

## Nick Lampone

---

**From:** Nick Lampone  
**Sent:** Thursday, January 28, 2021 8:03 AM  
**Subject:** The Morning CORE  
**Attachments:** Core logo.png

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



**US Futures-World Markets:** The video game called the stock market is still in motion. GameStop is trading at \$495 pre-market. American Airlines is the next squeeze +45% pre-market. You have to respect these Robinhood traders. I'm tired of hearing that regulators need to "protect" these investors from themselves. They understand the risk and are under no illusion that GameStop is worth \$400 per share. People make and lose money on every single trade. It just so happens that hedge funds got caught on the wrong side of a bunch of these trades. With interest rates at record lows and companies tapping debt markets to stabilize their balance sheets, shorting stocks is a difficult game at this point in the economic cycle. As for the bigger implications, the equity selloff was logical as hedge funds reduce their long exposure and delever a bit. We had gone 3 months without a 2% pullback. This one was broad-based and probably overdue. In the real world, companies are still beating estimates by a wide margin. Did anyone notice Fed Chair Powell's comments yesterday? It has been nice to not hear the term Bitcoin for a week. Yesterday saw the largest trading volume since 2008. S&P Futures vs. Fair Value: -5.30, 10-Yr Yield: 1.01%.

### **CORE Headlines:**

- Tilray CEO Brendan Kennedy anticipates federal legalization of marijuana in 2 years (Note: This will require 60 Senate votes).-CNBC
- Reddit Group WallStreetBets goes private and then is made public again.-Bloomberg
- President Biden will sign an executive order today to reopen the ObamaCare marketplaces.-NYT
- American Airlines (**AAL**) was mentioned positively in Reddit's Wall Street Bets forum.-Bberg

- GME's soaring stock—and similar moves in BB, NOK, and others—is a bubble in microcosm, says columnist James Mackintosh, with lessons for investors worrying about froth elsewhere in the market, and it is about far more than clownish behavior on chat rooms.-WSJ
- **GM:** The automaker, which usually spends millions of dollars on Super Bowl ads to promote specific models, will use the event to showcase its corporate brand by positioning the company as a player in making electric vehicles for the masses.-WSJ
- Two senators from opposite sides of the aisle—Republican Susan Collins and Democrat Tim Kaine—are trying to build support for censuring Trump over his rhetoric ahead of the Capitol riot as an alternative to proceeding to an impeachment trial likely to result in his acquittal.-WSJ (Biden did win, right?)
- Chemung County in upstate New York is threatening to force residents to quarantine if they may have been in contact with a Covid-19 patient or returned from certain restricted states.-NYP (Good luck with that.)
- Britain, hard hit by a fast-spreading coronavirus variant and desperate to keep other mutations out of the country, will require British citizens arriving from 22 high-risk countries to quarantine in hotels for 10 days at their own expense.-NYT
- The Biden administration on Wednesday made its first move to set the nation's immigration courts in a new direction, announcing plans to replace the official who has overseen the system for nearly four years.-Politico
- Southwest Airlines reported an annual loss of \$3.1 billion, its first since 1972, and said it was facing stalled demand in January and February driven by high levels of COVID-19 cases and hospitalizations.-Reuters
- Lab study shows Pfizer (**PFE**) vaccine works on coronavirus variants identified in the UK and South Africa.-WSJ (This might be the most important headline in the Core today.)
- Comcast tops revenue expectation despite weakness at NBCUniversal.-Reuters
- McDonald's earnings miss estimates as Europe lockdowns squash sales.-Reuters
- Apple logs record quarterly smartphone shipments, while those from Huawei plunged.-Reuters

#### Interesting Reads/Charts:

- Harvard Business Review: Stop scripting your speeches <https://bit.ly/36knSYh>
- The Ringer: 2021 NFL Draft Guide <http://bit.ly/3ad7w4Q>
- Reuters: Islamist who beheaded Daniel Pearl to go free in Pakistan <http://reut.rs/3oksGD6>
- Eat This: Practice these better habits before eating dinner <http://bit.ly/2M4ORSA>

#### Charts from The Daily Shot:

The market blew off some steam on Wednesday, with US indices ending sharply lower. Futures are heavy again this morning.

