

Nick Lampone

From: Nick Lampone
Sent: Friday, January 15, 2021 8:10 AM
Subject: The Morning CORE

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

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Happy Soul Train Friday <https://bit.ly/2Ke5tV4> A little MJ to roll you into an MLK 3-day weekend. I don't care what era it is, a skin-tight tank top will NEVER be a good look for a man. Unless your name is Freddie Mercury. On the other hand, white loafers will never go OUT of style. Who came up with the idea for Saran Wrap pants?

US Futures-World Markets: S&P futures tick lower as earnings season starts heating up. Biden announced his \$1.9 billion spending package last evening. Seems like investors are using the excuse of higher taxes to book some profits. Blowout fiscal stimulus along with an accommodative Fed still feels like a decent near-term tailwind, but we have had a nice rally since Dec. 21. An accelerated vaccine rollout would be nice. Keep an eye on earnings from big banks this morning. Still feels weird to see the market jam higher without Big Tech (Apple, Amazon, MSFT, etc.) contributing to gains. Poshmark was up 140% from its IPO price yesterday. Another poorly priced deal from the company's point of view, but the hedge funds love the easy performance. Direct listings anyone? No note on Monday. Happy MLK Day. I never tire of watching the "I Have a Dream" speech. S&P Futures vs. Fair Value: -11.60, 10-Yr Yield: 1.10%.

CORE Headlines:

- Florida's decision to make the Covid-19 vaccine available to those who are 65 and older, including nonresidents, has driven a tourist boom among people who own second homes in the state and others making short-term visits.-WSJ (smart move, but Cuomo gets the book deal?)
- US will add Xiaomi to China blacklist but not Alibaba (**BABA**), Tencent (**TCEHY**), and Baidu (**BIDU**).-WSJ
- While the virtual CES 2021 trade show has featured robot butlers and robot chefs that aren't ready for prime time, it also has shined a light on real-world automated machines from **CAT** and **DE** that are performing critical tasks in various industries.-IBD
- Goldman Sachs (**GS**) mulling acquisitions to support consumer banking unit Marcus.-Reuters
- Airlines are preparing for heightened tensions ahead of Joe Biden's inauguration next week, following last week's deadly riot at the US Capitol and a spate of incidents on flights to and from Washington, DC, including people who refuse to wear masks.-WSJ
- Semiconductor companies are asking their customers for patience as the industry works through a sharp increase in demand from makers of everything from cars to consumer electronics, creating a shortage that has led to higher prices; the related story says **TSM**, a key chip supplier to **AAPL**, will spend as much as \$28B to develop advanced chips and to build new plant capacity to meet demand.-WSJ
- New York City's rent-regulated tenants owe more than \$1.1B in back rent, with nearly 20 percent of them more than two months behind, according to a survey by the Community Housing Improvement Program.-NYP
- Early data from Israel suggests Covid-19 infection rates began to decrease among a group of vaccine recipients two weeks after they received the first shot of the **PFE-BNTX** vaccine, data that may help other countries as they roll out their campaigns.-WSJ

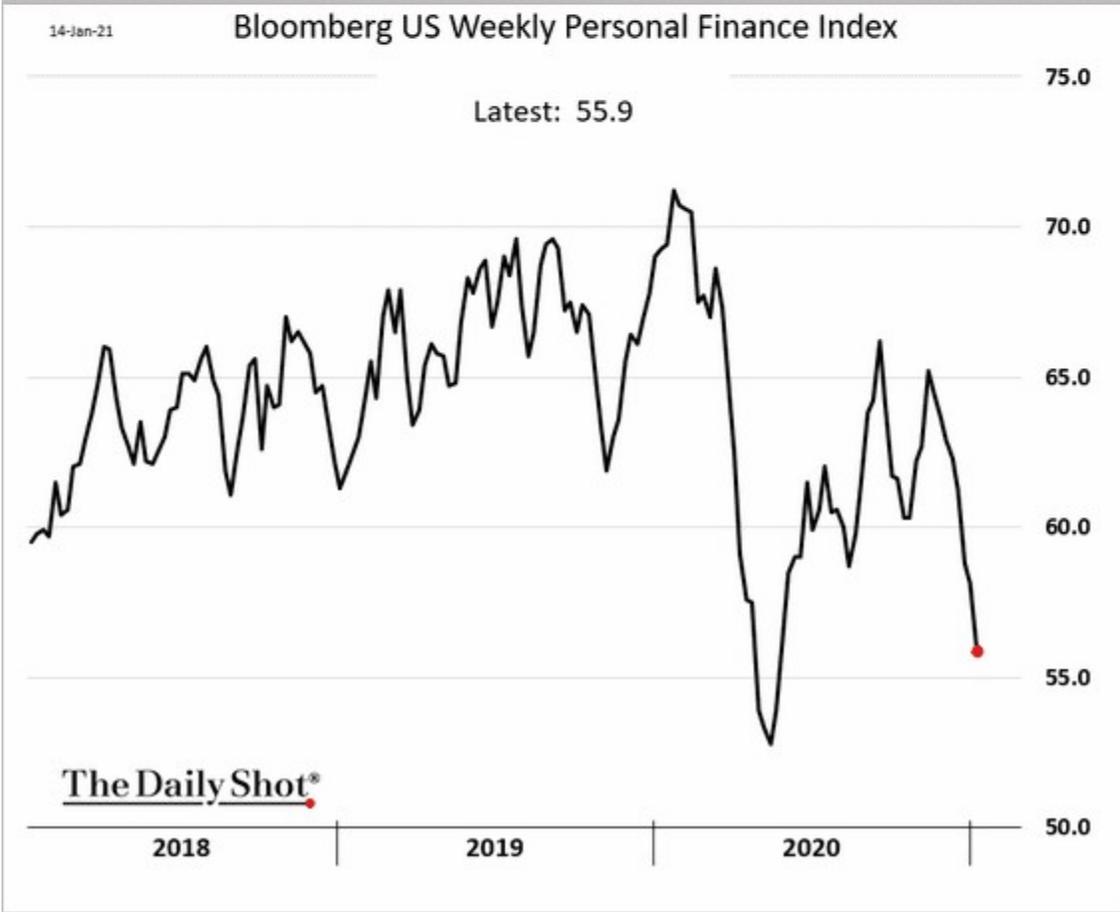
- With states struggling to distribute coronavirus vaccines, governors are increasingly asking the National Guard to expedite the process, with some Guard members giving shots and others working on logistical tasks.-NYT
- “Private equity groups are seizing on ultra-low borrowing costs to fund a flurry of acquisitions that will load up indebted companies with yet more loans, underlining concerns over the threat posed by excessive leverage.”-FT
- British authorities banned most travel from South America—including Brazil, Argentina, Colombia, and Chile—and Portugal, part of a series of measures to counter the spread of a new strain of the coronavirus that was first identified in Brazil.-FT
- Many U.S. pharmacies, including those inside Kroger supermarkets and the drugstore chain of CVS Health, say they will not be checking IDs before administering COVID-19 vaccines, leaving the door open to those who do not meet states' guidelines to jump the line.-Reuters
- **Signal**, once a niche messaging service for the privacy-minded, is currently the most downloaded app in the US, unseating perennially popular social media and gaming apps.-Recode

