

## Don't Look Up

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

"It is preoccupation with possession, more than anything else, that prevents men from living freely and nobly." – Bertrand Russell

### Overnight

Cooling July inflation sets stage for Fed's September rate cut [WSJ](#)

Japanese leader Fumio Kishida to step down [WSJ](#)

Africa public health body declares mpox emergency [RT](#)

BOE says key market rate is working fine after 70-day freeze [BBG](#)

U.K. services inflation eases, keeping door open for more rate cuts [WSJ](#)

Eurozone industrial activity contracts again [WSJ](#)

Firms hit with more than \$475 million in fines for failing to monitor traders' texts [WSJ](#)

FTC bans fake online reviews, inflated social media influence; rule takes effect in October [CNBC](#)

New U.K. government bets on green energy and companies are wary [WSJ](#)

Mortgage refinancing surges 35% in one week, as interest rates hit lowest level in over a year [CNBC](#)

A U.S. construction boom is sending rents lower and creating perks for renters [CNBC](#)

ChatGPT just got a surprise update, but OpenAI can't explain how it's better [TR](#)

Eric Schmidt walks back claim Google is behind on AI because of remote work [WSJ](#)

U.S. battery rush spurs \$1.4 billion sodium-ion factory in North Carolina [WSJ](#)

How hedge funds are fighting back against the SEC's 'aggressive' agenda [FT](#)

Large money managers have to disclose their investments; here's how to find them [MW](#)

Elon Musk's xAI launches Grok-2 in race to catch ChatGPT [FT](#)

Cisco cutting 7% of workforce, reports earnings and revenue beat for quarter [CNBC](#)

Nike up after Ackman's Pershing Square Capital takes stake [XM](#)

DraftKings reverses plans for a tax on customers as FanDuel parent Flutter wows Wall Street [CNBC](#)



Chinese rocket breaks apart after megaconstellation launch, creating cloud of space junk [LS](#)

How Duolingo turned a free language app into a \$7.7 billion business [WSJ](#)

JPMorgan reshuffle erodes power base of top deputy to Jamie Dimon [FT](#)

What the other generations can learn about preparing for retirement from Gen Z [MW](#)

Today is Ferragosto: the origins of Italy's biggest holiday, how to celebrate it [EN](#)

George Poteet, the King of Amateur Landspeed Racing Who Said He Never Got a Speeding Ticket, Dies at 76 [WSJ](#)

