

■ First to Market

August 1, 2024

Save the Date

A daily market update from FS Insight – what you need to know ahead of opening bell

“Compatibility is an achievement of love; it shouldn’t be its precondition.” – Alain de Botton

Overnight

Israel eliminates Fuad Shukr, Hezbollah’s most senior commander, who played a central role in the 1983 bombing of the U.S. Marine Corps barracks in Beirut that killed 241 American personnel [WSJ](#)

Khalid Shaikh Mohammed, the accused planner of the Sept. 11, 2001 attacks, and two of his accomplices have pleaded guilty to murder and conspiracy charges in exchange for life sentences instead of a death-penalty trial at Guantánamo Bay, Cuba [TI](#)

Powell puts September rate cut on table after Fed leaves borrowing costs unchanged [RT](#)

The Bank of England is expected to lower its benchmark interest rate [CNBC](#)

Bill Ackman withdraws \$2 billion Pershing Fund IPO while seeking to reevaluate the structure of the deal [Barron’s](#)

Slowing wage gains restrain U.S. labor costs in second quarter [RT](#)

Uber signed a deal with BYD to incentivize drivers to use the Chinese automaker’s electric vehicles [Semafor](#)



Chipmaker Qualcomm forecasts upbeat revenue on smartphone strength, AI boost [RT](#)

New US rule on foreign chip equipment exports to China to exempt some allies [RT](#)

Kraft Heinz cuts 2024 sales guidance as volumes sag [YF](#)

The bank of Starbucks: \$1.77 billion in unredeemed gift cards [MW](#)

A big Amazon ruling means it now has to recall over 400,000 dangerous or faulty third-party products in the U.S. [TR](#)

T-Mobile has a new side gig: fiber internet [WSJ](#)

Will the Fed rescue clean energy? [Semafor](#)

Widely reported in the financial press, a generous \$43 billion bid for Paramount by Apex Capital, an entity no one in the know seems to have ever heard of, is flagged as a hoax [TW](#)

There are 132 citations held by scientific papers authored by Larry Richardson, a cat [Semafor](#)

Rudy Giuliani agreed to a deal to end his bankruptcy case [GN](#)

Chart of the Day



S&P 500 Price Reaction: FOMC Meeting

Since 2022

S&P 500 Daily Price Change

	FOMC Dates	-5D into		FOMC Decision	FOMC decision intraday			5D Post-FOMC	10D Post-FOMC	2:30pm Presser to +5D	2:30pm Presser to +10D
		FOMC	-1D		SoD to 2pm Annct.	2pm Annct. To 2:30pm Presser	2:30pm Presser to EoD				
1	1/26/2022	-4.8%	-1.2%	-0.1%	1.7%	-1.2%	-0.6%	5.5%	5.5%	+5.5%	7.0%
2	3/16/2022	2.2%	2.1%	2.2%	0.1%	0.8%	1.3%	2.3%	5.6%	3.6%	7.0%
3	5/4/2022	0.0%	0.5%	3.0%	0.6%	1.2%	1.2%	-8.5%	-8.8%	-7.4%	-7.6%
4	6/15/2022	-10.2%	-0.4%	1.5%	0.3%	0.9%	0.2%	0.2%	-0.1%	0.4%	0.1%
5	7/27/2022	-0.4%	-1.2%	2.6%	1.4%	0.8%	0.4%	3.3%	4.6%	3.6%	5.0%
6	9/21/2022	-2.0%	-1.1%	-1.7%	-0.6%	1.4%	-2.5%	-1.9%	-0.2%	-4.4%	-2.7%
7	11/2/2022	-0.1%	-0.4%	-2.5%	0.8%	-1.8%	-1.5%	-0.3%	5.3%	-1.8%	3.7%
8	12/14/2022	2.0%	0.7%	-0.6%	-0.4%	-0.3%	0.1%	-2.9%	-3.7%	-2.8%	-3.5%
9	2/1/2023	1.5%	1.5%	1.0%	-0.4%	1.1%	0.4%	-0.0%	0.7%	0.3%	1.1%
10	3/22/2023	2.1%	1.3%	-1.6%	0.3%	-0.3%	-1.6%	2.3%	3.9%	0.7%	2.2%
11	5/3/2023	1.2%	-1.2%	-0.7%	0.4%	-0.1%	-1.0%	1.1%	1.7%	0.1%	0.6%
12	6/14/2023	2.0%	0.7%	0.1%	-0.5%	0.4%	0.2%	0.2%	0.5%	0.4%	0.7%
13	7/26/2023	0.3%	0.3%	-0.0%	-0.2%	0.4%	-0.1%	-1.2%	-2.2%	0.3%	0.8%
14	9/20/2023	-0.4%	-0.2%	-0.9%	-0.0%	-0.2%	-0.7%	-2.9%	-3.1%	-2.9%	0.3%
15	11/1/2023	-1.3%	0.6%	1.1%	0.5%	0.2%	0.3%	3.4%	6.3%	+3.4%	7.0%
16	12/13/2023	1.7%	0.5%	1.4%	0.7%	0.5%	0.1%	-0.2%	1.6%	0.3%	0.8%
17	1/31/2024	1.2%	-0.1%	-1.6%	-1.0%	0.1%	-0.7%	3.1%	3.2%	+3.1%	7.0%
18	3/20/2024	0.1%	0.6%	0.9%	0.3%	0.3%	0.3%	0.5%	-1.5%	+3.1%	2.2%
19	5/1/2024	-0.7%	-1.6%	-0.3%	0.2%	0.8%	-1.4%	3.4%	5.8%	+3.4%	7.0%
20	6/12/2024	1.6%	0.3%	0.9%	1.1%	-0.0%	-0.2%	1.0%	1.1%	0.3%	0.8%
Average		-0.2%	0.1%	0.2%	0.3%	0.2%	-0.3%	0.4%	1.3%	0.1%	1.0%
Median		0.2%	0.3%	0.0%	0.3%	0.3%	0.0%	0.3%	1.4%	0.4%	1.0%
Win Ratio		60%	55%	50%	65%	65%	50%	60%	65%	65%	70%
7/31/2024		-2.3%	-0.7%	-	-	-	-	-	-	-	-

