

Nick Lampone

From: Nick Lampone
Sent: Wednesday, January 13, 2021 8:06 AM
Subject: The Morning CORE
Attachments: Core logo.png

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

US Futures-World Markets: S&P futures are modestly lower as we await inflation data (8:30 am ET) and an impeachment vote on Trump. We've selloffs the last two days, but BTFD has been ready and waiting. Market outlook remains cautiously optimistic ahead of earnings season. The 10-year yield ticked lower after rising for 7 consecutive days. The buzz on GM continues (see article below) with the stock +3% premarket after hitting all-time highs yesterday. Palantir is -3% after a downgrade to Sell from Citigroup. Urban Outfitters -9% premarket after disappointing holiday sales and CEO departure. S&P Futures vs. Fair Value: -12.25, 10-Yr Yield: 1.126%.

CORE Headlines:

- President-elect Joe Biden is aiming to reach a deal with Senate Republicans on coronavirus relief that could create a smaller stimulus package.-Bloomberg
- Several European companies could face sanctions for helping to build Russia's Nord Stream 2 gas pipeline.-Reuters (makes sense to me)
- Senate Majority Leader Mitch McConnell (R-KY) believes President Trump committed impeachable offenses while House Minority Leader Kevin McCarthy asks other Republicans if he should call on Mr. Trump to resign. Rep. Liz Cheney (#3 House Republican) will vote in favor of impeachment when the House votes later today.-NYT
- China posted its biggest daily jump in COVID cases in more than five months, stepping up containment measures that have seen four cities put under lockdown, as the world's second biggest economy scrambles to head off a new wave of infections.-Reuters
- Sands China's adjustment to life after the death of billionaire founder Sheldon Adelson, coming a year before the firm's gaming license expires, could open up opportunities for Chinese investors to acquire a stake, industry executives said.-Reuters
- The death rate from cancer in the US dropped 2.4 percent from 2017 to 2018, the biggest single-year decline on record and a sign of the impact of new treatments on lung cancer especially, the American Cancer Society said.-WSJ
- Municipal-bond issuance in 2020 was the highest in a decade, reflecting the collapse of interest rates and the increased costs cities and state governments are facing from Covid-19 shutdowns—bonds for new projected reached \$252B last year.-WSJ (another good sign for Wall St banks)
- The Covid-19 vaccine from China-based **Sinovac** is far less effective than initially claimed in Brazilian studies—results in late-stage testing were almost 30 percentage points lower than previously announced, and there are concerns about transparency.-WSJ (Chinese govt lied for their benefit? I'm shocked.)
- “The remote-work phenomenon is creating fresh demand for furnished housing on a short-term basis, a fast-growing niche that many property startups and their venture-capital backers are rushing to fill.”-WSJ
- The FBI issued a dire warning on the day before the Capitol riots that violent extremists were planning an armed uprising in Washington, a plot the attackers described as "war" to coincide with Congress' certification of Biden's victory.-USA

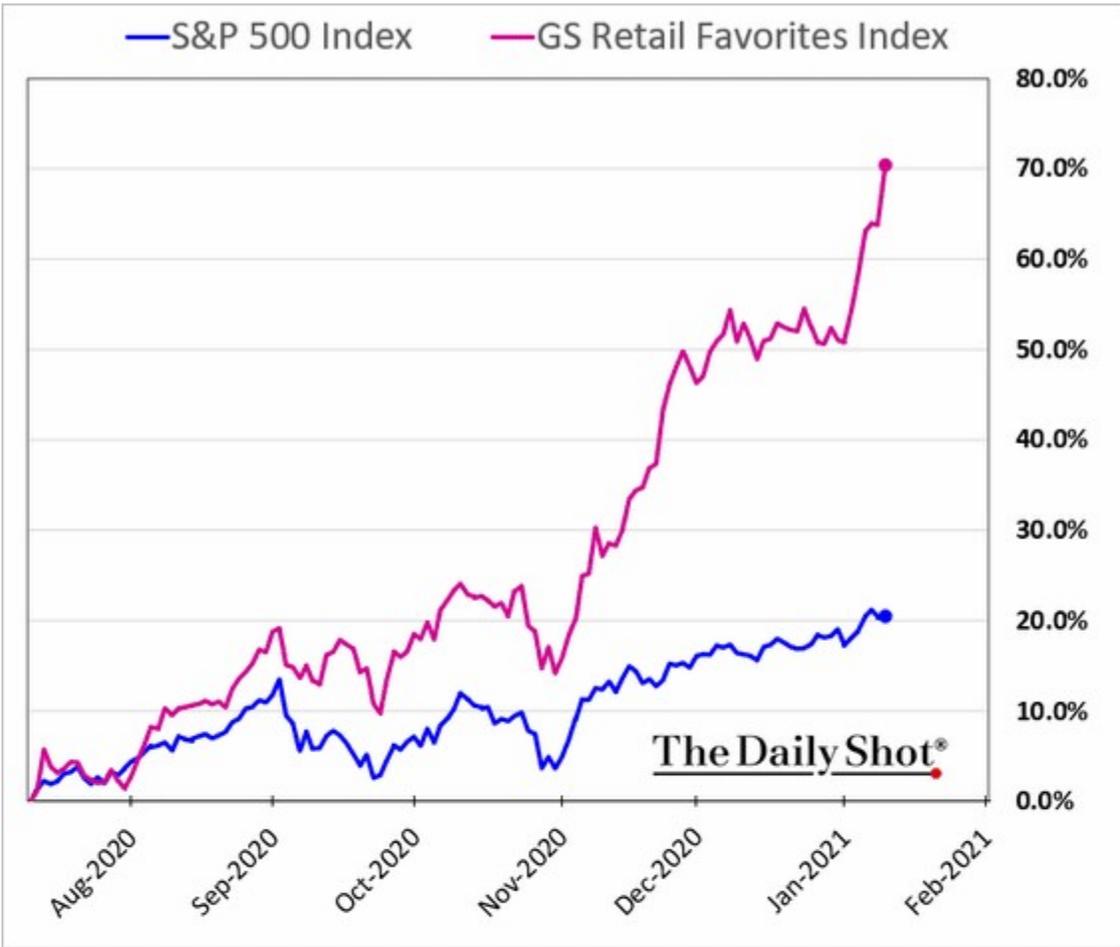
- The Trump admin instructed states to immediately begin vaccinating every American 65 and older and tens of millions of adults with medical conditions that put them at higher risk of dying from Covid by using what would have been the second doses.-NYT (why isn't this already happening? It's common sense.)
- Airbus easily retained its No. 1 spot in the global plane-making business in 2020 as Boeing on Tuesday reported a big decline in orders and deliveries.-WSJ
- Zoom video plans to raise \$1.5 billion through what would be its largest stock offering since the company's trading debut in 2019.-WSJ