Interesting Reads/Charts:

- Popular Mechanics: Why scientists want to shorten the minute to 59 seconds <http://bit.ly/3bG2Wy7>
My head hurts now.
- The Ringer: Breakdown on Urban Meyer to the Jags <http://bit.ly/2Nb9B9H>
- Fast Co.: Procter & Gamble wants to reinvent how you clean <http://bit.ly/39BuAKq>

Charts from The Daily Shot:

Bloomberg’s consumer sentiment index deteriorated further, driven in part by the recent events in DC. Americans are also increasingly uncertain about personal finances (2nd chart). (I’d to see an chart overlayed with US savings’ rate.)



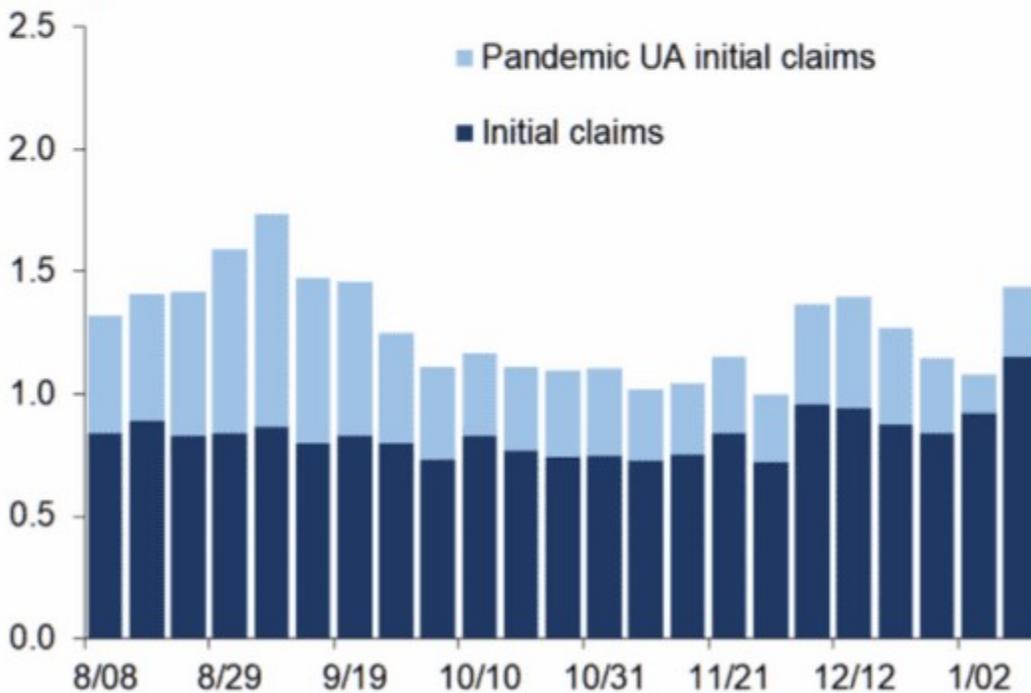
Initial jobless claims increased last week. Here is a comment from Oxford Economics. We think the \$300 in additional weekly benefits provided by legislation enacted late in December motivated more individuals to claim benefits. (Seems like a logical outcome for handing out money.)

Initial jobless claims for regular and PUA benefits rose from 1.1 million to 1.4 million last week. PUA claims are poised to rise further now that those benefits have been extended.

