



## Lyft Blunder Causes Chaos - RIA

Lyft's earnings announcement Tuesday night was one for the ages. Their quarterly earnings statement reported that its margins rose by 5% or 500 basis points. In other words, for each dollar Lyft receives from its clients, they will earn an additional five cents. That may not seem like a lot, but it is. However, there was a problem with the sharp jump in its margins. The decimal was misplaced. Shortly after the earnings release, Lyft corrected itself, saying the margin only rose by .50% or 50 basis points. Lyft shares went on a rollercoaster ride. The stock initially surged 100%, but as shown below, it quickly gave up a large chunk of the gains. The stock is still poised to have a substantial increase.

Since bottoming in November, Lyft's stock has nearly doubled. While recent performance may be encouraging, it is still down over 75% since trading at 68 in 2021. Conversely, Uber, its chief competitor, has also surged since November. But, its stock is trading at record highs, about 15% above the 2021 peak. Why? For starters, Uber operates internationally, while Lyft is solely domestic. Furthermore, Uber also offers food delivery and a freight division. Uber had \$37 billion in sales for the last year, up 3x since 2018. Lyft, on the other hand, is losing ground. Its revenues of \$4.4 billion are a fraction of Uber's, and its 5-year growth of 80% is well below Uber's pace.



## What To Watch Today

### Earnings

Time	Symbol	Company Name	Market Cap ▼	Fiscal Quarter Ending	Consensus EPS* Forecast	# Of Ests	Last Year's Report Date	Last Year's EPS*
🕒	AMAT	Applied Materials, Inc.	\$149,849,709,702	Jan/2024	\$1.90	10	2/16/2023	\$2.03
🌞	DE	Deere & Company	\$106,191,753,822	Jan/2024	\$5.19	13	2/17/2023	\$6.55
☹️	RELX	RELX PLC	\$77,504,039,426	Dec/2023		7	N/A	N/A
🌞	STLA	Stellantis N.V.	\$75,151,521,533	Dec/2023		7	N/A	N/A
🌞	SO	Southern Company (The)	\$73,627,712,250	Dec/2023	\$0.59	4	2/16/2023	\$0.26
🕒	DASH	DoorDash, Inc.	\$46,347,511,756	Dec/2023	(\$0.15)	12	2/16/2023	(\$0.63)
🕒	DLR	Digital Realty Trust, Inc.	\$43,056,481,635	Dec/2023	\$1.64	9	2/16/2023	\$1.65
☹️	CEG	Constellation Energy Corporation	\$40,852,111,200	Dec/2023	\$1.71	2	2/16/2023	\$0.10
🕒	DKNG	DraftKings Inc.	\$36,681,633,687	Dec/2023	\$0.06	9	2/16/2023	(\$0.53)
🕒	TTD	The Trade Desk, Inc.	\$35,762,264,128	Dec/2023	\$0.23	7	2/15/2023	\$0.14
🕒	IR	Ingersoll Rand Inc.	\$34,452,270,627	Dec/2023	\$0.74	3	2/21/2023	\$0.69
🕒	COIN	Coinbase Global, Inc.	\$33,587,682,904	Dec/2023	(\$0.09)	7	2/21/2023	(\$2.46)
