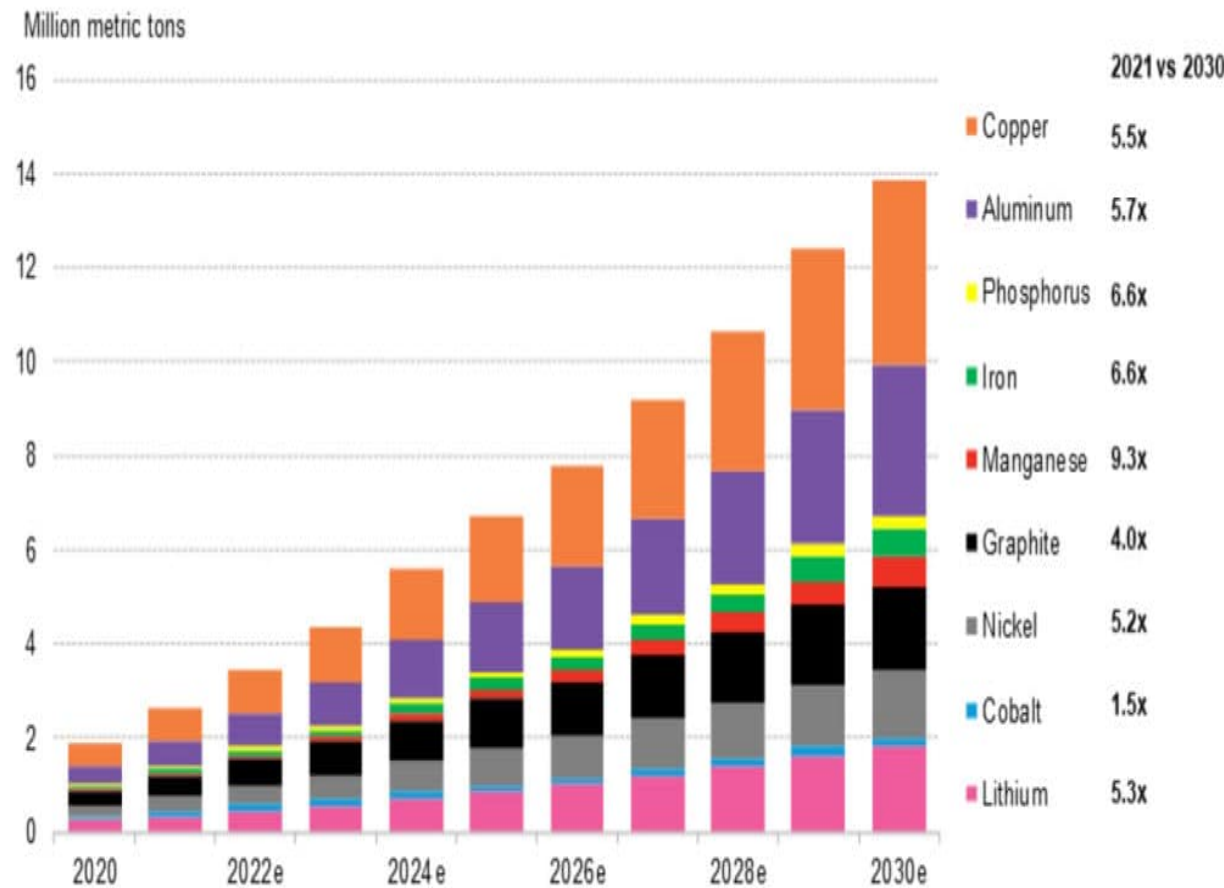


Commodity Miners Are The Lynchpin To EV Production

The [Financial Times](#) reports that Tesla is holding preliminary talks with Glencore, a large commodity producer. It appears they have an interest in acquiring a 10-20% stake in Glencore. Tesla and Elon Musk are well aware of the commodity supply restraints facing EV production. They are the first automaker working on attaining an appreciable stake in a miner, thus helping secure its commodity sourcing for the future. Glencore primarily mines or drills for copper, crude oil, and coal, but per the article, they are *?starting to wade in the lithium market.?*