Interesting Reads/Charts:

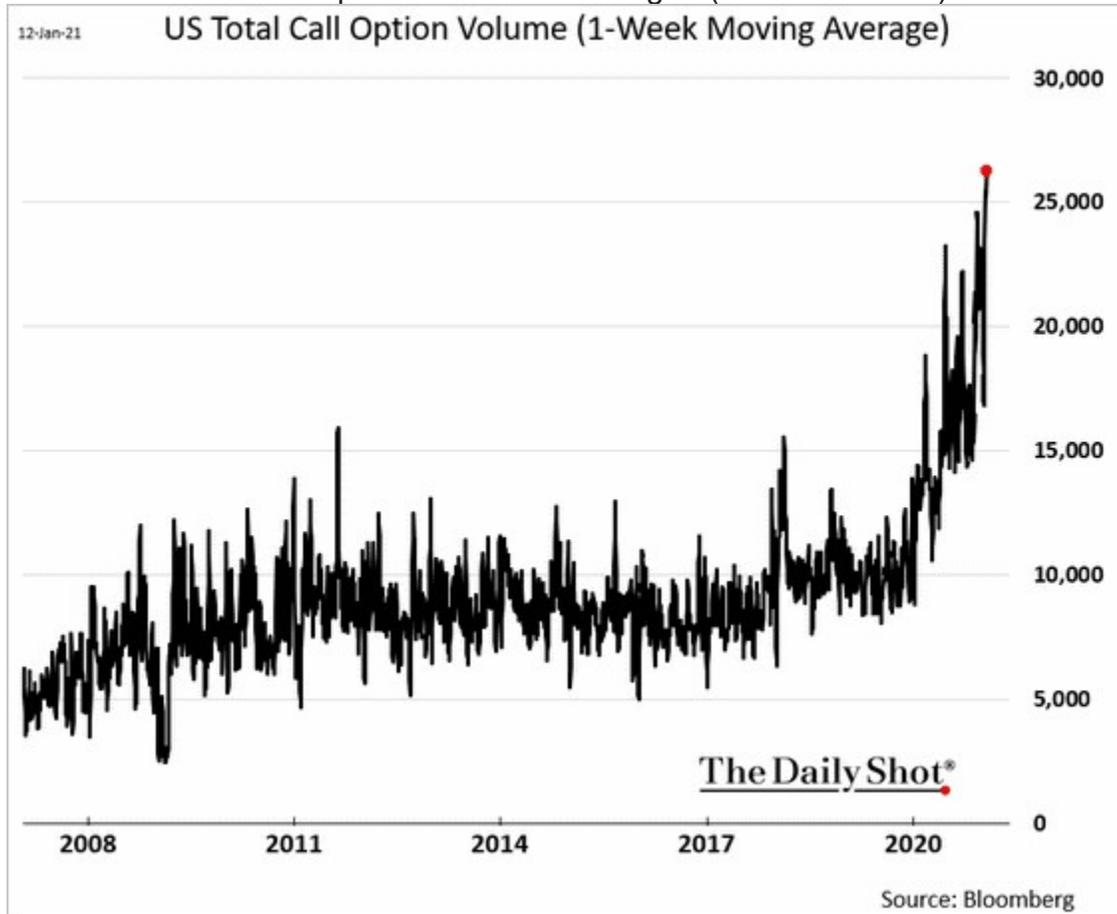
- Obituary of Sheldon Adelson <http://bbc.in/38CWQN5> (A true American success story. The guy sure wasn't born with a silver spoon in his mouth. No matter your politics, we should stop vilifying successful people like Adelson and start trying to emulate their passion and work ethic.)
- NYT: Lost passwords lock millionaires out of Bitcoin fortunes <http://nyti.ms/38DchoJ> (thx for sending John) They would have to lock me in an insane asylum.
- Variety: The Office was by far the most-streamed show in 2020 <http://bit.ly/3iaT1Sp>
- CNBC: GM shows off electric van and flying Cadillac <http://cnb.cx/3slFsv1>
- Standard UK: South Korea tells women not to look 'disheveled' when pregnant <http://bit.ly/39pAazm> (thx Dean) that wouldn't go over well in here

Charts from The Daily Shot:

