

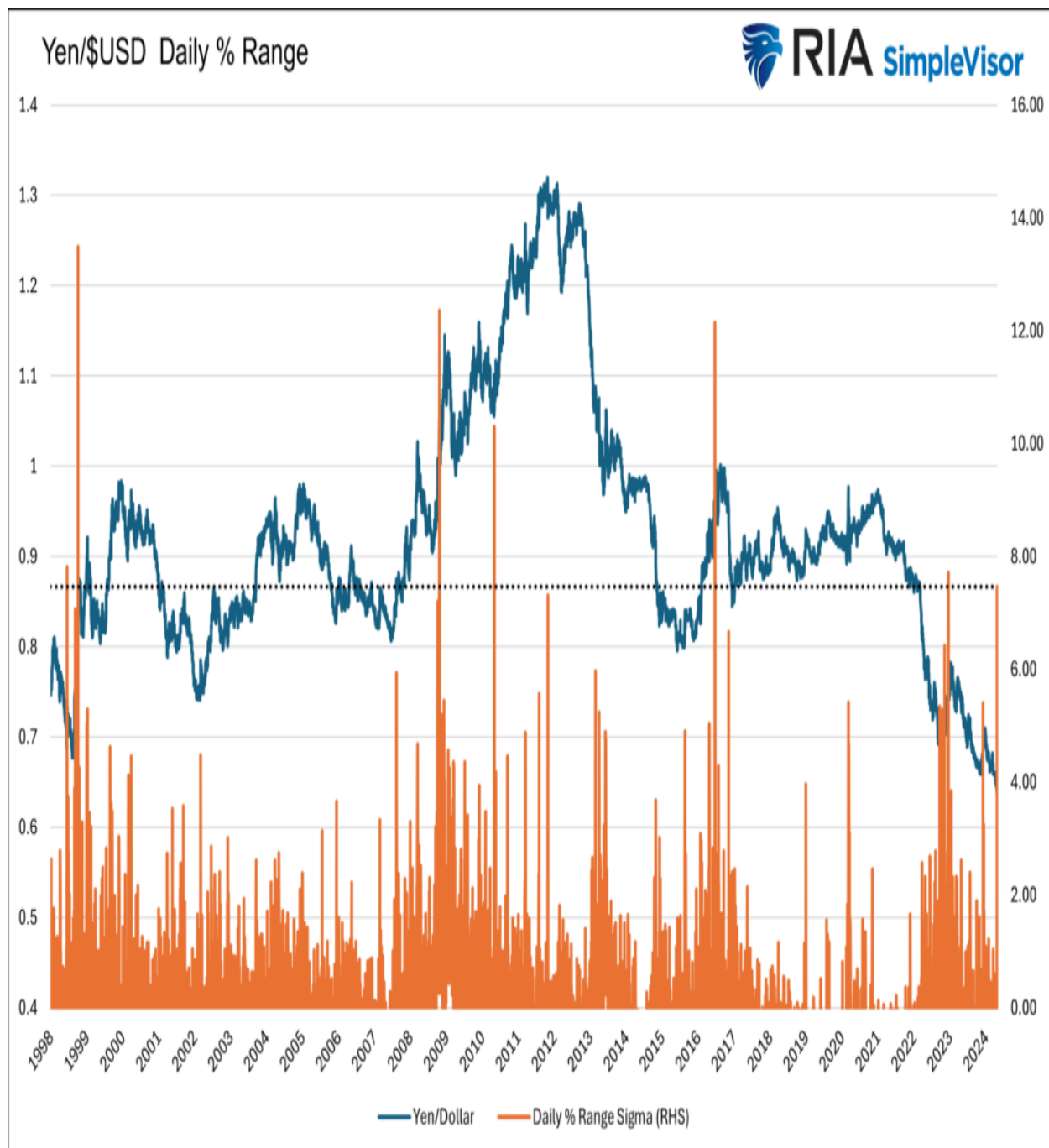
The Yen Has A Wild Night

Year to date, the yen has fallen by 10% versus the U.S. dollar. Consequently, the decline is catching the market's attention. Trading seemed to get out of hand on Sunday night when the yen whipsawed in a 5% range. It opened trading down 2%, falling to its lowest level since 1990. Despite being a Japanese holiday, the BOJ responded aggressively by buying yen. Within hours, the yen surged versus the dollar. The yen opened on Monday morning, New York Time, up about 5% from its lows set only hours before. Until Sunday night, the BOJ had been taking a hands-off approach to the depreciating yen. That changed as the market may have weakened the yen beyond the BOJ's line in the sand. The graph below charts the yen and its daily price range using standard deviation (sigma). Monday's price action was nearly an 8-sigma move.

