

First to Market

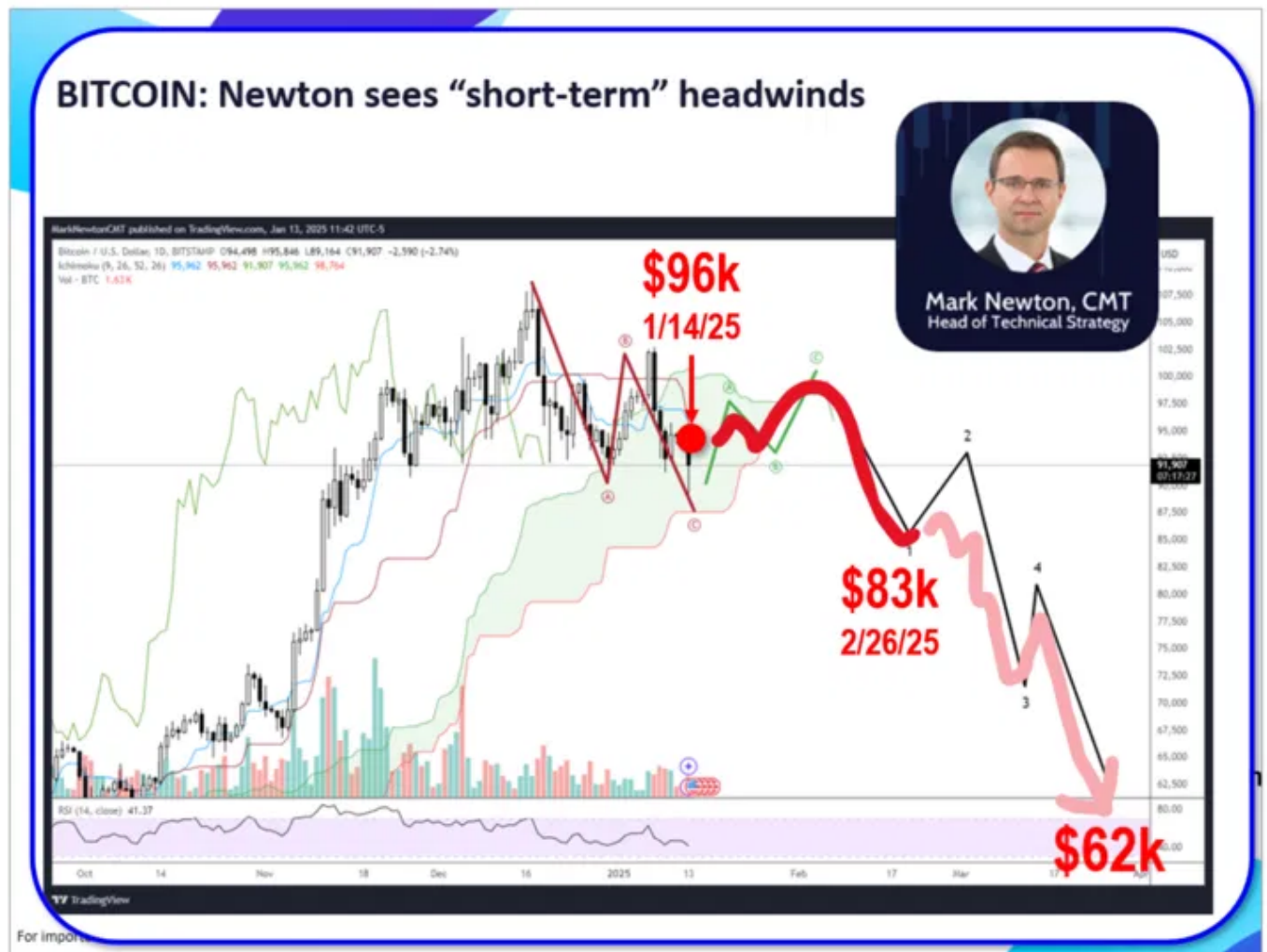
February 27, 2025

A Few (Ship)yards Short

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

“He that will not sail till all dangers are over must never put to sea.” –Thomas Fuller

Chart of the Day



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Good morning!

As we wrote here yesterday, the Trump administration has proposed imposing hefty port fees on U.S. ports of call on ships operated by Chinese shipping companies or made in China. In this, President Donald Trump appears to be registering his dissatisfaction at how China has come to dominate the global commercial shipbuilding industry.

