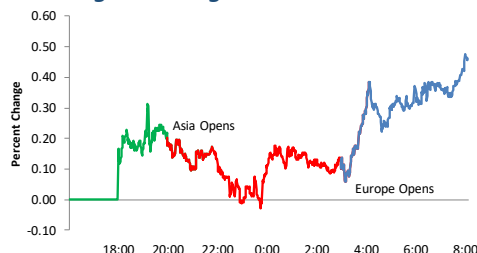




Today's Events

Overnight Trading



Other Markets

Japan	↑	0.6 %
China	↓	-0.1
Germany	↑	0.2
UK	↓	-0.1
Oil	79.75 ↓	-\$1.0
Gold	1870.2 ↑	\$1.8
\$/Euro	0.874 ↑	0.00
\$/Yen	113.85 ↓	0.0
Bitcoin	65,599 ↑	1,262
10-Yr	1.55 ↓	-0.01

Noteworthy Macro Events

- Yellen Says Inflation Data to Improve in Second Half of 2022.
- GOP Candidates Have Largest Polling Lead in at Least 40 Years.
- Empire Manufacturing Index Rises More than Expected

Overnight Trading

Trading Up (\$):
MSTR (17.86), RMD (10.69), AMZN (9.85), REGN (7.3), DLTR (7.04), BA (6.89)

Trading Down (\$):
TSLA (-25.42), CRWD (-9.45), SPLK (-3.82), RIVN (-2.63), AKAM (-2.28), LPI (-2.07)

Stock Specific News of Note

Ticker	News
ACM	Reported better than expected EPS on inline revenues; guided inline.
AMC	Will now allow movie-goers to pay with crypto currencies.
ANF	Positively mentioned in Barron's citing company's shift in focus to young professionals
BA	Company 'hopeful' that China will clear 737 Max to fly in the near future.
COR	Will be acquired by AMT for \$170 per share in cash.
CSPR	Will be acquired by Durational Capital for \$6.90 per share.
DLTR	WSJ reports that activist hedge fund has taken a \$1.8 bln stake in company.
EYPT	Stock up over 50% in pre-market following positive phase 1 data for AMD treatment.
JNJ	Barron's column says that split-up may not be rewarding for shareholders.
OTLY	Reported better than expected EPS on weaker revenues; lowered sales guidance.
PFE	Positively mentioned in Barron's citing valuation vs peers.
REGN	Announces new \$3 bln stock buyback program.
TSN	Reported better than expected EPS on inline revenues; raised sales guidance.

Analyst Actions

Upgrades

Ticker	Firm	From	To
BLNK	Stifel	Hold	Buy
CCMP	Goldman	Neutral	Buy
CVX	UBS	Neutral	Buy
DLTR	Deutsche	Hold	Buy
FLR	B of A	Underperf	Neutral
GPK	UBS	Neutral	Buy

Downgrades

Ticker	Firm	From	To
AFIB	JP Morgan	Neutral	Underwgt
AKAM	Oppenheim	Outperf	Mkt Perf
EVGO	Credit Suisse	Outperf	Neutral
EYE	Goldman	Buy	Neutral
FTI	Soc Gen	Buy	Hold
ME	Citigroup	Buy	Neutral

Initiations/Reiterations

Ticker	Firm	Action	Rating
CHPT	JP Morgan	Initiated	Neutral
COCO	Goldman	Initiated	Buy
CRWD	M Stanley	Initiated	Underwgt
LRCX	Citigroup	Reiterated	Buy
PTLO	Jefferies	Initiated	Buy

Market Timing Model

	Bearish	Neutral	Bullish
Category			
Sentiment	0.14	0.33	0.52
Technicals	0.23	0.44	0.69
Fundamental	0.16	0.38	0.69
Overall	0.19	0.37	0.66
Average (all days)	0.17	0.33	0.67

Indicators/Events

Time	Event	Estimate	Date	Est	Act.	Diff.	S&P	Best	Worst
8:30	Empire Manufacturing	21.0	10/15	25	20	-5	0.75	C Disc	Util
ONL	Will replace DAKT in the S&P 600 effective 11/16.								
	Citi FinTech Conference								

