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THE MARKET WITH YOUR ESPRESSO

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## Five News to Start Your Day

### Back in the Game

AstraZeneca and the University of Oxford will restart trials of their Covid-19 vaccine in the UK after they were halted due to concern over a participant falling ill. No statements were made about the status of the trials outside of the UK.

### Things are Looking Up

European and Asian stocks rose this morning along with US futures in the middle of a swirl of deals and hopeful signs on the vaccine front. Although the dollar edged low, treasuries remained unchanged ahead of this week's Fed meeting. All the industry groups of the Stoxx Europe 600 rose, with tech leading the way. Futures on Nasdaq rose.

### Game Over

ByteDance, the Chinese parent of the video-sharing social site, has rejected Microsoft's bid to buy TikTok in favor of pursuing a partnership with Oracle. The move comes as a form of appeasing Beijing after the Chinese government updated its export control rules last month, giving it a say over the transfer of TikTok's algorithm to a foreign buyer.

### Deals, Deals and More Deals

Nvidia has agreed to buy SoftBank's chip division Arm for \$40B, giving it control over some of the most widely used technology in the semiconductor industry. Gilead Sciences has agreed to buy Immunomedics, the company that has developed a promising breast cancer therapy, for \$21B.

### Back At It

UK coronavirus daily cases held above 3,000 for third consecutive day, calling for more restrictions, hindering efforts to restart the economy. Israel's cabinet voted to impose a second lockdown starting this Friday. Austria, which had brought the outbreak under control, recorded infection levels not seen since March.

## Chronicle of a Death Foretold?

The future of auto is most certainly self-driving cars and not only is it pretty much already here, but it is also killing the future of auto-insurance. It is easy to forget one of the primary advantages of self-driving vehicles, safer roads. A sophisticated assemble of lidar, radar and cameras is set to be more adept at detecting trouble on the road than human eyes.

However, the transition points to a larger, more profound existential question: if nobody is driving, why do we need auto-insurance? Premiums and auto-insurance company revenue are based on a driver's likelihood of being in a car accident, or car crash. More than 90% if accidents are caused by human error, taking the driver out of the equation will mean major changes will need to be made by auto-insurance companies.

The good news for auto-insurers is that they have time. A research from the Stevens Institute of Technology estimated that by 2035 there will only be 23 million autonomous vehicles on American roads, less than 10% of today's total. Moreover, the technology surrounding these autonomous vehicles is extremely expensive at the moment, meaning that premiums on these cars could make up for some of the lost revenue. Meaning, rather than the death of auto-insurance companies, it could mean their rebirth.

Nonetheless, one thing is certain, the future of auto-insurance is changing and it is looking much less consumer-facing. As driving is made less risky, "liability is likely to migrate from the individual to the manufacturer and the licensers of the software that drives the AV" said Rodney Parker. A report by Accenture agreed, arguing that insurers will be selling more policies to companies and fewer to drivers. The consulting agency explained that insurers are looking to deepen ties with car manufacturers, and conversations on mergers between insurers and automakers are already ongoing.

### Snowflake Inc.

Berkshire Hathaway set to acquire \$600M stock in the cloud-software and data warehousing company that might be set to IPO later this year. The company said it plans to raise \$2B by selling 28M shares.

### Let's Just Hope

Pfizer Inc.'s CEO Albert Bourla, said it's "likely" that a Covid-19 vaccine by the company be deployed to the public before year-end. The company is preparing for that scenario but nothing is certain.

### Slow Recovery Ahead

The Economic Ministry in its latest monthly report said that recovery in the German economy has weakened due to weaker demand in the auto sector and declining machinery output.

### A French Save

As AirFrance's Dutch counterpart warned more cost cuts may be needed to get through the industry slump, the French Finance Minister, Bruno Le Maire, said he would guarantee the survival of AirFrance.

## The End of the Oil Era

BP Plc said the era of oil demand growth is over, making them the first supermajor to call the end. In a report that came out today, BP said that oil consumption levels may never return to pre-pandemic levels. Its most bullish scenario only sees demand no better than “broadly flat” for the next two decades as the world transitions away from fossil fuels.

The UK giant is not only describing a future where oil’s supremacy is challenged, and ultimately fades, but also betting on it. Bernard Looney, the company’s CEO, said in August, he’d shrink oil and gas output by 40% over the next decade and spend as much as \$5B a year building one of the world’s largest renewable-powered businesses.



## Melting Cash

Vladimir Potanin, one of the 50 richest people on the planet, faces more exposure than anyone else in the world to the permafrost crisis. The billionaire owns a mining company, Nornickel, that operates in Siberia, where 85% of the company’s infrastructure, from roads and pipelines to processing plants, sits on permafrost, making the company specially vulnerable.

In May, 150,000 barrels of diesel were leaked into a damaged Arctic ecosystem by Nornickel. With the Arctic warming at double the pace of the rest of the world, this set off a summer of dismal news across Siberia that included record-breaking heat, wildfires and permafrost melting. Nornickel continues efforts to clean up its mess.

## No Degree No Problem

Nathan Tankus hasn’t finished his bachelor’s degree at New York City’s John Jay College of Criminal Justice. He has, however, grasped enough knowledge of economics and finance to become a widely followed commentator on the Fed by launching a newsletter that gained followers at the Fed, the SEC, the Office of the Comptroller of the Currency, and the Department of the Treasury.

Tankus built an online following since 2015 and recently broadened his audience with deep dives into monetary mechanics. The newsletter, with 450 subscribers, is netting him \$45,000 a year, and he thinks he can earn an additional \$20,000 from other speaking and writing engagements.



