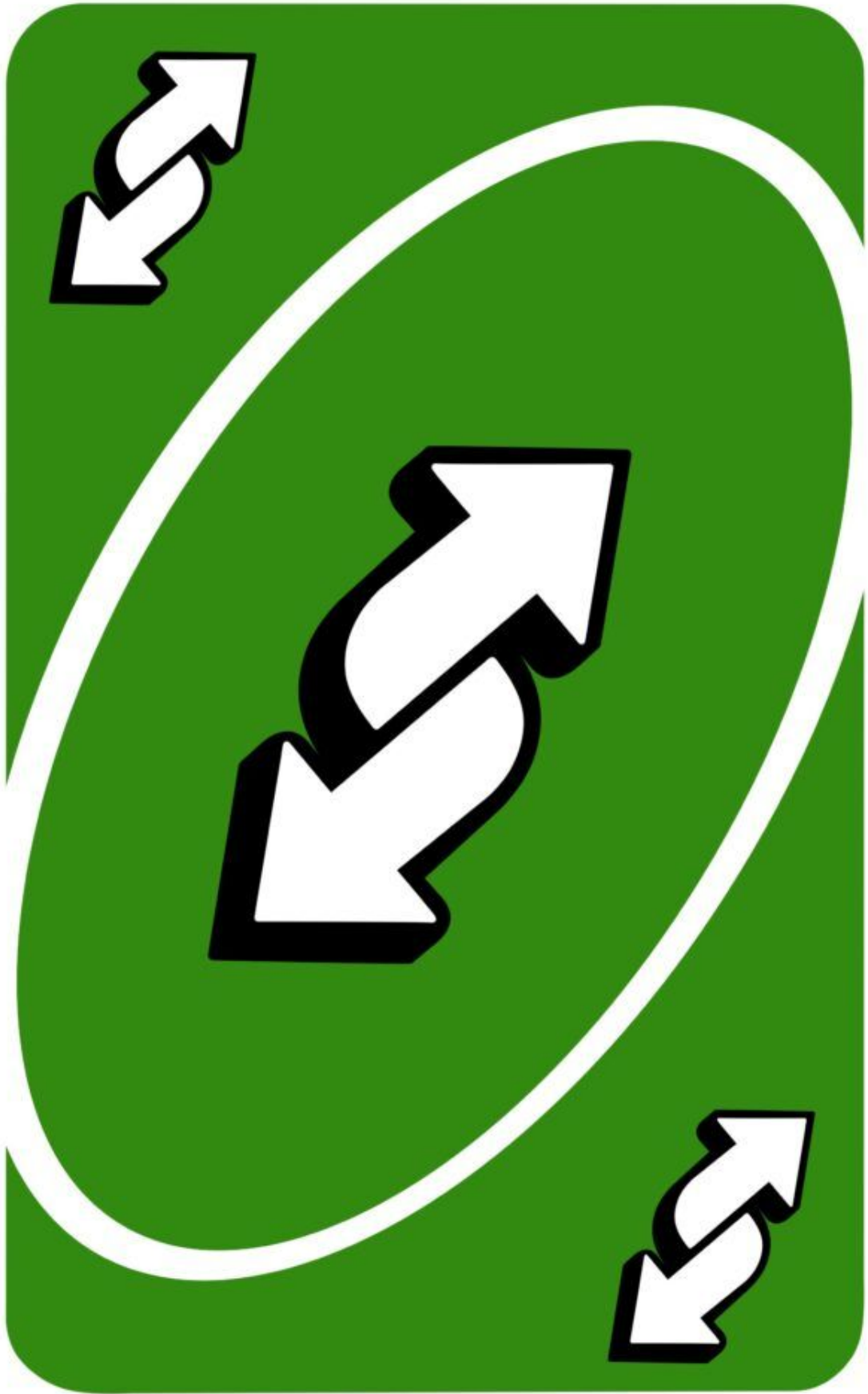




Roaring Kitty Goes All In On GameStop

GameStop shares traded nearly 100% higher in pre-market trading before Monday's official 9:30 ET opening. The reason is a Tweet and Reddit post from Roaring Kitty. On Twitter, he shared the picture below of an Uno playing card. Further, on Reddit, Roaring Kitty posted for the first time in three years. It sounds unbelievable because it is. His Reddit message was a disclosure of his GameStop holdings. Assuming he is not lying to prop up shares of GameStop, he now owns 5 million shares of GameStop and 120,000 June 21st call options with a strike of \$20. 120,000 options is the equivalent of 120 million shares, or about a third of all outstanding shares. Because the shares have risen so much, the dealers who wrote those calls will have to buy GameStop stock to hedge their positions. Accordingly, dealers are likely to pressure the stock even higher.

