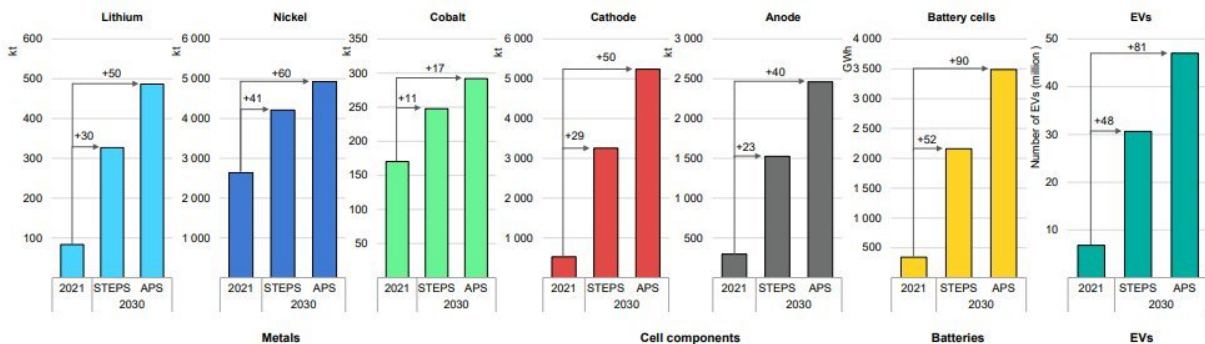


# High-Growth Stocks Tomorrow May Not Look Like Today's

Traditionally high-growth companies are involved in new, life-changing technologies. Think of the now mature high-growth companies like Apple and Google, and before them IBM, GE, Kodak, and RCA. One of the latest high-growth technologies quickly adapted globally is electric vehicles (EV). Exponential EV growth will replace traditional gas-powered automobiles. As such, the high-growth EV industry may not be the auto manufacturers but the metal producers and miners. The graph below shows that by 2030 the IEA expects the number of EV vehicles (teal) to grow by about 7x. The other graphs show similar growth is required of the metals used in EV batteries. In addition to artificial intelligence, nanotechnologies, and other well-known technologies, another high-growth industry of tomorrow may be Albermarle (lithium), Nornickel (nickel), Glencore (cobalt/zinc), and other mining companies few investors have heard of.

## All elements of EV battery supply chains expand significantly to meet projected demand

Number of mines to produce required levels of metals, anode/cathode production plants, battery gigafactories and EV plants required to meet projected demand in 2030 relative to 2021



IEA. All rights reserved.

Notes: STEPS = Stated Policies Scenario; APS = Announced Pledges Scenario. Number of additional mines/plants/factories required to meet projected demand from the 2021 demand level is shown by the arrows. Projected demand is annual. Metal demand is total demand including EV and non-EV demand. Assumes the average annual production capacities: lithium mine - 8 kt; nickel mine - 38 kt; cobalt mine - 7 kt; cathode plant - 94 kt; anode plant - 54 kt; battery gigafactory - 35 GWh; and EV production plant - 0.5 million vehicles. Nickel demand does not distinguish between Class 1 and Class 2 nickel.

Sources: IEA analysis based on [S&P Global](#); [Bloomberg NEF](#); [Benchmark Mineral Intelligence](#).

### Real Investment Report

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## What To Watch Today

### Economy

- 8:30 a.m. ET: **Change in Nonfarm Payrolls**, July (250,000 expected, 372,000 prior)
- 8:30 a.m. ET: **Change in Private Payrolls**, July (230,000 expected, 381,000 prior)

- 8:30 a.m. ET: **Change in Manufacturing Payrolls**, July (20,000 expected, 29,000 prior)
- 8:30 a.m. ET: **Unemployment Rate**, July (3.6% expected, 3.6% prior)
- 8:30 a.m. ET: **Average Hourly Earnings**, month-over-month, July (0.3% expected, 0.3% prior)
- 8:30 a.m. ET: **Average Hourly Earnings**, year-over-year, July (4.9% expected, 5.1% prior)
- 8:30 a.m. ET: **Average Weekly Hours All Employees**, July (34.5 expected, 34.5 prior)
- 8:30 a.m. ET: **Labor Force Participation Rate**, July (62.2% expected, 62.2% prior)
- 8:30 a.m. ET: **Underemployment Rate**, July (6.7% prior)
- 3:00 p.m. ET: **Consumer Credit**, June (\$25 billion expected, \$22.347 billion prior)