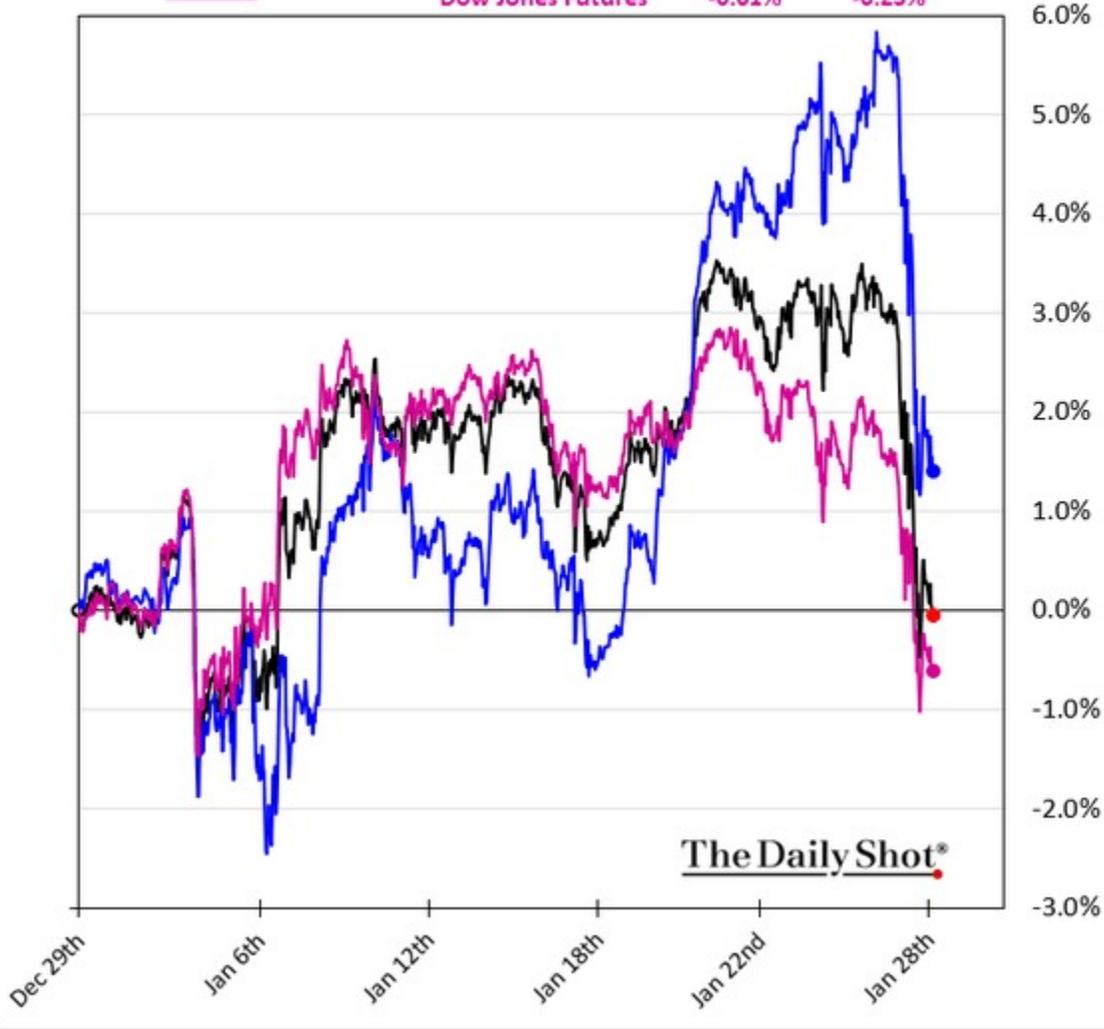
28-Jan-2021 01:30

Since Dec-28th

Thursday Session



<b>S&amp;P 500 Futures</b>	<b>-0.05%</b>	<b>-0.49%</b>
<b>Nasdaq 100 Futures</b>	<b>1.40%</b>	<b>-0.71%</b>
<b>Dow Jones Futures</b>	<b>-0.61%</b>	<b>-0.23%</b>



**The Daily Shot®**

- While the overall sentiment has shifted to risk-off, ...

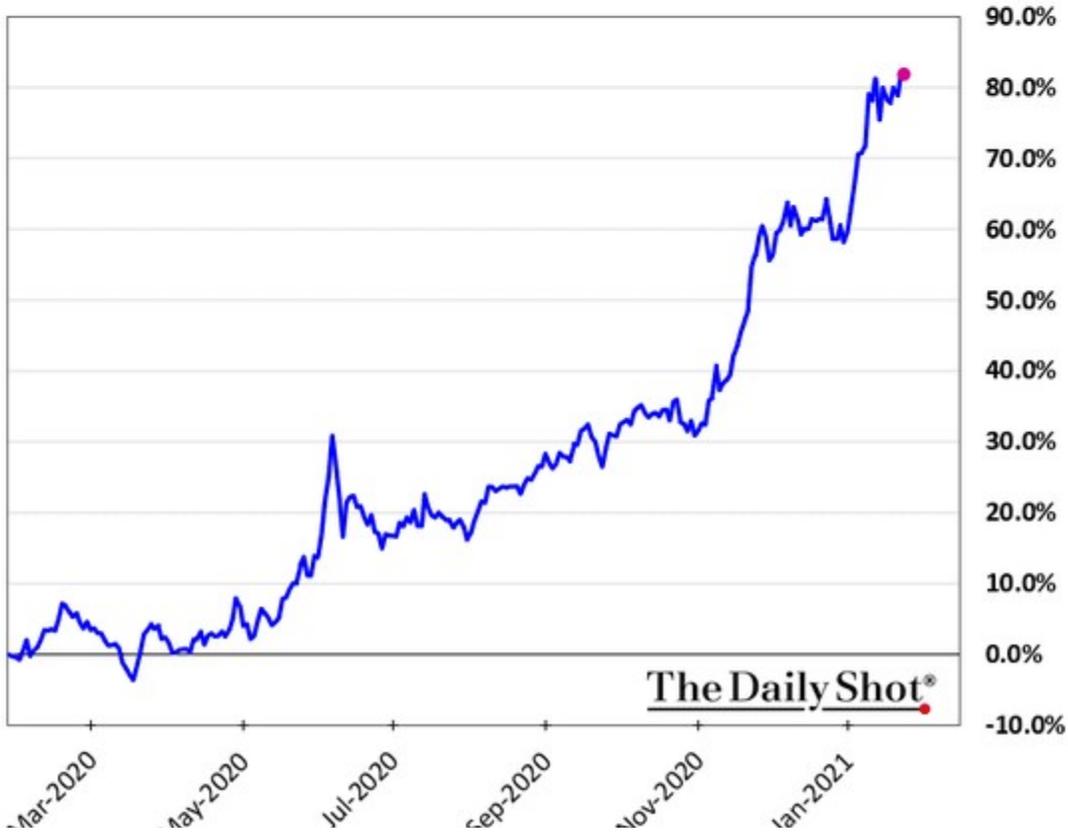


Source: [CNN Business](#)

... the Reddit crowd didn't get the memo. There are no significant signs of capitulation amid retail traders as their favorite shares' performance hit a new high vs. the S&P 500.