In May 2022, we wrote an article on [Japanese inflation](#) and the potential pitfalls for global liquidity if Japan were forced to take drastic actions to support the yen. To wit:

*However, as the BOJ tries to stop rates from rising, they weaken the yen. **Japan is in a trap. They can protect interest rates or the yen but not both.** Further, its actions are circular. As the yen depreciates, inflation increases and the Japanese central bank must do even more QE to keep interest rates capped.*

The markets are pushing Japan into a corner. Certainly, their actions significantly impact Japan's economy and markets. Equally important, the BOJ can have consequences for global stock and bond markets due to the yen carry trade. Stay tuned!



What To Watch Today

Earnings

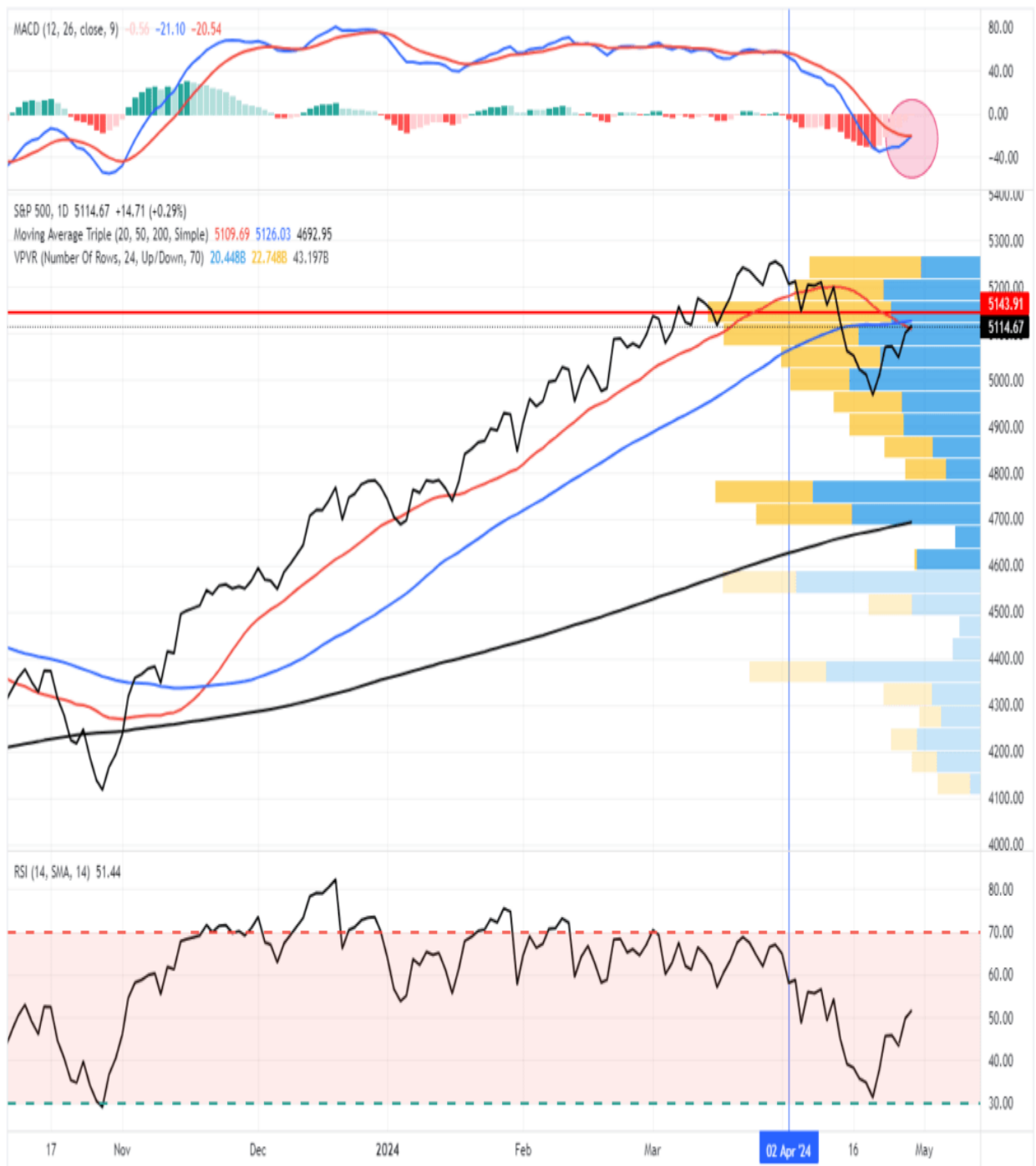
Time	Symbol	Company Name	Market Cap ▼	Fiscal Quarter Ending	Consensus EPS* Forecast	# Of Ests	Last Year's Report Date	Last Year's EPS*
🕒	AMZN	Amazon.com, Inc.	\$1,865,781,427,489	Mar/2024	\$0.81	13	4/27/2023	\$0.31
🌞	LLY	Eli Lilly and Company	\$696,955,127,186	Mar/2024	\$2.53	9	4/27/2023	\$1.62
🌞	KO	Coca-Cola Company (The)	\$266,251,043,812	Mar/2024	\$0.69	8	4/24/2023	\$0.68
🕒	AMD	Advanced Micro Devices, Inc.	\$254,324,848,773	Mar/2024	\$0.41	14	5/02/2023	\$0.43
🌞	MCD	McDonald's Corporation	\$197,185,040,857	Mar/2024	\$2.70	13	4/25/2023	\$2.63
🌞	HSBC	HSBC Holdings plc	\$159,842,992,454	Mar/2024		N/A	5/01/2023	\$2.60
🌞	ETN	Eaton Corporation, PLC	\$129,557,850,000	Mar/2024	\$2.28	7	5/02/2023	\$1.88
🕒	SYK	Stryker Corporation	\$127,620,413,121	Mar/2024	\$2.35	13	5/01/2023	\$2.14
🕒	SBUX	Starbucks Corporation	\$99,916,650,000	Mar/2024	\$0.79	12	5/02/2023	\$0.74
🕒	MDLZ	Mondelez International, Inc.	\$95,074,769,990	Mar/2024	\$0.88	10	4/27/2023	\$0.89
🌞	SAN	Banco Santander, S.A.	\$80,868,706,502	Mar/2024	\$0.19	1	4/25/2023	\$0.16
🌞	AMT	American Tower Corporation (REIT)	\$80,068,010,591	Mar/2024	\$2.43	4	4/26/2023	\$2.54
🌞	STLA	Stellantis N.V.	\$74,791,470,224	Mar/2024		2	N/A	N/A
🌞	ITW	Illinois Tool Works Inc.	\$74,186,064,000	Mar/2024	\$2.35	8	5/02/2023	\$2.33
🌞	MPC	Marathon Petroleum Corporation	\$71,689,958,841	Mar/2024	\$2.53	4	5/02/2023	\$6.09
