

Nick Lampone

From: Nick Lampone
Sent: Wednesday, December 9, 2020 8:01 AM
Subject: Morning CORE
Attachments: Core logo.png

US Futures-World Markets: The S&P is set to climb to a fresh record with bullish signs everywhere. It reached a new record, closing above 3700 yesterday. Over 90% of stocks in the S&P 500 are trading above their 200-day moving average. FOMO is in full effect, but can we get a market pullback from these levels if everyone wants to buy the next selloff? DoorDash IPO begins trading today at one heck of a valuation. Massively oversubscribed and priced above the range for a stock that has little to show in profits. The VC's that invested pre-IPO will have a party today. They timed this deal perfectly. We get Airbnb's IPO this week, as well. Oil is higher after attacks on facilities in Iraq. Treasury Secretary Mnuchin proposed a \$916 billion pandemic relief package, but Pelosi and Schumer seem to prefer the bipartisan package already being negotiated. S&P Futures vs. Fair Value: +4.50, 10-Yr Yield: 0.944%.

Market nugget from DataTrek Research on the Dow Jones Industrial Average: (It's a flawed way to look at the market.)

The Dow is up 694 points since November 13th, of which all came from four stocks:

Boeing (56 %), up 390 points, Goldman Sachs (19 %), up 134 points, Disney (15 %), up 105 points, Honeywell (10 %), up 66 points

CORE Headlines:

- The U.S. House of Representatives votes on a one-week stopgap funding bill to provide more time for lawmakers to reach a deal on both COVID-19 relief and an overarching spending bill to avoid a government shutdown.-Reuters
- Treasury Secretary Steven Mnuchin offered a new \$916 bln stimulus bill with checks, but no unemployment. Senate Majority Leader Mitch McConnell (R-KY) offered a limited stimulus bill without state and local government funding or liability protection but with funding for small businesses. Both bills were rejected by Democrats.-NYT
- JP Morgan (JPM) CEO Jamie Dimon says he wouldn't touch 10 Year Treasuries "with a ten foot pole" at current rates.-CNBC
- A federal judge officially closed the criminal case against former national security adviser Mike Flynn, whom Trump pardoned, but suggested that the Justice Department's handling of the matter was highly irregular and potentially improper.-WSJ
- **AZN:** Peer-reviewed data from late-stage human trials of a Covid-19 vaccine from the University of Oxford and AstraZeneca affirmed the shot's strong safety results and provided additional evidence that halving the first of two doses of the shot boosts its effectiveness.-WSJ
- **TSLA** chief Elon Musk, one of the highest-profile executives yet to leave Silicon Valley during the pandemic, said that his decision to move to Texas was partly because California had become complacent with its innovators and taken them for granted.-WSJ
- Eurozone governments' borrowing to fund their pandemic responses has reached such high levels that the situation has reignited longstanding calls for the European Central Bank to ease debt burdens by forgiving the sovereign bonds its owns.-FT
- Though major US airlines are burning through about \$10M a day during the pandemic, prices for airline credit default swaps have fallen to levels not seen since February or March as investors anticipate a new round of bailout funding to hold the industry over until vaccines are available.-FT

- **TSLA** is wisely ringing the cash register amid a stunning stock rally—and speculators should take notice”-WSJHots
- More than two-thirds of Americans experienced financial setbacks in 2020 due to job loss, declining household income or a drawdown of emergency savings, according to a new Fidelity study.-USA
- Russian officials are warning citizens to avoid alcohol for two months after receiving the country’s Covid-19 vaccine, posing a challenge for one of the world’s heaviest drinking countries.-NYP (ahahahahaha. That might be the funniest thing I read all day.)
- Boeing delivered a 737 MAX to United, the first carrier to receive a newly produced model of the jet after regulators ended a nearly two-year grounding last month.-WSJ
- Car sales in China rose for the 5th straight month in November, benefitting from strong demand and policy stimulus.-WSJ (Did the Muslim Uighurs buy any cars?)

Interesting Reads/Charts:

- Reuters: US cybersecurity firm FireEye has been hacked, possibly by a govt. <https://reut.rs/370fq0I> (thx Dean) (stock is -13% pre-market)
- NPR: Five things we’ve learned about virtual school <https://n.pr/37KBbkr> (nice synopsis of the good and bad with real world examples)
- NY Post: At 86, Sophia Loren share key life lessons <https://bit.ly/2VQbFog>
- NBC NY: A surcharge for NYC residents who place orders online? <https://bit.ly/3mSWcjin> (this article belongs on The Onion)

Charts from The Daily Shot:

The S&P 500 broke resistance.



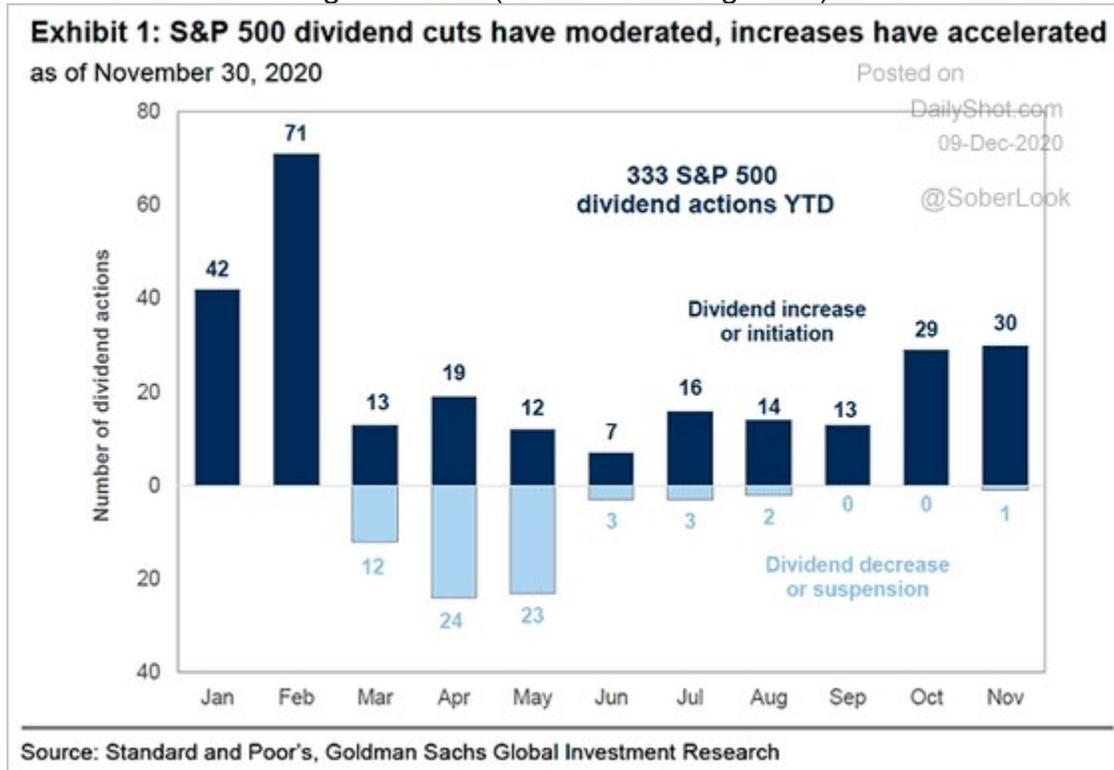
Stifel sees more upside for the S&P 500, but the path is Fed-dependent. Will we see another “taper tantrum” next year,