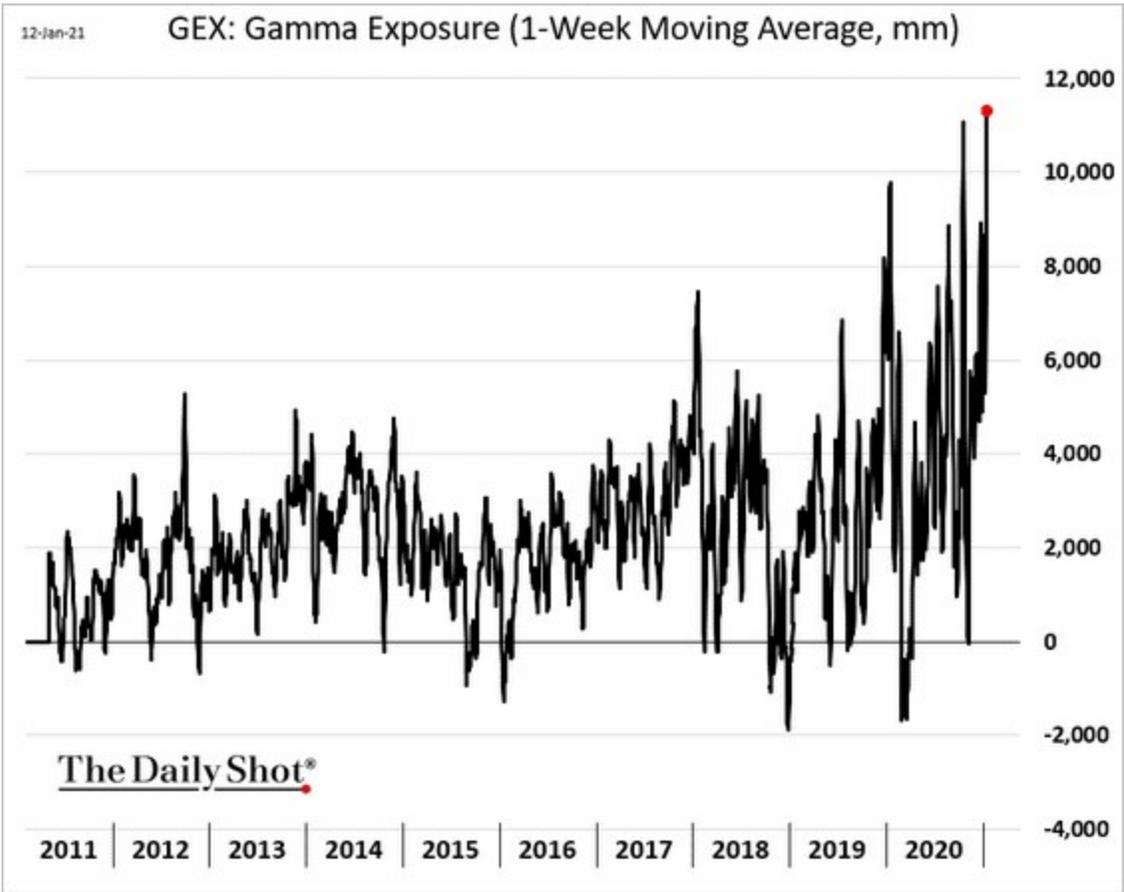
retail investors continue to buy up their favorite stocks. Retail investors are here to stay, at least until we have a massive correction.



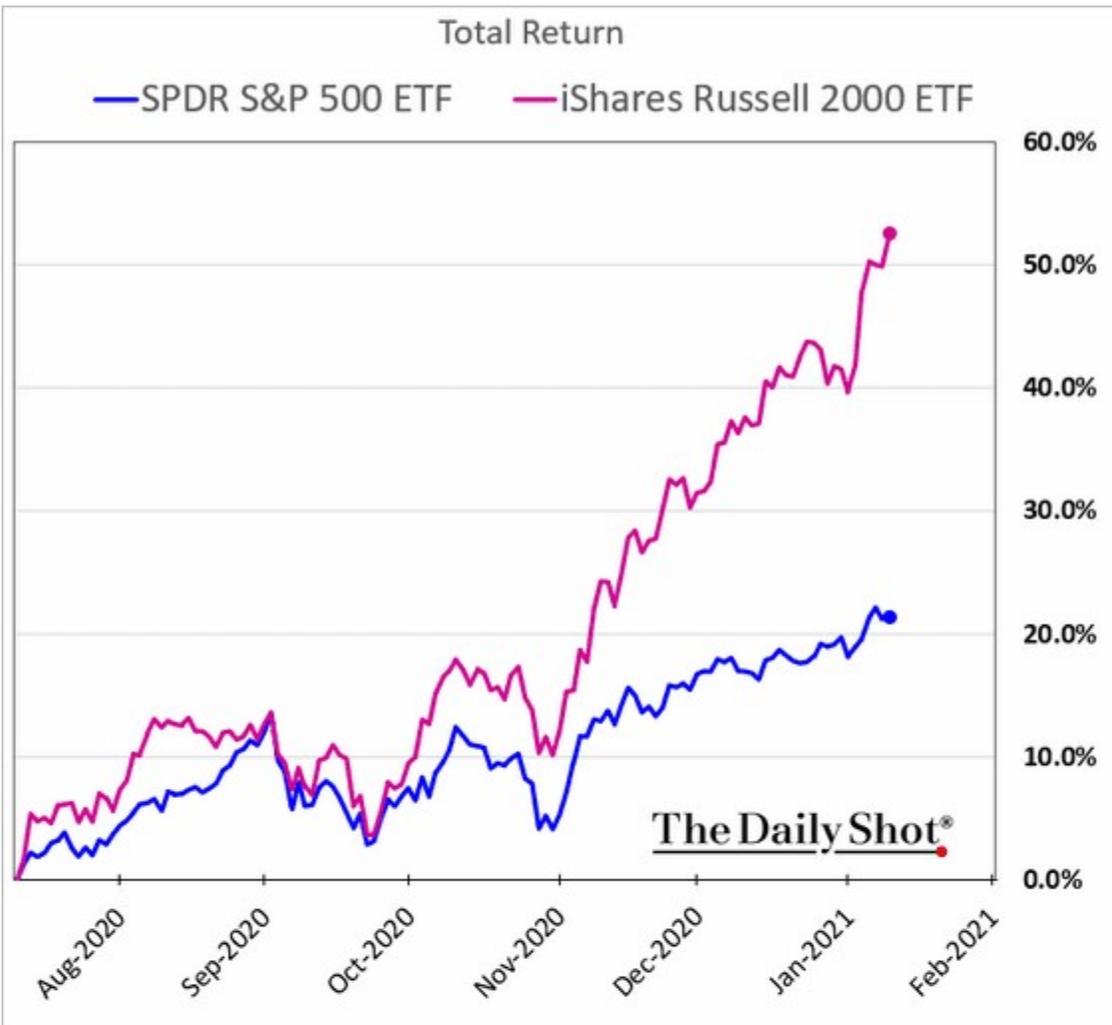
The volume of call options is hitting unprecedented levels. These are effectively leveraged bets that allow retail investors to punch above their weight. (Incredible chart)



Dealers are increasingly short [gamma](#) as they sell more options to clients. This tends to exacerbate volatility, especially during selloffs. Here is the GEX index, which is a rough estimate of gamma exposure.



Small-cap shares have been soaring.



— iShares Russell 2000 ETF - SPDR S&P 500 ETF: Relative Performance (Total Return)



The lowest-price shares have outperformed since the start of the year. (Investors have even chased penny stocks.)



