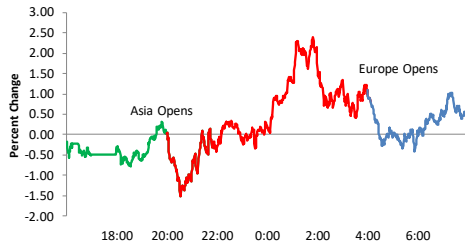




## Today's Events

### Overnight Trading



### Other Markets

Japan	↑	2.1 %
China	↓	-0.5
Germany	↓	-0.9
UK	↓	-1.2
Oil	↑	\$0.8
Gold	↓	-\$4.9
\$/Euro	↑	0.00
\$/Yen	↑	0.1
10-Yr	↑	0.04

### Noteworthy Macro Events

- WHO Warns Against Pre-emptively Lifting Stay at Home Orders.
- Trump Administration Looking Ahead to Opening Economy.
- Boris Johnson Responding to Coronavirus Treatment.

### Overnight Trading

Trading Up (\$):  
GOOGL (10.44), TSLA (7.86), AMZN (4.85), BA (3.72), UPS (3.38), NVDA (2.82)

Trading Down (\$):  
W (-3.27), ZM (-3), DIS (-0.64), SPOT (-0.61), EXPE (-0.51), WU (-0.38)

### Stock Specific News of Note

Ticker	News
FDX	Amazon says it will suspend its delivery service for third party goods.
GDOT	Announces departure of COO who is taking a job at a new firm.
IART	Sees Q1 revenues below consensus forecasts.
LEVI	Beat EPS forecasts by 5 cents (0.40 vs 0.35) on stronger revenues.
MCD	Stifel says company may not be able to pay dividend while franchisees are taking govt aid.
NVAX	Company says it has identified a COVID-19 vaccine candidate; trials will begin in May.
PRGO	Says Q1 revenues were slightly ahead of consensus forecasts.
RPM	Beat EPS forecasts by 2 cents (0.23 vs 0.21) on inline revenues.
SGH	Beat EPS forecasts by 2 cents (0.52 vs 0.50) on stronger revenues; guided inline.
TSLA	Will furlough all non-essential workers and implement salary cuts.

### Analyst Actions

#### Upgrades

Ticker	Firm	From	To
ANGI	Citigroup	Neutral	Buy
CSX	Goldman	Neutral	Buy
DRI	Wedbush	Neutral	Outperf
GPC	Merrill	Neutral	Buy
MWA	Goldman	Sell	Neutral
TWTR	Bernstein	Underperf	Mkt Perf

#### Downgrades

Ticker	Firm	From	To
AZO	Merrill	Buy	Neutral
DIS	Wells Fargo	Overwgt	Mkt Wgt
ODFL	Merrill	Neutral	Underperf
SCHW	KBW	Outperf	Mkt Perf
W	JP Morgan	Neutral	Underwgt
WU	Wells Fargo	Mkt Wgt	Underwgt

#### Initiations/Reiterations

Ticker	Firm	Action	Rating
PLNT	Davidson	Resumed	Buy
REGN	Benchmark	Initiated	Hold
RNG	Evercore	Initiated	Outperf
SGH	Needham	Reiterated	Outperf
VAR	Piper	Initiated	Overwgt

## Tomorrow

### Economic Indicators & Events

Time	Event	Estimate	Last Report		
			Date	Act. vs. Est.	S&P
8:30	PPI	-0.4	3/12	-0.5	-9.51
8:30	Core PPI	0.0	3/12	-0.4	-9.51
8:30	Initial Claims	5000	4/2	2885	2.28
10:00	Wholesale Inventories	-0.5	3/26	-0.3	6.24
10:00	Michigan Sentiment	75.0	3/27	-0.9	-3.37

### Earnings Reports

Ticker	Date	TOD	Estimate	
			EPS	Revs.
CONN	4/9/20	AM	0.35	411.0
SJR	4/9/20	PM	0.33	1,349.0
WDFC	4/9/20	PM	1.21	103.0

### Conferences & Meetings

10:00	Fed Chair Powell Speaks on Economy in Webcast
10:30	EIA Natural Gas (+28)
13:00	Baker Hughes (+650)

