

## Nick Lampone

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**From:** Nick Lampone  
**Sent:** Wednesday, March 3, 2021 8:06 AM  
**Subject:** The Morning CORE  
**Attachments:** Core logo.png

**US Futures-World Markets:** Stocks are in rally mode again this morning. After all of the fear chatter we suggested you overlook, the S&P 500 is only 1.6% from its all-time high. How are the jokers that sell 'Crash-Proof Retirement' still in business? Senate Majority Leader Chuck Schumer says he has the votes to pass the bailout package today. Dr. Scott Gottlieb warned the CDC and other health officials to be less conservative with their guidelines as we reopen the country. He thinks they will lose credibility with the public if overly cautious as the calendar hits April. Practicality over preaching should be the mantra. Government officials forget we live in the real world and there are tradeoffs to certain actions. Rocket Mortgage (-5% premarket) was the latest wallstbets/short squeeze play. It was +70% yesterday. Nothing better than a special dividend to crush the shorts. I love it. S&P Futures vs. Fair Value: +17.40, 10-Yr Yield: 1.45%.

### CORE Headlines:

- The U.S. Senate is expected to take up President Joe Biden's \$1.9 trillion coronavirus relief package, with fellow Democrats seeking to advance key priorities and jettison aspects that have drawn unflattering scrutiny.-Reuters
- Samsung Electronics is considering two sites in Arizona and another one in New York in addition to Austin, Texas, for a new \$17 billion chip plant, according to documents filed with Texas state officials.-Reuters
- The Texas electricity regulator meets for the first time since a devastating winter storm fueled a financial crisis in its power market, amid calls to slash billions of dollars from costs facing businesses and consumers.-Reuters
- Federal Reserve governor Lael Brainard said the recent tumult in the bond market is on her radar screen, as she cautioned market participants that the US central bank remains far from a place where it can start dialing back its support of the economy.-WSJ
- During his confirmation hearing to lead the SEC, Gary Gensler told senators he would investigate issues including climate change and the **GME** trading frenzy, as well as the business models of online trading platforms such as **Robinhood**.-WSJ
- Former New York City mayor Michael Bloomberg is giving Harvard the money for a program designed to help mayors around the world by training them to better manage, innovate, and share best practices.-WSJ
- BABA founder Jack Ma is no longer China's richest person, according to Shanghai-based research firm **Hurun Report**, which puts bottled-water tycoon Zhong Shanshan at the top of the list, followed by Pony Ma of **Tencent** and **PDD** founder Colin Huang.-WSJ
- Defying warnings from federal health officials about the need to stay vigilant against the coronavirus, the Republican governors of Texas and Mississippi said Tuesday they're lifting Covid-19 restrictions, including mask mandates.-USA
- Karen Seymour, head lawyer for Goldman Sachs, is reportedly on her way out the door after just three years on the job, marking the third high-profile departure this week in what some observers suggest is a rocky phase for chief David Solomon.-NYP
- A small but growing number of Democratic lawmakers called on New York governor Andrew Cuomo to step down, as did the state Working Families Party, after recent charges of sexual harassment, a sign of growing discontent with his alleged behavior.-NYT

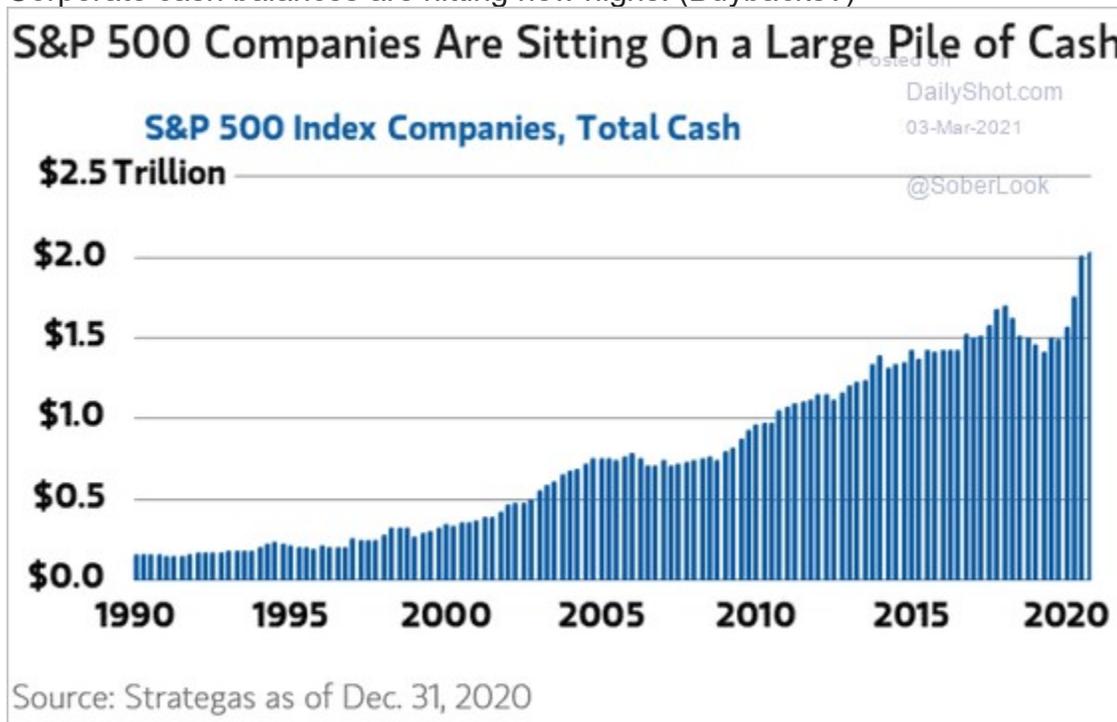
- The US and the European Union will impose sanctions on Russian officials accused of poisoning and jailing dissident Alexei Navalany, with the US hitting seven senior members of the government and the EU imposing travel bans and financial sanctions.-FT

**Interesting Reads/Charts:**

- The Atlantic: How to overcome a fear of failure <http://bit.ly/20q1k4w> “In fact, perfectionism and the fear of failure go hand in hand: They lead you to believe that success isn’t about doing something good, but about *not* doing something bad. If you suffer from a fear of failure, you’ll know exactly what I mean. “
- Bloomberg: Rent control in Berlin is a disaster <http://bloom.bg/3bcvJtS> The NIMBY crowd in San Fran should take notice. Just build more housing. Price controls don’t work. Ask Venezuela, etc.
- The Verge: Virtual reality + Microsoft Teams is coming <http://bit.ly/3qcTpm2>
- The Infatuation: Your apartment/house will never be a restaurant <http://bit.ly/383zcc2> (Unless you’ve been to my house on Christmas Eve)