or will it come in 2021? (I take as a good sign that this is what Stifel is worried about.)



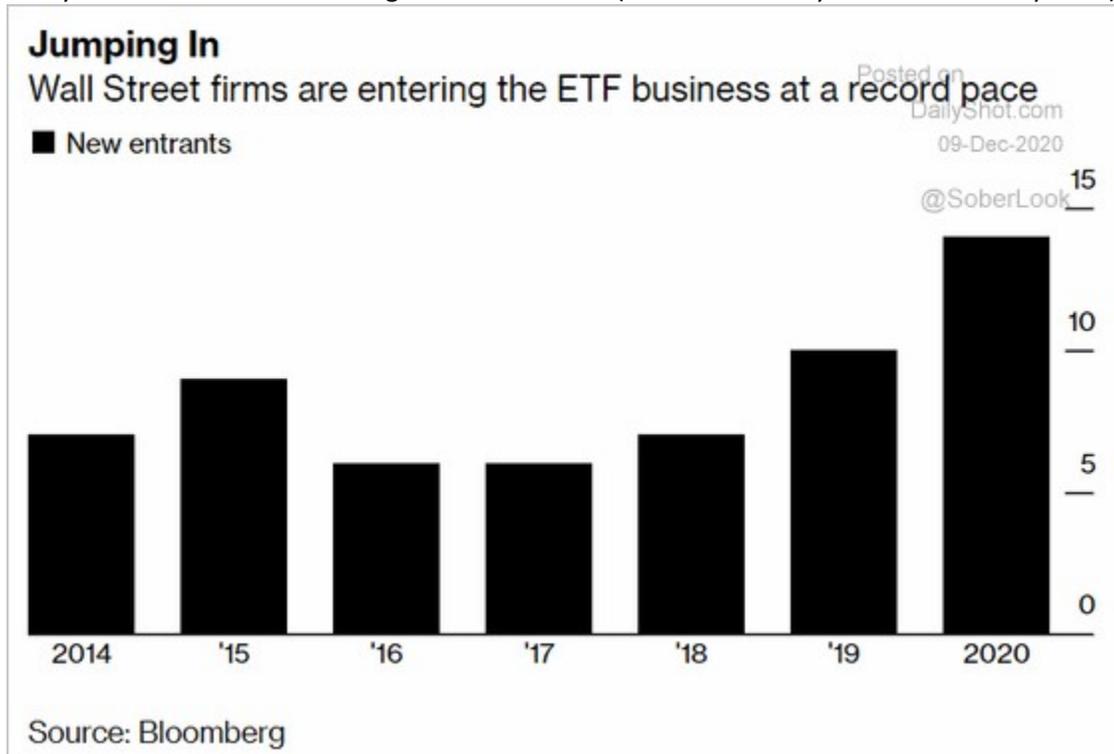
Source: [Stifel](#)

More firms are boosting dividends (fewer are cutting them).



