

## Nick Lampone

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**From:** Nick Lampone  
**Sent:** Wednesday, February 17, 2021 8:13 AM  
**Subject:** The Morning CORE  
**Attachments:** Core logo.png

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

**US Futures-World Markets:** 10-year yields climbed again hitting their highest level in quite some time and S&P futures are flat. Corporate debt refinancing is a nice tailwind for stocks, but the real question remains: How much good news is baked into stocks? You can drive a truck through GDP estimates for 2021 (4% to over 7%). Get ready for the clown show to begin tomorrow afternoon. Congressional hearings on the Reddit/GameStop debacle take place. I'm excited to see a new generation engaged in the stock market, but I can't figure out why someone would continue to trade on a Robinhood account when they weren't capitalized enough to cover their client's trading. Verizon and Chevron are higher pre-market after Warren Buffet's Berkshire said it bought large stakes in both companies. Berkshire is finally out of the doldrums (+6% YTD) hitting 52-week highs. Fed minutes are out at 2 pm ET. Federal Reserve Chairman Powell has the voice of an angel right now and is singing a lullaby to equity investors. A warm, soothing sound to prompt more risk-taking from investors. At some point Powell needs to stop asset purchases, but when? Brent crude oil rose 1% and Bitcoin is over 51,000. S&P Futures vs. Fair Value: +1.20, 10-Yr Yield: 1.308%.

**Charity Plug:** My youngest daughter's high school is conducting its annual Hope-A-Thon fundraiser. If you would like to donate \$5 or \$10 to two laudable causes without the administrative bloat of larger organizations, click on the link and use your CC or Venmo account. Please donate on behalf of Julia Lampone. <https://www.vjmhs.org/hope> Thanks in advance.

Nothing gets you in a charitable mood more than Rocky Balboa vs. Thunderlips <https://bit.ly/2Nv6l3t> "You better call Bob Hope"

### CORE Headlines:

- Congressional Democrats have begun discussions with the White House on ways to crack down on Big Tech including making social media companies accountable for the spread of disinformation on matters such as the U.S. Capitol riot and addressing the abuse of market power to harm corporate rivals.-Reuters
- Ford Motor said its car lineup in Europe will be all-electric by 2030 as the U.S. automaker races to get ahead of CO2 emissions targets and looming bans in some countries on fossil fuel vehicles.-Reuters
- House stimulus bill includes \$1400 stimulus checks for individuals making less than \$75,000, \$400/week in enhanced unemployment, a \$3600 child tax credit, \$130 bln for schools, \$350 for state and local governments, \$14 bln for vaccine distribution, and a \$15 minimum wage increase, which will face resistance in Senate.-CNN
- President Biden says coronavirus vaccines will be widely available by end of July.-CNN (Has he listened to Dr. Scott Gottlieb? Talk about setting the bar low.)
- Millions were without power as of last night following the winter storm.-WSJ (Everyone wants a wind turbine until they freeze solid.)
- Blackouts in Texas and across the central US that are the result of a harsh winter storm that has disrupted electricity supply, sending demand to record highs and leaving more than four million people facing freezing temperatures without heat or power.-FT

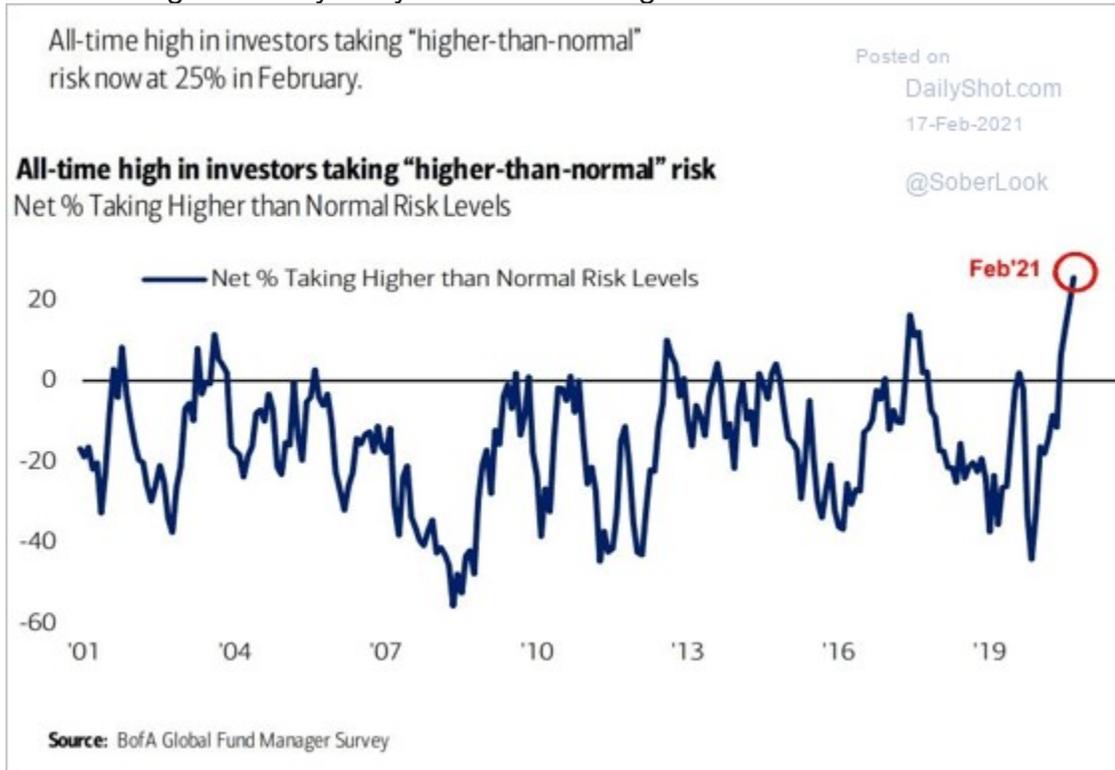
- Frontpage reports on the machinations behind China’s move to block **Ant Financial’s** initial public offering, noting that president Xi Jinping worried the company was adding risk to the financial system, and was angry at founder Jack Ma for criticizing financial oversight efforts.-WSJ
- President Biden is set to meet today with senior labor union leaders, hoping to win commitments for a massive federal investment in infrastructure and federal efforts to create jobs in cleantech and alternative energy.-WSJ
- “An effort by police to shut down a pipeline for pirated content has resurrected debate around censorship in China, opening a window into the anxieties felt by many Chinese as the country grows more inward-looking under leader Xi Jinping.”-WSJ
- “Overseas investors were long drawn to Manhattan skyscrapers and coastal resorts are increasingly buying suburban warehouses, as the pandemic drives a surge in e-commerce.-WSJ
- **GS:** The Wall Street titan will launch Marcus Invest, a low-cost digital platform for Main Street customers that allocates and automatically rebalances individuals’ wealth across portfolios of stocks and bonds based on in-house models.-WSJ
- **MSFT** co-founder Bill Gates believes the wealthiest countries should switch to eating “100% synthetic beef” to help combat climate change.-NYP
- **Olive**, a new e-commerce platform, consolidates packages into a weekly delivery in a reusable package, with nothing to throw away or recycle.-WWD
- The primary piece of invite-only app **Clubhouse’s** user recommendation engine relies on access to user contacts—people can’t invite anyone else to the platform if they don’t grant it—creating a range of privacy concerns-Recode
- Trump fired Rudy Giuliani, his personal attorney and the head of his unsuccessful attempt to overturn the presidential election results, amid growing frustration with the former New York City mayor following the House’s vote last month to impeach Trump for the second time.-TPM (Giuliani better sit the next few plays out. Rudy, go grab a sandwich and relax! Always love a Midnight Run clip <https://bit.ly/3baNbh6> )