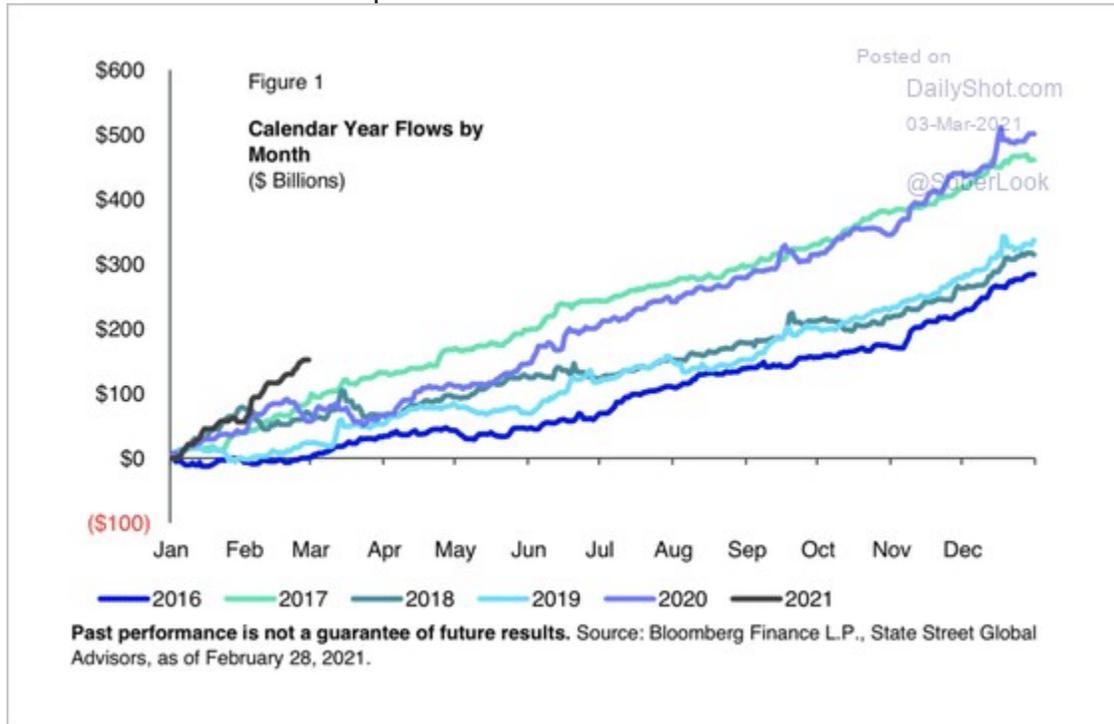
Charts from The Daily Shot:

Corporate cash balances are hitting new highs. (Buybacks?)



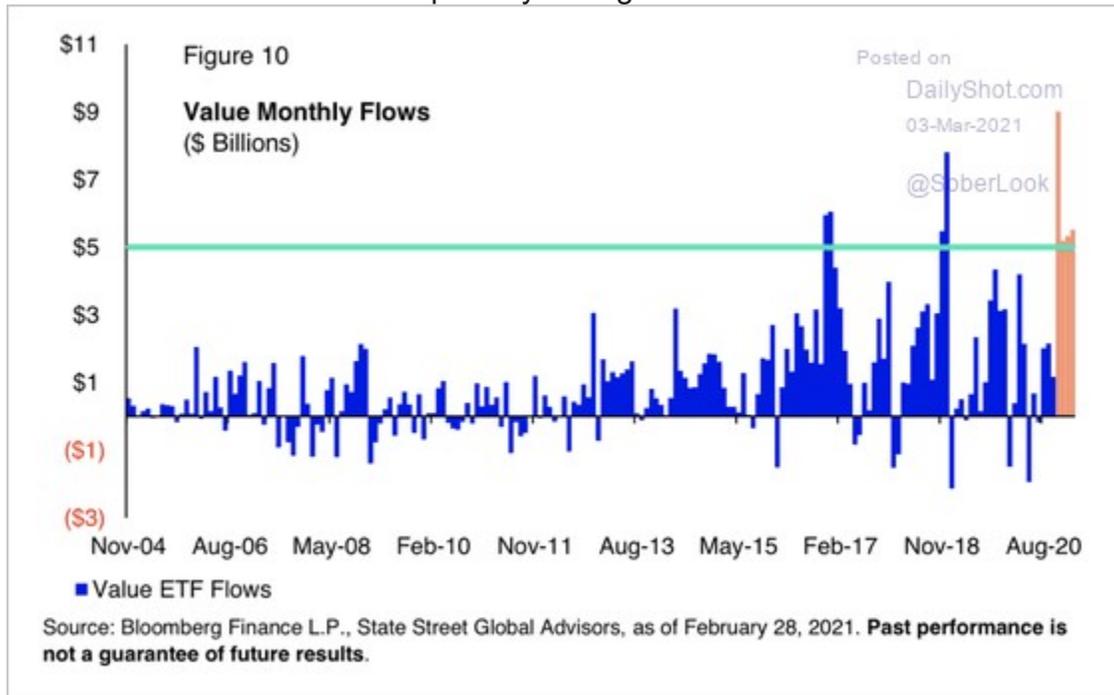
Source: [@ISABELNET\\_SA](#), [@MorganStanley](#)

ETF inflows have been impressive.



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

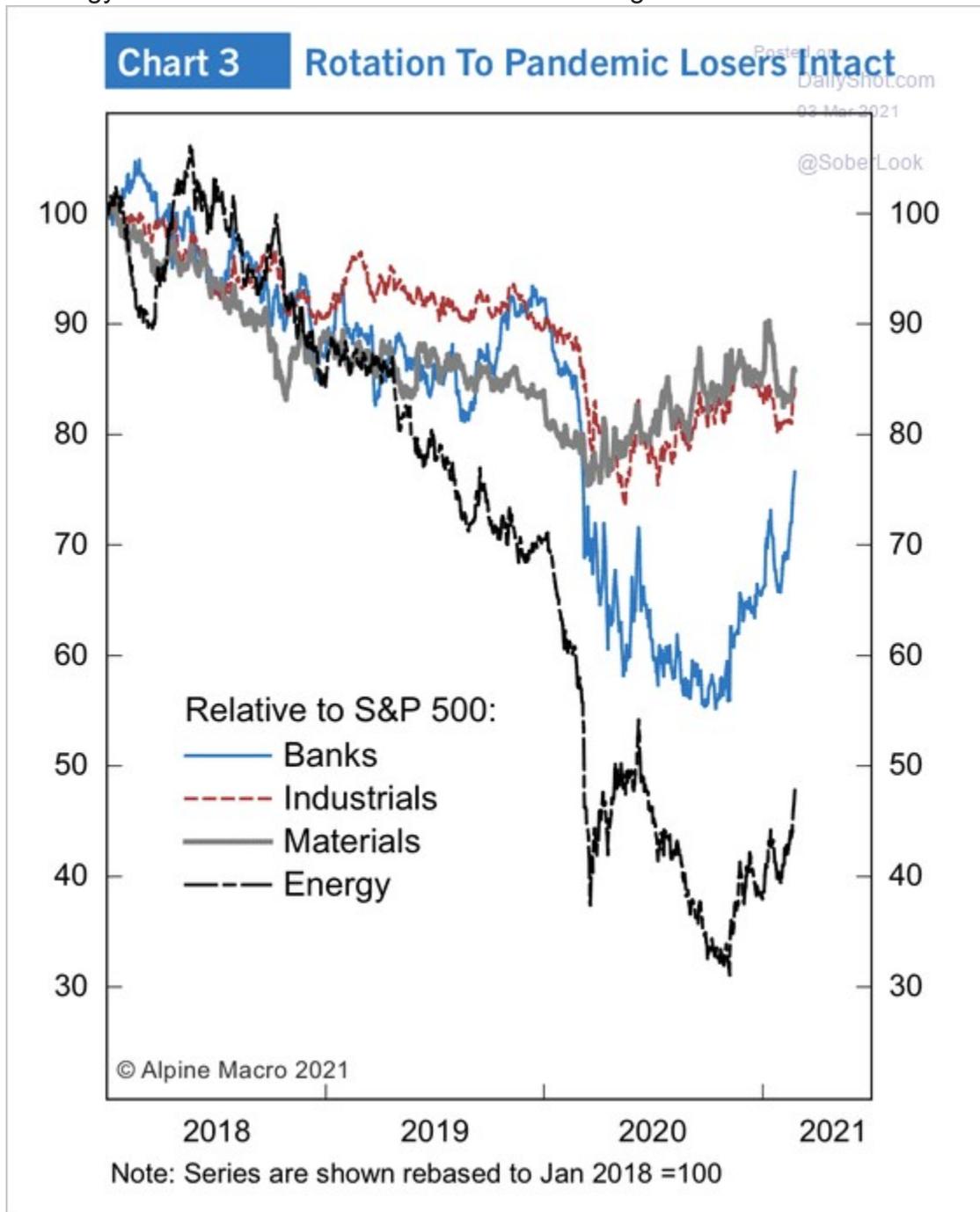
Inflows to value ETFs were especially strong.



