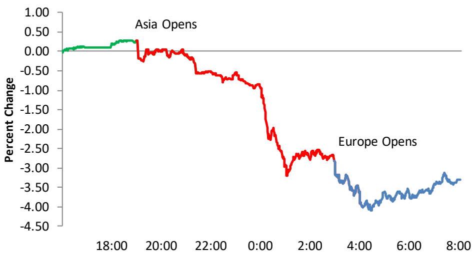
Morning Lineup

November 30, 2021

Today's Events

Overnight Trading



Other Markets

			%
Japan		↓	-1.6
China		↓	-0.4
Germany		↓	-1.2
UK		↓	-0.8
Oil	67.96	↓	-$2.0
Gold	1791	↑	$8.7
$/Euro	0.880	↓	-0.01
$/Yen	112.92	↓	-0.6
Bitcoin	57,836	↓	-481
10-Yr	1.44	↓	-0.06

Noteworthy Macro Events

- Powell Says Omicron Variant Poses Risks to Recovery.
- CDC recommends that all adults 18+ Get COVID Boosters.

Overnight Trading

Trading Up ($):

NVAX (8.01), VIR (6.02), NFLX (4.16), ZM (3.64), ETSY (2.95), TDOC (1.8)

Trading Down ($):

INTU (-25.66), REGN (-16.4), SEDG (-12.21), MRNA (-8.51), TSLA (-6.99), GS (-6.7)

Stock Specific News of Note

Ticker	News
FB	UK govt agency investigating company's acquisition of GIPHY.
HELE	Announces deal to acquire Osprey for $414 million in cash; sees deal as accretive.
JKS	Reported better than expected EPS on weaker revenues; lowered Q4 sales guidance.
MRNA	CEO expects decline in effectiveness of vaccines against Omicron variant.
PFE	Will seek FDA authorization for COVID boosters in 16 and 17 year olds.
REGN	Says antibody treatment is less effective against Omicron variant.
TSLA	NHTSA says company will recall certain Model Ys from 2020 to 2022 due to suspension issues.
UNH	Sees full-year EPS inline with prior estimates; lowered EPS guidance for 2022.

Analyst Actions

Upgrades

Ticker	Firm	From	To
PTR	JP Morgan	Underwgt	Overwgt
SQ	B of A	Underperf	Neutral
TROX	UBS	Sell	Buy
ZM	Daiwa	Sell	Underperf

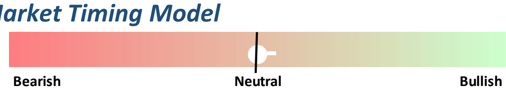
Downgrades

Ticker	Firm	From	To
CQP	Barclays	Mkt Wgt	Underwgt
DLTR	Goldman	Buy	Neutral
SEDG	M Stanley	Overwgt	Mkt Wgt
VG	Citi	Buy	Neutral

Initiations/Reiterations

Ticker	Firm	Action	Rating
BYND	HSBC	Initiated	Reduce
CTAS	RBC Capital	Reiteratd	Outperf
OTLY	HSBC	Initiated	Reduce
RKLB	B of A	Initiated	Buy
SOFI	KBW	Initiated	Mkt Perf
ZD	Wedbush	Initiated	Outperf

Market Timing Model



Category	One Week	Two Weeks	One Month
	Expected S&P 500 Return (%)		
Sentiment	0.19	0.13	0.55
Technicals	0.28	0.50	0.90
Fundamental	0.21	0.34	0.55
Overall	0.21	0.34	0.63
Average (all days)	0.17	0.33	0.67

Indicators/Events

Time	Event	Estimate	Last Report Date	Est	Act.	Diff.	S&P	Best	Worst
9:00	FHFA House Price Index	1.3	10/26	1.5	1.0	-0.5	0.18	Ener	Indu
9:45	Chicago PMI	67.6	10/29	63.7	68.4	4.7	0.19	HC	RE
10:00	Consumer Confidence	111.0	10/26	108.0	113.8	5.8	0.18	Ener	Indu
SITM	Will replace EBS in the S&P 400 effective 11/30.								
EBS	Will replace UFS in the S&P 600 effective 11/30.								
10:00	Powell and Yellen Testify on CARES Act								
13:00	Fed's Clarida Discusses Fed Independence								
	Wells Fargo TMT Conference								
	Credit Suisse Technology Conference								

