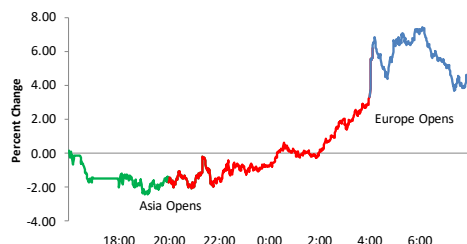




Today's Events

Overnight Trading



Other Markets

Japan	↓	-1.0 %
China	↑	1.8
Germany	↑	4.2
UK	↑	1.7
Oil	25.83	↑ \$0.6
Gold	1507.3	↑ \$28.0
\$/Euro	0.933	↓ 0.00
\$/Yen	110.08	↓ -0.6
10-Yr	1.02	↓ -0.12

Noteworthy Macro Events

- US Futures Indicate First Back to Back Gains for S&P 500 Since 2/12.

Overnight Trading

Trading Up (\$):

AMZN (65.07), GOOGL (35.71), CMG (28.97), NFLX (16.09), BIIB (15.54), TSLA (12.86)

Trading Down (\$):

BMRA (-4.35), APRN (-1.32), RMD (-1.09), NBY (-0.29), LXR (-0.26), APDN (-0.22)

Stock Specific News of Note

Ticker	News
APRN	Confirms a sharp increase in consumer demand over the last week.
BA	Reuters reports that company is mulling production cuts due to Covid-19.
CRWD	Beat EPS forecasts by 6 cents (-0.02 vs -0.08) on stronger revenues; raised guidance.
CTAS	Beat EPS forecasts by 13 cents (2.16 vs 2.03) on inline revenues; withdraws guidance.
HIBB	Missed EPS forecasts by 10 cents (0.51 vs 0.61) on stronger revenues.
JNJ	Says supply chain is holding steady and meeting patient needs.
KSS	Announces temporary closure of all stores nationwide until at least 4/1.
MO	Suspends operations at Richmond plant after 2nd employee tests positive for Covid-19.
OLLI	Missed EPS forecasts by 2 cents (0.74 vs 0.76) on weaker revenues.
SCHL	Beat EPS forecasts by 30 cents (-0.34 vs -0.64) on stronger revenues.
TIF	Missed EPS forecasts by 9 cents (1.66 vs 1.75) on inline revenues.
TSLA	Temporarily suspends production at Fremont and NY facilities.

Analyst Actions

Upgrades

Ticker	Firm	From	To
AFL	RBC Capital	Underperf	Mkt Perf
CAH	Merrill	Underperf	Buy
GILD	Piper	Neutral	Overwgt
ORCL	JP Morgan	Neutral	Overwgt
SNAP	Wells Fargo	Mkt Wgt	Overwgt
UBER	Wells Fargo	Mkt Wgt	Overwgt

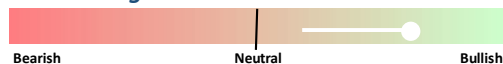
Downgrades

Ticker	Firm	From	To
ATH	RBC Capital	Outperf	Mkt Perf
BBBY	KeyBanc	Overwgt	Mkt Wgt
CTAS	Baird	Outperf	Neutral
DLTH	Baird	Outperf	Neutral
OXY	Wells Fargo	Mkt Wgt	Underwgt
PRU	RBC Capital	Outperf	Mkt Perf

Initiations/Reiterations

Ticker	Firm	Action	Rating
AMAT	Mizuho	Initiated	Buy
GIII	Telsey	Reiterated	Mkt Perf
LVGO	Stifel	Initiated	Buy
RH	Telsey	Reiterated	Mkt Perf
TSCO	Jefferies	Initiated	Hold

Market Timing Model



Category	Expected S&P 500 Return (%)		
	One Week	Two Weeks	One Month
Sentiment	0.06	0.07	0.36
Technicals	0.54	0.64	1.61
Fundamental	-0.14	-0.23	0.00
Overall	0.25	0.20	1.05
Average (all days)	0.13	0.25	0.51

Indicators/Events

Time	Event	Estimate	Last Report						
			Date	Est	Act.	Diff.	S&P	Best	Worst
10:00	Existing Home Sales	5.51 mln	2/21	5.44	5.46	0.02	-1.05	C St.	Tech
13:00	Baker Hughes Rig Count								