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

US: Total initial claims for unemployment benefits

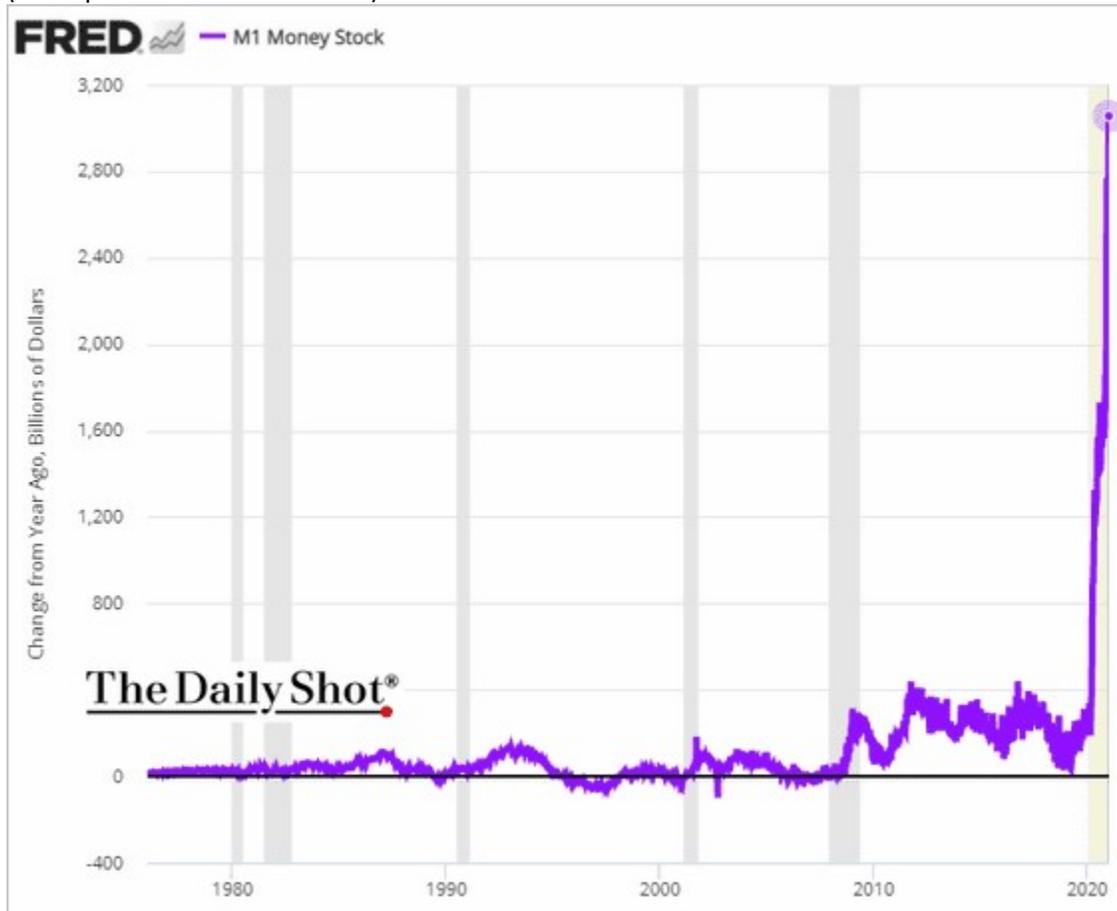
Millions, nsa



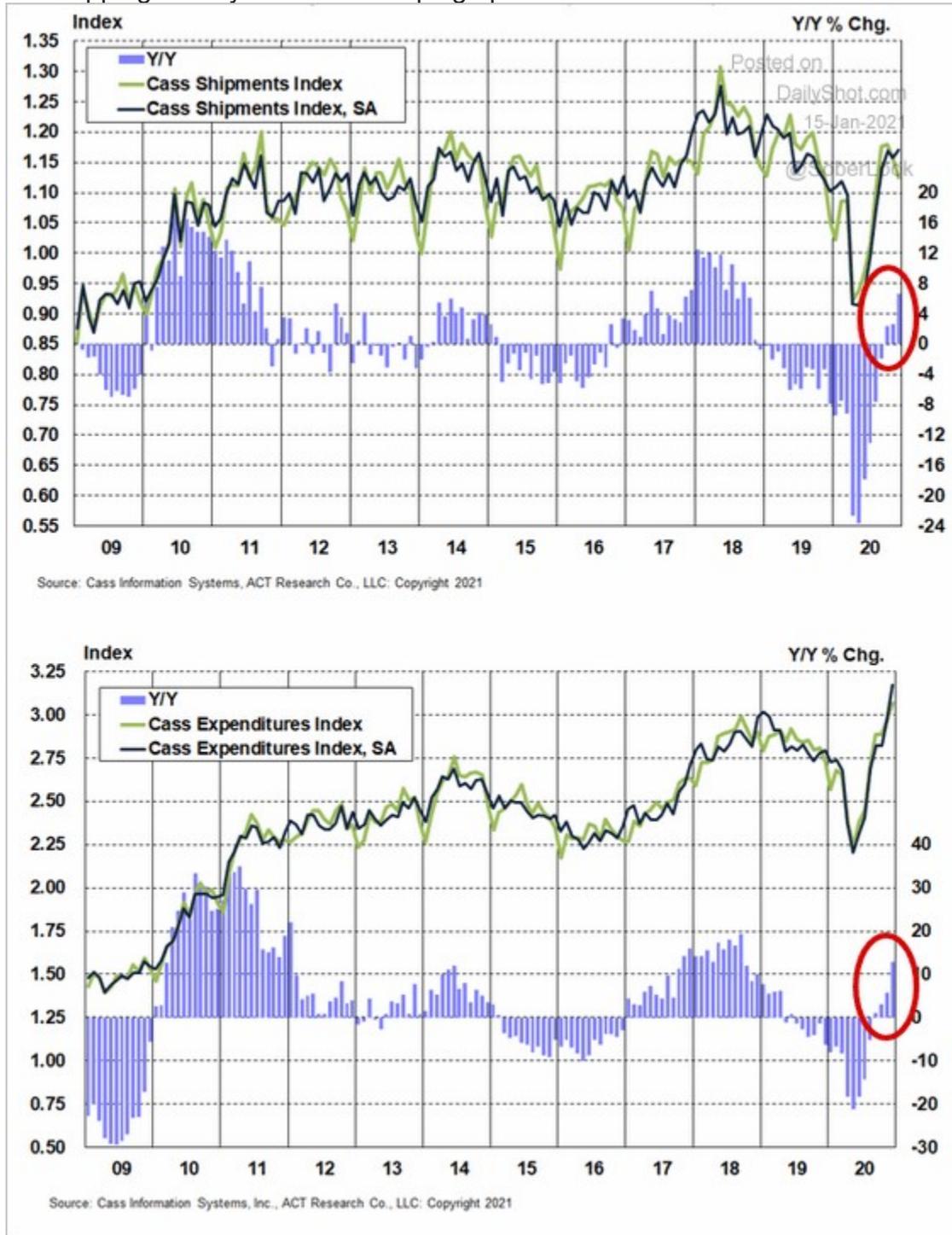
Source : Oxford Economics/Haver Analytics

Source: [Oxford Economics](#)

(An important chart for stocks.)