— GS Retail Favorites - S&P 500 Index: Relative Performance

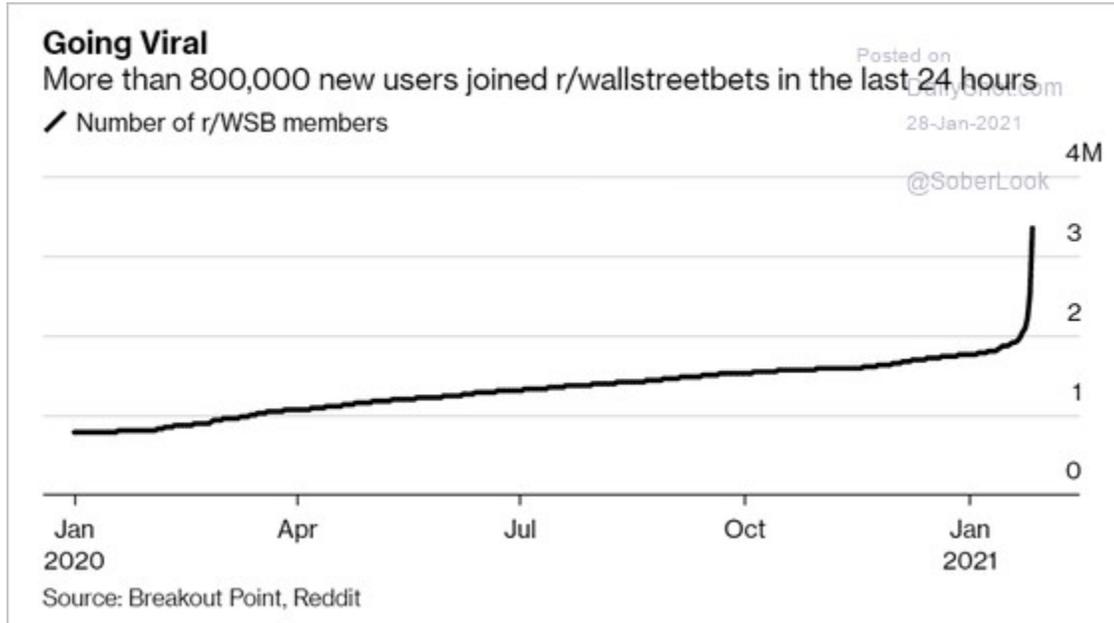


Retail investors continued to flood to the r/WallStreetBets discussion board, shutting it down for a short period.

## Reddit's r/WallStreetBets appeared to be down briefly on Wednesday morning after the forum sparked a spectacular GameStop rally

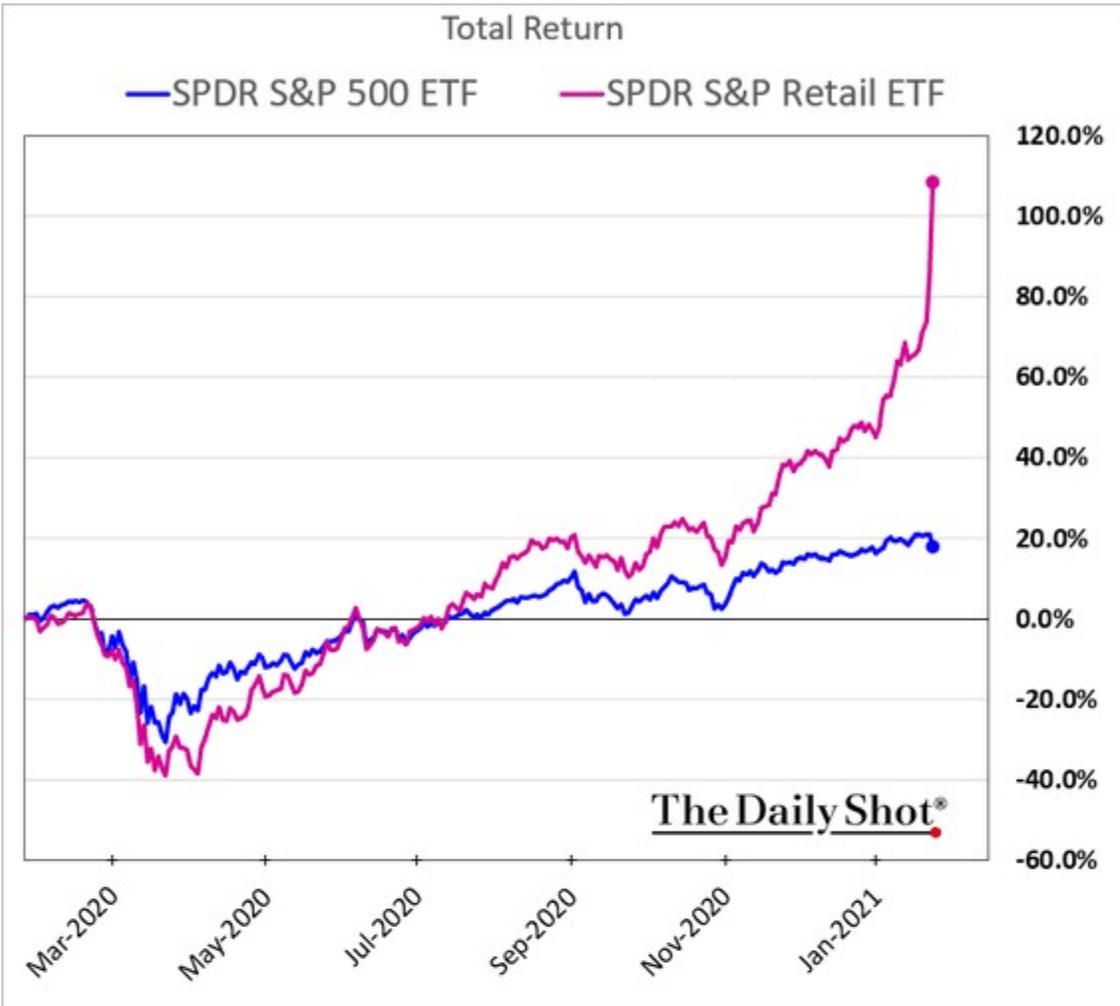
Insider [Read full article](#)