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

Most-shorted stocks continue to surge. (The pain/squeeze trade continues.)

Total Return

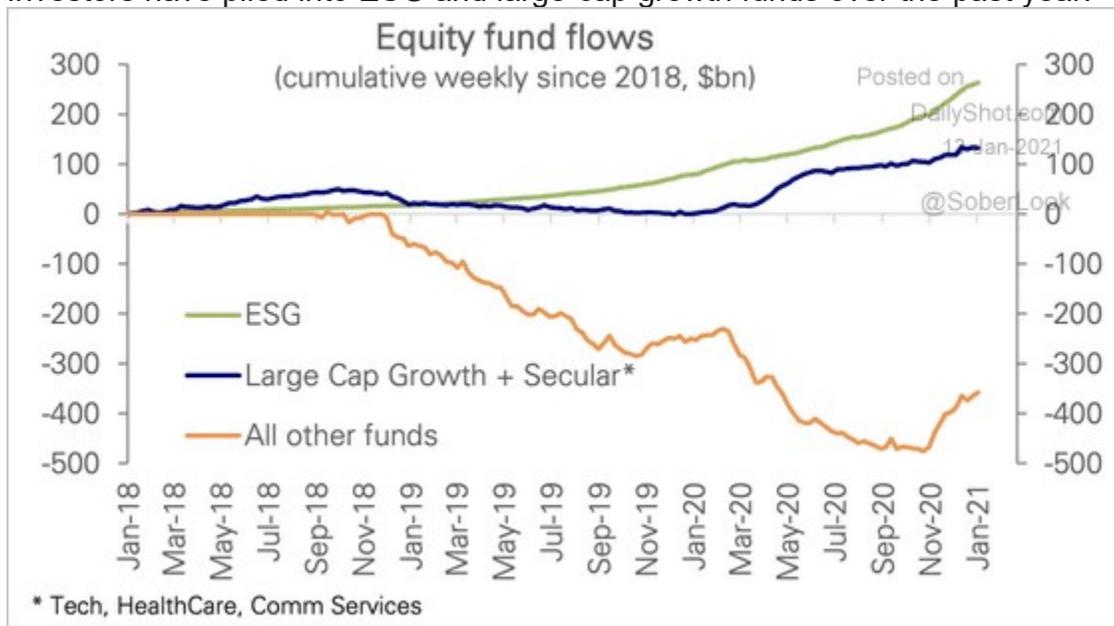
— S&P 500 Index — GS Most Shorted Stocks



— GS Most Shorted Stocks - S&P 500 Index: Relative Performance



Investors have piled into ESG and large-cap growth funds over the past year.



Source: [Deutsche Bank Research](#)

US active managers that focused on growth stocks outperformed last year, while active value and blend managers underperformed. (Will this change in 2021?)

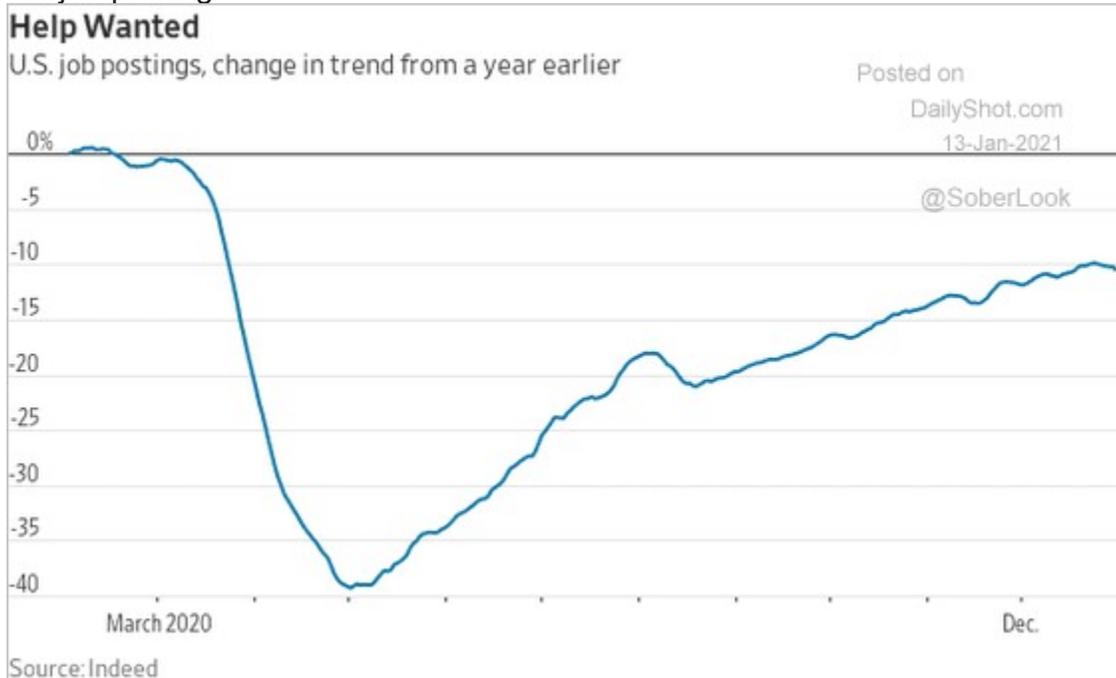
US Active Manager Performance Trends — Average Excess Return (%)

Posted on DailyShot.com 13-Jan-2021 @SoberLook

Category	2019	Q3	Q4	YTD	2020 Vs. 2019
Large Growth	-1.87	0.26	0.11	6.12	7.99
Mid-Cap Growth	0.15	1.15	0.54	8.23	8.08
Small Growth	1.05	1.93	-2.56	8.77	7.71
Large Blend	-2.50	-0.92	-0.06	-3.50	-1.00
Mid-Cap Blend	-2.79	0.02	-1.25	-4.16	-1.37
Small Blend	-0.20	0.03	-3.34	-4.97	-4.77
Large Value	-2.82	-1.48	0.78	-3.70	-0.88
Mid-Cap Value	-1.53	-1.56	2.08	-3.93	-2.40
Small Value	-1.19	-0.16	-1.81	-2.33	-1.14

