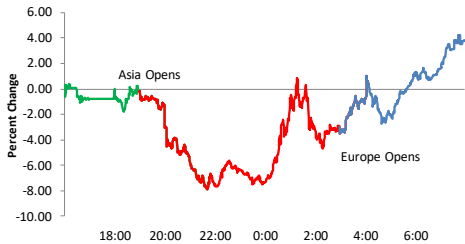




## Today's Events

### Overnight Trading



### Other Markets

Japan	↓	-6.1 %
China	↓	-1.4
Germany	↑	7.3
UK	↑	8.0
Oil	↑	33.4 ↑ \$1.9
Gold	↑	1588 ↑ \$0.6
\$/Euro	↑	0.897 ↑ 0.00
\$/Yen	↑	107.33 ↑ 2.7
10-Yr	↑	0.93 ↑ 0.12

### Noteworthy Macro Events

- US Futures Trade Limit Up on Optimism Over Fiscal Measures.
- VIX Down 10 Point; Still at 65.

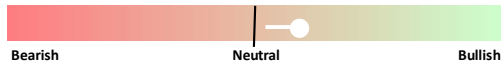
### Overnight Trading

- Trading Up (\$):**  
AMZN (79.39), GOOGL (56.45), TSLA (44.43), ADBE (19.3), AAPL (19.27), NVDA (17.35)
- Trading Down (\$):**  
VIR (-3.37), ZUO (-1.25), INO (-1.07), APT (-0.85), CY (-0.79), LAKE (-0.54)

### Stock Specific News of Note

Ticker	News
ADBE	Beat EPS forecasts by 3 cents (2.27 vs 2.24) on stronger revenues; guided inline.
AMZN	Tells all employees who can to work from home through March.
AVGO	Missed EPS forecasts by 11 cents (5.25 vs 5.36) on weaker revenues; lowered guidance.
BKE	Beat EPS forecasts by 9 cents (0.96 vs 0.87) on inline revenues.
CAL	Missed EPS forecasts by 6 cents (0.34 vs 0.40) on inline revenues; lowered guidance.
DOCU	Beat EPS forecasts by 7 cents (0.12 vs 0.05) on stronger revenues; raised guidance.
GPS	Beat EPS forecasts by 17 cents (0.58 vs 0.41) on inline revenues; raised guidance.
JBL	Beat EPS forecasts by 9 cents (0.96 vs 0.87) on inline revenues.
JKS	Missed EPS forecasts by 5 cents (1.40 vs 1.45) on stronger revenues; lowered guidance.
ORCL	Beat EPS forecasts by 1 cents (0.97 vs 0.96) on inline revenues; ann'd \$15 bln buyback.
OSTK	Missed EPS forecasts by 26 cents (-0.73 vs -0.47) on stronger revenues.
ULTA	Beat EPS forecasts by 16 cents (3.89 vs 3.73) on inline revenues; lowered guidance.
UNIT	Beat EPS forecasts by 10 cents (0.48 vs 0.38) on weaker revenues; raised guidance.
WORK	Beat EPS forecasts by 3 cents (-0.04 vs -0.07) on stronger revenues; guided inline.
ZUMZ	Beat EPS forecasts by 12 cents (1.48 vs 1.36) on inline revenues; lowered guidance.

### Market Timing Model



Category	Expected S&P 500 Return (%)		
	One Week	Two Weeks	One Month
Sentiment	0.15	0.28	0.49
Technicals	0.58	0.39	1.61
Fundamental	0.21	0.19	0.29
<b>Overall</b>	<b>0.21</b>	<b>0.30</b>	<b>0.57</b>
Average (all days)	0.13	0.25	0.51

### Indicators/Events

Time	Event	Estimate	Last Report						
			Date	Est	Act.	Diff.	S&P	Best	Worst
8:30	Import Price Index	-1.0	2/14	-0.2	0.0	0.2	0.18	Util	Ener
10:00	Michigan Sentiment	95.0	2/28	100.7	101.0	0.3	-0.82	Ener	Util
13:00	Baker Hughes Rig Count								

