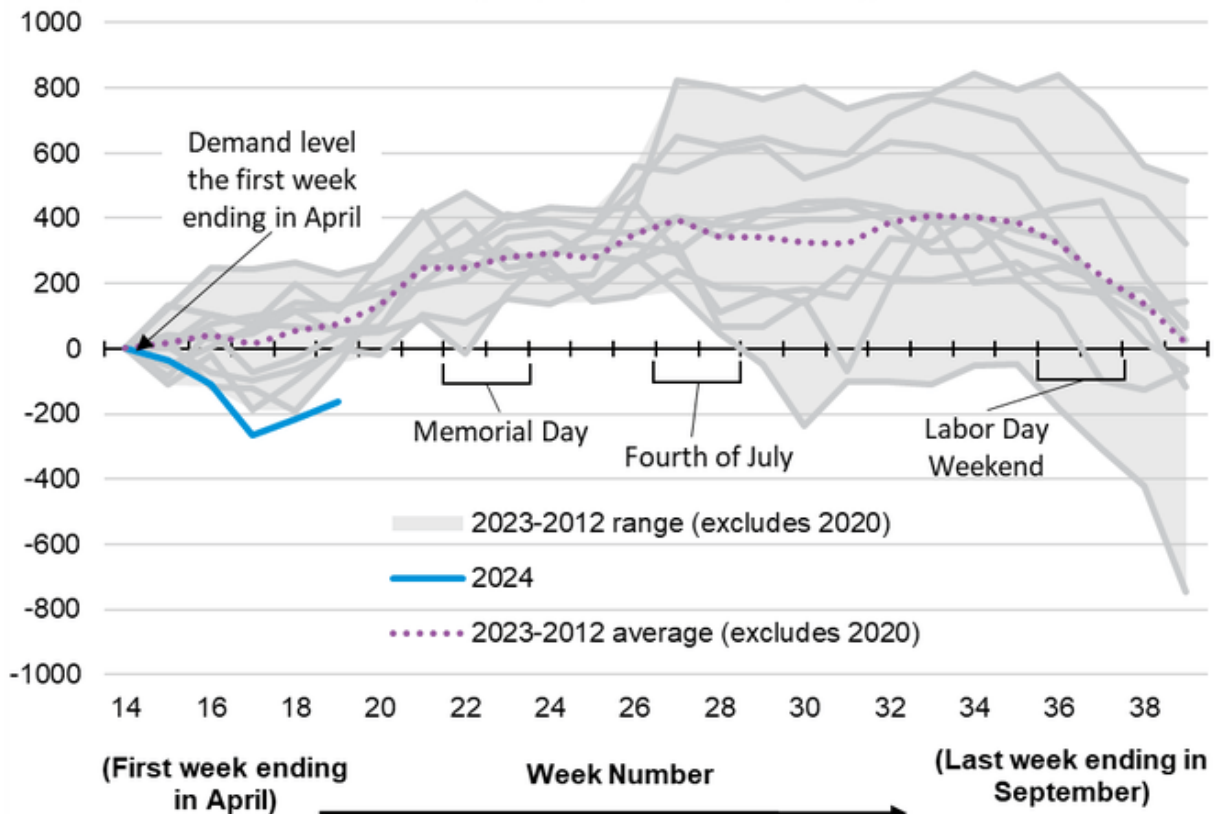


Summer driving season, lasting from Memorial Day to Labor Day is fast approaching. Typically, during driving season, U.S. motor gasoline consumption is 400,000 barrels/day above the average for spring and fall. As shown below, gasoline consumption has run at its lowest since 2012.

Typically, above-average consumption rates start ramping up in April. Yet, this year, they have declined in April and early May. Whether this is related to the timing of Easter, which fell in March, or the weather has yet to be seen. However, if they continue to be below normal, especially after Memorial Day, this will serve as another indicator that consumers are cutting back on spending.