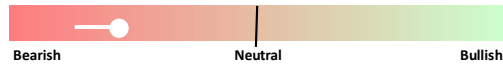
### Dividends & Splits

UVV	0.76	LNK	0.40
INTU	0.53		

### Index Changes

None

### Market Timing Model



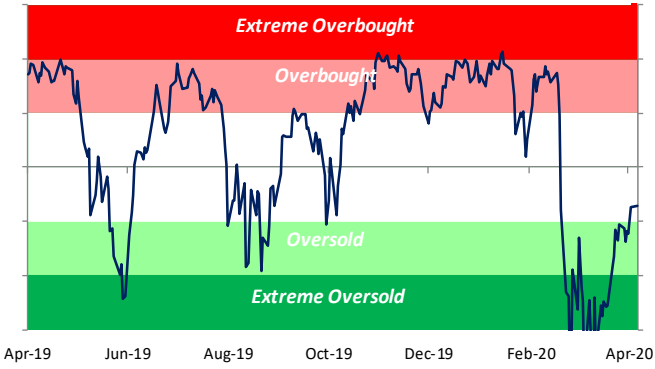
Category	Expected S&P 500 Return (%)		
	One Week	Two Weeks	One Month
Sentiment	-0.03	0.22	0.59
Technicals	-0.13	0.09	0.36
Fundamental	-0.14	0.02	-0.05
<b>Overall</b>	<b>-0.12</b>	<b>0.08</b>	<b>0.41</b>
Average (all days)	0.13	0.25	0.51

### Indicators/Events

Time	Event	Estimate	Last Report					
			Date	Est	Act.	Diff.	S&P	Best
None								
10:30	DoE Energy Inventories							
14:00	FOMC Minutes							



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



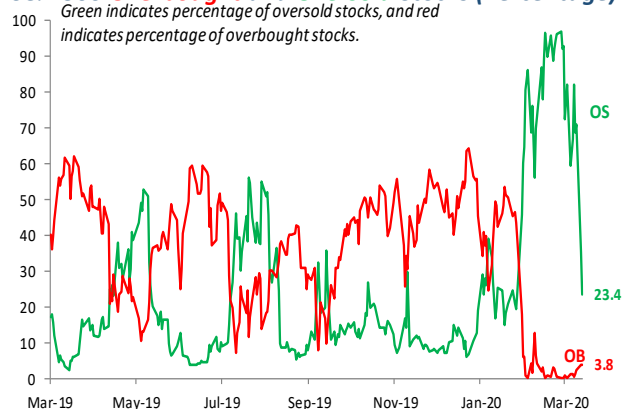
### S&P 500 Internals

Indicator	Change	Current	One Week Ago
50-Day Moving Avg Spread	↑	-9.2 %	-14.0 %
10-Day A/D Line	↑	366	-187
# of Overbought Stocks	↑	19	5
# of Oversold Stocks	↓	117	335
P/E Ratio			
Trailing	↑	17.50	17.04
Forward	↑	17.57	16.72
Dividend Yield	↓	2.28 %	2.34 %
Net Earnings Revisions		-17.5 %	-17.5 %
<b>Credit Spreads (bps)</b>			
High Yield	↑	926	882
Corporate Bonds	↓	303	315

### Yesterday's Movers

Ticker	% Chg.	Occ.	Average Return (%)			
			Next Day		Next Week	
			Chg.	Percent Up	Chg.	Percent Up
IVR	37.1	2	31.1	50.0	-26.3	0.0
CAL	32.1	4	3.8	75.0	6.3	75.0
CDR	24.4	4	-7.1	0.0	-7.6	50.0
GIII	23.3	9	-2.8	66.7	-3.3	66.7
TISI	-16.2	7	4.2	71.4	-1.9	28.6
DO	-15.5	12	0.8	58.3	15.4	25.0
CEIX	-13.2	12	0.6	58.3	-4.1	25.0
LPSN	-11.4	4	-0.3	25.0	1.9	50.0

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



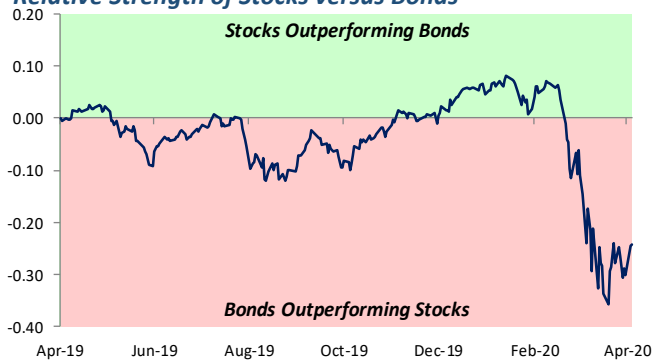
### Trading Ranges: Sectors

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

### 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
GIS	56.44	1.47	-0.56	41.3

### Relative Strength of Stocks versus Bonds



### Trading Ranges: Bonds/Commodities

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

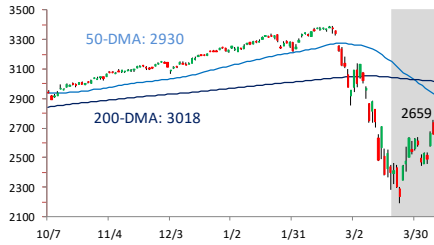
### S&P 500 Oversold Stocks Most Likely to Rise