Tomorrow

Economic Indicators & Events

Time	Event	Estimate	Last Report		
			Date	Act. vs. Est.	S&P
8:30	Chicago Fed NAI	n/a	2/24	-0.07	-1.05

Earnings Reports

Ticker	Date	TOD	Estimate	
			EPS	Revs.
REV	3/23/20	AM	-1.09	553.0
SY	3/23/20	AM	0.84	342.0
ADUS	3/23/20	PM	0.63	181.5

Conferences & Meetings

13:00 Baker Hughes Rig Count

Dividends & Splits

Ticker	Date	Dividend	Split
FTI	0.13		

Index Changes

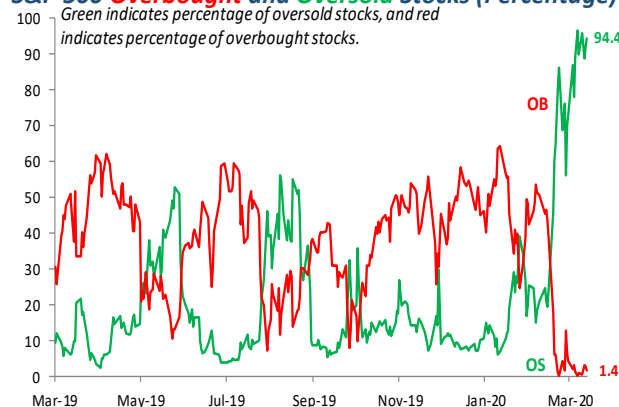
None



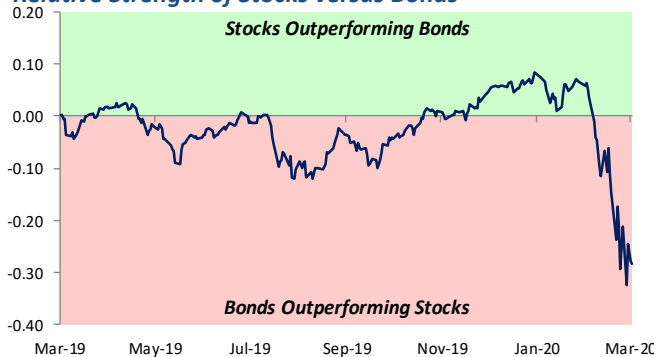
S&P 500 50-Day Moving Average Spread



S&P 500 Overbought and Oversold Stocks (Percentage)



Relative Strength of Stocks versus Bonds



S&P 500 Internals

Indicator	Change	Current	One Week Ago
50-Day Moving Avg Spread	↓	-23.1 %	-22.7 %
10-Day A/D Line	↑	-1411	-1595
# of Overbought Stocks	↑	7	0
# of Oversold Stocks	↓	472	483
P/E Ratio			
Trailing	↓	15.85	16.32
Forward	↓	14.35	14.57
Dividend Yield	↑	2.52 %	2.44 %
Net Earnings Revisions		-17.5 %	-17.5 %
Credit Spreads (bps)			
High Yield	↑	742	661
Corporate Bonds	↑	222	196

Trading Ranges: Sectors

Index/Sector	Current	1 Wk Ago	OS	N	OB
S&P 500	OS	OS	●		
Cons Discret.	OS	OS	●		
Cons Staples	OS	OS	●		
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	OS	●		

Trading Ranges: Bonds/Commodities

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

Yesterday's Movers

Ticker	% Chg.	Occ.	Average Return (%)			
			Next Day		Next Week	
			Chg.	Percent Up	Chg.	Percent Up
PVAC	146.0	5	-5.9	40.0	-18.4	40.0
GES	124.5	6	-1.2	66.7	3.1	66.7
DBI	85.2	4	-1.2	25.0	-5.1	50.0
PLAY	76.6	2	-1.4	0.0	-2.6	0.0
SABR	-26.3	8	0.6	50.0	-24.8	0.0
AMN	-16.9	2	0.7	50.0	1.5	50.0
ANDE	-14.0	4	-0.7	50.0	-2.9	50.0
WEC	-13.5	0	n/a	n/a	n/a	n/a