## Tomorrow

### Economic Indicators & Events

Time	Event	Estimate	Last Report		
			Date	Act. vs. Est.	S&P
8:30	Empire Manufacturing	5.1	2/18	7.9	-0.29

### Earnings Reports

Ticker	Date	TOD	Estimate	
			EPS	Revs.
REV	3/16/20	AM	-1.09	553.0
COUP	3/16/20	PM	0.05	102.5
YY	3/16/20	PM	0.91	1,069.6

### Conferences & Meetings

None

### Dividends & Splits

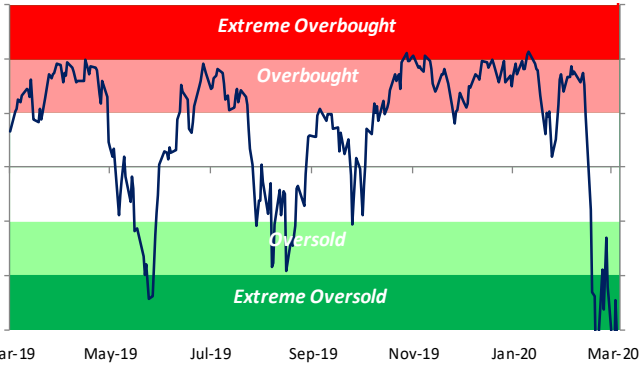
Ticker	Dividend	Yield	Split
DLR	1.12		NJR 0.31
MCY	0.63		ICE 0.30
JJSF	0.58		WRE 0.30
ECL	0.47		RYN 0.27
EE	0.39		APH 0.25
ALLE	0.32		WU 0.23

### Index Changes

GKOS Will replace AKS in the S&P 600 effective 3/13.



### S&P 500 50-Day Moving Average Spread



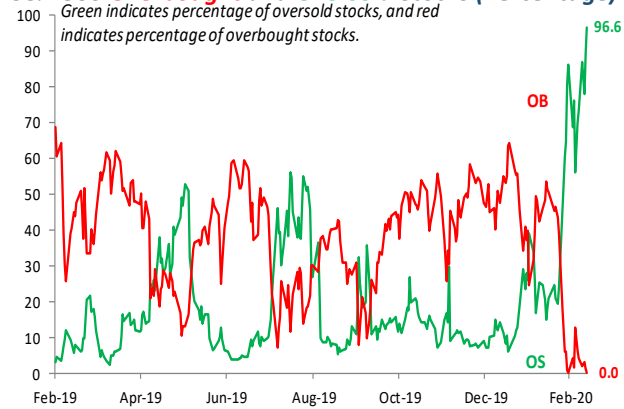
### S&P 500 Internals

Indicator	Change	Current	One Week Ago
50-Day Moving Avg Spread	↓	-22.7 %	-7.1 %
10-Day A/D Line	↑	-1595	-2176
# of Overbought Stocks	↓	0	32
# of Oversold Stocks	↑	483	350
P/E Ratio			
Trailing	↓	16.33	19.90
Forward	↓	16.00	17.54
Dividend Yield	↑	2.44 %	2.00 %
Net Earnings Revisions		-17.5 %	-17.5 %
<b>Credit Spreads (bps)</b>			
High Yield	↑	638	475
Corporate Bonds	↑	187	132

### Yesterday's Movers

Ticker	% Chg.	Occ.	Average Return (%)			
			Next Day		Next Week	
			Chg.	Percent Up	Chg.	Percent Up
TUP	20.1	4	0.7	50.0	-2.3	25.0
SWN	13.8	6	-1.0	33.3	-1.3	33.3
TWI	11.0	12	-0.2	33.3	-3.4	33.3
EXTN	10.8	5	5.5	80.0	-7.3	20.0
TVTY	-37.6	7	-1.1	42.9	-5.1	14.3
ERI	-37.5	6	1.2	50.0	-9.3	50.0
EPR	-36.0	1	0.6	100.0	0.0	0.0
NCLH	-35.8	2	-0.9	50.0	-33.1	0.0

