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THE MARKET WITH YOUR ESPRESSO

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Five News to Start Your Day

Europe's Free-fall

European stocks fell the most since July, following reports on bank allegations on suspicious activity reports and signs that London is heading for a second lockdown. With virus cases growing across Europe, there is growing speculation that tougher restrictions will need to follow and cripple the economic growth. US futures dropped too.

Critical Point

Chris Whitty, Britain's Chief Medical Officer, is sounding the alarms today in a public briefing, saying the UK is at a critical point in the coronavirus pandemic and that they could have 50,000 cases a day by mid-October. Local restrictions are expected to follow to control the outbreak.

Fraud

HSBC allowed millions of dollars to be transferred around the world even after learning of the pons scheme, leaked files show. The documents detail the bank's role in the \$80 million fraud that have been called FinGen Files. HSBC said it always met its legal duties to report the activities.

Sanctions

The US has become more tenacious on its decision to reimpose sanctions on Iran, saying the nation would otherwise be able to resume weapons purchasing within weeks. Pompeo said Europe should fall in line, while the UK, France and Germany argued that since it quite the deal in 2018, the US has no say on the matter.

Dollar Drops

The dollar's weakest quarter in a decade might get even worse, say analyst, as investors respond to large gains from the equity markets. The Bloomberg dollar index has plunged 5% this quarter, and is still on track for its biggest fall since 2010.

The World's Ticking Bomb

In an interview with Bloomberg, Bill Gates expressed his concerns over the future of climate change and how it would be even harder to solve than the pandemic. Still, the Microsoft co-founder stated that one of the biggest mistakes governments could make would be ignoring climate change. He explained that the reason why it was such a hard issue to solve was because it is a problem whose solution needs to be deployed decades prior to it being resolved as it requires changing most of the physical economy of the world. Transport, industry construction, electricity, agriculture, all contribute towards emissions and for many of them we have yet to find solutions.

When asked about Biden's 2035 clean energy goal, Gates admitted that while difficult to achieve, it was doable if a greater focus on innovation were put in place. Biden's plan is accompanied by a \$2T price tag to be spent in the four years of his first term, were he to win. Although ambitious, the plan would spend a generous amount on R&D which the billionaire believes is part of the answer. Gates proposed that if the US were to create a national institute for energy and climate and spent a similar amount to what the National Institute of Health spends on research, \$35 billion yearly, the money would mean a dramatic shift. Citing that not only would it help solve the climate change query, but it would also create all sorts of businesses that would be able to export their innovations.

Gates expressed concern over the US's growing lone wolf agenda, explaining that in issues such as climate change where global cooperation is necessary it proved a great setback for the entire world. The billionaire also expanded on some of the technologies in the energy sector he is an advocate for, such as nuclear fission, and the need to find a storage solution for wind and solar energy. He explained that information sharing and global cooperation meant tougher problems were more easily resolved. "Innovation is accelerating, and that's the only reason you can be optimistic about climate change".

Too Green To Be True?

The founder and executive chairman of Nikola, Trevor Milton, has resigned. The move came as allegations that Nikola deceived investors about business prospects came to light, the SEC is looking into it.

Candy or Covid

Some cities around the world are already warning trick-or-treating could become a super spreader event. LA County has already banned Halloween and many other states are expected to follow.

Banks Air Dirty Laundry

Bank shares took a hit this morning as a report that came out over the weekend revealed that in an almost 20 year period more than \$2 trillion in transactions were flagged for money laundering.

Court Battle

Following the passing of Supreme Court Judge Ruth Bader Ginsberg, a race to fill the position has ensued. Democrats are strongly opposed to the selection of a new justice not 44 days out of the Nov Election.

TikTok Fight Continues

After President Trump came out stating that the new TikTok entity would be directed by Americans and have to pay an unusual \$5B fee to the US government, ByteDance denied the allegations emphasizing it will remain in control of the video-sharing app.

According to a statement ByteDance will retain full control of its algorithm while allowing Oracle limited access to view source code for safety purposes. Doug McMillon, Walmart's CEO, will join the TikTok board, but all the current directors will remain in their positions. No mention of Oracle being included in the board of directors has been made, even though Larry Ellison is set to acquire 12.5% of the company.



