ahead for the labor market.



Source: [Oxford Economics](#)

The Citi Economic Surprise Index shows some loss of momentum in the recovery.



The S&P 500 is at long-term resistance.



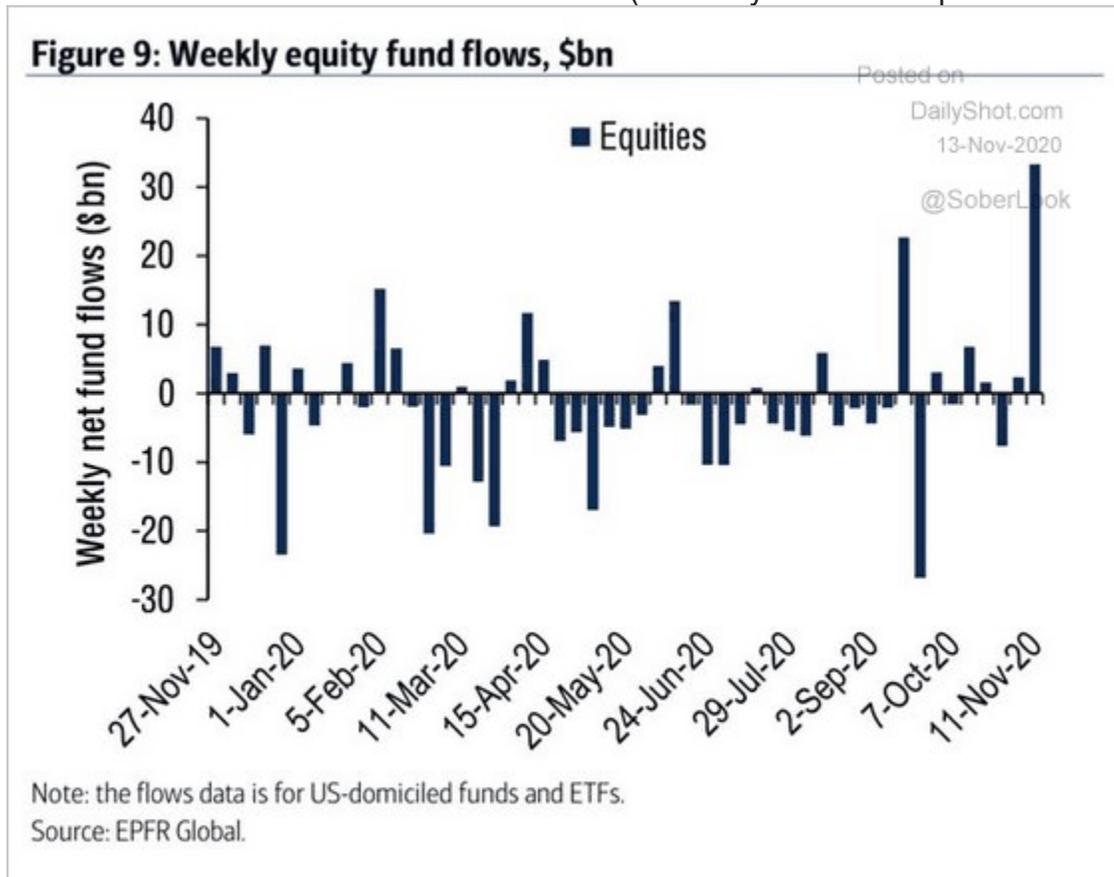
[h/t Cormac Mullen](#)

Year-over-year earnings growth is expected to turn positive next year. (When will Wall St. analysts raise estimates?)