Ticker	Price	Standard Deviations Below 50-Day Avg	Avg % Return (One Week)	Percent of Time Positive
NOW	262.35	-1.39	1.88	60.9

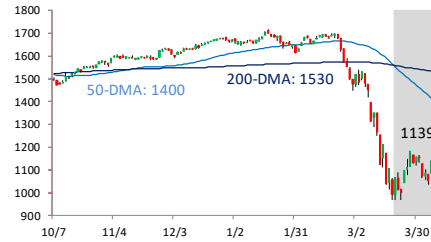
For an explanation of the first two pages of this report, please click [here](#).



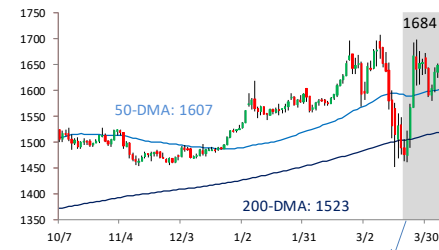
**S&P 500: Last Six Months**



**Russell 2000: Last Six Months**



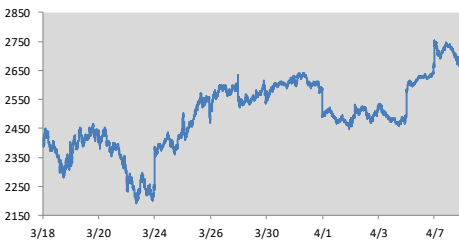
**Gold Future: Last Six Months**



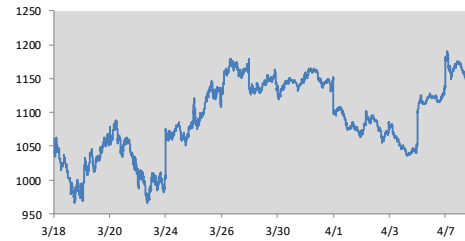
**Long Bond Future: Last Six Months**



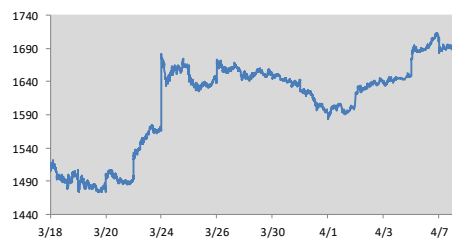
**S&P 500: Last 15 Trading Days**



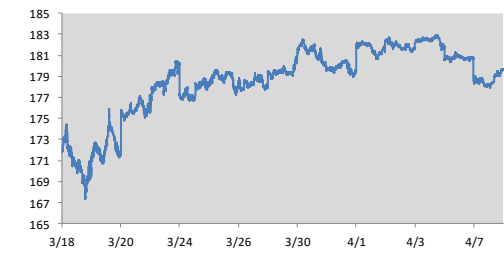
**Russell 2000: Last 15 Trading Days**



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



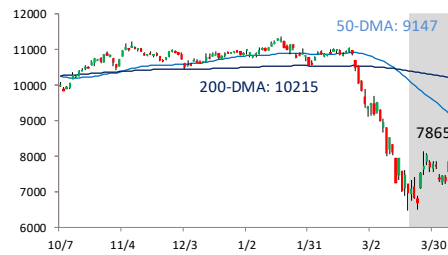
**Long Bond Future Intraday: Last 15 Trading Days**