### Chart of the Day

#### Core CPI %MoM, %YoY, and %-Point Contribution

■ = services ex-housing

Core Consumer Price Index - Jul 2024

Expenditure Category	Weight (%)	% MoM		CTG		Delta in CTG	% YoY 1M Ago	% YoY Current	Delta
		Prior Month	MoM % Change	Prior Month	CTG MoM % Change				
Core CPI	100	0.06	0.17	0.06	0.17	0.10	3.27	3.17	-0.10
Commodities	23	-0.12	-0.32	-0.03	-0.07	-0.04	-1.84	-1.89	-0.06
Services ex-Shelter	31	0.07	0.21	0.02	0.06	0.04	4.92	4.73	-0.20
Shelter	46	0.17	0.38	0.08	0.17	0.10	5.16	5.05	-0.11
1 Shelter ex-Hotels	44.1	0.27	0.39	0.12	0.17	0.05	5.42	5.30	-0.12
2 Motor vehicle insurance	3.7	0.92	1.19	0.03	0.04	0.01	19.54	18.56	-0.98
3 Recreation services	4.1	-0.11	0.42	-0.00	0.02				
4 Tuition, other school fees, and childcare	3.0	0.22	0.33	0.01	0.01				
5 Leased cars and trucks	0.6	-5.22	1.17	-0.03	0.01				
6 Water and sewer and trash collection services	1.4	0.22	0.46	0.00	0.01				
7 Other personal services	1.9	0.92	0.26	0.02	0.01	-0.01	4.78	5.13	0.35
8 Professional services	4.5	0.15	0.11	0.01	0.00	-0.00	2.12	2.00	-0.12
9 Education and communication commodities	1.0	-0.47	0.40	-0.00	0.00	0.01	-7.73	-6.20	1.54
10 Alcoholic beverages	1.1	0.19	0.31	0.00	0.00	0.00	1.82	1.93	0.11
11 Medical care commodities	1.9	0.19	0.16	0.00	0.00	-0.00	3.14	2.78	-0.36
12 Motor vehicle fees	0.7	-0.38	0.42	-0.00	0.00	0.01	2.90	2.62	-0.28
13 Other lodging away from home including hotels anc	1.6	-2.51	0.18	-0.04	0.00	0.04	-2.84	-2.77	0.07
14 Household furnishings and supplies	4.3	-0.18	0.06	-0.01	0.00	0.01	-2.52	-2.26	0.25
15 Motor vehicle parts and equipment	0.6	-0.01	0.34	-0.00	0.00	0.00	-0.99	-0.30	0.69
16 Personal care products	0.8	-0.08	0.22	-0.00	0.00	0.00	1.04	0.80	-0.23
17 Tobacco and smoking products	0.7	0.48	0.15	0.00	0.00	-0.00	8.23	7.86	-0.37
18 Internet services and electronic information provide	1.2	-0.37	0.08	-0.00	0.00	0.01	4.32	3.86	-0.47
19 Car and truck rental	0.2	1.34	0.34	0.00	0.00	-0.00	-6.28	-6.22	0.06
20 Postage and delivery services	0.1	0.14	0.71	0.00	0.00	0.00	3.71	5.06	1.35
21 Public transportation ex-Airline fares	0.4	1.64	-0.10	0.01	-0.00	-0.01	0.28	-0.58	-0.86
22 Telephone services	1.9	-0.09	-0.07	-0.00	-0.00	0.00	0.09	-0.11	-0.20
23 Health insurance	0.7	0.11	-0.44	0.00	-0.00	-0.00	-4.16	-0.55	3.61
24 Motor vehicle maintenance and repair	1.6	0.21	-0.30	0.00	-0.00	-0.01	6.03	4.64	-1.40
25 New vehicles	4.5	-0.16	-0.19	-0.01	-0.01	-0.00	-0.88	-1.03	-0.16
26 Recreation commodities	2.5	0.38	-0.34	0.01	-0.01	-0.02	-1.56	-1.12	0.44
27 Apparel	3.2	0.11	-0.45	0.00	-0.01	-0.02	0.78	0.23	-0.55
28 Airline fares	1.0	-5.00	-1.60	-0.05	-0.02	0.04	-5.07	-2.81	2.26
29 Hospital and related services	2.9	0.11	-0.99	0.00	-0.03	-0.03	7.10	6.21	-0.89
30 Used cars and trucks	2.4	-1.53	-2.30	-0.04	-0.06	-0.02	-10.10	-10.93	-0.83
31 Household operations	1.3	n/a	n/a	n/a	n/a	n/a	6.99	6.87	-0.12

Ex-housing and auto insurance  
- Core CPI -0.04% MoM



1 Shelter ex-Hotels	0.17
2 Motor vehicle insurance	0.04

Source: Fundstrat, BLS

## MARKET LEVELS

### Overnight



S&P Futures +8 ▲ point(s) (+0.1% ▲)  
Overnight range: -4 ▼ to +15 ▲ point(s)

### APAC

Nikkei +0.78% ▲  
Topix +0.73% ▲  
China SHCOMP +0.94% ▲  
Hang Seng -0.02% ▼  
Korea flat  
Singapore +0.9% ▲  
Australia +0.19% ▲  
India flat  
Taiwan -0.6% ▼

### Europe

Stoxx 50 +0.27% ▲  
Stoxx 600 +0.23% ▲  
FTSE 100 +0.07% ▲  
DAX +0.38% ▲  
CAC 40 +0.11% ▲  
Italy flat  
IBEX +0.21% ▲

### FX

Dollar Index (DXY) +0.04% ▲ to 102.6  
EUR/USD flat at 1.1012  
GBP/USD +0.21% ▲ to 1.2856  
USD/JPY +0.04% ▲ to 147.39  
USD/CNY +0.25% ▲ to 7.1589  
USD/CNH +0.18% ▲ to 7.16  
USD/CHF +0.16% ▲ to 0.8666  
USD/CAD -0.09% ▼ to 1.3704  
AUD/USD +0.41% ▲ to 0.6625

### Crypto

BTC -1.13% ▼ to 58486.74  
ETH -1.89% ▼ to 2625.98  
XRP -0.49% ▼ to 0.5669  
Cardano +0.75% ▲ to 0.3378



Solana **-0.86%** ▼ to 142.5  
Avalanche flat at 20.95  
Dogecoin **-0.1%** ▼ to 0.1028  
Chainlink **+0.23%** ▲ to 10.4