🌞	CVE	Cenovus Energy Inc	\$30,583,766,980	Dec/2023	\$0.25	2	2/16/2023	\$0.29
☹️	ORAN	Orange	\$30,363,398,930	Dec/2023		7	N/A	N/A
🕒	ED	Consolidated Edison Inc	\$29,920,198,245	Dec/2023	\$0.98	4	2/16/2023	\$0.81
🌞	WST	West Pharmaceutical Services, Inc.	\$29,491,542,565	Dec/2023	\$1.78	6	2/16/2023	\$1.77
☹️	ADM	Archer-Daniels-Midland Company	\$27,986,514,449	Dec/2023	\$1.45	7	1/26/2023	\$1.93
🌞	CBRE	CBRE Group, Inc.	\$25,950,059,077	Dec/2023	\$1.21	4	2/23/2023	\$1.33
🕒	AEM	Agnico Eagle Mines Limited	\$22,312,937,309	Dec/2023	\$0.46	6	2/16/2023	\$0.41
🌞	ALNY	Alnylam Pharmaceuticals, Inc.	\$20,329,854,174	Dec/2023	(\$1.20)	12	2/23/2023	(\$1.68)
🌞	GPC	Genuine Parts Company	\$19,965,402,220	Dec/2023	\$2.20	7	2/23/2023	\$2.05
🌞	TRGP	Targa Resources, Inc.	\$19,719,962,064	Dec/2023	\$1.49	7	2/22/2023	\$1.38
🌞	LH	Laboratory Corporation of America Holdings	\$18,960,717,000	Dec/2023	\$3.29	8	2/16/2023	\$4.14
🌞	RPRX	Royalty Pharma plc	\$17,510,734,411	Dec/2023	\$1.03	4	2/15/2023	\$1.56
🌞	RS	Reliance Steel & Aluminum Co.	\$16,613,208,167	Dec/2023	\$3.86	4	2/16/2023	\$5.87
🌞	EPAM	EPAM Systems, Inc.	\$15,733,188,790	Dec/2023	\$2.03	9	2/16/2023	\$2.71
🌞	CRBG	Corebridge Financial Inc.	\$14,948,950,931	Dec/2023	\$0.99	6	2/17/2023	\$0.88
🌞	H	Hyatt Hotels Corporation	\$13,048,107,172	Dec/2023	\$0.38	7	2/16/2023	\$2.55
🌞	LECO	Lincoln Electric Holdings, Inc.	\$12,998,640,006	Dec/2023	\$2.19	8	2/21/2023	\$1.94
🕒	ROKU	Roku, Inc.	\$12,816,075,130	Dec/2023	(\$0.65)	11	2/15/2023	(\$1.70)
🌞	ZBRA	Zebra Technologies Corporation	\$12,624,190,663	Dec/2023	\$1.31	4	2/16/2023	\$4.43
🕒	LNT	Alliant Energy Corporation	\$12,138,869,168	Dec/2023	\$0.55	1	2/23/2023	\$0.46
🌞	USFD	US Foods Holding Corp.	\$11,422,263,013	Dec/2023	\$0.64	6	2/16/2023	\$0.51
🕒	DBX	Dropbox, Inc.	\$11,071,183,327	Dec/2023	\$0.26	4	2/16/2023	\$0.18
🕒	TOST	Toast, Inc.	\$10,490,837,398	Dec/2023	(\$0.11)	4	2/16/2023	(\$0.19)
🕒	PCOR	Procore Technologies, Inc.	\$10,256,839,110	Dec/2023	(\$0.26)	7	2/16/2023	(\$0.42)
🕒	GLOB	Globant S.A.	\$9,722,021,570	Dec/2023	\$1.34	8	2/16/2023	\$1.12
🕒	KNSL	Kinsale Capital Group, Inc.	\$9,549,322,693	Dec/2023	\$3.44	5	2/16/2023	\$2.60
🕒	BIO.B	Bio-Rad Laboratories, Inc.	\$9,356,182,473	Dec/2023		7	N/A	\$3.31
🕒	BIO	Bio-Rad Laboratories, Inc.	\$9,212,788,237	Dec/2023	\$2.93	2	2/16/2023	\$3.31
🕒	TXRH	Texas Roadhouse, Inc.	\$8,876,144,745	Dec/2023	\$1.07	12	2/16/2023	\$0.89
🕒	SWAV	ShockWave Medical, Inc.	\$8,553,035,617	Dec/2023	\$0.92	7	2/16/2023	\$3.71
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## Economy