🌞	PYPL	PayPal Holdings, Inc.	\$70,692,093,349	Mar/2024	\$0.92	11	5/08/2023	\$0.86
🌞	TT	Trane Technologies plc	\$69,150,304,374	Mar/2024	\$1.64	7	5/03/2023	\$1.41
🌞	ECL	Ecolab Inc.	\$63,126,958,570	Mar/2024	\$1.33	11	5/02/2023	\$0.88
🕒	RSG	Republic Services, Inc.	\$60,380,062,321	Mar/2024	\$1.37	10	4/27/2023	\$1.24
🌞	PCAR	PACCAR Inc.	\$58,654,016,476	Mar/2024	\$2.17	7	4/25/2023	\$2.25
🌞	APD	Air Products and Chemicals, Inc.	\$52,480,832,120	Mar/2024	\$2.72	7	5/09/2023	\$2.74
🌞	MMM	3M Company	\$50,815,164,230	Mar/2024	\$2.08	3	4/25/2023	\$1.97
🕒	SMCI	Super Micro Computer, Inc.	\$47,959,474,475	Mar/2024	\$5.62	4	5/02/2023	\$1.42
🕒	OKE	ONEOK, Inc.	\$47,270,904,692	Mar/2024	\$1.18	4	5/02/2023	\$2.34
🕒	PSA	Public Storage	\$45,280,945,552	Mar/2024	\$4.07	7	5/03/2023	\$4.08
🌞	AEP	American Electric Power Company, Inc.	\$44,862,497,717	Mar/2024	\$1.33	3	5/04/2023	\$1.11
🌞	MPLX	MPLX LP	\$42,399,588,805	Mar/2024	\$0.99	4	5/02/2023	\$0.91
🕒	PRU	Prudential Financial, Inc.	\$39,669,500,000	Mar/2024	\$3.16	8	5/02/2023	\$2.66
🌞	GEHC	GE HealthCare Technologies Inc.	\$39,270,007,428	Mar/2024	\$0.90	5	4/25/2023	\$0.85
🌞	SYY	Sysco Corporation	\$38,367,738,678	Mar/2024	\$0.95	8	5/02/2023	\$0.90
🌞	MLM	Martin Marietta Materials, Inc.	\$37,401,973,100	Mar/2024	\$1.88	9	5/04/2023	\$2.16
🕒	FANG	Diamondback Energy, Inc.	\$37,074,062,084	Mar/2024	\$4.25	10	5/01/2023	\$4.10
🌞	IT	Gartner, Inc.	\$34,990,426,981	Mar/2024	\$2.52	4	5/02/2023	\$2.88
🌞	PEG	Public Service Enterprise Group Incorporated	\$33,814,142,940	Mar/2024	\$1.32	4	5/02/2023	\$1.39
🌞	ADM	Archer-Daniels-Midland Company	\$30,641,934,095	Mar/2024	\$1.35	6	4/25/2023	\$2.09
🕒	EXR	Extra Space Storage Inc	\$28,238,855,455	Mar/2024	\$1.95	7	5/02/2023	\$2.02
🕒	EIX	Edison International	\$26,970,532,718	Mar/2024	\$1.15	3	5/02/2023	\$1.09
🌞	GLW	Corning Incorporated	\$26,739,350,351	Mar/2024	\$0.36	7	4/25/2023	\$0.41
🕒	PINS	Pinterest, Inc.	\$23,058,274,871	Mar/2024	(\$0.09)	9	4/27/2023	(\$0.13)
🌞	QSR	Restaurant Brands International Inc.	\$23,052,762,728	Mar/2024	\$0.72	9	5/02/2023	\$0.75
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Economy