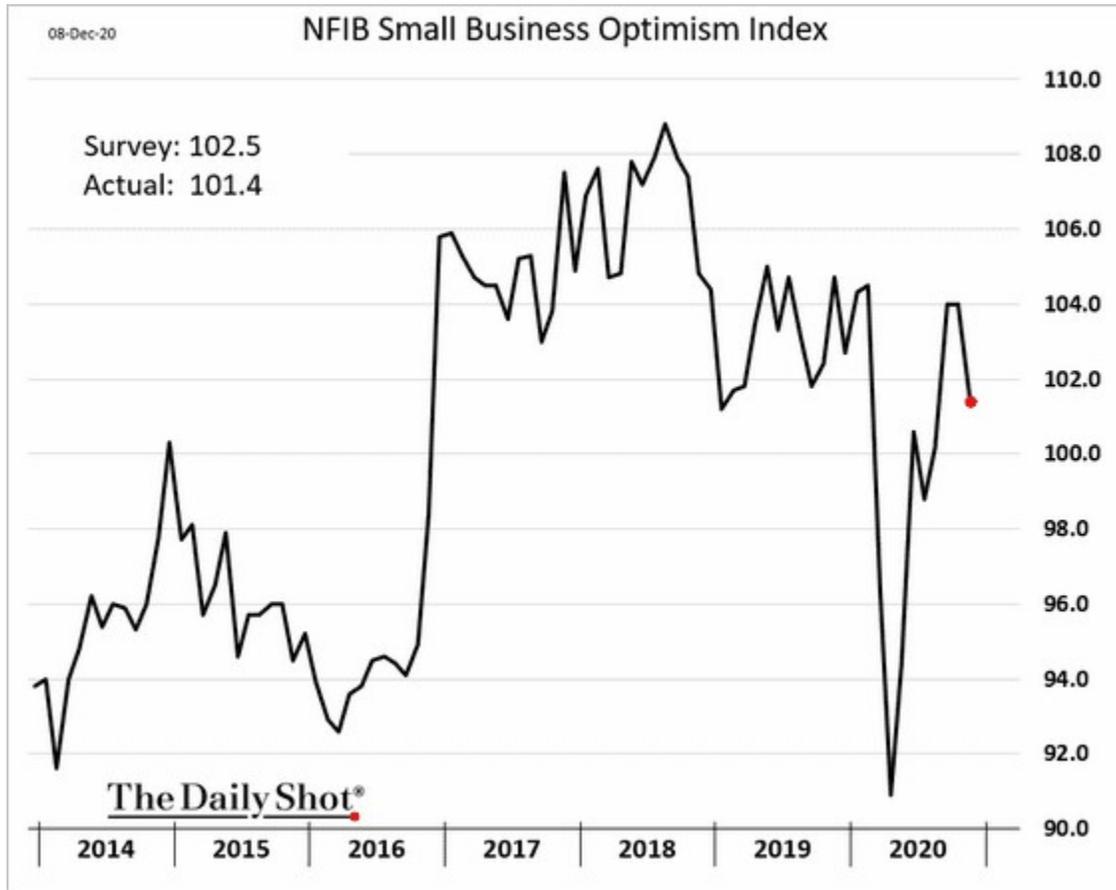
Source: @ISABELNET_SA, @GoldmanSachs

Many financial firms are entering the ETF business. (Where have they been the last 10 years?)

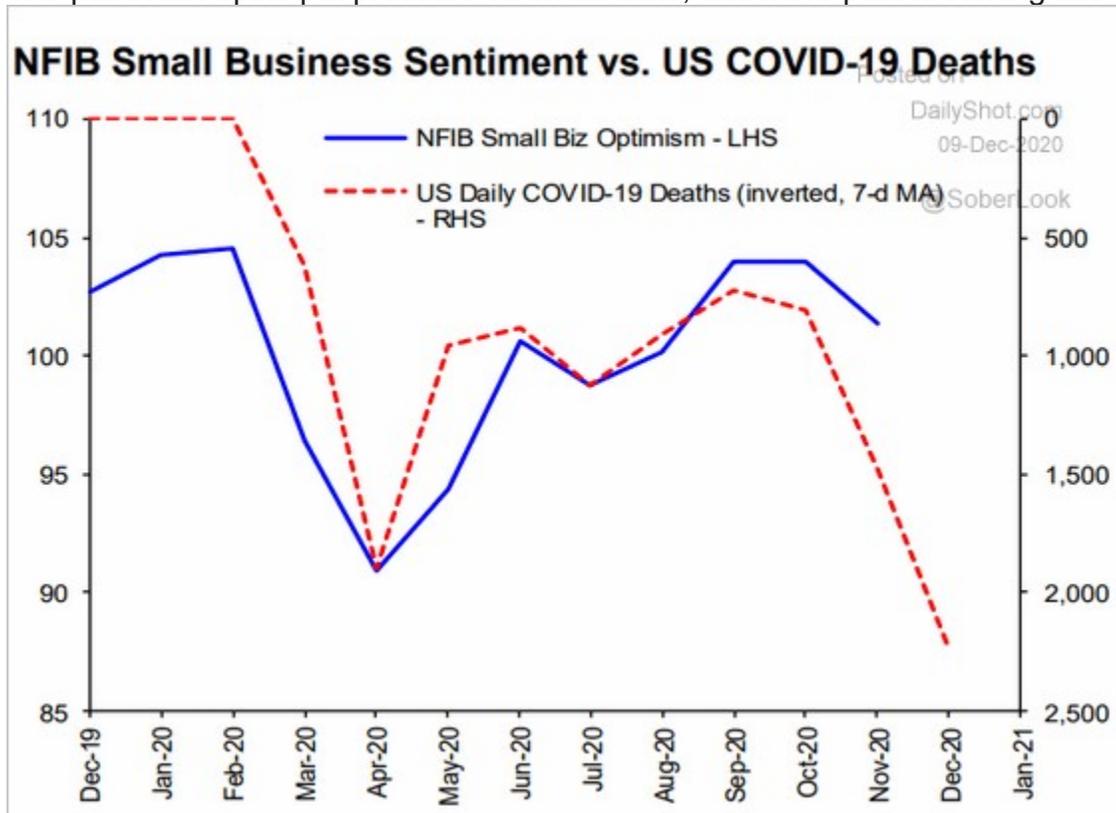


Source: @markets [Read full article](#)

The NFIB small business sentiment index declined last month.

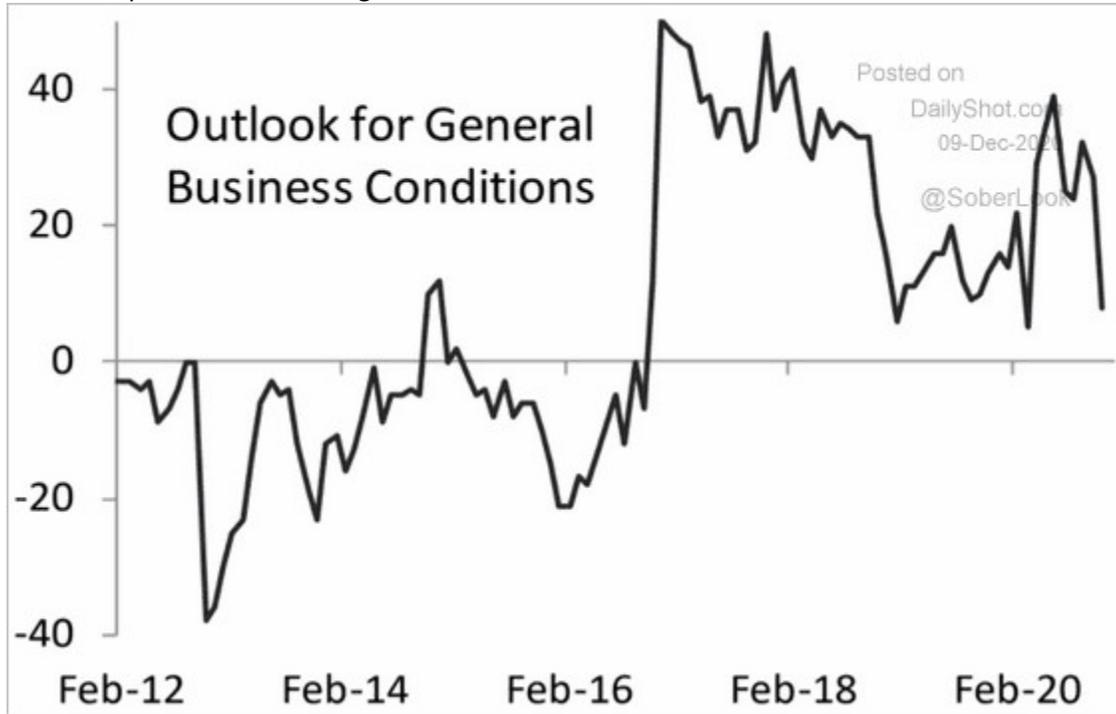


The pandemic spike put pressure on small firms, and more pain is coming this winter.



