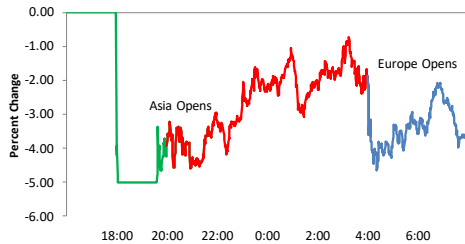




Today's Events

Overnight Trading



Other Markets

Japan	↑	2.0 %
China	↓	-3.4
Germany	↓	-3.4
UK	↓	-4.3
Oil	22.17 ↓	-\$0.5
Gold	1498.1 ↑	\$13.5
\$/Euro	0.933 ↓	0.00
\$/Yen	110.39 ↑	0.5
10-Yr	0.75 ↓	-0.09

Noteworthy Macro Events

- Fed Announces Unlimited QE, Aid For Companies and Munis.

Overnight Trading

Trading Up (\$):

DHR (11.19), TDOC (6.24), ZM (5.84), NFLX (5.76), BA (3.69), APRN (2.8)

Trading Down (\$):

GOOGL (-30.2), AMZN (-26.07), TSLA (-10.02), MA (-8.72), RACE (-7.27), AMGN (-7.25)

Stock Specific News of Note

Ticker	News
BA	Suspends dividend and share repurchase programs until further notice.
BBY	Withdraws full year guidance but reports surge in demand for work from home products.
CVS	Announces that it will hire an additional 50K workers in response to coronavirus.
DE	Withdraws full year guidance due to Covid-19.
DG	Announces it will hire up to 50K additional workers to support operations.
DHR	Cepheid unit receives emergency authorization for rapid SARS-CoV-2 test.
F	Suspends production in India, South Africa, Thailand, and Vietnam.
GS	Announces it has injected \$1 bln into its own money market funds to stem withdrawals.
HAS	CEO tells CNBC that Chinese production will be at full capacity by the end of next week.
M	Withdraws 2020 sales and earnings guidance; suspends dividend.
MCD	Announces plans to close all UK and Ireland stores until further notice.
OXY	Reuters report that Carl Icahn and company are nearing a deal over proxy battle.
PTON	Highlighted positively in Barron's citing closure of gyms throughout the country.

Barron's article says that stock of big banks look appealing.

Analyst Actions

Upgrades

Ticker	Firm	From	To
BA	Goldman	Neutral	Buy
CSX	MStanley	Underwgt	Mkt Wgt
KO	JP Morgan	Neutral	Overwgt
NFLX	Baird	Neutral	Outperf
PEP	MStanley	Mkt Wgt	Overwgt
UNP	MStanley	Underwgt	Mkt Wgt

Downgrades

Ticker	Firm	From	To
ABBV	SocGen	Buy	Hold
CCL	Wells Fargo	Overwgt	Underwgt
CGNX	MStanley	Mkt Wgt	Underwgt
HON	MStanley	Overwgt	Mkt Wgt
T	Baird	Outperf	Neutral
UAL	Merrill	Buy	Neutral

Initiations/Reiterations

Ticker	Firm	Action	Rating
IIVI	Barclays	Initiated	Overwgt
NKE	Pivotal	Reiterated	Buy
SCVL	Pivotal	Reiterated	Buy
TMUS	Merrill	Initiated	Buy

Tomorrow

Economic Indicators & Events

Time	Event	Estimate	Last Report		
			Date	Act. vs. Est.	S&P
9:45	Markit Manufact PMI	44.0	3/2	-0.1	6.18
9:45	Markit Svcs PMI	42.0	3/4	0.0	4.22
10:00	New Home Sales	750K	2/26	46	-0.38
10:00	Richmond Fed	-10	2/25	-12	-3.03

Earnings Reports

Ticker	Date	TOD	Estimate	
			EPS	Revs.
CCL	3/24/20	AM	0.31	4,632.4
CONN	3/24/20	AM	0.35	412.2
FLR	3/24/20	AM	0.22	4,914.7
INFO	3/24/20	AM	0.64	1,083.1
LX	3/24/20	AM	3.62	3,066.0
QIWI	3/24/20	AM	18.69	6331
AIR	3/24/20	PM	0.64	551
HOME	3/24/20	PM	0.37	398
NKE	3/24/20	PM	0.63	9931
SCS	3/24/20	PM	0.32	916
SNX	3/24/20	PM	3.11	5393

