

Nick Lampone

From: Nick Lampone
Sent: Thursday, November 19, 2020 8:03 AM
Subject: Morning CORE
Attachments: Core logo.png

US Futures-World Markets: Weekly jobless are published at 8:30am ET. The estimate is 700,000 with continuing claims expected to fall further. Will Congress agree on another stimulus package if unemployment keeps falling, albeit at a slower pace? Good news in healthcare. AstraZeneca's COVID vaccine produced a strong immune response in older patients. They expect late-stage trial results by Christmas. S&P futures are flat as we await more lockdown news as virus cases rise. Seems rational for the market to remain choppy after the recent rally, as we work through a second wave of positive tests. Existing home sales data is released at 8:30am ET. L Brands is +16% premarket after strong sales from Bath & Body Works. That calls for an Old School clip. "We have pretty nice little Saturday" - Frank the Tank <https://bit.ly/2KhPbKp>. S&P Futures vs. Fair Value: -1.30, 10-Yr Yield: 0.855%.

Random stat from DataTrak Research that illustrates the pull forward of holiday sales earlier this season:

- Searches for "Best Buy" and "GameStop" usually peak around Black Friday and spike again (albeit lower) around Christmas each year.
- Queries for "Best Buy" and "GameStop" are already 46% and 67% higher respectively than the comparable week last year.

Good luck grabbing that PS 5!

CORE Headlines:

- The U.S. presidential election battleground state of Georgia is expected on Thursday to affirm Joe Biden's victory over President Donald Trump after a painstaking recount, which would deal another setback to Trump's efforts to cling on to power.-Reuters
- The chief executives of the seven largest U.S. airlines made a fresh plea for more payroll relief before the end of the year and pointed to the challenges of distributing a COVID-19 vaccine in a letter to Congressional leaders on Wednesday.-Reuters
- Republican lawmakers are pressing for a more multilateral approach to confronting China with expanded help from European partners, the UN, and other market-led democracies, a strategy that dovetails with the view of the incoming Biden administration.-WSJ
- While the US and Europe struggle to contain an autumn surge in coronavirus infections, Finland and Norway are going against the grain, managing the outbreak without imposing stringent restrictions.-WSJ (This virus is Eric Dickerson. You can't stop it, you can only hope to contain it.)
- Salesforce is set to disclose a big investment gain from the initial public offering of SNOW stock on its third-quarter earnings report, says **UBS** analyst Karl Keirstead, even though the stock has fallen about 18 percent from the high it hit on its first day of trading.-IBD
- MSFT: The tech giant launched a toolkit on Veterans Day with resources and tips for veterans looking to transition into civilian tech careers during the pandemic.-NYP
- In a large randomized clinical trial, researchers in Denmark found that surgical masks did not protect the wearers against infection with the coronavirus, but the findings conflict with those from other studies and aren't likely to alter public health recommendations.-NYT
- With coronavirus cases rising across the country, retailers are preparing for another rush from shoppers worried about new lockdowns and pandemic shortages, but many retail workers are not

being provided with the same level of bonuses and raises this time, even as the health risks for them increase.-NYT

- JPM CEO Jamie Dimon criticized Congress for failing to pass a new fiscal stimulus bill, saying the lack of a deal reflects “childish behavior by our politicians,” and that Democrats and Republicans should split the difference between what they want and move forward.-FT
- US petroleum demand has fallen amid a growing number of coronavirus cases and the likelihood that a large number of American motorists will choose to remain at home during the Thanksgiving holiday, usually a major time for travel in the US.-FT
- Successful coronavirus vaccine trials from western companies **PFE** and **MRNA** have trimmed more than \$13B off the market capitalization of Chinese rivals, denting Beijing’s efforts to lead the global fight against the pandemic.-FT
- As regulators prepare to weigh in on 737 MAX, FAA’s global dominance fades.-Reuters

Interesting Reads/Charts:

- New Yorker: Personal productivity transformed success at work. Now we’re failing.
<https://bit.ly/2IRwpc1>
- Fast Company: Neuroscientists on why it’s hard for adults to speak a new foreign language
<https://bit.ly/3nBdAJw>
- Today: They claim the Rockefeller Christmas tree will be fine. I’m not so sure.
<https://on.today.com/2lJe2Xo>
- Jalopnik: Italian police use Lamborghini to transport donor kidney 300 miles in two hours
<https://bit.ly/3nzlAdV>

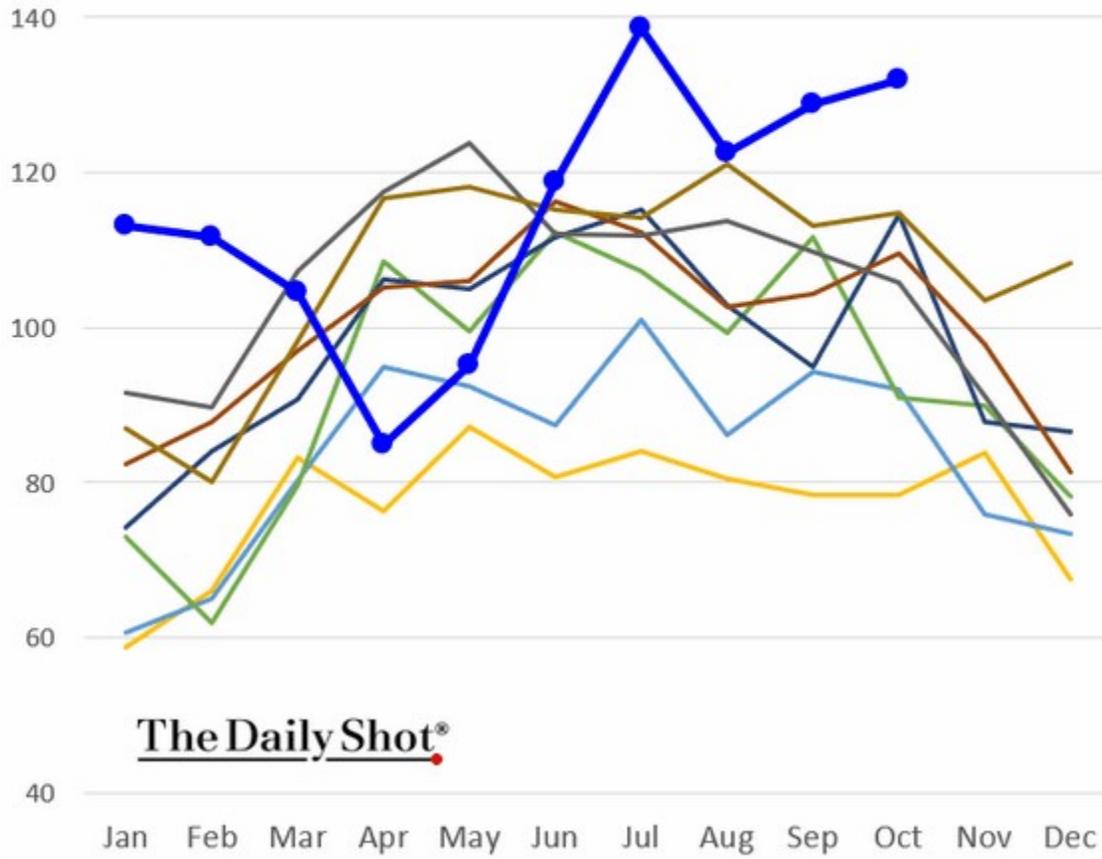
Charts from The Daily Shot:

A few charts on the housing market.