Source: Business



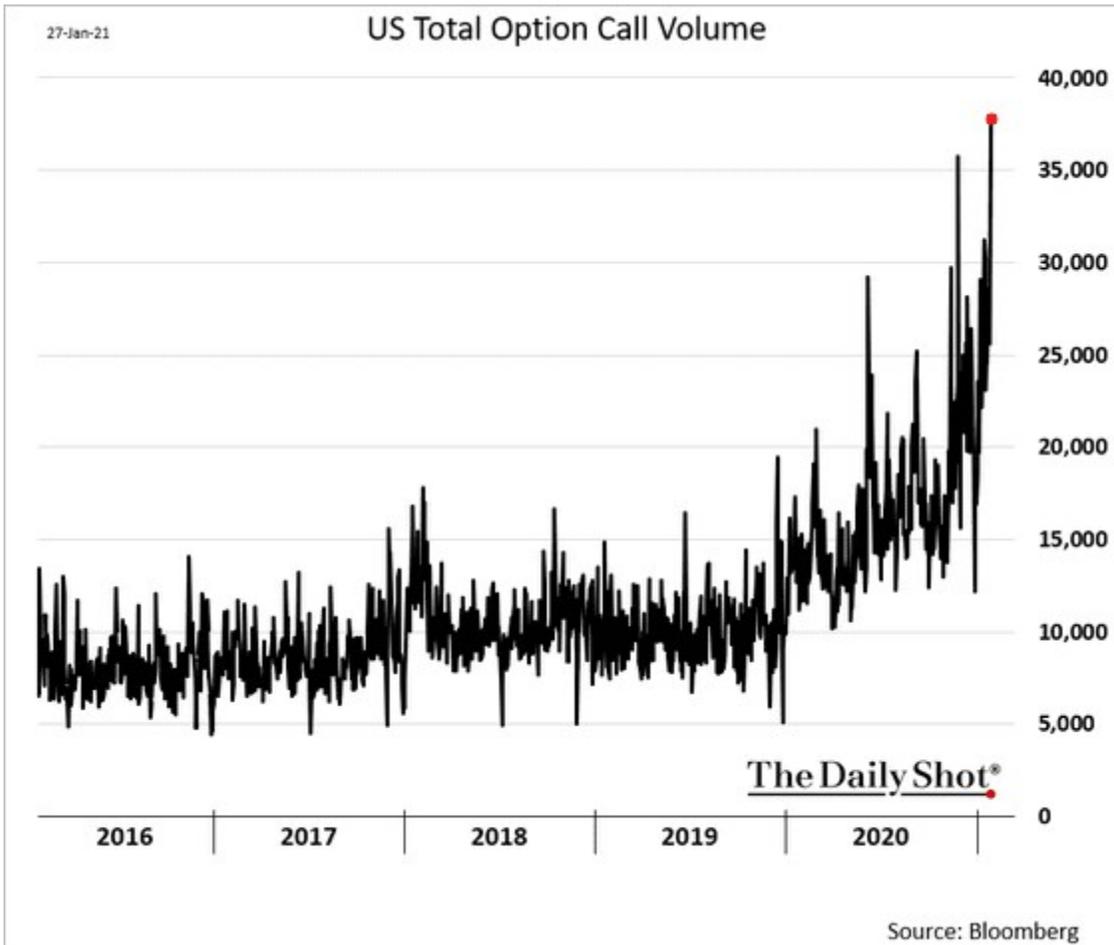
Source: @markets [Read full article](#)

- The SPDR retail sector ETF continued to soar (now up 26% over the past five business days).





Call option volume hit a new record, ...



... with many retail investors buying the dip.



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

VIX spiked yesterday after holding support above 20 over the past year.



Source: [Dantes Outlook](#)

The cyclical trade unwind continued.



Extreme trading volumes created some challenges for online brokers.