### S&P 500 Overbought and Oversold Stocks (Percentage)



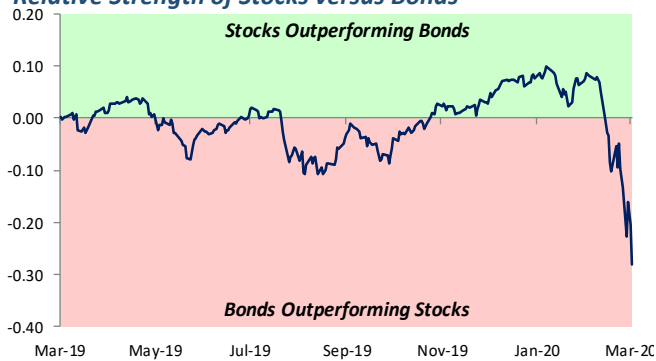
### Trading Ranges: Sectors

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

### S&P 500 Overbought Stocks Most Likely to Fall

Ticker	Price	Standard Deviations		Avg % Return (One Week)	Percent of Time Positive
		Above 50-Day Avg	Below 50-Day Avg		

### Relative Strength of Stocks versus Bonds



### Trading Ranges: Bonds/Commodities

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

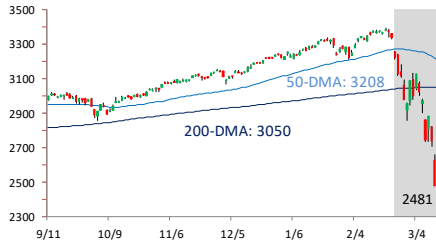
### S&P 500 Oversold Stocks Most Likely to Rise

Ticker	Price	Standard Deviations		Avg % Return (One Week)	Percent of Time Positive
		Below 50-Day Avg	Above 50-Day Avg		
SHW	486.38	-3.48		5.28	100.0
MS	31.24	-3.36		5.75	100.0
HUM	293.18	-3.34		13.29	100.0

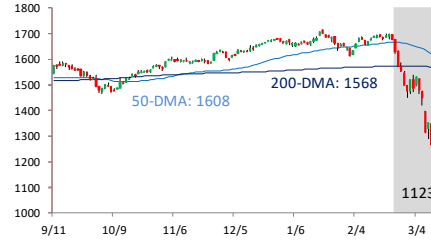
For an explanation of the first two pages of this report, please click [here](#).