THURSDAY, FEBRUARY 15

00:00	<b>USD</b> Fed's Bostic speech		—	
13:30	<b>USD</b> NY Empire State Manufacturing Index(Thu Feb 01 2024 00:00:00)		- - -15 -43.7	
13:30	<b>USD</b> Retail Sales (MoM)(Mon Jan 01 2024 00:00:00)		- - -0.1% 0.6%	
13:30	<b>USD</b> Import Price Index (MoM)(Mon Jan 01 2024 00:00:00)		- - 0% 0%	
13:30	<b>USD</b> Continuing Jobless Claims(Fri Feb 02 2024 00:00:00)		- - 1.88 1.871	
13:30	<b>USD</b> Philadelphia Fed Manufacturing Survey(Thu Feb 01 2024 00:00:00)		- - -8 -10.6	
13:30	<b>USD</b> Initial Jobless Claims(Fri Feb 09 2024 00:00:00)		- - 220 218	
13:30	<b>USD</b> Export Price Index (MoM)(Mon Jan 01 2024 00:00:00)		- - -0.1% -0.9%	
13:30	<b>USD</b> Retail Sales Control Group(Mon Jan 01 2024 00:00:00)		- - - 0.8%	
13:30	<b>USD</b> Export Price Index (YoY)(Mon Jan 01 2024 00:00:00)		- - - -3.2%	
13:30	<b>USD</b> Initial Jobless Claims 4-week average(Fri Feb 09 2024 00:00:00)		- - - 212.25	
13:30	<b>USD</b> Retail Sales ex Autos (MoM)(Mon Jan 01 2024 00:00:00)		- - 0.2% 0.4%	
13:30	<b>USD</b> Import Price Index (YoY)(Mon Jan 01 2024 00:00:00)		- - - -1.6%	
14:15	<b>USD</b> Industrial Production (MoM)(Mon Jan 01 2024 00:00:00)		- - 0.3% 0.1%	
14:15	<b>USD</b> Capacity Utilization(Mon Jan 01 2024 00:00:00)		- - -78.8% 78.6%	
15:00	<b>USD</b> Business Inventories(Fri Dec 01 2023 00:00:00)		- - 0.4% -0.1%	
15:00	<b>USD</b> NAHB Housing Market Index(Thu Feb 01 2024 00:00:00)		- - 46 44	
15:30	<b>USD</b> EIA Natural Gas Storage Change(Fri Feb 09 2024 00:00:00)		- - - -75	
16:30	<b>USD</b> 4-Week Bill Auction		- - - 5.28%	
18:00	<b>USD</b> 30-year TIPS Auction		- - - 1.97%	
18:15	<b>USD</b> Fed's Waller speech		—	
21:00	<b>USD</b> Net Long-Term TIC Flows(Fri Dec 01 2023 00:00:00)		- - \$42.6 \$126.1	
21:00	<b>USD</b> Total Net TIC Flows(Fri Dec 01 2023 00:00:00)		- - - \$260.2	

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## **Market Trading Update**

The market rebounded off the 20-DMA average yesterday, keeping the bull trend intact for now. The market bounced off the 20-DMA and slightly reduced the overbought condition. Such keeps the current trend positive, keeping equity allocations near full weight. However, the internals continue to weaken, and the market is close to registering a sell signal from an elevated level. Furthermore, the deviation from the 200-DMA remains quite large, likely limiting further upside until a more significant correction occurs to reduce the extension.



TradingView



Furthermore, as noted by Sentiment Trader yesterday, numerous "risk off" warnings continue to occur in the market.

*"Subtle clues regarding the internal strength of the stock market advance continue to emerge, suggesting a backdrop with fewer and fewer stocks participating in the uptrend. The latest indicator to trigger a warning measures participation based on relative performance versus the S&P 500. This system, a member of the Risk-Off Composite Model, registered an alert on Tuesday, indicating the world's most benchmarked index could struggle over a medium-term horizon. While a concern, the weight of the evidence has not overwhelmingly swung to the bearish side of the ledger. For now, we should remain vigilant regarding additional risks."*