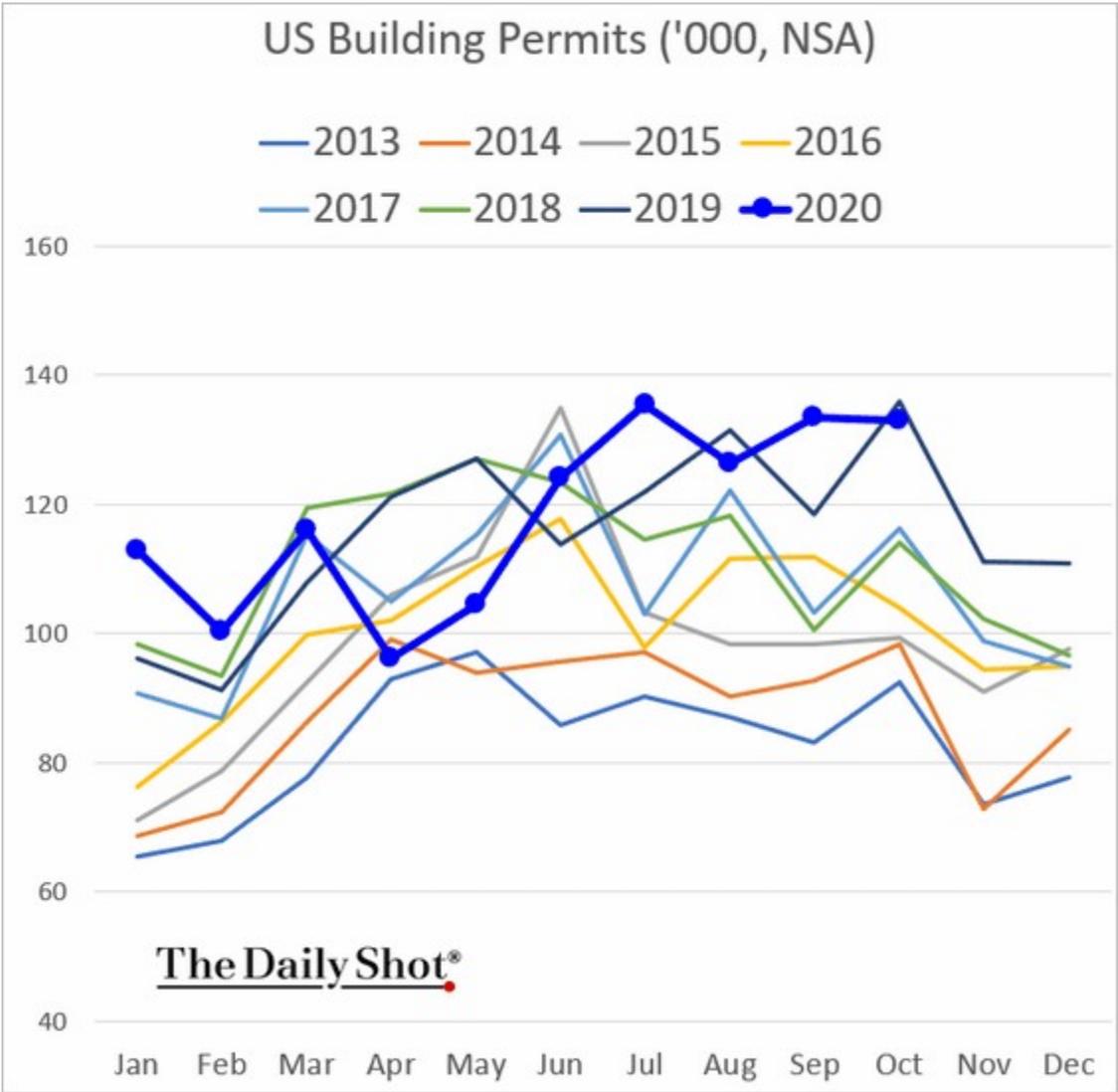
- Residential construction remains robust, with single-family housing dominating growth.
- Housing starts and building permits:

US Housing Starts ('000, NSA)

2013 2014 2015 2016
2017 2018 2019 2020



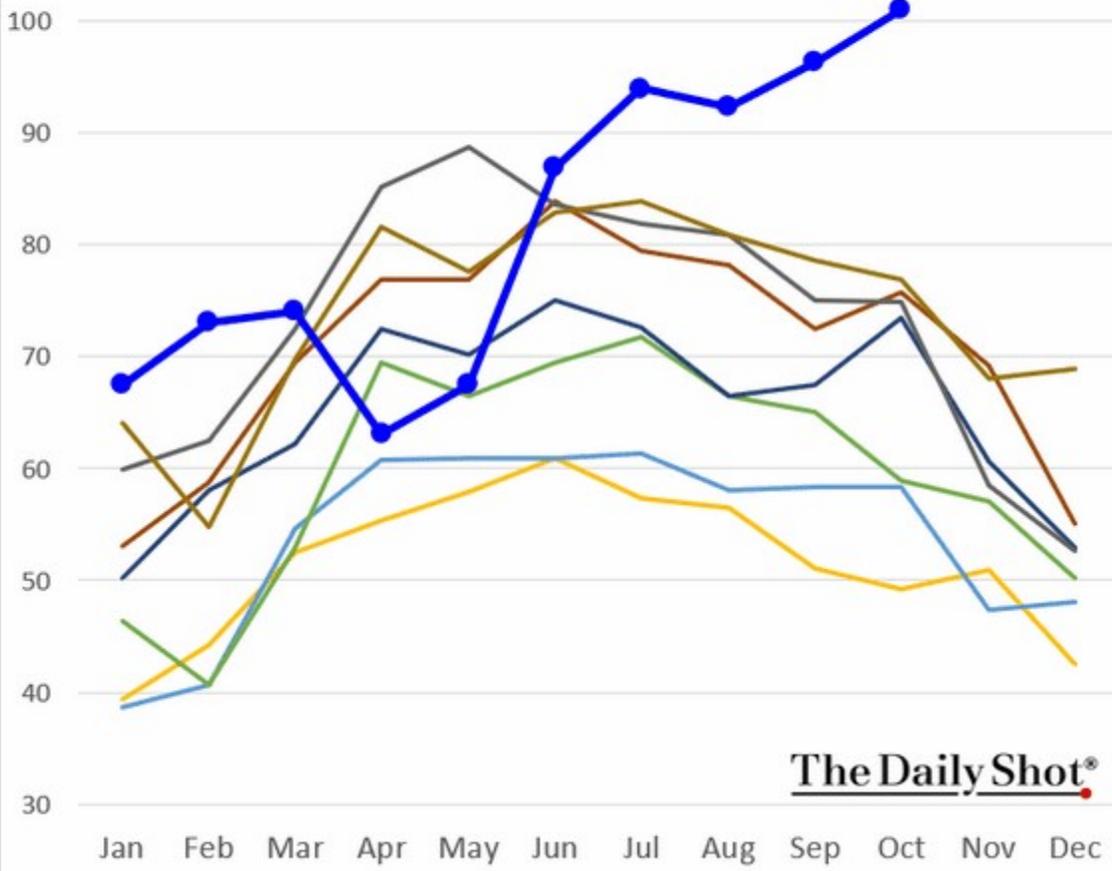
The Daily Shot®



— Single-family starts and permits:

US 1-Unit Housing Starts ('000, NSA)