Time	Event	Impact	Actual	Dev	Consensus	Previous	
TUESDAY, APRIL 30							
12:30	USD Employment Cost Index(Q1)	<div><div></div></div>	-	-	1%	0.9%	<div><div></div></div> ***
12:55	USD Redbook Index (YoY)(Apr 26)	<div><div></div></div>	-	-	-	5.3%	<div><div></div></div>
13:00	USD Housing Price Index (MoM)(Feb)	<div><div></div></div>	-	-	0.1%	-0.1%	<div><div></div></div>
13:00	USD S&P/Case-Shiller Home Price Indices (YoY)(Feb)	<div><div></div></div>	-	-	6.7%	6.6%	<div><div></div></div>
13:45	USD Chicago Purchasing Managers' Index(Apr)	<div><div></div></div>	-	-	44.9	41.4	<div><div></div></div>
14:00	USD Consumer Confidence(Apr)	<div><div></div></div>	-	-	-	-	<div><div></div></div>
20:30	USD API Weekly Crude Oil Stock(Apr 26)	<div><div></div></div>	-	-	-	-3.23M	<div><div></div></div>
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Market Trading Update

As discussed yesterday, the market's first hurdle is the 50 and 20-DMA's initial challenge. Unfortunately, that test was inconclusive, with the market trading into it but failing to break above it. The market's fate remains in the *?bear's hands?* until that resistance is breached. Today, earnings from Amazon (AMZN), Ely Lilly (LLY), and AMD (AMD) will likely determine the direction of the market tomorrow, given their market cap weightings and importance to the *?thematic?* trades of *?weight loss?* and *?A.I.?*