Tomorrow and Beyond

Key Major Economic Indicators

Time	Event	Estimate	Date	Act.	vs. Est.	S&P
8:30	Retail Sales	1.1	10/15	0.9	0.75	
8:30	RS - Ex Autos	1.0	10/15	0.3	0.75	
8:30	Ex Autos and Gas	0.6	10/15	0.3	0.75	
8:30	Import Price Index	1.2	10/15	-0.2	0.75	
9:15	Industrial Production	0.8	10/18	-1.4	0.34	
9:15	Capacity Utilization	75.9	10/18	-1.2	0.34	
10:00	Business Inventories	0.6	10/15	0.0	0.75	
10:00	NAHB Housing Index	80	10/18	5	0.34	

Key Earnings Reports

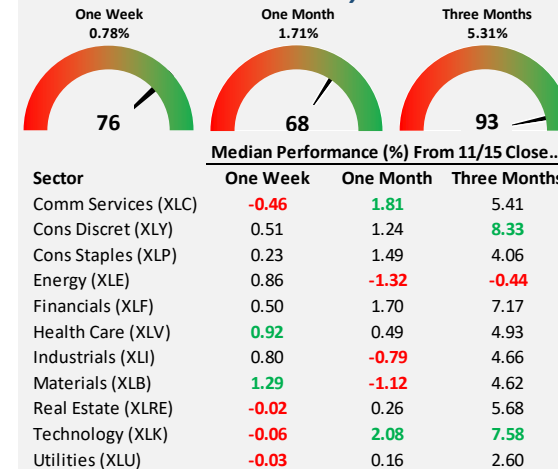
Ticker	Date	TOD	Beat Rate		Raised	Guid.	Price Reaction (Last 8 Reports)
			EPS	Sales			
ARMK	11/16	AM	61%	52%	16%		
GDS	11/16	AM	35%	71%	6%		
HD	11/16	AM	85%	67%	19%		
TDG	11/16	AM	81%	60%	13%		
WMT	11/16	AM	69%	46%	5%		
DLB	11/16	PM	86%	78%	12%		
LZB	11/16	PM	65%	48%	4%		
STNE	11/16	PM	60%	60%	0%		

Price Reaction: most recent report is on the left.

Other Key Events

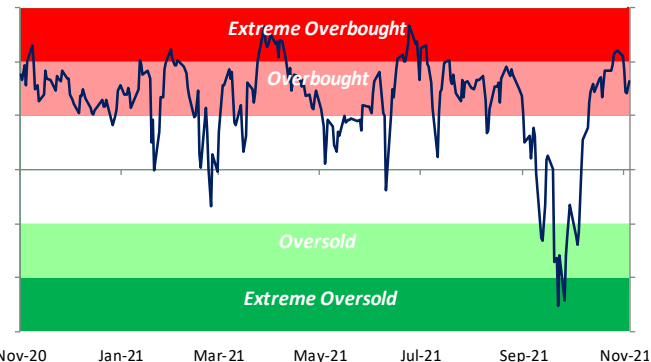
- ONL Will replace DAKT in the S&P 600 effective 11/16.
- 11:30 Barkin, Bostic, and George Discuss Racism
- RBC Technology Conference
- Investor Days (BMV, IGT, ENPH, RBLX)

Market and Sector Seasonality – Last 10 Years

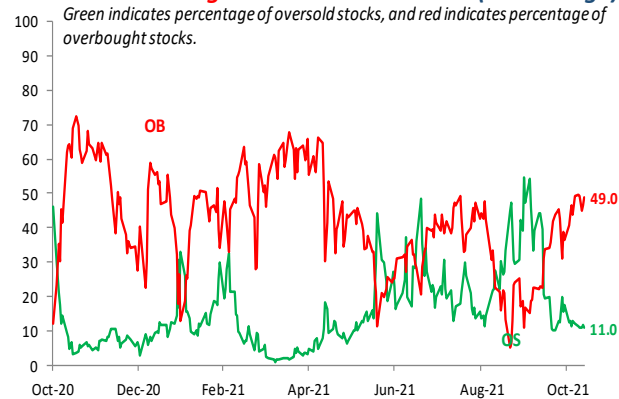




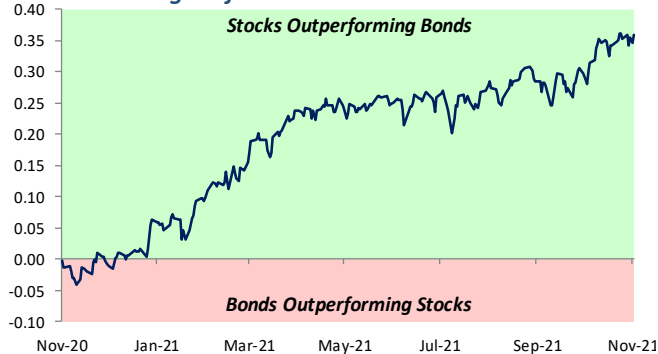
S&P 500 50-Day Moving Average Spread



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	↓	4.2 %	4.9 %
10-Day A/D Line	↑	679	377
# of Overbought Stocks	↓	245	247
# of Oversold Stocks	↓	55	60
P/E Ratio			
Trailing	↓	25.78	25.87
Forward	↓	22.40	22.66
Dividend Yield	↑	1.28 %	1.27 %
Credit Spreads (bps)			
High Yield	↓	306	312
Corporate Bonds	±	90	90