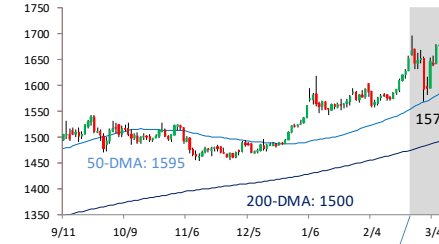
**S&P 500: Last Six Months**



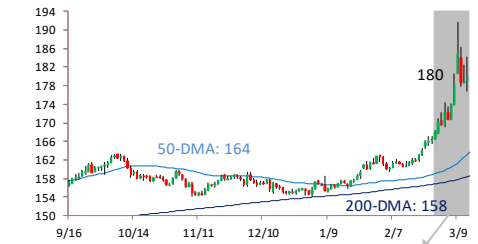
**Russell 2000: Last Six Months**



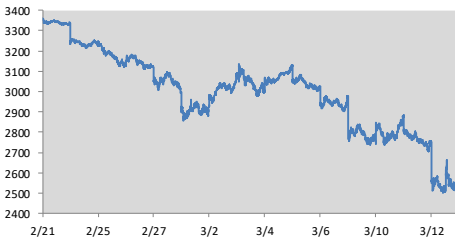
**Gold Future: Last Six Months**



**Long Bond Future: Last Six Months**



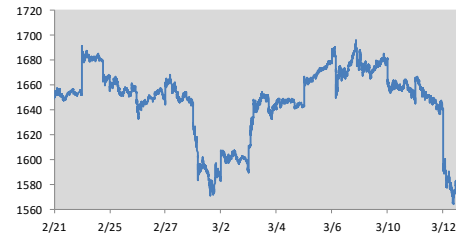
**S&P 500: Last 15 Trading Days**



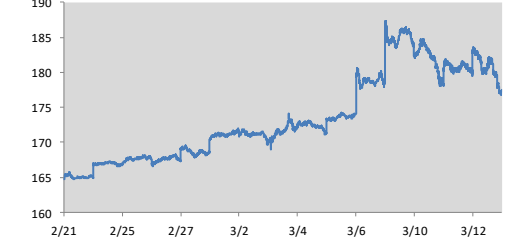
**Russell 2000: Last 15 Trading Days**



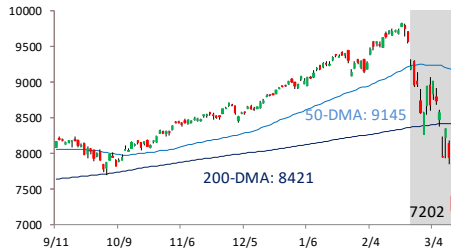
**Gold Front Month Future: Last 15 Trading Days**



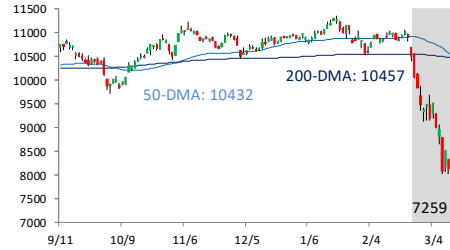
**Long Bond Future Intraday: Last 15 Trading Days**



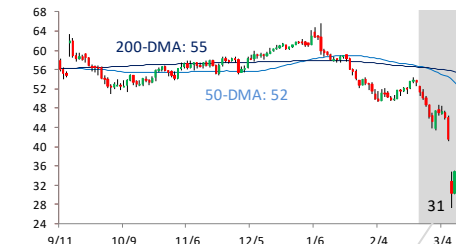
**Nasdaq Composite: Last Six Months**



**DJ Transports: Last Six Months**



**Oil Future: Last Six Months**



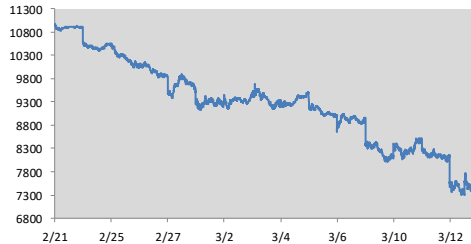
**BBG US Dollar Index: Last Six Months**



**Nasdaq Composite: Last 15 Trading Days**



**DJ Transports: Last 15 Trading Days**



**Oil Future: Last 15 Trading Days**



**BBG US Dollar Index: Last 15 Trading Days**





## Morning Commentary

**Overview:** After plunging until roughly midnight last night, S&P 500 futures have surged to a gain of 4.5%, the biggest bounce since...Tuesday. The 110 points futures are up at their trading limit is equivalent to less than half of yesterday's decline and is totally consistent with deeply oversold markets finding temporary relief after four days that put the S&P 500 on pace for its third-worst week *ever*. With futures limit up SPY is up 5.15% in the pre-market. There are some signs for optimism: rapid testing procedures are being rolled out including one from Roche which has received emergency FDA approval. Rates are arguably more optimistic than equities; the 30 year yield closed 4 days ago at 99.5 bps, having traded as low as 0.699% on the session. It is now 1.60%, and well off the highs of the day so far. The US 2s10s, 2s30s, and 10s30s curves are all at 52-week highs even after a *20 bps drop* from session wides in 2s30s. Oil is at session highs, up 7.3% and back above \$33, credit is indicated *21 bps* tighter for IG CDS and *78 bps* tighter for high yield. VIX is cratering 10 points but still trades at 65. [Global Economic Scorecard](#)

**APAC Markets:** Asia did *not* want to go out of the week short. In Australia, the ASX 200 was down 8.1% at the lows but closed up over 4%, a staggering 13.7% intraday rally that is almost beyond belief. India also closed higher, as did Thailand and Indonesia. Numerous markets hit circuit breakers early in the session before turning around and ripping into the close. Breadth was not as good as might be indicated; of the four markets that ended the day higher, two had negative breadth, and Australia's 3:1 positive breadth was much less impressive than might be expected from, a 4.4% gain. In FX, the trading activity is absolutely unbelievable: USDJPY is up almost 2% in a nearly uninterrupted overnight surge, AUD and NZD are both up over 1%, and IDR is down 1.7%.