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
None				

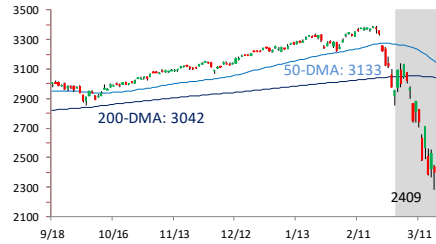
S&P 500 Oversold Stocks Most Likely to Rise

Ticker	Price	Standard Deviations Below 50-Day Avg	Avg % Return (One Week)	Percent of Time Positive
NOW	277.67	-1.70	3.55	60.9
UNH	219.80	-2.83	3.89	50.0

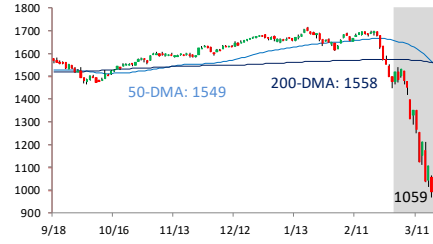
For an explanation of the first two pages of this report, please click [here](#).



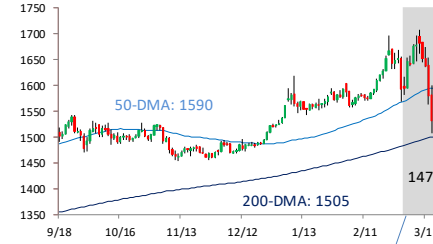
S&P 500: Last Six Months



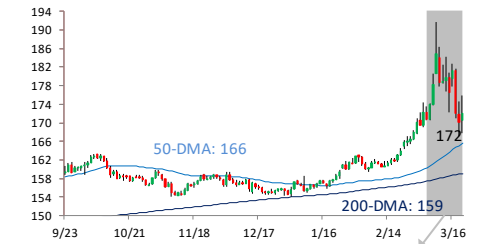
Russell 2000: Last Six Months



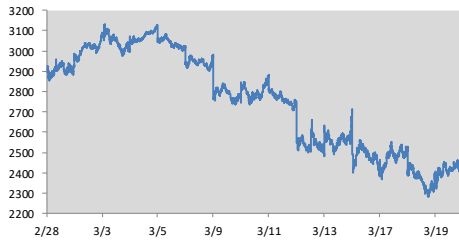
Gold Future: Last Six Months



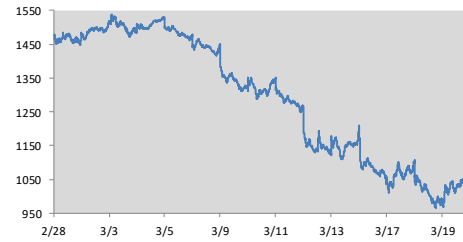
Long Bond Future: Last Six Months



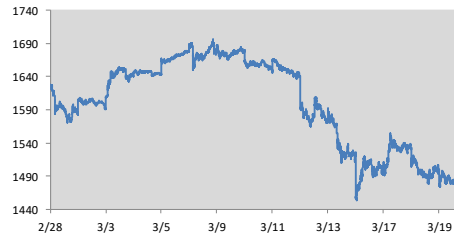
S&P 500: Last 15 Trading Days



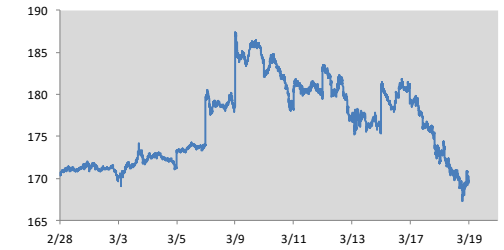
Russell 2000: Last 15 Trading Days



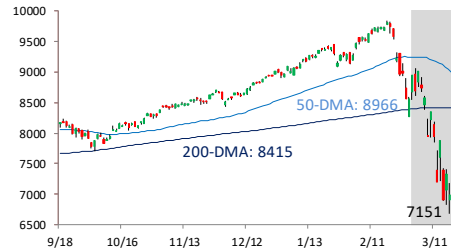
Gold Front Month Future: Last 15 Trading Days