Yet port fees are all but certain to have no effect on this, at least on their own. Economist Marc Levinson, an [expert on container shipping](#), had this to say about the port-fee proposal: “This is not likely to do much for U.S. shipbuilding.” It costs at least twice as much to build ships in the U.S. as elsewhere, and it takes significantly more time as well. Neither China nor South Korea can be blamed for this: “[This] is not a recent development; it’s been the norm for at least the past 100 years,” according to structural engineer and construction expert [Brian Potter](#).

A large part of that is due to plain inefficiency. During World War II, the U.S. ramped up shipbuilding, but a Liberty Ship still took an average 486,000 man-hours to build. The British could build a similar vessel with just 336,000 man-hours. This gap in comparative labor efficiency and manufacturing know-how never diminished and remains to this day – American shipbuilding construction times remain by far the highest in the world.

What might help – though it would undoubtedly take some time – is the [SHIPS for America Act](#), introduced on Dec. 19, 2024 by Sens. Mark Kelly (D-Arizona) and Todd Young (R-Indiana), and by Reps. Trent Kelly (R-Mississippi) and John Garamendi (D-California). The bill appears to enjoy bipartisan support, including from [members of the Trump administration](#). Among other things, this legislation would set a goal of building a fleet of 250 privately owned, US-built, US-flagged, US-crewed vessels; create a shipbuilding financial incentive program to revitalize the U.S. shipbuilding industry; and provide incentives to recruit, train, and retain shipyard workers.



Though introduced during the Biden administration, it's notable that the bill was also co-sponsored and partially drafted by then-Rep. Mike Waltz (R-Florida), who is now President Trump's National Security Adviser. Waltz views the initiative as a matter of not just trade, but also national security: "[China] literally could turn off our entire economy by essentially choking off that shipping fleet," [he asserted](#) at the time. If Trump is serious about restoring American shipbuilding, a worthy goal for improving U.S. economic and military security, he will listen to his adviser.

Catch Up With Fundstrat

It's been a critical week for markets with key earnings announcements alongside economic data. Nvidia's results, released after market close yesterday, [appears "good enough" for the broader market not to deteriorate](#) on fears of softer tech performance. This Friday is Jan Core PCE.

TECHNICAL

Recent selling pressure should be nearly complete after having pulled back to test early February lows. \$TSLA looks attractive following its break below \$300 from a counter-trend perspective, and [it looks to be approaching an attractive risk/reward entry](#).

CRYPTO

Mark Newton use his lens of technical analysis perspective to walk through some key charts and highlight [the critical levels he is monitoring for BTC, ETH, SOL, and LTC](#).

News We're Following

Breaking News



- Nasdaq futures pace gains for Dow, S&P 500 after Nvidia earnings, Trump tariff vows [YF](#)
- Gene Hackman and his wife found dead at their home [BBC](#)

Markets and economy

- Nvidia earnings show tech giant remains bullish on AI chip demand [SEM](#)

Business

- Trump team weighs pulling funding for Moderna bird flu vaccine [BBG](#)
- Amazon is entering the race for practical quantum computing with its new chip [QZ](#)
- Nissan, Seven & I deal fallout ;eaves Japan companies vulnerable [BBG](#)

Politics

- Musk gets inside track to take over contract to fix air traffic communications system [AP](#)
- Supreme Court grants Trump request to pause foreign-aid payments deadline [WSJ](#)
- U.S. and Ukraine prepare to sign minerals deal—with security details unresolved [WSJ](#)

Overseas

- Iran expands stockpile of near-weapons grade uranium by 50% [SEM](#)
- Succession-like feud engulfs one of Singapore's richest families [BBC](#)

Of Interest

- US records first measles death in a decade amid Texas outbreak [SEM](#)

Overnight

S&P Futures +34 ▲ point(s) (+0.6% ▲)
Overnight range: -10 ▼ to +38 ▲ point(s)

**APAC**

Nikkei +0.3% ▲
Topix +0.73% ▲
China SHCOMP +0.23% ▲
Hang Seng -0.29% ▼
Korea -0.73% ▼
Singapore +0.34% ▲
Australia +0.33% ▲
India -0.01% ▼
Taiwan -1.49% ▼

Europe

Stoxx 50 -0.73% ▼
Stoxx 600 -0.43% ▼
FTSE 100 +0.2% ▲
DAX -1.02% ▼
CAC 40 -0.27% ▼
Italy -1.18% ▼
IBEX -0.41% ▼

