

■ First to Market

January 7, 2025

Here for a Good Time

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

"I drink to make other people more interesting." – Ernest Hemingway

Overnight

Meta Ends Fact-Checking on Facebook, Instagram in Free-Speech Pitch [WSJ](#)

Biden Administration Moves to Ban Medical Debt From Credit Reports [NYT](#)

US corporate bankruptcies hit 14-year high as interest rates take toll [FI](#)

The economy grew rapidly in the past 2 years. Can it keep it up under Trump 2.0? [MW](#)

ILA union and port owners held secret meeting on automation as new strike looms [CNBC](#)

McDonald's is the latest company to roll back diversity goals [AP](#)

Nvidia CEO Pitches Robotics, Cars as Growth Areas to Consumer-Electronics Audience [WSJ](#)

Canada Tilts Right: Inflation Claims Trudeau as Its Latest Victim [BBG](#)

The Populist Vying to Lead Canada and End a Decade of Liberalism [WSJ](#)

Javier Milei's next economic mission: affordable air fryers [FI](#)



Fubo stock skyrockets 250% after streamer strikes a deal to combine with Disney's Hulu+ Live TV [CNBC](#)

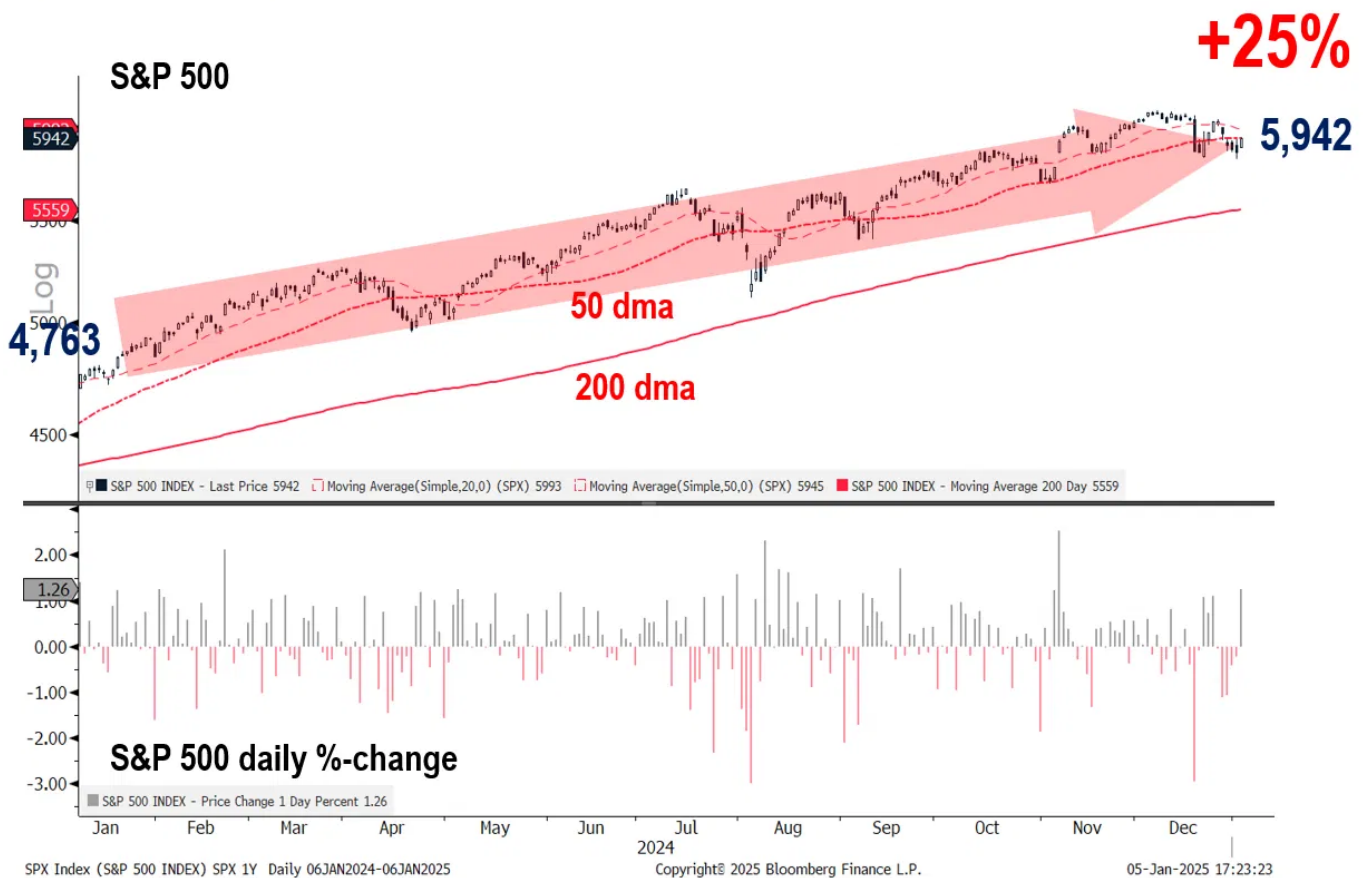
Trump is expected to hold a news conference on Tuesday morning [NYT](#)