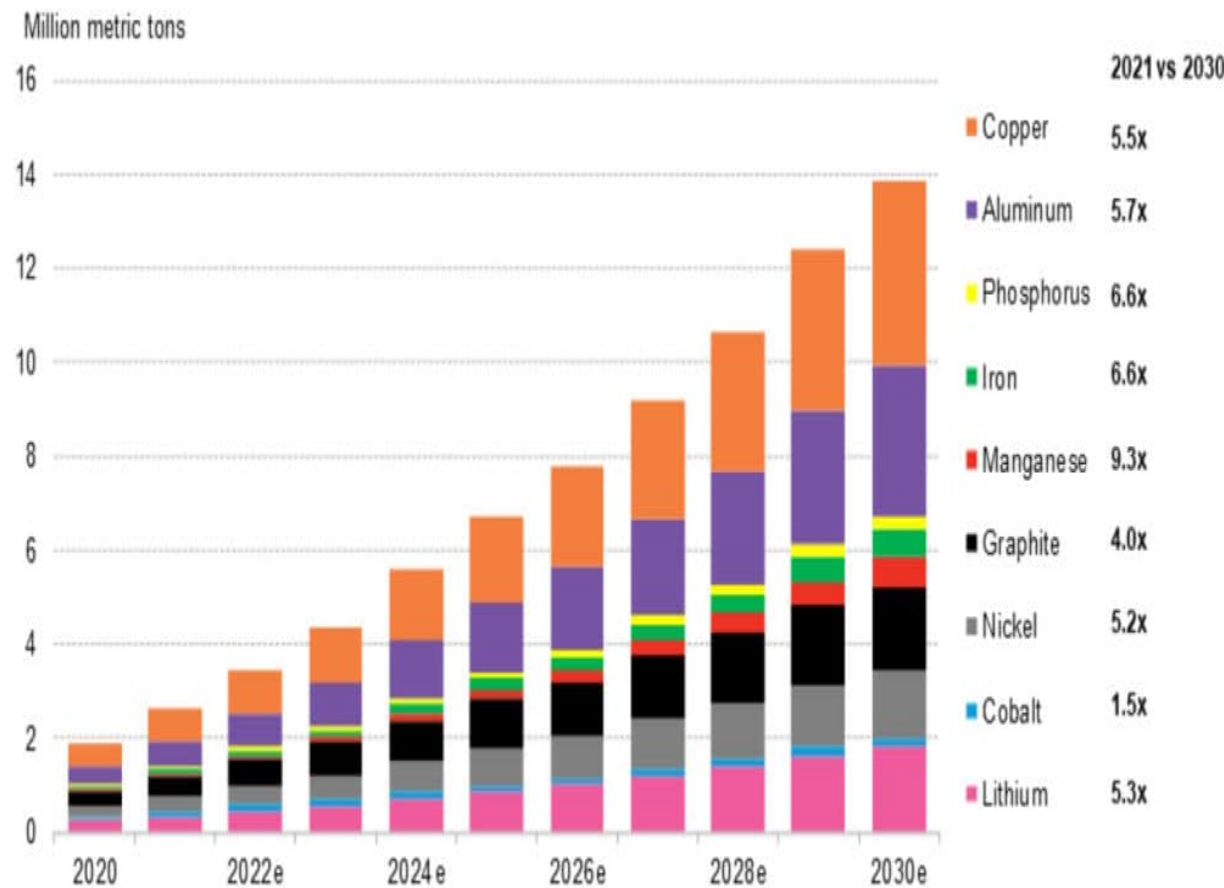
The Bloomberg graph below graphs the commodity growth required to meet projected EV needs by 2030. Glencore is one of the world's largest producers of copper but not nickel, aluminum, and lithium. Over the coming years, we may see Tesla and other car companies recognize the potential for critical metals shortages and take actions to better secure future supply.

Figure 1: Metals demand from lithium-ion batteries



Source: BloombergNEF. Note: Metals demand occurs at mine mouth, one-year before battery demand. All metals expressed in metric tons of contained metal, except lithium, which is in lithium carbonate equivalent (LCE).

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Source: BloombergNEF. Note: Metals demand occurs at mine mouth, one-year before battery demand. All metals expressed in



What To Watch Today

Economy

- 9:45 a.m. ET: **S&P Global U.S. Manufacturing PMI**, October final (49.9 expected, 49.9 prior)
- 10:00 a.m. ET: **JOLTS Job Openings**, September (9.750 million expected, 10.053 million prior)
- 10:00 a.m. ET: **Construction Spending**, month-over-month, September (-0.6% expected, -0.7% prior)
- 10:00 a.m. ET: **ISM Manufacturing**, October (50.0 expected, 50.9 prior)
- 10:00 a.m. ET: **ISM Prices Paid**, October (53.0 expected, 51.7 prior)
- 10:00 a.m. ET: **ISM New Orders**, October (47.1 prior)
- 10:00 a.m. ET: **ISM Employment**, October (48.7 prior)
- **WARDS Total Vehicle Sales**, October (14.50 million expected, 13.49 million prior)