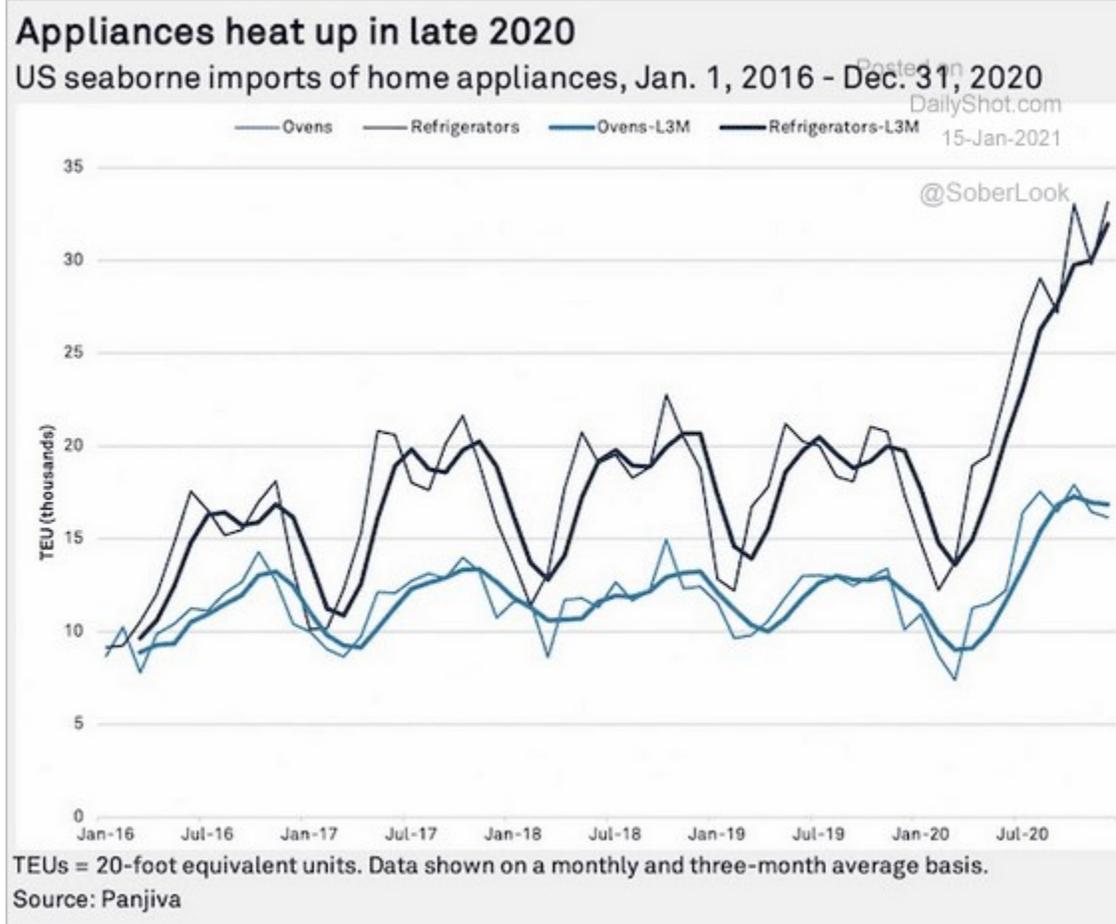


US shipping activity has been ramping up in recent months.



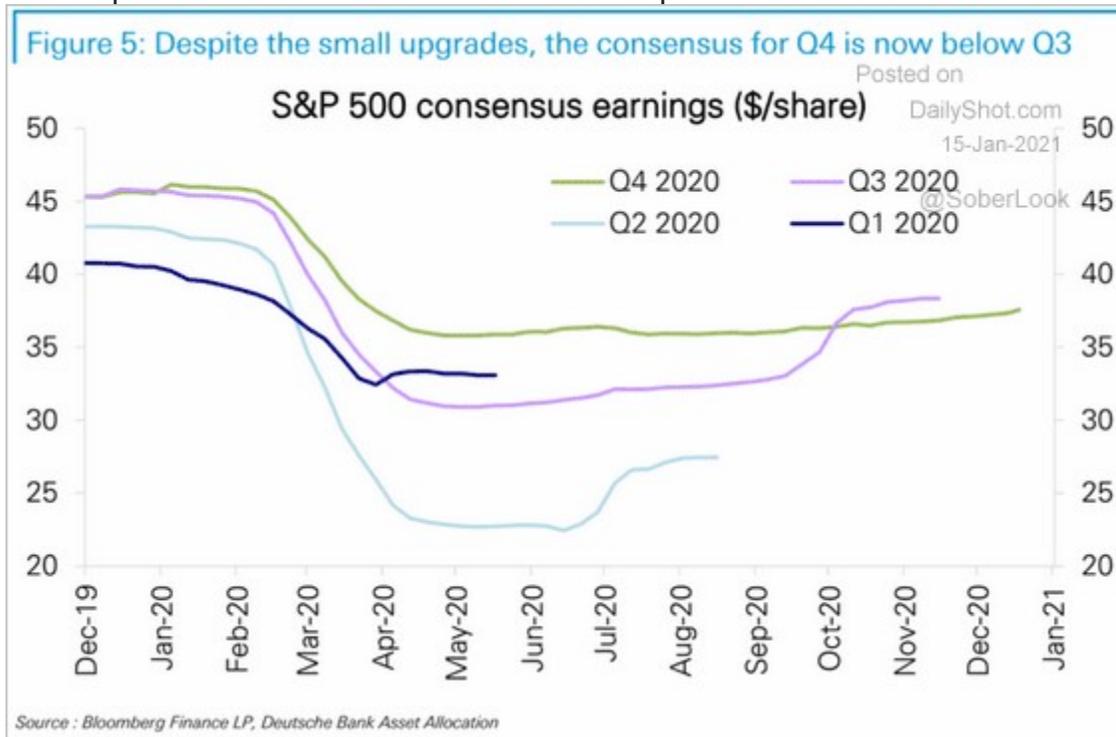
Source: [Cass Information Systems](https://www.cassinfo.com/)