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

some sector trends.

- Energy and financial stocks have been recovering relative to the S&P 500.



Source: [Alpine Macro](#)

- Inflows to energy and financial ETFs have risen this year.

In Millions (\$)	February	Year to Date	Trailing 3 Mth	Trailing 12 Mth	Year to Date (% of AUM)
Technology	1,868	1,265	1,199	7,170	0.80%
Financial	4,907	10,794	12,768	14,264	21.88%
Health Care	318	-629	233	7,198	-0.76%
Consumer Discretionary	1,797	2,010	2,936	6,095	5.88%
Consumer Staples	-1,422	-2,794	-3,564	-5,075	-12.53%
Energy	3,204	4,553	6,293	11,388	12.08%
Materials	1,116	2,105	3,332	6,743	5.20%
Industrials	1,476	2,422	3,580	9,480	7.01%
Real Estate	2,580	2,047	3,965	-1,096	3.10%
Utilities	-772	-520	-568	-861	-2.77%
Communications	574	-291	-74	2,660	-1.71%

Top two and bottom two categories per period are highlighted. **Past performance is not a guarantee of future results.** Source: Bloomberg Finance L.P., State Street Global Advisors, as of February 28, 2021.

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

Travel and entertainment stocks have outperformed sharply in recent days.

02-Mar-2021

Since Feb-23rd

Tuesday

—

SPY (S&P 500)

-0.25%

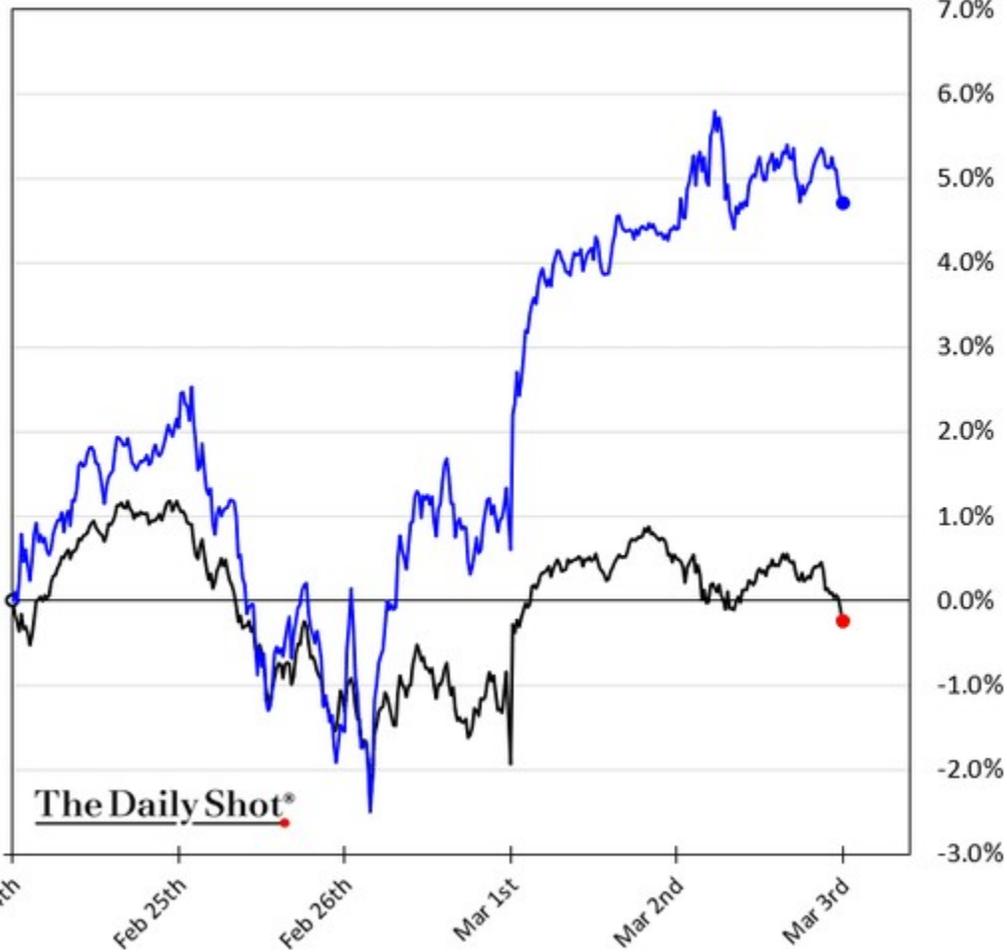
-0.78%

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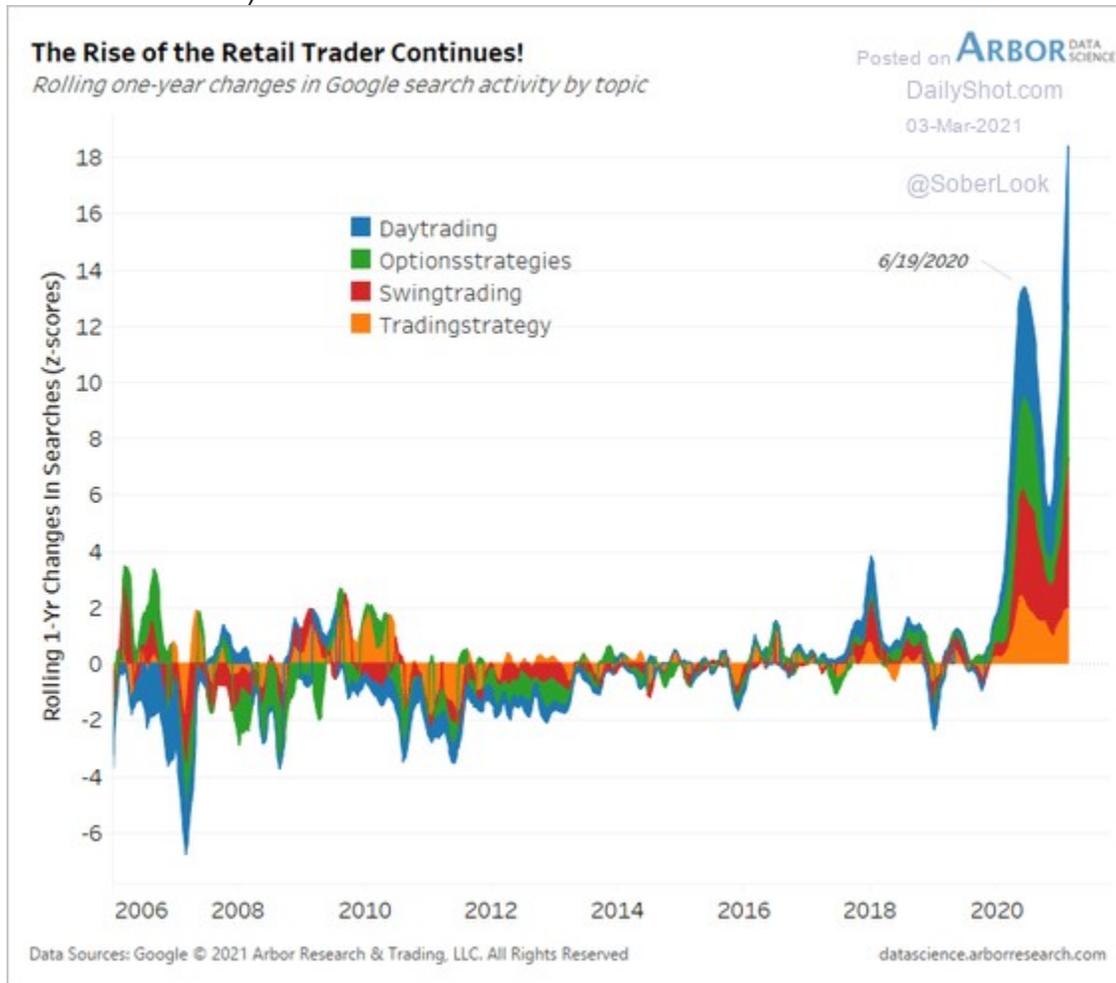
PEJ (Leisure/Entertainment)