Trading Ranges: Sectors

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

Trading Ranges: Bonds/Commodities

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

Yesterday's Movers

Ticker	% Chg.	Occ.	Average Return (%)			
			Next Day		Next Week	
			Chg.	Percent Up	Chg.	Percent Up
ETSY	7.4	54	1.4	66.7	4.0	68.5
VIVO	7.2	42	-0.2	45.2	2.2	64.3
QDEL	7.2	55	0.3	56.4	1.5	54.5
LQDT	6.5	61	0.7	45.9	3.3	54.1
CELH	-14.7	7	4.9	71.4	-2.5	42.9
FCFS	-8.7	15	1.9	66.7	1.8	53.3
CIR	-8.5	52	-0.7	48.1	-0.6	53.8
HPE	-8.2	19	0.3	47.4	0.6	47.4

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
TPR	45.51	3.07	-3.22	31.4
WAB	97.13	2.35	-2.37	32.8

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	58.25	-2.21	4.88	52.2
MTCH	146.95	-1.98	3.38	53.8

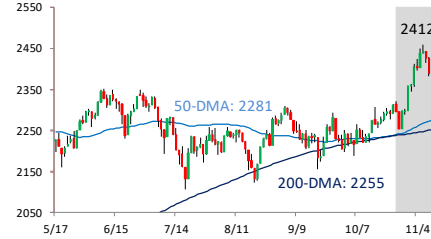
For an explanation of the first two pages of this report, please click [here](#).



S&P 500: Last Six Months



Russell 2000: Last Six Months



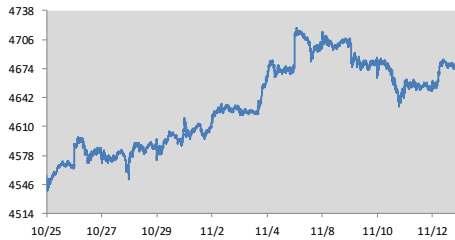
Gold Future: Last Six Months



Long Bond Future: Last Six Months



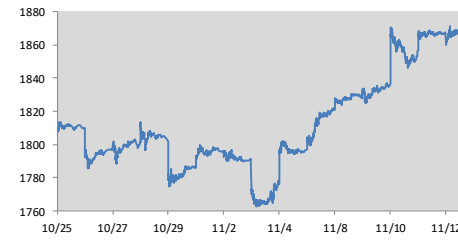
S&P 500: Last 15 Trading Days



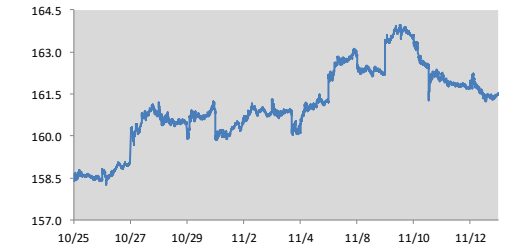
Russell 2000: Last 15 Trading Days



Gold Front Month Future: Last 15 Trading Days



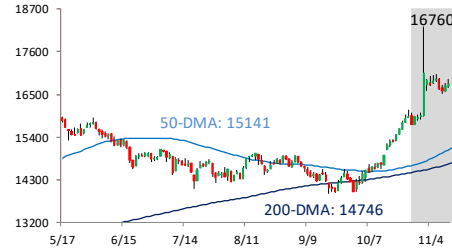
Long Bond Future Intraday: Last 15 Trading Days



