

First to Market

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## Yummy Collateralized Burrito Obligations?

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ECONOMIC STRATEGIST, MARKET INTELLIGENCE

*"Rent \$1,200*

*Groceries \$200*

*Electricity \$80*

*DoorDash \$2,000*

*Wifi \$75*

*Someone who is good at the economy please help me budget this. My family is dying." – Hardika Singh, recreating an infamous joke she saw on X.*

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## Chart of the Day

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### TESLA: This stock is “Exhibit A” and test case for V-shaped bounce



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Good morning!

Buy-now-pay-later is coming for your overpriced burritos.

Financial tech company Klarna, which has made a name for itself in the BNPL business, last week partnered with DoorDash to allow users the option to break up purchases for everything from burrito to aspirin to coffee into four equal interest-free payments or pay later at a more convenient time that aligns with your pay schedule.

Klarna says the former payment option is only for purchases over \$35, which let's be honest is pretty easy to hit on DoorDash, especially with all the extra fees.

Of course, this goes without saying, but someone who needs to finance a \$35+ order on DoorDash might not be particularly creditworthy. Perhaps that's [why many on X](#) are calling this a sign of the market top.

There's some belief backing that up. As you may have guessed, those who are already in debt tend to use BNPL more, [the New York Times reported](#).

It's hard to figure out what the current delinquency rate is on BNPL because lenders do not typically report BNPL loans to nationwide reporting companies, according to the Consumer Financial Protection Bureau. That's why it said that "data about BNPL use—especially about borrowers with multiple loans and on total consumer debt balances—is limited."

The [CFPB's recent research on BNPL](#), nonetheless, tries to shed some light on it. A couple key findings:

- Among these applicants with subprime or deep subprime credit scores, BNPL lenders approved 78 percent of loans in 2022.
- Among borrowers ages 18-24, BNPL purchases made up 28 percent of total unsecured consumer debt compared to an average of 17 percent among borrowers of all age groups, during the months in which they borrowed.

We do know that the [average delinquency rate for consumer loans](#) tracked by the Federal Reserve rose to 2.75% in the last quarter of 2024. That's up from 2.61% at the end of 2023 and 2.07% at the end of 2022.

This means that consumers' balance sheets, overall, are showing signs of weakness. A recent report from the Fed found [revolving credit-card balances](#) in the third quarter hit their highest levels in data going back to 2012. Americans are [behind on car payments](#) at a record level, while a record number of Americans are [tapping into their 401\(k\) early](#).

Worried, yet?

Here's the silver lining from this. Partnering with DoorDash can make the company look stronger (as long as customers don't default a crazy amount), and that's important because [Klarna recently filed for an initial public offering](#).

And that matters because there has been a dearth of IPOs recently, which [CNBC astutely described](#) as an “extended stretch of historically little activity for new offerings.” Mom-and-pop-investors are those who miss out when companies stay private for longer.

It’s still too early to say how it’s going to play out. [In the coming months](#), as Klarna and DoorDash start rolling this out, it will give us more food for thought (pun intended).

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## About Me

Dear readers, this is Hardika Singh. Along with my colleagues, I will be writing many of our Market Intelligence pieces such as *First to Market*. I was previously at *The Wall Street Journal*, where I worked for over three years as a markets reporter and wrote about everything from money-market funds to small caps and gas prices. I enjoyed breaking down the latest market moves to help both institutional and everyday investors’ portfolios, and I’m excited to do the same here. I hope you’re looking forward to receiving our publications in your inbox as much as I am to write them.

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## Catch Up With Fundstrat

We discuss [several positive technical developments](#) today and why Tesla is Exhibit A on whether there is a V-shaped recovery in stocks and of the existence of a Trump put.

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## TECHNICAL

Markets [look to have bottomed on 3/13](#), coinciding with the surge of fear into mid-March. Overall, it looks right to favor Growth stocks and overweight Technology, Financials, Industrials, and Consumer Discretionary.

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## CRYPTO

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In today's video, [we discuss how a pair of articles](#) and recent comments from Trump suggest the administration may be less willing to tolerate "short-term pain" than previously expected. This shift could give additional legs to the ongoing crypto rally.

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## News We're Following

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### **Breaking News**

- Exclusive: India eyes tariff cut on \$23 bln of US imports, to shield \$66 bln in exports, sources say [RT](#)
- US defense secretary calls Europe 'pathetic' in air strike chat accidentally shared with reporter [BBC](#)

### **Markets and economy**

- Want to Invest in a Private Company Like SpaceX? All It Takes Is \$5,000 [WSJ](#)
- Retail traders plough \$67bn into US stocks while investment giants flee [FT](#)

### **Business**

- The Surprising Good News for Mall Owners: Forever 21's Bankruptcy [WSJ](#)
- Tesla sales fall in Europe as BYD and Xiaomi race ahead [SEM](#)

### **Politics**

- Columbia's President Faces Angry Faculty in Closed-Door Meetings [WSJ](#)
- The Trump Administration Accidentally Texted Me Its War Plans [ATL](#)
- Top US officials shared classified details of military strikes with journalist [FT](#)
- International students weigh new risks of pursuing higher education in the US under Trump [AP](#)



## Overseas

- China is suffering its own 'China shock' [EI](#)
- Danish PM says Donald Trump putting 'unacceptable pressure' on Greenland [EI](#)

## Of Interest

- Samsung Electronics Co-CEO Dies, Worsening Tech Giant's 'Crisis' Moment [WSJ](#)
- Napster pioneered music sharing over 25 years ago. It just got bought for \$207 million [CNBC](#)