Earnings

Company		Time	Estimate		 Growth Show only confirmed?	Surprise		
✓ TM	Toyota Motor Corp.	BMO	\$3.08	\$63.08 B	-8.0%	+	=	-
✓ MCK	McKesson Corp.	4:10 PM ET	\$6.13	\$69.66 B	4.6%	+	=	-
✓ BP	BP p.l.c	5:00 AM ET	\$1.94	\$59.46 B	57.0%	+	=	-
✓ MPC	Marathon Petroleum ...	6:40 AM ET	\$6.80	\$35.67 B	9.4%	+	=	-
✓ PSX	Phillips 66	7:00 AM ET	\$4.98	\$36.81 B	17.0%	+	=	-
✓ PFE	Pfizer, Inc.	6:45 AM ET	\$1.47	\$25.35 B	5.2%	+	=	-
✓ SONY	Sony Group Corporat...	BMO	\$1.07	\$21.17 B	-1.6%	+	=	-
✓ PRU	Prudential Financial, I...	4:20 PM ET	\$2.21	\$12.76 B	-35.1%	+	=	-
✓ ET	Energy Transfer LP	4:10 PM ET	\$0.30	\$24.47 B	46.8%	+	=	-
✓ SYT	SYSCO Corp.	8:00 AM ET	\$0.99	\$18.63 B	13.2%	+	=	-
✓ AIG	American Internation...	4:15 PM ET	\$0.59	\$11.50 B	-10.4%	+	=	-
✓ EPD	Enterprise Products ...	6:00 AM ET	\$0.61	\$13.50 B	24.6%	+	=	-
✓ MDLZ	Mondelez Internation...	4:05 PM ET	\$0.68	\$7.37 B	2.6%	+	=	-
✓ LLY	Eli Lilly & Co.	6:25 AM ET	\$1.97	\$6.91 B	2.0%	+	=	-
✓ EIX	Edison International, I...	4:05 PM ET	\$1.48	\$5.09 B	-3.9%	+	=	-
✓ ETN	Eaton Corp.	6:30 AM ET	\$2.01	\$5.32 B	8.1%	+	=	-
✓ UBER	Uber Technologies, Inc.	7:00 AM ET	(\$0.17)	\$8.08 B	66.8%	+	=	-
✓ SUN	Sunoco, Inc.	8:00 AM ET	\$1.14	\$7.58 B	58.6%	+	=	-
✓ OKE	ONEOK Inc.	4:15 PM ET	\$0.93	\$6.52 B	43.7%	+	=	-
✓ KKR	KKR & Co. L.P.	6:50 AM ET	\$0.85	\$800.74 M	-82.1%	+	=	-
✓ AMD	Advanced Micro Devi...	4:05 PM ET	\$0.55	\$5.58 B	29.4%	+	=	-
✓ LEA	Lear Corp.	6:30 AM ET	\$2.14	\$5.13 B	20.2%	+	=	-
✓ LDOS	Leidos Holdings Inc.	6:00 AM ET	\$1.56	\$3.54 B	1.6%	+	=	-
✓ DVN	Devon Energy Corp.	AMC	\$2.13	\$4.94 B	42.5%	+	=	-
✓ TAP	Molson Coors Bevera...	7:15 AM ET	\$1.36	\$2.86 B	-16.7%	+	=	-
✓ AMCR	Amcor plc	4:10 PM ET	\$0.19	\$3.54 B	3.5%	+	=	-
✓ ECL	Ecolab Inc.	8:30 AM ET	\$1.33	\$3.68 B	10.8%	+	=	-
✓ HSIC	Henry Schein, Inc.	6:30 AM ET	\$1.15	\$3.22 B	1.3%	+	=	-
✓ FOXA	Fox Corporation	8:00 AM ET	\$1.15	\$3.19 B	4.8%	+	=	-
✓ ANDE	Andersons Inc.	4:05 PM ET	\$0.33	\$3.14 B	4.7%	+	=	-
✓ UNM	Unum Group	4:15 PM ET	\$1.40	\$2.99 B	0.7%	+	=	-
✓ NEM	Newmont Mining Corp.	7:00 AM ET	\$0.29	-	-	+	=	-
✓ AGCO	AGCO Corporation	7:30 AM ET	\$3.12	\$3.30 B	21.1%	+	=	-
✓ CZR	Caesars Entertainme...	4:00 PM ET	\$0.15	\$2.83 B	5.4%	+	=	-
✓ AIZ	Assurant Inc	4:15 PM ET	\$1.00	\$2.65 B	0.5%	+	=	-
✓ MPLX	MPLX LP	6:45 AM ET	\$0.81	\$2.76 B	7.9%	+	=	-
✓ YUMC	Yum China Holdings, ...	4:30 PM ET	\$0.32	-	-	+	=	-
✓ UNVR	Univar Inc.	4:15 PM ET	\$0.75	\$2.93 B	17.8%	+	=	-
✓ ABNB	Airbnb, Inc.	4:05 PM ET	\$1.46	\$2.85 B	27.4%	+	=	-
✓ SIRI	Sirius XM Holdings Inc.	7:00 AM ET	\$0.09	\$2.27 B	3.3%	+	=	-
✓ BEN	Franklin Resources Inc.	8:30 AM ET	\$0.69	\$1.95 B	-10.6%	+	=	-
✓ VOYA	Voya Financial, Inc.	4:15 PM ET	\$1.25	\$254.31 M	-87.3%	+	=	-
✓ TA	TravelCenters of Ame...	4:15 PM ET	\$2.01	\$2.73 B	40.7%	+	=	-
✓ CWH	Camping World Holdi...	4:05 PM ET	\$1.12	\$1.82 B	-5.0%	+	=	-
✓ WAB	Wabtec Corporation	6:30 AM ET	\$1.20	\$2.12 B	11.2%	+	=	-
✓ LBTYA	Liberty Global Inc.	4:15 PM ET	-	\$1.71 B	-10.1%	+	=	-
✓ ARNC	Arconic Inc.	6:45 AM ET	\$0.19	\$2.17 B	14.8%	+	=	-
✓ EA	Electronic Arts Inc	4:00 PM ET	\$1.37	\$1.79 B	-2.0%	+	=	-
✓ CLX	Clorox Co.	4:10 PM ET	\$0.73	\$1.69 B	-6.4%	+	=	-
✓ ENLC	Enlink Midstream Llc	5:05 PM ET	\$0.11	\$1.87 B	4.6%	+	=	-
✓ CNP	CenterPoint Energy Inc.	6:30 AM ET	\$0.31	\$1.73 B	-1.1%	+	=	-
✓ WEC	WEC Energy Group I...	7:00 AM ET	\$0.86	\$1.83 B	4.8%	+	=	-
✓ OI	O-I Glass, Inc.	4:15 PM ET	\$0.62	\$1.72 B	6.9%	+	=	-
✓ RNR	RenaissanceRe Holdi...	4:15 PM ET	(\$5.70)	\$1.59 B	2.9%	+	=	-
✓ TRI	Thomson Reuters Co...	6:35 AM ET	\$0.49	\$1.59 B	4.2%	+	=	-
✓ REZI	Resideo Technologie...	4:05 PM ET	\$0.56	\$1.68 B	12.3%	+	=	-
✓ AME	AMETEK, Inc.	6:55 AM ET	\$1.37	\$1.52 B	5.5%	+	=	-
✓ ZBRA	Zebra Technologies C...	6:30 AM ET	\$4.54	\$1.48 B	3.1%	+	=	-
✓ SON	Sonoco	6:45 AM ET	\$1.43	\$1.90 B	34.3%	+	=	-
✓ SEE	Sealed Air Corp.	7:00 AM ET	\$0.91	\$1.47 B	4.5%	+	=	-
✓ PARR	Par Pacific Holdings, ...	4:15 PM ET	\$2.04	\$1.74 B	32.8%	+	=	-