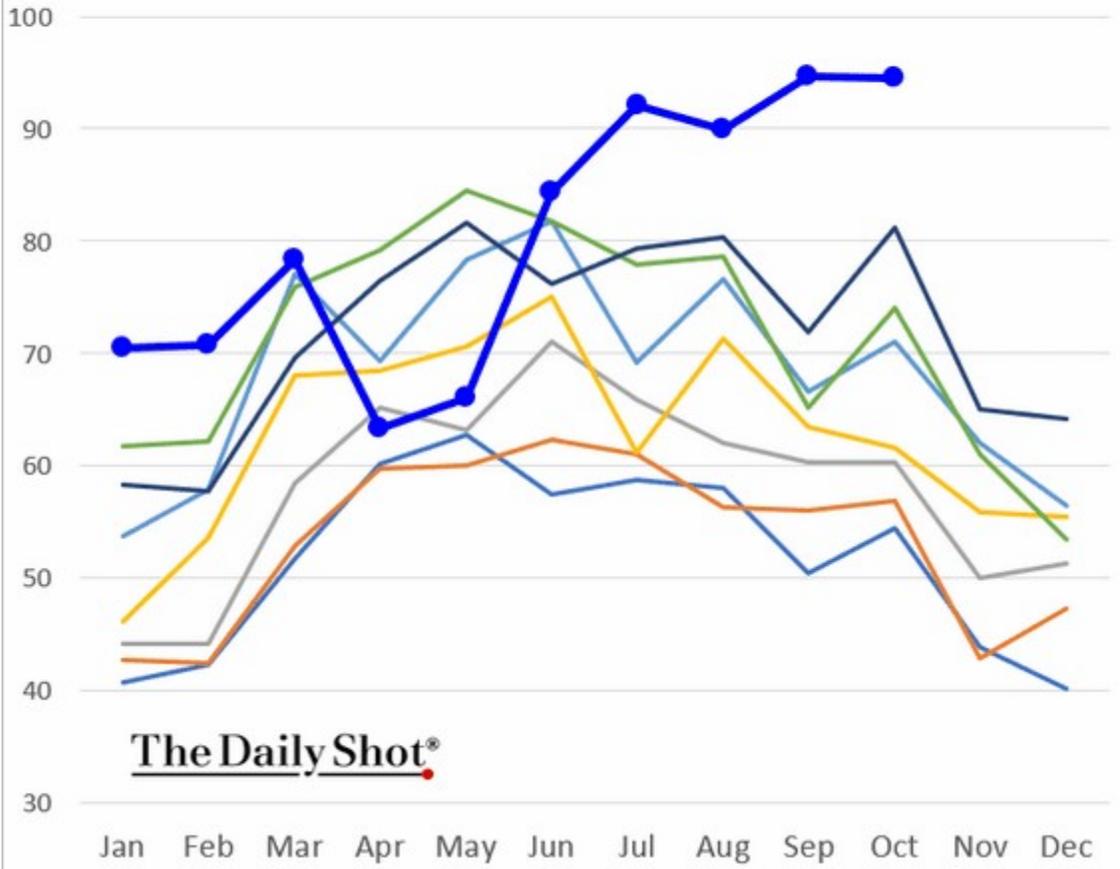
— 2013 — 2014 — 2015 — 2016
— 2017 — 2018 — 2019 ● 2020



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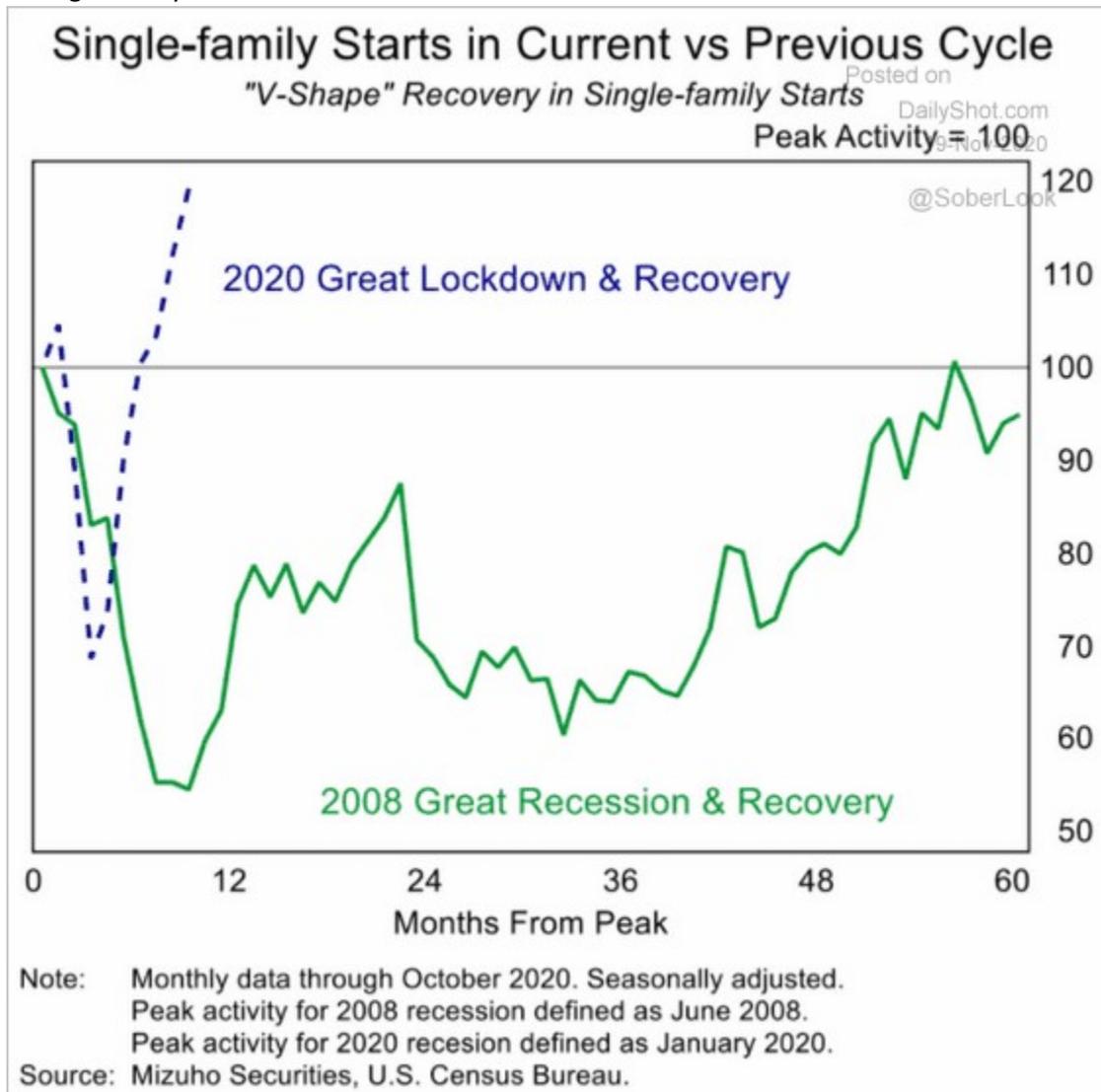
US 1-Unit Building Permits ('000, NSA)

— 2013 — 2014 — 2015 — 2016
— 2017 — 2018 — 2019 ● 2020



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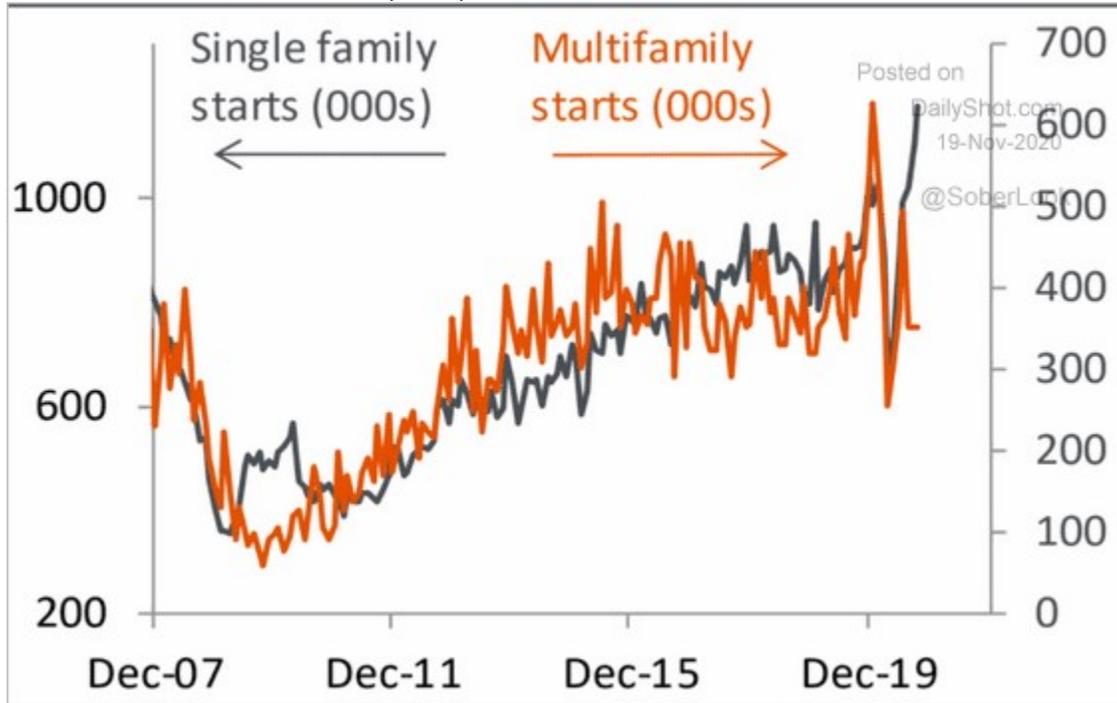
– Single-family starts vs. the 2008 recession:



Source: [Mizuho Securities USA](https://www.mizuho.com/us/en/insights/economy/real-estate)

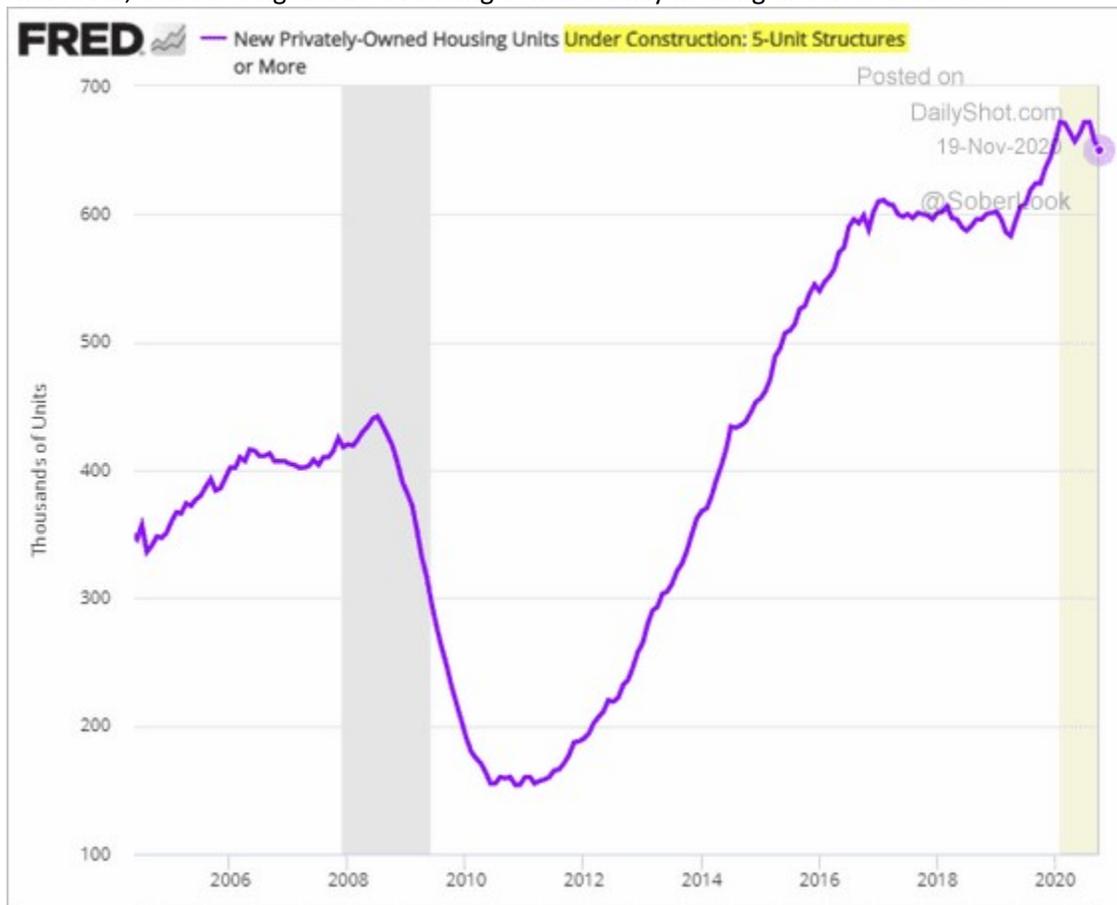
– Multifamily housing construction has slowed as Americans seek more space and less crowded areas. Growth in urban

rents has weakened substantially this year.

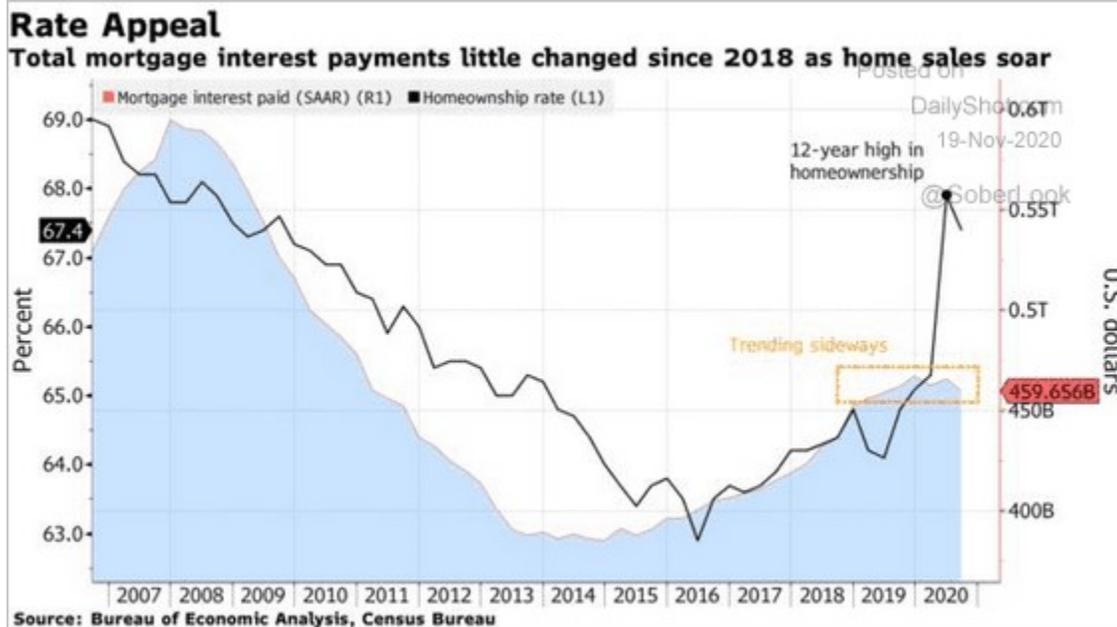


Source: [Piper Sandler](#)

Moreover, there is a significant overhang of multifamily housing under construction.



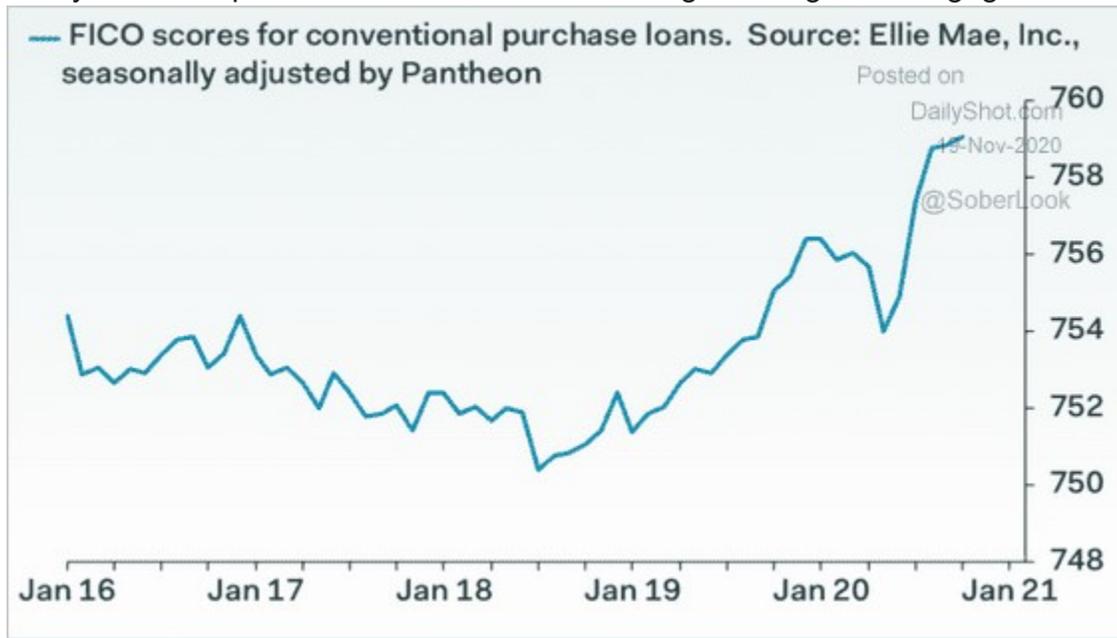
Low mortgage rates have capped US households' total interest payments, even as homeownership rises.