US imports of appliances, for example, spiked last year. (Americans are staying inside and buying things.)



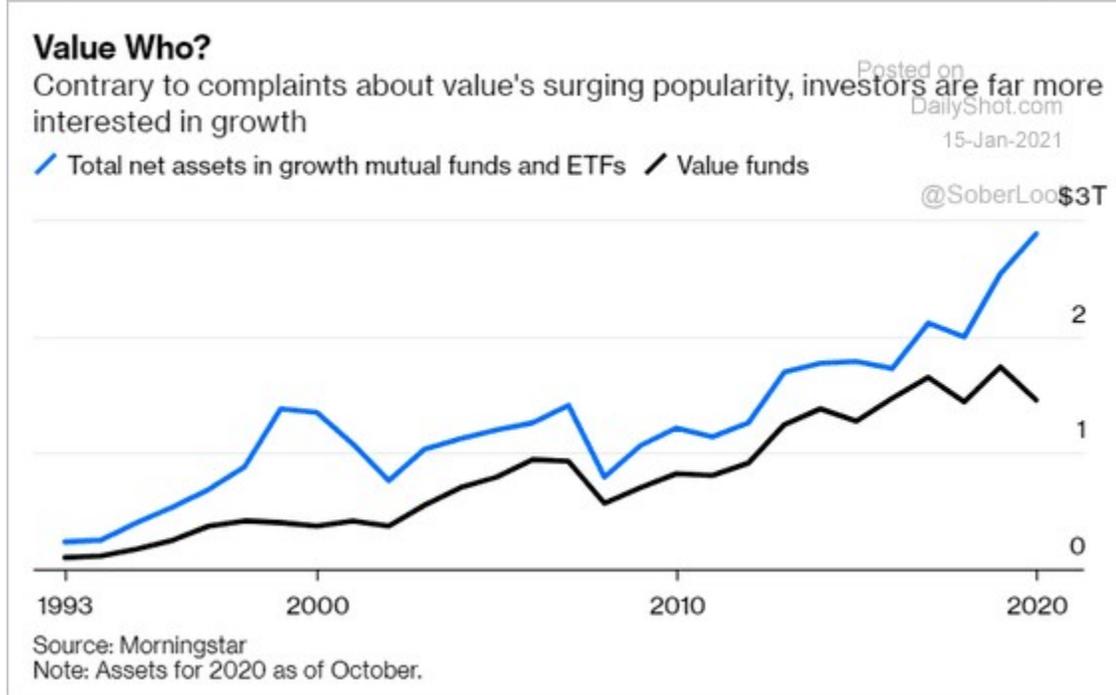
Source: [S&P Global Market Intelligence](#)

S&P 500 Q4 earnings per share estimates are running below the levels we saw in Q3. (We've talked non-stop about how estimates need to rise. Expect some beat and raise numbers.)



Source: [Deutsche Bank Research](#)

Despite the recent rebound in value stocks, investors are still in love with growth.



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

Growth companies' premium remains elevated.



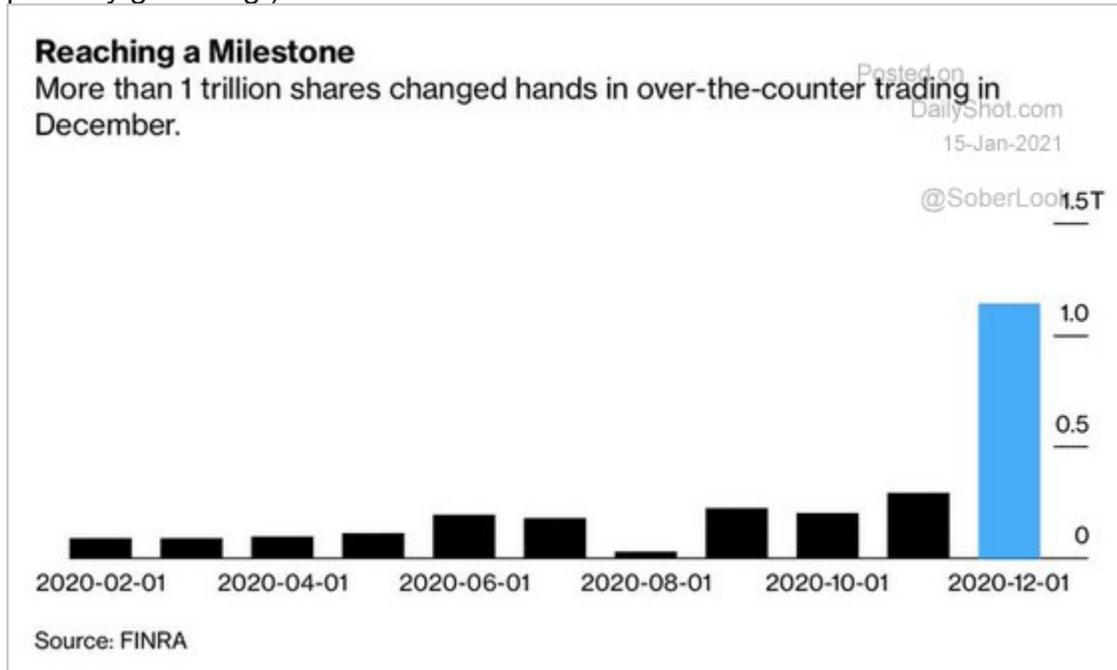
Source: @ISABELNET_SA, @GoldmanSachs

The momentum factor has outperformed significantly over the past decade. (Amazing how wide the gap is even with recent value outperformance.)