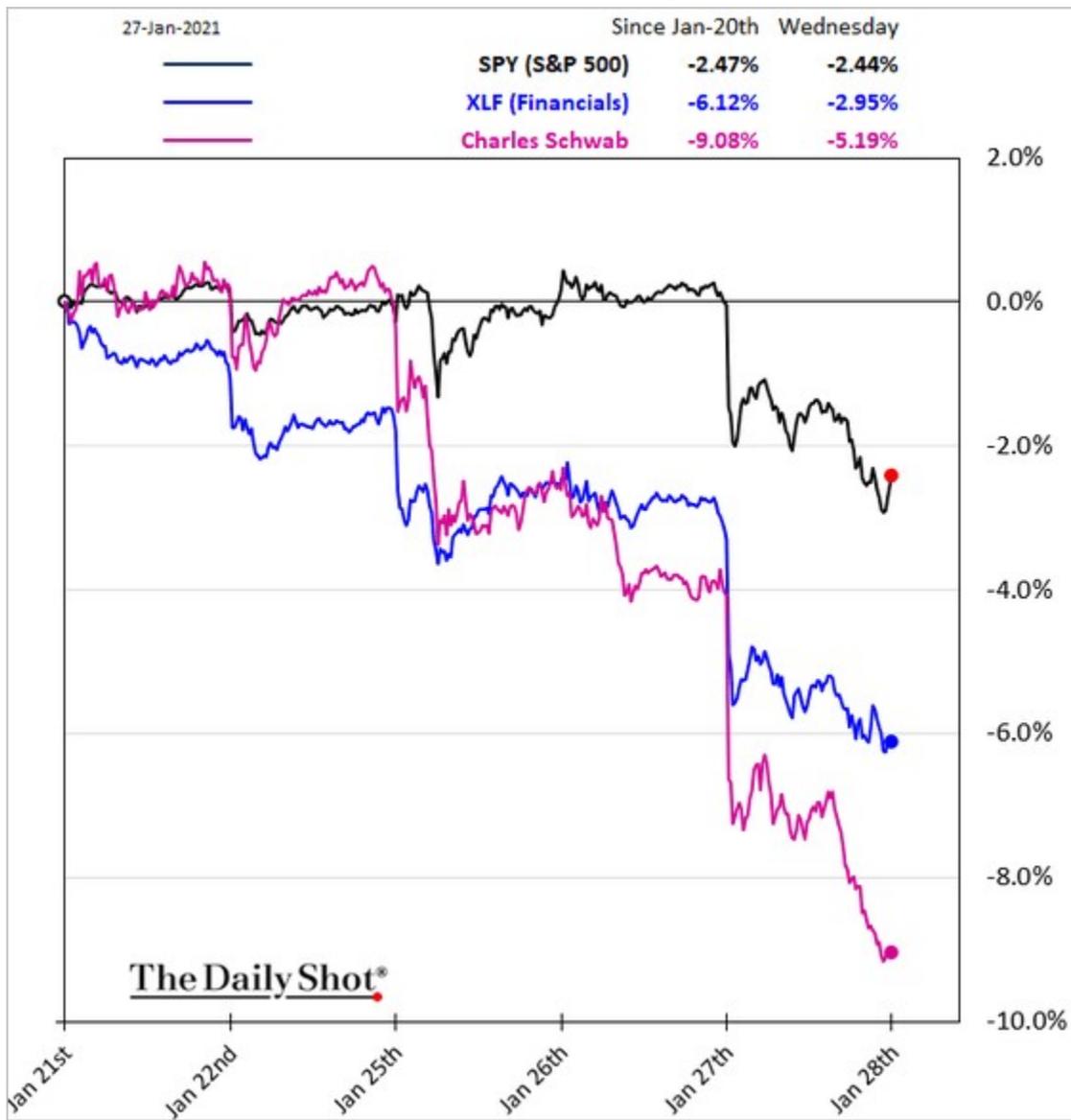
## Outages Continue to Plague Online Brokerages