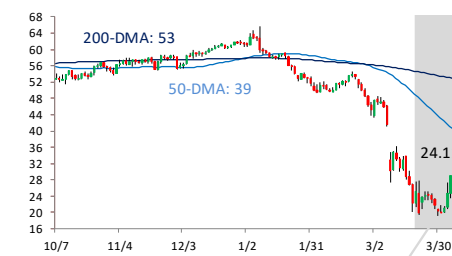
**Nasdaq Composite: Last Six Months**



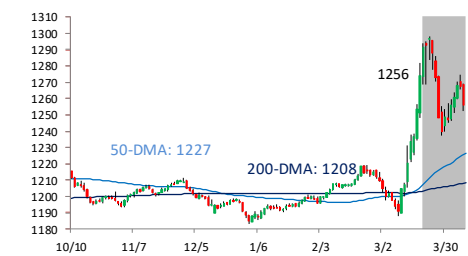
**DJ Transports: Last Six Months**



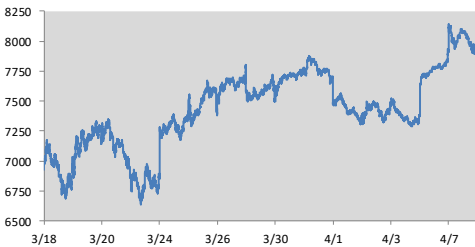
**Oil Future: Last Six Months**



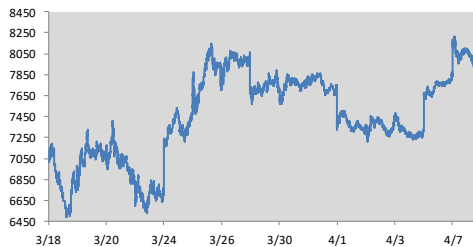
**BBG US Dollar Index: Last Six Months**



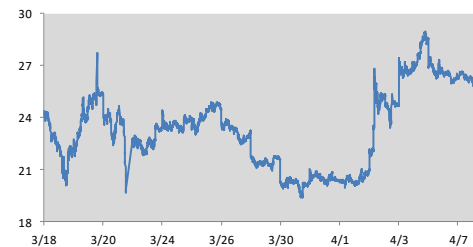
**Nasdaq Composite: Last 15 Trading Days**



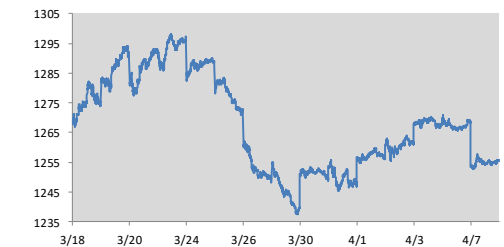
**DJ Transports: Last 15 Trading Days**



**Oil Future: Last 15 Trading Days**



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

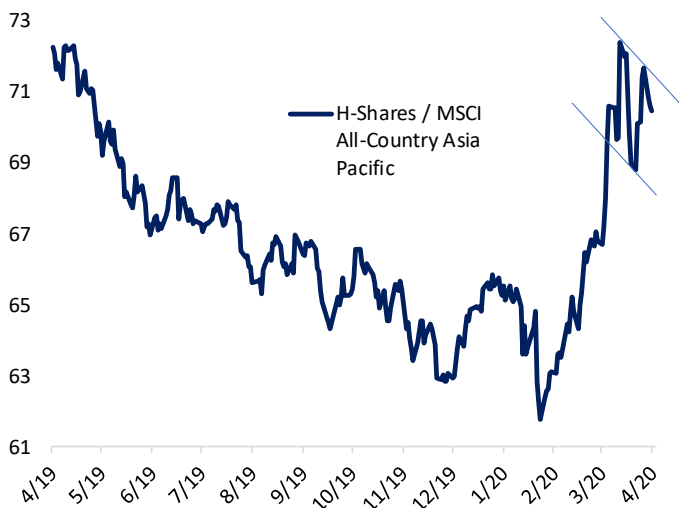




## Morning Commentary

**Overview:** The S&P 500 is poised to gap up nearly 1%, which is at the upper end of their session range. WTI traded over \$25 last night but has since pulled back and is now up a more modest 3% as Russian sources suggested that the US offer to cut output based on market forces was insufficient for a global oil production deal across the various major nations who pump the most oil. Rates are generally higher again, with a major bias to bear-steepening as long bonds underperform sharply and gold sinks. Credit markets are also opening up in decent shape as CDS indices point to lower spreads. [Global Economic Scorecard](#)

### China Outperformance Peaked, Or Bull-Flagging?



**APAC Markets:** After fading optimism throughout the US session yesterday, Asia was mostly lower. Japan (+1.6%) and Taiwan (TWSE +1.4%) were the exceptions, but all other major indices were lower. Offshore Chinese stocks traded in Hong Kong were actually the worst performers, which feels notable given their massive outperformance versus the region since the start of February (chart left). FX markets were pretty balanced though the Indian rupee was a notable laggard down almost 90 bps versus USD. That takes the cross to a record low versus the dollar on both a nominal and total return basis. Economic data overnight

was limited to Japan: Eco Watchers missed badly, while February data on core machine orders was better-than-expected and the balance of payments for the month improved.

**Europe Markets:** European equities are in follower market mode as well this morning, showing modest 1% declines for broad indices and slightly worse than 2:1 negative breadth. Group price action has commodity and financial names lagging as Resources, Oil & Gas, Banks, and Insurance are all off at least 1.5% to lead the downside. Real Estate, Travel & Leisure, and Tech are the only gainers. While the stock is not reacting well (-4.6%), UK retailer Tesco’s update this morning is instructive on how consumers have reacted to COVID-19. The grocery chain’s sales surged 30% YoY but have since stabilized at more normal levels; inventories are also now mostly normal, and the supply chain has responded to account for panic-buying. The chain also added an incredible 45,000 employees to cover higher demand and staff absences. Expect similar results from US names as reports roll out for the coming earnings season.