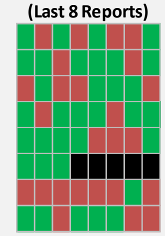
Tomorrow and Beyond

Key Major Economic Indicators

Time	Event	Estimate	Last Report Date	Act.vs. Est.	S&P
8:15	ADP	565	11/3	171	0.65
10:00	Construction Spendin	0.1	11/1	-0.8	0.18
10:00	ISM Manufact.	61.3	11/1	0.3	0.18

Key Earnings Reports

Ticker	Date	TOD	Beat Rate EPS	Beat Rate Sales	Raised Guid.	Price Reaction (Last 8 Reports)
DCI	12/1	AM	64%	65%	16%	
GIII	12/1	AM	82%	60%	16%	
PDCO	12/1	AM	37%	45%	3%	
FIVE	12/1	PM	86%	83%	8%	
PVH	12/1	PM	96%	68%	18%	
SNOW	12/1	PM	38%	88%	0%	
SPLK	12/1	PM	84%	92%	57%	
SNPS	12/1	PM	86%	91%	21%	

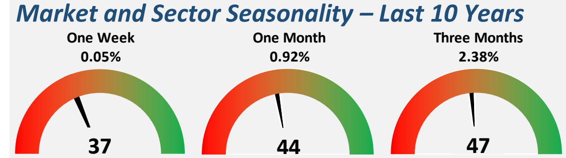


Price Reaction: most recent report is on the left.

Other Key Events

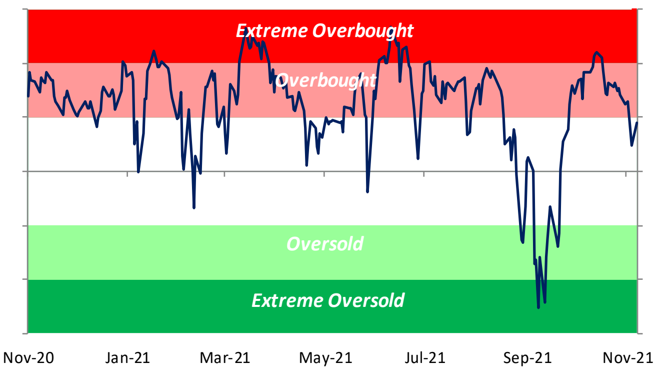
SITM	Will replace EBS in the S&P 400 effective 11/30.
EBS	Will replace UFS in the S&P 600 effective 11/30.
10:00	Powell and Yellen Testify Before House
10:30	DoE Energy Inventories
14:00	Beige Book
All Day	Total Vehicle Sales
	Wells Fargo TMT Conference
	Credit Suisse Technology Conference
	M Stanley Retail Conference

Market and Sector Seasonality – Last 10 Years



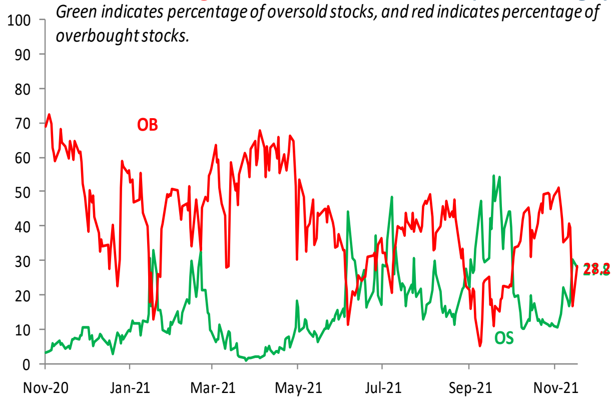
Sector	One Week	One Month	Three Months
	Median Performance (%) From 11/30 Close...		
Comm Services (XLC)	0.11	1.89	3.46
Cons Discret (XLY)	-0.16	1.08	4.94
Cons Staples (XLP)	0.45	1.31	-0.16
Energy (XLE)	0.35	1.46	-0.38
Financials (XLF)	1.41	2.01	2.13
Health Care (XLV)	0.23	0.67	3.91
Industrials (XLI)	0.19	0.44	4.12
Materials (XLB)	-0.09	0.48	4.87
Real Estate (XLRE)	0.28	1.70	3.00
Technology (XLK)	0.17	-0.29	5.28
Utilities (XLU)	0.02	1.46	0.94

