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THE MARKET WITH YOUR ESPRESSO

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## Five News to Start Your Day

### Part-Stimulus (At Least) Please

After halting all negotiations for a stimulus package deal prior to the elections, President Trump is now compelling Congress to pass individual coronavirus relief measures, including more aid for airlines and direct checks to Americans. In a call with Steven Mnuchin, House Speaker Nancy Pelosi signaled being open to an airline-relief bill prior to another stimulus package.

### The Markets

Stocks gained traction yesterday after Trump softened his stance on stimulus and Pelosi's seemingly green light on aid for airlines. Both US futures and European stocks rose with the rally. The Dow Jones rose 2%, the S&P gained 1.8% and the Nasdaq was up 1.9%

### Virus News

Europe continues to struggle to curb the Covid resurgences. Both France and Spain posted record increases in daily cases yesterday, punctuating the growing alarm at the loss of control the region seems to have on the pandemic. Not only that, but Germany also seems to be struggling with Berlin taking the worst of it. And the Czech Republic might be the new epicenter with the highest 14-day cumulative number of cases in the EU.

### Brexit Brewing

The UK gov't threatened to leave the table if there was no clear Brexit deal by Oct 15. Michel Barnier, the EU's chief negotiator for Brexit, is calling their bluff, saying that he didn't expect the UK to walk away. Officials say that although tough, parties will find a way and carry discussions the second half of October.

### The Debate

In last night's Vice-Presidential debate, VP Pence criticized Biden's plan to raise taxes, the Green New Deal and leniency on China in trade negotiations. Meanwhile Senator Harris condemned the Trump administration as the worst failure US gov't history due to his response to the pandemic. The VP debates have taken a protagonist role in the upcoming Election.

## New Covid Drug

Eli Lilly & Co, an American Pharma firm, has requested US authorization for the emergency use of their new antibody-based treatment against Covid-19 for people that have been recently diagnosed with Covid and are experiencing mild-to-moderate symptoms after clinical testing for has proven positive in prior months.

## Murder Charge

Derek Chauvin, former Minneapolis police officer, was charged with second-degree murder in the death of George Floyd. Chauvin's lawyers are calling for the case to be thrown out, arguing Floyd died of a lethal dose of fentanyl. The video of the death of Floyd sparked the protests that swept America by storm.

## A Poultry Conspiracy

As part of an effort by the US gov't to expand antitrust prosecutions in the poultry industry, six execs have been indicted on price-fixing. The execs worked at different firms in the poultry industry and seem to have taken part in the alleged price-fixing conspiracy that took place between 2012 and early 2019.

## Another Noble

Two scientists have won the Nobel Prize in Chemistry for discovering a tool for genome editing. The tool has made it possible to modify genome in a relatively easy and quick way and promises new drugs for a large range of diseases. It has also swept the Pharma world and sparked the creation of innumerable startups.

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## Bracing For Impact

At the start of 2020, bankers around Europe were still getting out of the last crisis, as weak lenders both in Italy and Greece were still offering non accrual loans and policy makers channeling public funds to weak institutions, the outlook wasn't great. And then a pandemic hit. After a decade of efforts aimed at bolstering the financial industry in Europe, Covid-19 has left chaos in its wake with an large amounts of distressed credit risk gathering. Analysts say that Europe's banking system could withstand \$300 billion of unpaid debt in the next year. However, another round of lockdowns could add more than \$1T in non-performing loans, according to the ECB. The ECB said that, at the moment, they are still uncertain of the damage to the balance sheets, but that they are "bracing for impact".

## Scientists Against Lockdowns

Almost 6,000 scientist and health experts worldwide have joined a global movement named the "Great Barrington Declaration" that is sounding the alarm about "grave concerns" regarding new Covid lockdown policies. The experts say the approach to tackle covid is having a devastating impact on physical and mental health. Zealots for the anti-lockdown movement argue that there has been insufficient emphasis on "non-Covid" harms in the decision making. Still, the critics against the declaration pointed out that a more targeted approaches could make it hard to protect vulnerable people completely and that the risk of long-term complications in all cases of covid are not being taken into account. The also argue that while the declaration is well-intentioned, it has profound ethical, logistical and scientific flaws.

## Green is the New Oil

NextEra Energy Inc., the world's largest provider of wind and solar energy, is now more valuable than the oil magnate Exxon Mobil Corp.. On Wednesday, the market closed with NextEra gaining a market value of \$145 billion, while Exxon, once the largest public company on Earth, closed at \$142 billion. While the difference might seem almost minimal, it signifies something much larger in the market. The global transition energy is undergoing by embracing clean energy and openly rejecting fossil fuels.

Jigar Shah, the co-founder of Generate, said that "people believe that renewable energy is a growth story and that oil and gas is a declining story". And he might not be wrong, just this year, Exxon's shares have tumbled more than 50% after experiencing the worst second quarter loss in modern era, and being ejected from the Dow. On the other hand, NextEra ended 2020 with 18 gigawatts of wind and solar energy, being able to power 13.5 million homes and is adding 12 gigawatts of renewables this year, with their shares rising more than 20% in 2020.



**COVID MARKET WINNERS:**

*Boeing*

Today, let's lose the focus on the winners and let's look at the survivors, because sometimes all you have to do is weather the storm. For months we've been looking at the airplane industry majorly struggle, with over 50,000 employees across the US being laid off. However, if you are like us and deeply believe that air travel will not disappear post-Covid, you might want to consider investing in Boeing. The stock has not been doing as great as could be in the past few years, but since the pandemic it has been on the rise. And it's important to consider that if the airline industry even wishes for a chance to come back, it will have to upgrade their fleet of planes.