4% to 5% rally?

Massive rallies
5 of 6 times

Source: Fundstrat, Bloomberg

MARKET LEVELS

Overnight

S&P Futures +17 ▲ point(s) (+0.3% ▲)
Overnight range: +0 ▲ to +38 ▲ point(s)

APAC

Nikkei -2.49% ▼



Topix **-3.24%** ▼
China SHCOMP **-0.22%** ▼
Hang Seng **-0.23%** ▼
Korea **+0.25%** ▲
Singapore **-1.04%** ▼
Australia **+0.28%** ▲
India **+0.11%** ▲
Taiwan **+1.99%** ▲

Europe

Stoxx 50 **-1.05%** ▼
Stoxx 600 **-0.5%** ▼
FTSE 100 **-0.14%** ▼
DAX **-1.13%** ▼
CAC 40 **-1.21%** ▼
Italy **-1.57%** ▼
IBEX **-1.09%** ▼

FX

Dollar Index (DXY) **+0.25%** ▲ to 104.36
EUR/USD **-0.41%** ▼ to 1.0782
GBP/USD **-0.74%** ▼ to 1.2761
USD/JPY **-0.13%** ▼ to 149.78
USD/CNY **+0.23%** ▲ to 7.2432
USD/CNH **+0.32%** ▲ to 7.2499
USD/CHF **-0.18%** ▼ to 0.8764
USD/CAD **+0.17%** ▲ to 1.3832
AUD/USD **-0.26%** ▼ to 0.6525

Crypto



BTC **-0.11%** ▼ to 64489.8
ETH **-1.21%** ▼ to 3182.12
XRP **-3.08%** ▼ to 0.6045
Cardano **-0.87%** ▼ to 0.386
Solana **-1.72%** ▼ to 168.7
Avalanche **-1.21%** ▼ to 25.39
Dogecoin **-0.74%** ▼ to 0.1209
Chainlink **+0.9%** ▲ to 12.92

Commodities and Others

VIX **+1.41%** ▲ to 16.59
WTI Crude **+0.76%** ▲ to 78.5
Brent Crude **+0.93%** ▲ to 81.47
Nat Gas **+1.52%** ▲ to 2.07
RBOB Gas **-1.14%** ▼ to 2.454
Heating Oil **+1.65%** ▲ to 2.455
Gold **-0.64%** ▼ to 2432.01
Silver **-0.61%** ▼ to 28.83
Copper **-1.32%** ▼ to 4.122

US Treasuries

1M **-2.4bps** ▼ to 5.3424%
3M **-1.6bps** ▼ to 5.2676%
6M **-0.3bps** ▼ to 5.0829%
12M **-0.6bps** ▼ to 4.7388%
2Y **+2.4bps** ▲ to 4.282%
5Y **+2.8bps** ▲ to 3.9408%
7Y **+2.6bps** ▲ to 3.9701%
10Y **+2.5bps** ▲ to 4.0545%
20Y **+1.9bps** ▲ to 4.4041%
30Y **+2.1bps** ▲ to 4.3236%