U.S. summer driving season gasoline demand varies by year

Change in demand from first week ending in April (thousand barrels per day)



Note: Change in four-week average product supplied versus first week ending in April

Source: U.S. Energy Information Administration

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*
🕒	PANW	Palo Alto Networks, Inc.	\$102,351,618,000	Apr/2024	\$0.57	12	5/23/2023	\$0.38
⊖	SMFG	Sumitomo Mitsui Financial Group Inc	\$82,599,162,330	Mar/2024	\$0.13	1	5/15/2023	\$0.12
⊖	MFG	Mizuho Financial Group, Inc.	\$50,136,658,592	Mar/2024	\$0.02	1	5/15/2023	\$0.04
🕒	TCOM	Trip.com Group Limited	\$36,479,881,843	Mar/2024	\$0.52	2	6/07/2023	\$0.37
🕒	KEYS	Keysight Technologies Inc.	\$27,366,864,908	Apr/2024	\$1.22	5	5/16/2023	\$1.96
☀️	LI	Li Auto Inc.	\$26,376,705,056	Mar/2024		N/A	5/10/2023	\$0.13
⊖	KB	KB Financial Group Inc	\$22,462,338,099	Mar/2024	\$2	1	5/15/2023	\$2.88
🕒	ZM	Zoom Video Communications, Inc.	\$19,671,515,981	Apr/2024	\$0.51	10	5/22/2023	\$0.41
🕒	NDSN	Nordson Corporation	\$15,473,933,807	Apr/2024	\$2.30	5	5/22/2023	\$2.26
⊖	XP	XP Inc.	\$12,050,385,305	Mar/2024	\$0.38	1	5/15/2023	\$0.28
☀️	WIX	Wix.com Ltd.	\$7,730,306,569	Mar/2024	\$0.15	6	5/17/2023	(\$0.06)
☀️	ULS	UL Solutions Inc.	\$7,398,000,000	Mar/2024	\$0.28	N/A	N/A	N/A
⊖	CSAN	Cosan S.A.	\$5,261,479,600	Mar/2024		N/A	5/15/2023	(\$0.01)
☀️	GLBE	Global-E Online Ltd.	\$4,707,979,157	Mar/2024	(\$0.23)	5	5/22/2023	(\$0.26)
⊖	LPL	LG Display Co., Ltd.	\$4,060,000,000	Mar/2024	(\$0.57)	1	5/15/2023	(\$1.33)
☀️	QFIN	Qifu Technology, Inc	\$3,333,313,578	Mar/2024	\$1.08	1	5/18/2023	\$0.82
⊖	INBX	Inhibrx, Inc.	\$1,807,342,945	Mar/2024		N/A	5/08/2023	(\$1.12)
🕒	TARO	Taro Pharmaceutical Industries Ltd.	\$1,585,876,000	Mar/2024	\$0.31	1	5/23/2023	\$0.18

Economy

Time	Event	Impact	Actual	Dev	Consensus	Previous
MONDAY, MAY 20						
07:45	🇺🇸 USD Fed's Bostic speech	🟡			SPEECH	🔔
08:00	🇺🇸 USD Fed's Barr speech	🟡			SPEECH	🔔
08:00	🇺🇸 USD Fed's Waller speech	🟡			SPEECH	🔔
09:30	🇺🇸 USD Fed's Jefferson speech	🟡			SPEECH	🔔
10:30	🇺🇸 USD 3-Month Bill Auction	🟡	-	-	- 5.25%	🔔
10:30	🇺🇸 USD 6-Month Bill Auction	🟡	-	-	- 5.165%	🔔
18:00	🇺🇸 USD Fed's Bostic speech	🟡			SPEECH	🔔