S&P 500 50-Day Moving Average Spread

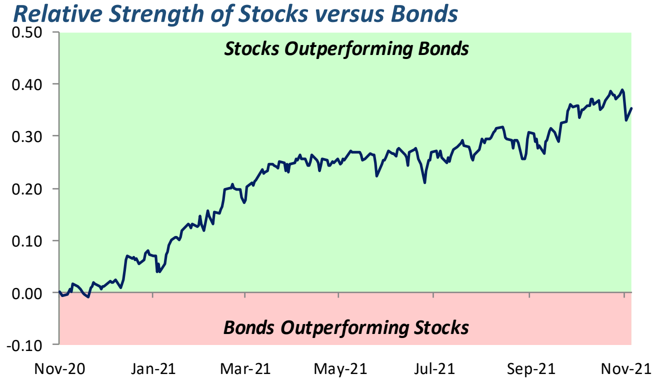


S&P 500 Overbought and Oversold Stocks (Percentage)

Green indicates percentage of oversold stocks, and red indicates percentage of overbought stocks.



Relative Strength of Stocks versus Bonds

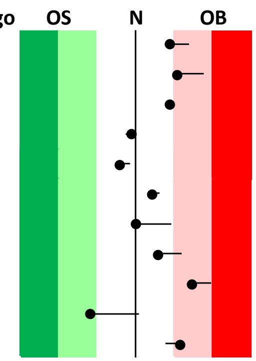


S&P 500 Internals

Indicator	Change	Current	One Week Ago
50-Day Moving Avg Spread	↓	2.7 %	4.1 %
10-Day A/D Line	↓	-513	-240
# of Overbought Stocks	↓	141	176
# of Oversold Stocks	↑	139	111
P/E Ratio			
Trailing	↓	25.53	25.68
Forward	↓	21.97	22.40
Dividend Yield	↑	1.29 %	1.29 %
Credit Spreads (bps)			
High Yield	↑	362	318
Corporate Bonds	↑	101	94

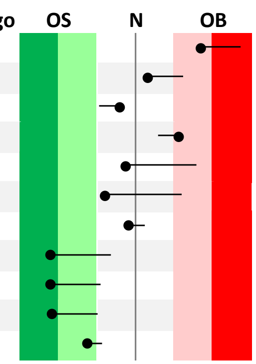
Trading Ranges: Sectors

Index/Sector	Current	1 Wk Ago
S&P 500	N	OB
Cons Discret.	OB	OB
Cons Staples	N	N
Energy	N	N
Financials	N	N
Health Care	N	N
Industrials	N	N
Materials	N	OB
Technology	OB	OB
Comm. Svcs	OS	N
Utilities	OB	N



Trading Ranges: Bonds/Commodities

Commodity	Current	1 Wk Ago
$/Euro	OB	OB
$/Yen	N	OB
2-Year	N	N
10-Year	OB	N
Gold	N	OB
Silver	N	OB
Copper	N	N
Crude Oil	OS	N
Heating Oil	OS	N
Gasoline	OS	N
Natural Gas	OS	N



Yesterday's Movers

			Average Return (%)			
			Next Day		Next Week	
Ticker	% Chg.	Occ.	Chg.	Percent Up	Chg.	Percent Up
MRNA	11.8	24	2.2	62.5	1.6	54.2
GCP	8.8	27	-1.5	48.1	-1.2	33.3
MGPI	8.3	27	0.3	48.1	1.4	48.1
LTHM	6.3	86	0.8	50.0	0.5	45.3
CSII	-9.2	24	-0.4	45.8	0.9	58.3
APEI	-8.6	24	1.3	54.2	0.8	50.0
CUTR	-7.1	47	0.0	42.6	-0.6	46.8
TCMD	-6.7	45	-0.9	42.2	-3.6	33.3