In European fixed income, Italian front-end spreads are blowing out in response to the failure of the Eurogroup meeting to address mutualization of funding for COVID-19 response (more on that on the next page). EURUSD is also down after its best day in almost two weeks yesterday. Corporate credit is mixed with spreads far off their worst levels of the session and moves generally modest overall.



## Morning Commentary

**Europe Geopolitics Update:** It's been quite some time since we have updated readers on the evolution of the Eurozone & European Union. Since the overthrow of Italy's anti-EU Lega Nord party from government, there's been less to discuss than typical, and Coronavirus headlines have stolen much attention. But there has been some significant change under the hood.

**ECB Policy:** The most straightforward venue is the ECB. The central bank of the Eurozone hasn't done anything completely unprecedented in its effort to ease financial conditions in the currency bloc, but its easing programs have been large and broad. In addition to passing on dollar funding provided by the FX swaps program, the ECB has revealed the following initiatives: LTROs and TLTRO III (long-term refinancing introduced March 12), new QE (€120bn announced March 12 and an expanded "Pandemic Purchase Program" of €750bn with an expanded remit that includes Greek bonds on March 18), relaxed collateral requirements for assets posted to the ECB to include corporate loans (March 18), and finally a further loosening of collateral standards to include household and corporate claims, more unsecured debt, Greek government bonds, and a reduced focus on credit rating (April 7). All of these programs are likely to significantly expand credit availability relative to baseline but are effectively tinkering with existing remit and scaling it up rather than a fundamentally new approach.

**Mutual Response:** The multilateral EU has broadly operated in the background as individual countries have dealt with the shock of COVID cases, especially Spain and Italy. Things have been so muted the scientist in charge of the EU's scientific research organization quit over political resistance to his plan for an expanded EU response. The Eurogroup of finance ministers has also dithered and failed at efforts to roll out a use of the EU's bailout fund for COVID spending. The key fracture is between Italy and the Netherlands. The Italians are demanding a reference to mutually-issued bonds which would put all countries on the hook for the collective debt, while Holland's finance minister refused to commit to anything mentioning mutual debt. Spain, France, and Germany broadly agree on a fudge between the two, but haven't been able to coral the edges. Of course, the Eurozone's macroeconomic weakness for much of the past decade is intimately related to the fact that it is a monetary union without fiscal transfer mechanisms, and we have long argued progress towards a "United States of Europe" was likely needed to make it a true union. But the crisis is not advancing the basic building bloc of that process, mutual debt, so far. Finance ministers will continue discussing after a marathon meeting Tuesday night.

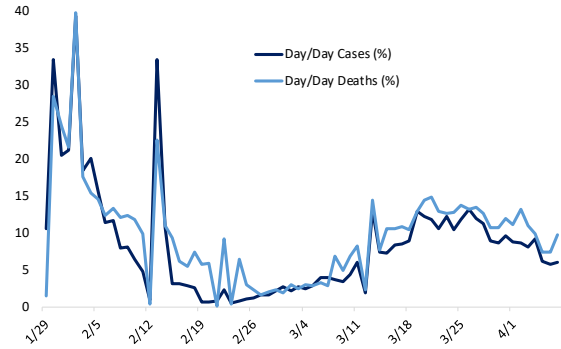
**Hungary:** Finally, we note that the EU continues to basically look past the move away from democracy for its eastern members. Victor Orban of Hungary has been especially aggressive, using the COVID crisis to establish what amounts to personal rule with no oversight or recourse. Eventually, the EU will have to stop transferring funds to Hungary and similarly-inclined anti-democratic governments like Poland if it wants to maintain democratic institutions. Thus far, it shows no interest in doing so, a material black mark against its long-term goals.

**Bottom Line:** The COVID-19 crisis has arguably been more damaging for the internal cohesion of the EU than the various crises that have risen in recent years (especially sovereign debt, anti-EU populist parties internally, and Brexit), but that doesn't mean that European leaders can't coalesce around a more constructive path forward as the consequences of failure since February sink in.