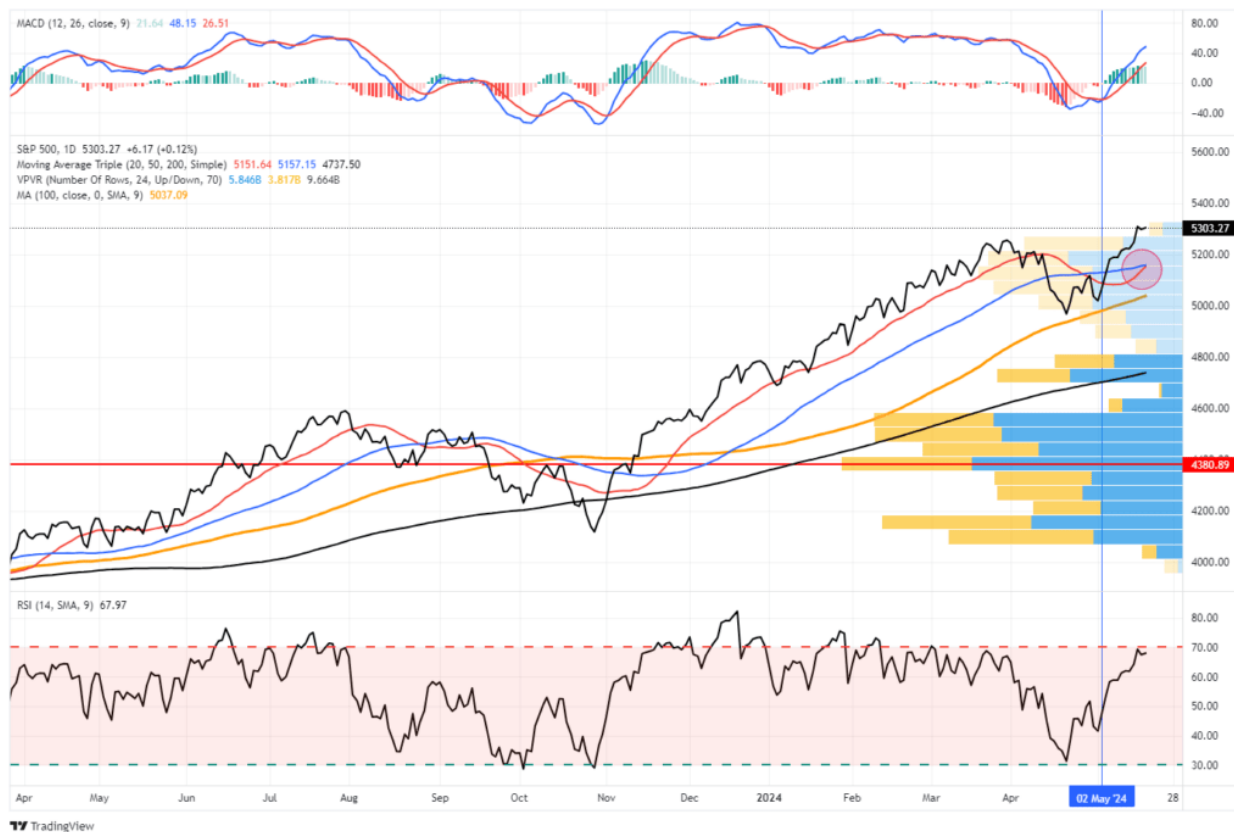
Market Trading Update

[Last week](#), we discussed that the April correction was likely over.

"Notably, the breakout above key resistance and the reversal of the volatility index suggest that the recent correction is over. However, while the April correction may be over, as noted above, there is still a decent probability of another correction before the Presidential election in November. As shown below, such tends to be a statistical normality during Presidential election years."

This past week, markets surged to all-time highs as a plethora of bad economic data and a weaker-than-expected inflation print lifted hopes of Fed rate cuts in the coming months.

From a technical perspective, the markets remain on a current MACD "buy signal" and have cleared all previous resistance levels. Furthermore, the 20-DMA is set to cross above the 50-DMA next week, providing additional support to any short-term market correction. We should expect a pullback or consolidation with the market overbought on multiple levels. Such consolidations will provide a better entry point for investors who need to increase equity exposures.