S&P 500 Overbought Stocks Most Likely to Fall

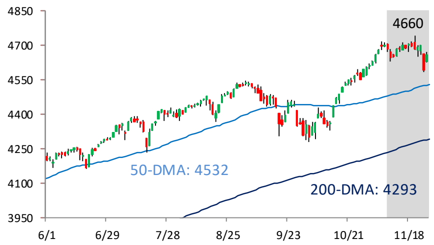
Ticker	Price	Standard Deviations Above 50-Day Avg	Avg % Return (One Week)	Percent of Time Positive
DGX	156.7	2.42	-1.32	41.1
HPQ	35.93	2.71	-1.03	44.8

S&P 500 Oversold Stocks Most Likely to Rise

Ticker	Price	Standard Deviations Below 50-Day Avg	Avg % Return (One Week)	Percent of Time Positive
PENN	52.30	-1.68	2.50	50.7

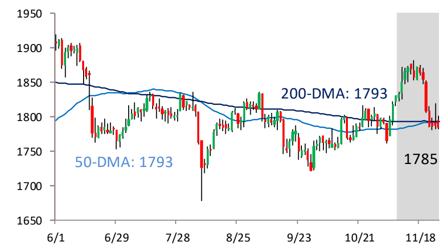
For an explanation of the first two pages of this report, please click here.

S&P 500: Last Six Months

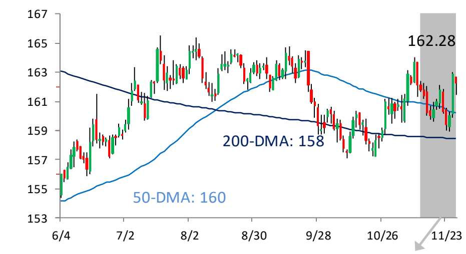


Russell 2000: Last Six Months

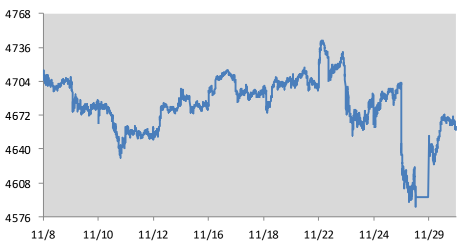
Gold Future: Last Six Months



Long Bond Future: Last Six Months



S&P 500: Last 15 Trading Days



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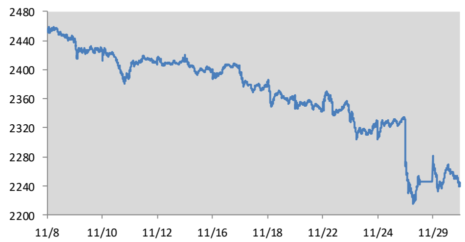
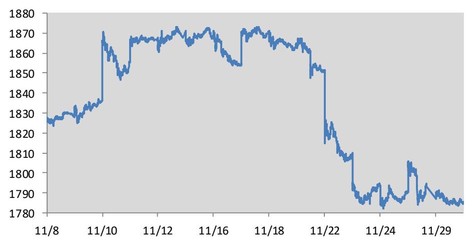
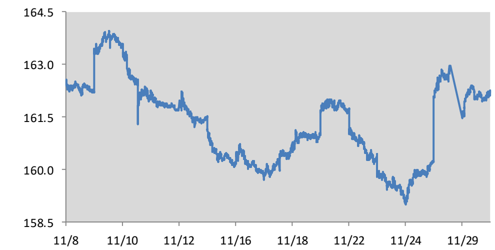