Long Bond Future Intraday: Last 15 Trading Days



Nasdaq Composite: Last Six Months



DJ Transports: Last Six Months



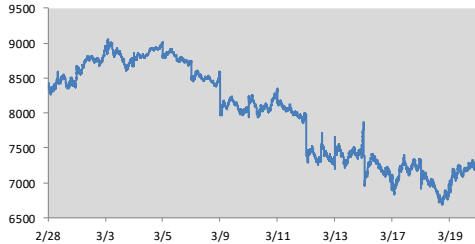
Oil Future: Last Six Months



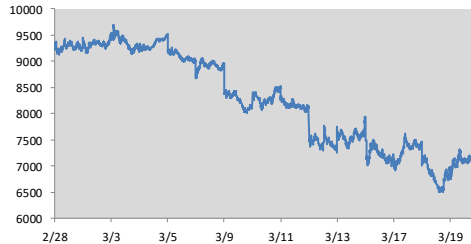
BBG US Dollar Index: Last Six Months



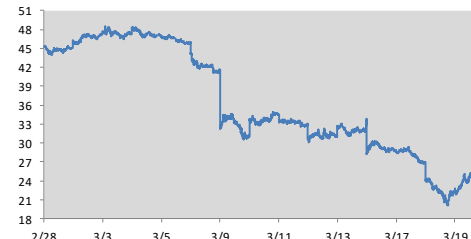
Nasdaq Composite: Last 15 Trading Days



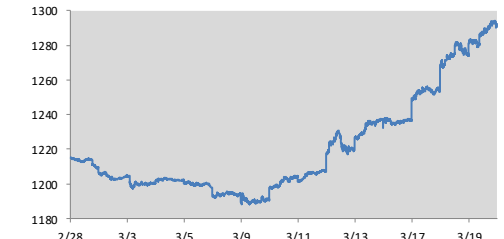
DJ Transports: Last 15 Trading Days



Oil Future: Last 15 Trading Days



BBG US Dollar Index: Last 15 Trading Days

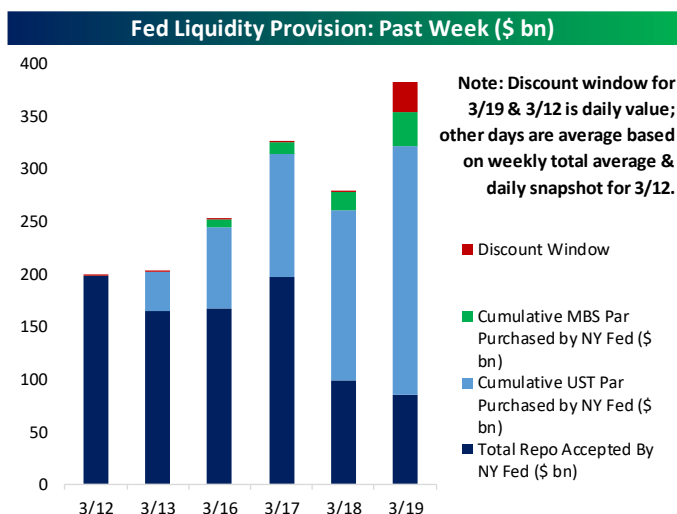




Morning Commentary

Overview: US markets are showing broad gains that include moves higher in just about every financial asset except for volatility products and the US dollar. Bonds, stocks, oil, copper, gold, and credit are all rallying this morning though unlike APAC and Europe overnight, the moves higher look pretty reasonable and restrained. That would be a *huge* improvement for the function and orderliness of US financial markets even if we have not yet seen a major bottom for equities start to carve out yet. Futures are up 4% from their close last night, but SPY is up 1.5% from its cash close last night; that's the correct reference point for where stocks ought to open. If the S&P 500 can close the day higher (it very much remains to be seen if that's the case, of course) it would be the first back-to-back close higher in over a month, since February 12th. [Global Economic Scorecard](#)

Fed Program Uptake: While we still have not yet seen how much uptake there is for new facilities like the primary dealer credit facility (PDCF) and money market liquidity facility (MMLF), early results from Fed liquidity operations have been promising; almost \$400bn of reserves have been provided to the financial system over the last week when including repo programs, Treasury purchases, and MBS purchases as well as the discount window; we show those at right. This doesn't fix anything, but rapid Fed action is a vastly preferable state of affairs to collapsing liquidity *without* support from the central bank to insure "cash" is available on demand. We talk about liquidity more on the next page.