If you recall, Roaring Kitty posted an esoteric graphic on Twitter, which was assumed by investors that it was time again to buy GameStop. Accordingly, the stock rose from 17 to 50 in two days. Three days later, it gave up those gains. GameStop executives have been taking advantage of the situation by issuing shares of the stock at inflated prices. On May 24th, they raised almost one billion dollars in much-needed funding. This instance will likely be similar. The stock will surge and ultimately fall. Some, like Roaring Kitty, will likely make boatloads of money. Others who are late to the game could lose significantly. The question in our mind is when, not if, the SEC will get involved.



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*
🕒	CRWD	CrowdStrike Holdings, Inc.	\$75,866,941,954	Apr/2024	\$0.21	14	5/31/2023	\$0.03
☀️	FERG	Ferguson plc	\$41,726,829,121	Apr/2024	\$2.27	5	6/06/2023	\$2.20
☹️	WDS	Woodside Energy Group Limited	\$35,126,870,763	Mar/2024		1	N/A	N/A
🕒	HPE	Hewlett Packard Enterprise Company	\$22,941,885,657	Apr/2024	\$0.25	3	5/30/2023	\$0.32
☀️	BBWI	Bath & Body Works, Inc.	\$11,681,124,989	Apr/2024	\$0.33	9	5/18/2023	\$0.33
☀️	CNM	Core & Main, Inc.	\$11,590,916,659	Apr/2024	\$0.51	2	6/06/2023	\$0.50
🕒	GWRE	Guidewire Software, Inc.	\$9,492,054,771	Apr/2024	(\$0.23)	6	6/01/2023	(\$0.45)
☀️	DCI	Donaldson Company, Inc.	\$8,868,797,277	Apr/2024	\$0.84	5	5/31/2023	\$0.76
🕒	PVH	PVH Corp.	\$6,923,245,849	Apr/2024	\$2.14	8	5/31/2023	\$2.14

Economy

Time	Event	Impact	Actual	Dev	Consensus	Previous
TUESDAY, JUNE 4						
12:55	🇺🇸 USD Redbook Index (YoY)(May 31)	🟡	-	-	-	6.3%
14:00	🇺🇸 USD Factory Orders (MoM)(Apr)	🟠	-	-	0.6%	1.6%
14:00	🇺🇸 USD JOLTS Job Openings(Apr)	🟠	-	-	8.34M	8.488M
14:00	🇺🇸 USD RealClearMarkets/TIPP Economic Optimism (MoM)(Jun)	🟡	-	-	45.2	41.8
19:30	🇺🇸 USD Total Vehicle Sales(May)	🟡	-	-	15.8M	15.7M
20:30	🇺🇸 USD API Weekly Crude Oil Stock(May 31)	🟡	-	-	-	-6.49M

Market Trading Update

As [discussed yesterday](#):

"The 20-DMA crossed above the 50-DMA. On Friday, that support level held, with the market bouncing off of it, keeping the current consolidation in process. If the 20-DMA fails, the 50-DMA is the next logical support level. Below that will be the 100-DMA held during the April sell-off."

Yesterday, the market tested the 20-DMA again on an intraday basis and then rallied into the close. Over the last two trading days, there has been consistent buying at the end of the day, suggesting that institutions are accumulating stocks. Such tends to be a bullish signal short-term and suggests that while the upside may be somewhat limited momentarily, the downside risk is contained as well. There has been an interesting rotation of money between sectors, with technology lagging and other defensive areas gaining some traction. For now, there is little need to be overly cautious with portfolios. However, it is worth keeping a close eye on the 20- and 50-DMA for any signs of market erosion in the near term.