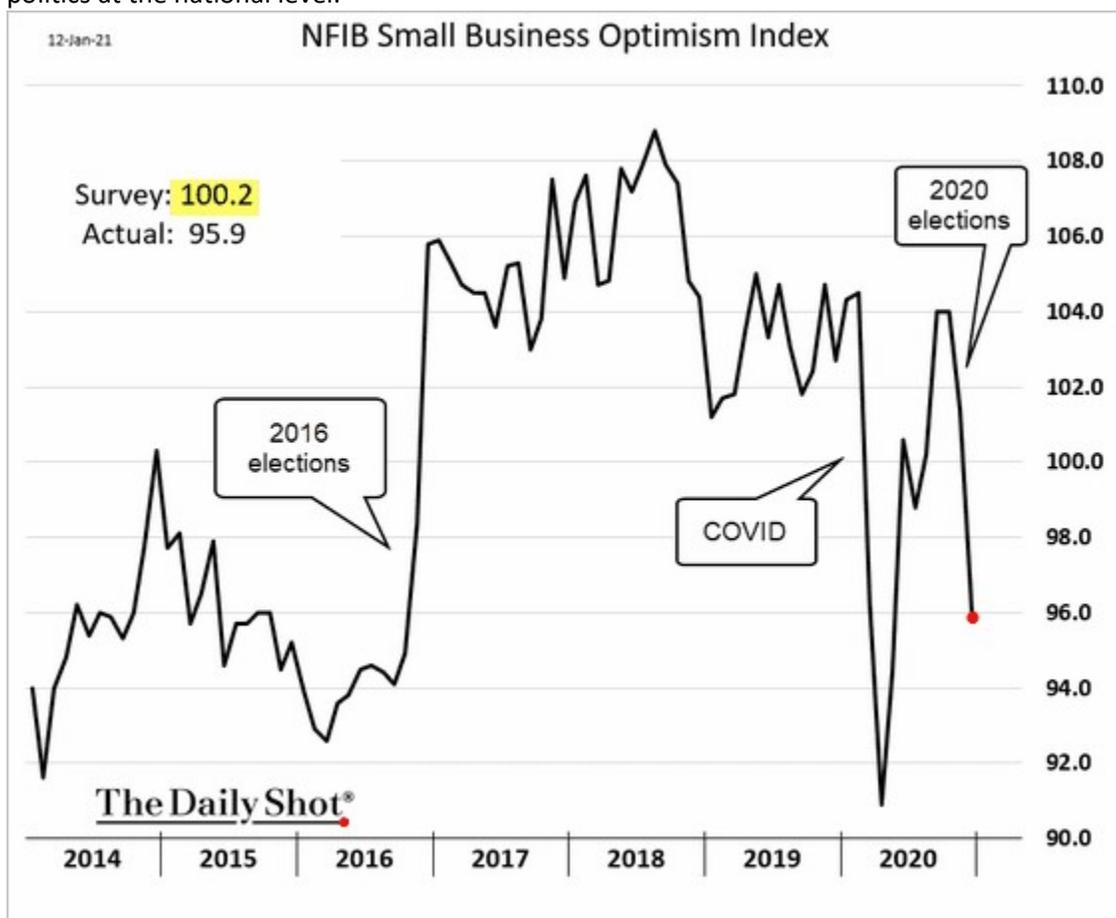
Source: [SPDR Americas Research, @mattbartolini](#)

US job postings on Indeed have not recovered.

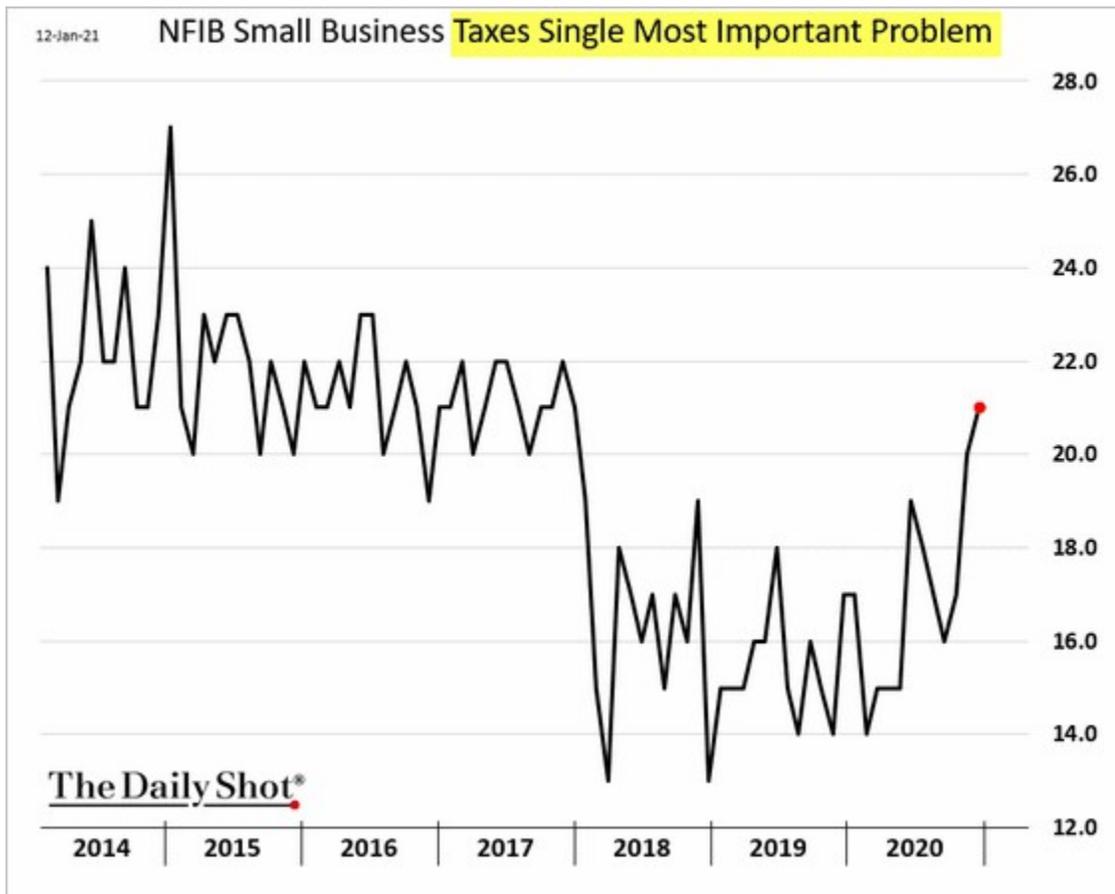


Source: @WSJ [Read full article](#)

The NFIB small business optimism index tumbled last month. As discussed previously, this index is highly sensitive to politics at the national level.