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

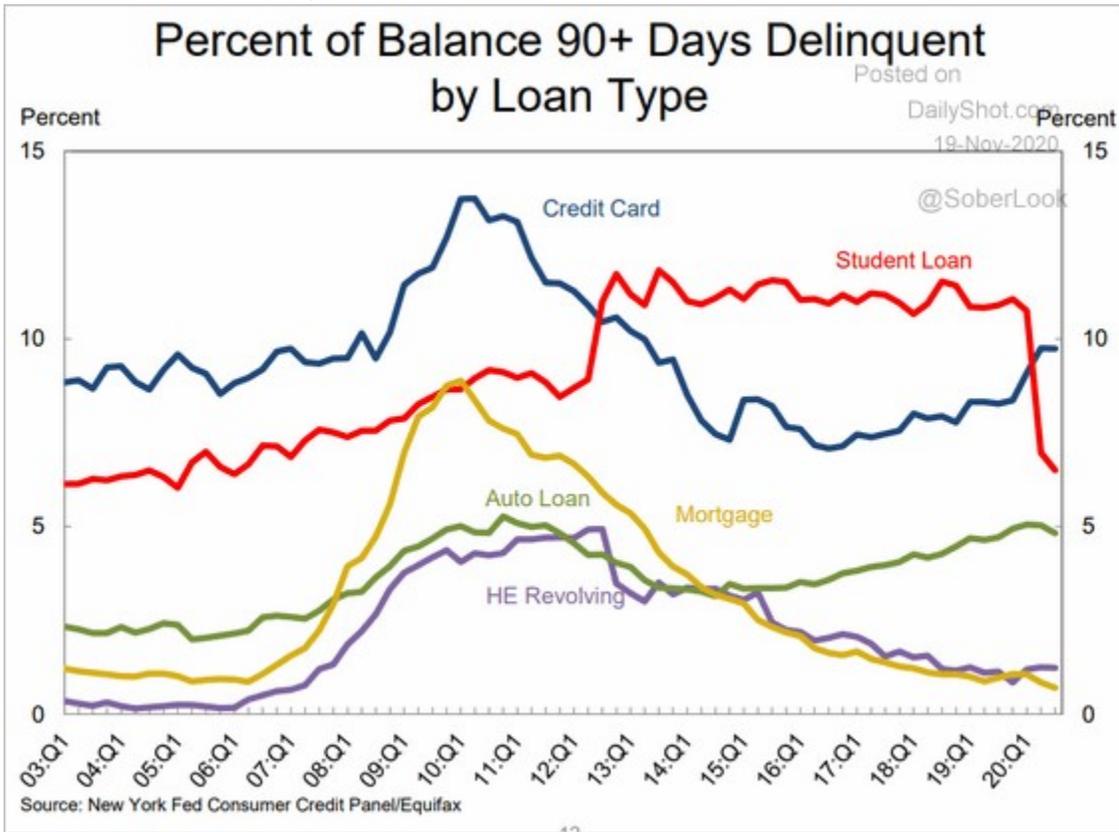
some updates on household credit.

- Buyers with top credit scores have been driving the surge in mortgage financing (2 charts).



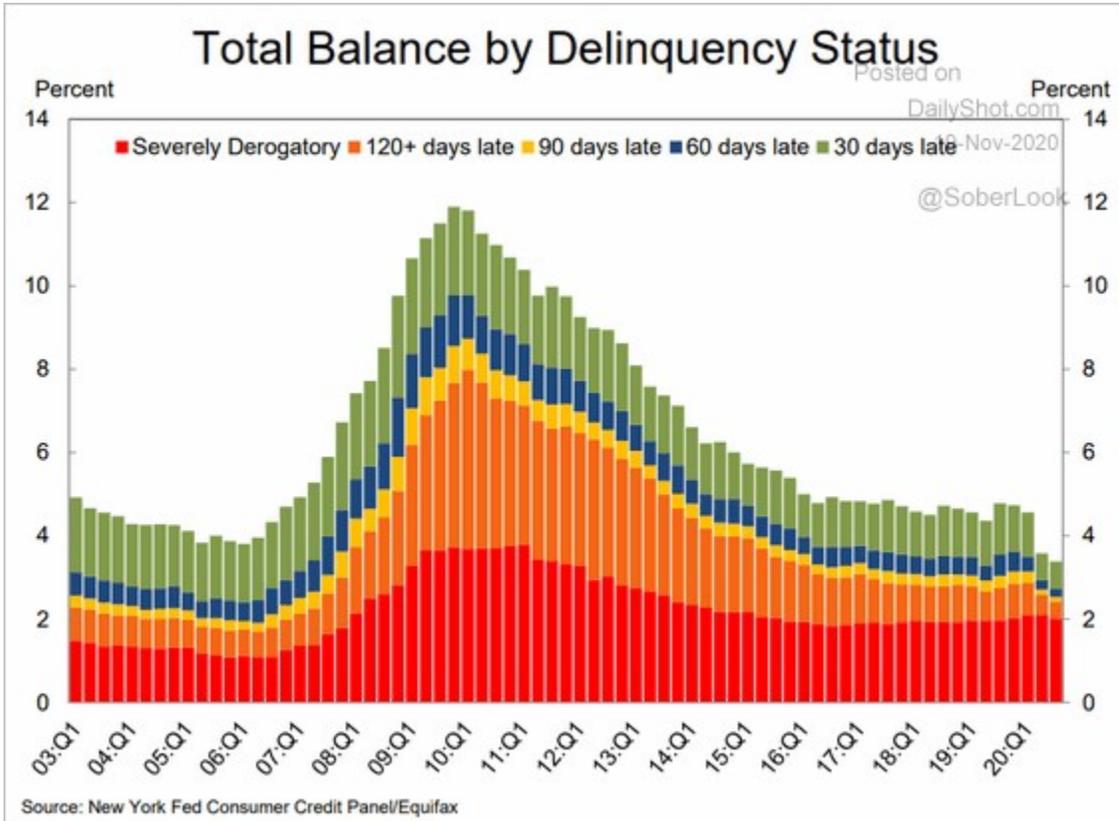
Some updates on delinquencies. Student loan delinquencies are sharply lower because of the emergency [deferral program](#) – “both suspending loan payments and temporarily setting interest rates to zero.” Mortgage delinquencies are lower as well due to the forbearance program.