APAC Markets: A major relief rally ripped through Asia last night as Taiwan surged 6.4%, Korea popped 7.4%, Hong Kong popped 5.0%, and India gained 5.8%. The same was true in local market FX as dollar liquidity swaps started to stabilize markets across the region; KRW was up 3%, AUD up 2.7%, and NZD up 1.5%. We note that this all took place with US equity index futures either down versus the close or up only very modestly on the session.

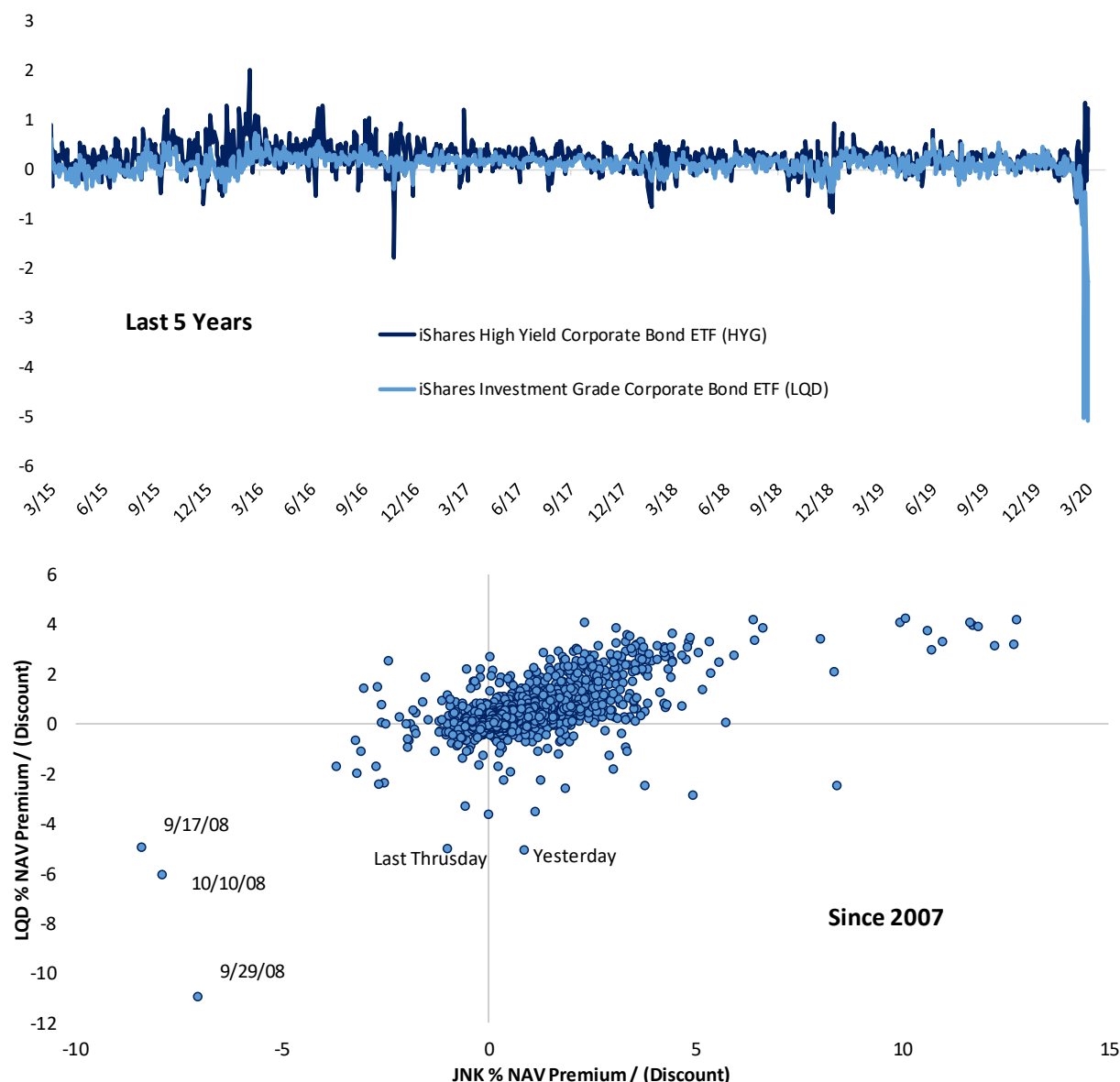
Europe Markets: Food & Beverage as well as Health Care are down, but the rest of Europe is up markedly this morning. With the STOXX 600 up 2.5%, we urge caution; Travel & Leisure stocks are surging 8.4% to lead the charge, but these names are not seeing any improvement *at all* in their underlying businesses from news flow today. Instead, this looks like a classic oversold pop, something that applies broadly across the region. Sovereign spreads are still relatively high given the ECB PEPP, and the decline in German rates today (30y rates off 10.7 bps) is larger than that of Italy or France. EURUSD is up, but off its best levels of the session, while credit markets are seeing collapsing spreads in both CDS and cash markets. Interestingly, ETFs are leading the charge; London-traded EUR high yield fund IHYG is showing an implied spread change of -115 bps versus -5.3 bps for cash HY bonds and -37 bps for iTraxx Xover, the European high yield CDS index.