# A Risk-Off Composite Model member issued a warning

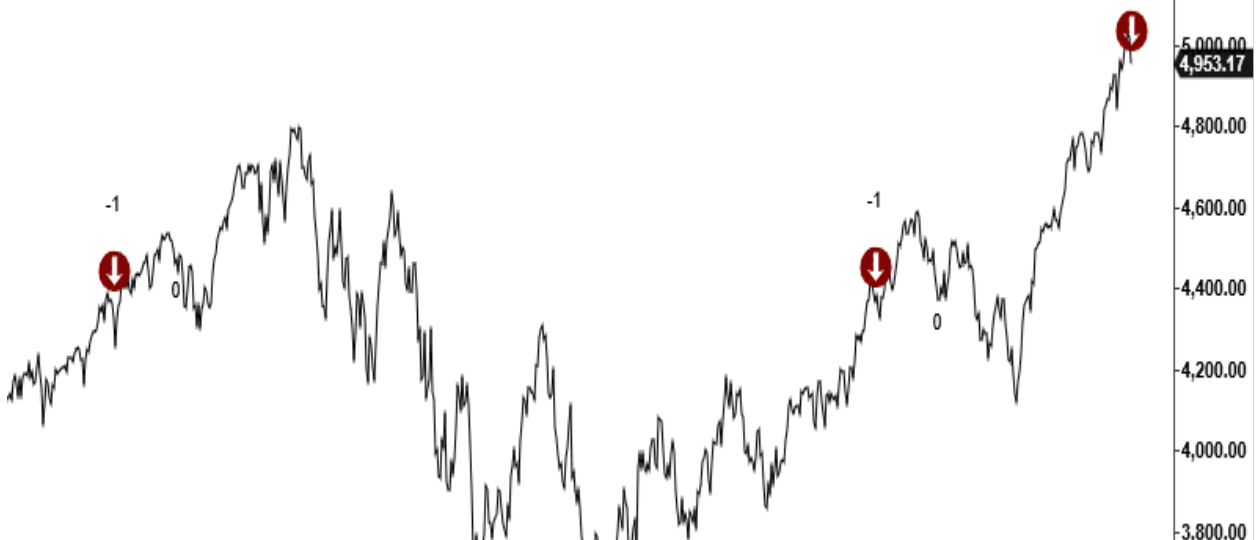
SA S&P 500 Index Strategy



Source: S&P & CRSP

# A Risk-Off Composite Model member issued a warning

SA S&P 500 Index Strategy



Historically, the last half of February and March tend to be weaker periods in the seasonally strong stretch. Continue taking profits and rebalancing risks as needed.



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## The Lone Dove At The Fed

While other Fed members appear to support Powell and his conservatism toward rate cuts, Chicago Fed President Austan Goolsbee is not on board. In prepared remarks Wednesday morning, he said he *doesn't support waiting until inflation is at 2% for a rate cut.* Further, he reminded the audience that the Fed's inflation goal is based on PCE, not CPI. PCE is currently running half a percent below CPI at 2.6% annually. More importantly, it has only risen by 0.87% over the last six months.

One reason for the discrepancy is the CPI assigns a 33% weight to shelter prices, while PCE is 15%. Given that shelter prices used by the indexes are well above real-time prices, the weighting difference skews CPI higher than PCE. Essentially, Goolsbee is telling us to ignore the faulty shelter prices. As we noted yesterday, CPI, less shelter prices, is running at 1.40%.