TradingView



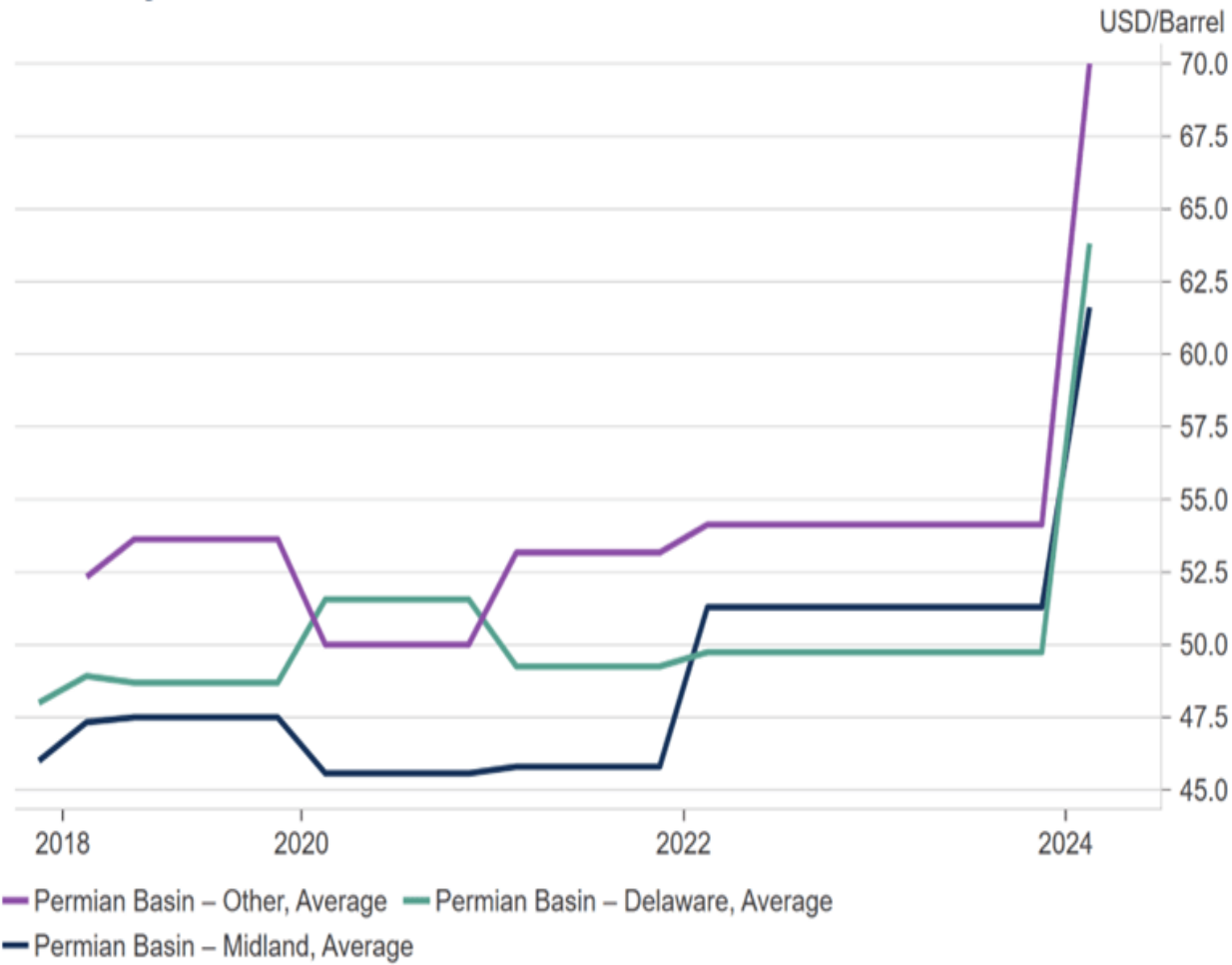
If you haven't already done so, use the current rally to rebalance portfolio risk as needed. In addition to earnings, the Fed meeting announcement on Wednesday and employment on Friday will determine the market's next direction.



Shale Oil Becoming Costlier To Produce

The chart below potentially has significant implications for the price of oil. The Dallas Fed recently surveyed energy companies and found the breakeven point on new shale wells in the Permian Basin has recently risen by \$10-\$15 a barrel. Hence, since shale oil is among the cheapest to drill for, a higher breakeven price should translate into higher oil prices. Consequently, if prices fall below breakeven, energy companies pull back on drilling, which can push the price higher. The data appears to be annual. Therefore, the recent surge of breakevens is likely a function of inflation for employees and machinery.