— Household credit delinquencies:



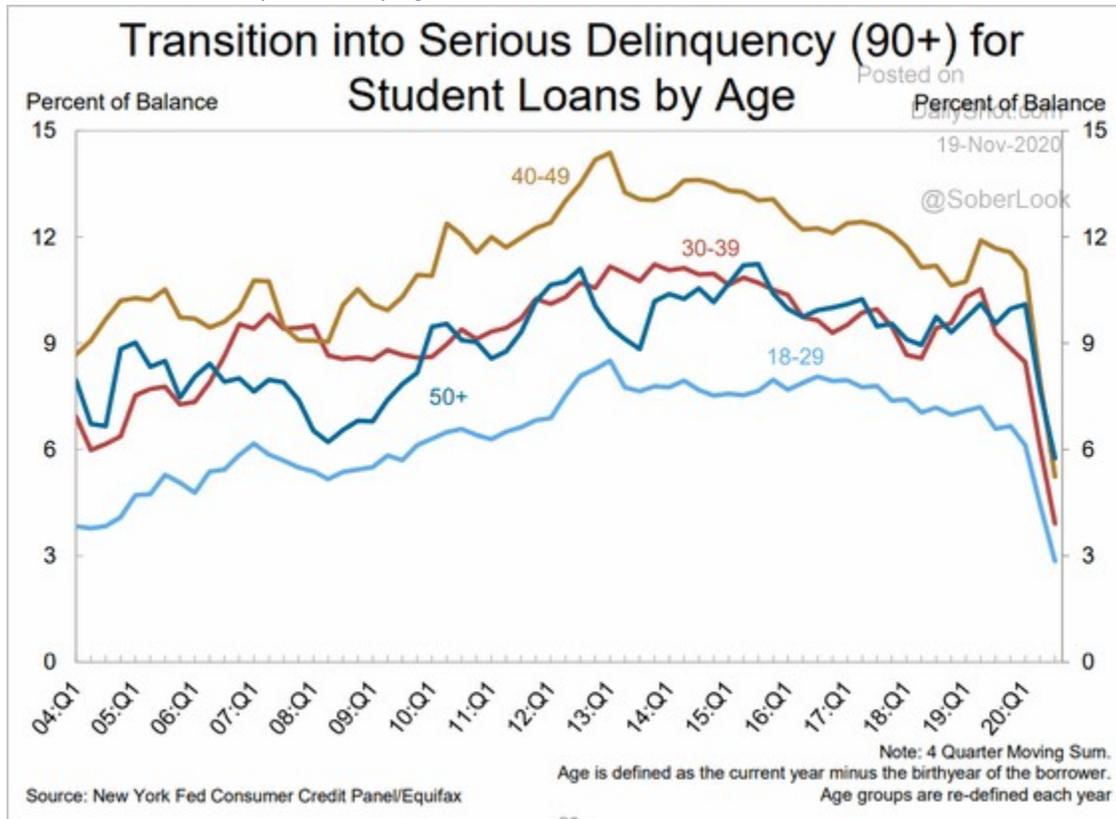
Source: [Federal Reserve Bank of New York](https://www.frb.org/consumers/credit-panels/)

— Mortgage delinquencies:



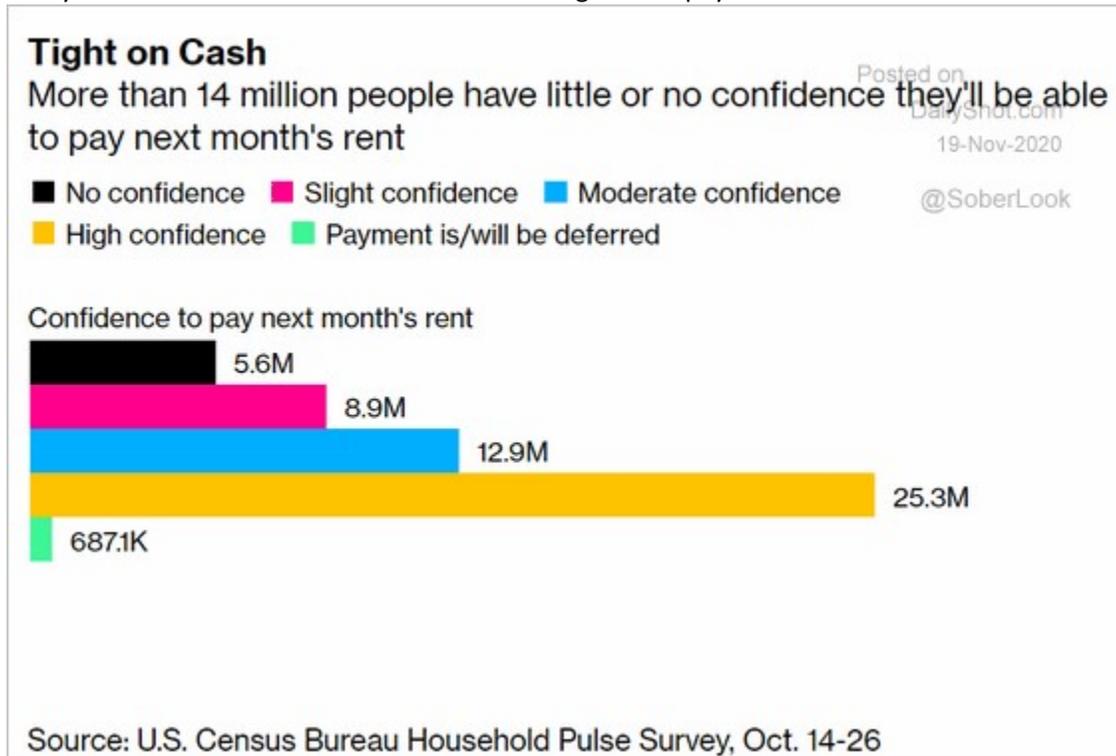
Source: [Federal Reserve Bank of New York](#)

— Student loan delinquencies by age:



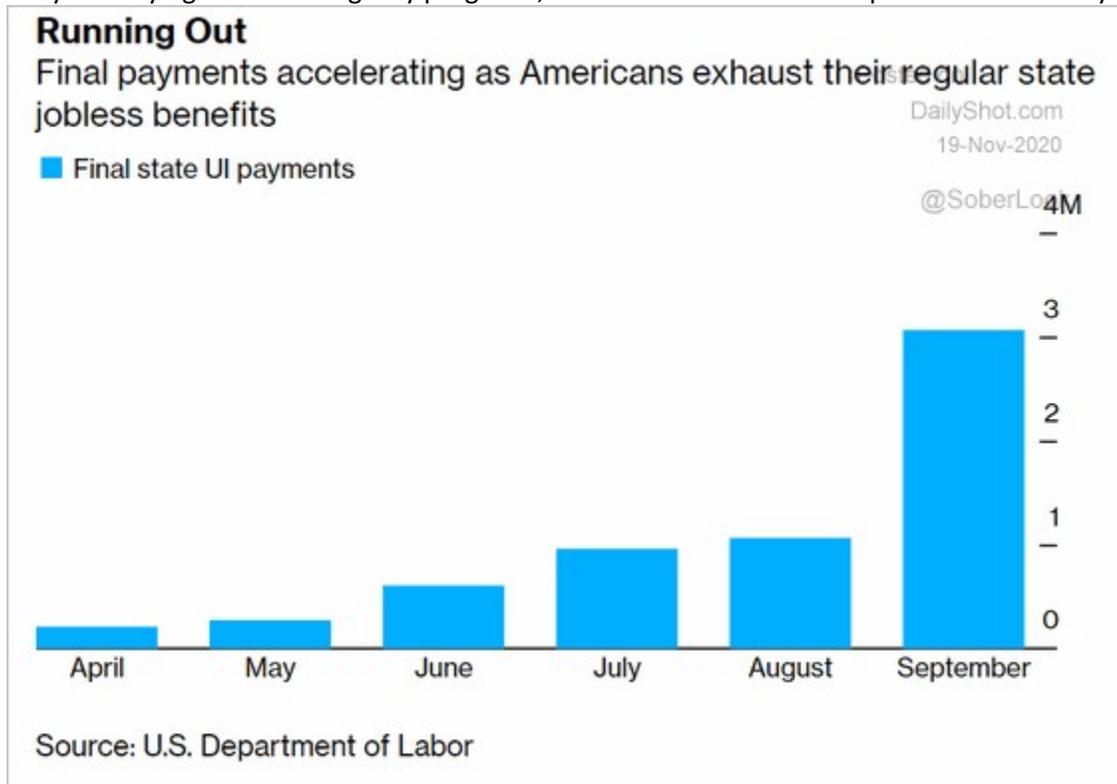
Source: [Federal Reserve Bank of New York](#)

Many households are concerned about not being able to pay the next month's rent.



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

Regular (state) unemployment benefits are running out for many Americans who have been out of work for a while. They are relying on the emergency programs, which are scheduled to stop at the end of the year (the “income cliff”).