New Orleans holds 1st parade of Carnival season 5 days after deadly attack on Bourbon Street [AP](#)

U.S. records its first human bird flu death [NBC](#)

Chart of the Day

S&P 500: Recency bias



Overnight



S&P Futures +6 ▲ point(s) (+0.1% ▲)
overnight range: -14 ▼ to +12 ▲ point(s)

APAC

Nikkei +1.97% ▲
Topix +1.10% ▲
China SHCOMP +0.71% ▲
Hang Seng -1.22% ▼
Korea +0.14% ▲
Singapore +0.17% ▲
Australia +0.33% ▲
India +0.39% ▲
Taiwan +0.44% ▲

Europe

Stoxx 50 +0.76% ▲
Stoxx 600 +0.42% ▲
FTSE 100 -0.24% ▼
DAX +0.52% ▲
CAC 40 +0.85% ▲
Italy +0.30% ▲
IBEX +0.44% ▲

FX

Dollar Index (DXY) -0.01% ▼ to 108.24
EUR/USD +0.01% ▲ to 1.0391
GBP/USD +0.10% ▲ to 1.2532
USD/JPY -0.04% ▼ to 157.68
USD/CNY +0.02% ▲ to 7.3270
USD/CNH +0.09% ▲ to 7.3391



USD/CHF **-0.29%** ▼ to 0.9072

USD/CAD **+0.09%** ▲ to 1.4319

AUD/USD **+0.48%** ▲ to 0.6276

UST Term Structure

2Y-3 ▼M Spread widened 0.5bps to **-2.5bps** ▼

10Y-2 ▼Y Spread widened 0.2bps to 35.4bps

30Y-10 ▼Y Spread widened 0.3bps to 21.9bps

Yesterday's Recap

SPX **+0.55%** ▲

SPX Eq Wt **-0.07%** ▼

NASDAQ 100 **+1.09%** ▲

NASDAQ Comp **+1.24%** ▲

Russell Midcap **+0.06%** ▲

R2k **-0.08%** ▼

R1k Value **-0.13%** ▼

R1k Growth **+1.12%** ▲

R2k Value **-0.34%** ▼

R2k Growth **+0.16%** ▲

FANG+ **+1.80%** ▲

Semis **+3.32%** ▲

Software **+0.21%** ▲

Biotech **-0.22%** ▼

Regional Banks **+0.21%** ▲ SPX GICS1 Sorted: REITs **-1.40%** ▼

Utes **-1.10%** ▼

Cons Staples **-0.98%** ▼

Fin **-0.42%** ▼

Energy **-0.41%** ▼

Indu **-0.21%** ▼

Healthcare **-0.02%** ▼



SPX +0.55% ▲
 Cons Disc +0.61% ▲
 Materials +0.66% ▲
 Tech +1.44% ▲
 Comm Srvcs +2.13% ▲

USD HY OaS

All Sectors +0.2bps ▲ to 305bps
 All Sectors ex-Energy +0.1bps ▲ 287bps
 Cons Disc +0.3bps ▲ 256bps
 Indu +1.2bps ▲ 233bps
 Tech +0.4bps ▲ 306bps
 Comm Srvcs -2.6bps ▼ 494bps
 Materials -0.2bps ▼ 283bps
 Energy +0.2bps ▲ 281bps
 Fin Snr +0.8bps ▲ 267bps
 Fin Sub +0.1bps ▲ 194bps
 Cons Staples +0.5bps ▲ 267bps
 Healthcare +0.2bps ▲ 362bps
 Utes +0.4bps ▲ 215bps *