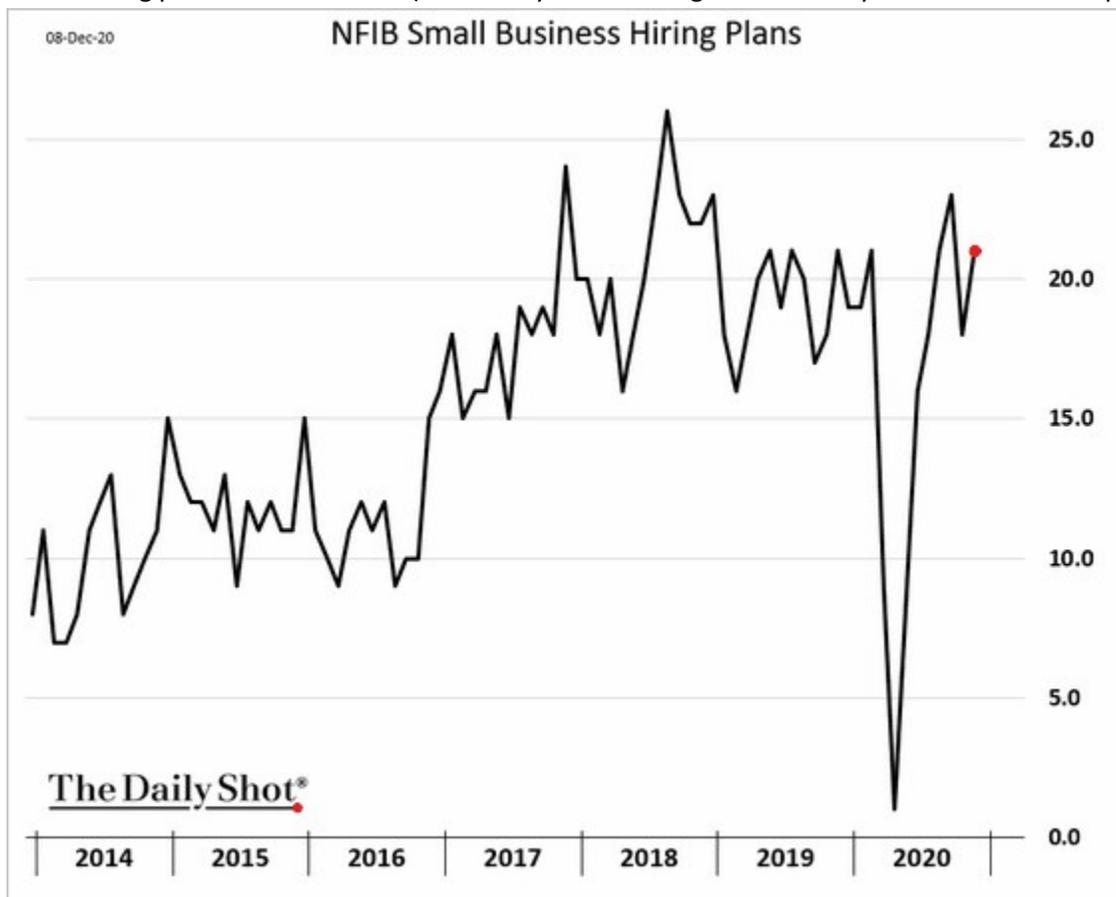
Source: [Hugo Ste-Marie, Portfolio & Quantitative Strategy Global Equity Research, Scotia Capital](#)

Small companies' outlook for general business conditions soured.

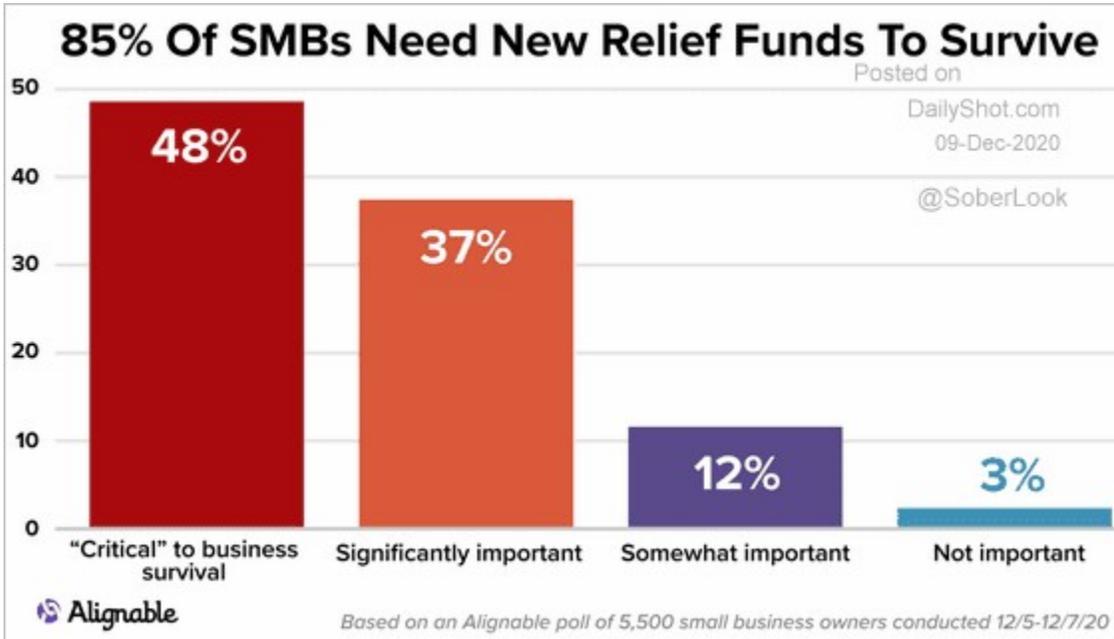


Source: [Piper Sandler](#)

- But hiring plans remain robust. (This is why we're seeing the "recovery trade" continue to play out in equity markets.)