### Interesting Reads/Charts:

- Nature: Is it time to take my LSD? Ecstasy and psilocybin are shaking up psychiatry <https://go.nature.com/3rXYqQt>
- Youtube: Accent expert gives a tour of US accents <https://bit.ly/2Zkrvcz> (He has Philly nailed!)
- Nautilus: The Doctor will sniff you now. Predicts the power of an olfactory database in our medical future. <https://bit.ly/2NwE8Pc>
- GolfWeek: Q&A with Brandel Chamblee <http://bit.ly/2Nq0Qv4>

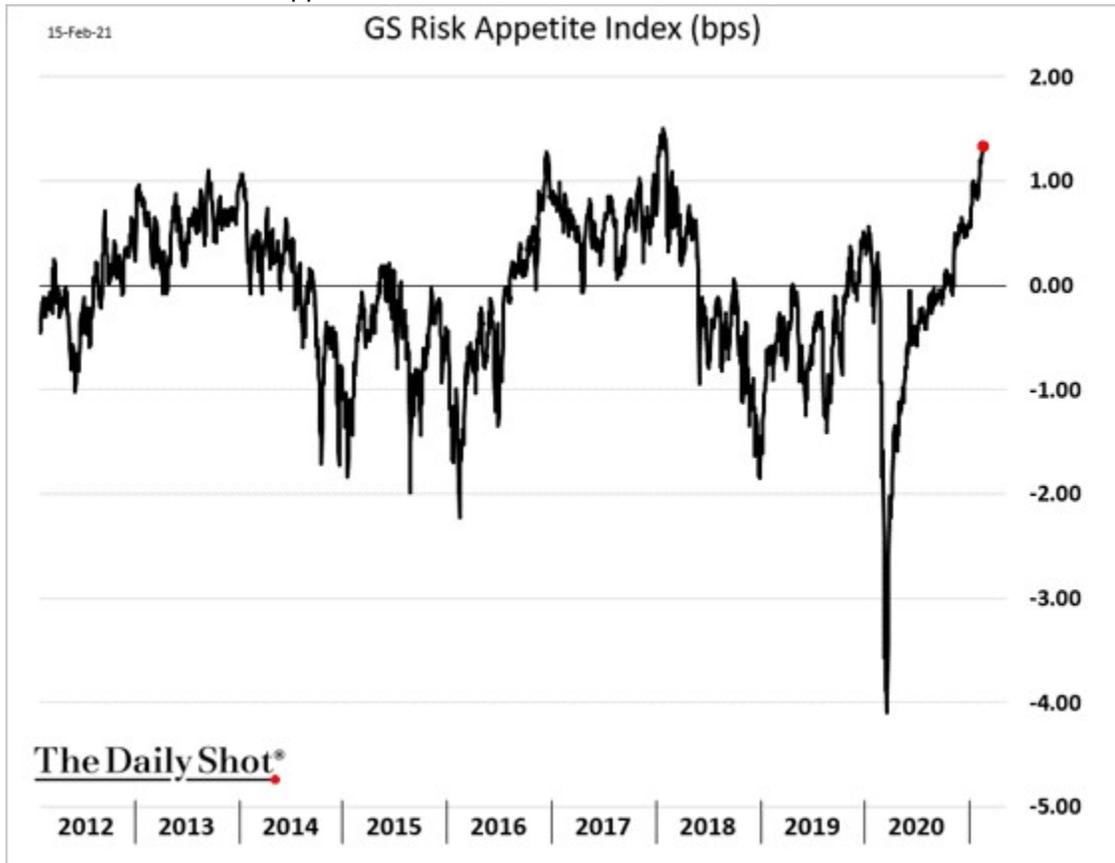
All charts from The Daily Shot:

Fund managers surveyed by BofA are running record levels of risk.

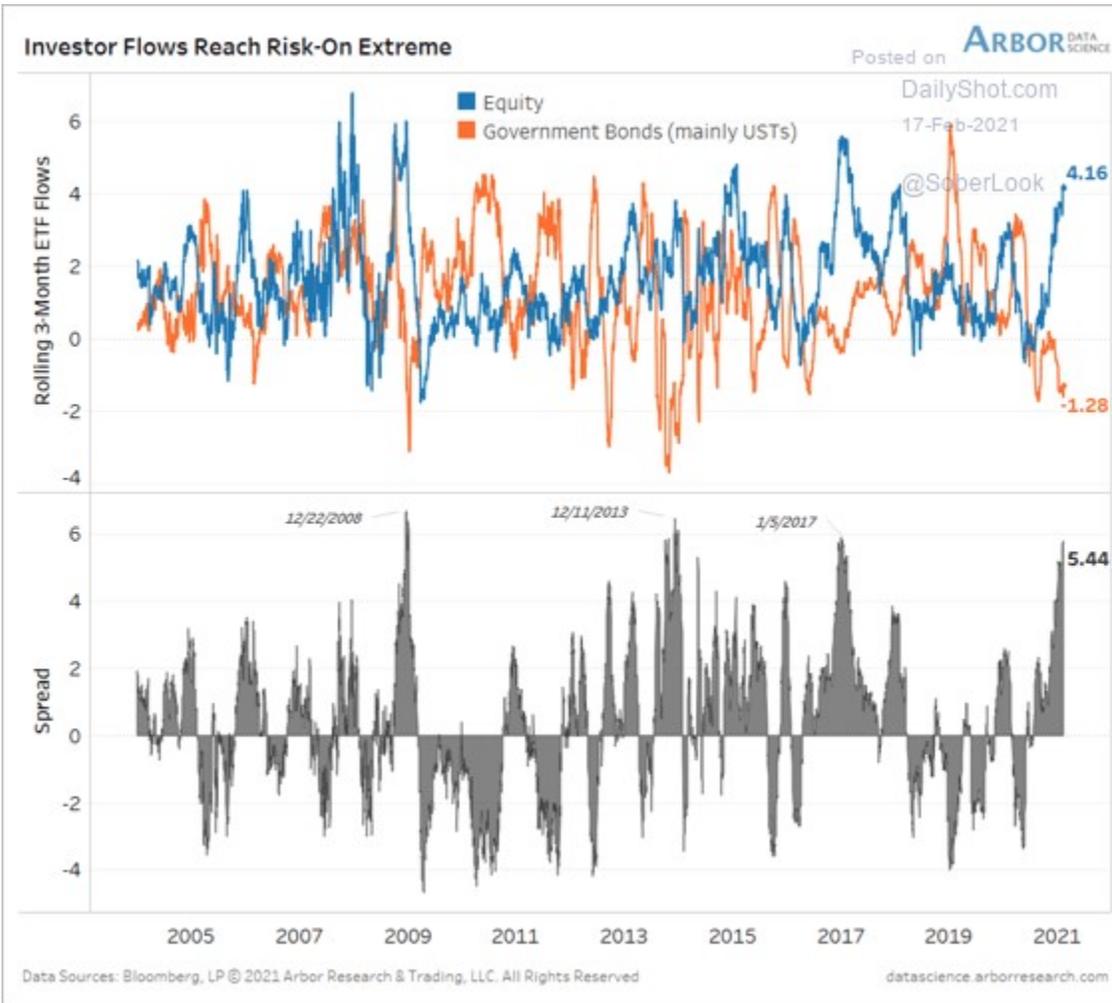


Source: [BofA Global Research](#)

Here is Goldman's risk appetite index.



- The risk-on sentiment also shows up in the divergence between equity and government bond fund flows.