Gold Front Month Future: Last 15 Trading Days

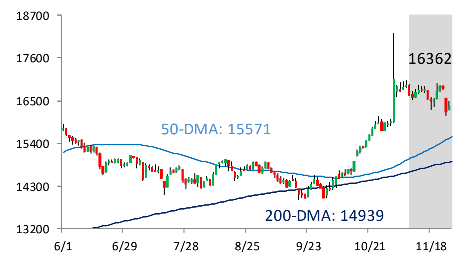


Long Bond Future Intraday: Last 15 Trading Days

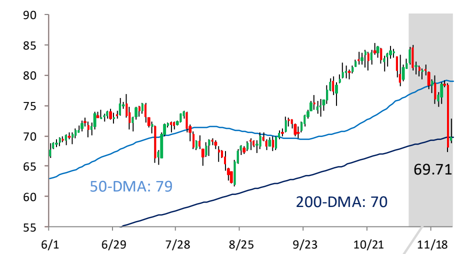


Nasdaq Composite: Last Six Months

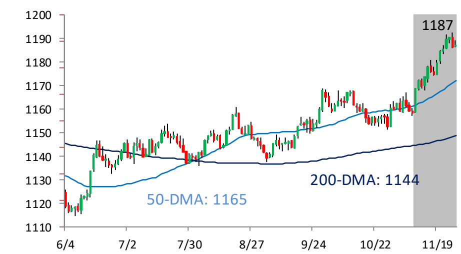
DJ Transports: Last Six Months



Oil Future: Last Six Months

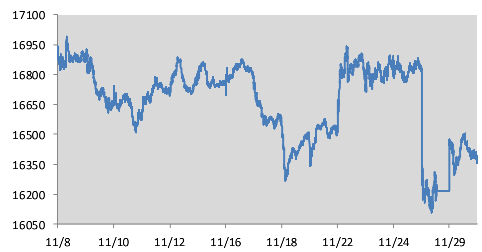


BBG US Dollar Index: Last Six Months

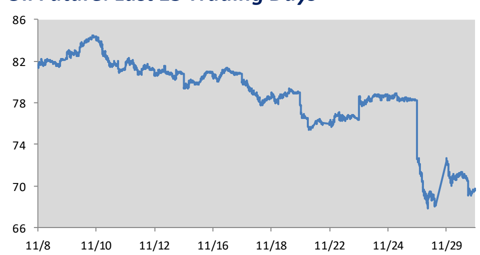


Nasdaq Composite: Last 15 Trading Days

DJ Transports: Last 15 Trading Days



Oil Future: Last 15 Trading Days



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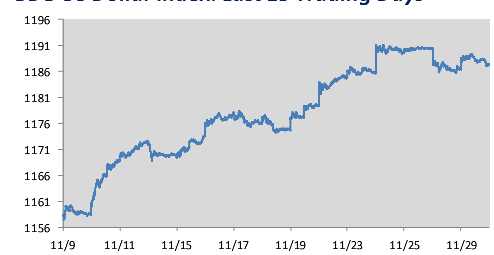


Morning Commentary

Snapshot: The dollar is having its worst day since August as energy prices plunge once again along with weaker ag prices. US equity indices are priced to gap down 0.8% but are trading well above Friday's lows as the open approaches. Futures fell 1.6% in 35 minutes just after midnight following a comment from Moderna (MRNA) CEO Stephane Bancel to the *FT* predicting vaccines would struggle with Omicron but have been much more calm since. Ahead today in the US: home prices, Chicago PMI, and Conference Board Consumer Confidence data. The latter is of note because it retreated in recent months, similar to University of Michigan data, but bounced in October and is consistent with a pretty solid economy rather than a very weak one. Chair Powell speaking today at a Senate panel on CARES Act relief, while NY Fed President Williams speaks at 10:30 AM. Pre-released testimony didn't mention the pace of the taper and highlighted Omicron as a risk to growth and inflation.

Energy Collapse: While European energy prices continue to rise with Dutch and UK futures moving above $32/mm BTU and German baseload power contracts for the month ahead surging to their second-highest close on record at €235/MWh, it's not all good news in energy. But Henry Hub futures are having their *worst two days in twenty years* this morning, dropping over 17% from Friday's close; the Bloomberg Natural Gas Index has fallen 17.5% overall. For LNG exporters, this is manna from heaven: the basis between UK or Dutch futures and Henry Hub prices is $27/mm BTU and rising. It's small wonder tanker rates are running at $200k/day given that degree of arbitrage. But despite European power markets, other energy markets are also weak. Brent crude is down another 3.1% today after rising 1% yesterday. The global benchmark and WTI have both collapsed below their 200-DMA. Thin Friday liquidity can't be blamed for the weakness in crude markets overnight, though options liquidations may be a factor still despite the huge selloff at the end of last week that cleared a lot of positions out.