Conferences & Meetings

None

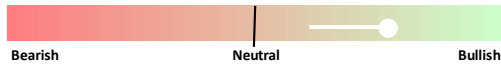
Dividends & Splits

LRCX	1.15	STX	0.65
MO	0.84	AHH	0.22

Index Changes

None

Market Timing Model



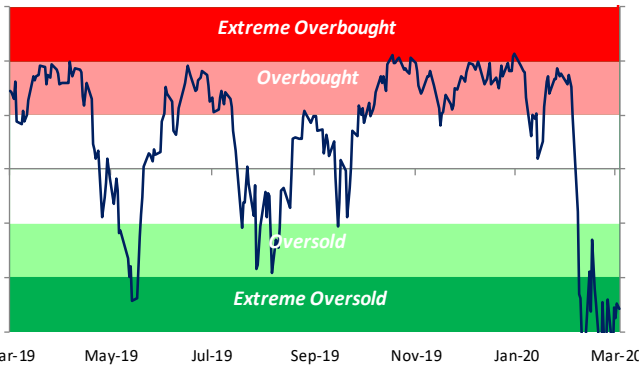
Category	Expected S&P 500 Return (%)		
	One Week	Two Weeks	One Month
Sentiment	0.08	0.38	0.47
Technicals	0.64	0.69	1.34
Fundamental	-0.13	0.18	0.28
Overall	0.34	0.38	0.71
Average (all days)	0.13	0.25	0.51

Indicators/Events

Time	Event	Estimate	Last Report						
			Date	Est	Act.	Diff.	S&P	Best	Worst
8:30	Chicago Fed NAI	n/a	2/24	-0.18	-0.25	-0.07	-1.05	C St.	Tech



S&P 500 50-Day Moving Average Spread



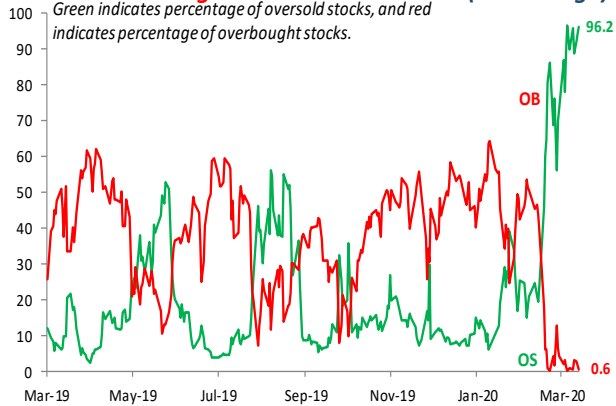
S&P 500 Internals

Indicator	Change	Current	One Week Ago
50-Day Moving Avg Spread	↓	-26.0 %	-15.2 %
10-Day A/D Line	↓	-1410	-872
# of Overbought Stocks	↓	3	4
# of Oversold Stocks	↑	481	450
P/E Ratio			
Trailing	↓	15.16	17.83
Forward	↓	14.49	15.99
Dividend Yield	↑	2.63 %	2.24 %
Net Earnings Revisions			
Credit Spreads (bps)			
High Yield	↑	982	431
Corporate Bonds	↑	351	229

Yesterday's Movers

Ticker	% Chg.	Occ.	Average Return (%)			
			Next Day		Next Week	
			Chg.	Percent Up	Chg.	Percent Up
FRGI	47.0	3	-7.4	66.7	1.1	33.3
SGMS	40.8	9	-1.5	44.4	-4.1	44.4
PENN	29.6	4	-0.9	75.0	-11.6	75.0
TVTY	24.3	3	-1.5	33.3	0.7	66.7
UFI	-31.0	5	5.6	100.0	0.7	60.0
IPAR	-31.0	5	5.6	100.0	0.7	60.0
NXRT	-28.2	3	6.2	66.7	3.9	66.7
PBI	-24.8	7	0.1	28.6	1.5	57.1

S&P 500 Overbought and Oversold Stocks (Percentage)