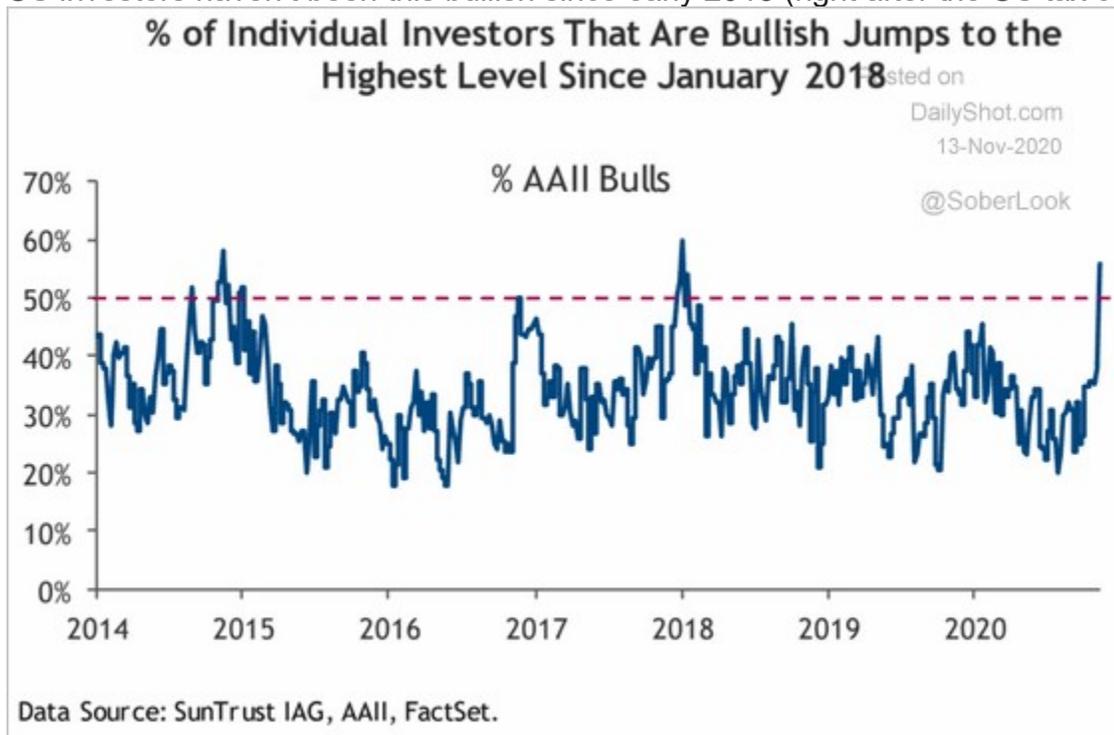
Source: [LPL Research](#)

Stock funds saw massive inflows this week. (Probably the most important chart today.)



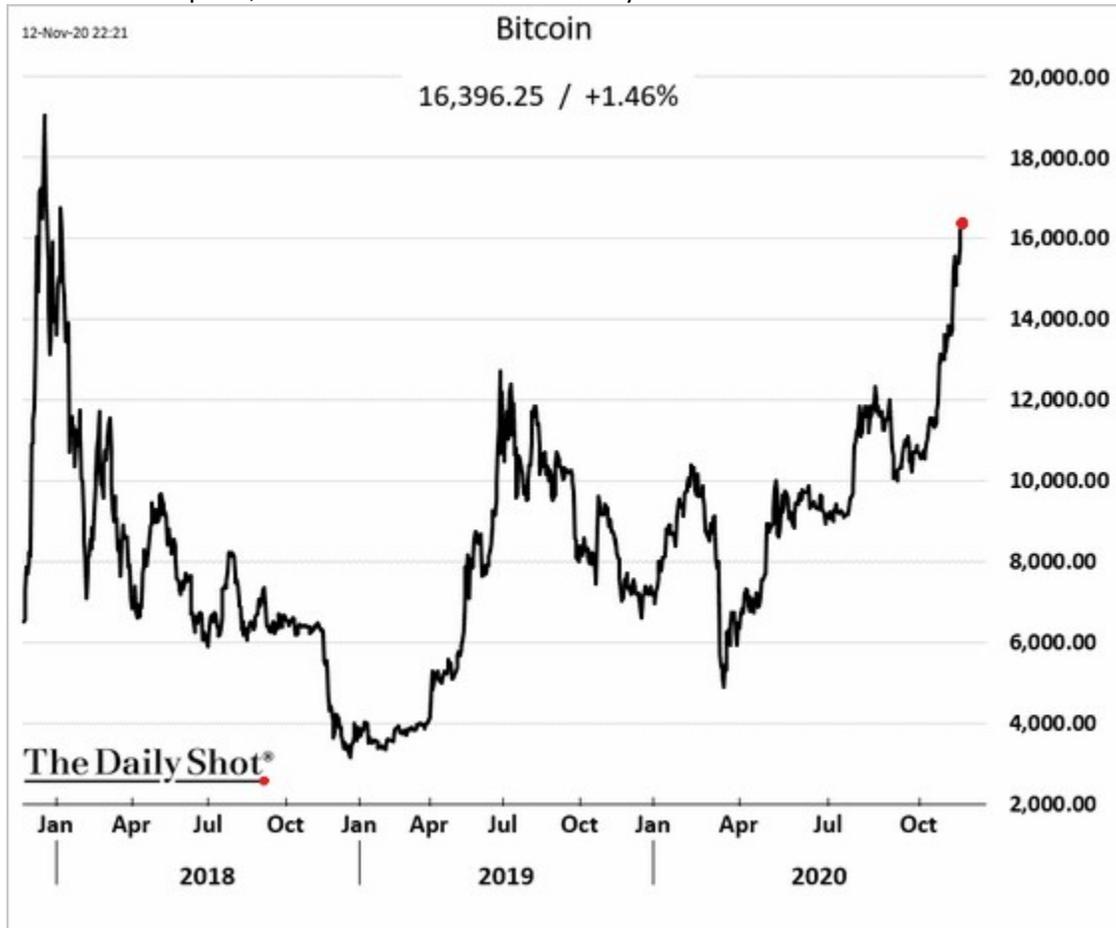
Source: [BofA. @WallStJesus](#)