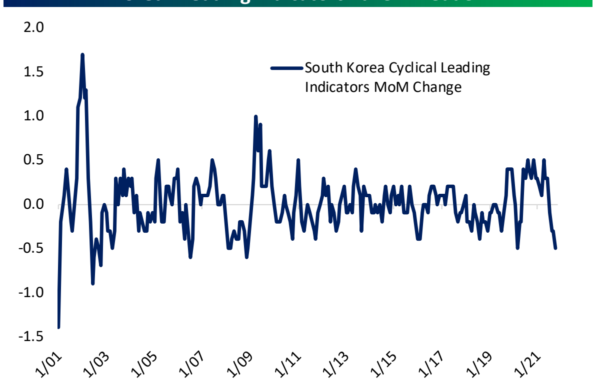
APAC Markets: Stocks generally moved up at the open in Asia but collapsed as Europe opened, with the TOPIX finishing down 1% in Tokyo, Korea and Singapore going out at the lows down around 2.5%, and significant late-session selloffs in China, Australia, and India. The dollar was surprisingly strong versus local FX, despite weakness from equities and a general collapse in risk sentiment around the world during the middle of the night in the US. Rates fell and curves flattened in Japan and Australia, with the PBOC reducing liquidity by 150bn CNY for its largest cut of repo balance sheet in weeks. In India, coal production rose 14.7% YoY in October as supply ramped up; Indian coal-fired power plants reported 9 days of inventory (higher than this time in 2017 or 2018) this week, easing concerns over coal shortages across Asia ahead of winter.

Europe Markets: The STOXX 600 is down 1% with 3:1 negative breadth at the single-stock level and all groups negative. Fast fashion giant **Inditex** (ADR **IDEXY**) announced the chair of the board and CEO were resigning, with the founder's daughter stepping in to the CEO slot. The stock is the third-worst performer on the STOXX 600 today as result. London-traded names **Wise** (ADR **WIZEY**) and **Future** are both up double-digits to pace the index thanks to raised guidance targets. At the national index level, the selling is hitting Spain the hardest, while Swiss stocks are down just 0.6%. It's also notable that European stocks are starting to turn up as the US walks in; session lows were slightly after the open and gains have followed. Rates are following the bull-flattening cue from Treasuries but are off the worst levels of the overnight session while EURUSD is at session highs.

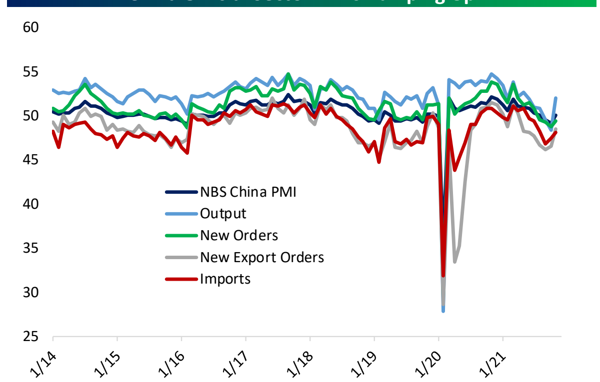
Morning Commentary

Overnight Data: Korean cyclical data showed a sharp decline which suggests a major headwind to activity going forward. In China, manufacturing PMIs are finally rebounding after a weak 2021, led by faster output. Swiss leading indicator data from KOF suggests more mean reversion ahead for manufacturing activity. German labor markets continue to improve faster than expected based on administrative unemployment data. Finally, Eurozone inflation surged in November, with core HICP up 9.7% annualized after our seasonal adjustment; Services (+10.2% annualized) drove that move, with core goods up just 64 bps annualized. Cross-country analysis of available data points to the surge coming from Germany, and likely from packaged holidays (though we can't be sure until final data in a couple weeks).