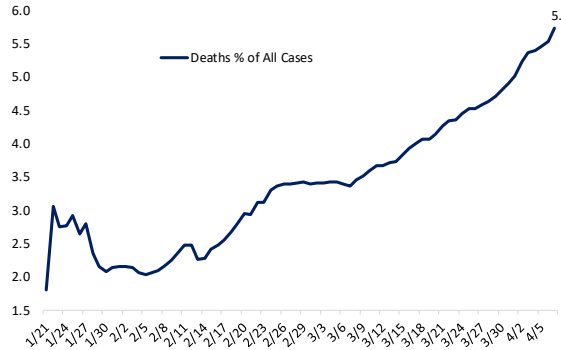


## Morning Commentary

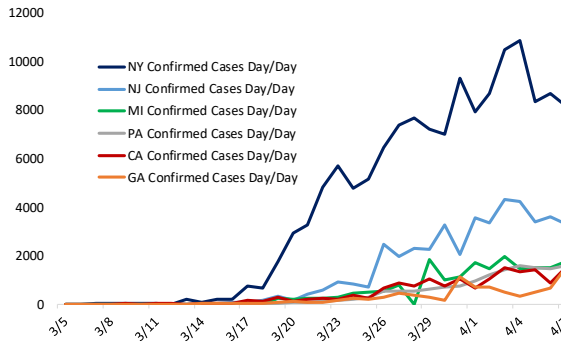
### Case Counts and Deaths Slow



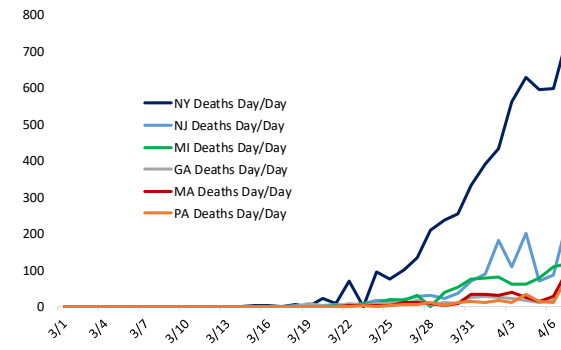
### Deaths As A Share of Reported Cases Continue To Rise



### Cases Slowing In New York & New Jersey

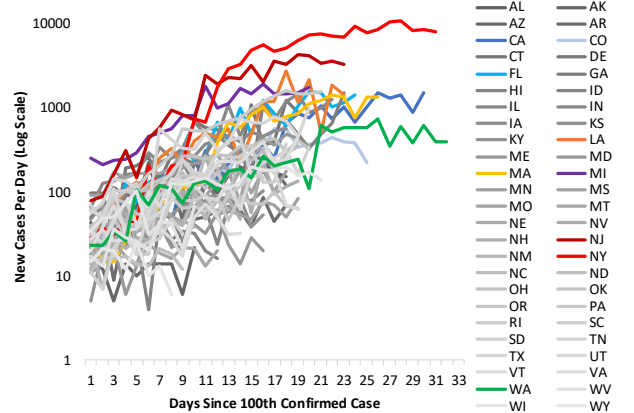


### Deaths Continue To Rise

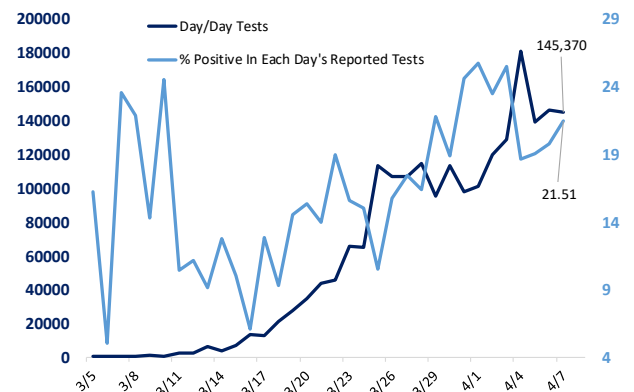


**Coronavirus:** As is to be expected by the lag between diagnosis and severe symptoms, deaths from COVID-19 are surging in the United States thanks to the lag from case counts. Testing rationing (that is, lower test counts but similar positive rates) appears to be a problem nationally, driven in large part by New York, leaving hospitalization and ICU use stats more reliable for spread measurement than confirmed cases for the most part. In other words, confirmed case growth has slowed in New York mostly because testing is not expanding. All indications from the broad national picture are that social distancing measures and activity lockdowns are reducing the spread of the disease, but it's still very hard to figure out exactly how fast COVID-19 is still spreading and how much of the population it has actually impacted thus far.

### Leading States Continue To Flatten Case Count Growth



### Mid-100,000s Tests Being Run Per Day, Positive Rate Still Elevated





## Morning Commentary

**COVID By State:** The table below includes a wide range of COVID-19 data points by state, as a reference. We will update it daily on this page.