### Commodities and Others

VIX **+0.93%** ▲ to 16.34  
WTI Crude **+0.48%** ▲ to 77.35  
Brent Crude **+0.49%** ▲ to 80.15  
Nat Gas **+0.68%** ▲ to 2.23  
RBOB Gas **+0.5%** ▲ to 2.333  
Heating Oil **+0.31%** ▲ to 2.376  
Gold **+0.37%** ▲ to 2456.85  
Silver **+1.78%** ▲ to 28.06  
Copper **+1.58%** ▲ to 4.104

### US Treasuries

1M **-1.4bps** ▼ to 5.3066%  
3M **-0.9bps** ▼ to 5.1934%  
6M **-0.9bps** ▼ to 4.9418%  
12M **-0.8bps** ▼ to 4.4147%  
2Y **+0.4bps** ▲ to 3.9594%  
5Y **+0.7bps** ▲ to 3.6867%  
7Y **+0.7bps** ▲ to 3.7339%  
10Y **+0.7bps** ▲ to 3.8427%  
20Y **+1.0bps** ▲ to 4.2263%  
30Y **+0.9bps** ▲ to 4.134%

### UST Term Structure

2Y-3 ▼M Spread narrowed 0.3bps to **-126.3** ▼ bps  
10Y-2 ▼Y Spread widened 0.8bps to **-11.9** ▼ bps  
30Y-10 ▼Y Spread widened 0.3bps to 28.9 bps

### Yesterday's Recap

SPX **+0.38%** ▲  
SPX Eq Wt **+0.21%** ▲  
NASDAQ 100 **+0.09%** ▲  
NASDAQ Comp **+0.03%** ▲  
Russell Midcap **+0.16%** ▲



- R2k -0.52% ▼
- R1k Value +0.43% ▲
- R1k Growth +0.32% ▲
- R2k Value -0.48% ▼
- R2k Growth -0.56% ▼
- FANG+ -0.08% ▼
- Semis +0.08% ▲
- Software +0.56% ▲
- Biotech -0.89% ▼
- Regional Banks -0.23% ▼ SPX GICS1 Sorted: Fin +1.29% ▲
- Energy +0.66% ▲
- Tech +0.61% ▲
- Cons Staples +0.45% ▲
- Healthcare +0.45% ▲
- Indu +0.42% ▲
- REITs +0.39% ▲
- SPX +0.38% ▲
- Materials +0.0% ▲
- Utes -0.1% ▼
- Cons Disc -0.41% ▼
- Comm Svcs -0.91% ▼

### USD HY OaS

- All Sectors -5.0bp ▼ to 392bp
- All Sectors ex-Energy -7.1bp ▼ to 365bp
- Cons Disc +6.3bp ▲ to 351bp
- Indu -6.4bp ▼ to 297bp
- Tech -11.1bp ▼ to 379bp
- Comm Svcs -11.5bp ▼ to 669bp
- Materials -7.9bp ▼ to 367bp
- Energy -5.7bp ▼ to 313bp
- Fin Snr -10.0bp ▼ to 350bp
- Fin Sub -4.3bp ▼ to 248bp
- Cons Staples -5.5bp ▼ to 335bp
- Healthcare -10.0bp ▼ to 422bp
- Utes -10.7bp ▼ to 234bp \*

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
8/15	8:30AM	Jul Import Price m/m	-0.1	0.0
8/15	8:30AM	Jul Retail Sales m/m	0.4	0.0



DATE	TIME	DESCRIPTION	ESTIMATE	LAST
8/15	10AM	Aug Homebuilder Sentiment	43.0	42.0
8/15	4PM	Jun Net TIC Flows	n/a	15.84
8/16	10AM	Aug P UMich 1yr Inf Exp	2.9	2.9
8/16	10AM	Aug P UMich Sentiment	66.9	66.4
8/21	2PM	Jul 31 FOMC Minutes	n/a	0.0

## MORNING INSIGHT

Good morning!

As is the pattern for much of the past year, two components account for the bulk of inflation. Both of these are arguably lagging indicators and will eventually become disinflationary.

- auto insurance premiums are indeed rising and catching up due to a past rise in claims
- currently, auto insurance is still incrementally accelerating MoM +1.19% vs +0.92% prior
- shelter is on a glide path to lower as YoY is +5.05% vs 5.16% last month
- but this is a known "smoothed" series, so it takes time.

Click [HERE](#) for more.