UST Term Structure

2Y-3 ▼M Spread widened 0.7bps to -102.5 ▼ bps

10Y-2 ▼Y Spread widened 0.0bps to -23.0 ▼ bps

30Y-10 ▼Y Spread narrowed 0.2bps to 26.7 bps

Yesterday's Recap

SPX +1.58% ▲

SPX Eq Wt +0.47% ▲

NASDAQ 100 +3.01% ▲

NASDAQ Comp +2.64% ▲

Russell Midcap +0.41% ▲

R2k +0.51% ▲

R1k Value +0.25% ▲

R1k Growth +2.69% ▲

R2k Value +0.3% ▲

R2k Growth +0.71% ▲

FANG+ +3.44% ▲

Semis +7.63% ▲

Software +1.39% ▲

Biotech +0.07% ▲

Regional Banks -0.41% ▼ SPX GICS1 Sorted: Tech +3.95% ▲

Cons Disc +1.79% ▲

SPX +1.58% ▲

Comm Srvcs +1.29% ▲

Utes +1.25% ▲

Indu +1.13% ▲

Materials +1.05% ▲

Energy +0.42% ▲

Fin -0.19% ▼

Cons Staples -0.2% ▼



REITs **-0.29%** ▼

Healthcare **-0.39%** ▼

USD HY 0aS

All Sectors **+1.8bp** ▲ to 361bp
 All Sectors ex-Energy **+1.8bp** ▲ to 343bp
 Cons Disc **+0.8bp** ▲ to 286bp
 Indu **-0.4bp** ▼ to 265bp
 Tech **+2.5bp** ▲ to 383bp
 Comm Srvcs **-2.5bp** ▼ to 651bp
 Materials **+6.0bp** ▲ to 337bp
 Energy **+1.5bp** ▲ to 284bp
 Fin Snr **+3.8bp** ▲ to 325bp
 Fin Sub **+4.8bp** ▲ to 235bp
 Cons Staples **+3.8bp** ▲ to 318bp
 Healthcare **+0.5bp** ▲ to 402bp
 Utes **-1.1bp** ▼ to 225bp *

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
8/1	8:30AM	2Q P Nonfarm Productivity	1.8	0.2
8/1	8:30AM	2Q P Unit Labor Costs	1.7	4.0
8/1	9:45AM	Jul F S&P Manu PMI	49.6	49.5
8/1	10AM	Jul ISM Manu PMI	48.8	48.5
8/2	8:30AM	Jul AHE m/m	0.3	0.3
8/2	8:30AM	Jul Unemployment Rate	4.1	4.1
8/2	8:30AM	Jul Non-farm Payrolls	175.0	206.0
8/2	10AM	Jun F Durable Gds Orders	-6.6	-6.6
8/5	9:45AM	Jul F S&P Srvcs PMI	n/a	56.0
8/5	10AM	Jul ISM Srvcs PMI	51.5	48.8
8/6	8:30AM	Jun Trade Balance	-72.5	-75.071



MORNING INSIGHT

Good morning!

The July FOMC press conference was very dovish and confirms the highest probability that a rate-cut cycle starts in Sept, which is positive for small-caps, Industrials, Financials, and Bitcoin.

More in today's Macro Minute Video, linked [HERE](#).

TECHNICAL

SPX and QQQ look to have bottomed and should resume their push up to new all-time highs into August. Bond yields have broken down sharply on the dovish Fed, and US Dollar looks to be next in line to break down to new monthly lows. Small-caps underperformed in recent days, but still look more attractive than Large-caps for outperformance over the next 3-5 weeks. Technology strength has been helpful this week, but it's the breakout to new highs in Industrials and Financials strength that seems important to concentrate on. Overall, we are expecting that Wednesday's gains set the stage for a push back to new all-time highs, and SPX should not undercut 5400 in the near future.

Click [HERE](#) for more.

CRYPTO

Elixir has launched a new synthetic dollar asset, deUSD, aiming to compete with Ethena's USDe. Both stablecoins are fully collateralized and operate within the DeFi ecosystem, with deUSD using #stETH as collateral to short ether in a delta-neutral position. Elixir claims deUSD offers a truly decentralized alternative with verifiable on-chain proofs, transparency, and resilience, not reliant on centralized entities. The project has \$1 billion in liquidity support and has partnered with DeFi platforms like Pendle, which tokenizes Elixir's Apothecary initiative. This initiative, which tracks user contributions, has accumulated over \$300 million in total value locked since March. Elixir recently completed an \$8 million Series B funding round, bringing its valuation to \$800 million ahead of its September mainnet launch. This is clearly a strong indication of demand for yield bearing stablecoins, as USDe has amassed a circulating supply of over \$3 billion after just launching to the public in February.