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
1/7	8:30 AM	Nov Trade Balance	-78.3	-73.836
1/7	10:00 AM	Dec ISM Srvcs PMI	53.5	52.1
1/7	10:00 AM	Nov JOLTS	7740	7744
1/8	2:00 PM	Dec 18 FOMC Minutes	n/a	0
1/8	2:00 PM	Dec 18 FOMC Minutes	n/a	0
1/10	8:30 AM	Dec AHE m/m	0.3	0.4
1/10	8:30 AM	Dec Unemployment Rate	4.2	4.2
1/10	8:30 AM	Dec Non-farm Payrolls	163	227



DATE	TIME	DESCRIPTION	ESTIMATE	LAST
1/10	10:00 AM	Jan P UMich 1yr Inf Exp	2.8	2.8
1/10	10:00 AM	Jan P UMich Sentiment	74	74
1/13	11:00 AM	Dec NYFed 1yr Inf Exp	n/a	2.97

MORNING INSIGHT

Good morning!

We do not believe inflation is re-surg-ing, as many are fearing and as implied by the rise in U.S. 10-year Treasury yields. While the rise in yields is somewhat puzzling, we do not think inflation is suddenly strengthening in 2025.

Click [HERE](#) for more.

TECHNICAL

- SPX and QQQ could be stalling out after two-day bounce to resistance.
- Chart of equal-weighted SPX shows how much damage happened in recent weeks.
- Crude likely retreats in the near-term following recent sharp bounce.

Click [HERE](#) for more.

CRYPTO

We discuss the market’s reaction to tariff-related rumors, how it impacts crypto, and why we’re feeling more optimistic about this rally’s sustainability.

Click [HERE](#) for more.

First News

The alcohol industry [might be dealing with its worst Dry January yet](#). Surprisingly, shares of drink makers don't seem to be too affected.

On Friday, [U.S. Surgeon General Dr. Vivek Murthy](#) issued a warning that alcohol consumption is a leading cause of preventable cancer and suggested that bottles and cans should carry cancer warning labels.

Shares of alcohol makers posted minor losses in response the same day. Molson Coors Beverage dropped 3.4%, Anheuser Busch InBev slipped 2.8%, and Heineken fell 1.8%.

They recovered some of their gains to start the week, despite the heaviness of the news. However, on a closer look, the partial bounce may not be as surprising as many may think for at least three reasons.

The first reason is a bit technical. While negative news like this typically has an immediate impact on share-price performance, the stock market holds a long-term view. Perhaps that's why even big events fail to have a prolonged impact on the market. That was especially true when [markets crashed in early 2020](#) during the Covid-19 pandemic only to post fresh records a few months later.

The second reason is specific to alcohol companies. They've been ramping up production of no- and low-alcohol for a while now, and it's becoming a big business, too. Global sales for non-alcoholic booze were nearly \$20 billion in 2023, double the amount from five years ago, [The Economist, citing Euromonitor data](#), said.

A few examples:

- Diageo, the maker of Johnnie Walker Scotch whisky and Captain Morgan rum and others, has invested millions to boost production of the non-alcoholic variant of its Guinness Stout. It also recently acquired Ritual, a non-alcoholic drinks brand.
- LVMH's wines and spirits division has invested in French Bloom, a brand of alcohol-free sparkling wines.
- AB InBev has [increased the number of no-and-low alcohol beer](#) products in its portfolio by 60% and volumes by more than 23% since 2019.

Drink makers are investing millions into this because the number of Americans who view alcohol consumption as bad for health hit a new high, [according to a Gallup survey](#). More surprising in the survey: About 65% of U.S. adults aged 18 to 34 say alcohol consumption negatively affects one's health, significantly up from 30% in early 2000s.

The third reason is obvious. Some people like to drink, and the party must go on.

It's the stock market, so anything is possible for shares of drink makers. But for now, you needn't pour one out for them.

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