State	Raw Count						Positive	Per 1mm Population					
	Deaths		Cases		Tests		Test Rate (%)	Deaths		Cases		Tests	
	Deaths	Day/Day	Cases	Day/Day	Tests	Day/Day		Deaths	Day/Day	Cases	Day/Day	Tests	Day/Day
AK	6	0	213	22	6,913	30	73.33	8.20	0.00	291.16	30.07	9,449.86	41.01
AL	56	6	2,119	151	14,916	151	100.00	11.42	1.22	432.17	30.80	3,042.10	30.80
AR	16	0	946	71	13,638	793	8.95	5.30	0.00	313.47	23.53	4,519.15	262.77
AZ	73	8	2,575	119	33,375	841	14.15	10.03	1.10	353.77	16.35	4,585.29	115.54
CA	374	31	15,865	1,529	145,329	12,898	11.85	9.47	0.78	401.52	38.70	3,678.08	326.43
CO	150	10	5,172	222	26,875	1,102	20.15	26.05	1.74	898.11	38.55	4,666.82	191.36
CT	277	71	7,781	875	29,036	2,350	37.23	77.69	19.91	2,182.43	245.42	8,144.08	659.13
DE	16	2	928	255	8,556	1,562	16.33	16.43	2.05	953.00	261.87	8,786.52	1,604.08
FL	296	60	14,747	1,423	139,569	15,153	9.39	13.78	2.79	686.62	66.25	6,498.31	705.52
GA	329	100	8,818	1,504	33,713	2,439	61.66	30.99	9.42	830.52	141.65	3,175.25	229.72
HI	5	0	387	16	13,542	16	100.00	3.53	0.00	273.33	11.30	9,564.42	11.30
IA	26	1	1,048	102	12,718	1,119	9.12	8.24	0.32	332.16	32.33	4,030.97	354.67
ID	13	3	1,170	69	11,246	251	27.49	7.25	1.67	652.88	38.50	6,275.44	140.06
IL	380	73	13,549	1,287	68,732	5,790	22.23	29.99	5.76	1,069.22	101.56	5,424.00	456.92
IN	173	34	5,507	563	28,764	2,573	21.88	25.70	5.05	818.01	83.63	4,272.59	382.19
KS	27	2	900	55	9,514	430	12.79	9.27	0.69	308.93	18.88	3,265.70	147.60
KY	59	14	1,008	53	19,955	1,188	4.46	13.21	3.13	225.62	11.86	4,466.53	265.91
LA	582	70	16,284	1,417	74,655	5,489	25.82	125.19	15.06	3,502.84	304.81	16,059.00	1,180.74
MA	356	96	15,202	1,365	81,344	4,915	27.77	51.23	13.81	2,187.49	196.42	11,705.01	707.24
MD	103	12	4,371	326	31,627	2,010	16.22	17.04	1.98	723.00	53.92	5,231.34	332.47
ME	12	2	519	20	6,607	20	100.00	8.93	1.49	386.10	14.88	4,915.15	14.88
MI	845	118	18,970	1,749	50,332	3,081	56.77	84.61	11.82	1,899.50	175.13	5,039.82	308.51
MN	34	4	1,069	83	29,260	1,132	7.33	6.03	0.71	189.55	14.72	5,188.28	200.72
MO	53	14	3,037	315	31,969	2,134	14.76	8.64	2.28	494.83	51.32	5,208.86	347.70
MS	59	8	1,915	177	20,547	177	100.00	19.82	2.69	643.45	59.47	6,903.89	59.47
MT	6	0	319	20	6,985	195	10.26	5.61	0.00	298.47	18.71	6,535.50	182.45
NE	10	2	447	38	7,258	463	8.21	5.17	1.03	231.08	19.64	3,752.05	239.35
NC	46	13	3,221	351	41,082	356	98.60	4.39	1.24	307.11	33.47	3,917.02	33.94
ND	4	1	237	12	7,703	490	2.45	5.25	1.31	311.00	15.75	10,108.10	642.99
NH	9	0	715	46	8,783	312	14.74	6.62	0.00	525.85	33.83	6,459.46	229.46
NJ	1,232	229	44,416	3,326	94,974	5,942	55.97	138.70	25.78	5,000.57	374.46	10,692.63	668.98
NM	12	0	686	62	21,825	2,689	2.31	5.72	0.00	327.16	29.57	10,408.57	1,282.41
NV	58	12	2,087	134	18,639	1,010	13.27	18.83	3.90	677.56	43.50	6,051.32	327.91
NY	5,489	731	138,863	8,174	340,058	19,247	42.47	282.16	37.58	7,138.18	420.18	17,480.50	989.38
OH	167	25	4,782	332	50,838	2,460	13.50	14.29	2.14	409.10	28.40	4,349.18	210.45
OK	67	16	1,472	145	13,293	10,544	1.38	16.93	4.04	372.00	36.64	3,359.39	2,664.66
OR	29	2	1,132	64	21,801	1,177	5.44	6.88	0.47	268.39	15.17	5,168.89	279.06
PA	240	78	14,559	1,579	91,278	7,424	21.27	18.75	6.09	1,137.25	123.34	7,129.99	579.91
RI	30	3	1,229	147	8,628	147	100.00	28.32	2.83	1,160.13	138.76	8,144.53	138.76
SC	51	7	2,417	368	23,680	4,704	7.82	9.91	1.36	469.44	71.47	4,599.21	913.63
SD	6	2	320	32	6,270	250	12.80	6.78	2.26	361.72	36.17	7,087.48	282.59
TN	72	7	4,138	336	52,874	5,524	6.08	10.54	1.02	605.58	49.17	7,737.84	808.41
TX	154	14	8,262	986	88,649	3,292	29.95	5.31	0.48	284.94	34.00	3,057.30	113.53
UT	13	0	1,738	63	34,647	1,253	5.03	4.05	0.00	542.12	19.65	10,807.07	390.83
VA	63	9	3,333	455	28,645	4,124	11.03	7.38	1.05	390.49	53.31	3,355.98	483.16
VT	23	0	575	32	7,129	496	6.45	36.86	0.00	921.49	51.28	11,424.88	794.89
WA	372	34	8,384	400	91,775	400	100.00	48.85	4.46	1,101.00	52.53	12,052.04	52.53
WI	92	15	2,578	138	31,090	2,076	6.65	15.80	2.58	442.77	23.70	5,339.69	356.55
WV	4	0	412	67	12,059	2,119	3.16	2.24	0.00	230.54	37.49	6,747.63	1,185.69
WY	0	0	216	6	4,005	76	7.89	0.00	0.00	373.21	10.37	6,919.98	131.32
<b>USA</b>	<b>12,569</b>	<b>1,939</b>	<b>390,638</b>	<b>31,263</b>	<b>2,056,700</b>	<b>145,370</b>	<b>21.51</b>	<b>38.37</b>	<b>5.92</b>	<b>1,192.44</b>	<b>95.43</b>	<b>6,278.18</b>	<b>443.75</b>