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Discretionary Stocks Weaken With The Consumer

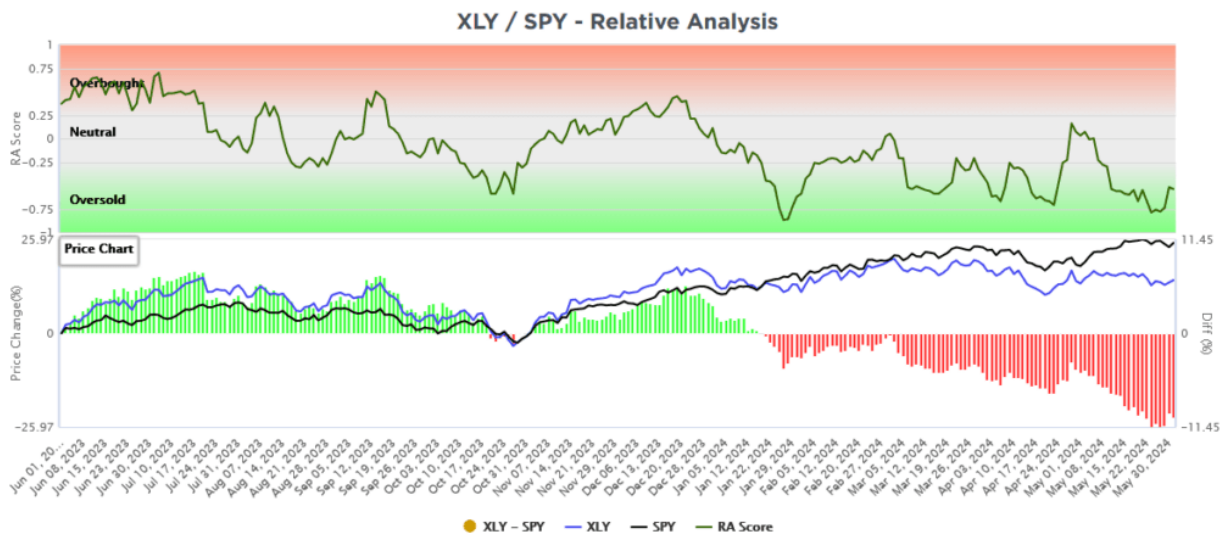
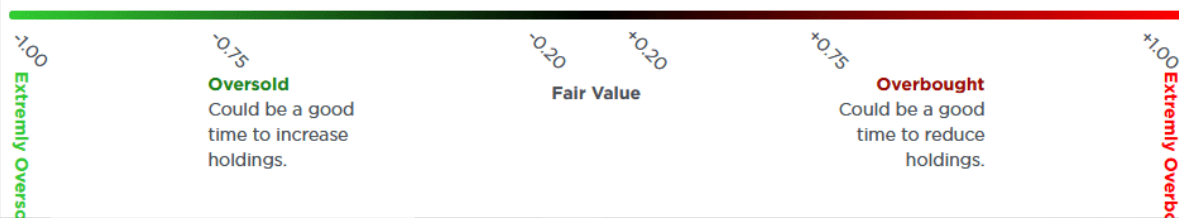
Last week, we noted that personal consumption appears to be slowing. Earnings from many large goods ([LINK](#)) and food ([LINK](#)) retail outlets are showing poor growth and, in many cases, below the growth rate existing before the pandemic. Government retail sales and consumer spending data further confirm some weaknesses. The [SimpleVisor](#) relative and absolute analysis affirm that investors are concerned.

The discretionary sector (XLY) is now tied with the transportation sector (XTN) as the most oversold on a relative basis. The second graphic shows the ratio of XLY/SPY, which has been oversold for most of this year. This is unsurprising given XLY has given up over 11% to the S&P 500 this year.

Sectors Analysis - Absolute and Relative Score (vs SPY)

Symbol	Name	Top 10 Holdings	Absolute Score	Relative Score (vs SPY)	Chart
XLU	Utilities		0.46	0.24	<input type="checkbox"/>
XLC	Communication Services		0.48	0.10	<input type="checkbox"/>
XLK	Technology		0.21	0.03	<input type="checkbox"/>
SPY			0.28	0.00	<input checked="" type="checkbox"/>
XLP	Consumer Staples		0.32	-0.08	<input type="checkbox"/>
XLF	Financial		0.20	-0.22	<input type="checkbox"/>
XLI	Industrials		0.13	-0.23	<input type="checkbox"/>
XLRE	Real Estate		0.15	-0.27	<input type="checkbox"/>
XLB	Materials		0.24	-0.29	<input checked="" type="checkbox"/>
XLE	Energy		-0.05	-0.38	<input type="checkbox"/>
XLV	Health Care		0.10	-0.48	<input type="checkbox"/>
XLY	Consumer Discretionary		-0.04	-0.54	<input type="checkbox"/>
XTN	Transportation		-0.15	-0.54	<input type="checkbox"/>