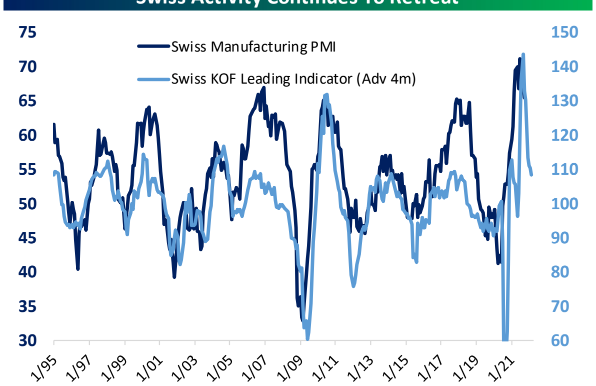
Korean Leading Indicators Take A Header



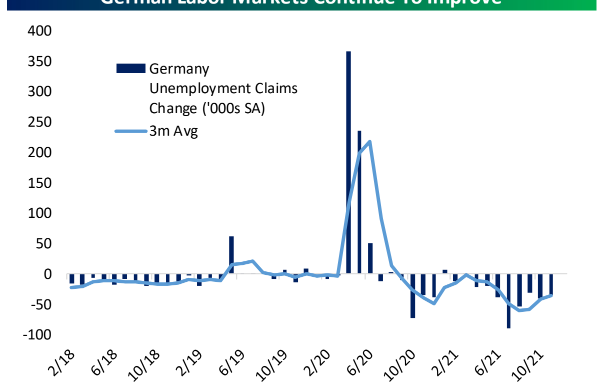
China Official Sector PMIs Ramping Up



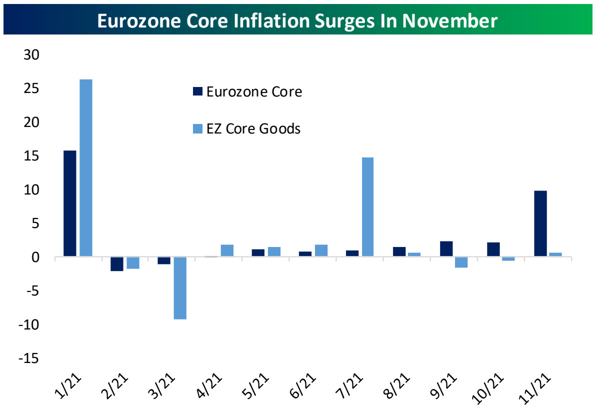
Swiss Activity Continues To Retreat



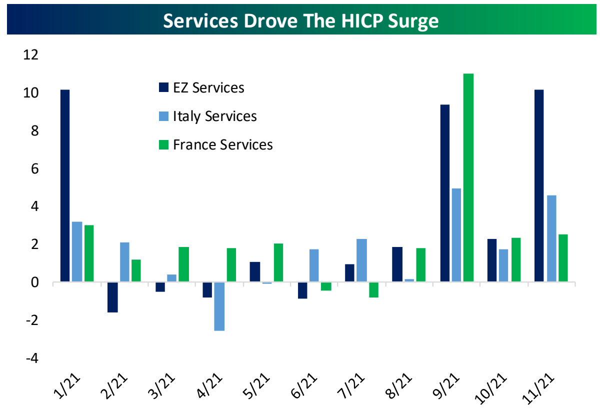
German Labor Markets Continue To Improve