4.71%

0.30%



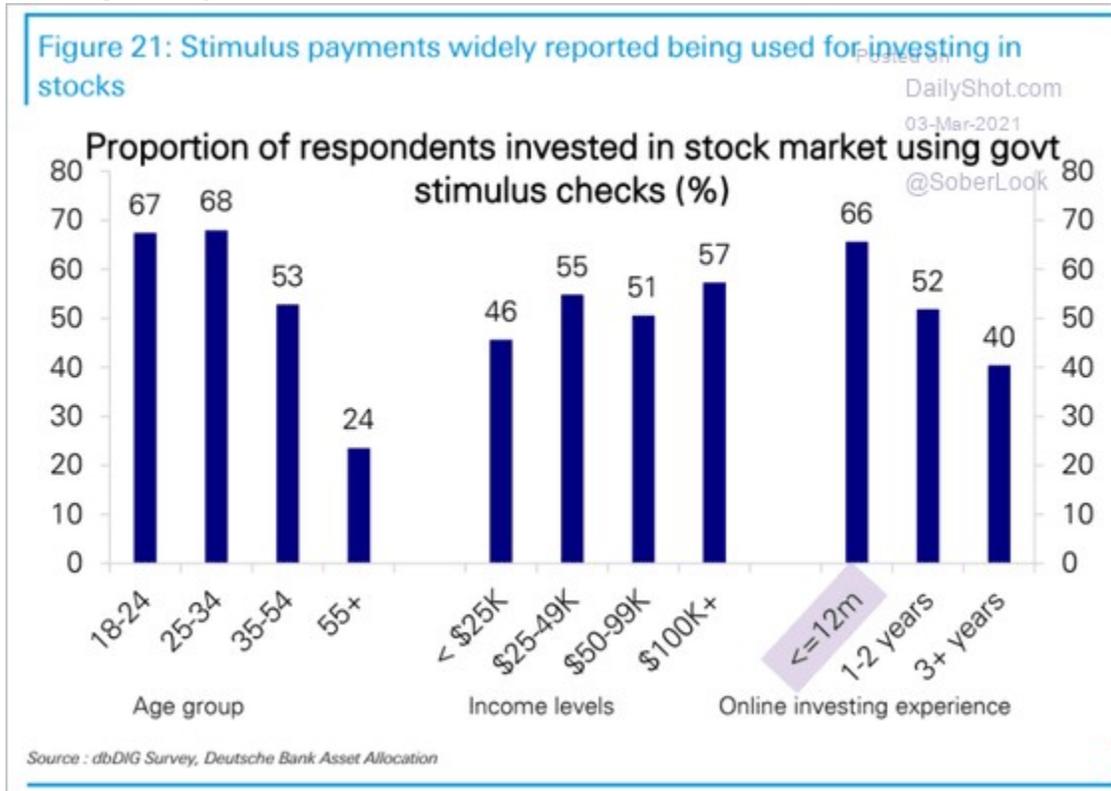
Online search activity points to continuing rapid growth in retail trading. (I'm not sure why anyone still uses Robinhood.)



Source: [Arbor Research & Trading](#)

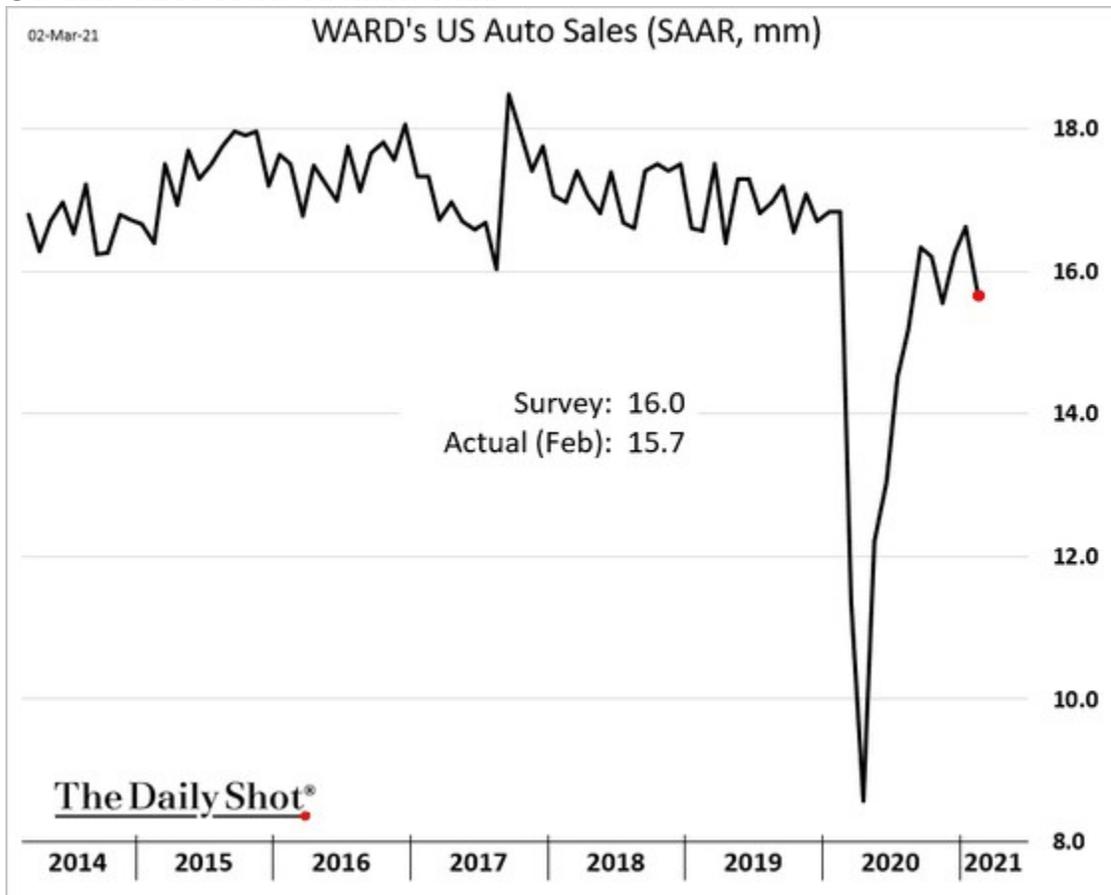
Retail investors have changed market dynamics over the past 12 months. But who is the new retail investor? Below we have some data from Deutsche Bank.