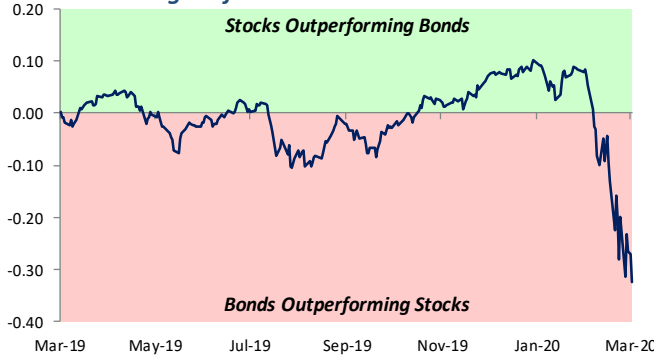
Trading Ranges: Sectors

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

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		
None					

Relative Strength of Stocks versus Bonds



Trading Ranges: Bonds/Commodities

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

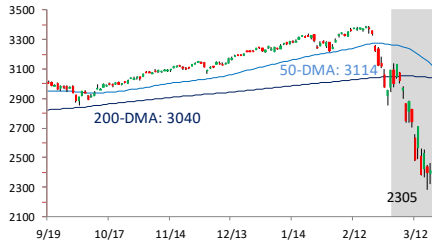
S&P 500 Oversold Stocks Most Likely to Rise

Ticker	Price	Standard Deviations		Avg % Return (One Week)	Percent of Time Positive
		Below 50-Day Avg	Above 50-Day Avg		
UNH	206.59	-3.04		4.18	50.0
K	55.81	-2.85		2.71	87.5
ATO	86.20	-3.43		2.91	100.0
ED	72.59	-3.57		5.28	100.0

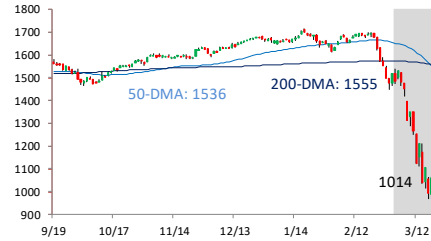
For an explanation of the first two pages of this report, please click [here](#).



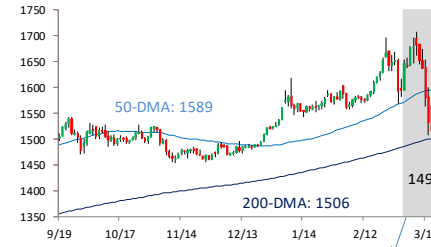
S&P 500: Last Six Months



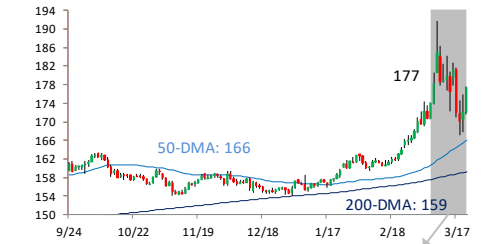
Russell 2000: Last Six Months



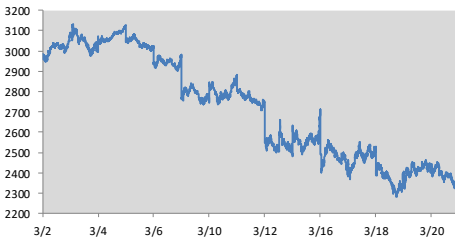
Gold Future: Last Six Months



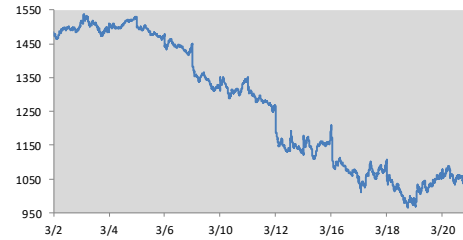
Long Bond Future: Last Six Months



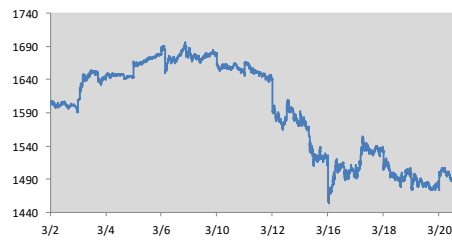
S&P 500: Last 15 Trading Days



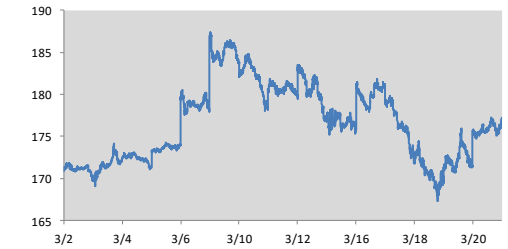
Russell 2000: Last 15 Trading Days



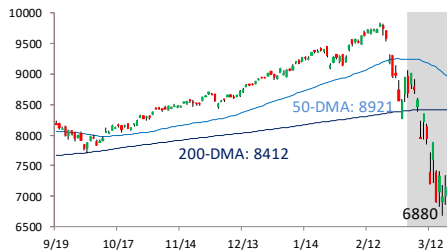
Gold Front Month Future: Last 15 Trading Days



