



Flatten The Curve, Again - RIA

A year or two ago, politicians were demanding we need to flatten the curve. At the time, they were referring to limiting the spread of covid. Once again, we hear the same "flatten the curve" demands from politicians. This time, however, it's about electricity. A European Union representative states: *"So what we have to do is flatten the curve and avoid the peak demands? We will promise a mandatory target for reducing electricity use at peak hours."*

From Europe to California, scorching temperatures and high energy prices cause politicians to beg individuals and corporations to limit energy usage, especially at peak electricity usage hours. At times, as we are now seeing in California, rolling blackouts are employed to reduce strains on the electric grid. High energy prices and limitations on electricity usage will raise production costs for goods produced in affected areas. **Flattening the curve may help the electrical grid, but it will steepen the inflation curve!**

How Californians Can Conserve Power During The Record Heat Wave

- Aim to significantly reduce power consumption between 4 p.m. and 9 p.m., when energy supplies are lowest.
- “Pre-cool” your home in the morning by letting in cool air.
- Lower indoor temperatures to 70° or so until 4 p.m., then raise your thermostats to 78° in the late afternoon.
- Avoid using large appliances; turn off unnecessary lights; and charge phones, laptops and electric vehicles before peak hours.



What To Watch Today

Economy

- 8:30 a.m. ET: **Initial Jobless Claims**, the week ended September 3 (240,00 expected)
- 8:30 a.m. ET: **Continuing Claims**, the week ended May 21 (1.435 expected, 1.438 previously)
- 3:00 p.m. ET: **Consumer Credit**, July (\$33.0 billion expected, \$40.15 previously)