- Brought in by stimulus checks:

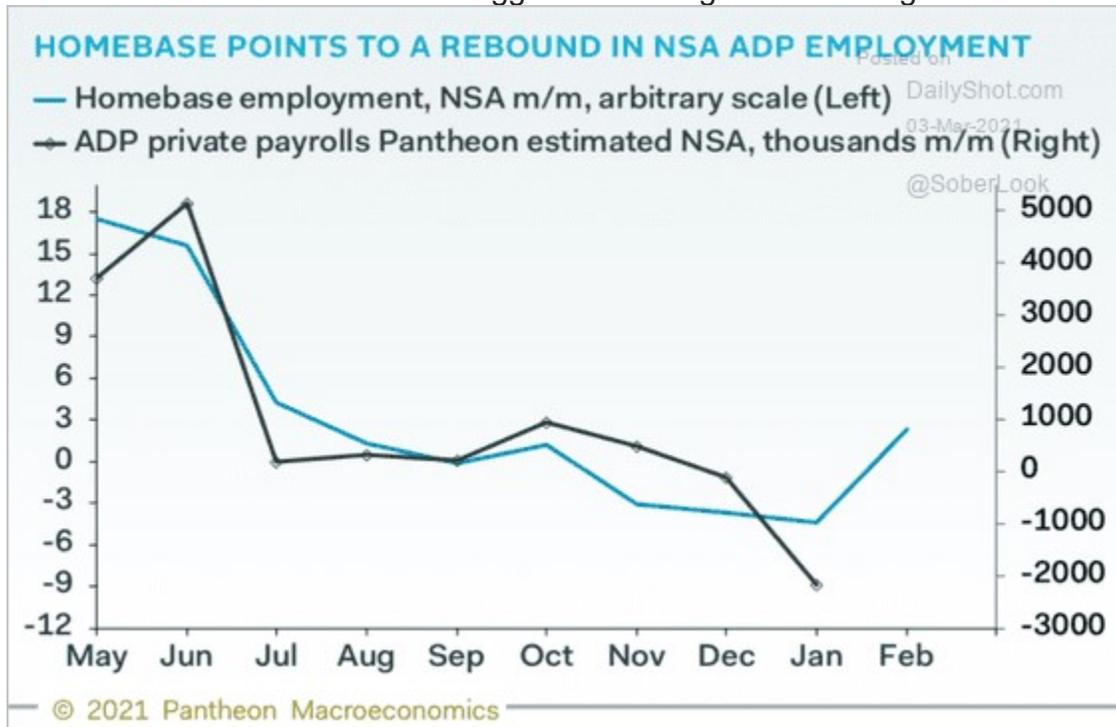


Source: [Deutsche Bank Research](#)

US auto sales softened last month.



Homebase small business data suggest that hiring is rebounding.



Source: [Pantheon Macroeconomics](#)

Depending on the stimulus size, “Bidenomics” could soon push the GDP above the pre-COVID trend. Below are a couple of scenarios. (So funny that the majority party never cares about deficits. As soon as they lose, they care about deficits. The hypocrisy on both sides of the aisle is incredible.)

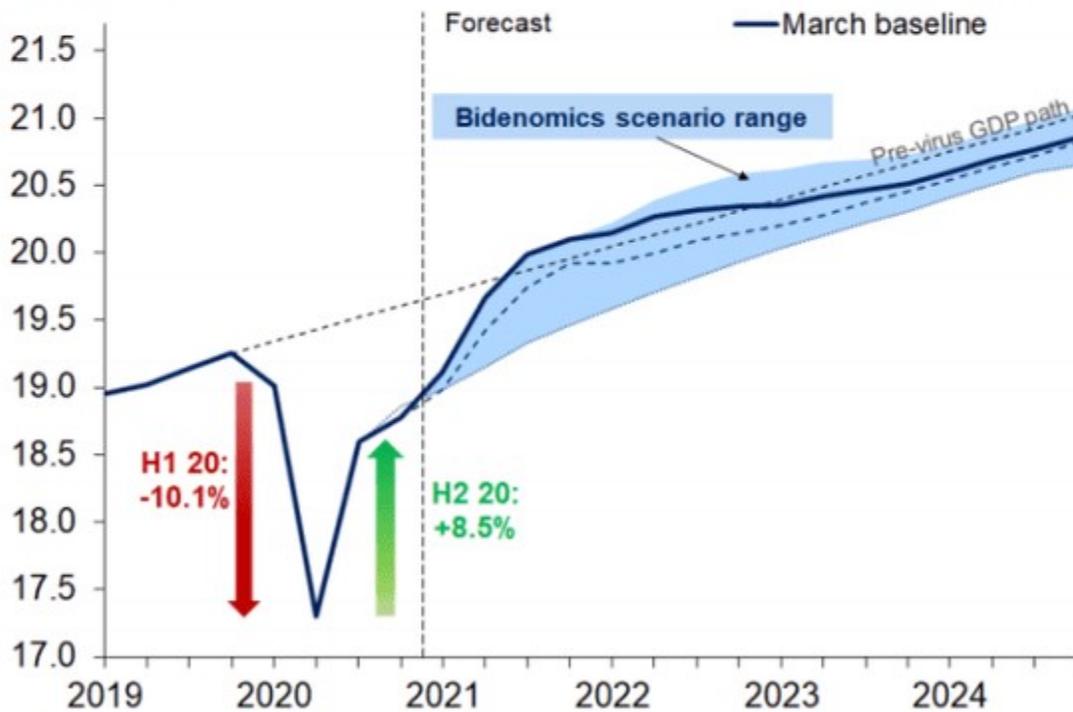
● Oxford Economics:

The US economy is expected to grow 7% in 2021, with employment rising by nearly seven million. Inflation will surpass 2%, but not spiral out of control.