Nasdaq Composite: Last Six Months



DJ Transports: Last Six Months



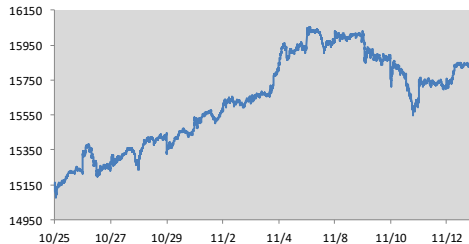
Oil Future: Last Six Months



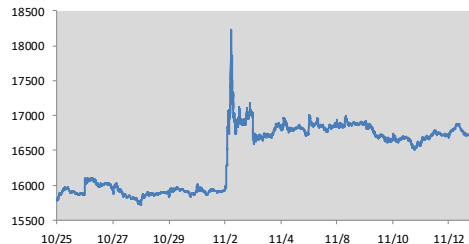
BBG US Dollar Index: Last Six Months



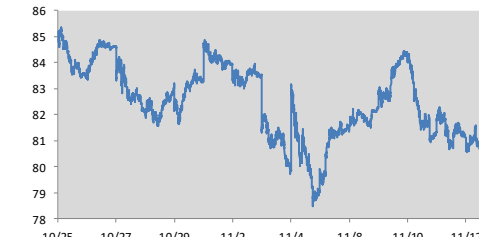
Nasdaq Composite: Last 15 Trading Days



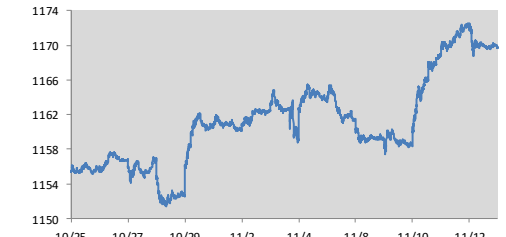
DJ Transports: Last 15 Trading Days



Oil Future: Last 15 Trading Days



BBG US Dollar Index: Last 15 Trading Days





Morning Commentary

Snapshot: US equity index futures are pointing to a quarter percent gain at the open, with yields lower and commodities down almost across the board including a 1.4% drop in oil that takes WTI back below \$80. Of note this week: there are reports that the Biden Administration will pick between reappointing Chair Powell and switching Fed leadership to Governor Brainard this week. We have said repeatedly that we do not see a major difference between the two when it comes to the most critical Fed functions of balance sheet management, forward guidance, and rate-setting. While Brainard has a reputation for being more dovish, her shift to a more hawkish stance as the economy slowed off its peak in 2018 (when Powell was less hawkish) is a good example of why that difference in reputation may not be deserved. [Global Economic Scorecard](#)

PBoC: Overnight, the PBoC elected to roll over 1trn CNY (\$157bn) of 2.95% loans issued via the central bank's Medium-term Loan Facility (MLF). The 1 year term means that the facility's impact on overall liquidity will be larger for longer than previously expected. Net of the MLF roll, the PBoC withdrew 90bn CNY in repo liquidity by rolling only 10bn of 100bn CNY maturing. Repo rates fell as a result and are comfortably below 2% as the PBoC manages the liquidity shock of the Chinese property market slowdown. As discussed on the next page, real estate investment crashed 43% in value terms during October, with new home prices reported down 25 bps MoM on a median basis across Chinese cities. That's the worst price performance since 2015 and comes in some cases due to direct caps on sales prices as a policy tool. The PBoC moves catalyzed a large rally in Chinese junk bonds while developer **Sunac** (OTC **SCCCF**) issued \$560mm in new shares in Hong Kong to shore up its liquidity position. The fact the company was able to get the issue off was impressive; HK-listed shares are down almost 50% YTD.

APAC Markets: The efforts of the PBoC were not enough to get iron ore off the floor, and rebar futures closed at the lowest levels since February as well. Thermal coal futures fell for a fifth session in six as prices anchor to 1000 CNY/ton after news last night that domestic Chinese coal production hit a record (357.1mm tons NSA). Indonesian coal exports exploded higher to help drive a record trade surplus in that country amidst strong demand around the world. In equity markets, most of the region was higher including a 1% gain for Korea, while Chinese stocks were slightly weaker. FX was mixed with most currencies up versus the dollar but a notable drop for the Philippine peso. Global fixed income started the week on the front foot as Japanese and Australian yields fell. We also note **Toyota** (ADR **TM**) reported late last week that it expected Japanese production lines to be operating normally in December as the global semis crunch starts to ease and auto factories ramp back up.