Earnings

Company		Time	Estimate		 Growth <small>Show only confirmed?</small>	Surprise			
✓ RH	RH	4:05 PM ET	\$6.81	\$968.42 M	-2.1%	<input data-bbox="1173 190 1197 212" type="text" value="+"/>	<input data-bbox="1212 190 1236 212" type="text" value="="/>	<input data-bbox="1252 190 1276 212" type="text" value="-"/>	<input data-bbox="1364 190 1388 212" type="button" value="+"/>
✓ BILI	Bilibili Inc.	6:00 AM ET	(\$0.64)	\$714.81 M	2.7%	<input data-bbox="1173 235 1197 257" type="text" value="+"/>	<input data-bbox="1212 235 1236 257" type="text" value="="/>	<input data-bbox="1252 235 1276 257" type="text" value="-"/>	<input data-bbox="1364 235 1388 257" type="button" value="+"/>
✓ DOCU	DocuSign	4:05 PM ET	\$0.42	\$602.73 M	17.8%	<input data-bbox="1173 280 1197 302" type="text" value="+"/>	<input data-bbox="1212 280 1236 302" type="text" value="="/>	<input data-bbox="1252 280 1276 302" type="text" value="-"/>	<input data-bbox="1364 280 1388 302" type="button" value="+"/>
	FIZZ National Beverage C...	4:15 PM ET	\$0.57	\$327.28 M	5.0%	<input data-bbox="1173 324 1197 347" type="text" value="+"/>	<input data-bbox="1212 324 1236 347" type="text" value="="/>	<input data-bbox="1252 324 1276 347" type="text" value="-"/>	<input data-bbox="1364 324 1388 347" type="button" value="+"/>
✓ SWBI	Smith & Wesson Bra...	4:05 PM ET	-	\$129.78 M	-52.7%	<input data-bbox="1173 369 1197 392" type="text" value="+"/>	<input data-bbox="1212 369 1236 392" type="text" value="="/>	<input data-bbox="1252 369 1276 392" type="text" value="-"/>	<input data-bbox="1364 369 1388 392" type="button" value="+"/>
✓ ZUMZ	Zumiez Inc.	4:05 PM ET	\$0.47	\$232.71 M	-13.4%	<input data-bbox="1173 414 1197 436" type="text" value="+"/>	<input data-bbox="1212 414 1236 436" type="text" value="="/>	<input data-bbox="1252 414 1276 436" type="text" value="-"/>	<input data-bbox="1364 414 1388 436" type="button" value="+"/>
✓ AVO	Mission Produce, Inc.	4:05 PM ET	\$0.34	\$283.48 M	14.9%	<input data-bbox="1173 459 1197 481" type="text" value="+"/>	<input data-bbox="1212 459 1236 481" type="text" value="="/>	<input data-bbox="1252 459 1276 481" type="text" value="-"/>	<input data-bbox="1364 459 1388 481" type="button" value="+"/>
✓ ZS	Zscaler, Inc.	4:10 PM ET	\$0.21	\$305.41 M	55.0%	<input data-bbox="1173 504 1197 526" type="text" value="+"/>	<input data-bbox="1212 504 1236 526" type="text" value="="/>	<input data-bbox="1252 504 1276 526" type="text" value="-"/>	<input data-bbox="1364 504 1388 526" type="button" value="+"/>
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✓ MCFT	MasterCraft Boat Hol...	7:30 AM ET	\$1.46	\$195.26 M	25.5%	<input data-bbox="1173 593 1197 616" type="text" value="+"/>	<input data-bbox="1212 593 1236 616" type="text" value="="/>	<input data-bbox="1252 593 1276 616" type="text" value="-"/>	<input data-bbox="1364 593 1388 616" type="button" value="+"/>
✓ NM	Navios Maritime Hold...	7:45 AM ET	-	\$298.20 M	107.6%	<input data-bbox="1173 638 1197 660" type="text" value="+"/>	<input data-bbox="1212 638 1236 660" type="text" value="="/>	<input data-bbox="1252 638 1276 660" type="text" value="-"/>	<input data-bbox="1364 638 1388 660" type="button" value="+"/>
✓ CXM	Sprinklr, Inc	4:05 PM ET	(\$0.11)	\$147.31 M	24.1%	<input data-bbox="1173 683 1197 705" type="text" value="+"/>	<input data-bbox="1212 683 1236 705" type="text" value="="/>	<input data-bbox="1252 683 1276 705" type="text" value="-"/>	<input data-bbox="1364 683 1388 705" type="button" value="+"/>
✓ LOVE	Lovesac Company	7:00 AM ET	\$0.37	\$125.37 M	22.4%	<input data-bbox="1173 728 1197 750" type="text" value="+"/>	<input data-bbox="1212 728 1236 750" type="text" value="="/>	<input data-bbox="1252 728 1276 750" type="text" value="-"/>	<input data-bbox="1364 728 1388 750" type="button" value="+"/>
✓ BIOX	Bioceres Crop Solutio...	BMO	\$0.16	\$94.89 M	15.4%	<input data-bbox="1173 772 1197 795" type="text" value="+"/>	<input data-bbox="1212 772 1236 795" type="text" value="="/>	<input data-bbox="1252 772 1276 795" type="text" value="-"/>	<input data-bbox="1364 772 1388 795" type="button" value="+"/>
✓ BBCP	Concrete Pumping H...	4:05 PM ET	\$0.12	\$94.40 M	16.9%	<input data-bbox="1173 817 1197 840" type="text" value="+"/>	<input data-bbox="1212 817 1236 840" type="text" value="="/>	<input data-bbox="1252 817 1276 840" type="text" value="-"/>	<input data-bbox="1364 817 1388 840" type="button" value="+"/>
	VNCE Vince Holding Corp.	7:30 AM ET	\$0.19	\$92.60 M	17.7%	<input data-bbox="1173 862 1197 884" type="text" value="+"/>	<input data-bbox="1212 862 1236 884" type="text" value="="/>	<input data-bbox="1252 862 1276 884" type="text" value="-"/>	<input data-bbox="1364 862 1388 884" type="button" value="+"/>
✓ AOUT	American Outdoor Br...	4:05 PM ET	(\$0.05)	\$45.11 M	-25.8%	<input data-bbox="1173 907 1197 929" type="text" value="+"/>	<input data-bbox="1212 907 1236 929" type="text" value="="/>	<input data-bbox="1252 907 1276 929" type="text" value="-"/>	<input data-bbox="1364 907 1388 929" type="button" value="+"/>
✓ LMNR	Limoneira Company	4:05 PM ET	\$0.25	\$51.39 M	4.6%	<input data-bbox="1173 952 1197 974" type="text" value="+"/>	<input data-bbox="1212 952 1236 974" type="text" value="="/>	<input data-bbox="1252 952 1276 974" type="text" value="-"/>	<input data-bbox="1364 952 1388 974" type="button" value="+"/>