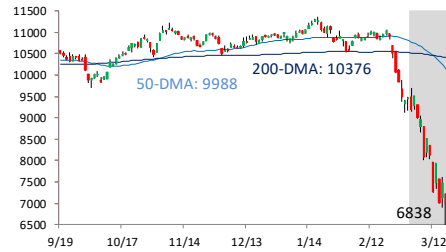
Long Bond Future Intraday: Last 15 Trading Days



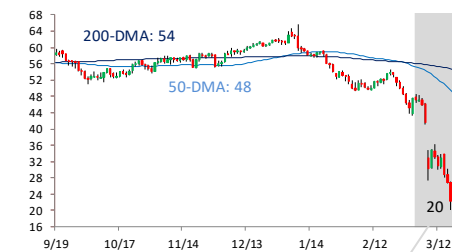
Nasdaq Composite: Last Six Months



DJ Transports: Last Six Months



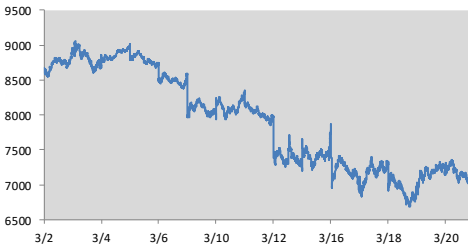
Oil Future: Last Six Months



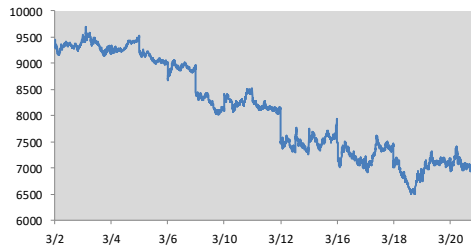
BBG US Dollar Index: Last Six Months



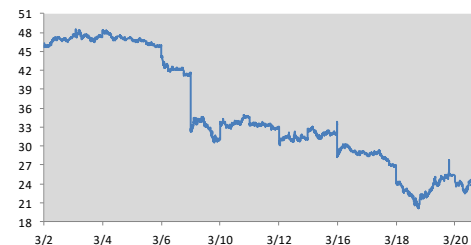
Nasdaq Composite: Last 15 Trading Days



DJ Transports: Last 15 Trading Days



Oil Future: Last 15 Trading Days



BBG US Dollar Index: Last 15 Trading Days





Morning Commentary

Overview: US equity markets traded limit down at the open last night after the failure of agreement between Democrats and Republicans on a fiscal package; the Senate adjourned until noon today but negotiations continued overnight so watch for headlines there throughout the morning. After bouncing off the limit down -5% level multiple times last night, futures got as high as 2240 before plunging again as the US geared up and just until recently were pointing to a 3% gap down at the open. Corporate credit spreads were getting smashed higher on both sides of the Atlantic this morning but we do note that MBS markets are seeing a more orderly backdrop and sovereign spreads in Europe are not flying wider thanks to ECB policy. Oil is just worse than flat having surged off \$21 overnight trades to \$23, while the dollar is up 30 bps in a back-and-forth session. [Global Economic Scorecard](#)

Policy Response: We said futures were indicating a 3% decline, but just now it Fed announced a massive and we mean massive new program that includes buying corporate bonds both from the market and direct lending to corporates, as well as a swathe of other credit provision activities in partnership with the Treasury. We will have more details tonight in *The Closer*. Congress is also considering a package that would create a “very, very large” credit facility (with an equity funding grant via Treasury and loans via the Federal Reserve) to buy corporate bonds and municipal debt. The broader fiscal package currently flailing in Congress; Republicans and Democrats were not able to agree on a Senate proposal last night. The core tenants that have been agreed to include \$600 per week per person in unemployment benefits, \$75bn in health spending, and large chunks for transit, education, and SNAP. But House votes don’t exist for the highly discretionary \$500bn in corporate aid, just as the Senate has refused to pass more generous and broad cash payments to all Americans. *We are confused why either side is rejecting any spending at this stage*, given the fact that the US is set to print north of 1mm (and possibly into the 2mm range) in initial jobless claims this week. With three different GOP Senators in isolation after Sen. Rand Paul (KY) tested positive for the virus, the Senate may be forced to pass new rules around voting or control could actually pass to Democrats, making the typical legislative morass even more fraught.

