

■ First to Market

September 25, 2024

Come on Back

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

“Life itself is the proper binge.” — Julia Child

US accuses Visa of monopolizing debit card swipes [RT](#)

Dockworkers likely to strike at East and Gulf coast ports [AX](#)

Heavy rains lash the Cayman Islands as southeast U.S. prepares for a major hurricane [CNBC](#)

OPEC expects oil demand to continue climbing over next two decades [WSJ](#)

Germany, Canada join US and UK with un-inverting yield curves [BBG](#)

Deutsche Boerse Raided in EU Derivatives Cartel Probe [BBG](#)

Record number of factory robots [SEM](#)

Commerzbank named Bettina Orlopp as new CEO amid UniCredit threat [FT](#)

Lone Fed dissenter was worried bigger rate cut would send signal of ‘economic fragility’ [YF](#)

US Investigating SAP, Carahsoft for Potential Price-Fixing [BBG](#)

A top KKR exec is pushing for workers’ stake in US companies [WSJ](#)

September consumer confidence falls the most in three years [CNBC](#)

Nippon Steel’s Mori asks USW leadership to ‘come to the table’ [RT](#)



Intel launches new AI chips as takeover rumors swirl [YE](#)

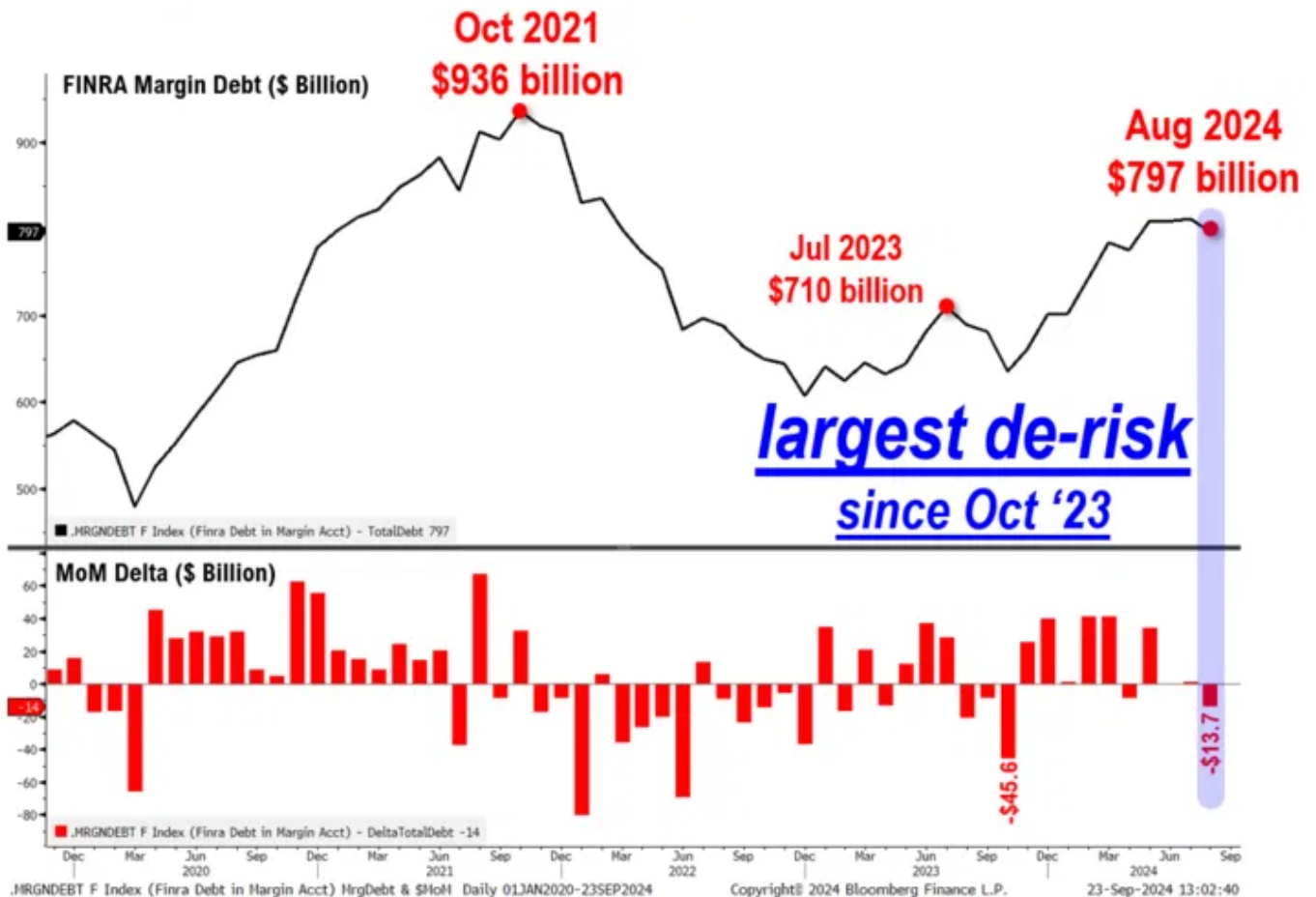
Caroline Ellison gets 2-year prison sentence for FTX fraud [ET](#)