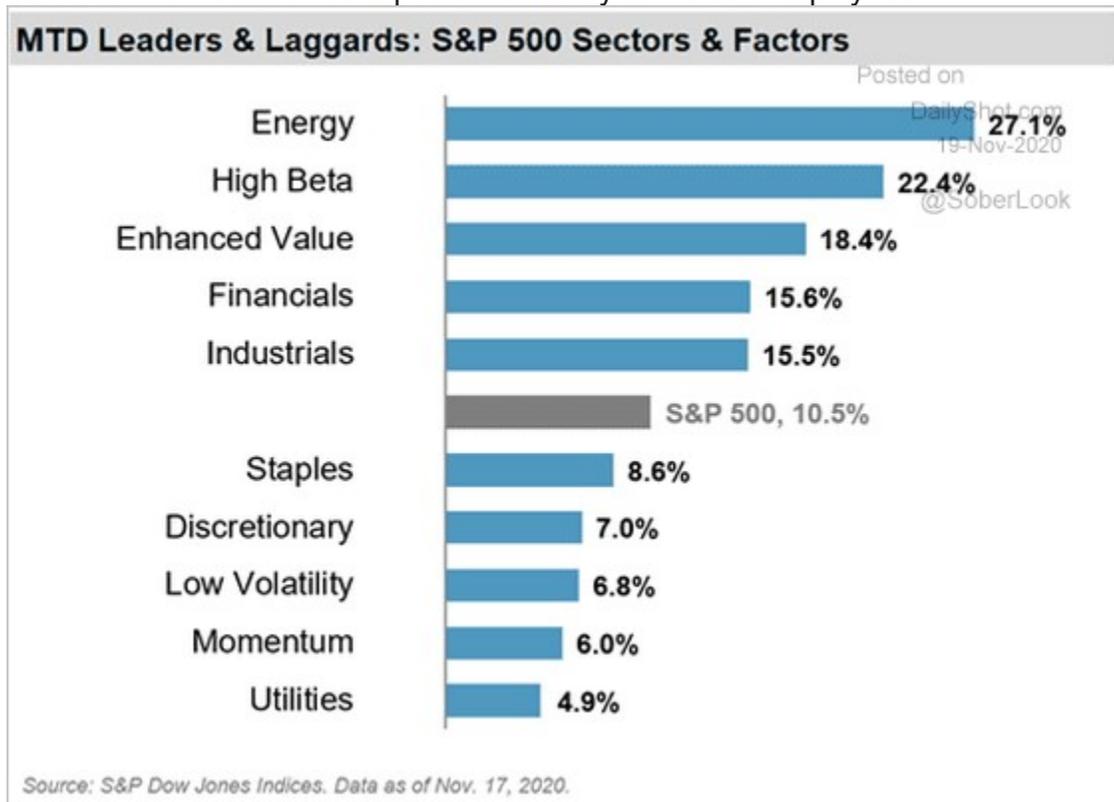
Source: @bpolitics [Read full article](#)

November 9th saw the largest one-day gain in history for the value factor.



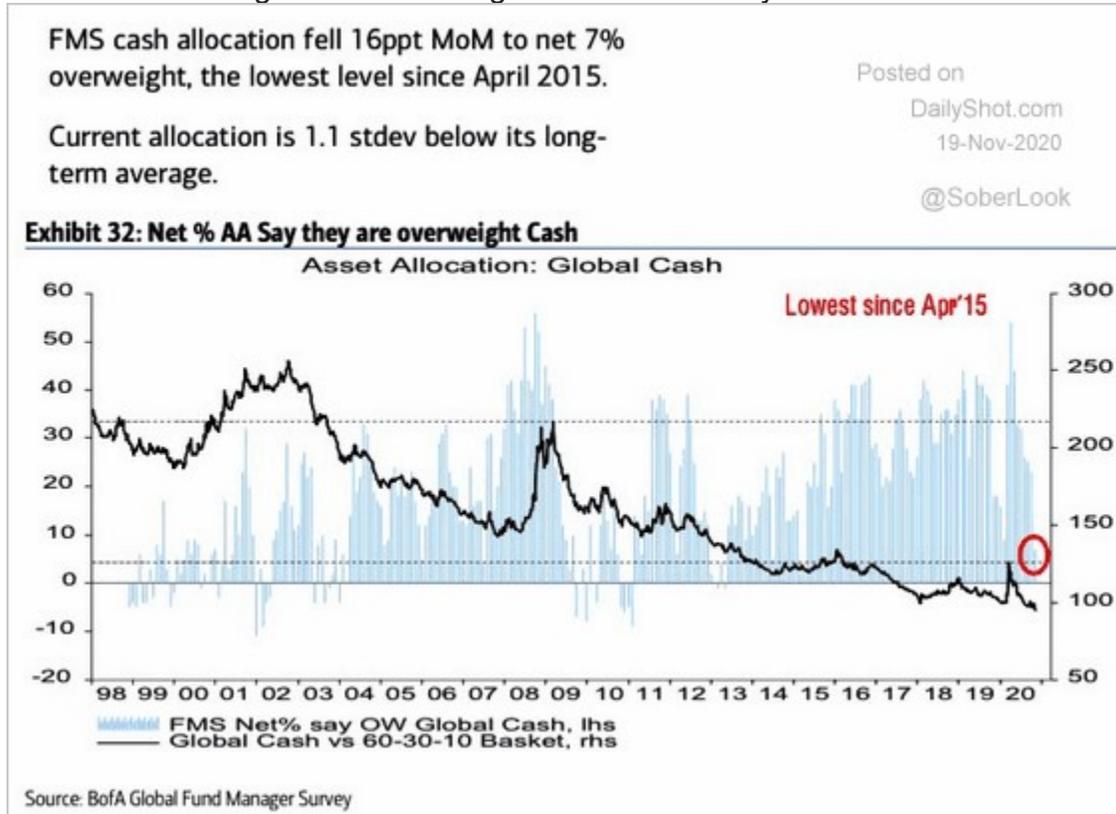
Source: @financialtimes [Read full article](#)

Below is the month-to-date performance by sector and equity factor.



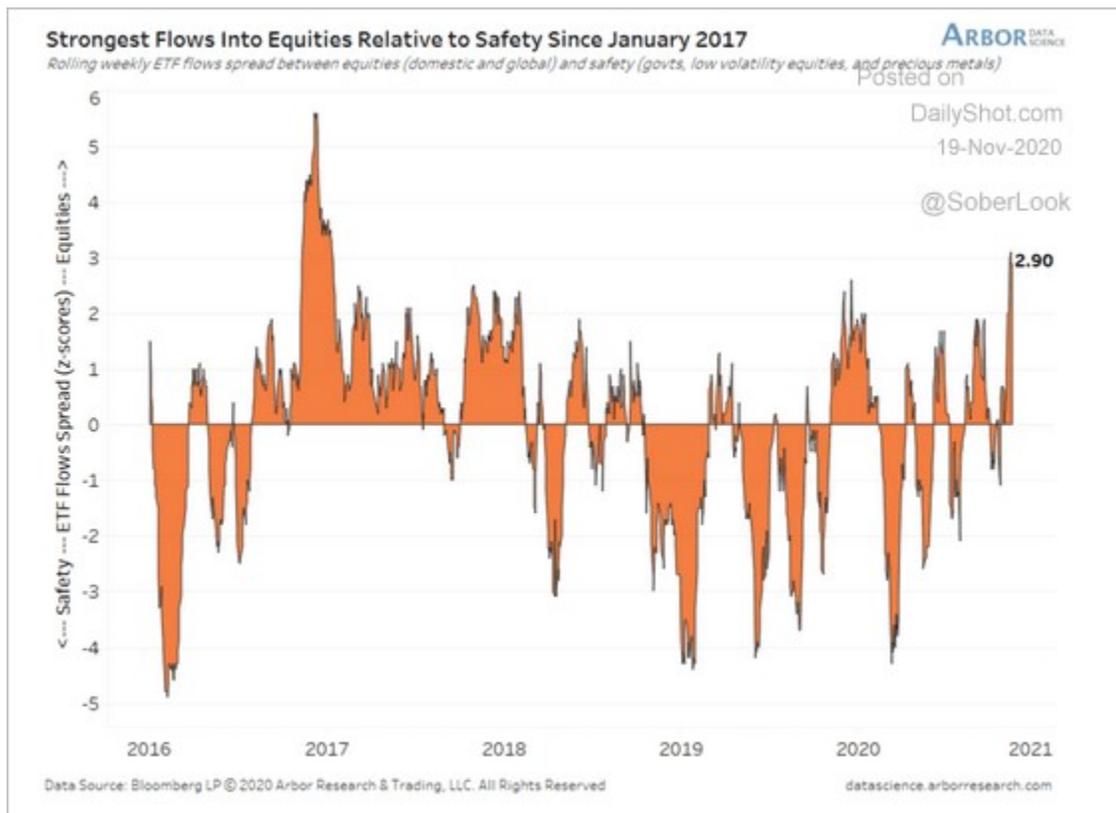
Source: [S&P Global Market Intelligence](#)

Fewer fund managers are overweight cash than at any time since 2015. Contra-indicator?