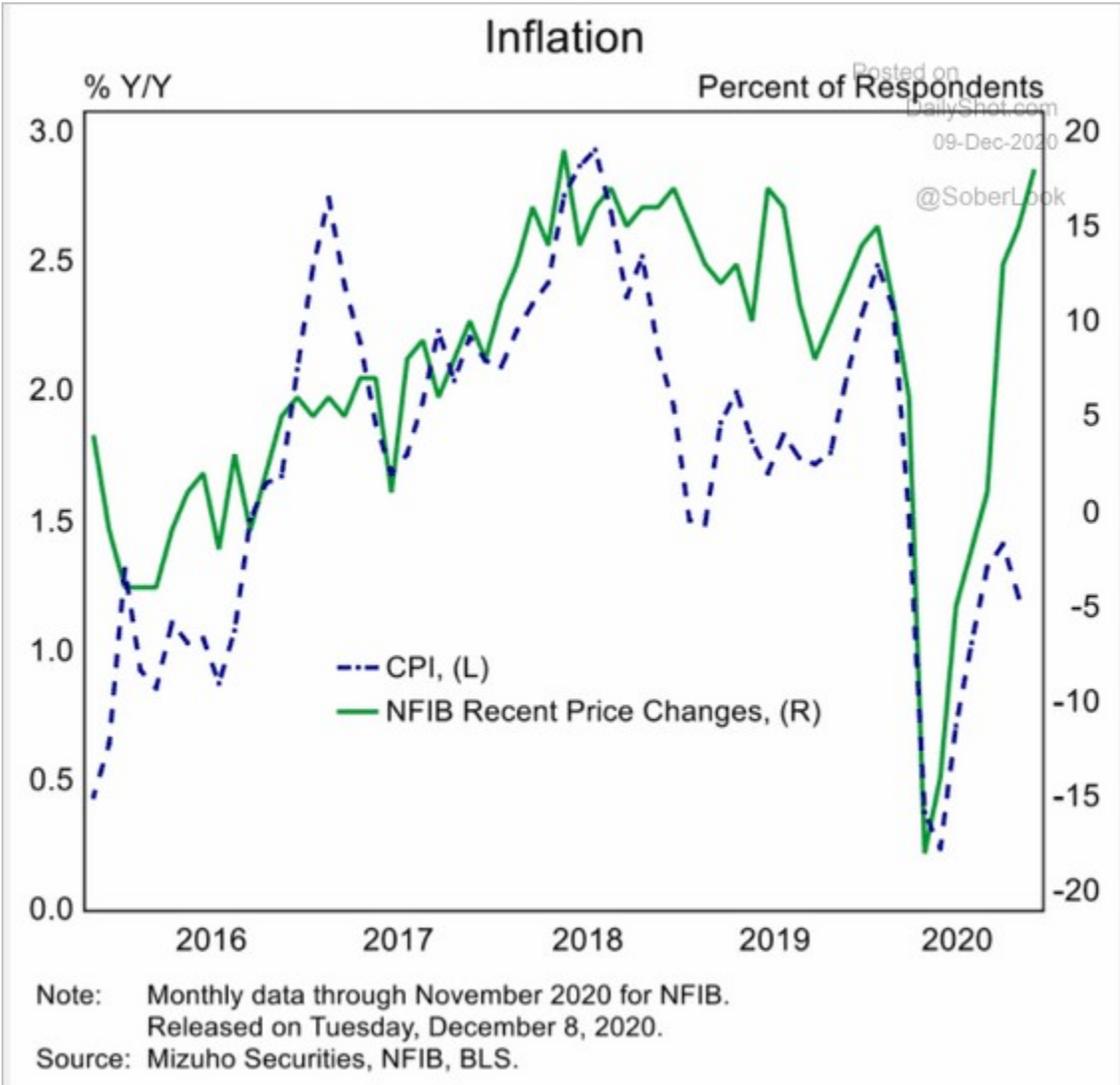
A separate survey suggests that a large percentage of small firms view additional government funds as critical for their survival.



Source: [Alignable](#)

Small businesses have been boosting prices, which is signaling higher inflation ahead.

— CPI:



Source: [Mizuho Securities USA](https://www.mizuho.com)

Will the pandemic-induced investment in technology boost productivity going forward?