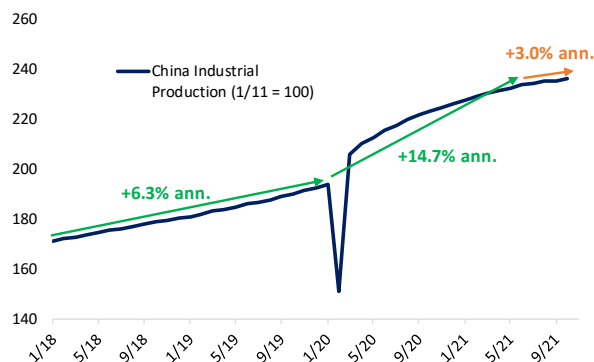
Europe Markets: This morning, ECB President Lagarde reiterated her view that Eurozone inflation will slow, saying "[a]s the recovery continues and supply bottlenecks unwind, we can expect the price pressure on goods and services to normalize". The current 27 bps spread between December 2021 and 2022 Euribor futures (implying >1 rate hike in 2022) is radically mispriced if Lagarde's assessment is accurate. European equity markets are broadly higher this morning and have been grinding out gains all morning, led by Retail and Travel/Leisure. Resources are down 111 bps and are the only group moving more than 1%, while EURUSD is down in a narrow range similar to Friday's trade. European natural gas futures are higher after another drop in UK wind output, though US futures are at new local lows.



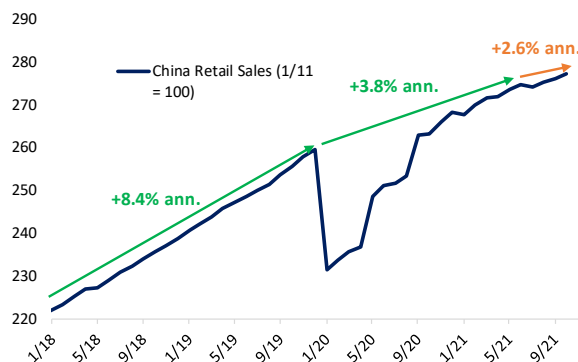
Morning Commentary

Overnight Data: Chinese activity data last night showed slowing industrial production growth after a huge post-COVID leap while retail sales beat estimates but have risen at a crawl in recent months. Property markets are likely a major factor: as Evergrande collapsed, official data imply a 43% decline in real estate investment activity in the month of October versus September, after adjusting for seasonality. We should note that this is just an estimate and is based on converting YTD sums into monthly ones, but is still a shocking figure. In Japan, surging commodity prices aren't translating into GDP price inflation where they should be having a large impact; Q3 GDP also missed estimates on a big investment whiff. Swedish consumer prices ex mortgage rate and energy impacts rose around 4% annualized in October while India's wholesale prices exploded due to energy costs.

China Industrial Production Volume (Level, SA)



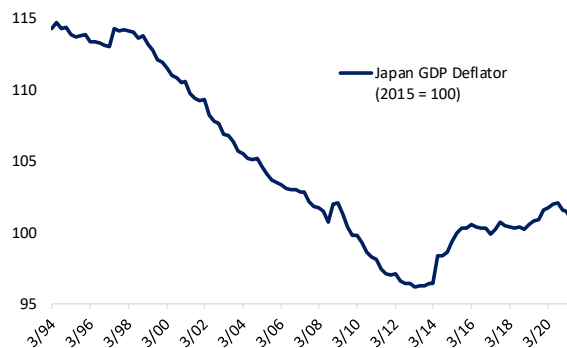
China Retail Sales Value (Level, SA)



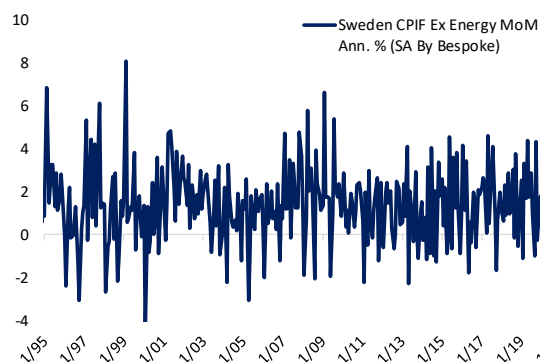
China Property Investment Fell 43% In October Per Official Data



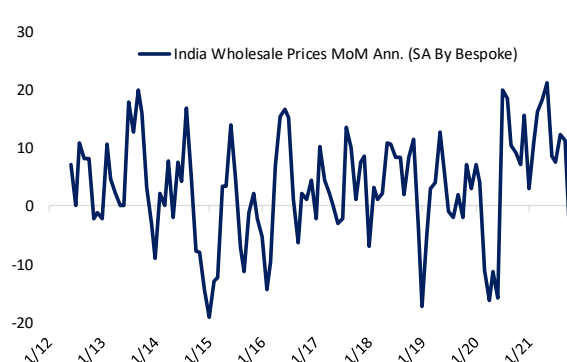
No Inflation In Japan Despite Commodity Prices