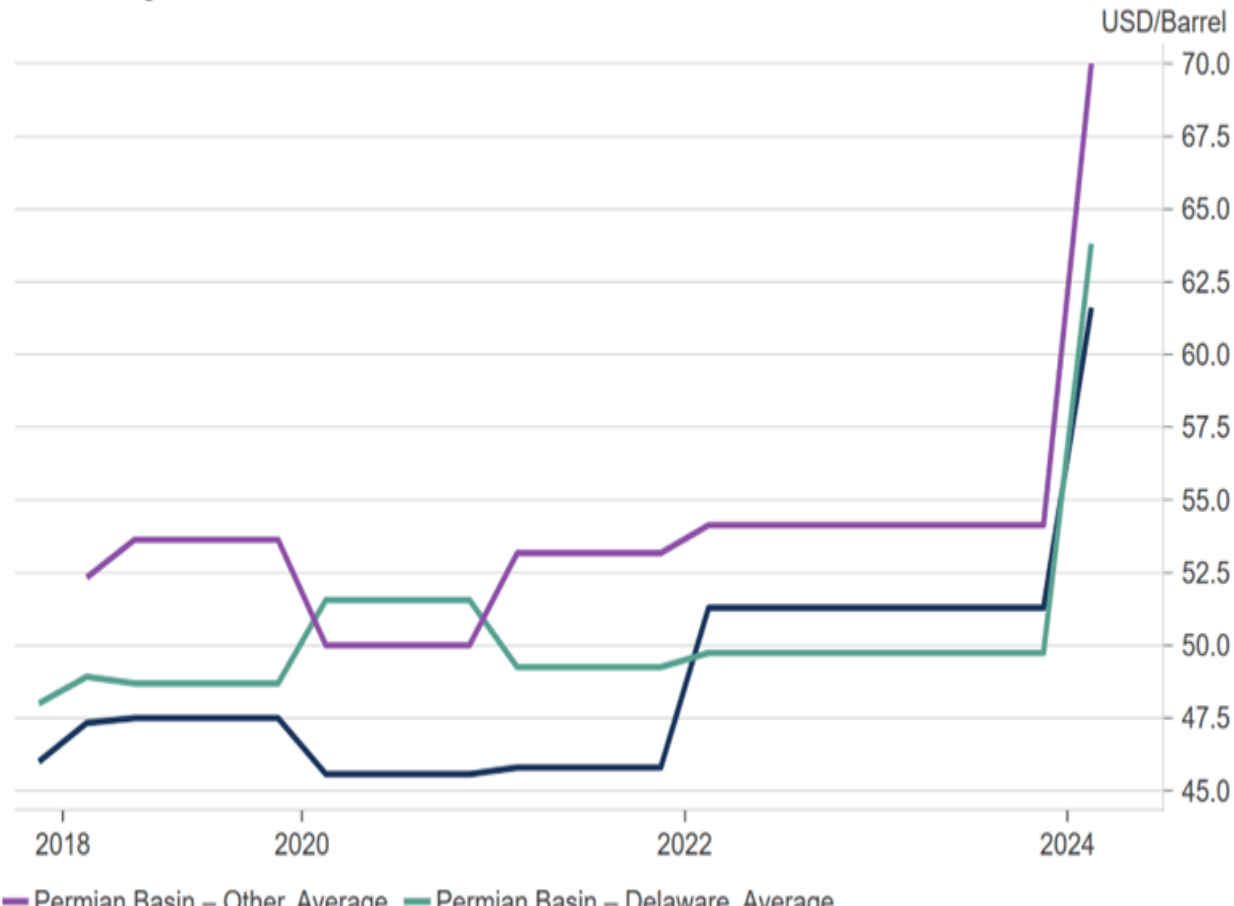
Dallas Fed Energy Survey: What WTI Oil Price Does Your Firm Need to Profitably Drill a New Well?



FFTT LLC

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Dallas Fed Energy Survey: What WTI Oil Price Does Your Firm Need to Profitably Drill a New Well?



Permian Basin – Other, Average Permian Basin – Delaware, Average

The Health Of Small Businesses Continues Downward

Two weeks ago, we wrote [Economic Warnings From The NFIB](#) to share the most recent survey data on small businesses. To wit:

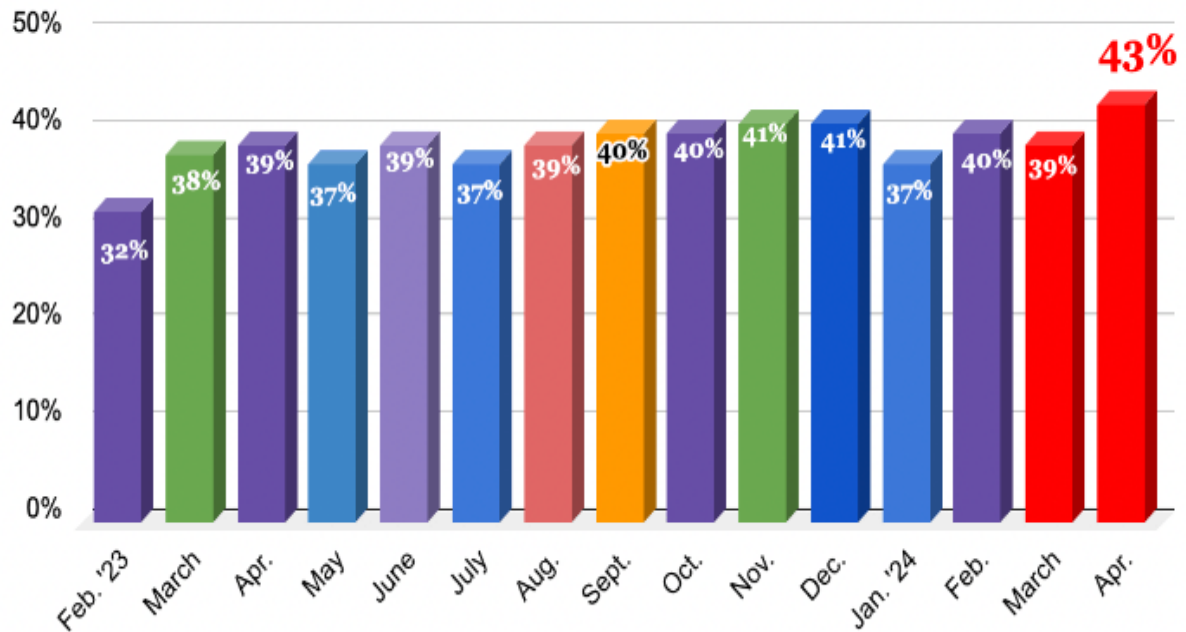
While recent government data on economic growth and employment remain robust, the NFIB small business confidence survey declined in its latest reading. Not only did it fall to the lowest level in 11 years, but, as far as an economic warning goes, it remained at levels historically associated with a recessionary economy.