US investors haven't been this bullish since early 2018 (right after the US tax cuts).



Source: [SunTrust Private Wealth Management](#)

Bitcoin blasted past \$16k for the first time since early 2018.



Crude oil remains stuck in a trading range.

- WTI:



Source: [@KritiGuptaNews](#)

The history of US bank mergers: (I guess scale really does matter.)

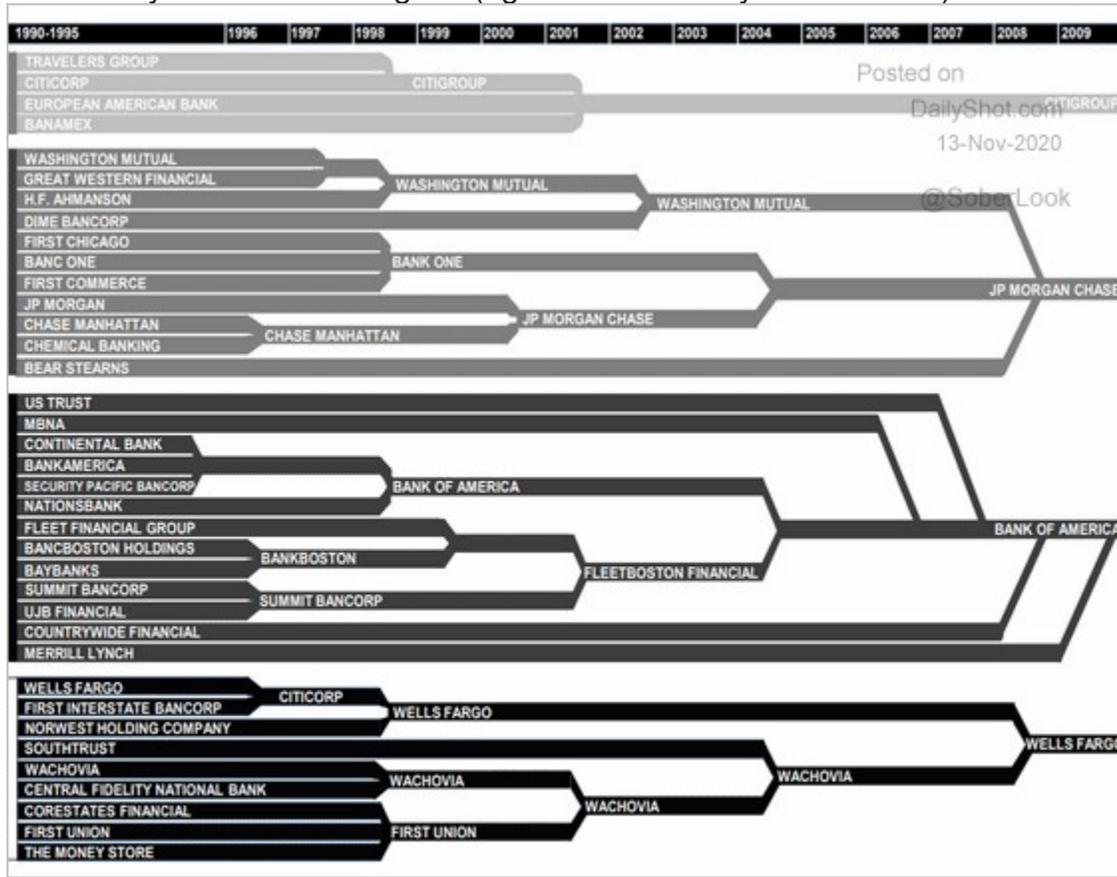
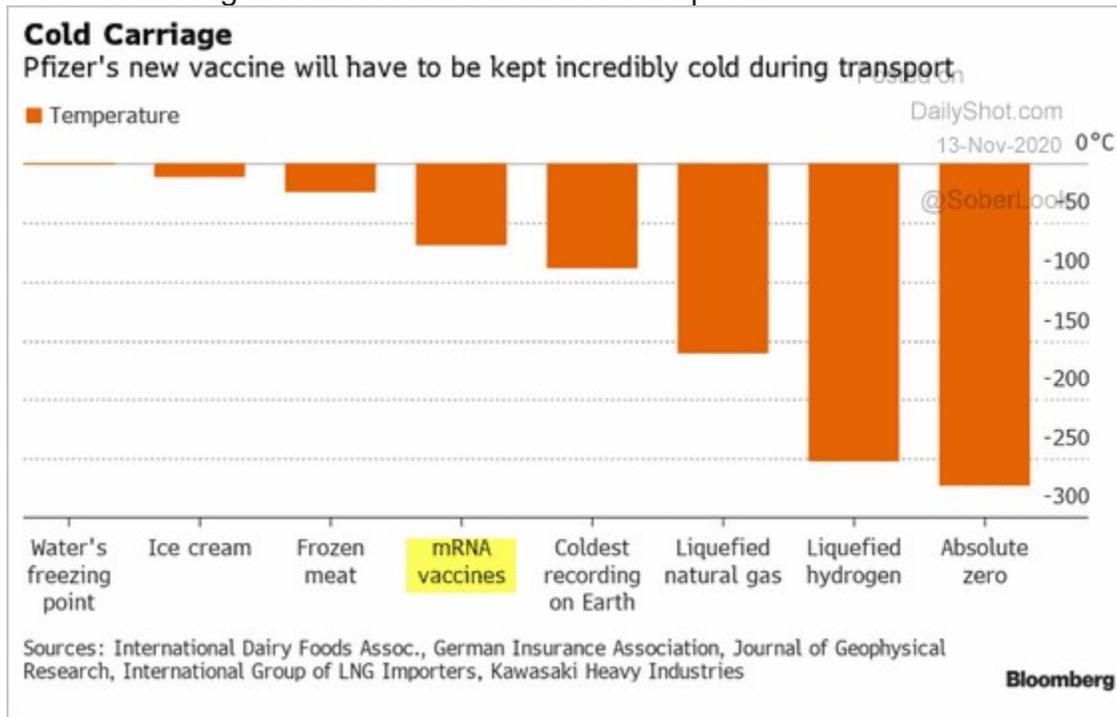


Figure 1. Mergers and consolidations in American banking.