The Sanitation Race

Startups are racing to develop tech to sanitize offices, factories and stores, clearing spaces of Covid. However, they have yet to tackle their biggest challenge, cleaning the air. Most offices have installed plastic shield between work stations to protect employees, still, in factories social distancing is not necessarily feasible. Companies execs are looking into other options such as ionized peroxide vapor and a machine called Puradigm. While directors are in favor of the technology praising it as an environmentally safe way to help reduce Covid in the workplace, experts say it is a long way from being able to clear pathogens in the air as the tech would not work fast enough to penetrate and neutralize droplets traveling through the air in time before it hits someone's face.



Mine of Gold

India's temples are tapping into their gold treasure coves, as donations are down due to Covid. Indians own the biggest amount of gold in the world, and religious zealots have long donated gold to their temples to honor deities. India has more than 3 million religious houses, some of them being the largest holders of precious metals.

However, with the pandemic hitting India with full force, Indian temples are being forced to deposit some of their gold stashes with banks to pay the bills, even though there is some opposition to paying wages with gold. According to the World Gold Council, Indian temples hold as much as 4,000 tons of gold, as much as Fort Knox currently holds.



COVID MARKET WINNERS: SQUARE INC

It has been made clear that most of the Covid market winners have their hand in the cloud proverbial pie. Square Inc. is not the exception. The San Francisco digital payment platform handed shareholders total returns of 187% during the pandemic. Social distancing regulations have resulted in rapid adoption of contactless solutions, accelerating the shift away from cash to digital-payment methods. Bloomberg Intelligence expects that by 2023 the wallet that most people reach for is a digital one, accounting for \$1.4T in payments, a 27% annual increase.

The Pre-Market Watch

Pre Market Most Active Stocks

| Name | Symbol | Last | Chg. | Chg. % | Vol. | Time |
|----------------------|--------|--------|---------|---------|-------|----------|
| Onconova Therapeuti. | ONTX | 0.4070 | +0.0852 | +26.48% | 4.95M | 08:06:43 |
| Nikola Corp | NKLA | 25.22 | -8.97 | -26.24% | 4.35M | 08:06:45 |
| Apple Inc | AAPL | 103.95 | -2.89 | -2.70% | 3.21M | 08:06:39 |
| Just Energy | JE | 0.375 | +0.090 | +31.36% | 2.12M | 8:06:31 |
| Tesla Inc | TSLA | 449.00 | +6.85 | +1.55% | 1.94M | 8:06:31 |
| Acasti Pharma Inc | ACST | 0.2369 | +0.0206 | +9.52% | 1.89M | 8:04:56 |
| Zomedica Pharma | ZOM | 0.0942 | +0.0242 | +34.57% | 1.79M | 8:05:51 |
| Eastman Kodak Co | KODK | 10.72 | -1.39 | -11.48% | 1.15M | 8:06:26 |
| American Airlines | AAL | 12.78 | -0.41 | -3.11% | 1.08M | 8:05:54 |
| Nio A ADR | NIO | 18.92 | -0.49 | -2.52% | 1.07M | 08:06:46 |



Pre Market Top Gainers

| Name | Last | Chg. % | Vol. |
|------------------|--------|----------|-------|
| Northern Oil&... | 5.400 | +900.00% | 0.05K |
| Zomedica Phar... | 0.0942 | +34.57% | 1.79M |
| Just Energy | 0.375 | +31.36% | 2.12M |
| Onconova The... | 0.4070 | +26.48% | 4.95M |
| PICO Holdings... | 12.00 | +22.45% | 0.00K |

Pre Market Top Losers

| Name | Last | Chg. % | Vol. |
|-----------------|-------|---------|-------|
| Nikola Corp | 25.22 | -26.24% | 4.35M |
| Legend Bio | 27.85 | -12.97% | 6.36K |
| Eastman Koda... | 10.72 | -11.48% | 1.15M |
| Genfit | 4.22 | -10.78% | 4.79K |
| Crexendo Inc | 6.500 | -10.71% | 1.10K |



DAX

12,695.25
-421.00 | -3.21%



FTSE 100

5,808.93
-198.12 | -3.30%



CAC 40

4,823.73
-154.45 | -3.10%



Euro Stoxx 50

3,183.80
-99.89 | -3.04%



FTSE MIB

18,933.50
-591.44 | -3.03%



IBEX 35

6,727.00
-202.80 | -2.93%



Nikkei 225

23,360.30
+40.93 | +0.18%



Hang Seng

23,950.69
-504.72 | -2.06%



KOSPI

2,389.39
-23.01 | -0.95%



S&P/ASX 200

5,822.60
-41.90 | -0.71%



Shanghai

3,316.94
-21.15 | -0.63%



BSE Sensex

38,034.14
-811.68 | -2.09%