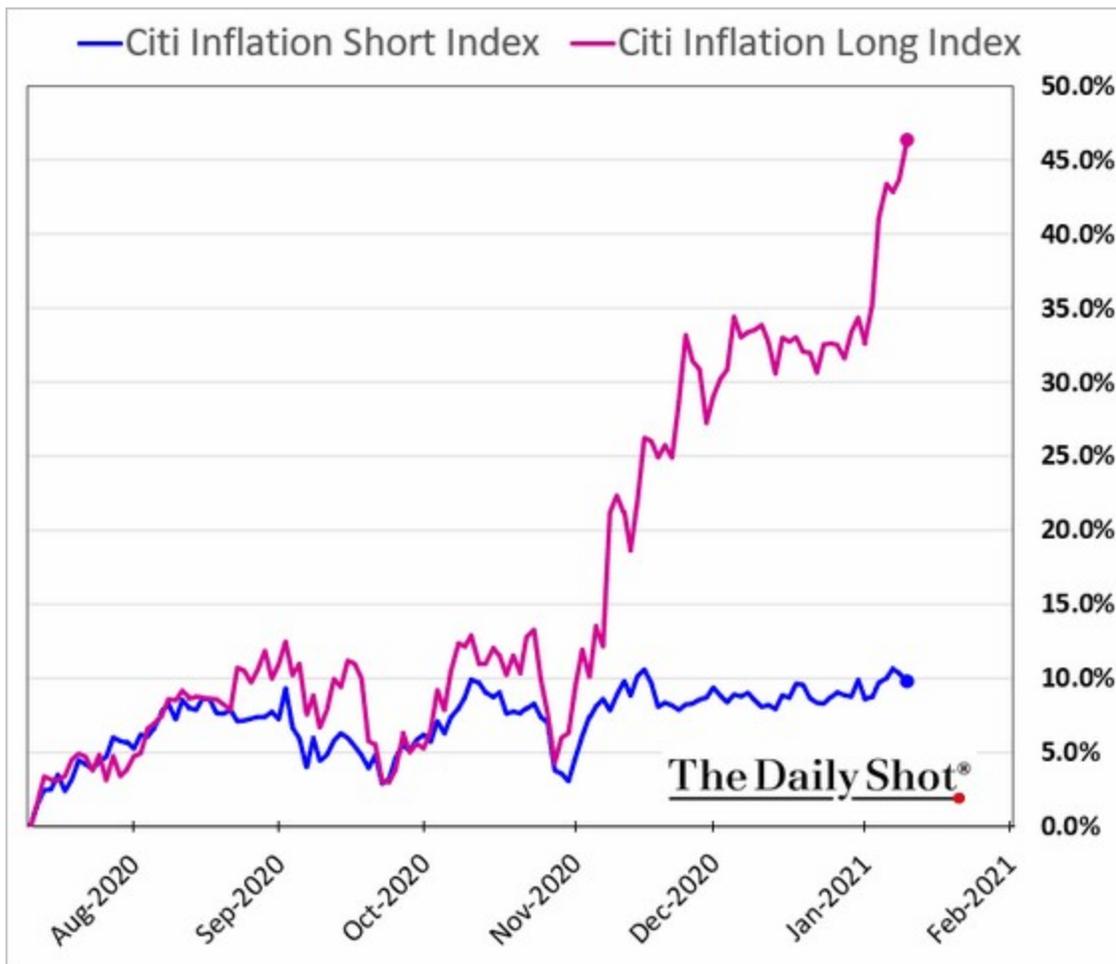


For example, while the US tax laws have not changed in recent months, more small businesses now see taxes as the most important problem.



some updates on inflation.

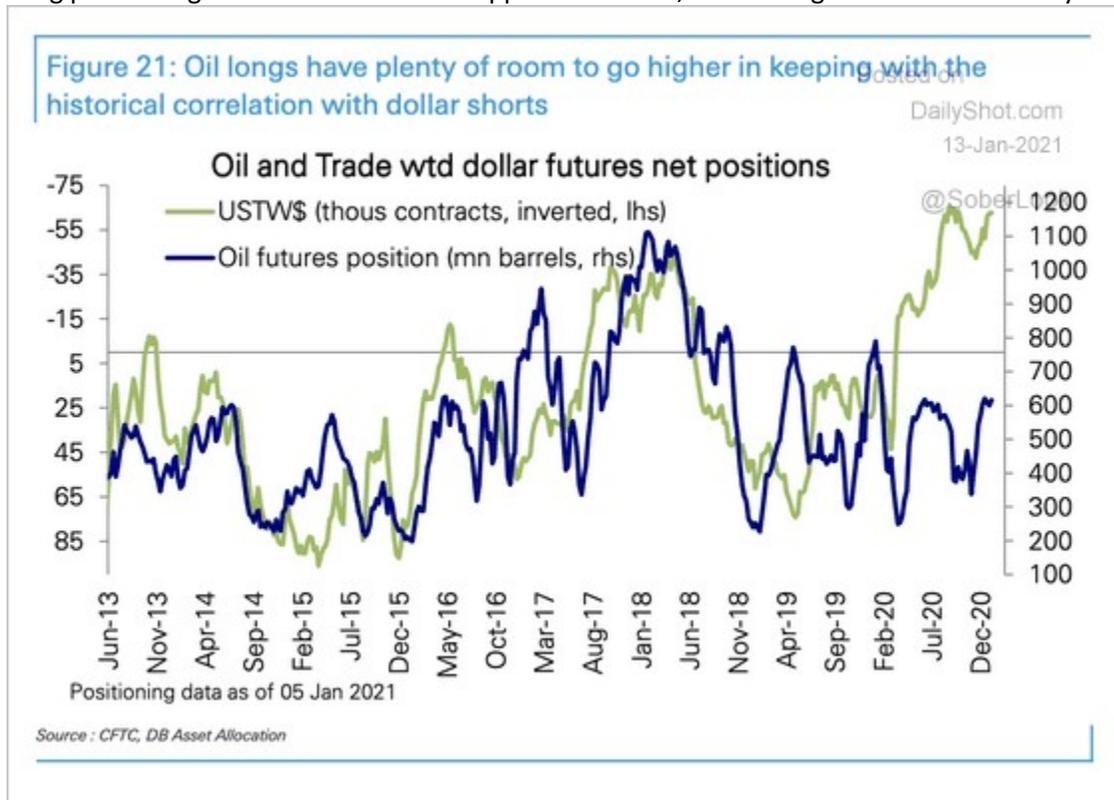
- The stock market is increasingly pricing in higher inflation, as shares of firms that would benefit from rising prices outperform sharply.