The pandemic could give way to an era of rapid productivity growth

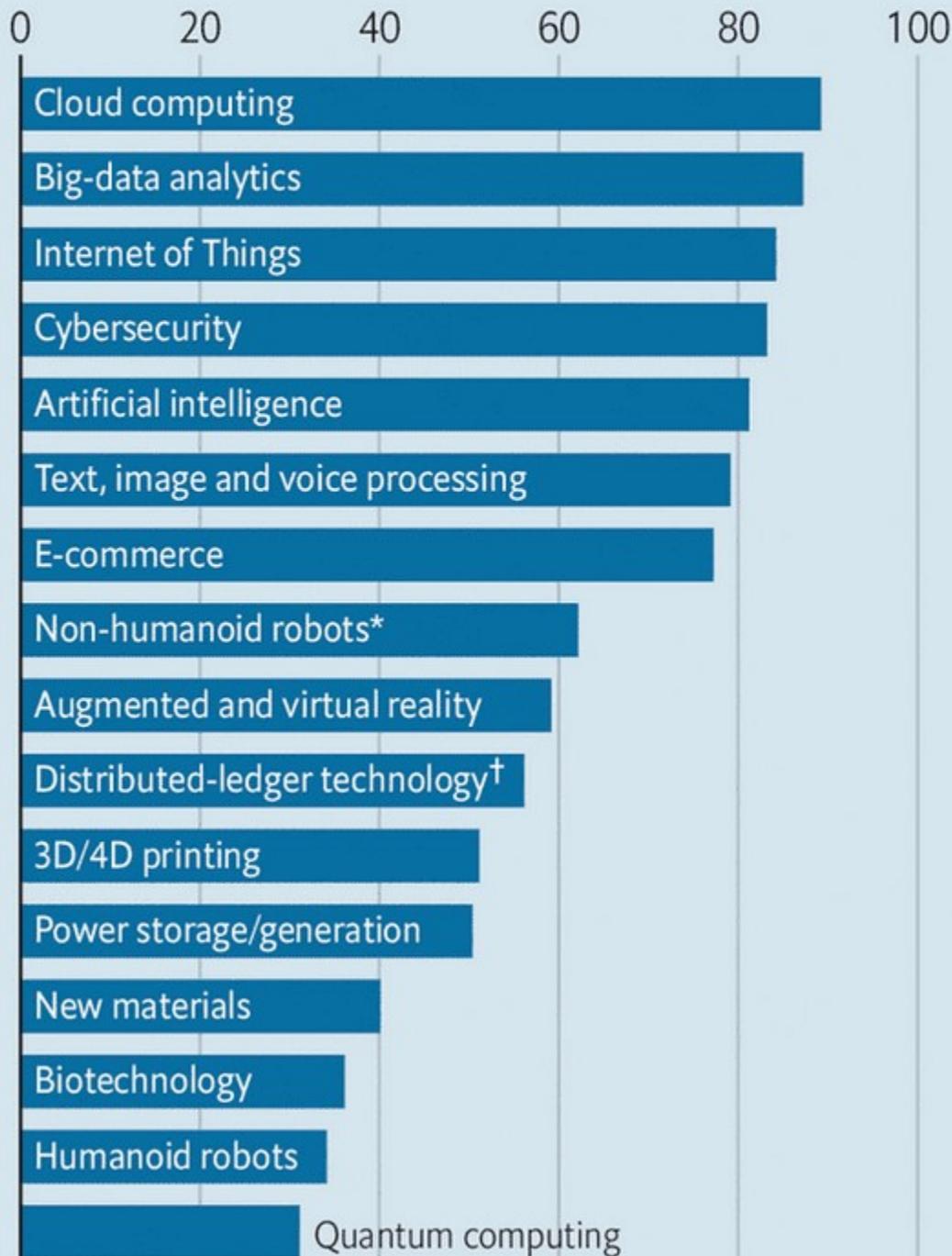
Posted on

DailyShot.com

09-Dec-2020

@SoberLook

Share of companies that are likely to adopt selected technologies by 2025, %



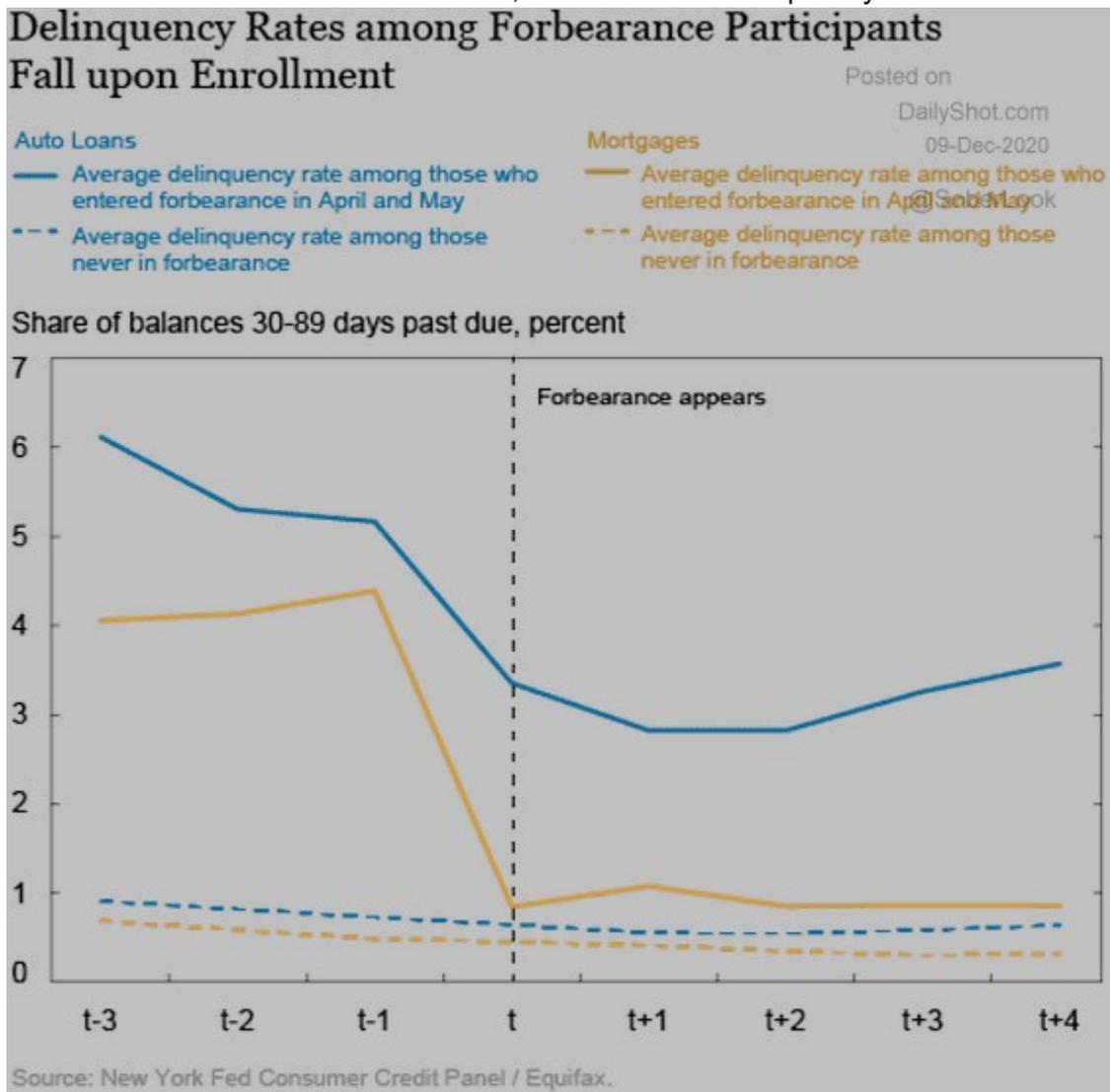
Source: "The Future of Jobs Report", WEF 2020

*Eg, drones
†Eg, blockchain

Source: The Economist [Read full article](#)