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Market Trading Update

With October now in the rearview mirror, the month of November lies ahead. This week the markets must deal with the Fed meeting announcement on Wednesday and the employment report on Friday. Next Tuesday is the midterm elections. After that, the news flow will slow heading into the holidays as earnings mostly wind down. For now, technically speaking, the market remains in a bullish trend, with important resistance points mostly behind us for now. With the market not extremely overbought, there is room for a further advance to our target of 3900-4000 level, with an upside potential of 4100.

We are using the current rally to raise cash in steps by reducing positions we want to keep and tax loss harvesting others. The goal is to increase cash levels near term and reduce overall portfolio risk heading into year-end. There is no indication; currently, the bearish market trend is behind us, particularly as everything hinges on whatever the Fed says. Of course, if something changes the market trajectory or outlook, we will change our view accordingly.



TV TradingView



Does Money Supply Portend Inflation will ?Crash??

The Tweet below from Henrik Zeberg portends that inflation will follow the downward path of the M2 money supply and ?crash? just as quickly as it rose over the last two years. While we hope he is correct, he is missing a vital part of the inflation equation. Inflation is not just a function of the amount of money but equally important monetary velocity, which measures how often the money circulates through the economy. The combination of monetary velocity and money supply is a much better indicator of inflation. The series of graphs from Brett Freeze warn us inflation may not ?crash,? as Henrik states. As Brett shows in his third graph, monetary velocity is turning up and offsetting the decline in M2. Brett also shows how monetary policy tends to mimic velocity. This is not surprising as velocity tends to be a good indicator of economic activity.