Is the rally in crude oil ready for a pause?



Long positioning in oil futures does not appear stretched, even though the dollar is heavily shorted.

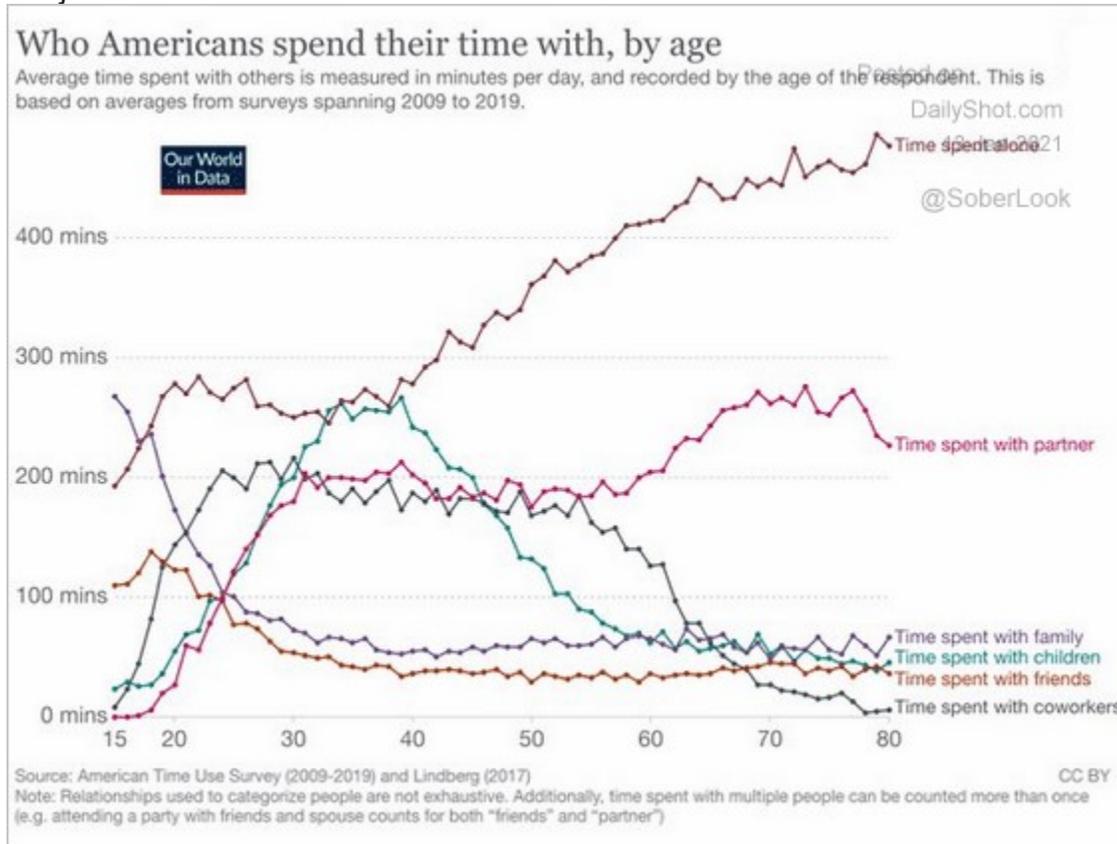


Source: [Deutsche Bank Research](#)

Goldman's risk appetite index hit the highest level since the US tax cut.