DailyShot.com

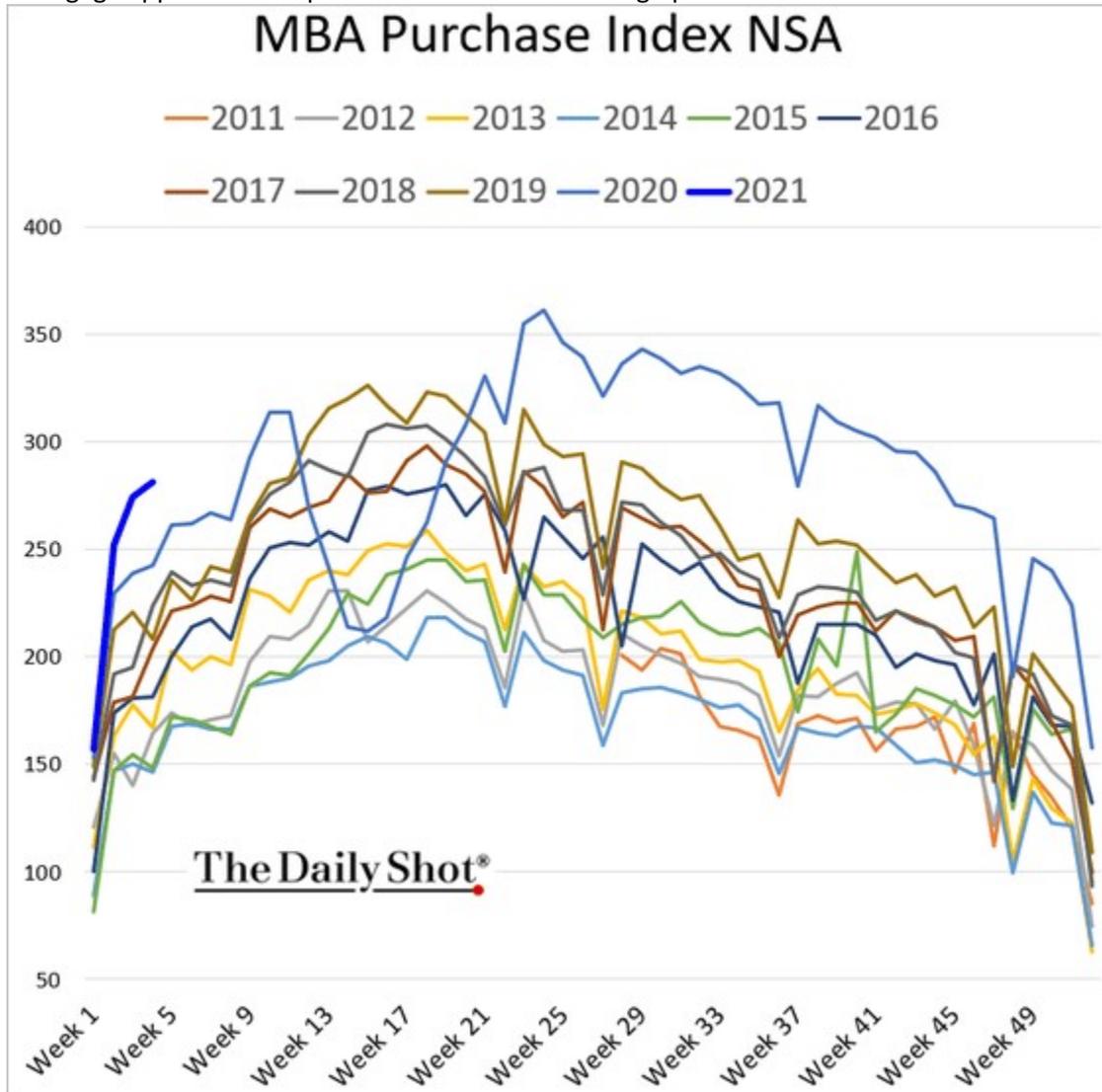
28-Jan-2021

Schwab, Vanguard, Fidelity and others reported new service disruptions

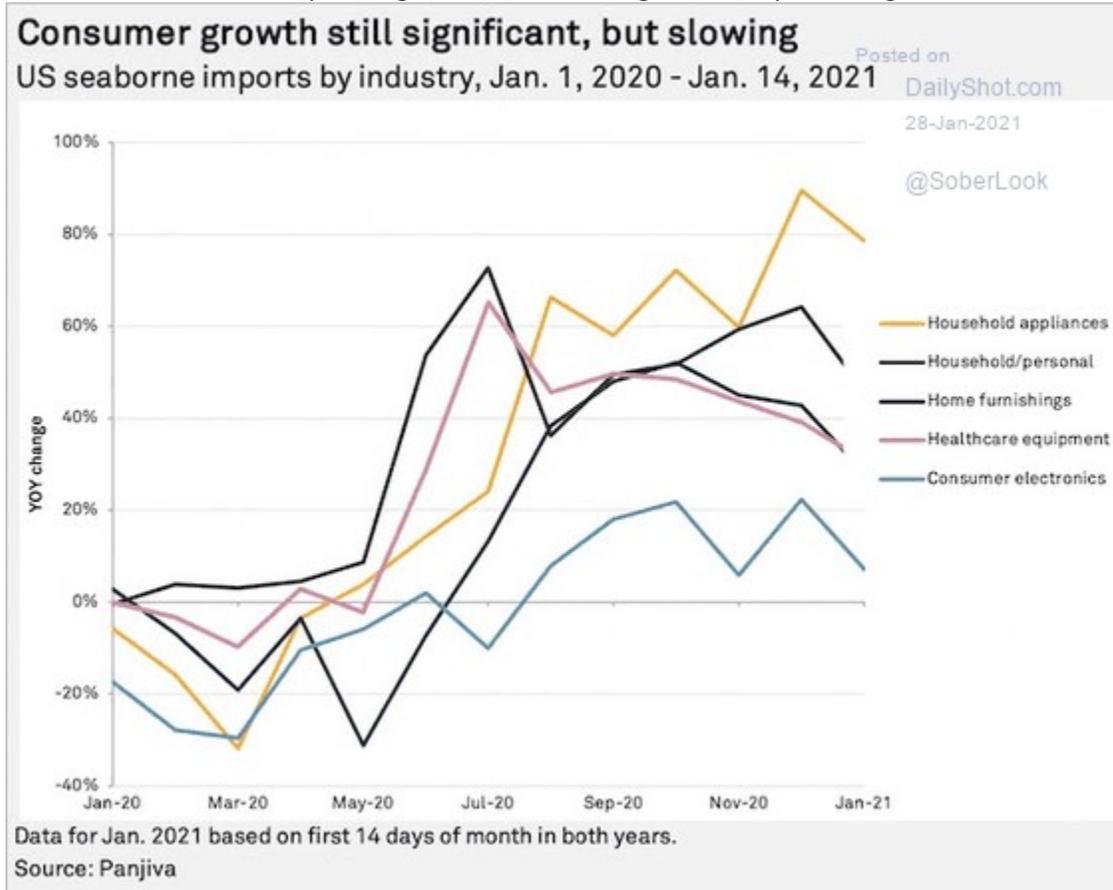
Source: @WSJ [Read full article](#)



Mortgage applications to purchase a house are holding up.