## Morning Commentary

**US Markets:** Prepayment speeds from mortgage-backed securities in March released this week showed an epic 50% annualized prepayment rate for many pools. Slower refinancing applications as a consequence of COVID-19 lockdowns will help reduce that refi demand; applications are running at half of their peak pace per MBA weekly data released this morning. Purchase applications continue to plunge, hitting their lowest levels since October of 2015 this morning. 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](#).

### Bespoke Major Asset Class Dashboard

Asset	Level	Change	5d Chg	3m Chart	Asset	Level	Change	5d Chg	3m Chart		
<b>Equity Futs</b>	S&P 500	2642.00	-9.5	308.2		<b>Commodity</b>	Gold	1682.40	-67.9	573.8	
	Russell	1125.20	-31.0	-92.5			Silver	15.32	96.2	819.5	
	VIX Fut	44.03	538.6	-682.5			WTI	24.07	-770.7	1975.1	
	TSX	824.40	-31.4	182.8			Copper	225.50	169.1	176.0	
<b>Trsy Ylds</b>	2 Year	27.39	1.2	2.8		<b>Int'l Equity</b>	Nikkei	18950.18	201.3	17.5	
	5 Year	47.61	3.6	9.6			CSI 300	3798.02	228.4	303.5	
	10 Year	73.43	6.5	6.5			ASX 200	5252.29	-65.3	345.6	
	30 Year	132.05	4.2	-0.1			Stoxx 600	326.61	188.1	204.6	
<b>Curves/BE</b>	2s10s	45.64	5.3	3.7		<b>FX</b>	BBG USD	1255.76	-94.3	70.5	
	5s30s	84.28	0.7	-9.6			EURUSD	1.0897	96.4	-121.5	
	5 Yr BE	87.74	3.8	34.5			USDJPY	108.80	-38.5	117.2	
	10 Yr BE	119.05	2.9	26.4			EM FX	53.16	70.5	-39.9	
<b>Eurodollars</b>	Mar '20	99.40	-5.0	-8.0		<b>Credit</b>	CDX IG	112.49	-3.8	-0.6	
	Jun '20	99.57	-3.5	-7.0			iTraxx IG	97.40	-6.1	0.6	
	Sep '20	99.60	-3.0	-5.5			CDX HY	685.24	-2.0	28.3	
	Dec '20	99.66	-4.5	-5.0			iTraxx HY	550.28	-6.2	-23.6	