FX

Dollar Index (DXY) +0.25% ▲ to 106.68
EUR/USD -0.06% ▼ to 1.0479
GBP/USD -0.03% ▼ to 1.2672
USD/JPY +0.52% ▲ to 149.87
USD/CNY +0.15% ▲ to 7.2689
USD/CNH +0.13% ▲ to 7.2751
USD/CHF +0.39% ▲ to 0.8982
USD/CAD +0.02% ▲ to 1.4341
AUD/USD -0.11% ▼ to 0.6298



Crypto

BTC +2.25% ▲ to 86373.39
ETH +1.03% ▲ to 2364.74
XRP +1.33% ▲ to 2.2396
Cardano +3.39% ▲ to 0.6741
Solana +3.84% ▲ to 141.2
Avalanche +6.36% ▲ to 23.24
Dogecoin +2.74% ▲ to 0.2102
Chainlink +1.98% ▲ to 15.66

Commodities and Others

VIX -5.81% ▼ to 17.99
WTI Crude +0.89% ▲ to 69.23
Brent Crude +0.92% ▲ to 73.2
Nat Gas +1.59% ▲ to 3.97
RBOB Gas +0.09% ▲ to 1.951
Heating Oil +0.66% ▲ to 2.36
Gold -0.84% ▼ to 2891.93
Silver -0.12% ▼ to 31.82
Copper +0.86% ▲ to 4.579

US Treasuries

1M -1.6bps ▼ to 4.2708%
3M -0.8bps ▼ to 4.288%
6M -0.3bps ▼ to 4.3052%
12M -0.3bps ▼ to 4.1073%
2Y +4.3bps ▲ to 4.1147%
5Y +5.3bps ▲ to 4.1362%
7Y +5.6bps ▲ to 4.2265%
10Y +5.3bps ▲ to 4.3096%



20Y +5.4bps ▲ to 4.6088%

30Y +5.2bps ▲ to 4.5614%

UST Term Structure

2Y-3 ▼M Spread widened 4.1bps to -19.7 ▼ bps

10Y-2 ▼Y Spread widened 1.0bps to 19.3 bps

30Y-10 ▼Y Spread narrowed 0.3bps to 24.8 bps

Yesterday's Recap

SPX +0.01% ▲

SPX Eq Wt -0.21% ▼

NASDAQ 100 +0.22% ▲

NASDAQ Comp +0.26% ▲

Russell Midcap -0.02% ▼

R2k +0.19% ▲

R1k Value -0.38% ▼

R1k Growth +0.4% ▲

R2k Value -0.08% ▼

R2k Growth +0.44% ▲

FANG+ +1.57% ▲

Semis +2.34% ▲

Software +1.39% ▲

Biotech -0.5% ▼

Regional Banks +0.26% ▲ SPX GICS1 Sorted: Tech +0.89% ▲

Utes +0.37% ▲

Comm Svcs +0.09% ▲

Indu +0.06% ▲

SPX +0.01% ▲

Materials -0.07% ▼

Fin -0.21% ▼

Cons Disc -0.39% ▼



Energy -0.49% ▼
 REITs -0.59% ▼
 Healthcare -0.69% ▼
 Cons Staples -1.86% ▼

USD HY OaS

All Sectors -1.7bp ▼ to 326bp
 All Sectors ex-Energy -1.7bp ▼ to 304bp
 Cons Disc -1.5bp ▼ to 296bp
 Indu -0.7bp ▼ to 246bp
 Tech -5.4bp ▼ to 327bp
 Comm Srvcs -5.6bp ▼ to 512bp
 Materials -2.1bp ▼ to 286bp
 Energy +1.1bp ▲ to 316bp
 Fin Snr -1.6bp ▼ to 275bp
 Fin Sub +1.0bp ▲ to 217bp
 Cons Staples -3.0bp ▼ to 298bp
 Healthcare +0.1bp ▲ to 349bp
 Utes +2.0bp ▲ to 236bp *

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
2/27	8:30AM	4Q S GDP QoQ	2.3	2.3
2/27	8:30AM	Jan P Durable Gds Orders	2.0	-2.2
2/28	8:30AM	Jan PCE m/m	0.3	0.3
2/28	8:30AM	Jan Core PCE m/m	0.3	0.16
2/28	8:30AM	Jan PCE y/y	2.5	2.6
2/28	8:30AM	Jan Core PCE y/y	2.6	2.79437
3/3	9:45AM	Feb F S&P Manu PMI	n/a	51.6
3/3	10AM	Feb ISM Manu PMI	50.5	50.9
3/5	9:45AM	Feb F S&P Srvcs PMI	n/a	49.7



DATE	TIME	DESCRIPTION	ESTIMATE	LAST
3/5	10AM	Feb ISM Srvcs PMI	53.0	52.8

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