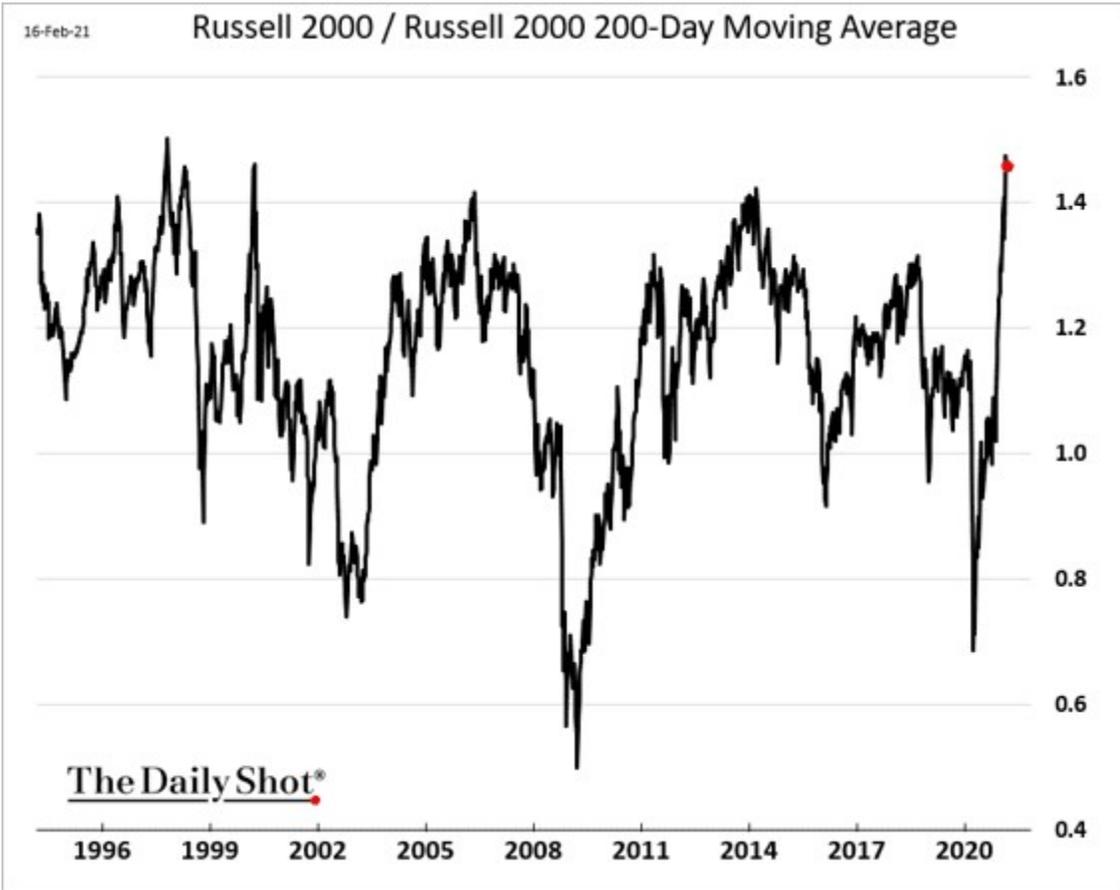
Source: [Arbor Research & Trading](#)

Companies with substantial sales in China continue to outperform global peers. (“It’s always about the dollars.”- Remo)

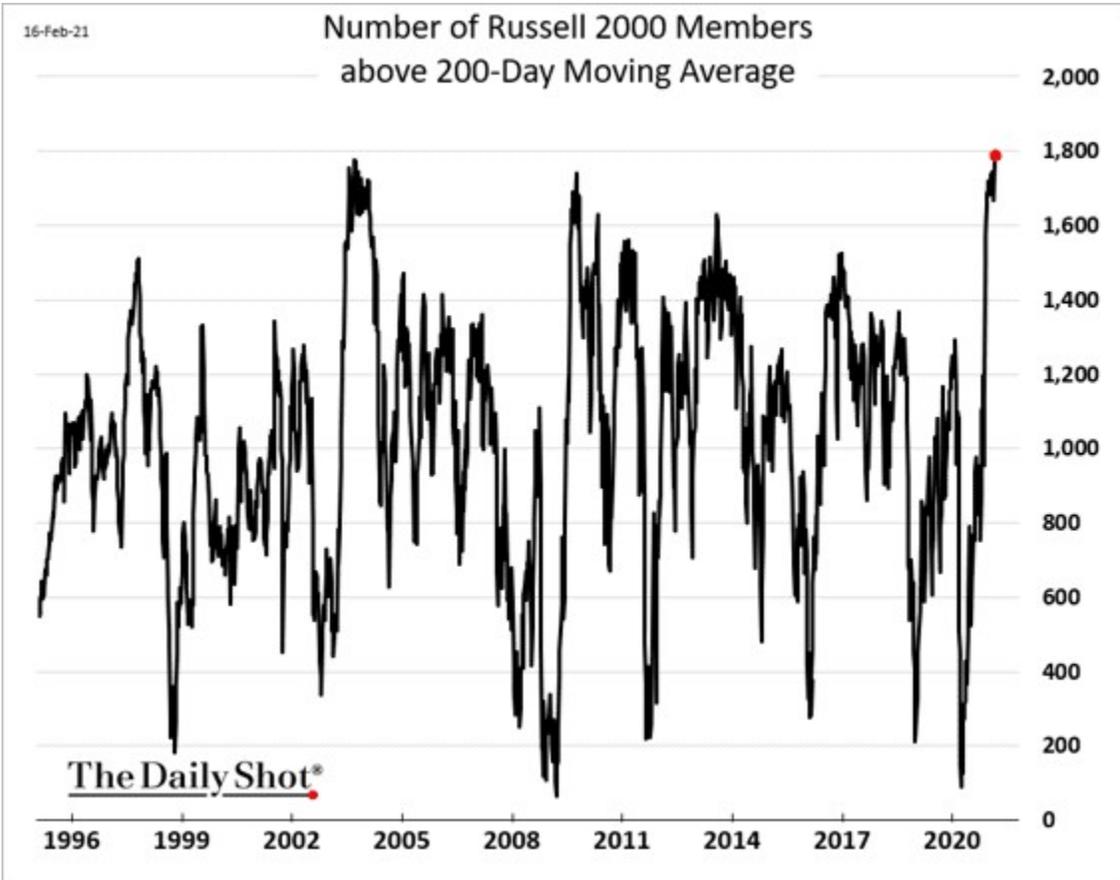


The rally in small caps has been impressive.

- The Russell 2000 index divided by its 200-day moving average:



- The number of Russell 2000 firms above their 200-day moving average:



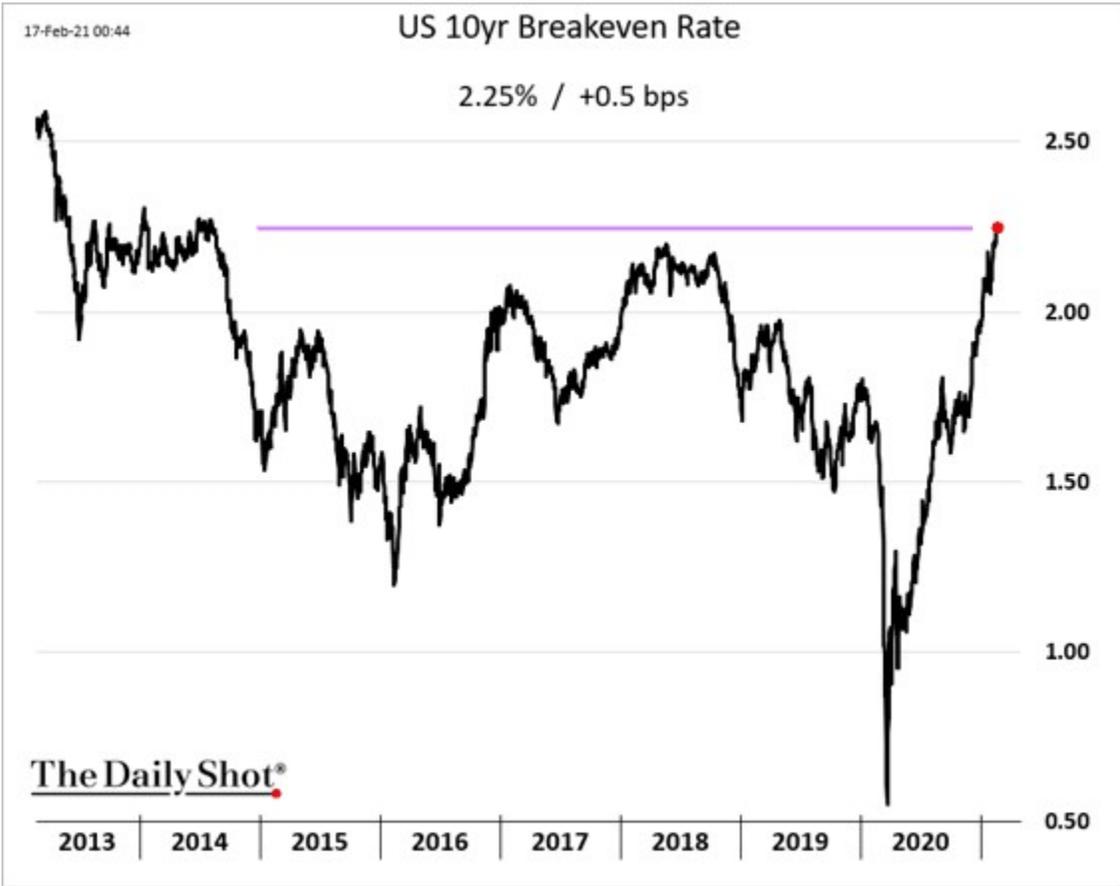
Penny stock activity has been extraordinary.



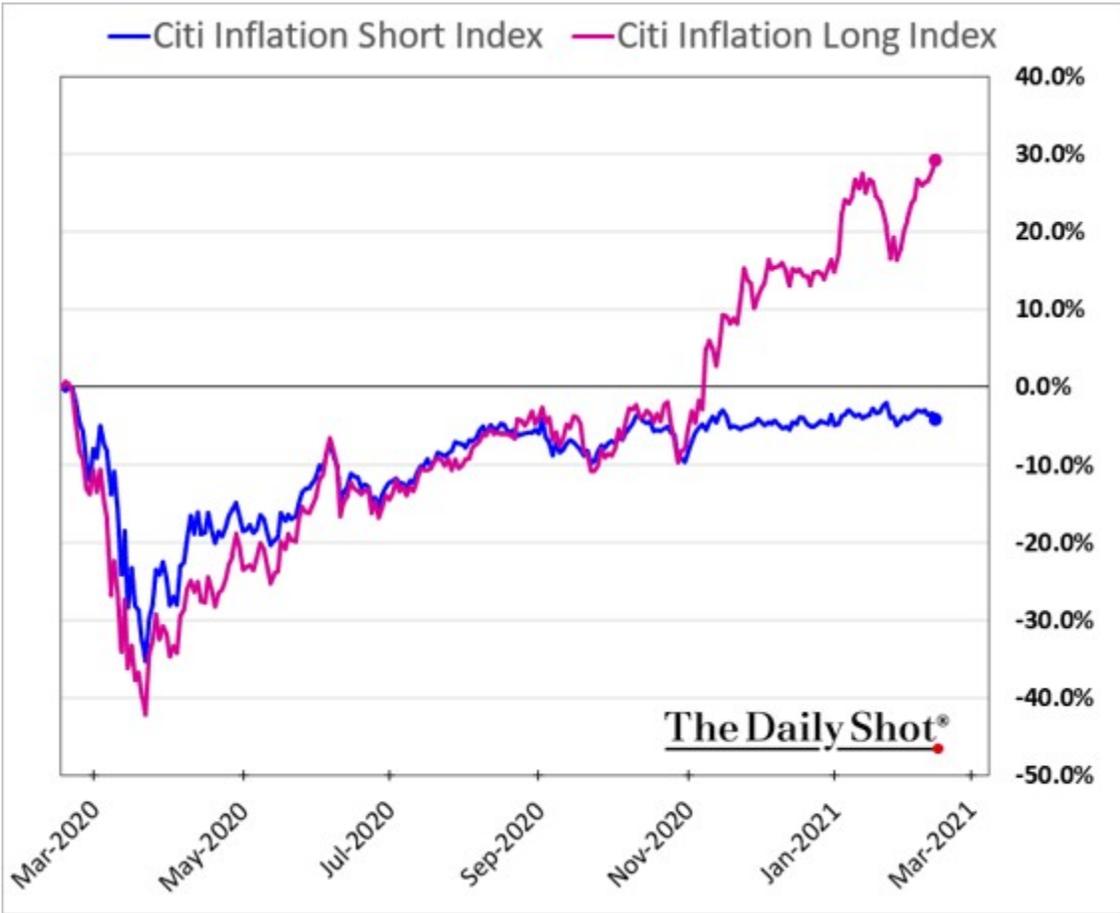
Source: @markets [Read full article](#)

. For the first time in years, the market is bullish on inflation.

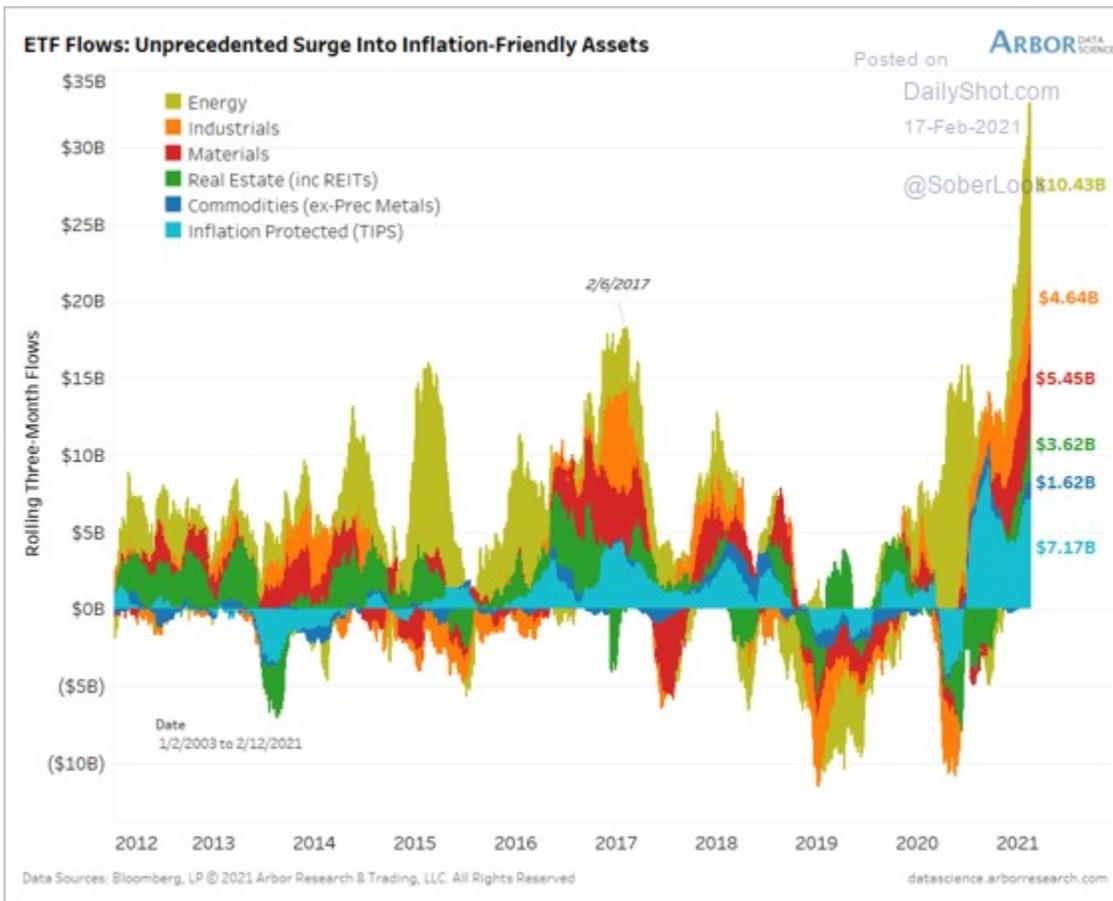
- Breakeven rate:



- The stock market (2 charts):
- Inflation-sensitive stocks:

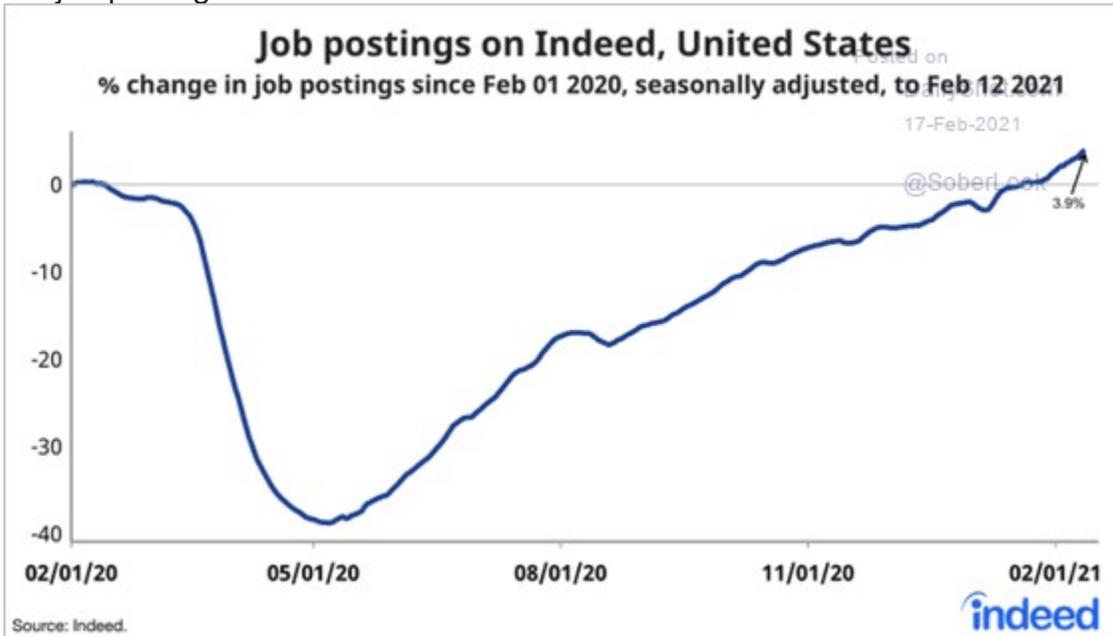


— ETF flows:



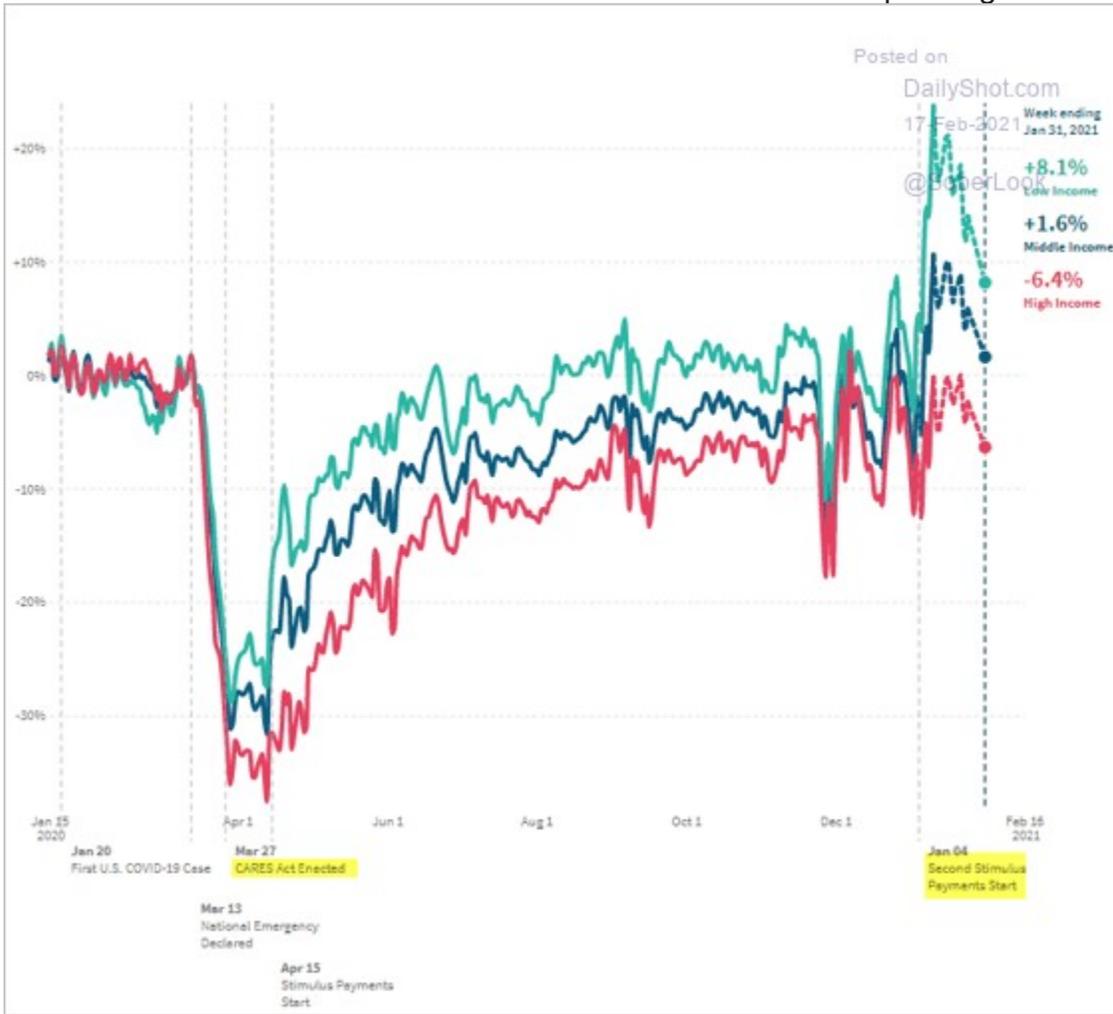
Source: [Arbor Research & Trading](#)

US job postings continue to climb.