In addition, the graph below, courtesy of Alignable, adds to our concern for small businesses. Small business owners have the highest national delinquency rate in over three years. Further, the 4% increase was the largest in over a year. Per Alignable:

*It highlights what many small business owners have shared with us ? **that all of the economic issues following the COVID Era were as bad, if not worse on many businesses than the pandemic itself.** Those post-COVID economic hurdles have prevented many small businesses from recovering fully financially.�*

New SMB Rent Delinquency Record: 43% Couldn't Pay In April

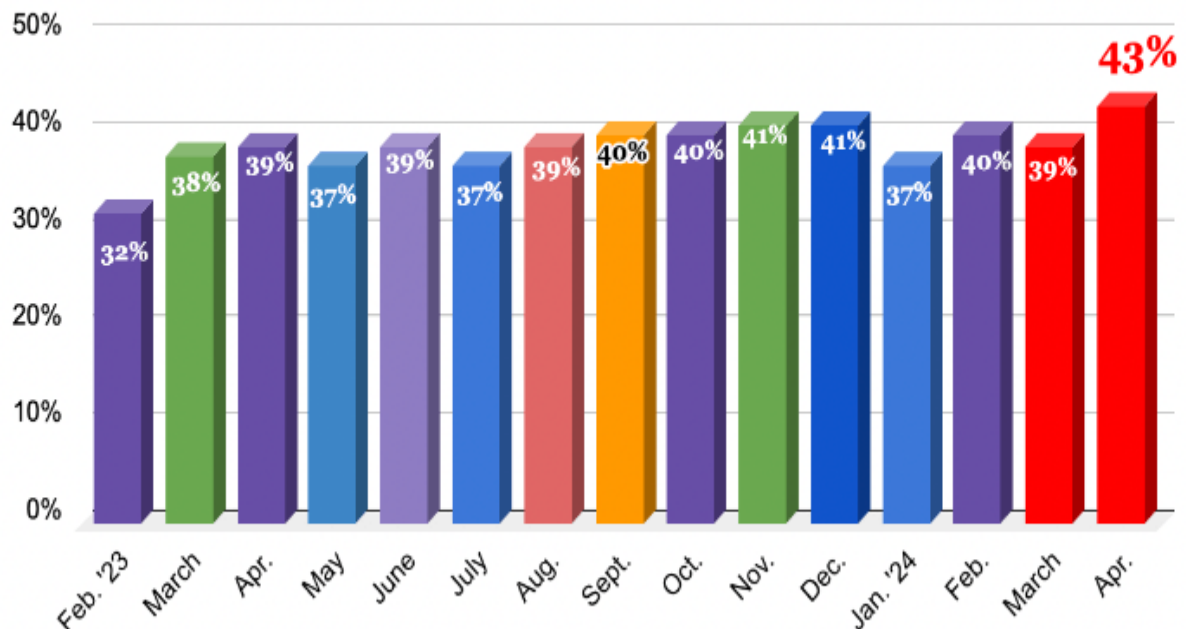
54% Face Rent Spikes, 68% Suffer Revenue Loss YOY & Inflation Takes A Heavy Toll



Based on a poll of 4,171 small business owners, 4/1/24 -- 4/24/24, plus 180,000+ from past surveys

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54% Face Rent Spikes, 68% Suffer Revenue Loss YOY & Inflation Takes A Heavy Toll