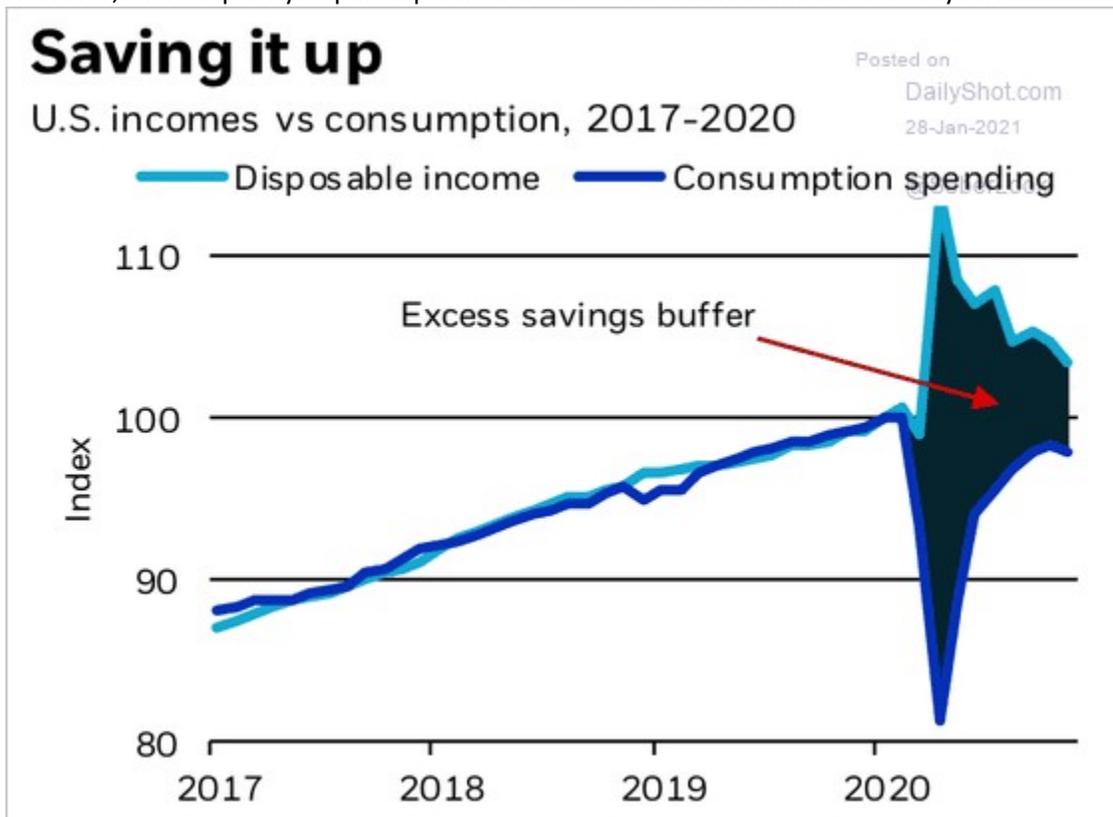


Consumer demand for imported goods remains strong, but it may be losing momentum.



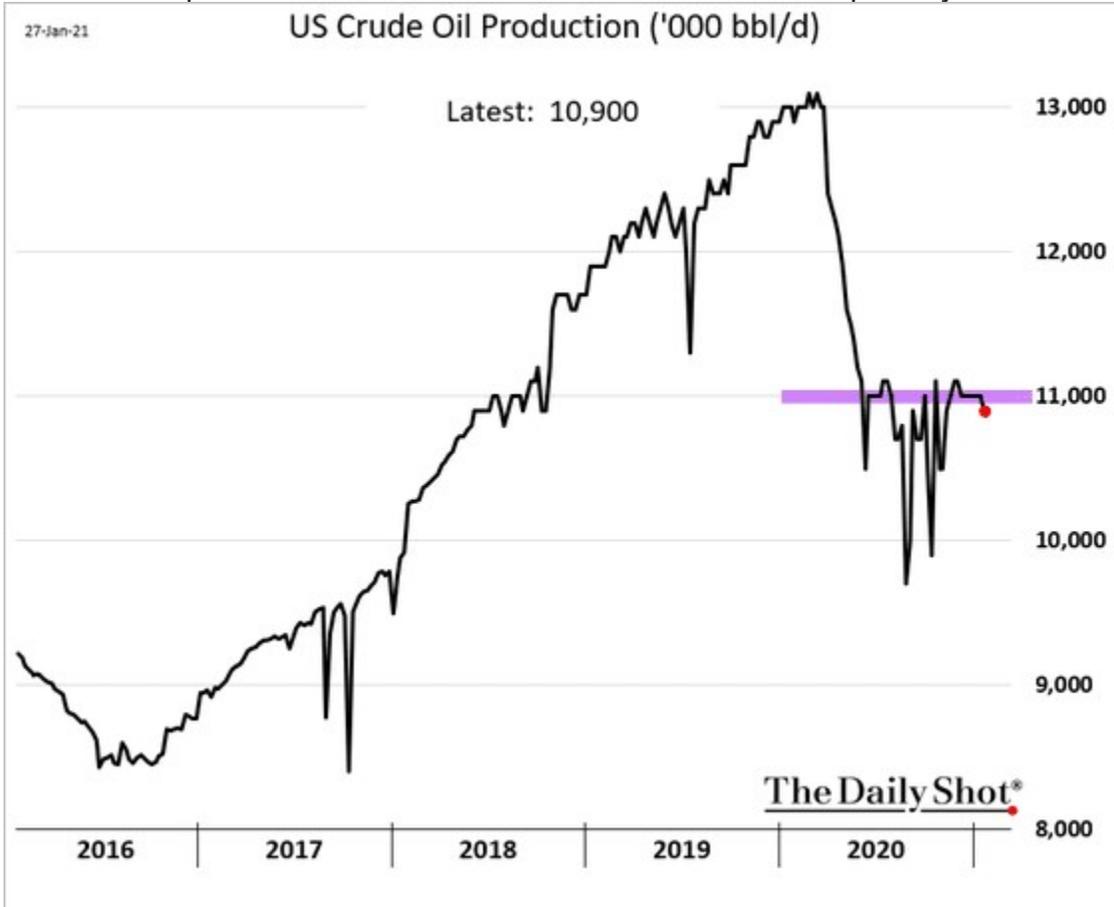
Source: [S&P Global Market Intelligence](#)