## Overnight

S&P Futures -7 ▼ point(s) (-0.1% ▼)

Overnight range: -13 ▼ to +0 ▲ point(s)

## APAC

Nikkei +0.46% ▲

Topix +0.24% ▲

China SHCOMP -0.0% ▼

Hang Seng -2.35% ▼

Korea -0.62% ▼

Singapore +0.46% ▲

Australia +0.07% ▲

India +0.08% ▲

Taiwan +0.75% ▲

## Europe

Stoxx 50 +0.55% ▲

Stoxx 600 +0.43% ▲



FTSE 100 +0.41% ▲

DAX +0.46% ▲

CAC 40 +0.68% ▲

Italy +0.76% ▲

IBEX +0.82% ▲

## FX

Dollar Index (DXY) +0.05% ▲ to 104.31

EUR/USD +0.01% ▲ to 1.0802

GBP/USD flat at 1.2923

USD/JPY -0.15% ▼ to 150.48

USD/CNY +0.02% ▲ to 7.2621

USD/CNH +0.04% ▲ to 7.2668

USD/CHF +0.07% ▲ to 0.8837

USD/CAD -0.01% ▼ to 1.4317

AUD/USD +0.21% ▲ to 0.6299

## Crypto

BTC -0.71% ▼ to 87259.07

ETH -0.7% ▼ to 2071.29

XRP -0.7% ▼ to 2.4421

Cardano +2.35% ▲ to 0.7529

Solana +0.7% ▲ to 142.86

Avalanche +2.92% ▲ to 22.12

Dogecoin flat at 0.1859

Chainlink +1.23% ▲ to 15.39

## Commodities and Others

VIX +0.46% ▲ to 17.56

WTI Crude +0.58% ▲ to 69.51



Brent Crude +0.59% ▲ to 73.43

Nat Gas +0.84% ▲ to 3.95

RBOB Gas +0.34% ▲ to 2.214

Heating Oil +0.77% ▲ to 2.274

Gold +0.38% ▲ to 3022.42

Silver +0.8% ▲ to 33.28

Copper +0.18% ▲ to 5.073

## US Treasuries

1M -1.1bps ▼ to 4.2718%

3M -1.3bps ▼ to 4.2709%

6M -1.3bps ▼ to 4.2159%

12M -0.3bps ▼ to 4.0999%

2Y +1.3bps ▲ to 4.0471%

5Y +1.2bps ▲ to 4.1072%

7Y +1.6bps ▲ to 4.2296%

10Y +1.5bps ▲ to 4.35%

20Y +1.9bps ▲ to 4.7094%

30Y +2.2bps ▲ to 4.6843%

## UST Term Structure

2Y-3 ▼M Spread widened 0.2bps to -25.5 ▼ bps

10Y-2 ▼Y Spread widened 0.5bps to 30.1 bps

30Y-10 ▼Y Spread widened 0.8bps to 33.2 bps

## Yesterday's Recap

SPX +1.76% ▲

SPX Eq Wt +1.55% ▲

NASDAQ 100 +2.16% ▲

NASDAQ Comp +2.27% ▲





Russell Midcap +2.19% ▲  
R2k +2.55% ▲  
R1k Value +1.39% ▲  
R1k Growth +2.28% ▲  
R2k Value +2.23% ▲  
R2k Growth +2.85% ▲  
FANG+ +2.09% ▲  
Semis +2.61% ▲  
Software +2.47% ▲  
Biotech +1.96% ▲  
Regional Banks +2.72% ▲ SPX GICS1 Sorted: Cons Disc +4.07% ▲  
Comm Srvcs +2.1% ▲  
Indu +1.87% ▲  
Fin +1.79% ▲  
SPX +1.76% ▲  
Tech +1.71% ▲  
REITs +1.43% ▲  
Materials +1.24% ▲  
Energy +1.0% ▲  
Healthcare +0.76% ▲  
Cons Staples +0.66% ▲  
Utes -0.01% ▼

## USD HY OaS

All Sectors -13.7bp ▼ to 348bp  
All Sectors ex-Energy -12.8bp ▼ to 314bp  
Cons Disc -12.6bp ▼ to 341bp  
Indu -14.5bp ▼ to 255bp  
Tech -15.2bp ▼ to 354bp  
Comm Srvcs -16.6bp ▼ to 537bp  
Materials -11.7bp ▼ to 314bp  
Energy -15.6bp ▼ to 341bp



Fin Snr **-13.4bp ▼** to 293bp  
 Fin Sub **-5.1bp ▼** to 225bp  
 Cons Staples **-12.2bp ▼** to 222bp  
 Healthcare **-15.9bp ▼** to 359bp  
 Utes **-10.8bp ▼** to 238bp \*

DATE	TIME	DESCRIPTION	ESTIMATE	LAST
3/25	10AM	Mar Conf Board Sentiment	94.0	98.3
3/25	10AM	Feb New Home Sales	680.0	657.0
3/25	10AM	Feb New Home Sales m/m	3.5	-10.5
3/26	8:30AM	Feb P Durable Gds Orders	-1.0	3.2
3/27	8:30AM	4Q T GDP QoQ	2.3	2.3
3/28	8:30AM	Feb PCE m/m	0.3	0.3
3/28	8:30AM	Feb Core PCE m/m	0.3	0.28
3/28	8:30AM	Feb PCE y/y	2.5	2.5
3/28	8:30AM	Feb Core PCE y/y	2.7	2.64679
3/28	10AM	Mar F UMich 1yr Inf Exp	n/a	4.9
3/28	10AM	Mar F UMich Sentiment	57.9	57.9

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