According to [media outlets that have viewed a draft of the bill](#), U.S. Senator Cynthia Lummis's proposed legislation aims to establish a Strategic Bitcoin Reserve in the United States. The draft bill outlines a "Bitcoin Purchase Program" to acquire up to 200,000 BTC annually over five years, totaling 1 million BTC. This initiative would be financed by setting aside \$6 billion from net earnings remitted by the Federal Reserve to the Treasury and reducing the Federal Reserve banks' discretionary surplus funds. Additionally, it would be partially funded by revaluing the Federal Reserve's gold certificates to reflect their market value. The purchased Bitcoin would be stored in a decentralized network of secure facilities across the U.S. and held for at least 20 years, with strict limitations on future sales. The plan also includes using existing U.S. government Bitcoin holdings from criminal forfeitures as part of the reserve's core. The strategic reserve's primary goal is to provide a secure, diversified asset base for the U.S. government, with potential uses limited to paying off federal debt.

Click [HERE](#) for more.

First News

Flaming Out. Apart from its fortuitous name, Match Group ([MTCH](#)) happens to be the owner of the largest global portfolio of popular online dating services, including [Tinder](#), [Match.com](#), [Meetic](#), [OkCupid](#), [Hinge](#), [Plenty of Fish](#), [OurTime](#), [OKCupid](#), and other dating global brands. Two days ago, Match reported Q2 FY24 earnings, which showed that users continue to sign up for and return to their Hinge dating app, while Tinder's number isn't exactly lighting up. Q2 sales beat expectations merely marginally, with earnings coming in in line with consensus estimates.

Match Group's management feels pressure to be a better financial partner to its shareholders, as it's been the target of multiple activist investors from Elliott Management to Anson Management, with Starboard most recently increasing their activist stake in the company. Match Group remains a moderate buy in the minds of Street analysts and, indeed, in Q2, its total revenues beat the top end of management's own guidance range of \$850-860 million as well as the market's expectations via a single-digit rise in total revenues. The problem is that the once-super-popular Tinder's contribution continues to decline while direct revenue related to the Hinge app continues its massive double-digit growth rate, surging 48% year-on-year.

What is the reason for the diverging trends between Hinge and Tinder's growth trajectories?

There are few things analytically-minded, curious people won't do to get at the answer to a gnawing question, and so, surprised at the ghosting of Tinder by once-loyal daters – while Hinge's enthusiastic users stylishly date their way to the app's supremacy – this intrepid reporter decided to do his research the old-fashioned way: by downloading the two apps and putting them through a rigorous run-through, side-by-side. (NB: No relationships, actual or implied, were put at risk via this experiment, conducted in the interests of scientific research and insight-generating reporting using the most rigorous standards of inquiry, morality, and tact.)

For one, Hinge has a minimalist vibe to its design that suggests maturity and class, whether the Less is more world view is arrived at due to rank youthful inexperience or hard-won middle-age wisdom. With Tinder, whether purposefully or by accident, the functionality screams “here for a hookup”. Many will say that this is by design, yet marriages have resulted from Tinder encounters, while not every Hinge connection opens the door to holy matrimony and ensuing lovebird bliss in the nearest dovecote.

For two, while Tinder allows direct communication (with someone the user has not yet matched) only at the overpriced Platinum level, with Hinge, one can write a few encouraging words in reaction to either a photo, looped video, or a bit of descriptive text on the target user’s profile, which, ironically, makes superficial (first-time) communication easier on an app that bills itself as the one for serious relationships than the one that seeks the reputation of a facilitator of free love. For an app whose byword should be ‘easy’, Tinder certainly seems to tie down the user with all sorts of strings when it comes to broadcasting your intention toward a particular person as opposed to just advertising one’s own virtues manifold.

And here we come to the most damning shortcoming of Tinder, which is the lack of self-descriptions on profiles. While Hinge, again, can be quite minimalist (and does have its share of prima donnas who finish the prompt ‘dating me is like’ with the word ‘dream’) the share of profiles it shows you that contain text ostensibly written by humans and describing how these humans view the world and what they want out of life is satisfyingly high.

We trust this has been a helpful and insightful, purely research-driven exploration of the workings of the Match Group. [Seeking Alpha](#)

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