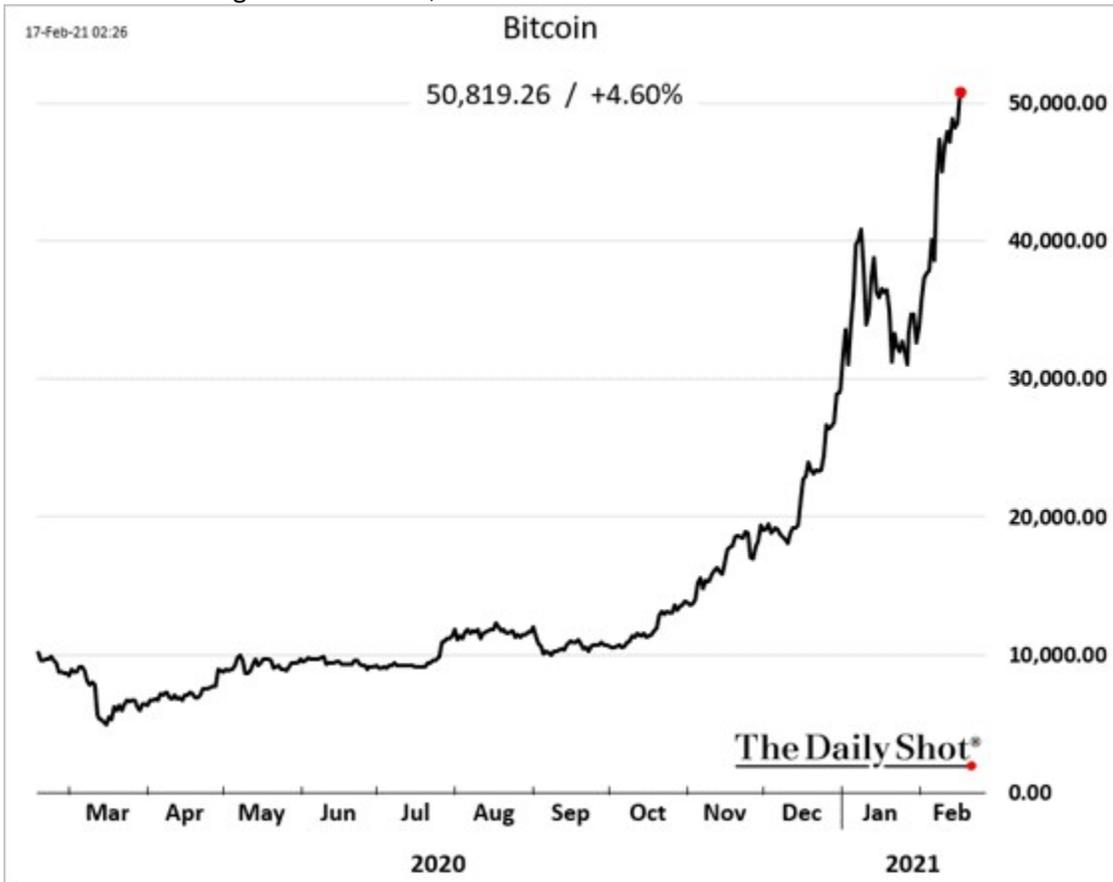
Source: [@JedKolk](#)

The latest round of stimulus checks boosted credit/debit card spending.

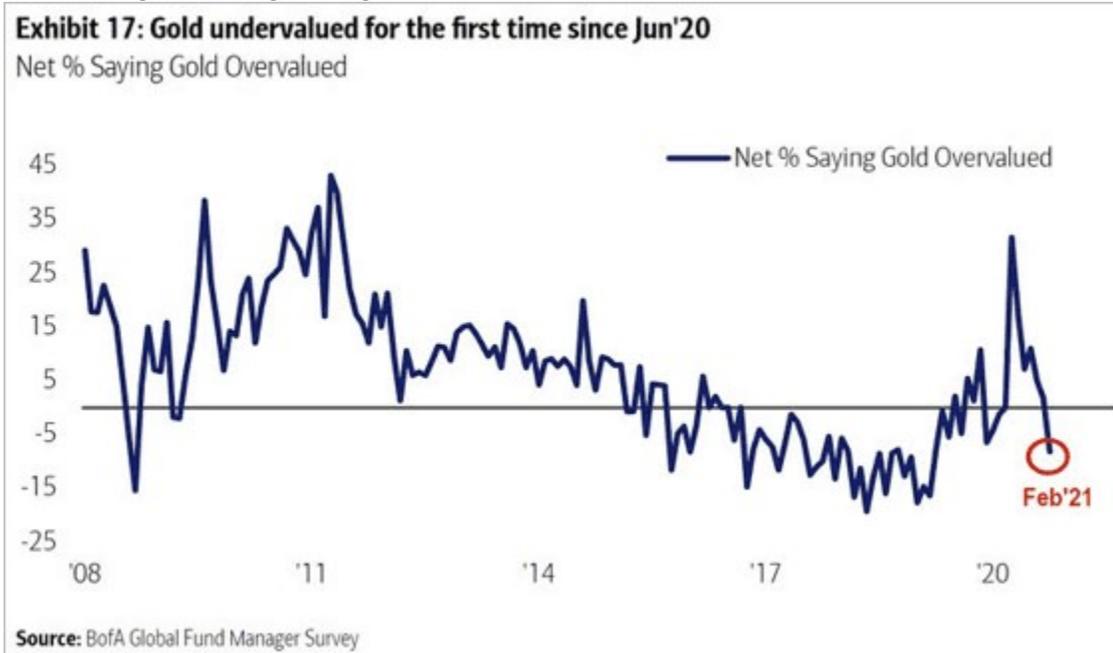


Source: [Opportunity Insights](#)

Bitcoin broke through resistance at \$50k.



Fund managers no longer see gold as overvalued.



Gold has formed a [death cross](#) – a bearish signal, especially when combined with higher bond yields.



US lumber futures are at multi-year highs.

## Lumber Prices Notch Records on Building, Remodeling Boom

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



US oil output tumbled as a result of the frigid weather.

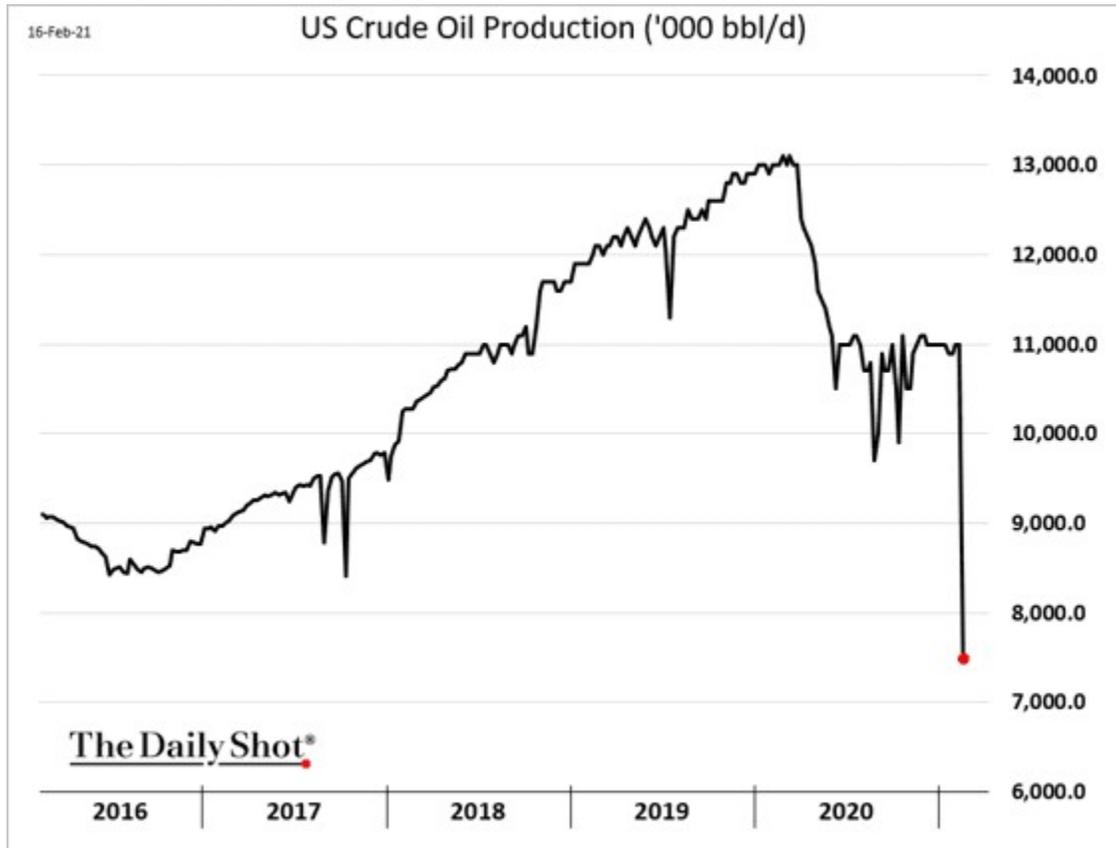
## U.S. Oil Output Slumps by Record One-Third as Permian Freezes