How it works



The Atlanta and New York Fed Point To Slowing Growth

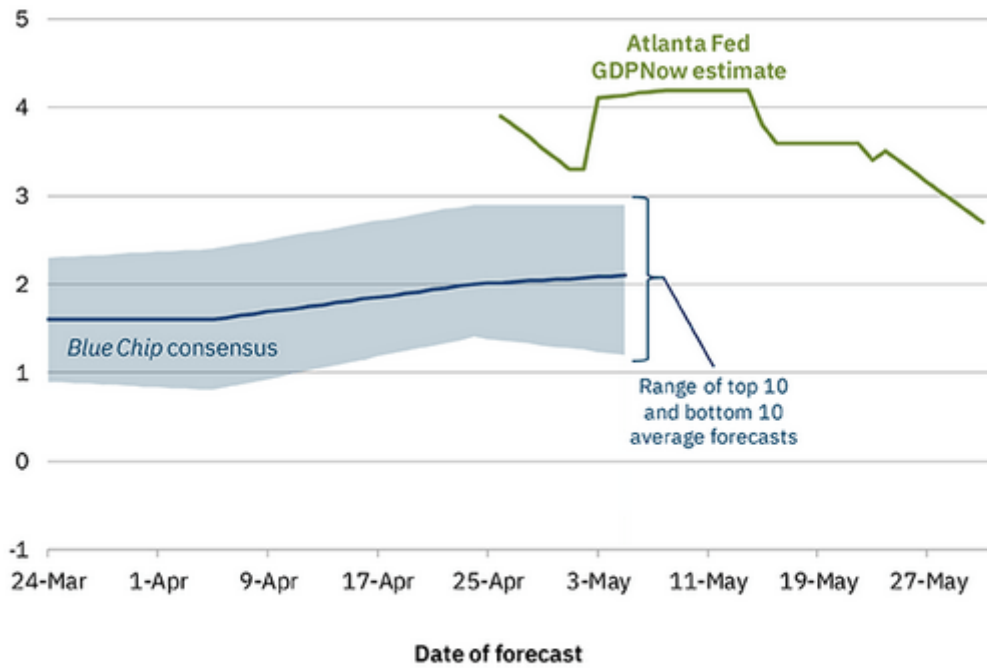
The first graph below shows that the Atlanta Fed's GDP Now estimate of second-quarter economic growth continues to decline. It peaked at 4.1% and now sits at 1.8%. (Note they have not updated the graph) Such growth is better aligned with Wall Street economists. Similarly, the New York Fed's Nowcast GDP model forecasts a 1.76% growth rate. This is down about .25% over the last week. The third graphic shows the impact of the last week's data on the Nowcast GDP estimate.

Latest estimate: 1.8 percent – June 03, 2024

The GDPNow model estimate for real GDP growth (seasonally adjusted annual rate) in the second quarter of 2024 is 1.8 on June 3, down from 2.7 percent on May 31. After recent releases from the US Census Bureau and the Institute for Sup Management, the nowcasts for annualized second-quarter real personal consumption expenditures growth and real private investment growth declined from 2.6 percent and 3.1 percent, respectively, to 1.8 percent and 1.5 percent.

The next GDPNow update is Thursday, June 6.

