

MARKET UPDATE

Michael Shulman

October 5, 2020

September 21

USA

6,748,935

TOTAL CASES

+42,561 New Cases

CDC | Updated: Sep 20 2020

2:40PM

USA

198,754

TOTAL DEATHS

+655 New Deaths

CDC | Updated: Sep 20 2020

2:40PM

USA

281,490

Cases in Last 7

Days

CDC | Updated: Sep 20 2020

2:40PM

October 4

USA

7,359,952

TOTAL CASES

+49,327 New Cases

CDC | Updated: Oct 4 2020

12:17PM

USA

208,821

TOTAL DEATHS

+703 New Deaths

CDC | Updated: Oct 4 2020

12:17PM

USA

300,995

Cases in Last 7

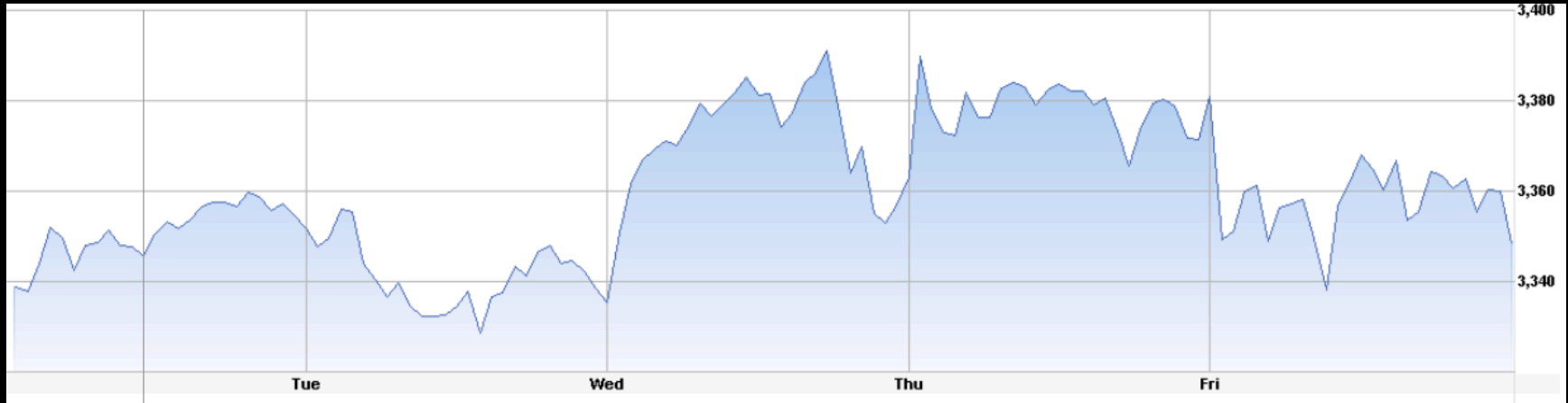
Days

CDC | Updated: Oct 4 2020

12:17PM

S+P 500 up 1.5%

QQQ up 1.0%



The market has been range bound for four weeks, 3200-3400 on the S+P 500

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Volatility is rising

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3200-3400 on the S+P 500**

Volatility is rising

**Options trading in mega caps is
moving some stock prices**

MARKETS

Dow futures rise 200 points as investors monitor Trump's health

This is not what is going on!

Stimulus, stimulus, stimulus. The markets cling to hopes a deal could still get done

Jobs report shows fewer hires as recovery loses momentum

Stimulus?

- Senate moving into hibernation due to COVID-10 super spreader event at White House, in Senate chambers
- Will not -reconvene until October 19
- What House want one
- House wants one
- Senate does not want one as structured

Email Questions

- Will there be a stimulus package this year?
- Are pandemic stocks slowing down?
- What are the best sectors to trade before and right after the election?
- Why puts and not calls?

This Week's Trading

- We are range bound
- President's health and election are "head fakes" for day traders and individual traders
- The market = the economy, the Fed
- We will trade assuming high volatility, weakening economy, and ignore headlines
- We will trade knowing earnings are around the corner

Earnings to Watch

- Today - CCL
- Tuesday - PAYX
- Thursday - DAL

Sectors to Trade

- Home builders
- Selected "pandemic" stocks including selected retail
- Chips
- Best in class

Stocks to Avoid

- Travel
 - **Airlines**, hotels, cruise lines, casinos, travel intermediaries
- Real estate
 - REITs
 - Shopping malls
- Vaccine companies
- Brick and mortar retail