Source: [@LizAnnSonders](#)

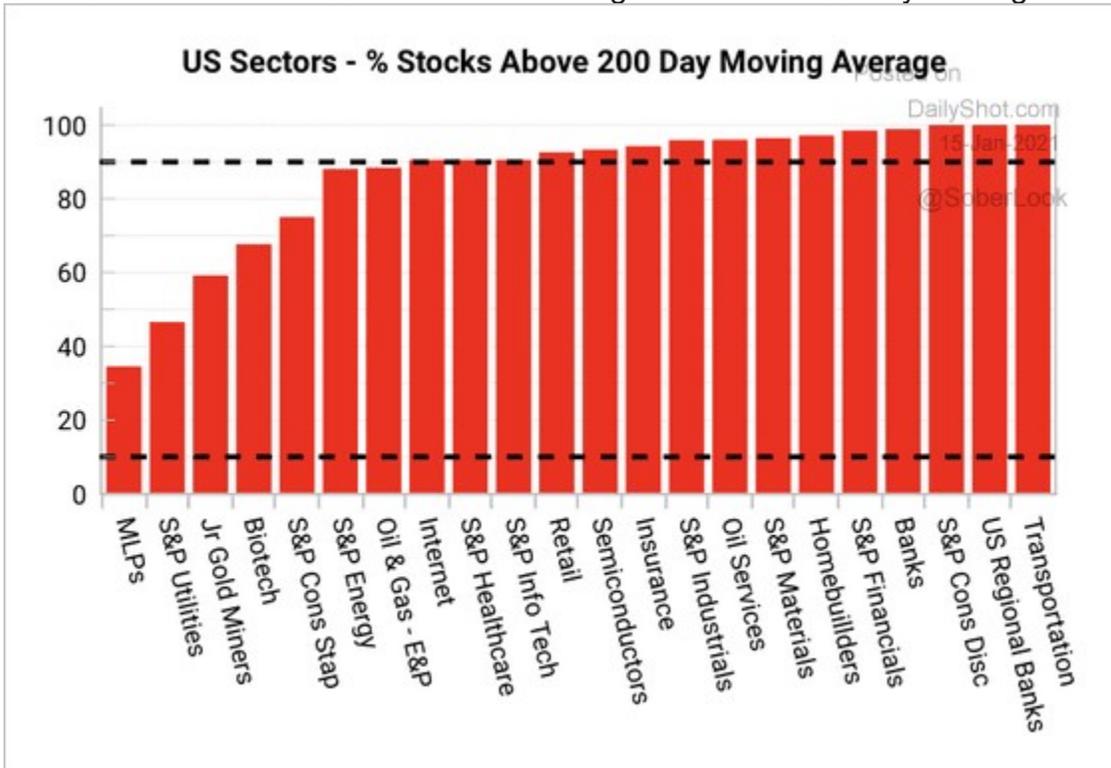
Retail investors discovered penny stocks (often based on comments on Reddit boards). (What could possibly go wrong.)



Source: [@jessefelder,](#)

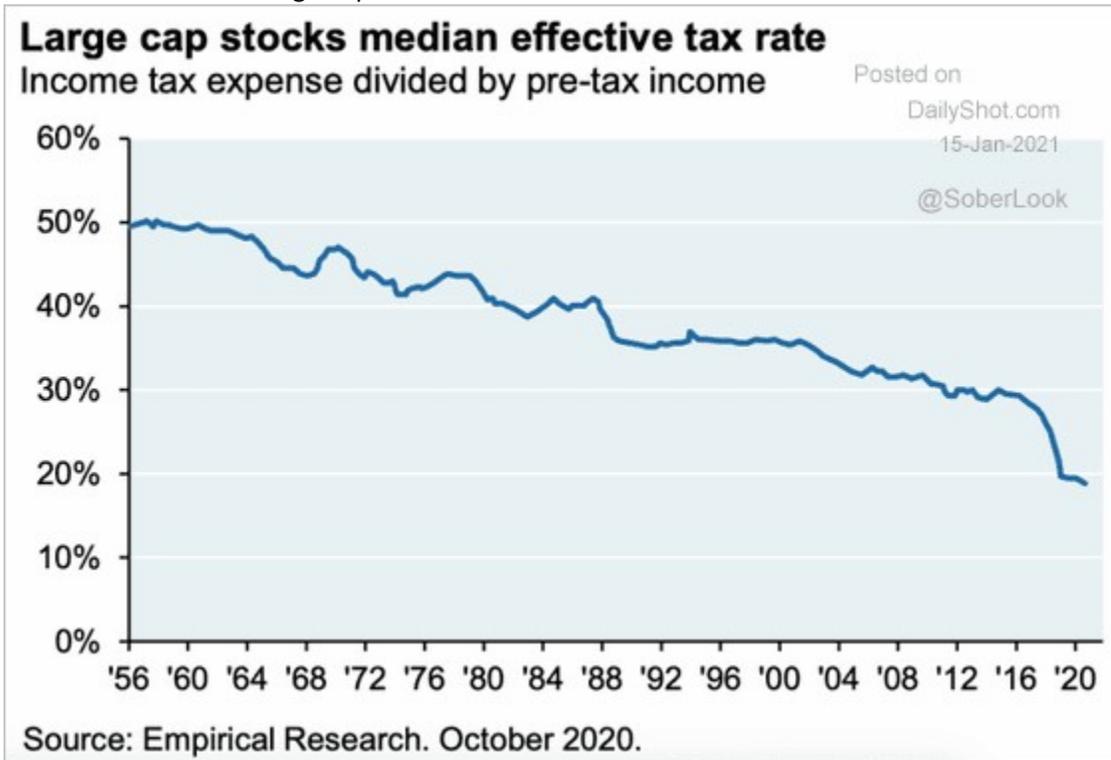
[@SarahPonczek](#) [Read full article](#)

Most US sectors have 90% of stocks trading above their 200-day moving average.