## Earnings

| Company                                  | Time       | Estimate      | Growth               | Surprise       |       |
|--|------------|---------------|----------------------|----------------|-------|
|  |            |               | Show only confirmed? |                |       |
| ✓ <b>BBU</b> Brookfield Business ...     | 6:45 AM ET | \$1.26        | \$0.00 M             | -100.0%        | + = - |
| ✓ <b>ING</b> Ingenico Group              | 7:30 AM ET | <b>\$0.33</b> | \$4.99 B \$0.29      | \$4.65 B -8.3% | 13.8% |
| ✓ <b>AHKSY</b> Asahi Kasei Corp.         | 7:30 AM ET | <b>\$0.35</b> | \$5.18 B -           | \$0.00 M -2.9% | -     |
| ✓ <b>WDC</b> Western Digital Corp.       | 7:30 AM ET | \$1.68        | \$4.41 B             | -10.4%         | + = - |
| ✓ <b>GT</b> Goodyear Tire & Rub...       | 7:45 AM ET | \$0.43        | \$4.98 B             | 25.2%          | + = - |
| ✓ <b>QRTEA</b> Qurate Retail, Inc        | 7:00 AM ET | \$0.21        | \$3.12 B             | -11.0%         | + = - |
| ✓ <b>TU</b> Telus Corp.                  | 6:45 AM ET | \$0.22        | \$3.45 B             | 3.1%           | + = - |
| ✓ <b>GLP</b> Global Partners LP          | 8:00 AM ET | \$1.21        | \$4.32 B             | 31.7%          | + = - |
| ✓ <b>ADNT</b> Adient plc                 | 6:50 AM ET | (\$0.02)      | \$3.57 B             | 10.1%          | + = - |
| ✓ <b>FLR</b> Fluor Corp.                 | 6:50 AM ET | \$0.31        | \$3.27 B             | 1.0%           | + = - |
| ✓ <b>IEP</b> Icahn Enterprises L.P.      | 8:00 AM ET | \$0.07        | \$2.65 B             | -11.3%         | + = - |
| ✓ <b>VST</b> Vistra Energy               | 6:30 AM ET | \$0.17        | \$2.44 B             | -4.9%          | + = - |
| ✓ <b>WAB</b> Wabtec Corporation          | 6:30 AM ET | \$1.22        | \$2.07 B             | 2.9%           | + = - |
| ✓ <b>AXL</b> American Axle & Man...      | 8:00 AM ET | \$0.12        | \$1.37 B             | 6.8%           | + = - |
| ✓ <b>TPC</b> Tutor Perini Corporation    | 8:30 AM ET | \$0.39        | \$1.13 B             | -7.3%          | + = - |
| ✓ <b>BEPC</b> Brookfield Renewabl...     | BMO        | (\$0.08)      | \$1.22 B             | 19.7%          | + = - |
| ✓ <b>BEP</b> Brookfield Renewabl...      | 6:50 AM ET | \$0.09        | \$1.15 B             | 12.9%          | + = - |
| ✓ <b>AAWW</b> Atlas Air Worldwide H...   | 6:55 AM ET | <b>\$3.36</b> | \$1.18 B \$3.30      | \$1.11 B 19.1% | 1.8%  |
| ✓ <b>TRMB</b> Trimble Inc.               | 6:55 AM ET | \$0.50        | \$953.65 M           | 0.9%           | + = - |
| ✓ <b>GTES</b> Gates Industrial Corp...   | 8:00 AM ET | \$0.20        | \$919.96 M           | 0.5%           | + = - |
| ✓ <b>CLMT</b> Calumet Specialty Pr...    | 7:00 AM ET | \$0.25        | \$959.38 M           | 18.9%          | + = - |
| ✓ <b>AMCX</b> AMC Networks Inc           | 8:00 AM ET | \$1.98        | \$776.00 M           | 0.6%           | + = - |
| ✓ <b>VGR</b> Vector Group Ltd.           | 7:45 AM ET | \$0.34        | \$337.70 M           | -53.7%         | + = - |
| ✓ <b>SRCL</b> Stericycle, Inc.           | 7:00 AM ET | \$0.43        | \$678.30 M           | 0.8%           | + = - |
| ✓ <b>LESL</b> Leslie's, Inc.             | 7:00 AM ET | \$0.73        | \$708.77 M           | 18.8%          | + = - |