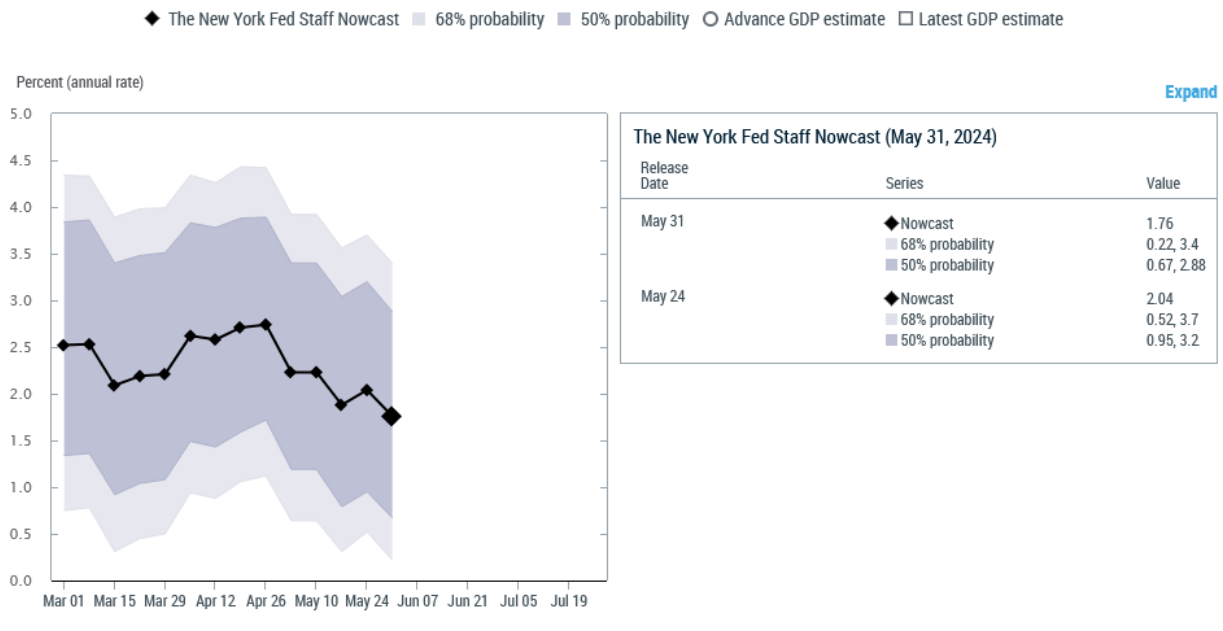
Evolution of Atlanta Fed GDPNow real GDP estimate for 2024: Q2 Quarterly percent change (SAAR)



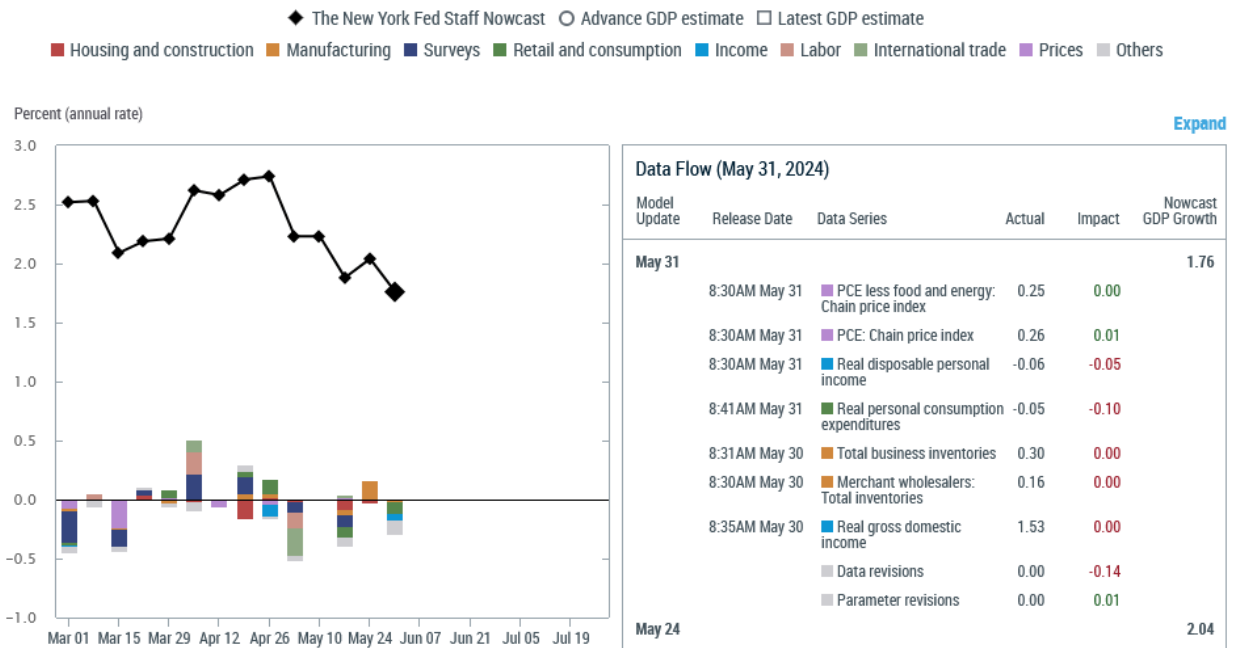
Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the Blue Chip survey.