Source: [Variant Perception](#)

Is this the bottom for large-caps' effective tax rates?



Source: Empirical Research. October 2020.

Source: [Snippet.Finance](#)

Most investment managers consider bitcoin an alternative asset, according to a Bitwise survey.

FROM WHERE WOULD YOU FUND AN ALLOCATION TO CRYPTO IN CLIENT PORTFOLIOS?		
	2021 Survey	2020 Survey
Alternatives	51%	57%
Equity	18%	12%
Cash	17%	15%
Commodities	10%	12%
Fixed Income	5%	4%

Source: Bitwise Asset Management [Read full article](#)

Is it legal for central banks to issue digital currencies? (Expect more info from me on this. It's coming. Only a matter of time. 5, 10, 15 years?)

Letter of the law

Most central banks can issue only physical cash.

(legal authorization to issue currency)

Posted on

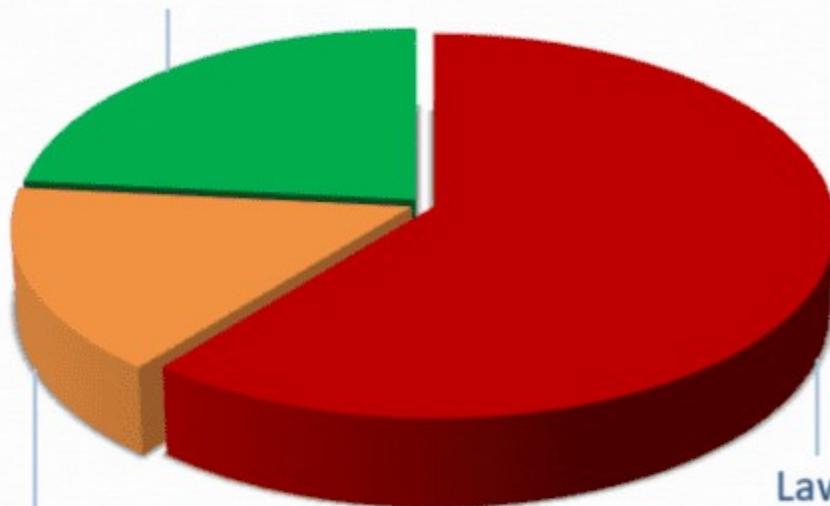
DailyShot.com

15-Jan-2021

@SoberLook

Law does not limit
issuance to banknotes
and coins.

40 central banks 23%



Law is not clear.
27 central banks 16%

Law only
authorizes
issuance of
banknotes
and coins.
104 central
banks 61%

Source: IMF [Read full article](#)

Corn prices continue to climb. (Just for you, Dan W.)

Corn Up Again on Strong Export Sales

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

14-Jan-21 20:19

CBOT Corn (1st Nearby)