The Week Ahead

This week will be light on the economic data front. Today and tomorrow will feature a flurry of Fed speakers, including Bostic, Barr, Waller, and Jefferson. Wednesday will bring S&P flash PMIs, April New and Existing Home Sales data, and FOMC Minutes. We suspect the Fed speakers will stick to their recent narratives this week, keeping the door open for rate cuts toward the end of this year.

The Flash PMIs will provide a preliminary look at manufacturing and services trends for May. New Home Sales are expected to decline to 0.68 million from 0.693 million in March. Meanwhile, Existing Home Sales are forecast to decrease to 4.18 million from 4.19 million in March. High interest rates continue weighing on existing home sales, with many would-be sellers locked into low-rate mortgages.

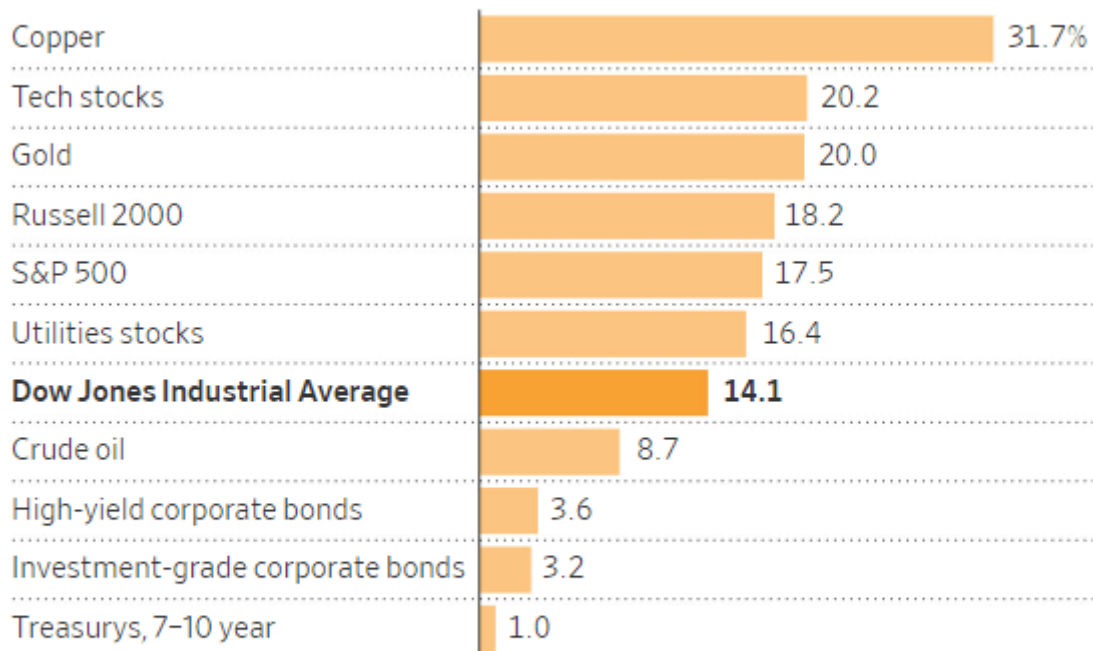
We cap off this week with Durable Goods Orders data for April and May consumer sentiment figures. Growth in durable goods orders is forecast to decline to 0.5% MoM, following 2.6% growth in March. Finally, the consensus estimate is for consumer sentiment to decline to 67.4 in May from 77.2 in April.

The Everything Rally Continues

The DOW hit the 4,000 mark for the first time in history last week following a solid earnings season. As shown below, many major asset classes have risen in concert over the past six months. A combination of robust earnings, low unemployment, and optimism surrounding AI advancements have driven gains in equities. Attractive yields have pulled money into the bond market. Meanwhile,

precious and industrial metals have surged on the trifecta of a bullish economic backdrop, investor interest, and tightening supply in physical markets. Meme stocks are even back in vogue, with sharp rallies in [yesteryear's favorites](#) over the past week. The question remains whether weakening economic data will eventually catch up with markets. For now, however, the Everything Rally continues.