Eurozone Core Inflation Surges In November



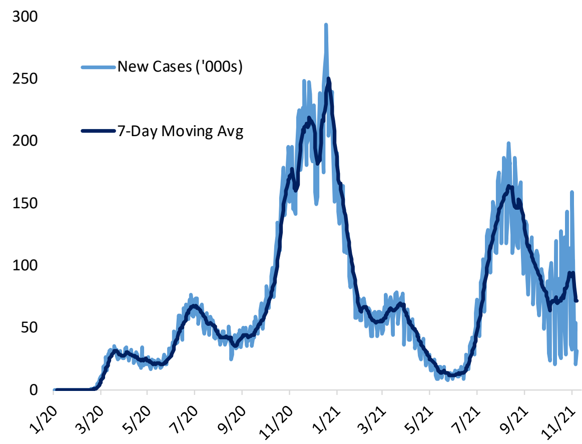
Services Drove The HICP Surge

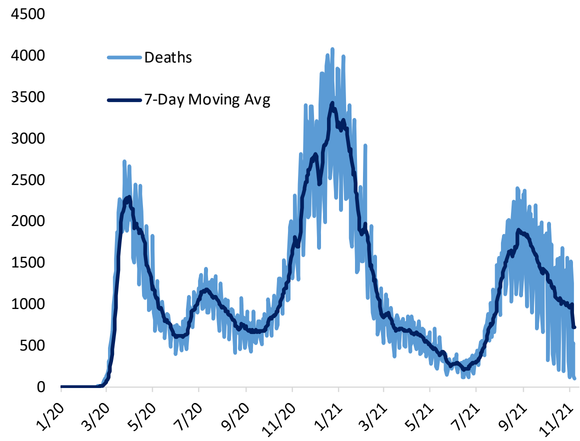


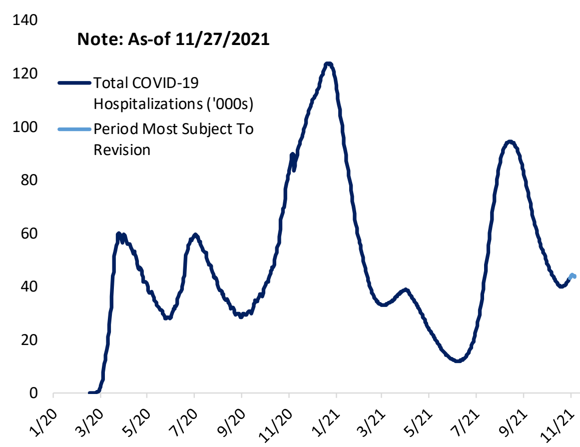
Morning Commentary

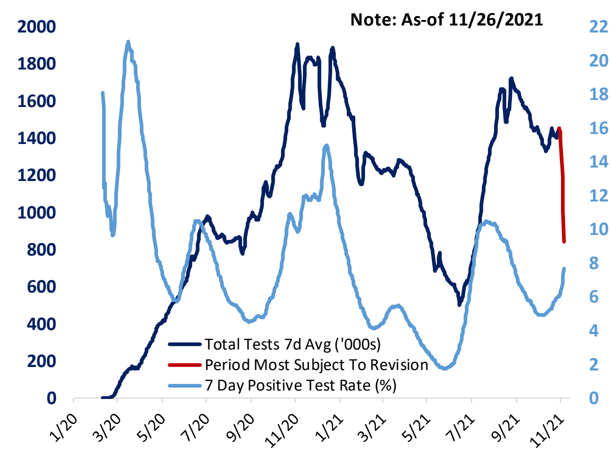
Coronavirus: US case counts have dropped significantly in the last few days, but that is likely all due to the Thanksgiving holiday, although deaths have also declined and hospitalizations haven't seen much in the way of an increase. The coming two weeks will be key to watch as any potentila surge due to Thanksgiving will start to show up in the date.

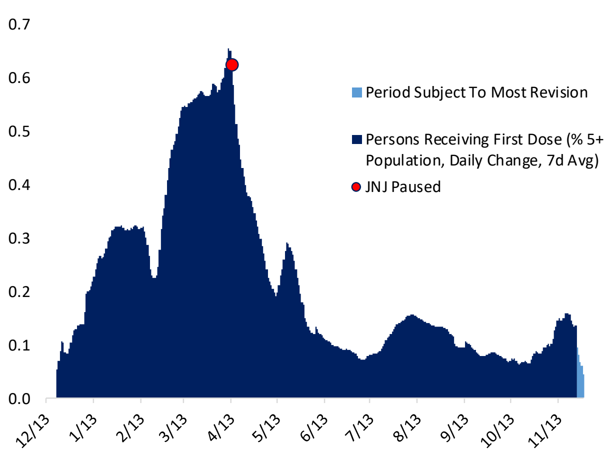
COVID-19 National Tracking Data: As-Of 11/28/2021

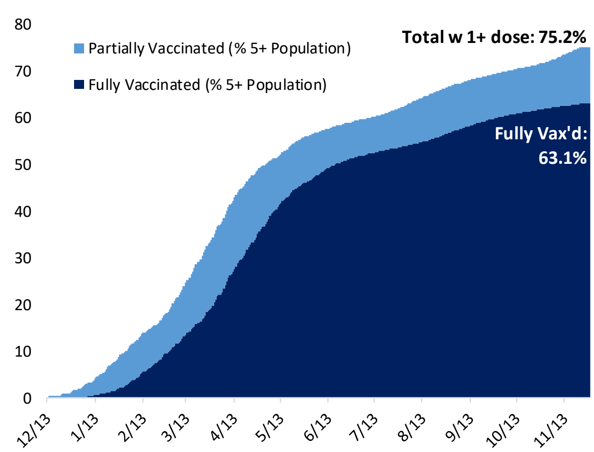












Morning Commentary

Global New Cases Per Day Per mm Population (7d Avg)