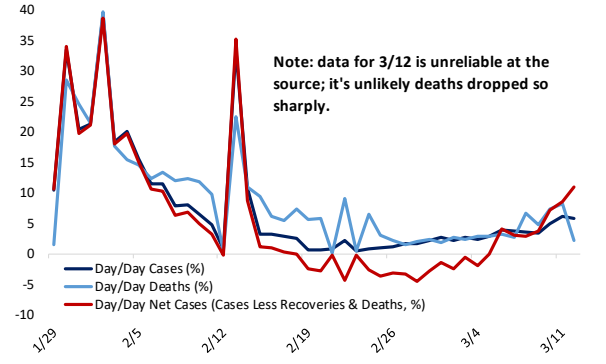
**Europe Markets:** 10 different STOXX 600 members are up at least 15% on the day spanning sectors including Utilities, Health Care, Industrials, Travel & Leisure, and Banks. At the group level, Travel & Leisure is still a laggard, but that group is up 2.4% on the day, substantially lagging the broader index. Utilities, Oil & Gas, and Resources are leading the charge with 8% gains. Despite that move and a 5.4% explosion higher for the STOXX 600 in aggregate, the *best-performing* group on the week is down 10.1% and the index as a whole is off 15%. That makes this the third-worst week for the index in its history, trailing October 2008's plunges and the week of Black Monday in 1987. With risk sentiment firmly on the bid today across markets, European interest rates are aggressively bear-steepening, with ECB comments appearing to back-stop sovereign spreads which had blown out over 100 bps in the past month (more on that below). Corporate credit started wider, rallied, took another look at a selloff, and has since been all bid with IG CDS 9 bps tighter on the day. A note of caution: while CDS and credit ETFs are *flying*, cash IG bonds are 4:1 wider in spread, with every IG and HY sector wider on the day. For now, it's hard to get excited about a real credit rally when the huge move higher in rates (Germany's 10y yield is up 14 bps) hasn't made a material dent in corporate spreads.

**ECB Reassurance:** After the ECB's underwhelming attempt to back-stop activity yesterday, sovereign bond spreads (especially Italy) surged on the assumption that unlike her predecessor, Christine Lagarde would not do "whatever it takes" to backstop sovereign yields. Today Italian central bank governor Iginio Visco reiterated that the ECB can front-load purchases of bonds if needed to support that country and others where spreads are exploding, and markets are giving that move a vote of confidence.