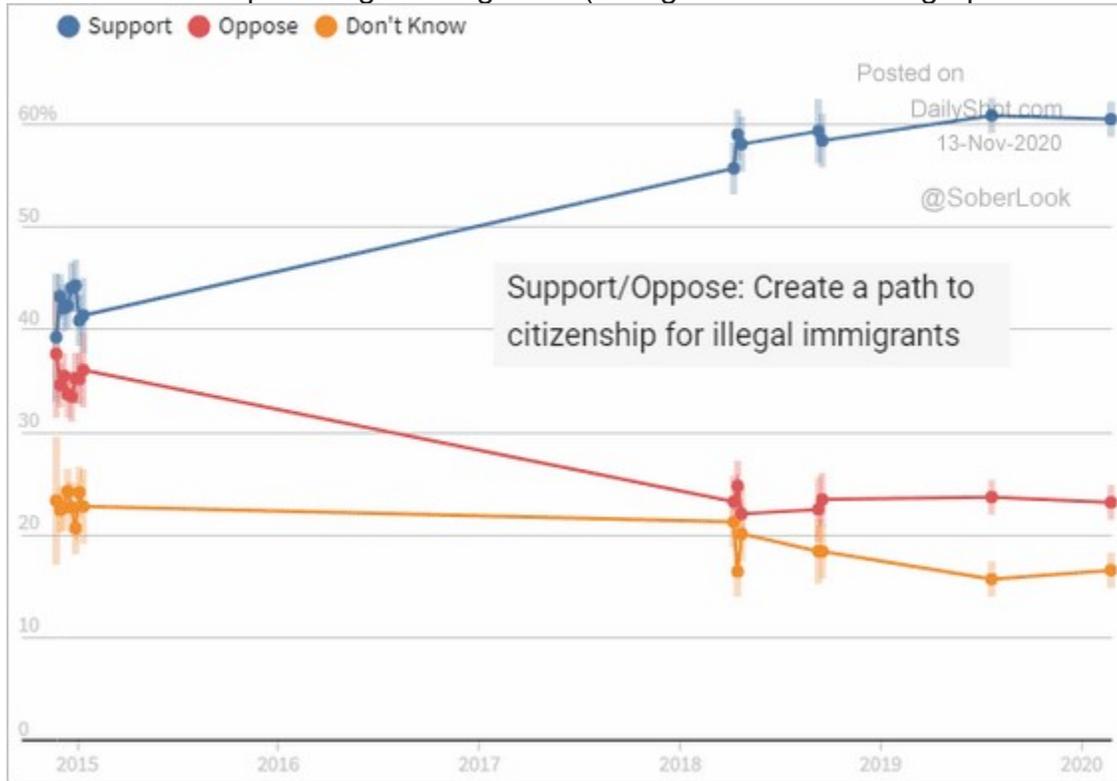
Source: Martineau, Knox, Combs; American Journal of Industrial and Business Management