Change in asset value, past six months



Note: As of May 16. Tech and utilities stock performance based on S&P 500 sectors. Changes in bond values based on iShares exchange-traded funds. Commodities data use most-active contracts.

Source: FactSet

Tweet of the Day

LongConvexity reposted

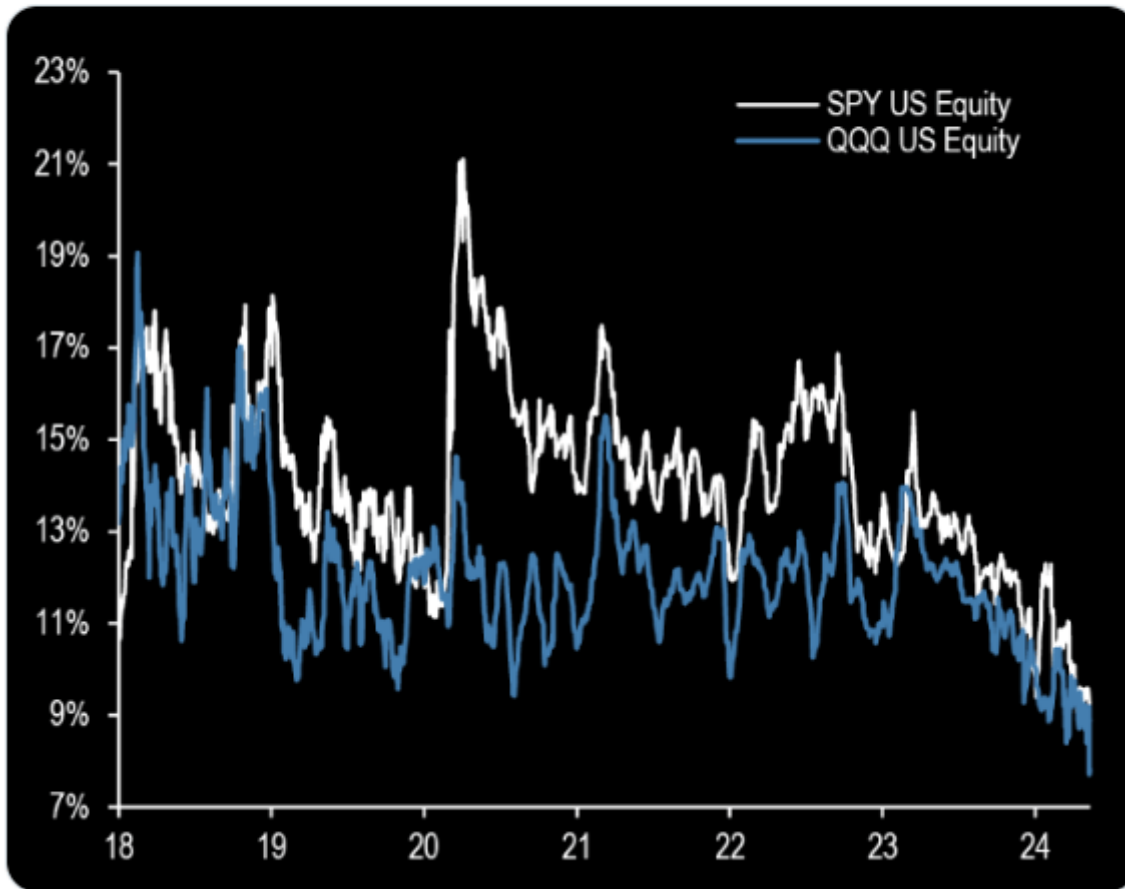


Menthor Q
@MenthorQpro

...

Shorts have evaporated 🙄🙄

Source: JPM



The Market Ear

?Want to achieve better long-term success in managing your portfolio? Here are our [15-trading rules for managing market risks.](#)

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