| ✓ <b>SSP</b> E. W. Scripps Company       | 7:30 AM ET | \$0.30        | \$603.00 M           | 6.7%           | + = - |
| ✓ <b>TMX</b> Terminix Global Holdi...    | 7:00 AM ET | \$0.51        | \$584.66 M           | 4.4%           | + = - |
| ✓ <b>GTN</b> Gray Television Inc.        | 6:00 AM ET | \$0.96        | \$846.82 M           | 54.8%          | + = - |
| ✓ <b>AMRX</b> Amneal Pharmaceuti...      | 6:00 AM ET | \$0.18        | \$535.93 M           | 0.2%           | + = - |
| ✓ <b>TIXT</b> TELUS International        | 6:45 AM ET | \$0.26        | \$621.38 M           | 16.6%          | + = - |
| ✓ <b>TAC</b> TransAlta Corporation       | 7:00 AM ET | \$0.12        | \$346.78 M           | -31.2%         | + = - |
| ✓ <b>ASIX</b> AdvanSix Inc.              | 6:30 AM ET | \$2.17        | \$564.37 M           | 28.9%          | + = - |
| ✓ <b>EAF</b> GrafTech Internationa...    | 6:40 AM ET | \$0.42        | \$376.00 M           | 13.7%          | + = - |
| ✓ <b>AUD</b> Audacy, Inc.                | 8:00 AM ET | \$0.07        | \$327.12 M           | 7.4%           | + = - |
| ✓ <b>DKNG</b> DraftKings Inc.            | 7:00 AM ET | (\$0.87)      | \$425.42 M           | 42.9%          | + = - |
| ✓ <b>TILE</b> Interface Inc              | 5:30 AM ET | \$0.33        | \$330.23 M           | 12.0%          | + = - |
| ✓ <b>CNK</b> Cinemark Inc                | 6:30 AM ET | \$0.13        | \$737.73 M           | 150.4%         | + = - |
| ✓ <b>WOW</b> WideOpenWest, Inc.          | 7:00 AM ET | \$0.07        | \$177.42 M           | -38.2%         | + = - |
| ✓ <b>ROAD</b> Construction Partners...   | 8:00 AM ET | \$0.11        | \$316.78 M           | 21.1%          | + = - |
| ✓ <b>ESNT</b> Essent Group Ltd           | 6:30 AM ET | \$1.58        | \$244.98 M           | 0.7%           | + = - |
| ✓ <b>LBRDA</b> Liberty Broadband C...    | 8:15 AM ET | -             | \$240.98 M           | -0.5%          | + = - |
| ✓ <b>CSWI</b> CSW Industrials, Inc.      | 7:15 AM ET | \$1.37        | \$180.23 M           | 11.8%          | + = - |
| ✓ <b>CGC</b> Canopy Growth Corp...       | 7:00 AM ET | (\$0.20)      | \$88.17 M            | -30.3%         | + = - |
| ✓ <b>PRLB</b> Proto Labs Inc             | 6:00 AM ET | \$0.17        | \$126.60 M           | 2.9%           | + = - |
| ✓ <b>OFIX</b> Orthofix International ... | 7:00 AM ET | \$0.07        | \$118.25 M           | -2.6%          | + = - |
| ✓ <b>RUTH</b> Ruth's Hospitality Gro...  | 7:00 AM ET | \$0.31        | \$122.95 M           | 10.9%          | + = - |
| ✓ <b>CNTY</b> Century Casinos, Inc.      | 6:00 AM ET | \$0.22        | \$112.09 M           | 21.6%          | + = - |
| ✓ <b>GOGO</b> Gogo Inc.                  | 7:00 AM ET | \$0.15        | \$94.76 M            | 15.0%          | + = - |
| ✓ <b>ACMR</b> ACM Research, Inc.         | 5:00 AM ET | \$0.01        | \$72.28 M            | 34.2%          | + = - |
| ✓ <b>TWST</b> Twist Bioscience Cor...    | 7:30 AM ET | (\$1.30)      | \$51.45 M            | 46.9%          | + = - |
| ✓ <b>LEV</b> Lion Electric Company       | 6:55 AM ET | (\$0.09)      | \$30.38 M            | 82.0%          | + = - |
| ✓ <b>OFS</b> OfS Capital Corp            | 8:00 AM ET | \$0.29        | \$11.68 M            | 2.3%           | + = - |