By [Javier Blas](#) and [Sheela Tobben](#)

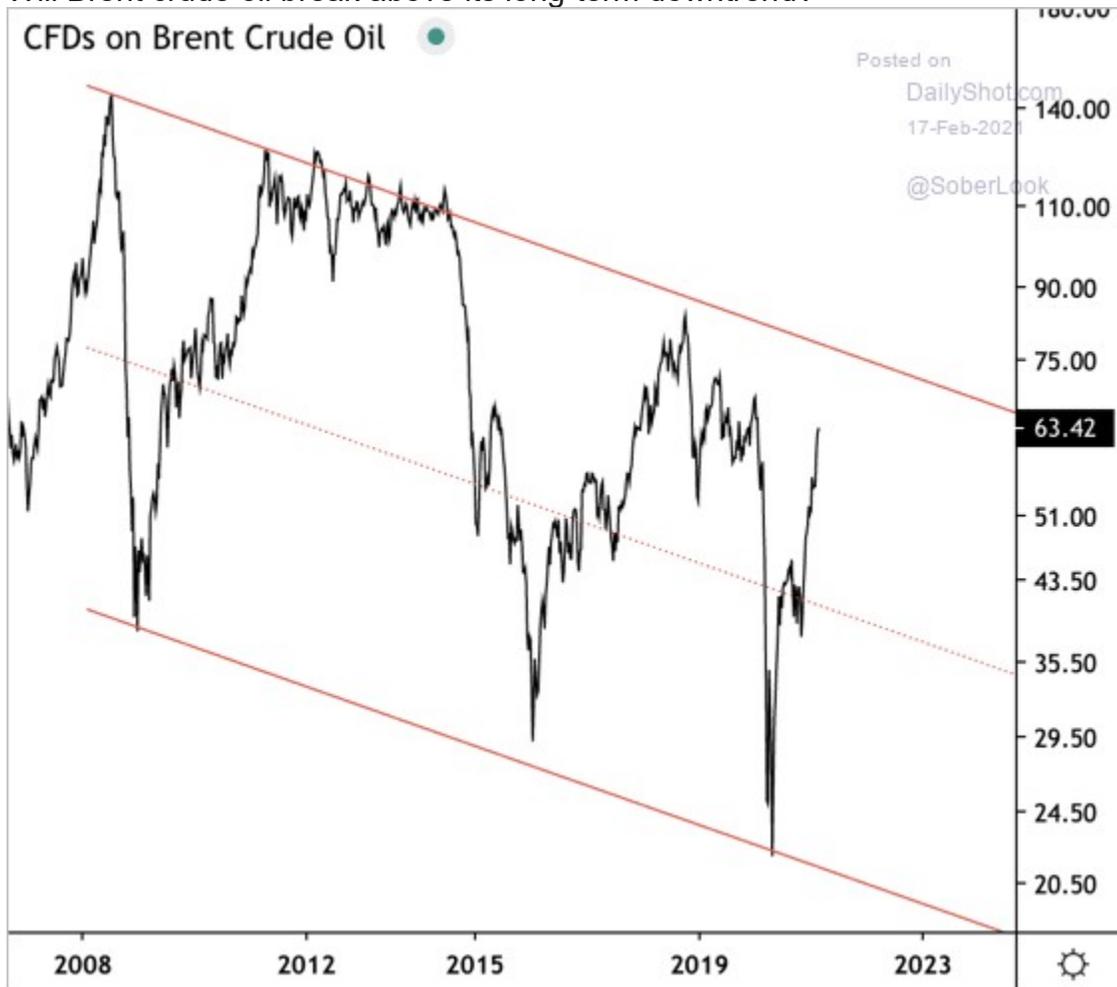
- ▶ Permian Basin production said to have dropped as much as 65%
- ▶ U.S. output is down by about 3.5 million barrels a day or more

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

Here is an estimate of the decline.

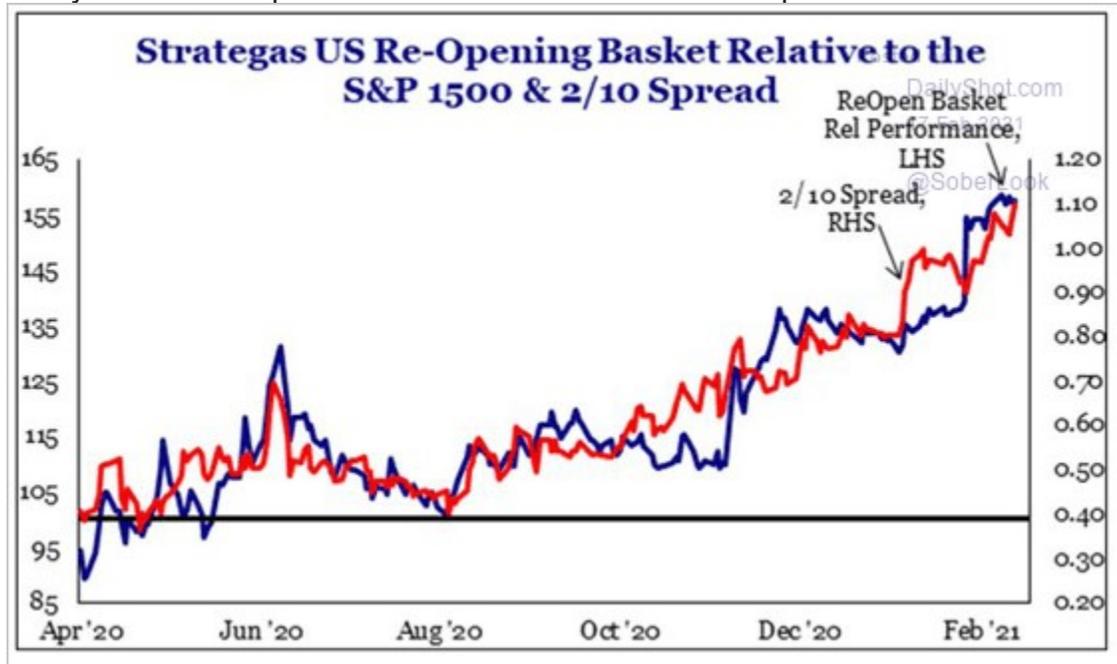


Will Brent crude oil break above its long-term downtrend?



Source: [Dantes Outlook](#)

The yield curve slope has been correlated with the “reopen” basket of stocks’ relative performance.