Swedish Core Inflation Over 4% In October, Accelerating



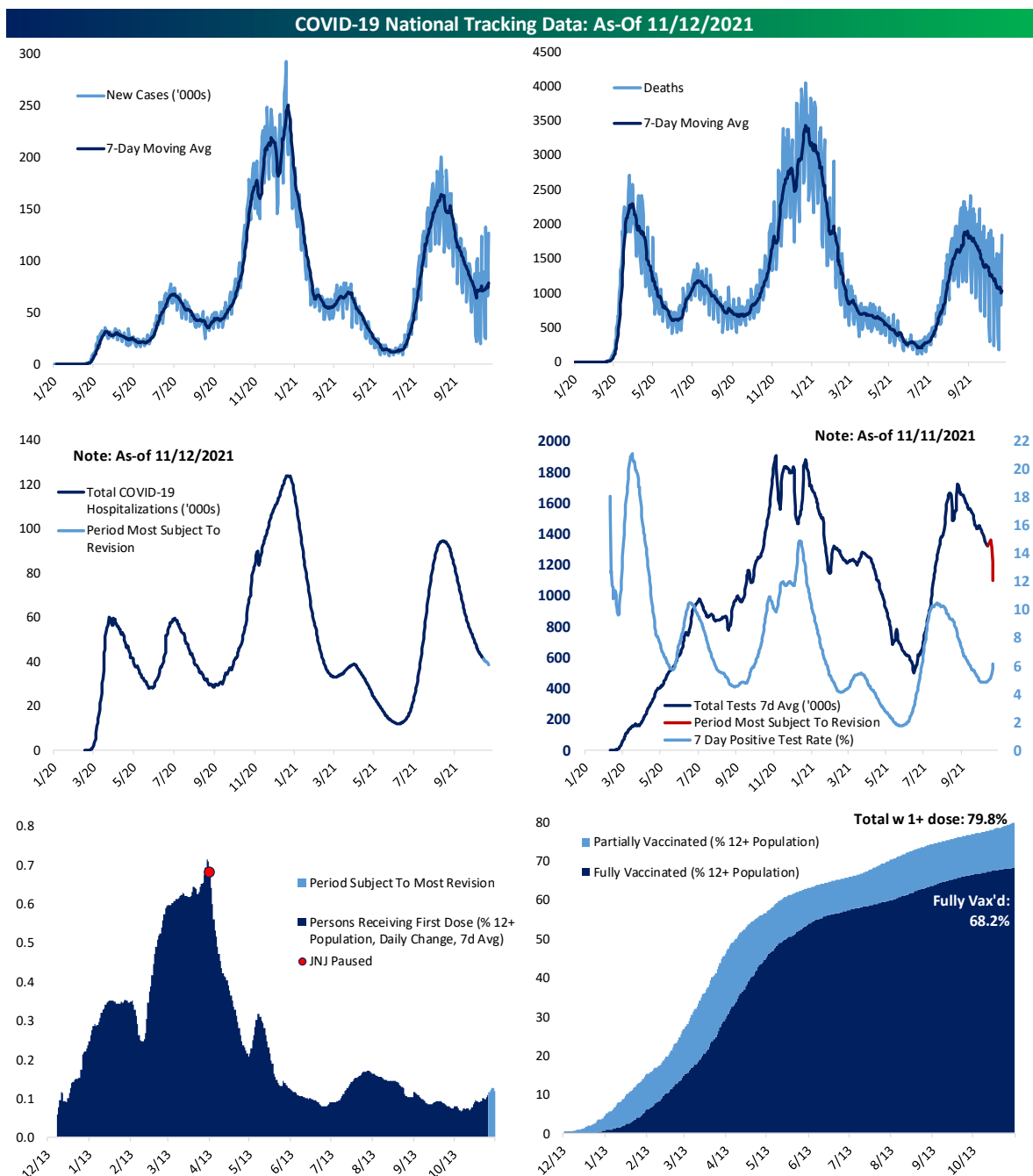
India Wholesale Prices Leap By Most Since At Least 2012





Morning Commentary

Coronavirus: US Case counts look to have definitely stopped falling, although the rate of increase has n't been particularly swift yet. In Europe (next page), case counts in Germany and France continue to accelerate while cases have been dropping in the UK. Just under 80% of the over-12 US population has received at least one vaccine dose and more two-thirds of over-12s are fully vaccinated by our calculations.





Morning Commentary

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