Posted on  
DailyShot.com  
03-Mar-2021  
  
@SoberLook

## US: Real GDP

\$, trillion

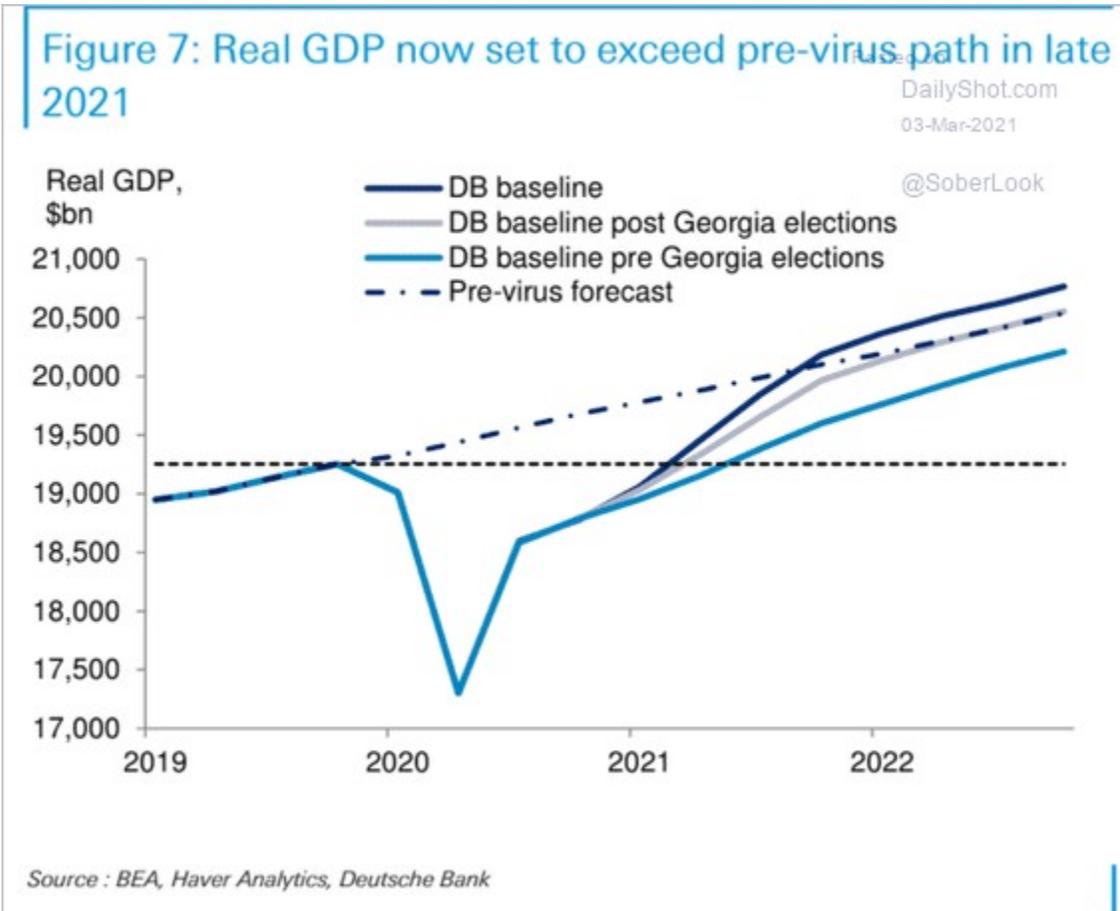


Source : Oxford Economics

**Contact:** Gregory Daco | [gregorydaco@oxfordeconomics.com](mailto:gregorydaco@oxfordeconomics.com)

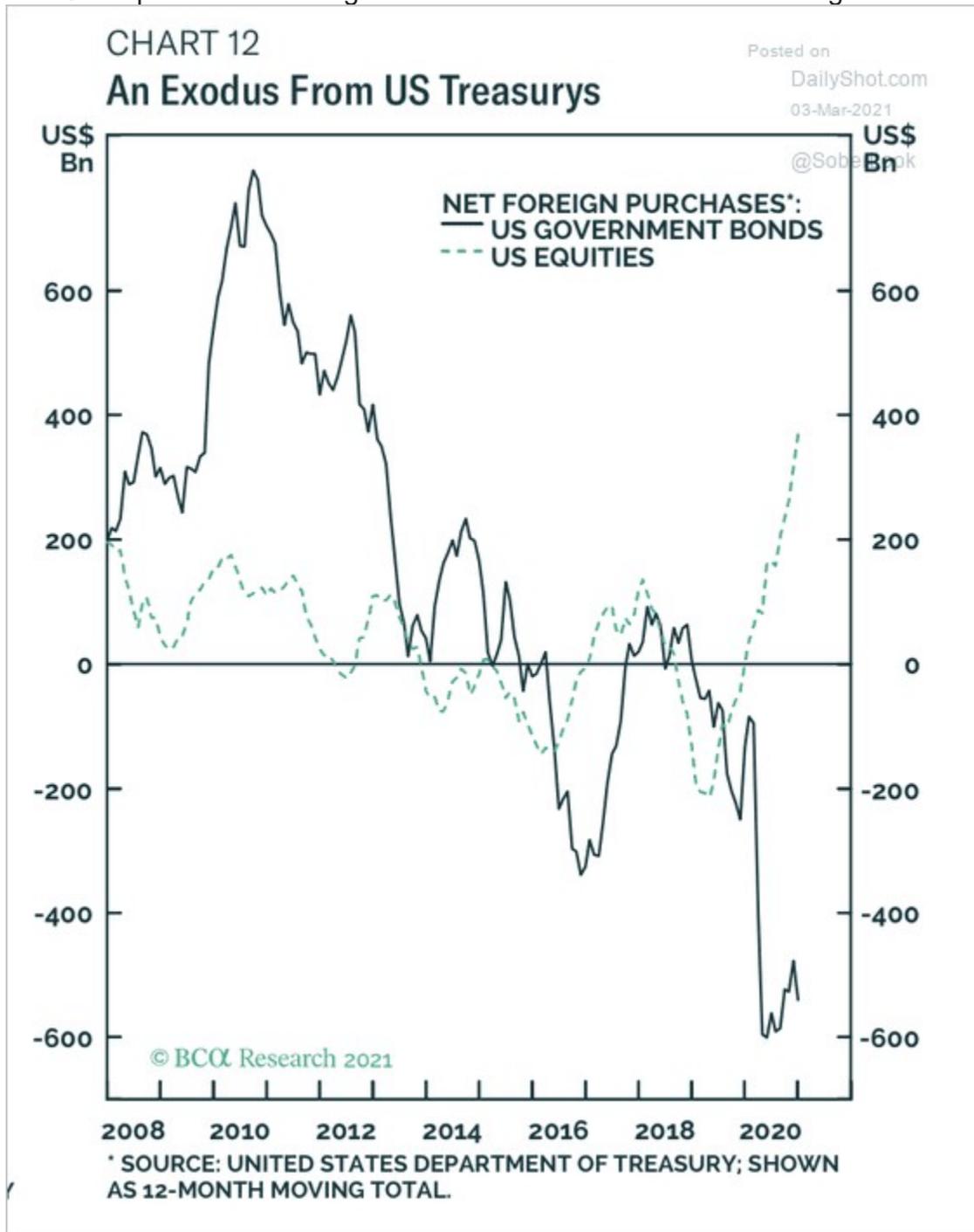
Source: [Oxford Economics](https://www.oxfordeconomics.com)

● Deutsche Bank:



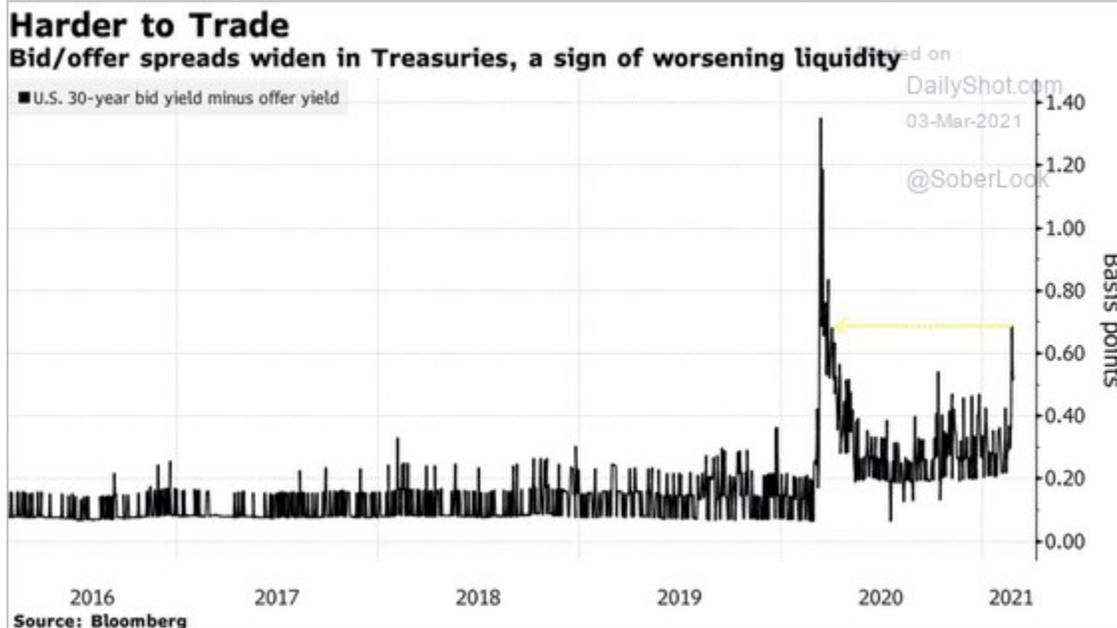
Source: [Deutsche Bank Research](#)

The US experienced the largest bond outflows on record on a rolling 12-month basis.



Source: [BCA Research](#)

Questions are being raised about the sharp deterioration in liquidity during the latest selloff in Treasuries.



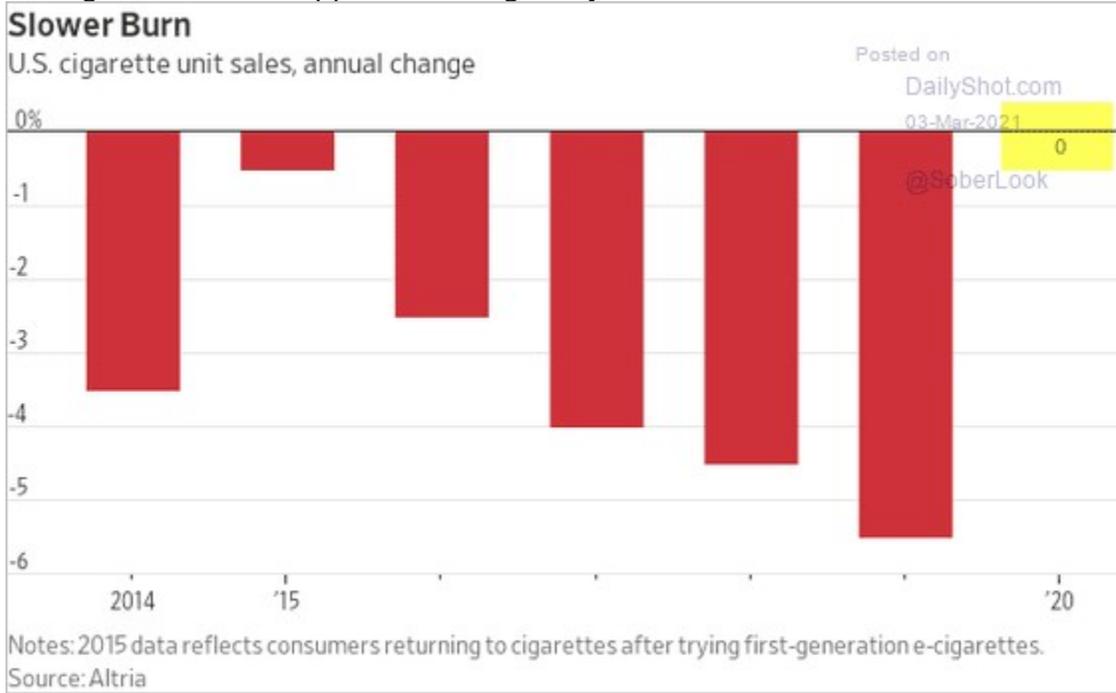
Source: Bloomberg [Read full article](#)

Silver held support.



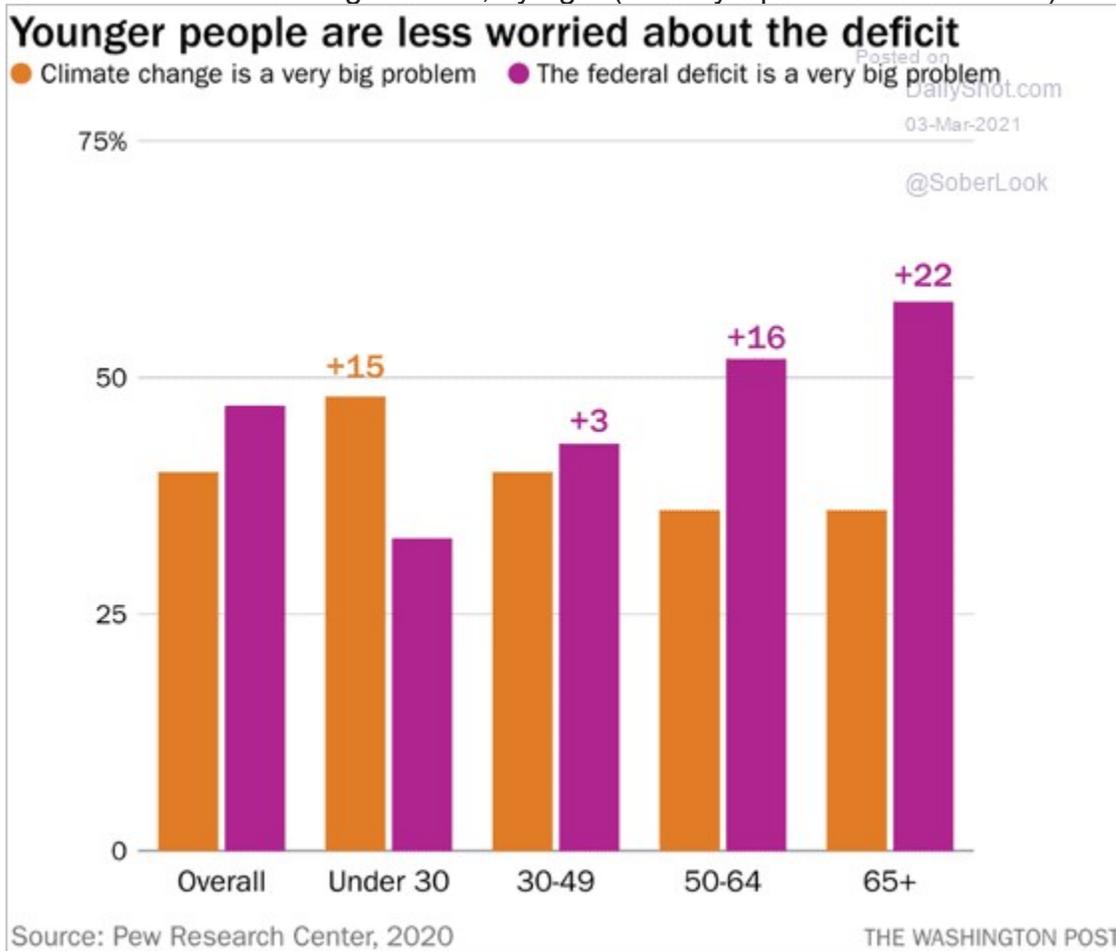
Source: [@TheTerminal](#), [Bloomberg Finance L.P.](#)

US cigarette sales stopped declining last year.