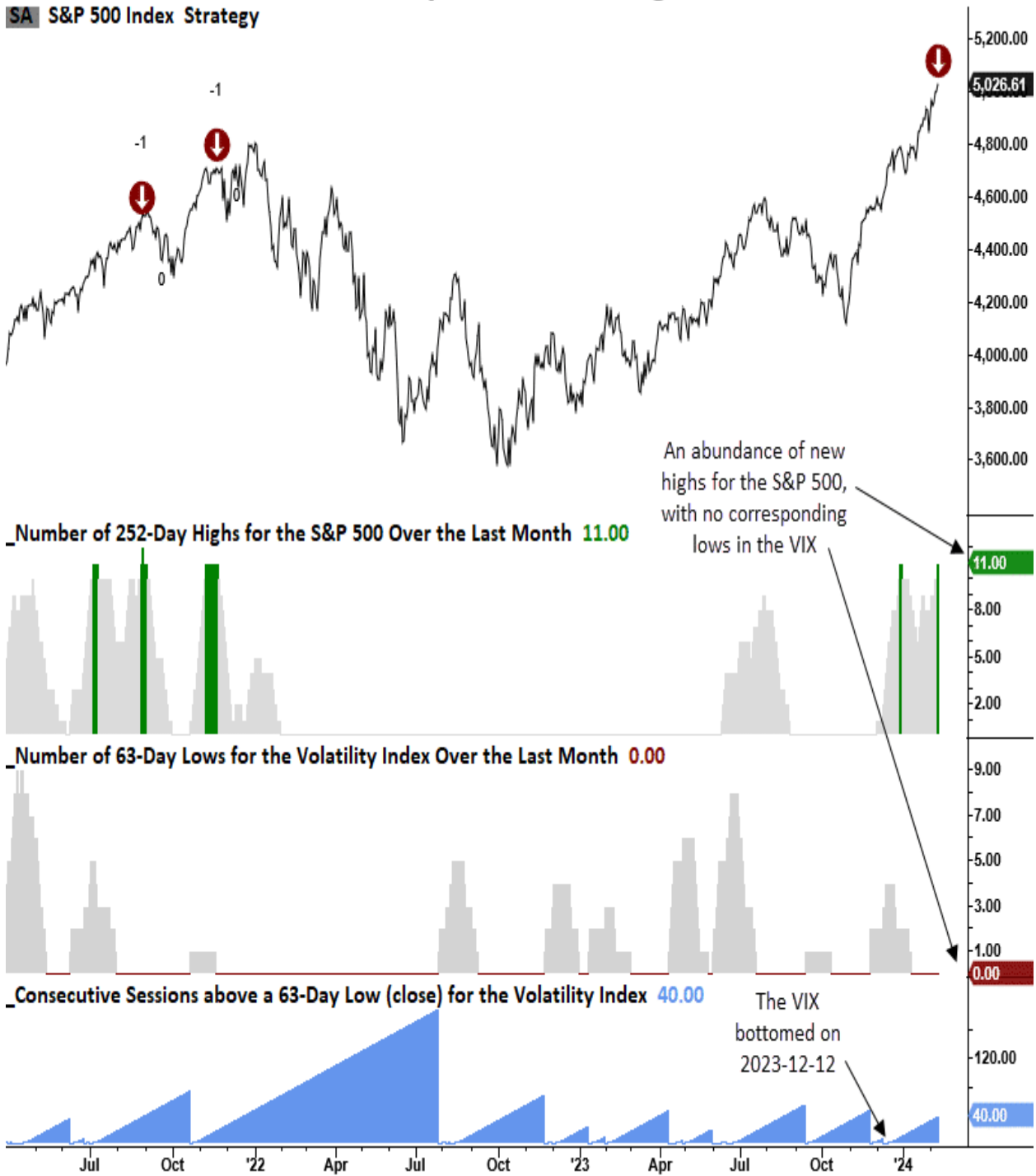
Goolsbee states he *doesn't believe the last mile of the inflation fight is the hardest.* Many other Fed members still believe they must keep policy restrictive as further declines in inflation will be increasingly difficult. Goolsbee is but one voter and unlikely to heavily influence Powell, but his comments may sway other members.

## Sentimentrader Sends A Warning

The following analysis from Sentimentrader adds more data to their growing pile of research, warning that investors should be cautious of a potential decline. Their latest, shown below, highlights that over the last 20 trading days, the S&P 500 has closed at a yearly high on over half of those days. Yet, the VIX volatility index has failed to reach a 63-day low. Typically, the VIX and the S&P 500 have an inverse relationship. However, at times, usually when the market is overbought, the VIX will rise alongside the market. Such is the case today, which triggered a warning from Sentimentrader.