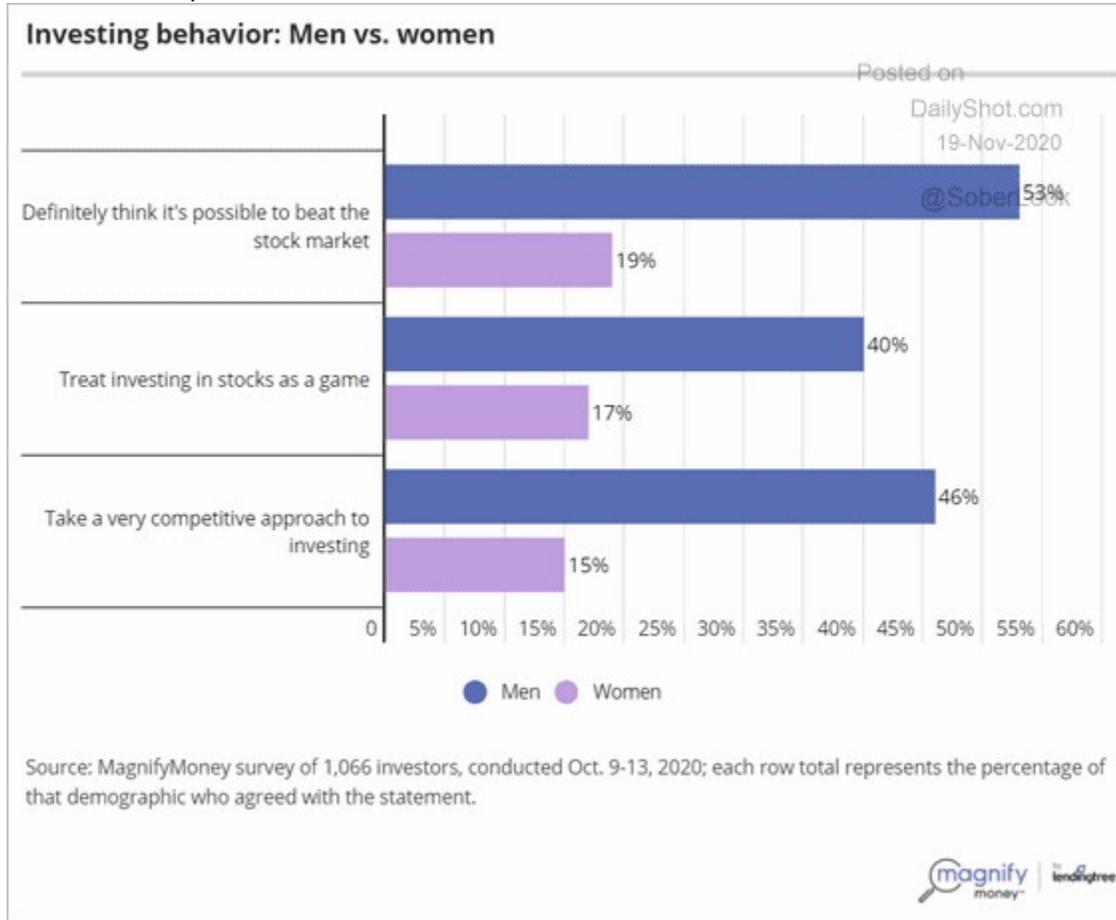
Source: [BofA Global Research](#), @WallStJesus

Investors have rushed back into equity ETFs over the past week.



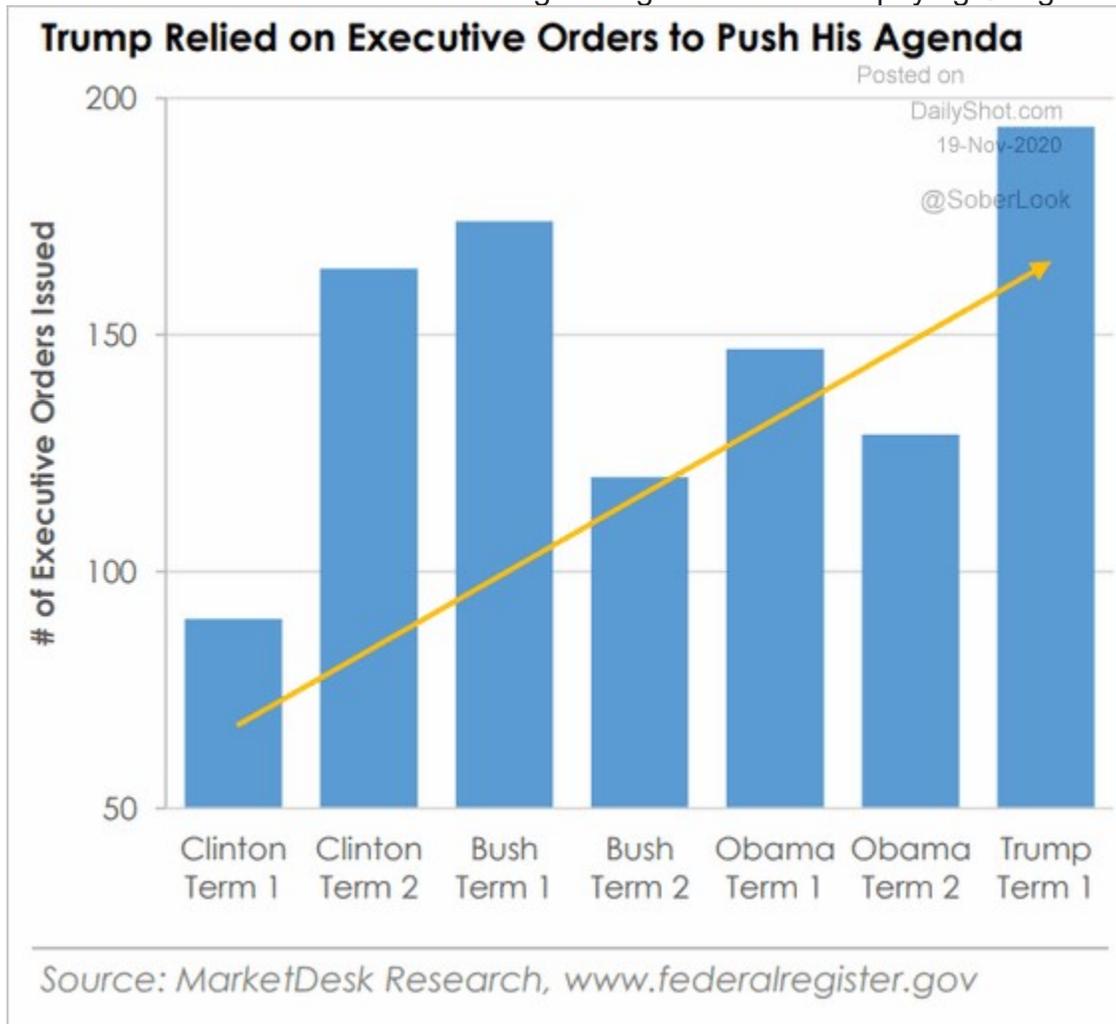
Source: [Arbor Research & Trading](#)

Who thinks they can beat the market?



Source: [MagnifyMoney](#)

White House executive orders: Not a good sign. What are we paying Congress for again?



Source: [MarketDesk Research](#)

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