TikTok to shutter music streaming business in win for Spotify, Apple [YE](#)

Government watchdog calls F.A.A. air traffic control systems still critically outdated [NYT](#)

Chart of the Day

FINRA Margin Debt and MoM Change



Source: Fundstrat, Bloomberg, FINRA

Overnight

S&P Futures -2 ▼ point(s) (-0.0% ▼)



overnight range: -19 ▼ to +3 ▲ point(s)

APAC

Nikkei -0.19% ▼
Topix -0.23% ▼
China SHCOMP +1.16% ▲
Hang Seng +0.68% ▲
Korea -1.34% ▼
Singapore -1.09% ▼
Australia -0.19% ▼
India +0.25% ▲
Taiwan +1.47% ▲

Europe

Stoxx 50 -0.24% ▼
Stoxx 600 +0.06% ▲
FTSE 100 +0.25% ▲
DAX -0.25% ▼
CAC 40 -0.18% ▼
Italy +0.17% ▲
IBEX +0.02% ▲

FX

Dollar Index (DXY) -0.01% ▼ to 100.45
EUR/USD +0.24% ▲ to 1.1207
GBP/USD -0.16% ▼ to 1.3391
USD/JPY -0.68% ▼ to 144.21
USD/CNY +0.04% ▲ to 7.0290
USD/CNH -0.19% ▼ to 7.0244
USD/CHF -0.48% ▼ to 0.8474



USD/CAD **-0.06%** ▼ to 1.3439

AUD/USD **-0.22%** ▼ to 0.6877

UST Term Structure

2Y-3 ▼M Spread narrowed **-0.5bps** ▼ to **-109.3bps** ▼

10Y-2 ▼Y Spread widened 3.9bps to 22.3bps

30Y-10 ▼Y Spread narrowed **-0.4bps** ▼ to 34.9bps

Yesterday's Recap

SPX **+0.25%** ▲

SPX Eq Wt **+0.15%** ▲

NASDAQ 100 **+0.47%** ▲

NASDAQ Comp **+0.56%** ▲

Russell Midcap **+0.15%** ▲

R2k **+0.17%** ▲

R1k Value **+0.07%** ▲

R1k Growth **+0.40%** ▲

R2k Value **+0.02%** ▲

R2k Growth **+0.31%** ▲

FANG+ **+0.51%** ▲

Semis **+1.86%** ▲

Software **+0.12%** ▲

Biotech **-0.48%** ▼

Regional Banks **-1.35%** ▼ SPX GICS1 Sorted: Fin **-0.92%** ▼

Utes **-0.76%** ▼

Cons Staples **-0.38%** ▼

Energy **-0.29%** ▼

Healthcare **-0.22%** ▼

REITs **-0.06%** ▼

SPX **+0.25%** ▲

Comm Srvcs **+0.40%** ▲



Indu +0.70% ▲
 Cons Disc +0.76% ▲
 Tech +0.79% ▲
 Materials +1.35% ▲

USD HY OaS

All Sectors -3.0bps ▼ to 363bps
 All Sectors ex-Energy -3.0bps ▼ 335bps
 Cons Disc -3.2bps ▼ 319bps
 Indu -4.1bps ▼ 268bps
 Tech -8.9bps ▼ 349bps
 Comm Srvcs -4.2bps ▼ 596bps
 Materials -4.2bps ▼ 346bps
 Energy +0.8bps ▲ 327bps
 Fin Snr -2.2bps ▼ 323bps
 Fin Sub -1.0bps ▼ 233bps
 Cons Staples -4.0bps ▼ 324bps
 Healthcare -1.1bps ▼ 379bps
 Utes -1.4bps ▼ 223bps *