How much refrigeration does Pfizer's vaccine require?



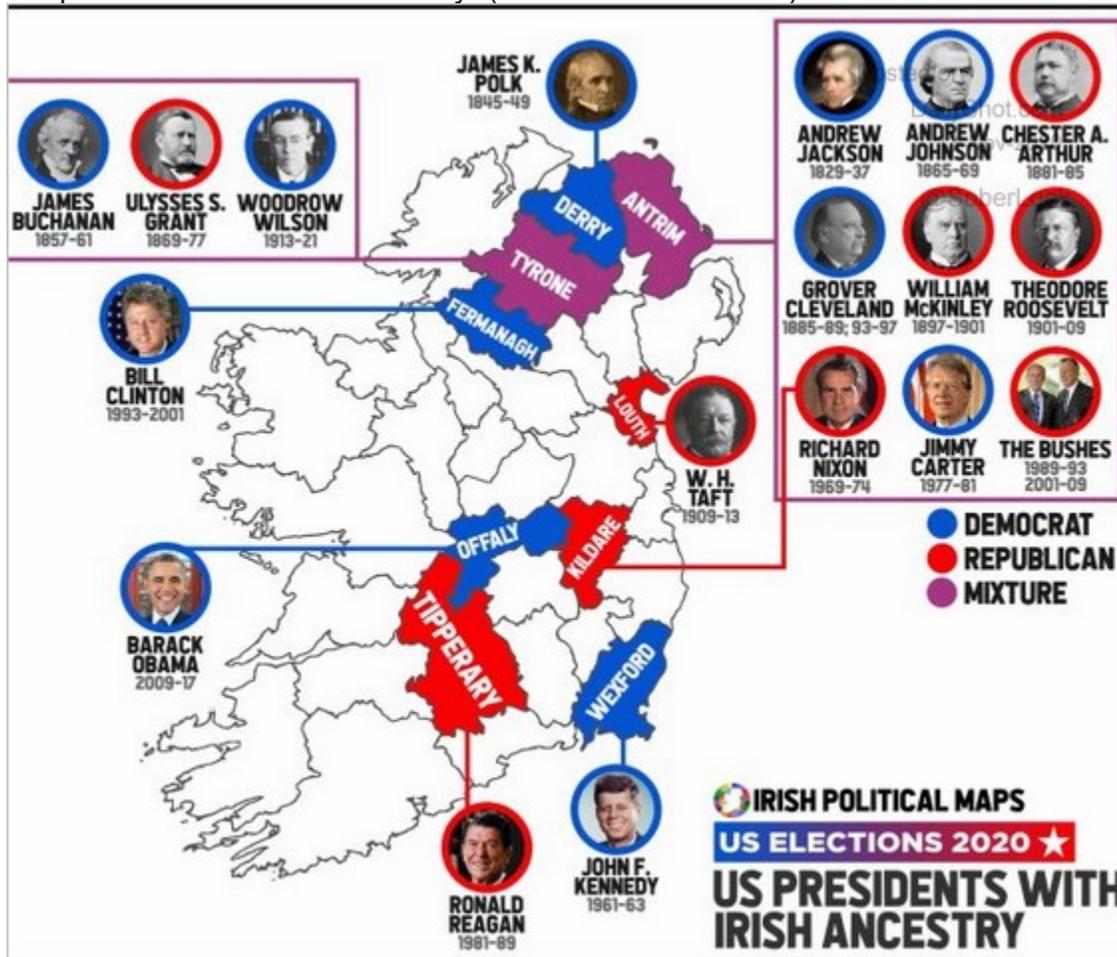
Source: @danmurtaugh, @TheTerminal, Bloomberg Finance L.P.