# The S&P 500 and the Volatility Index are rising in unison

SA S&P 500 Index Strategy



Source: S&P & CBOE

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SA S&P 500 Index Strategy

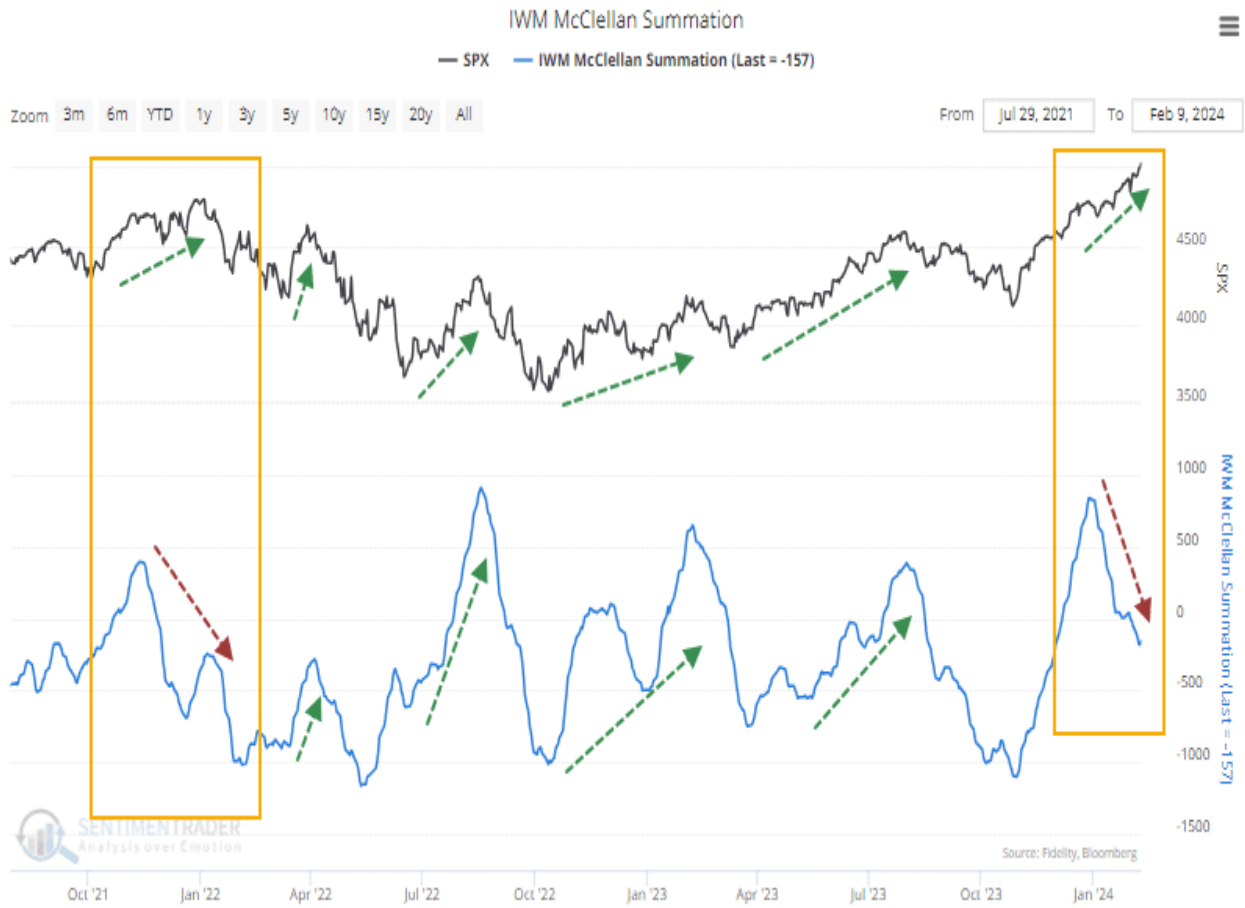


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## Sentimentrader Sends A Warning For Small-Caps

The following commentary and graph are courtesy of Sentimentrader:

*The S&P 500 has been hitting record highs as internal small cap momentum deteriorates. The McClellan Summation Index for the Russell 2000 is well below zero even as the S&P 500 has driven to record highs. This is unusual ? usually, small cap momentum ebbs and flows along with swings in the S&P as investors are in gear. The last time they were out of gear like this was in 2021. Historically, this has been a worse sign for small caps than the broader market.*



