



September 24, 2020. 7:00 AM EST

THE MARKET WITH YOUR ESPRESSO

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Five News to Start Your Day

The TikTok Tennis Match Continues

The owner of TikTok has asked a federal judge to block the Trump administration from removing the app from US stores, at least for now. The app faces a deadline this weekend to get approved a sale of its US operations or face a de facto ban in the US.

More Stimulus Please

On Wednesday, US Fed officials stressed that more stimulus would be critical in the fight to keep the economy afloat. Chairman Powell warned that more support was necessary. While Boston Fed President, Eric Rosengren, suggested it will take another wave of infections to push a new stimulus bill, which is unlikely to occur until next year.

The Markets

After the Fed warning, US stocks fell, while futures edged much lower. Contracts on three main American equity measures point to another day of losses in the US stock market. The Stoxx Europe 600 Index opened much lower, and a selloff in Asia dragged major benchmarks in the region by more than 1%. Treasuries rose, and oil fell.

Pharmacies Beware

Yesterday, the prescription drug pricing app GoodRx went public on the Nasdaq. Its IPO price was \$33/share, but it opened at \$46 and closed up 53%, giving the company a \$19.4B valuation. The app offers coupons for prescription drugs and has been consistently profitable since 2016.

No More Gas

California Governor Gavin Newsom issued an executive order that would forbid the sale of new gasoline cars in the state by 2035. While in the past many automakers might have voiced their disapproval, in 2020's green market Ford released a statement voicing approval and pride in the state's decision.

Revitalizing Main Street

Amid Covid pandemic, e-commerce has become a solution for consumers worldwide. Unsurprisingly, approximately 16% of retail sales in Q2 2020 happened online, a steep 44.5% increase from the same quarter last year. Despite this being a response to extenuating circumstances, it gives us a glimpse into how e-commerce might expand next and the growth potential available.

E-commerce has transformed the world in a few decades, from selling mostly CDs, books and electronics, most people now find and buy just about any product of service they can dream of online. However, while some categories thrive in the online world, such as electronics and appliances, others have struggled to move into the online world, but lockdowns might have given them a final shove. Pedro Palandrani, a research analyst covering thematic growth ETFs and disruptive technologies in Global X, wrote in a recent article that, in the medium term, "e-commerce's next wave of growth is likely to come from greater penetration of retail categories that have historically lagged, like groceries, health and autos", which have long represented approximately 44% of US overall retail sales but have had little online presence. Another key growth driver Palandrani mentions is an expansion of user base by attracting what they are calling "pandemic-driven tech adopters" in Baby Boomer and Silent Generations, as well as continued growth in emerging markets worldwide.

According to a recent study, 28% of Baby Boomers and Silent Generation increased their online grocery purchases in the past months, and this adoption among seniors is expected to grow even after the pandemic subsides. In a study done by Global X ETFs and the US Census Bureau, pre-Covid e-commerce market penetration was estimated to be around 21.67% by 2030, the post-Covid forecast shows estimated penetration now to be 34.43% by 2030. This unexpected adoption by older generations has fully changed the outlook of e-commerce penetration in the next decade and massively increased growth opportunities.

Unhappy

Tesla is the latest auto firm to sue the US government over China tariffs. Elon Musk said the tariffs are "arbitrary, capricious and an abuse of discretion" and demanded a refund with interest of the import taxes.

Huawei Grapples

As the US increases trade restrictions on China, Huawei is struggling. The tech company said it had to rush to stockpile chips. The Chair of the company, Guo Ping, said "right now, survival is the goal".

A Moon Landing: Retro

NASA has formally outlined a \$28B plan to put the first woman on the moon by 2024. The program, called Artemis, will mark the first landing on the moon since 1972, but is still waiting for Congress budget approvals

Johnson & Johnson

J&J has begun the biggest US trial of an inoculation ever with 60,000 volunteers to test its Covid one-shot vaccine. If enrollment goes as expected, the trial could yield results as soon as year end.

Dangerous Waters

On Wednesday, President Trump told a news conference in the White House that he would have to “wait and see” if he would peacefully transfer power to Biden should Democrats win. President Trump has previously expressed his concern regarding mail in ballots, saying they will make voting results unreliable. More states have been encouraging voters to vote through mail to keep them safe from Covid. The president, however, has said that he believed it likely for the election result to end up on the US Supreme Court due to this, as he believes in-mail voting to be unreliable and easy to manipulate. Ellen Weintraub, the commissioner of the Federal Election Commission has said “there is simply no basis for the conspiracy theory that voting by mail causes fraud”.