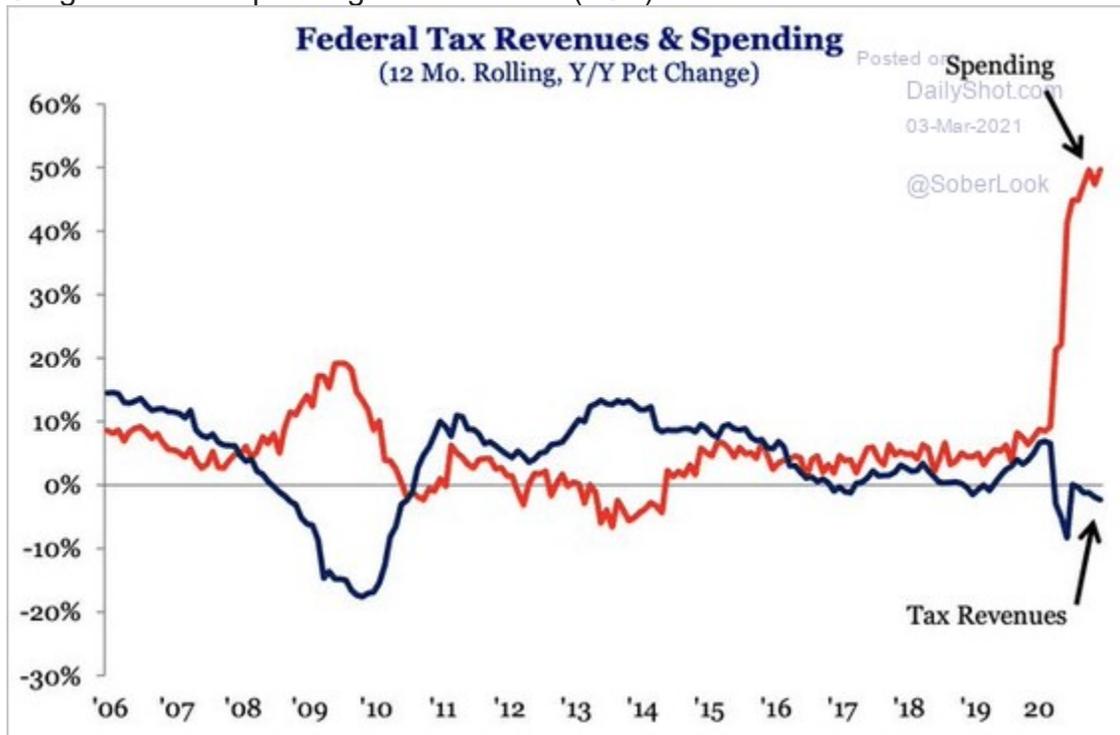
Source: @WSJ [Read full article](#)

Concerns about the budget deficit, by age: (As they sip their oat-milk latte.)



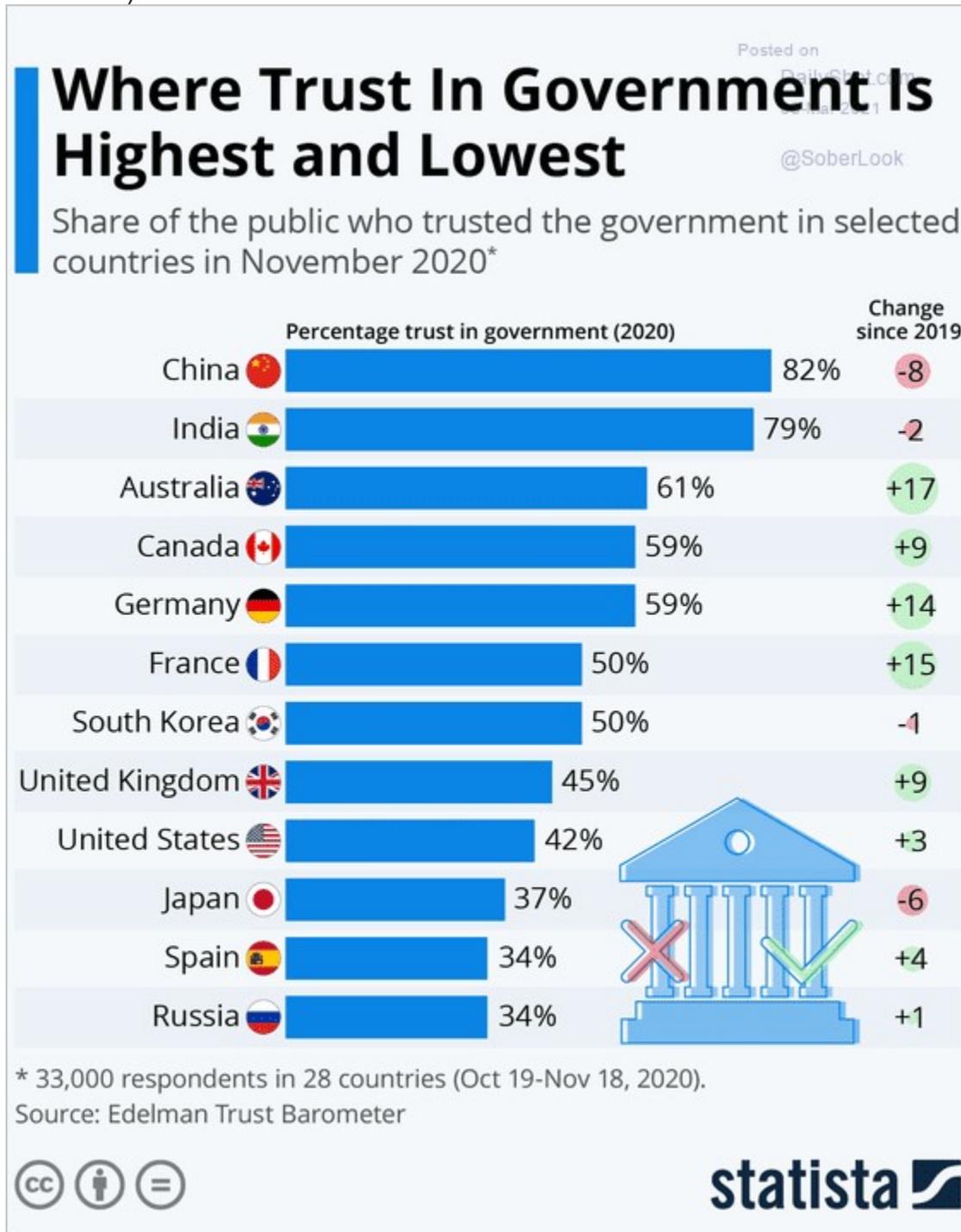
Source: The Washington Post [Read full article](#)

US government spending vs. revenues: (LOL)



Source: [SRP, @Schuldensuehner](#)

Trust in government: (I love the polling in China. Imagine if you told a communist official you didn't trust him?)



Source: [Statista](https://www.statista.com)

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