New York Fed Staff Nowcast



Impact of Data Releases



Tweet of the Day



Oliver Groß 
@minenergybiz

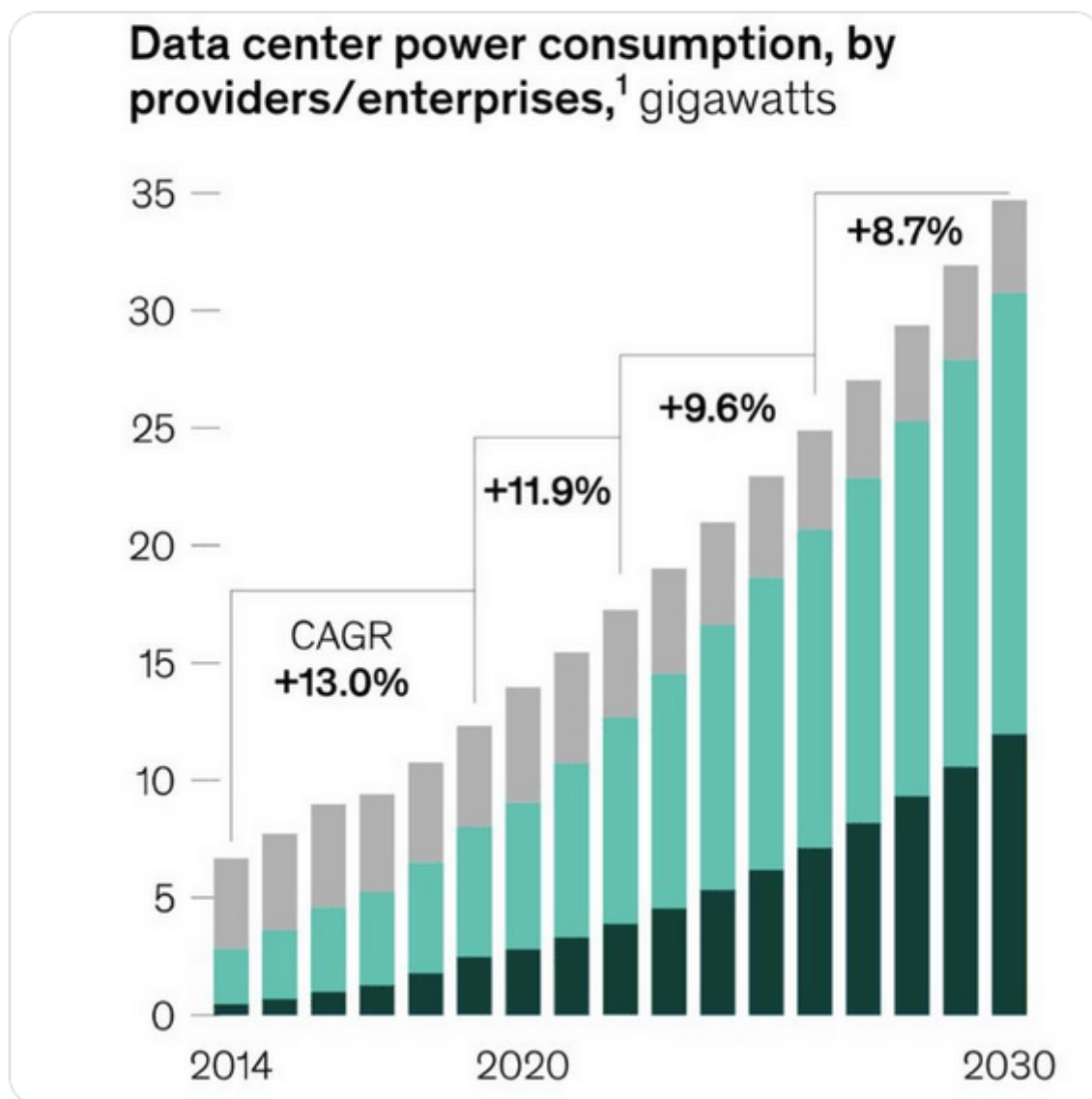
...

McKinsey estimates the energy demand from data centers will explode from 17GW in 2022 to 35GW by 2030, growth of 10% a year.



To put this in context, US grid planners have been forecasting a mere 0.5% annual growth rate over the last decade.. h/t MK

[#AI](#) [#copper](#) [#uranium](#) [#natgas](#) [#energy](#) [\\$NVDA](#)



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