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
9/25	10:00 AM	Aug New Home Sales	700	739
9/25	10:00 AM	Aug New Home Sales m/m	-5.3	10.6
9/26	8:30 AM	2Q T GDP QoQ	3	3
9/26	8:30 AM	Aug P Durable Gds Orders	-2.7	9.8
9/27	8:30 AM	Aug PCE m/m	0.1	0.2
9/27	8:30 AM	Aug Core PCE m/m	0.2	0.16
9/27	8:30 AM	Aug PCE y/y	2.3	2.5
9/27	8:30 AM	Aug Core PCE y/y	2.7	2.62042
9/27	10:00 AM	Sep F UMich 1yr Inf Exp	n/a	2.7



DATE	TIME	DESCRIPTION	ESTIMATE	LAST
9/27	10:00 AM	Sep F UMich Sentiment	69.3	69
10/1	9:45 AM	Sep F S&P Manu PMI	n/a	47
10/1	10:00 AM	Sep ISM Manu PMI	47.5	47.2
10/1	10:00 AM	Aug JOLTS	n/a	7673

MORNING INSIGHT

Good morning!

After falling -4% in the first week of September, the S&P 500 has managed to climb back steadily and is up 1.5% for the month. This is a sign of a strong market, marking the S&P 500 to be up 8 of the 9 months in 2024. Granted, there are still 6 days left, but this is a big comeback.

Click [HERE](#) for more.

TECHNICAL

Chinese Equity ETF's look to be turning higher in the near-term after PBOC move. \$FXI closed nearly 9% yesterday on very heavy volume. This arguably looks constructive for China, which has lagged all year.

Click [HERE](#) for more.

CRYPTO

We see the BTC ETF options approval and PBOC's monetary stimulus as having important implications on the broader crypto ecosystem. The recent outperformance of Chinese equities serves as a bullish signal for BNB.

Click [HERE](#) for more.

First News

Weighty examinations. Novo Nordisk CEO Lars Jorgensen appeared before the Senate Health, Education, Labor, and Pensions Committee yesterday to answer senators' questions about the high prices Novo Nordisk charges for its blockbuster weight-loss drugs, Ozempic and Wegovy. Critics have recently pointed out that the company can no longer claim that the higher prices are needed to recoup R&D costs: for example, [one analysis](#) suggests that by the end of 2024, Novo Nordisk's revenues for the two medications will have covered the entirety of the firm's R&D expenditures since 1995.

For his part, Jorgesen sought to place the blame on the U.S. healthcare system's pharmacy benefit managers (PBMs), claiming that they are incentivized to cover drugs with higher list prices and that lowering prices would therefore reduce coverage for U.S. patients – without saving U.S. patients any money. That's similar to an argument that the FTC made recently in a lawsuit alleging that the three dominant PBMs had artificially inflated insulin costs through a "perverse drug rebate system." (Representatives for the respondents in that lawsuit, CVS Health's Caremark Rx, Cigna's Express Scripts, and UnitedHealth Group's OptumRx, have each strongly denied responsibility.)

However, with regard to weight-loss treatments, Sen. Bernie Sanders (I-Vermont) announced at yesterday's hearing that all three of the major PBMs had given him assurances that they would not reduce coverage – and would likely expand it – if the list price were to be reduced. Jorgensen's response was noncommittal.

Apparently left unmentioned are the basic economics behind high prices – limited supply (due to limited manufacturing capacity, which Novo Nordisk and Eli Lilly are working to expand) and ever-increasing demand. It isn't just the large number of obese and diabetic patients who likely stand to benefit from the GLP-1/semaglutide treatments, but also the expanding list of indications (ailments) for which they can be prescribed to treat, including [heart disease, kidney failure, and dementia](#).



The mechanism for benefits to such patients is not clear, but some researchers believe it has to do with the [anti-inflammatory properties of GLP-1 drugs](#), rather than the benefits from weight loss. Whereas previously, inflammation was thought of as the side effect of the immune system's response to infection or injury, a growing body of research suggests that inflammation is often not a symptom, but the cause of, a wide range of ailments, ranging from autoimmune diseases like rheumatoid arthritis to heart disease, gastrointestinal disorders like Crohn's disease, Alzheimer's disease, and even some cancers. If this theory proves true, GLP-1 medications could end up with a far greater range of uses.

In any case, both companies have [already begun to lower prices](#) for their respective treatments. The companies are responding to not just expanding manufacturing capacity, but also competition from significantly cheaper facsimile treatments from compounding pharmacies. Additional pressure on price could be imminent, as Ozempic is slated to become eligible for the next round of [Medicare drug price negotiations](#).

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