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✓ RH	RH	4:05 PM ET	\$6.81	\$968.42 M	-2.1%	<input data-bbox="1173 1057 1197 1079" type="text" value="+"/>	<input data-bbox="1212 1057 1236 1079" type="text" value="="/>	<input data-bbox="1252 1057 1276 1079" type="text" value="-"/>	<input data-bbox="1364 1057 1388 1079" type="button" value="+"/>
✓ BILI	Bilibili Inc.	6:00 AM ET	(\$0.64)	\$714.81 M	2.7%	<input data-bbox="1173 1102 1197 1124" type="text" value="+"/>	<input data-bbox="1212 1102 1236 1124" type="text" value="="/>	<input data-bbox="1252 1102 1276 1124" type="text" value="-"/>	<input data-bbox="1364 1102 1388 1124" type="button" value="+"/>
✓ DOCU	DocuSign	4:05 PM ET	\$0.42	\$602.73 M	17.8%	<input data-bbox="1173 1146 1197 1169" type="text" value="+"/>	<input data-bbox="1212 1146 1236 1169" type="text" value="="/>	<input data-bbox="1252 1146 1276 1169" type="text" value="-"/>	<input data-bbox="1364 1146 1388 1169" type="button" value="+"/>
	FIZZ National Beverage C...	4:15 PM ET	\$0.57	\$327.28 M	5.0%	<input data-bbox="1173 1191 1197 1214" type="text" value="+"/>	<input data-bbox="1212 1191 1236 1214" type="text" value="="/>	<input data-bbox="1252 1191 1276 1214" type="text" value="-"/>	<input data-bbox="1364 1191 1388 1214" type="button" value="+"/>
✓ SWBI	Smith & Wesson Bra...	4:05 PM ET	-	\$129.78 M	-52.7%	<input data-bbox="1173 1236 1197 1258" type="text" value="+"/>	<input data-bbox="1212 1236 1236 1258" type="text" value="="/>	<input data-bbox="1252 1236 1276 1258" type="text" value="-"/>	<input data-bbox="1364 1236 1388 1258" type="button" value="+"/>
✓ ZUMZ	Zumiez Inc.	4:05 PM ET	\$0.47	\$232.71 M	-13.4%	<input data-bbox="1173 1281 1197 1303" type="text" value="+"/>	<input data-bbox="1212 1281 1236 1303" type="text" value="="/>	<input data-bbox="1252 1281 1276 1303" type="text" value="-"/>	<input data-bbox="1364 1281 1388 1303" type="button" value="+"/>
✓ AVO	Mission Produce, Inc.	4:05 PM ET	\$0.34	\$283.48 M	14.9%	<input data-bbox="1173 1326 1197 1348" type="text" value="+"/>	<input data-bbox="1212 1326 1236 1348" type="text" value="="/>	<input data-bbox="1252 1326 1276 1348" type="text" value="-"/>	<input data-bbox="1364 1326 1388 1348" type="button" value="+"/>
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	TUEM Tuesday Morning	7:00 AM ET	(\$0.36)	\$163.09 M	-8.0%	<input data-bbox="1173 1415 1197 1438" type="text" value="+"/>	<input data-bbox="1212 1415 1236 1438" type="text" value="="/>	<input data-bbox="1252 1415 1276 1438" type="text" value="-"/>	<input data-bbox="1364 1415 1388 1438" type="button" value="+"/>
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✓ BBCP	Concrete Pumping H...	4:05 PM ET	\$0.12	\$94.40 M	16.9%	<input data-bbox="1173 1684 1197 1706" type="text" value="+"/>	<input data-bbox="1212 1684 1236 1706" type="text" value="="/>	<input data-bbox="1252 1684 1276 1706" type="text" value="-"/>	<input data-bbox="1364 1684 1388 1706" type="button" value="+"/>
	VNCE Vince Holding Corp.	7:30 AM ET	\$0.19	\$92.60 M	17.7%	<input data-bbox="1173 1729 1197 1751" type="text" value="+"/>	<input data-bbox="1212 1729 1236 1751" type="text" value="="/>	<input data-bbox="1252 1729 1276 1751" type="text" value="-"/>	<input data-bbox="1364 1729 1388 1751" type="button" value="+"/>
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✓ LMNR	Limoneira Company	4:05 PM ET	\$0.25	\$51.39 M	4.6%	<input data-bbox="1173 1818 1197 1841" type="text" value="+"/>	<input data-bbox="1212 1818 1236 1841" type="text" value="="/>	<input data-bbox="1252 1818 1276 1841" type="text" value="-"/>	<input data-bbox="1364 1818 1388 1841" type="button" value="+"/>