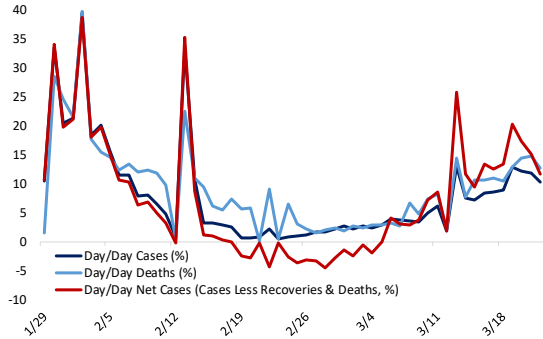
APAC Markets: Despite a limit down print for US futures at the open last night in response to the breakdown of Congressional talks, Tokyo managed to finish green on the session. Things were worse in the rest of the region as A-shares plunged 3.4% and actually outperformed. Korea, Taiwan, Singapore, Thailand, and Indonesia got hammered as well. India’s equity market fell 13% (the worst day ever for the SENSEX) as COVID-19 spread and the government instituted a lockdown on activity. That market is down 38% off recent highs. In FX, yen gained versus the dollar and every other currency plunged.

Europe Markets: The STOXX 600 was just down 3.9% but is now well off session lows this morning, though all sectors are lower. Oil & Gas, which is down 48% year-to-date, is off just 1%, the best-performing sector. Resources, Travel & Leisure, Media, and Food & Beverage were all down 5% or more this morning. More concerning was that while sovereign spreads are only slightly wider, corporate credit is getting hit again with iTraxx Main 10 bps wider, cash bonds almost universally higher in spread, and a 120 bps spread widening to an implied spread over 1000 bps (the level of spread where bonds are considered “distressed”) for the London-traded ETF tracking EUR high yield. EURUSD is having a basket case session with 3:00 AM session highs but a retreat to just worse than flat since.

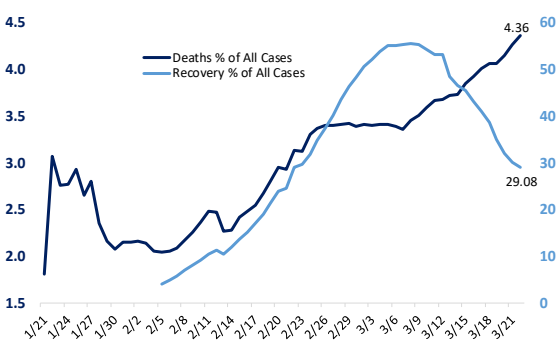


Morning Commentary

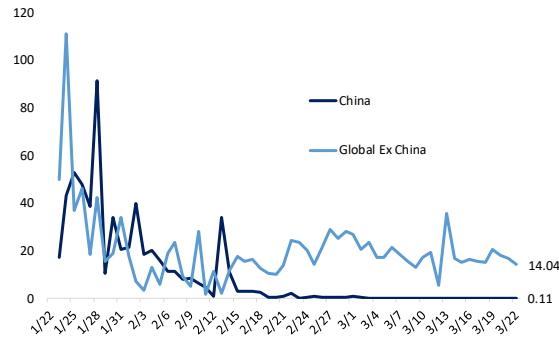
Possible Peak For Global Net Cases?