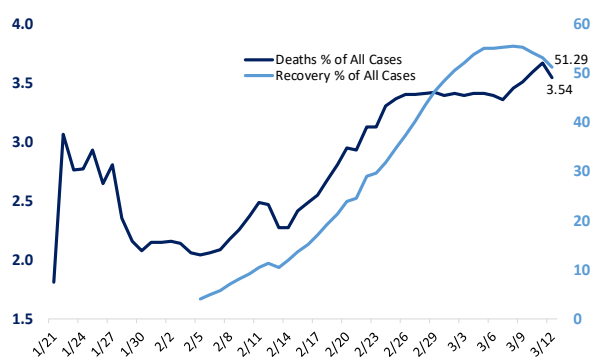
## Morning Commentary

### Temporary Peak In Case & Death Growth?

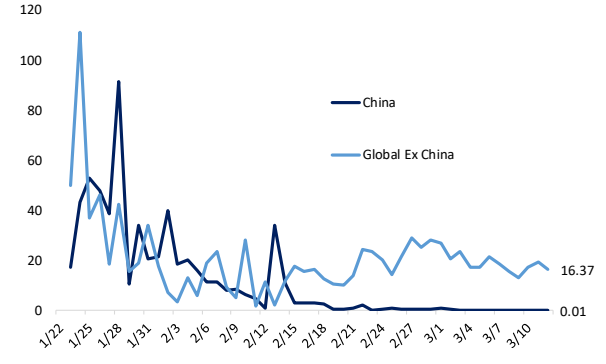


**Coronavirus:** We have updated the charts at left today, but note that due to what appears to be incomplete data entry in our source, we believe there is significant undercounting of total cases and deaths for the date March 12th. We have updated the case counts for major countries to be consistent with WHO numbers, but have not been able to do so for all countries, so please take these statistics with a grain of salt for today. We have more analysis on page 6.

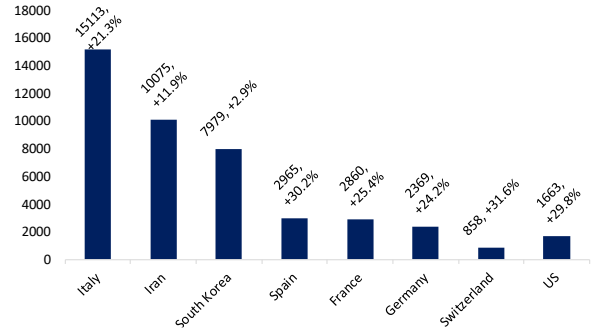
### Confirmed Recoveries >One-half of Cases, Deaths ~3.5% of Cases