Hydrogen: A Green Solution

Wind and solar power have long been the main focus of the fight against climate change. However, there are industries, such as manufacturing steel, cement and chemicals, where heat is needed and wind and solar just cannot be used. This is why many are now looking to Hydrogen. Hydrogen flames hot and clean, and could replace fossil fuels in processes that need to reach as much as 1500 degrees Celsius. Its potential use could put a 20% dent in yearly CO2 emissions from industry. Take steel making, hydrogen could not only replace coal as a form of heat but also as a purifying agent. As hydrogen removes the oxygen from the iron ore, but also releases water vapor instead of CO2. Who knows, Hydrogen might be the green answer we've been looking for.

Facebook's Supreme Court

Ahead of the upcoming US election, Facebook will launch a “Supreme Court” style board as oversight body. The move comes as the tech giant faces rising criticism for its perceived failure to address and control hateful and divisive content. The oversight board will rule on what is allowed on the platforms owned by Facebook, whether or not the applied policies are fair and will start accepting cases mid to late October. The board will receive cases from both users and the platform itself and will take a 90 day window to decide on them. Some of the members of the board are widely known such as: Michael McConnell, John Samples and Alan Rusbridger. While this is a great step forward, Facebook has yet to make any plans to review election content.



COVID MARKET WINNERS: PING AN HEALTHCARE AND TECHNOLOGY

Ping An Healthcare and Technology, widely known as Ping An Good Doctor, is a healthcare software company that offers a platform for online consultations, hospital referrals, appointments, etc. The stock trades in the Hong Kong Stock Exchange and has almost quadrupled in under a year. Its online doctor consultations fill a gap in primary care, and their use of AI enables greater scalability and future diagnostics power that drives their business model. Covid accelerated their growth, increasing users by 900% from December to January, but more growth is to come.

The Pre-Market Watch

Pre Market Most Active Stocks

Name	Symbol	Last	Chg.	Chg. %	Vol.	Time
▲ Sunworks Inc	SUNW	4.880	+3.720	+320.69%	11.90M	07:43:04
▲ Just Energy	JE	0.600	+0.319	+113.52%	10.48M	07:43:12
▲ Polar Power Inc	POLA	3.550	+1.630	+84.90%	2.99M	07:43:16
▲ SPI Energy Co Ltd	SPI	20.790	+6.790	+48.50%	1.49M	07:43:10
▲ Electrameccanica Ve.	SOLO	3.030	+0.470	+18.36%	1.04M	7:42:53
▲ Switchback Energy A.	SBE	14.00	+1.82	+14.94%	974.87K	7:43:00
▲ ReneSola Ltd	SOL	2.300	+0.200	+9.52%	806.87K	7:42:25
▲ CBAK Energy	CBAT	1.1000	+0.2200	+25.00%	722.43K	7:42:09
▼ Tesla Inc	TSLA	373.00	-7.36	-1.94%	582.29K	7:42:09
▼ Nikola Corp	NKLA	19.23	-1.92	-9.08%	573.11K	7:41:04



Pre Market Top Gainers

Name	Last	Chg. %	Vol.
▲ Sunworks Inc	4.880	+320.69%	11.90M
▲ Just Energy	0.600	+113.52%	10.48M
▲ Polar Power Inc	3.550	+84.90%	2.99M
▲ SPI Energy Co ...	20.790	+48.50%	1.49M
▲ LogicBio Ther...	7.81	+44.50%	2.12K

Pre Market Top Losers

Name	Last	Chg. %	Vol.
▼ Kubient Inc	3.07	-21.48%	8.06K
▼ Kelly Services B	14.28	-16.28%	0.20K
▼ Predictive Onc...	0.83	-15.97%	68.55K
▼ Gannett Co Inc	1.14	-15.56%	8.20K
▼ ContraVir Phar...	2.50	-14.09%	0.80K



DAX

12,663.85
+20.88 | +0.17%



FTSE 100

5,888.95
-10.31 | -0.17%



CAC 40

4,802.61
+0.35 | +0.01%



Euro Stoxx 50

3,177.57
-2.54 | -0.08%



FTSE MIB

19,057.50
+127.61 | +0.67%



IBEX 35

6,699.00
+44.80 | +0.67%



Nikkei 225

23,087.82
-258.67 | -1.11%



Hang Seng

23,311.07
-431.44 | -1.82%



KOSPI

2,272.70
-60.54 | -2.59%



S&P/ASX 200

5,875.90
-48.00 | -0.81%



Shanghai

3,223.18
-56.53 | -1.72%



BSE Sensex

36,553.60
-1114.82 | -2.96%

