

## Daily Market Notes

**Special Comment – The next edition of the Daily Market Notes will appear on Monday, June 14th.**

Market Update :

**DJIA:** 34575  
**S&P** 4239  
**Nasdaq:** 13985  
**10YR T-Note:** 1.47%  
  
**EUR/USD:** 1.217  
**VIX:** 16.51  
**Gold:** \$ 1894  
**Crude Oil:** \$ 69.70

So now we know why the VIX rose on Tuesday despite the market being higher, and the answer is that someone must have “known” that decent gains for most of the day today would turn into losses in one of those classic late in the day selloffs.

Prices Current as of  
 12:38 AM

Source: CNBC

For instance, the Dow was ahead by 55 points at 11:20am at which point it proceeded to go negative at 11:50am and this slide got more intense in the final hour with the result that it ended with a final loss of 152 down to 34,447. The banks and other industrials, namely the re-opening type of stocks, once again sold off after their strong recent gains with BA, CAT, HD, HON and JPM leading on the downside. On the plus side were healthcare issues such as AMGN, JNJ, MRK in addition to the old technology leaders of yesteryear such as CSCO and IBM.

### Donald M. Selkin

Chief Market Strategist  
 (561) 229-1128  
[dselkin@newbridgesecurities.com](mailto:dselkin@newbridgesecurities.com)

The S&P was ahead by as much as 10 points to what would have been a record before it too hit the skids late and slid of a final decline of 7 down to 4219. The Nasdaq held up the best and was ahead by 79 before it finally gave it up to finish off by a modest 13 down to 13,911. But the Nasdaq 100, which consists primarily of the technology and healthcare stocks, managed to hold onto a final nominal gain of 4. This was due to strength in MSFT, AMZN and ADBE.

The Russell 2000 Index of small stocks had little going for it and finished 16 points lower at 2327 while the VIX, as mentioned above, sort of predicted that something negative would happen and continued with another modest advance to 17.89.

## Daily Market Notes

---

Treasury yields slipped as despite all of the talk about inflation, the 10-year Note was down to 1.49% from 1.52% late Tuesday. The falling yields broadly weighed down banks, which rely on higher yields to charge more lucrative interest on loans.

Investors continue to focus a significant amount of attention on inflation. China's producer price index, which measures prices of raw goods and services, jumped by 9% from a year earlier in May, the fastest increase since 2008 and above analysts' forecasts. Surging prices for oil and other commodities and manufacturing components such as semiconductors were the main factor behind the jump in producer prices there.

Aside from surging prices of raw materials, fuel and other items needed for manufacturing, there is a struggle to keep up with demand as the pandemic recedes in many places. That has pushed up prices of everything from food to household staples.

This makes today's May C.P.I. report all the more important as it will give the latest indication of inflation at the retail level

The market has been relatively constrained over the last several days and investors have parsed any data to judge whether rising inflation will be temporary, as the Federal Reserve thinks, or more permanent.

And how about those "meme" stocks which came back down to earth in some cases as for instance CLOV fell by 24% after soaring by 50% a day earlier while AMC sank by 10% after a couple of higher days to start the week and WEN sank by 13% after soaring 25% a day earlier.

The original "meme" stock, otherwise known as GME, said after the closing

## Daily Market Notes

---

bell that it has brought on a pair of AMZN veterans as its new chief executive and chief financial officer to aid in its much anticipated digital turnaround. The company also reported a smaller quarterly loss than a year ago as revenue increased but as a result, it fell by around 3% in after-hours trading.

There are now going to be humongous losses by call option buyers in all of these stocks, as strike prices that are hard to believe in terms of how unrealistically high they are will suffer greatly as the stocks themselves cool off to end the week. It is astounding to me that regulators just let these items trade for completely unrealistic advances during the course of one day on no news except for the interest of these Reddit type traders just pushing them up for the fun of it, so to speak. In the meantime, they are only hurting themselves as for instance AMC was able to issue new stock at perhaps unrealistically high levels because these traders pushed the price up so high that dilution results which then hurts the cause of those who forced the stock to these elevated levels in the first place and now have to suffer the downside consequences.

Earnings this week will see: yesterday - CPB lower; today – GME lower and RH higher; tonight – CHWY, PLAY.

Economic reports include: today – weekly jobless claims slipped further down to 376,000, May C.P.I. rose by 0.6% for a year over year advance of 5% which was the highest since August 2008 while the core rate excluding food and energy was higher by 0.7% for a year over year advance of 3.8%, the highest since January 1992!; Friday – June mid-month U. of Michigan Consumer Sentiment Survey.

**Donald M. Selkin**  
**Chief Market Strategist**

## Daily Market Notes

---

### Disclosures

*Don Selkin is the Chief Market Strategist at Newbridge Securities Corporation, member FINRA/SIPC and provides the Fair Value analysis for CNBC each morning. The commentary provided in this Market Letter is intended to provide our current or potential customers with timely market analysis and should not be considered a research report. This Market Letter may contain, and is limited to: Discussions of broad based indices; Commentaries on economic, political or market conditions; Technical analysis concerning the demand and supply for a sector, index or industry based in trading volume and price; Statistical summaries of multiple companies' financial data, including listings of current ratings; and, recommendations regarding increasing or decreasing holdings in particular industries or securities. This Market Letter does not make a financial or investment recommendation or otherwise promotes a product or service of the firm. This Market Letter contains only news, facts, and commentary on information previously reported from a news source believed to be accurate and reliable by the author. These news sources include the following: {Bloomberg Financial, Reuters, and Associated Press}. It is possible that at any given point in time, the author, Newbridge Securities, or one or more of its employees or registered individuals associated with Newbridge Securities, may hold a position, either long, or short, as well as options, bonds, or other instruments in the companies noted in this report.*