Market Trading Update

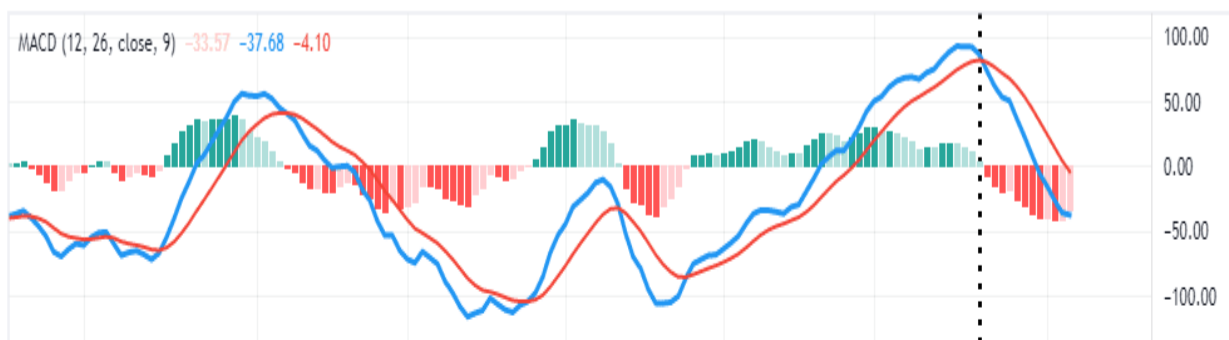
The market finally rallied from oversold conditions and, importantly, held important support, as shown in our chart yesterday. With the 100-dma very close to crossing below the 50-dma, there is a good bit of resistance at the 4000 level on the S&P 500 index. That level is likely a good place to take profits and rebalance portfolios in the near term as the Fed continues to hike rates and tighten

monetary policies.

The MACD sell signal did show some bullish action by narrowing the spread, but the sell signal is still in place, keeping downward pressure on prices. As shown at the bottom, the two oversold indicators did turn up, suggesting we might see some follow-through over the next couple of days. Don't forget to sell into the rally.



TradingView



Why We Bought Euros

Yesterday we added euros (FXE) to our portfolios. [SimpleVisor](#) subscribers were provided details of the trade and a lengthy explanation of what drove us to make the trade. We provide a few snippets of the summary below. For a full write-up and trade details, give [SimpleVisor](#) a try with a 30-day free trial.