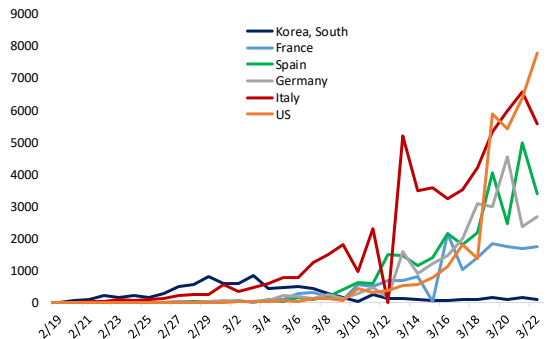
Deaths At 4% of Reported Cases



Global Case Count Still Doubling More Than Once Per Week



US New Cases Now Larger Than All Other Developed Countries

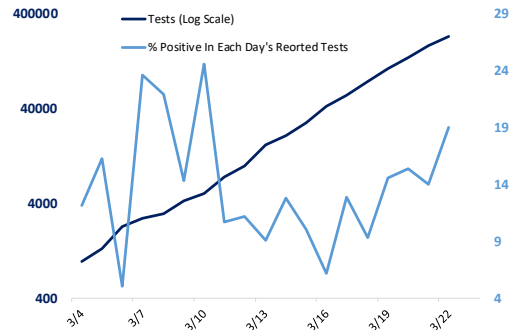


Coronavirus: The good news is that global confirmed case count growth has made a possible peak, as shown at left, in part because the number of new Italian cases slowed sharply from 6,557 on Saturday to 5,560 today. The bad news is that China appears to have stopped testing in Hubei, for reasons we don't entirely understand. The ugly news has a few different data points: global deaths as a share of confirmed cases at 4.4%, global recoveries as a percentage of all cases below 30%, and the US is now reporting far more new cases than other developed countries with large outbreaks. The caveat for the US, though, is that it is now testing more than any other country.

We've got two pieces of positive news today, though it's important not to treat those alone as representative of the overall backdrop. First, as just mentioned, US testing capacity is surging and total tests run are flying (chart below); second, the earliest major outbreak of the disease in the US (Washington State) is in improving shape (next page).

In our view, positive test rates are an important future look into when total case counts may peak in the US. Currently, almost one-in-five COVID-19 tests in the US are coming back positive (note: daily amounts, not cumulative). We believe this number will peak before total case counts do as testing becomes more viable at scale and regularly run to identify and all cases in a given community, the approach that has proven so successful in Korea.