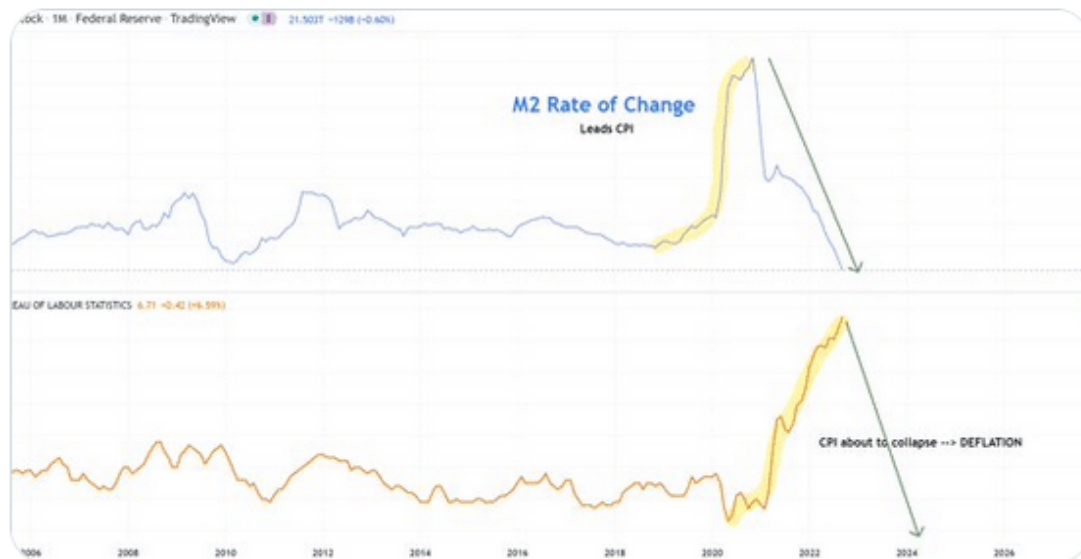


Henrik Zeberg @HenrikZeberg · 4h

...

#Inflation is about to CRASH!

It was transitory!



44

63

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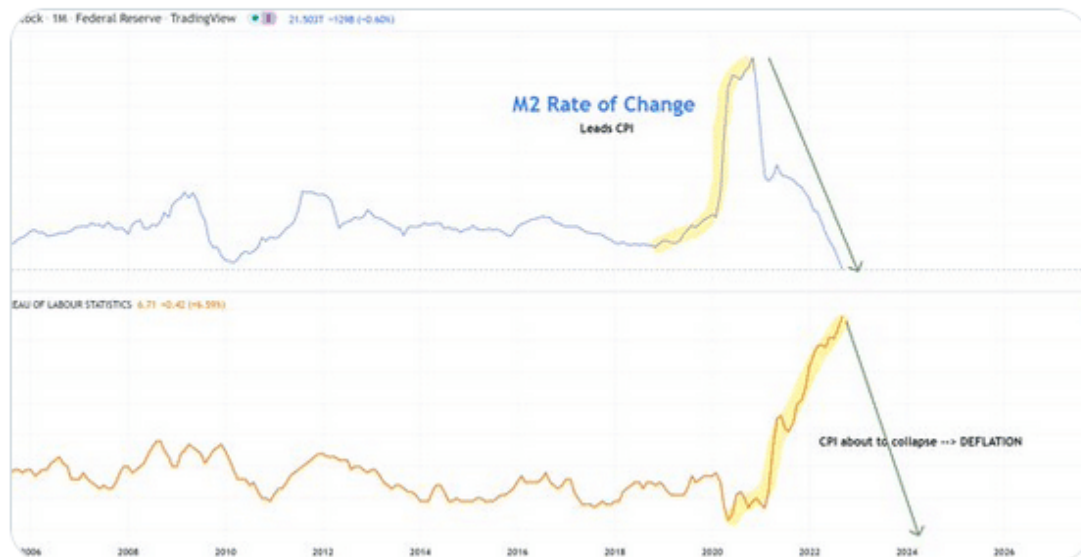