Morning Commentary

Liquidity: We continue to see very strange events in fixed income markets. One example this morning is the fact that as-of the close last night, JNK (high yield bonds) traded above the underlying marks for its bonds while LQD (investment grade bonds) traded more than 5% *below* the value of its assets! This is the opposite of what we would expect if dislocations in funds and fixed income markets more generally were purely a function of credit quality, this would be reversed. Instead, to us this is a sign of breakdowns in how these markets function rather than a huge and fundamental shift in risk appetite based on the pending economic shock. Restoring orderly market function should be a top priority for the Federal Reserve at this stage.

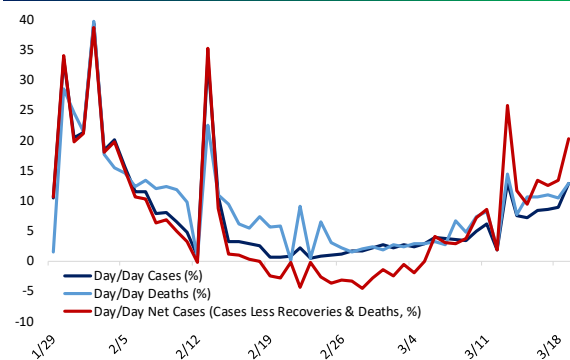
Corporate Bond ETF Liquidity Implies Investment Grade Suffering Worse Than High Yield



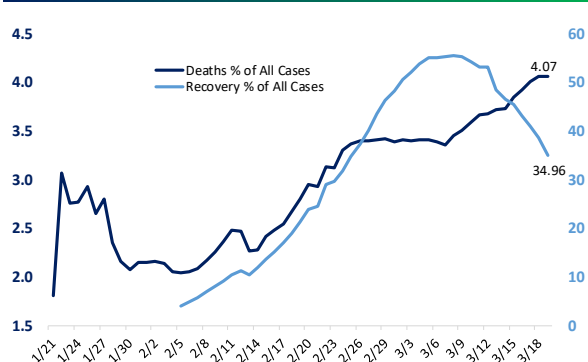


Morning Commentary

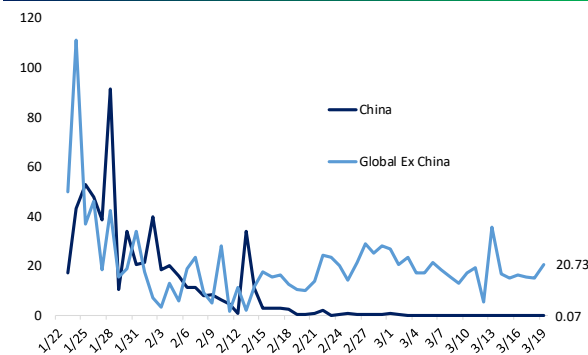
Cases & Deaths Keep Climbing



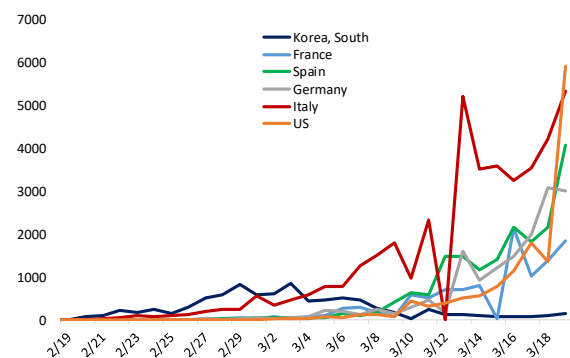
Deaths At 4% of Reported Cases



Global Case Count Still Doubling More Than Once Per Week



As US Testing Comes Online, Case Count Explodes



Coronavirus: With testing surging across the US, COVID-19 cases are exploding in this country. Yesterday saw a 75% increase in cases, with US case count rising by 5,894 cases. For context, that raw increase in a single day is a bigger jump than the total case count in every country save China, Italy, Iran, Germany, France, and South Korea. The UK has 2,717 cases, fewer than one-half as many new cases as the US reported yesterday.