535.50 / +0.23%

550.00

500.00

450.00

400.00

350.00

300.00

250.00

The Daily Shot*

2014

2015

2016

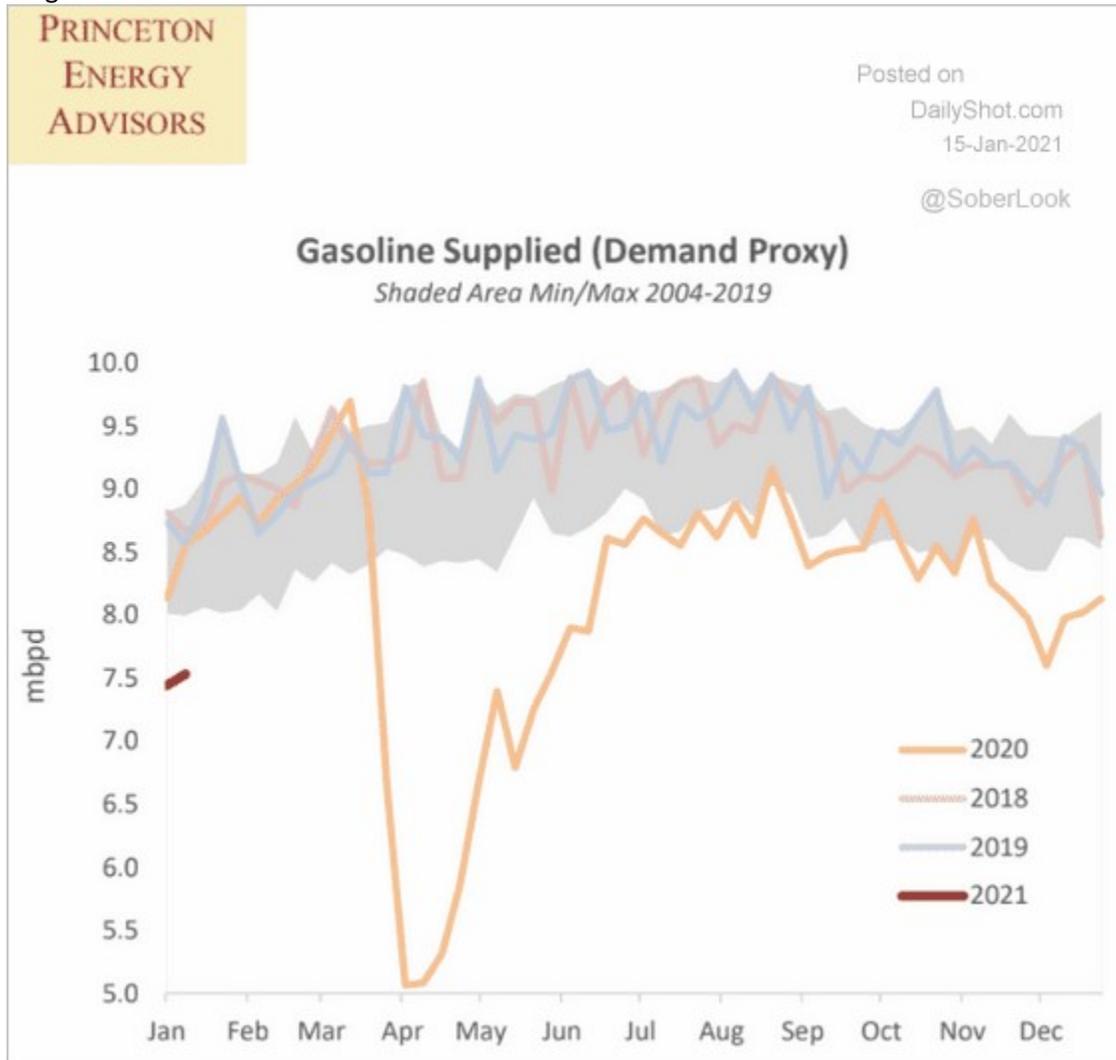
2017

2018

2019

2020

US gasoline demand remains soft.



Source: [Princeton Energy Advisors](#)

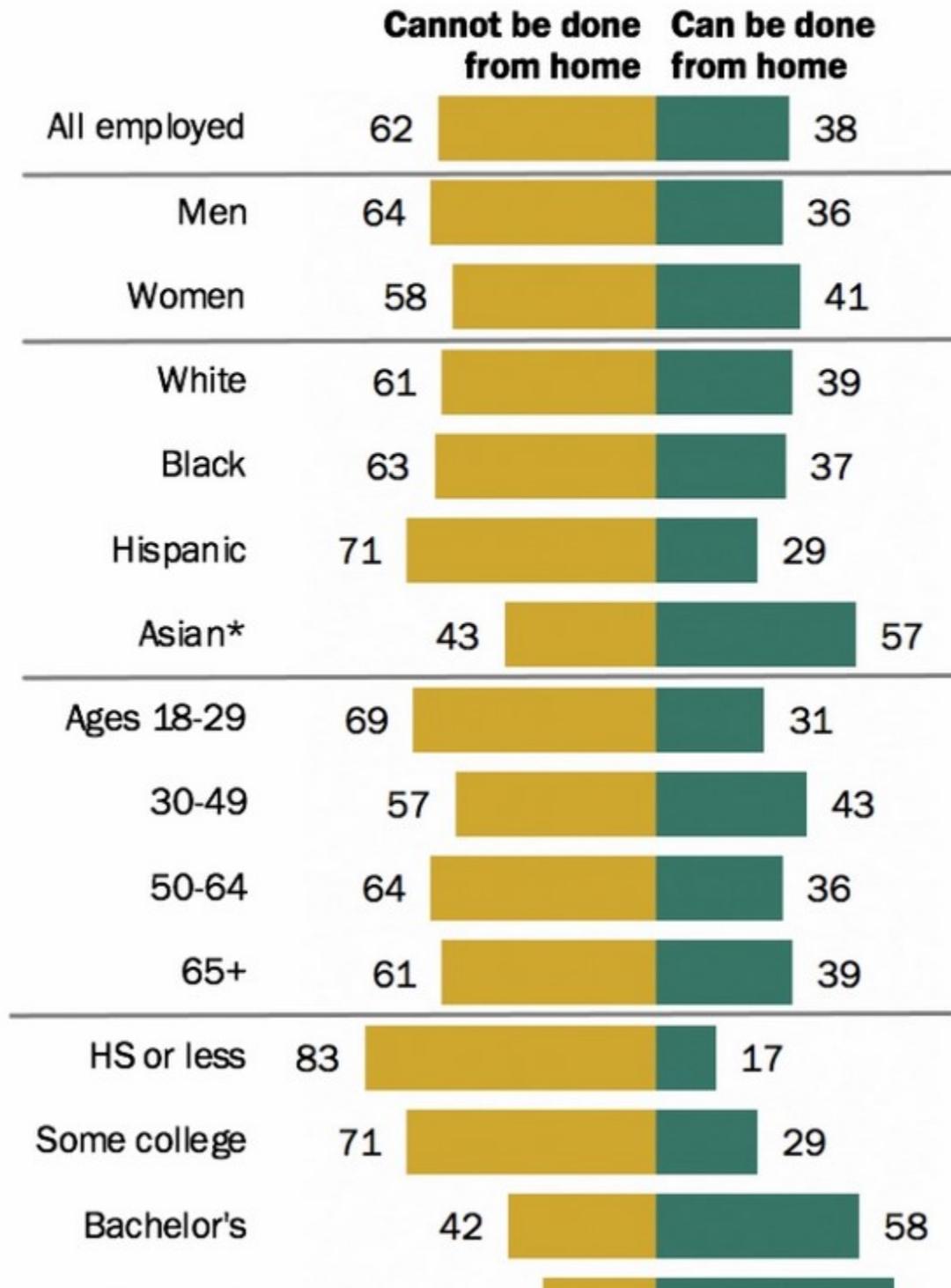
Who can work from home?

About four-in-ten workers say their jobs can mostly be done from home

Posted on
Daily News
15-Jan-2021

@SoberLook

% of employed adults saying that, regardless of their current work arrangement, for the most part, the responsibilities of their job ...



Source: Pew Research Center [Read full article](#)

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