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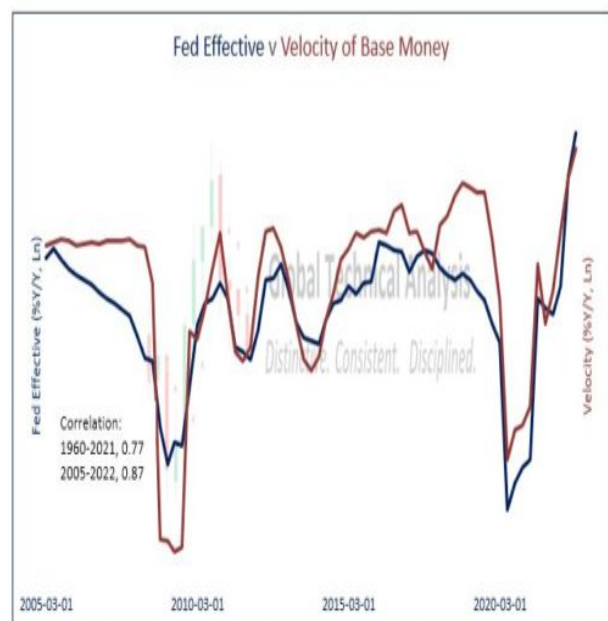
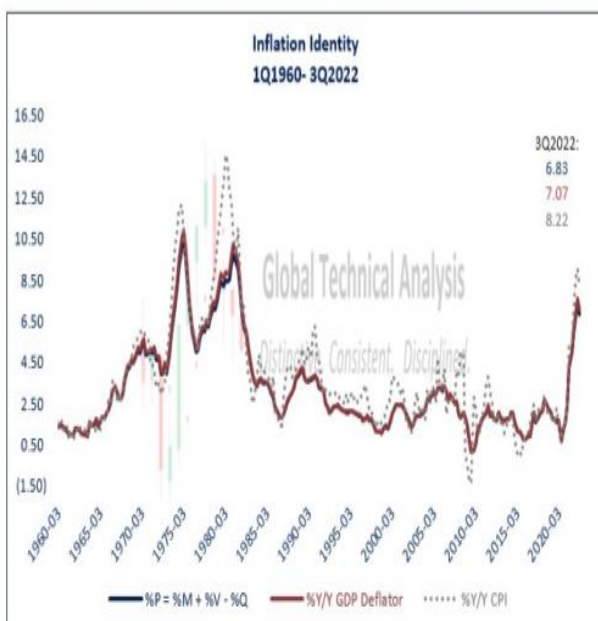
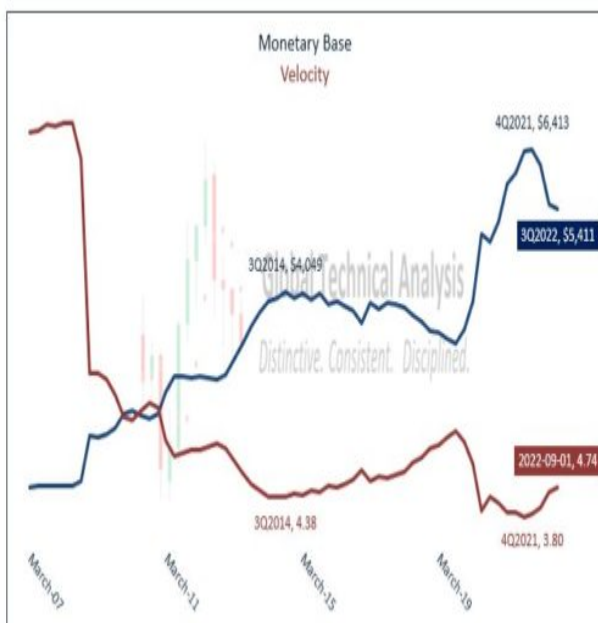
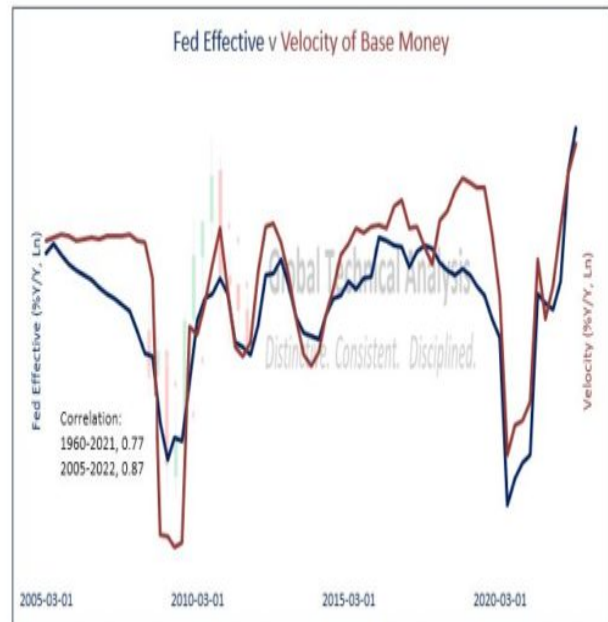
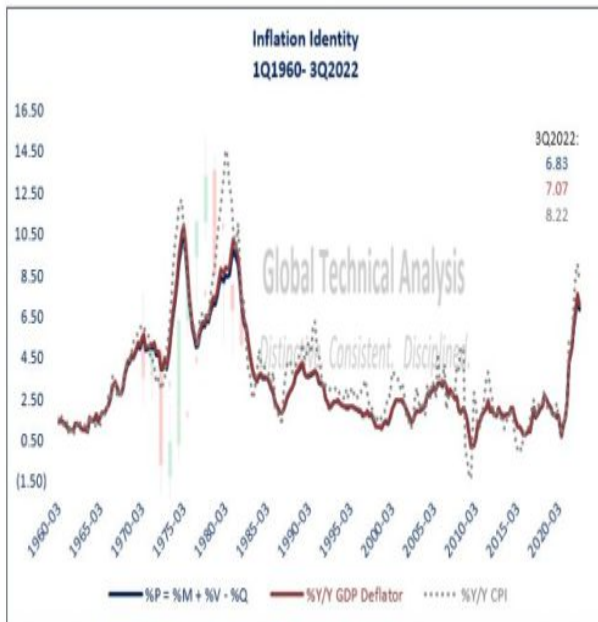


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Eurozone Inflation Keeps Going

Unlike the United States, where inflation is showing signs of turning around, inflation in the Eurozone is rising to new records. Eurozone prices jumped by a record 10.7% in October, exceeding expectations for a 10.3% increase. Core Inflation accelerated to 5%, a new record as well. Not only is the Eurozone dealing with higher commodity prices, but they also have the currency effect. The euro is down about 15% this year. Almost all commodities imported into the Eurozone are priced in dollars. As such, Eurozone countries must pay the higher prices for said commodities plus 15% due to currency depreciation.