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Tweet of the Day

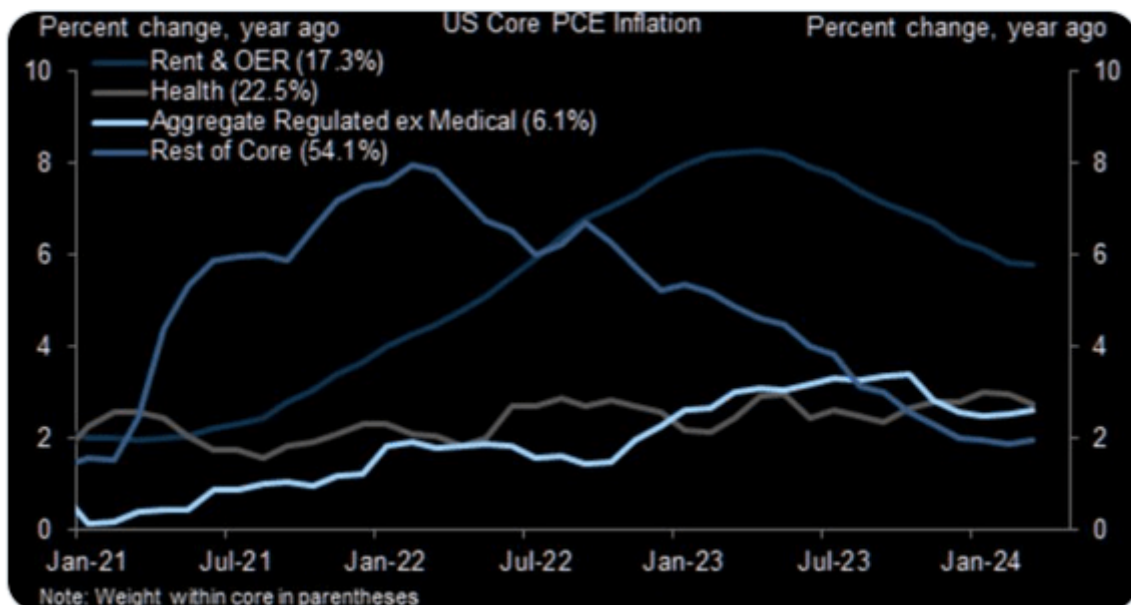


Lance Roberts

@LanceRoberts

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1. "We do not take much signal from the recent upside [#inflation](#) surprise, in part because much of the remaining hot inflation is lagged catch-up inflation in [#housing](#), [#healthcare](#), and [#regulated](#) prices" 2. "We expect the next few inflation reports to be softer and have therefore stuck with our forecast of cuts in July and November" - [@themarketear](#)

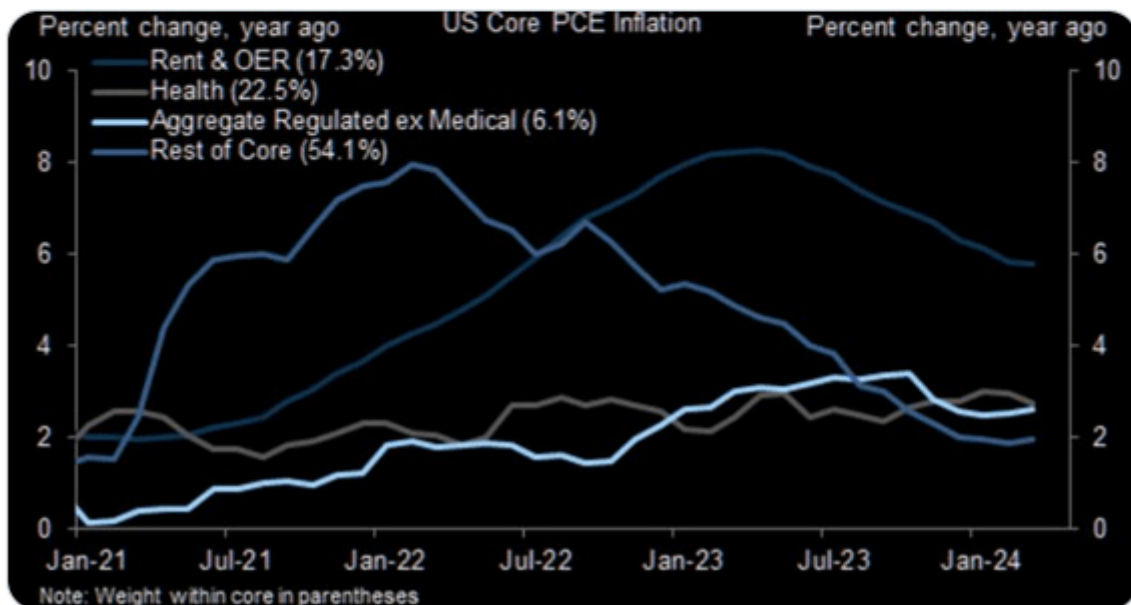


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2024/04/30

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