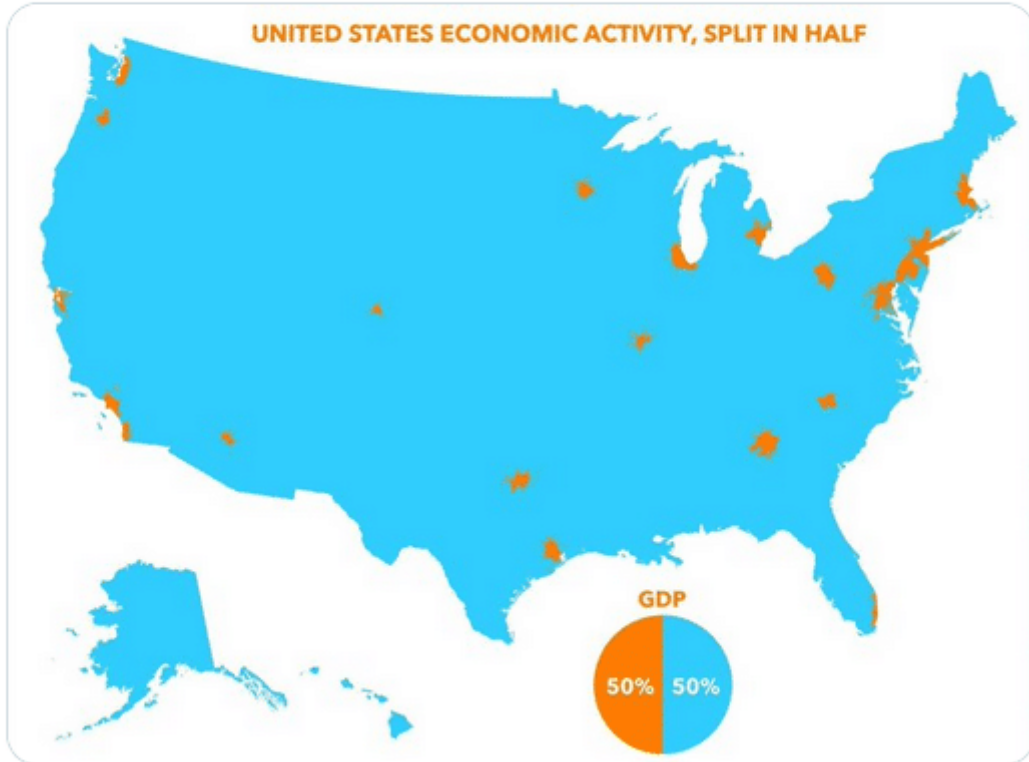
**Tweet of the Day**



**Michael A. Arouet** ✓ @MichaelAArouet · Jan 31

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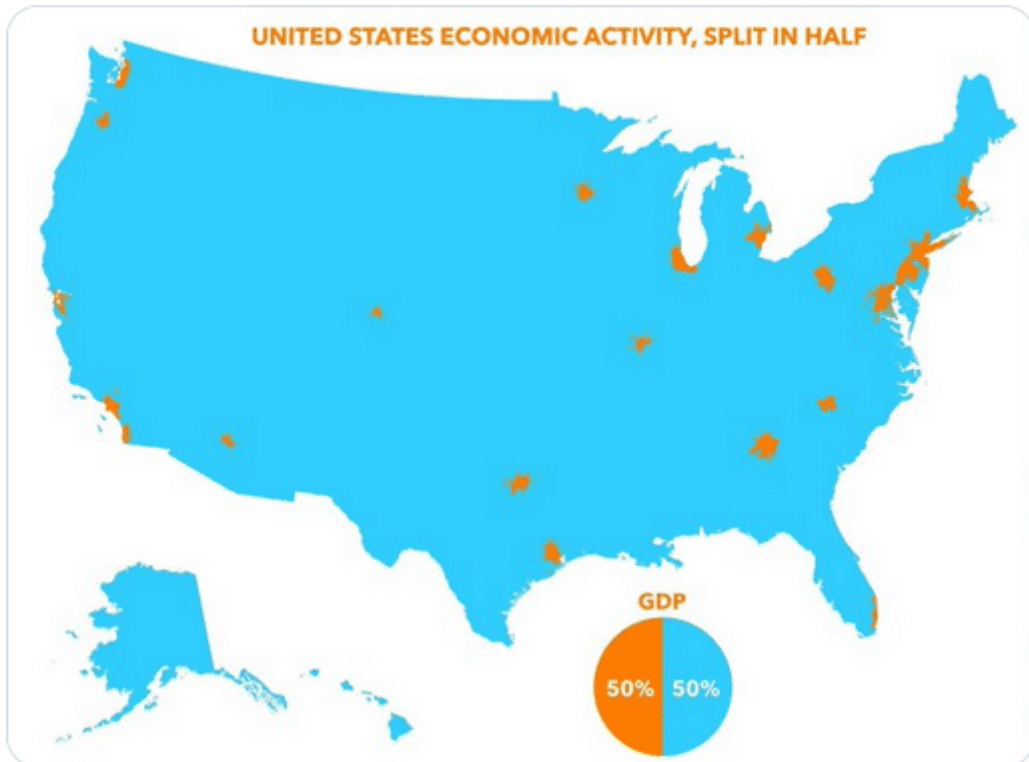
No wonder the US is polarized



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