The Chase for Junk

The graph below shows that inflows into JNK, the popular junk bond ETF hit an all-time high last Friday. JNK, which holds junk bonds, is currently sought after as investors pick up additional yield over investment-grade corporate bonds and U.S. Treasuries. The second graph shows the yield differential between junk bonds and Treasuries is nearing the lowest levels seen in the last 10+ years. Clearly, junk bond buyers are not worried about a recession in the near future.

Range 10/31/2008 - 10/28/2022

Period Daily

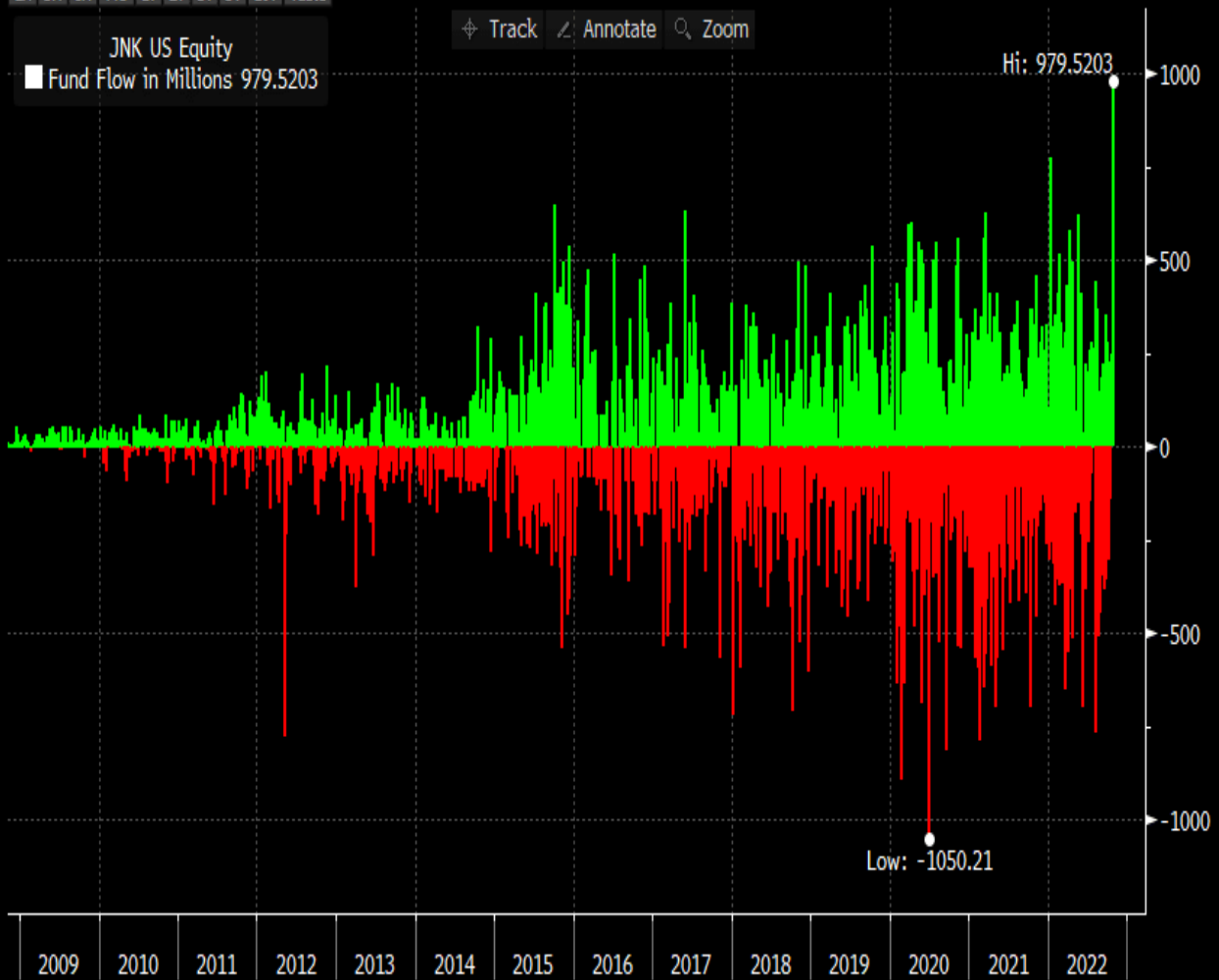
Currency USD

1M 3M 6M YTD 1Y 2Y 3Y 5Y 10Y Table

JNK US Equity

Fund Flow in Millions 979.5203