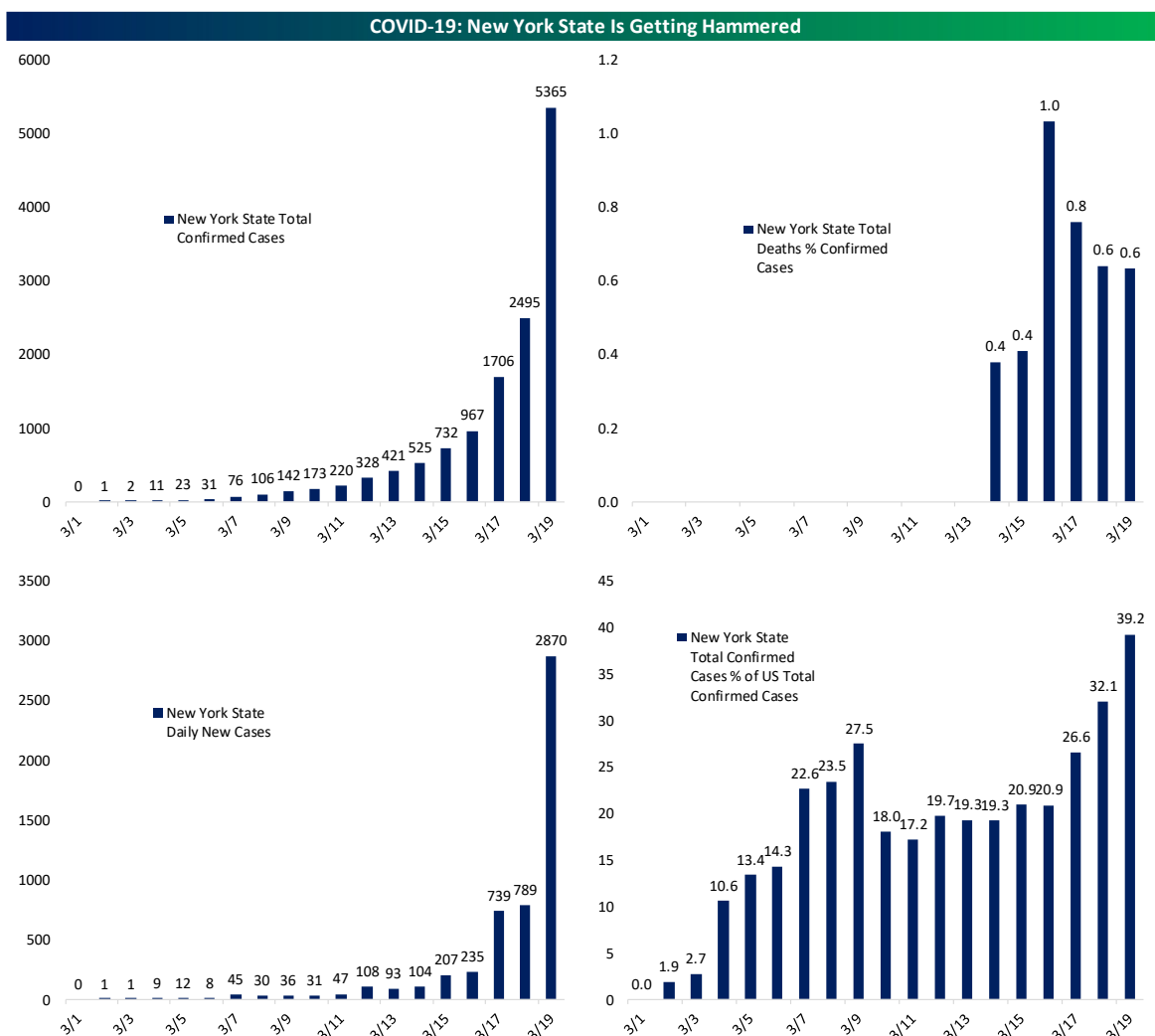
Of course, that surge in reported cases is *not* a function of changes in the spread of the disease over recent days. With large swathes of the country shut down, there is no reason to suspect the growth in cases is accelerating. Rather, it's a function of testing capacity coming online. The US is now capable of running tens of thousands of tests per day, up from barely any at all a couple of weeks ago. Of course, it's more than disappointing that testing capacity took so long to ramp up, but it is now here. With that capacity comes the ability to confirm cases, and as shown in the charts at left the result is a noticeable acceleration in the global growth of new cases. The US also has the dubious honor of being the fastest country to reach 10,000 cases, because community transmission was likely underway for a month or more before social distancing went into widespread effect. With all of California (40mm citizens and the sixth-largest economy in the world) under volunteer shelter-in-place orders as well as projections for at least 10,000 more serious cases than available hospital beds (per Governor Newsom last night) and massive resource deployment starting up at the federal government level (again, late, but certainly under way) the crisis is shifting from one of growth rates and potential impacts on economies to a more dramatic mass struggle in some of the largest population centers nationally. We look at New York specifically on the next page.