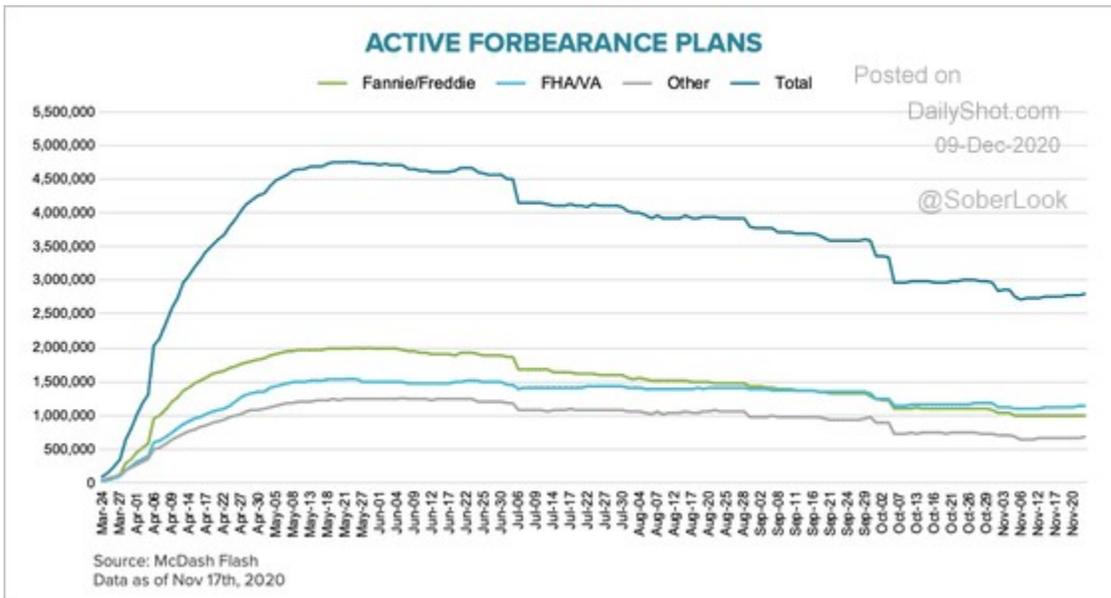
Here are some updates on housing finance.

- Once borrowers enter forbearance, their odds of delinquency decrease drastically.



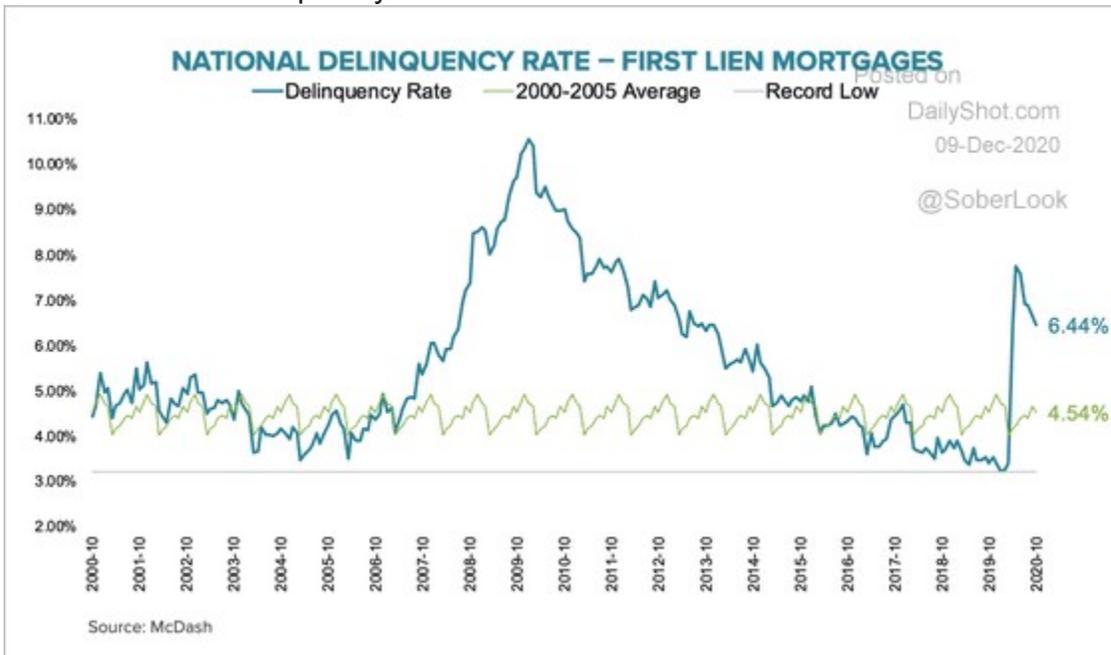
Source: Liberty Street Economics [Read full article](#)

– Forbearance volumes fell over the first two weeks of November.



Source: [Black Knight](#)

– The national delinquency rate has fallen to its lowest level since March but remains elevated.



Source: [Black Knight](#)

– Below is a list of the top ten markets with the highest and lowest delinquency rate increases since

February.