Track Annotate Zoom



Range 10/31/2008 - 10/28/2022

Period Daily

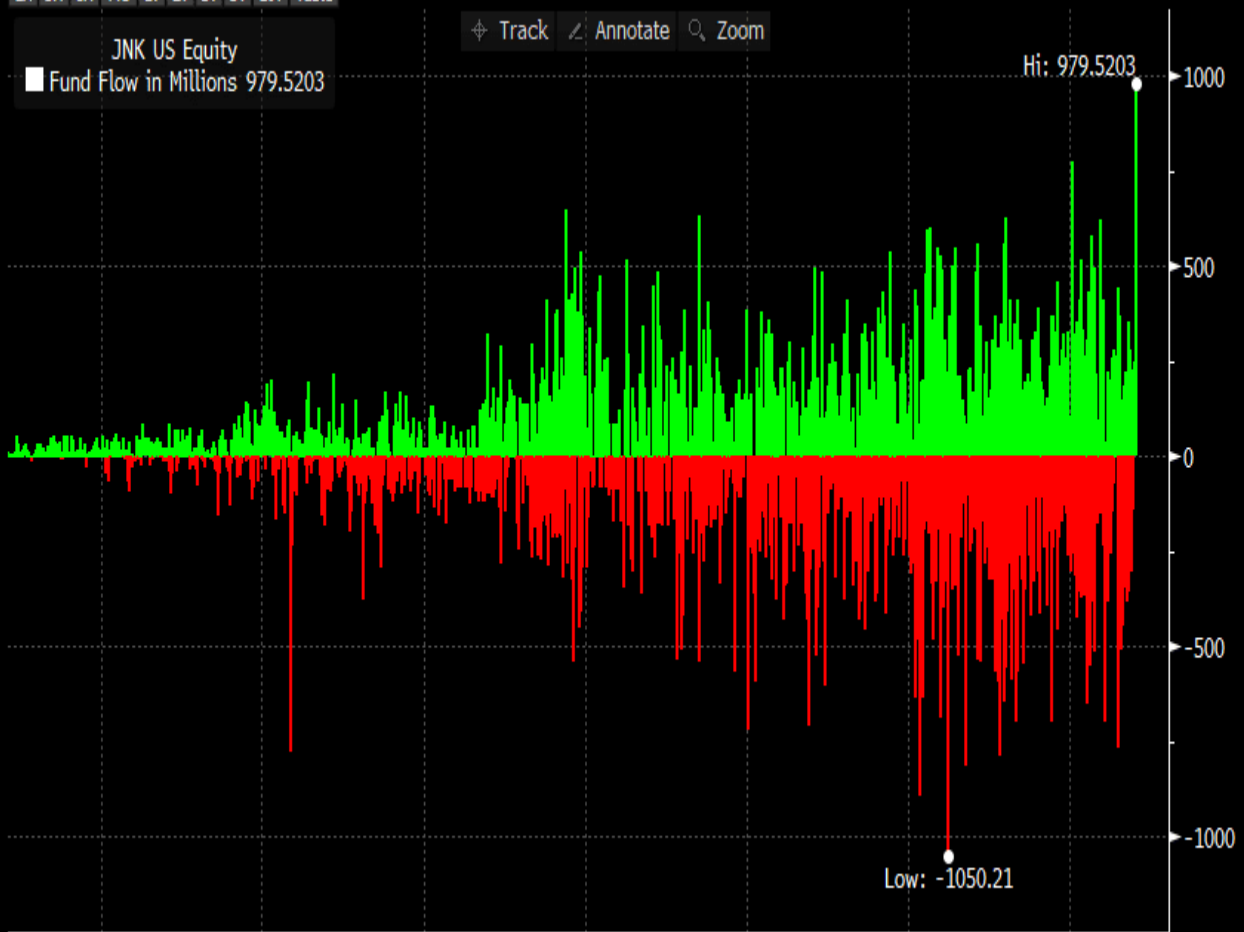
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JNK US Equity

Fund Flow in Millions 979.5203

Track Annotate Zoom



FRED — ICE BofA BB US High Yield Index Option-Adjusted Spread



FRED — ICE BofA BB US High Yield Index Option-Adjusted Spread



Tweet of the Day



Lance Roberts

@LanceRoberts

...

I can confirm this is correct after going to the store last night to buy [#candy](#).

I am starting a [#gofundme](#) account for lunch-money donations.



Lance Roberts

@LanceRoberts

...

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