Morning Commentary

Coronavirus In The Empire State: New York state is home to almost 6% of the national population so it's to be expected that it would play host to a large number of COVID-19 cases, but through yesterday things looked much more severe than that. More than 5000 cases have been reported, a number more than *doubled* in yesterday's reporting.

With mass testing capacity *finally* coming online, most of that growth is a function of swabs getting processed and cases getting tested. Until this week, obtaining a test in the state was nearly impossible. Real-time trackers for flu-like symptoms show a similar and accelerating surge in cases for New York City specifically, the epicenter of the New York State outbreak. Luckily, death rates have been quite low so far; as a percentage of total confirmed cases, fewer than 1% of New York's cases have resulted in death. That number will rise or fall over time depending on what sort of populations have the disease and how broadly testing can be distributed, but for now it's encouragingly low. New York is ground zero for case growth in the US for the foreseeable future; it has almost 40% of cases and rising. Again, though, the high number of cases is partly a reflection of increased testing in the state.





Morning Commentary

US Markets: Expect more headlines from DC this morning as Senate Republicans delivered a much smaller-than-hoped-for stimulus package following their conference last night. Without very large stimulus against the backdrop of government mandated shutdowns, it will be hard for markets to carve out a major bottom. 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

Asset	Level	Change	5d Chg	3m Chart	Asset	Level	Change	5d Chg	3m Chart
		(bps)					(bps)		
Equity Futs	S&P 500	2389.00	0.0	-198.0	Commodity	Gold	1473.00	0.0	-653.0
	Russell	1039.80	0.0	-496.3		Silver	12.15	0.0	-2320.6
	VIX Fut	66.30	0.0	4002.1		WTI	25.08	0.0	-1907.1
	TSX	734.80	342.0	16.4		Copper	215.40	0.0	-1177.6
Trsy Yields	2 Year	45.07	-8.3	-3.0	Int'l Equity	Nikkei	16552.83	-103.9	-1081.3
	5 Year	68.72	-10.1	8.4		CSI 300	3589.09	-129.7	-915.8
	10 Year	114.04	-5.1	33.6		ASX 200	4782.94	-343.7	-983.5
	30 Year	178.48	-0.3	34.5		Stoxx 600	287.80	291.1	-241.8
Curves/BE	2s10s	68.33	3.2	36.7	FX	BBG USD	1291.54	137.0	582.3
	5s30s	109.09	9.5	26.2		EURUSD	1.0664	-26.2	-465.8
	5 Yr BE	22.20	4.7	-35.2		USDJPY	110.93	19.9	601.1
	10 Yr BE	55.21	-6.1	-31.6		EM FX	53.26	33.0	-438.6
Eurodollars	Mar '20	99.35	0.0	-15.0	Credit	CDX IG	141.84	0.6	3.0
	Jun '20	99.53	0.0	-8.0		iTraxx IG	118.15	-15.0	-2.8
	Sep '20	99.51	0.0	-8.5		CDX HY	783.32	7.7	98.0
	Dec '20	99.54	0.0	-10.0		iTraxx HY	679.29	-4.5	121.6