Path to citizenship for illegal immigrants: (Just get it done!! Demographics matter.)



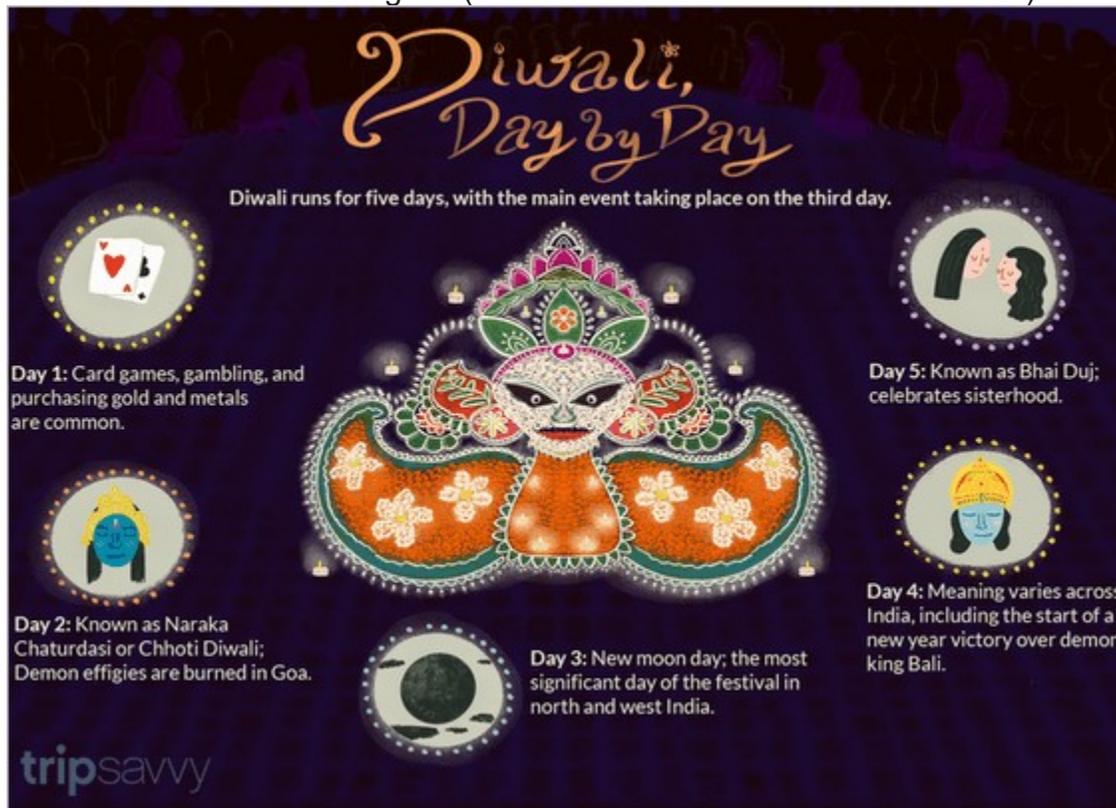
Source: Reuters [Read full article](#)

US presidents with Irish ancestry: (What about Italians?)



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

Diwali – India’s festival of lights: (There will be fireworks in Bensalem PA)



Source: Tripsavvy [Read full article](#)

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