- *Given the soaring rate of inflation, especially energy prices, this instance of a stronger dollar is wreaking havoc on Europe and Japan. Making matters worse, many foreign borrowers borrow in dollars. If they do not hedge the currency risk, as many do not, a strong dollar results in higher interest and principal payments. Therefore, they must acquire more expensive dollars to pay interest and principal. Further, a strong dollar is a de facto global monetary policy tightening.*
- *We suspect that the ECB and BOJ have been selling dollar assets, predominately Treasury bonds, to prop up their currencies. Supporting this theory, the graph below shows the strong correlation between 20-year UST bonds (TLT) and the Euro (FXE) and Yen (FXJ).*
- *Essentially reopening FX swap lines kill two birds with one stone. Swap lines should cap U.S. yields and help limit inflationary pressures in Europe and Japan. Equally important, it helps defuse what is slowly becoming a financial crisis in those countries.*



Daunting Head and Shoulder Pattern in the Yen

The graph below shows the yen versus the dollar is making 20+ year lows. More concerning, the pattern over the period appears to be a giant head and shoulders pattern. According to the pattern, a breaking of the shoulder should result in a decline equal to the distance between the top of the head and the shoulder. In this case, that does not seem feasible as it would bring the price to near zero.



Got Toilet Paper?

Not again!! In his latest article, [Can You Afford to Hoard?](#), Javier Blas warns that toilet paper prices are rising. Accordingly, we may once again see stockpiling of toilet paper. Unfortunately, it's not just about toilet paper. Blas says the higher cost of producing toilet paper is *'a microcosm of the much larger, energy-intensive manufacturing sector, where production costs are continuing to skyrocket in line with soaring wholesale energy prices. It's the same issue across European industrial commodities ? from glass, ceramics, and synthetic fibers to aluminum, cement, fertilizer, and dozens of other daily-life goods.'*

European gas prices are soaring. With it comes higher costs of production. These must be largely passed on to consumers if the producers are to survive. To wit:

Lorenzo Poli, the head of Italian paper maker Cartiere Sati SpA, recently shared his company's monthly energy bill; on television; It had gone from a little more than 385,000 euros in 2021 to almost 2 million euros in 2022. In another sign of the stress, Hakle GbmH, a large German toilet-paper maker with a century-long history, [filed for insolvency on Monday](#). The company said that 'massive' price increases for energy and other commodities drove it into 'a corner.'

What a Mess!

German production prices for pulp have surged over the last year and a half as the cost of gas and electricity escalated to a record high