## TECHNICAL

***As Mark Newton is on break, there will be no new reports or videos this week.***



## Reasons for Optimism in August

- Technology now nearing former lows from 2024 while the broader market has shown minimal true evidence of deterioration.
- USDJPY now seems to be nearing support and could bounce.
- Volume dispersion as 90% of volume fell into Declining stocks and produced just our second “90% Down Day” of 2024.
- Elliott-wave structure still shows the move from mid-July as being part of an ABC corrective structure, and should lead back to highs
- Sentiment polls such as “Fear and Greed” have now moved into “Extreme Fear” territory while the VIX pushed above 60 briefly on Monday
- -Last week brought about a move back to new all-time highs for SPDR Select Healthcare ETF (\$XLV) while Invesco’s Equal-weighted Financials, and Industrials ETF’s ( \$RSPF, \$RSPN respectively) both moved to new highs one week prior.
- Weekly charts of MSFT, AAPL, AMZN, META, NVDA, and GOOGL have not shown much intermediate-term technical deterioration.
- Cycle Composite of SPX shows this selloff to be likely completed by 8/19 at the latest ahead of a sharp rally back to highs into mid-September.
- Seasonality shows strong August performance in Election years, and normally in 2H following a strong first half. Our current August performance shows -6% returns over the first three days of August. I expect the back half of August to prove much more positive.

Source: Fundstrat

Click [HERE](#) for more.

## CRYPTO

10,000 Bitcoin, valued at nearly \$600 million, have been transferred to a Coinbase Prime wallet, capturing the attention of traders once again. This transaction, reported by [Arkham Intelligence] (<https://platform.arkhamintelligence.com/explorer/address/bc1qlap8hkt9genaljz5nt2zlehhd63zlahr2zek>), is believed to be part of the \$2 billion worth of Bitcoin that the U.S. Department of Justice (DOJ) seized in connection with the Silk Road case. The DOJ had previously moved these funds to an unidentified wallet two weeks ago, and this recent transfer to Coinbase Prime suggests that Coinbase may be moving the coins into longer-term custody, or potentially liquidating the confiscated assets.

Click [HERE](#) for more.

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## First News

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**A NIMBY of Galactic Proportions.** In May of this year, potentially lethal debris fell from orbit and landed in an open area belonging to a Saskatchewan farmer. He found the space junk while preparing his fields for springtime seeding.

It's not so much the debris itself, which looked like the charred, battered hood of a Mack truck, covered as it was with woven carbon fiber and some partially melted aluminum protrusions, but the fact that so much of the object remained past entry through the Earth's atmosphere, which, in the popular imagination, is supposed to burn up anything smaller than the asteroid from [Don't Look Up](#).

The fact that it turned out to be a SpaceX Crew Dragon trunk ejected by the *Axiom 3* private astronaut mission that had reentered over the Canadian prairies on February 26, 2024 highlights the skyrocketing risks of space junk sufficiently indifferent to the vaporizing properties of the atmosphere to increasingly inundate our lives, making sure we get from space as good as we give it.

Animated at least in part by its founder's maniacal focus on developing the technological base to one day colonize Mars, SpaceX is meantime building a broadband internet business in the interests of which it has been launching huge numbers of its Starlink internet broadband satellites since 2019. Better than 6,000 are in orbit; worse is what's planned – as many as 42,000. As Starlink has grown, along with competing plans for other satellite 'mega constellations', the sky has been filled with [bright, easily visible satellites](#). Beyond this light pollution – which robs us of a precious connection to our ancient forebears provided by the ability to look up at the same sky they saw a thousand or a hundred thousand years ago – new research shows that [atmospheric pollution is skyrocketing](#) from the SpaceX-dominated dramatic increase in launches and reentries—with [potentially disastrous global effects](#).

From the ever-relevant climate-change point of view, the aluminum oxide produced by sublimating satellites in Earth's upper atmosphere is actually a potent and lasting catalyst for chemical reactions similar to those that in the last century famously gnawed a large hole in the Earth's fragile radiation-blocking ozone layer.

Last month, NASA awarded the same company, SpaceX, [a contract](#) for \$843 million to destroy the International Space Station in pre-planned fashion as early as 2030. Now, Russia brought down its Mir space station in 2001 at the same Point Nemo in the Pacific Ocean – a graveyard for those bits of space junk we were kind enough to trash in our own backyard – in a controlled fashion, but two days ago, a Chinese rocket launch from the Taiyuan Satellite Launch Center reportedly [resulted in a fragmentation](#) that subsequently created ~700 new debris objects in low earth orbit.

Soon, unable to escape [urban light pollution](#) or the increasing presence of trashy manmade flickers in the night sky, we may be reduced to a paltry predicament: look up, feel overwhelmed, look away. [Space.com](#)





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