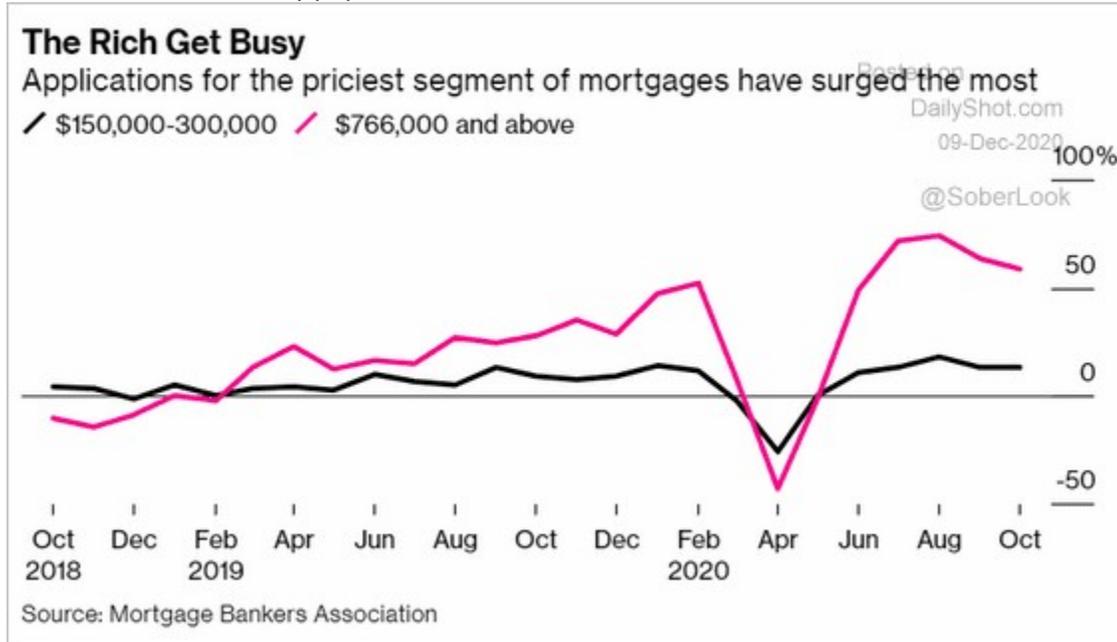
10 MARKETS WITH LARGEST DQ RATE INCREASES		
Rank	Geography (CBSA)	Change Since Feb 2020
1	Las Vegas, NV	+6.3%
2	Miami, FL	+6.1%
3	Orlando, FL	+5.2%
4	New Orleans, LA	+4.7%
5	New York, NY	+4.5%
6	Houston, TX	+4.4%
7	Atlanta, GA	+4.1%
8	San Antonio, TX	+3.9%
9	Tampa, FL	+3.9%
10	Jacksonville, FL	+3.9%

10 MARKETS WITH SMALLEST DQ RATE INCREASES		
Rank	Geography (CBSA)	Change Since Feb 2020
41	Buffalo, NY	+2.4%
42	Boston, MA	+2.3%
43	Memphis, TN	+2.3%
44	Birmingham, AL	+2.2%
45	St. Louis, MO	+2.1%
46	Pittsburgh, PA	+2.1%
47	Detroit, MI	+2.1%
48	Richmond, VA	+2.1%
49	San Jose, CA	+2.0%
50	Milwaukee, WI	+2.0%

Source: [Black Knight](#)

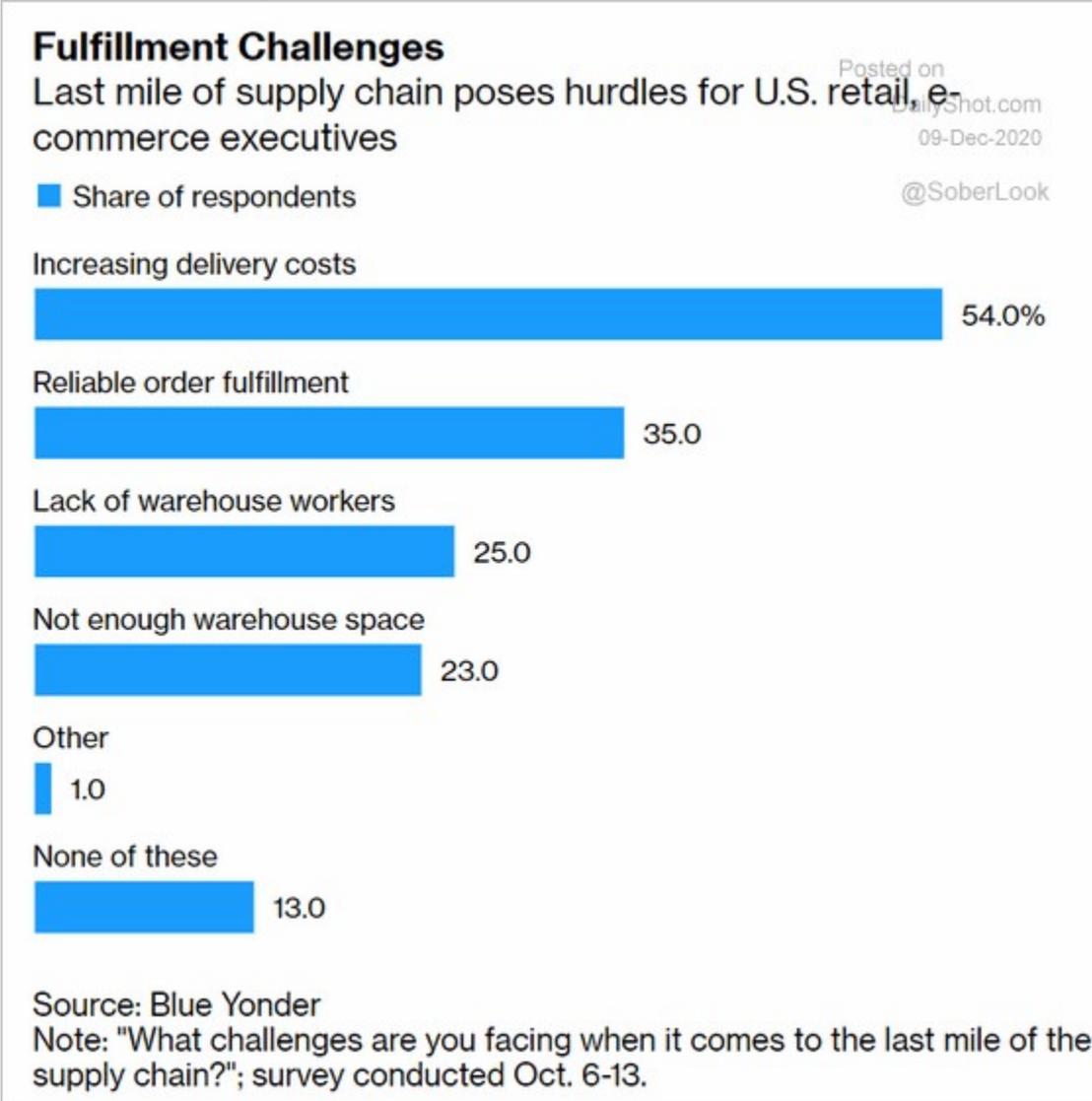
Jumbo mortgage financing applications spiked this year. Wealthier households are swapping apartments in large cities

for houses in less densely populated areas.



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

Fulfillment challenges:



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

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