Testing Is Surging In The US But Positive Rates Are Still High

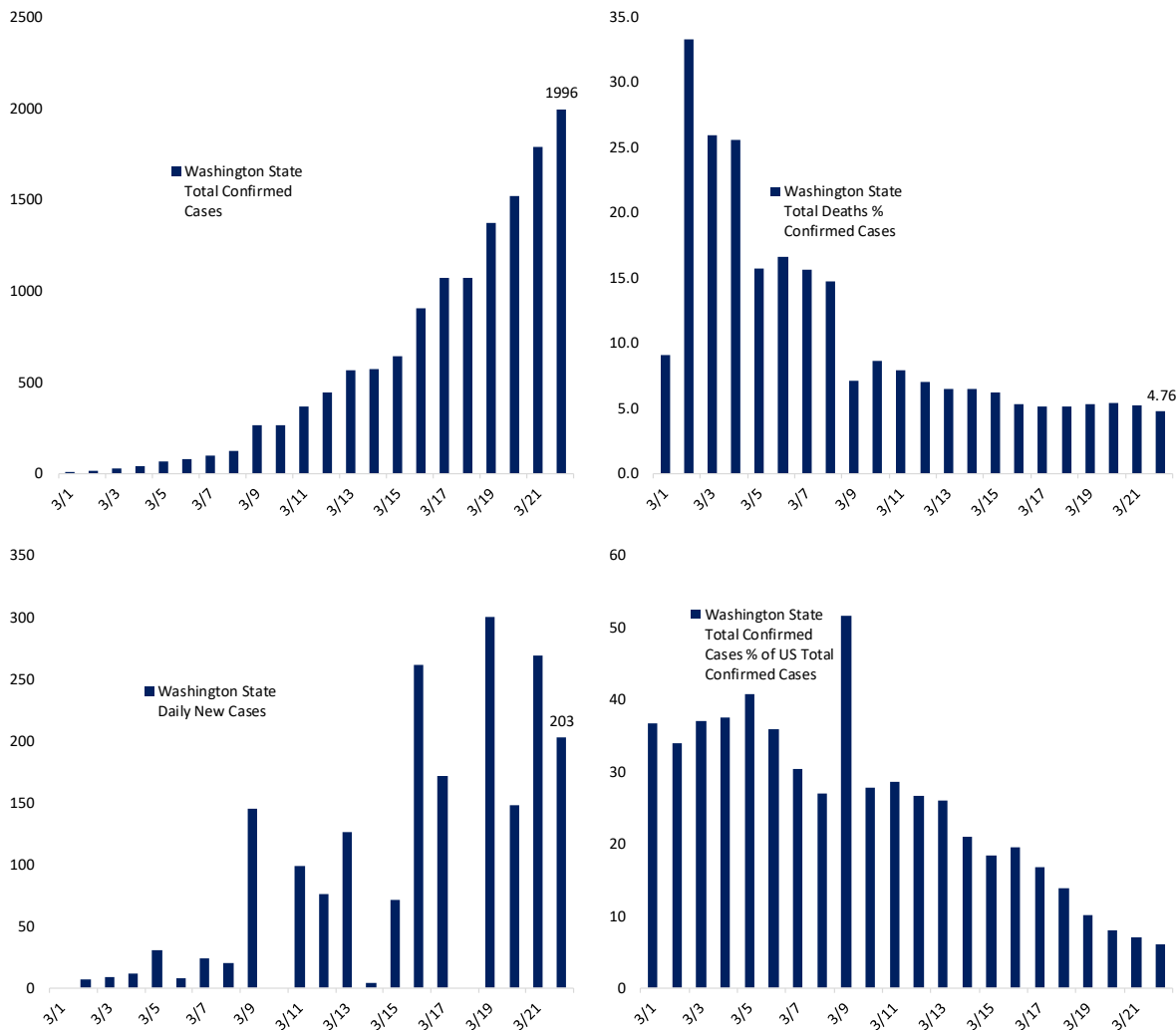




Morning Commentary

A State Success Story: While Washington State was ground zero for the COVID-19 outbreak in the US (or at least, one of several), the state shares a very different experience from that of New York, where over half of confirmed cases in the United States are found. Washington hasn't announced more than 300 new cases on any day of the current crisis, despite testing a vastly higher percentage of its population than New York. Washington has run more than 30,000 tests, versus a bit more than 60,000 for New York. Washington has almost 7.5mm inhabitants versus more than that in New York city alone and 19.5mm total residents. Washington also had the "advantage" of early cases that raised awareness enough to reduce community transmission and less population density, the opposite of New York. If you're looking for an optimistic version of where the US *as a whole* could be heading, the Washington State data is probably where you want to focus, although there's no reason to assume that good results in Washington can be easily replicated elsewhere because timing almost certainly played a large role in the success.

COVID-19: Washington State Is Ground Zero & Also Showing Signs of Containment





Morning Commentary

US Markets: If the 2008 playbook is alive, the stimulus package currently being debated will go to a floor vote in either the House or Senate and fail at some point over the next couple of days, just like TARP did in 2008. Expect conditions attached to corporate bailouts versus the size and scale of aid to workers to be the key axes of dispute today. 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 (bps)	5d Chg	3m Chart		Asset	Level	Change (bps)	5d Chg	3m Chart
Equity Futs	S&P 500	2212.00	-334.3	-781.4		Commodity	Gold	1501.00	86.7	-98.3	
	Russell	985.40	-300.2	-396.6			Silver	12.56	141.3	-274.9	
	VIX Fut	64.30	451.0	926.1			WTI	22.25	-167.9	-2327.6	
	TSX	702.40	-192.7	-438.3			Copper	207.30	-453.6	-1304.5	
Trsy Yields	2 Year	31.43	0.1	-4.6		Int'l Equity	Nikkei	16887.78	202.4	-67.2	
	5 Year	42.67	-3.2	-6.4			CSI 300	3530.31	-336.5	-529.9	
	10 Year	80.06	-4.5	8.2			ASX 200	4546.04	-561.8	-911.6	
	30 Year	141.03	-0.7	12.6			Stoxx 600	280.09	-441.9	-159.5	
Curves/BE	2s10s	48.23	-4.7	13.0		FX	BBG USD	1295.91	26.8	480.3	
	5s30s	98.20	2.7	19.2			EURUSD	1.0682	-5.6	-448.0	
	5 Yr BE	31.50	-1.8	3.6			USDJPY	110.80	-11.7	469.6	
	10 Yr BE	74.31	-1.7	1.3			EM FX	52.87	-71.0	-418.7	
Eurodollars	Mar '20	99.44	-1.5	-17.5		Credit	CDX IG	157.13	3.5	32.9	
	Jun '20	99.61	0.5	-7.5			iTraxx IG	126.76	8.4	6.1	
	Sep '20	99.60	0.5	-4.5			CDX HY	883.54	4.0	210.7	
	Dec '20	99.63	0.0	-4.0			iTraxx HY	740.96	9.5	126.3	