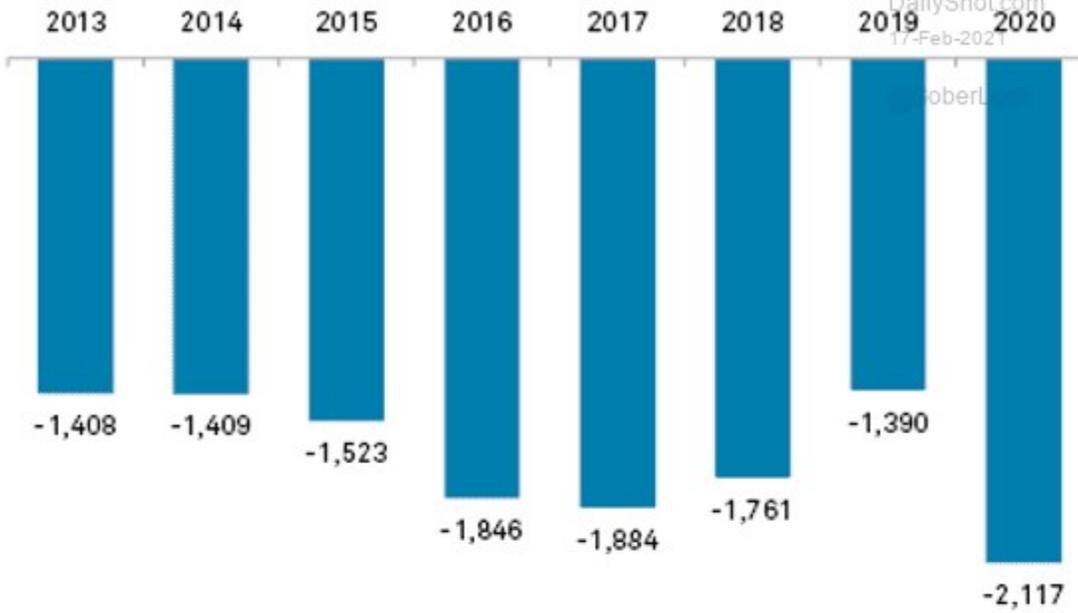
Source: [@StrategasRP](#)

US bank branch closings:



# Branch net closings by US banks since 2013

Posted on  
DailyShot.com  
17-Feb-2021



Data compiled Jan. 5, 2021.

Analysis limited to U.S. banks and thrifts that opened and closed branches between Jan. 1, 2013, and Dec. 31, 2020.

Net closings reflects the difference between branch openings and closings.

Branch openings and closings are limited to cases where openings and closing dates are available.

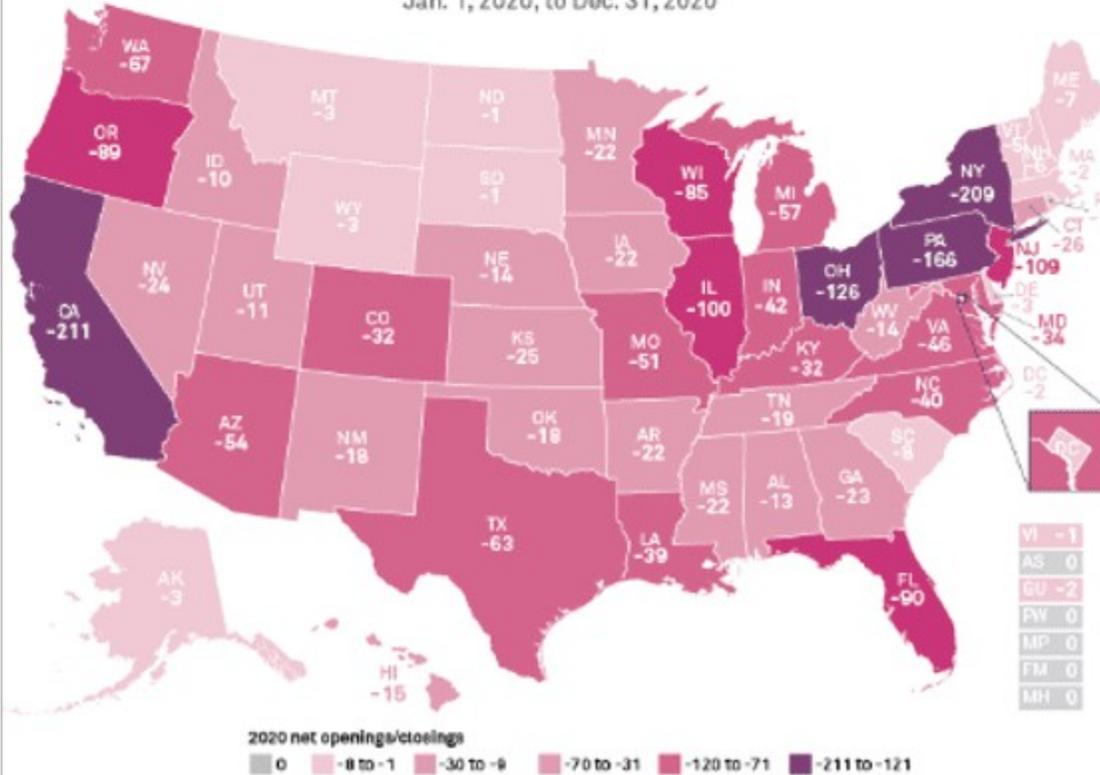
Branch data collected on a best-efforts basis.

Excludes credit union branches.

Source: S&P Global Market Intelligence

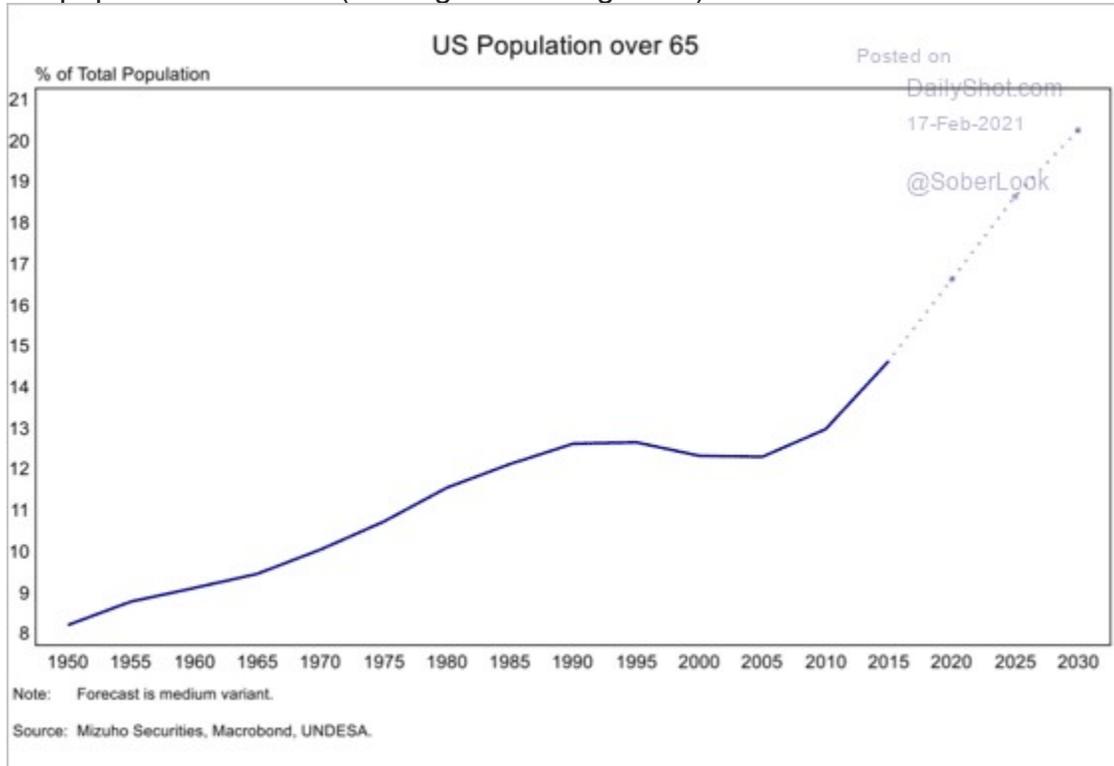
## Net bank branch openings and closings across US and territories

Jan. 1, 2020, to Dec. 31, 2020



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

### US population over 65: (Not a good looking chart)



Source: [Mizuho Securities USA](#)

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