Source: German Federal Statistical Office

Note: 2005 = 100

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Tweet of the Day

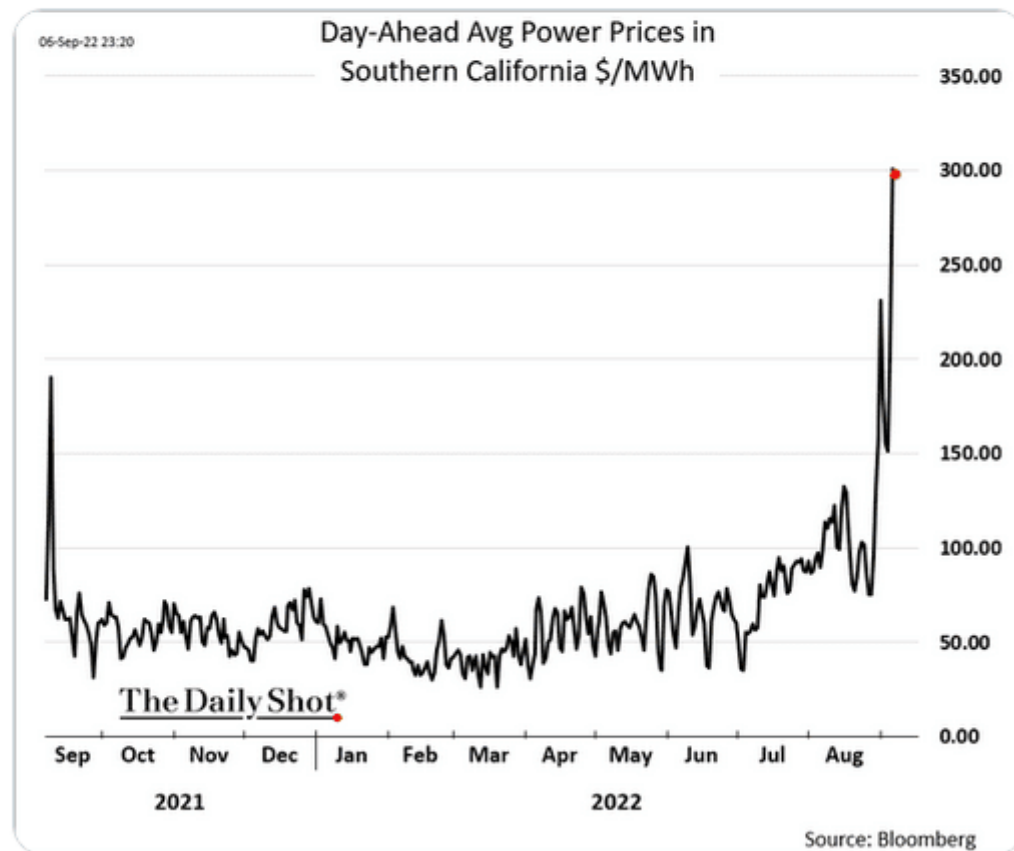


Tracy (**Chi**) @chigrl · 1h

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California's day ahead power prices (starting to look like Germany)

@SoberLook

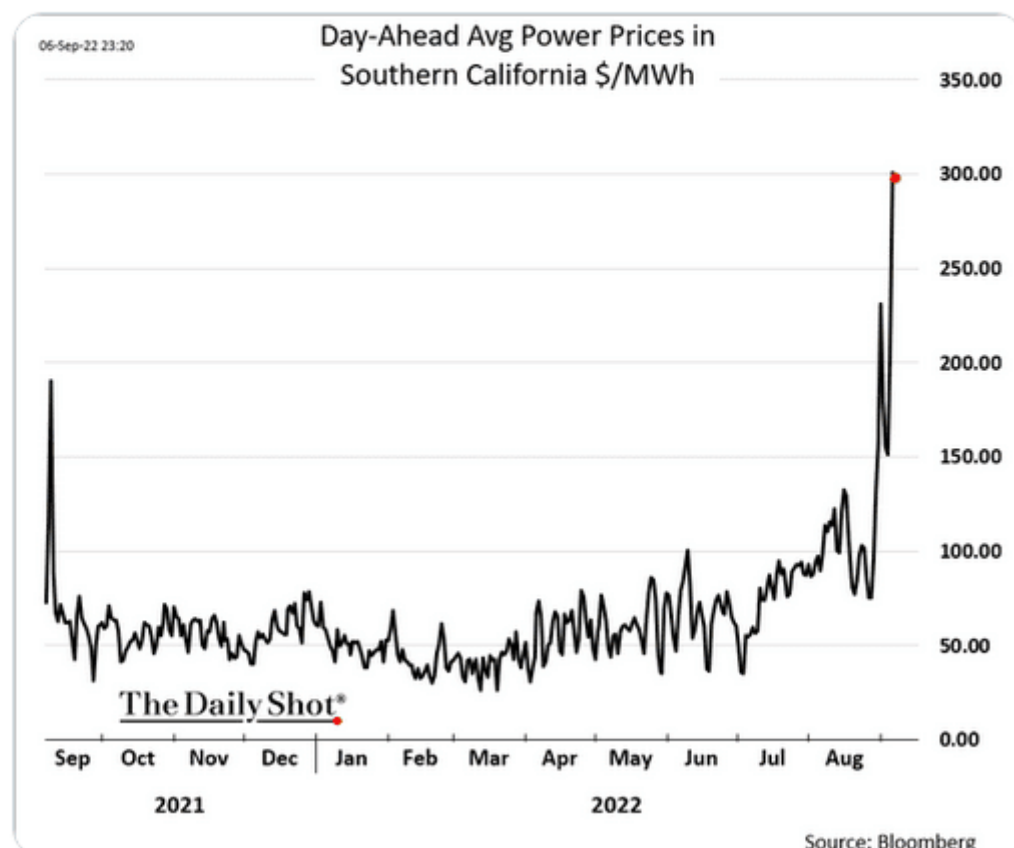


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