### Global Case Count Still Doubling More Than Once Per Week



### Largest National Disease Clusters, w/ 1 Day % Change

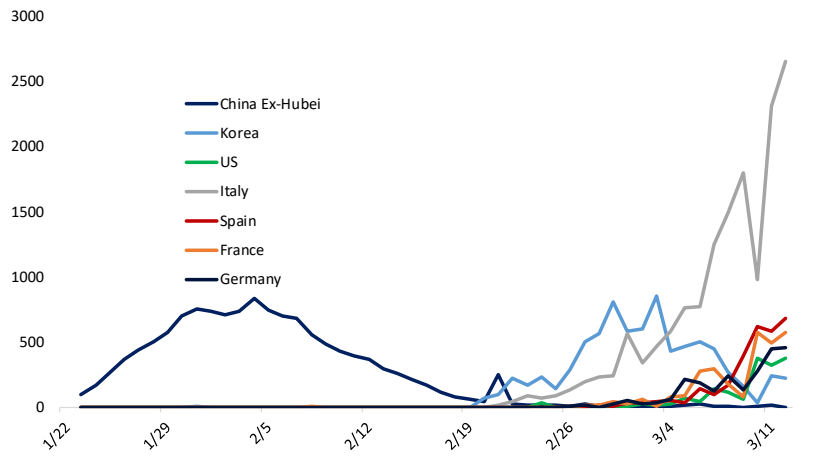




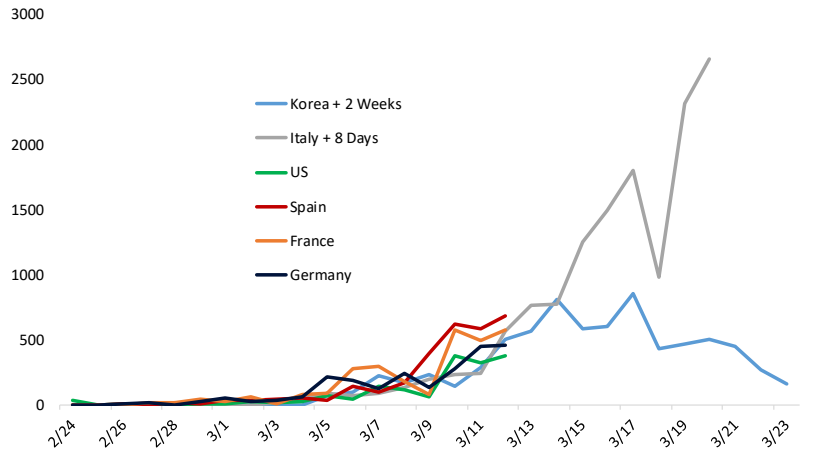
## Morning Commentary

**Are We Korea Or Italy?:** Unlike the aggregate global numbers, the charts below have been updated with high confidence for today. They show the day/day change in the number of new Covid-19 cases by country. We exclude Iran because of low data quality confidence, and Hubei because spread was not consistent with other experiences since (the virus circulated for at least a month and possibly much longer before full interdiction). As shown, both China ex-Hubei and Korea saw new case growth peak out at less than 1000 per day. In Italy, the number is north of 2500 and still climbing. The question then becomes: are other major economies (Western Europe and US) that are seeing rapid case count growth more analogous to Italy or Korea? For the US, we would argue that inadequate social distancing until recently, under-reporting via testing, and the potential for longer-term community spread than Italy mean we're leaning more Italian than Korean. However, there is no way to know until more tests become available, or until there a massive increase in severe cases that require major medical intervention (hopefully that doesn't happen). If the US is like Italy, though, one would expect to see that crush of demand for hospital beds to start this weekend or early next week. Again, fingers crossed, the US does not follow that path of Italy, but at this point it's impossible to know.

Actual New Cases, Day/Day



New Case Count Analogues (Day/Day Case Count Change)





## Morning Commentary

**US Markets:** Expect lots of optimism today to stem from the fact that Speaker Pelosi, Majority Leader McConnell, and President Trump have agreed on a Covid-19 relief package. However, with social distancing only really starting this week, lack of testing, and other capacity concerns this bill will not do anything to stop what has already happened. Also keep in mind that while it will soften the blow of slower activity via numerous provisions, it's not "stimulus" in any meaningful sense and therefore won't forestall or materially curtail the slowdown in economic activity. To stay on top of all the latest reports, make sure to check out our [Interactive Earnings Calendar](#). You can also follow US and Global data with our [Economic Scorecard](#).

### Major Asset Class Dashboard

Equity Futs					Commodity				
Asset	Level	Change	5d Chg	3m Chart	Asset	Level	Change	5d Chg	3m Chart
<i>(bps)</i>					<i>(bps)</i>				
S&P 500	2582.00	513.0	-1254.9		Gold	1585.30	-31.4	-531.0	
Russell	1163.40	523.7	-1912.4		Silver	15.79	-134.3	-896.5	
VIX Fut	55.40	-497.4	5316.6		WTI	33.24	552.4	-2003.8	
TSX	768.10	410.7	-1979.7		Copper	250.30	123.4	-199.7	
Trsy Yields					Int'l Equity				
2 Year	52.42	4.3	1.8		Nikkei	17431.05	-608.1	-1599.4	
5 Year	68.02	7.7	7.1		CSI 300	3895.31	-140.7	-587.7	
10 Year	92.65	12.2	16.4		ASX 200	5539.30	442.4	-1089.0	
30 Year	159.86	15.9	31.1		Stoxx 600	314.17	652.4	-1434.8	
Curves/BE					FX				
2s10s	39.64	8.0	15.0		BBG USD	1223.59	25.6	247.9	
5s30s	91.04	8.2	23.4		EURUSD	1.1145	-35.8	-123.2	
5 Yr BE	65.36	8.0	-52.5		USDJPY	106.60	187.3	114.8	
10 Yr BE	95.75	8.9	-36.1		EM FX	56.31	109.5	-277.1	
Eurodollars					Credit				
Mar '20	99.14	-8.8	9.3		CDX IG	118.00	-15.0	34.8	
Jun '20	99.47	-7.0	11.0		iTraxx IG	109.65	-9.3	29.9	
Sep '20	99.59	-2.5	15.0		CDX HY	606.14	-11.6	163.5	
Dec '20	99.57	-2.5	16.5		iTraxx HY	522.19	-6.4	141.7	