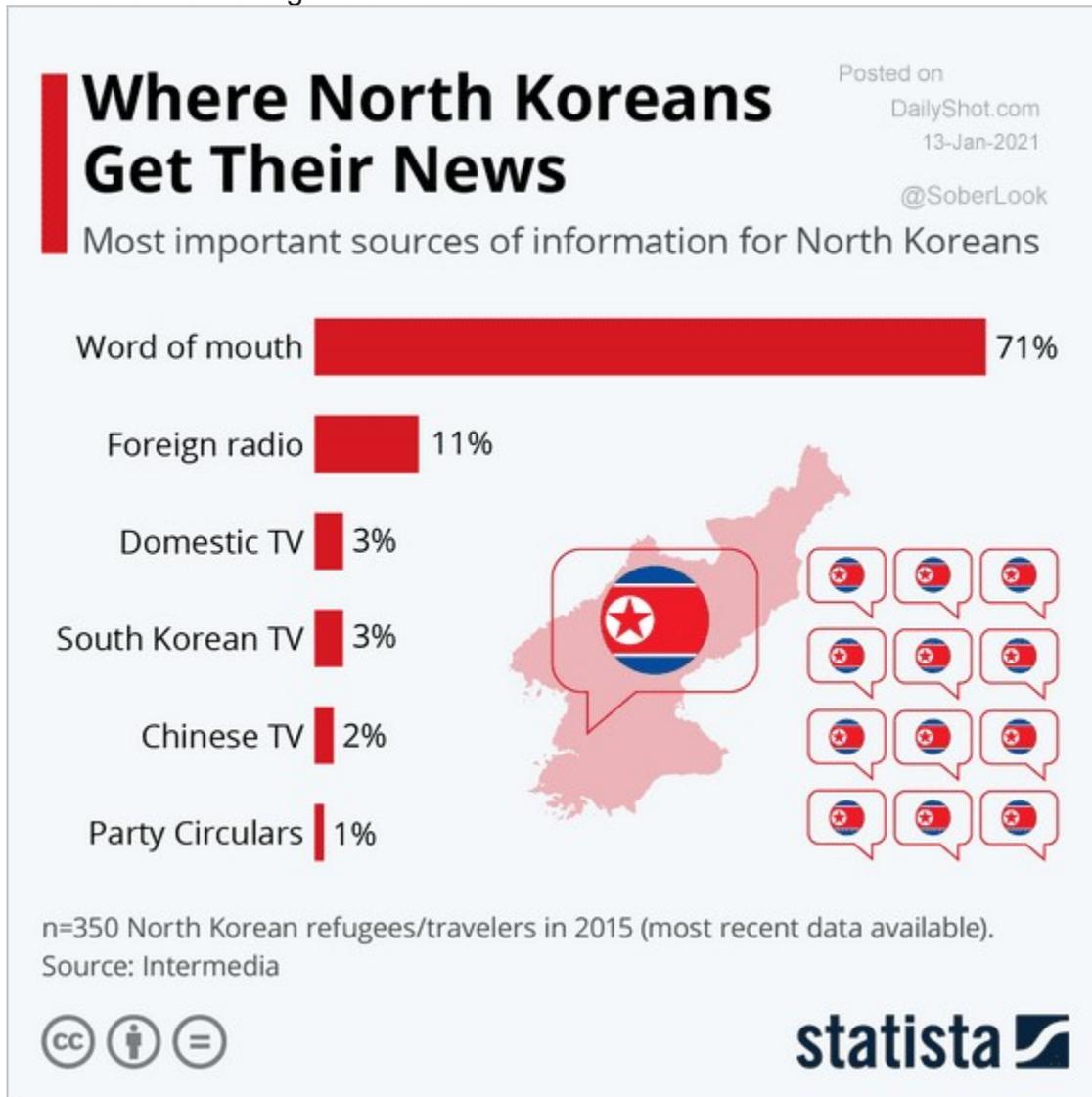


Who Americans spend their time with, by age: (Read the link from Monday's note on "big rocks and the jar")



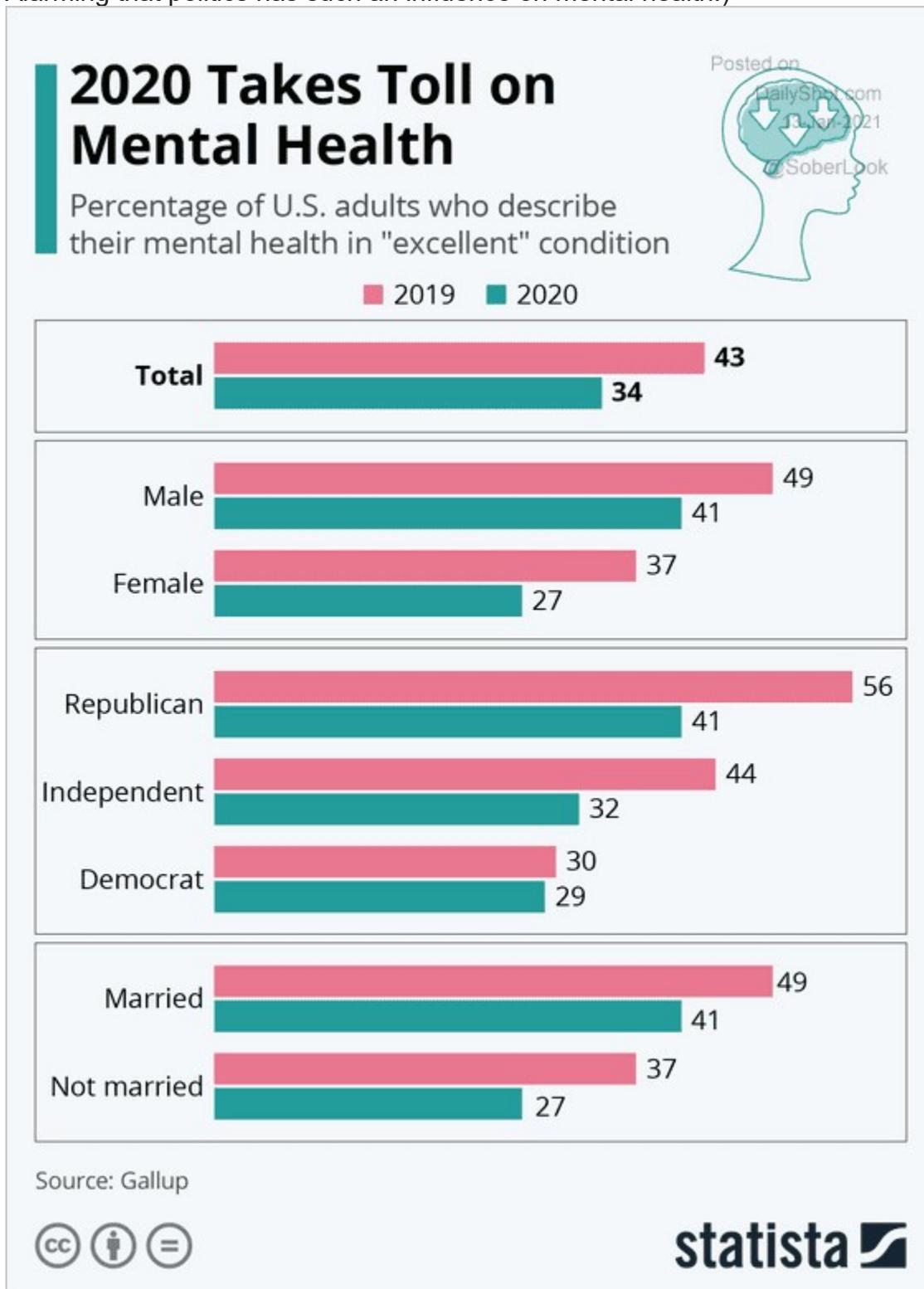
Source: @SteveStuWill, @EOrtizOspina, @OurWorldInData [Read full article](#)

How North Koreans get their news:



Source: [Statista](#)

Mental health in 2020: (Major impact of government lockdown mandates for healthy aged Americans. Alarming that politics has such an influence on mental health.)



Source: [Statista](#)

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