However, there is plenty of pent-up demand that could be unleashed later this year.

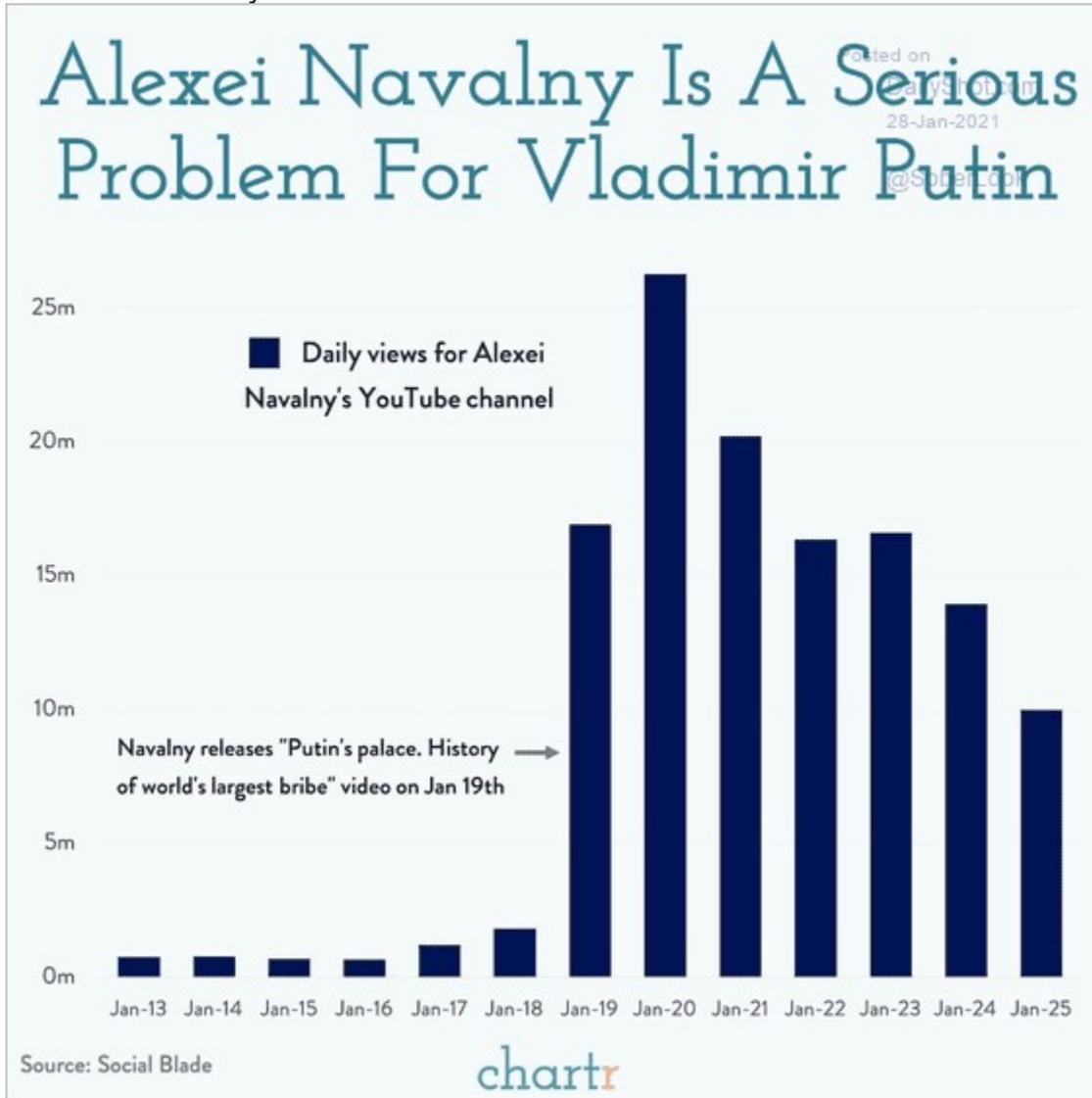


Source: [BlackRock](#)

US crude oil production is stuck at around 11 million barrels per day



Interest in Navalny's YouTube channel:



Source: [@chartrdaily](#)

**Nothing on this email/website constitutes legal, tax, accounting, or other professional expert advice. When reviewing the attached material, it is important to remember that past performance is not indicative of future results.**

Nicholas Lampone  
**Dalzell Trading**  
Principal & Director of Trading  
Direct: 617-340-5316  
Main: 617-340-5313  
Cell: 267-980-3481  
Five Neshaminy Interplex  
Suite 307  
Trevose, PA 19053  
[nlampone@dalzelltrading.com](mailto:nlampone@dalzelltrading.com)  
<http://www.dalzelltrading.com/>