## Market Trading Update

The market surge over the last few weeks was expected, given the massively negative sentiment levels previously. However, that rally has expended most of the "fuel." with daily trading volumes lightening up. Given the many trapped longs still in the market, the market is ripe for a bout of selling pressure to work off some of the more extreme overbought conditions. A retest of support at the 50-dma is needed to confirm that the June lows were indeed the bottom for now, However, I suspect that any retest of the 50-dma may be in concert with an increase in negative sentiment or declining economic data.

For now, continue to trade the market as a "bear market rally." Use this opportunity to rebalance portfolio risks, sell laggards, and reposition your portfolio for whatever happens next. It is always best to err on the side of caution. You can always increase equity risk if you lag, but being over-exposed can lead to capital impairment if the bullish outlook fails.



## BOE Warns of 13% Inflation and a Recession

The Bank of England hiked rates by 50bps yesterday morning, the largest increase since 1995, to combat significant inflation. They will also reduce their balance sheet via QT. Interestingly, while raising their peak inflation forecast from 13.1% to 13.3%, they also signaled they expect a recession to start in Q4 and continue through next year. Per FX strategist Viraj Patel, this "has to be the most dovish 50bps hike ever." He argues that BOE should have raised rates more as inflation is raging. Obviously, a looming recession keeps the bank more dovish than it should be. Keep in mind the Fed is in a similar trap, albeit inflation is not as high and economic forecasts not as dire.

The graph below shows the British Pound is hugging the lowest levels of the last 20+ years. A weaker pound is inflationary as they run a trade deficit.



## AMD and Intel Warn of Continued Weakness in the PC Market

Recent warnings from chip makers may be future trouble for PC makers such as Apple, Lenovo, HP, and Dell. On Wednesday's AMD earnings call, its CEO said: "*We have taken a more conservative outlook on the PC business.*" AMD revised its PC sales forecast from declines in the negative "*high single digits*" to "*mid-teens*." Days earlier, Intel said it expects the PC market to decline 10% this year. As a result of weakening PC sales expectations, AMD and Intel lowered their third-quarter sales and earnings forecasts. Dell reports earnings today. As shown below, AMD is flat over the last year, while Dell is down about 14%, and Intel is lower by nearly 35%.



## What Keeps The Fed Up At Night?

*The markets are now betting that inflation will soon subside, allowing the Fed to pivot. But, if inflation proves persistent and not transitory, the Fed may have much more work to do, to the detriment of asset prices.*

*There are two schools of thought on the issue of transitory versus persistent inflation.*

*One school thinks high inflation will arrest the current inflation surge, thus proving inflation transitory this time.*

On the other side of the argument, the BIS warns that inflation can remain persistent in high inflation regimes as they fear we are entering.

Both views may be correct. The current surge in inflation may be transitory, but we may be entering a long period where inflation remains moderately above that of the last 20 years.

Read more in our most recent article, [Persistent Inflation Scares The Fed](#).

## Tweet of the Day



Lance Roberts  
@LanceRoberts

...

Back in April and May we were discussing that there were TOO many #Bears for a #bearmarket to continue and we needed a good strong rally to get the #bulls sucked back in.

It's happening as stories of a #new #bullmarket skyrocket.

h/t @thedailyshot



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