## COVID MARKET WINNERS: PELOTON

Peloton shares jumped as much as 12% on Friday, adding about \$3 billion to the connected-fitness company’s market capitalization after it turned its first quarterly profit ever. Widespread lockdowns and closures of gyms and fitness studios in response to the coronavirus pandemic boosted demand for Peloton’s indoor exercise bikes and treadmills as well as its online classes. The group’s connected-fitness subscriptions more than doubled year-on-year to about 1.1 million last quarter as a result.

# The Pre-Market Watch

## Pre Market Most Active Stocks

Name	Symbol	Last	Chg.	Chg. %	Vol.	Time
▲ J.Jill Inc	JILL	1.140	+0.641	+128.32%	574.34K	6:35:15
▼ Nikola Corp	NKLA	27.64	-4.49	-13.97%	512.10K	6:35:51
▲ Oracle Corporation	ORCL	61.30	+4.30	+7.54%	506.00K	6:35:24
▲ Apple Inc	AAPL	114.50	+2.50	+2.23%	247.56K	6:34:58
▲ Tesla Inc	TSLA	381.93	+9.21	+2.47%	209.41K	6:35:47
▲ Nio A ADR	NIO	18.18	+0.21	+1.17%	152.19K	6:34:29
▲ Naked Brand	NAKD	0.185	+0.027	+16.72%	149.79K	6:35:18
▲ NVIDIA Corporation	NVDA	517.59	+31.01	+6.37%	133.53K	06:36:14
▲ Immunomedics Inc	IMMU	87.10	+44.85	+106.15%	128.03K	6:35:36
▼ Avinger Inc	AVGR	0.340	-0.025	-6.85%	121.41K	6:35:30

Indices | Commodities | ETFs | Stocks

1D 1W 1M 6M 1Y 5Y Max

US 30 Futures	27,719.5	+226.5	+0.82%
US 500 Futures	3,360.00	+36.75	+1.11%
Dow Jones	27,665.64	+131.06	+0.48%
S&P 500	3,340.97	+1.78	+0.05%
Nasdaq	10,853.55	-66.05	-0.60%
S&P 500 VIX	26.61	-0.26	-0.97%
Dollar Index	93.007	-0.331	-0.35%

## Pre Market Top Gainers

Name	Last	Chg. %	Vol.
▲ J.Jill Inc	1.140	+128.32%	574.34K
▲ Immunomedic...	87.10	+106.15%	128.03K
▲ Cassava Scien...	4.10	+23.49%	52.53K
▲ China Natural ...	1.300	+19.27%	26.36K
▲ Matlin & Partn...	0.297	+18.99%	22.80K

## Pre Market Top Losers

Name	Last	Chg. %	Vol.
▼ Nikola Corp	27.64	-13.97%	512.10K
▼ Scynexis Inc	4.510	-12.60%	0.00K
▼ Town Sportss	0.260	-4.02%	89.59K
▼ Titan Pharma	0.1816	-9.92%	0.20K
▼ Teligent Inc	1.2700	-8.63%	3.77K

Indices | Commodities | ETFs | Stocks

1D 1W 1M 6M 1Y 5Y Max

Apple	112.00	-1.49	-1.31%
Alphabet A	1,515.76	-10.29	-0.67%
Tesla	372.72	+1.38	+0.37%
Amazon.com	3,116.22	-58.89	-1.85%
Netflix	482.03	+1.36	+0.28%
Facebook	266.61	-1.48	-0.55%
Bank of America	25.50	+0.36	+1.43%

Indices | Commodities | ETFs | Stocks

1D 1W 1M 6M 1Y 5Y Max

Crude Oil WTI	37.09	-0.24	-0.64%
Brent Oil	39.62	-0.21	-0.53%
Natural Gas	2.345	+0.076	+3.35%
Gold	1,951.95	+4.05	+0.21%
Silver	27.047	+0.190	+0.71%
Copper	3.0452	+0.0057	+0.19%
US Soybeans	1,000.88	+4.88	+0.49%

Indices | Commodities | ETFs | Stocks

1D 1W 1M 6M 1Y 5Y Max

SPDR S&P 500	334.06	+0.17	+0.05%
iShares Russe...	149.15	-1.00	-0.67%
Invesco QQQ ...	270.45	-1.89	-0.69%
Direxion Daily ...	144.79	-4.28	-2.87%
iShares Silver	24.90	+0.04	+0.16%
ProShares Ultr...	20.80	-1.98	-8.69%
ProShares Ultr...	121.71	-2.72	-2.19%

<b>DAX</b> 13,187.00 -15.84   -0.12% 	<b>FTSE 100</b> 6,019.35 -12.74   -0.21% 	<b>CAC 40</b> 5,040.80 +6.66   +0.13% 	<b>Euro Stoxx 50</b> 3,312.85 -2.96   -0.09% 	<b>FTSE MIB</b> 19,762.50 -58.25   -0.29% 	<b>IBEX 35</b> 6,942.00 -1.20   -0.02% 
<b>Nikkei 225</b> 23,559.30 +152.81   +0.65% 	<b>Hang Seng</b> 24,640.28 +136.97   +0.56% 	<b>KOSPI</b> 2,427.91 +31.22   +1.30% 	<b>S&amp;P/ASX 200</b> 5,899.50 +40.10   +0.68% 	<b>Shanghai</b> 3,278.81 +18.47   +0.57% 	<b>BSE Sensex</b> 38,756.63 -97.92   -0.25% 