

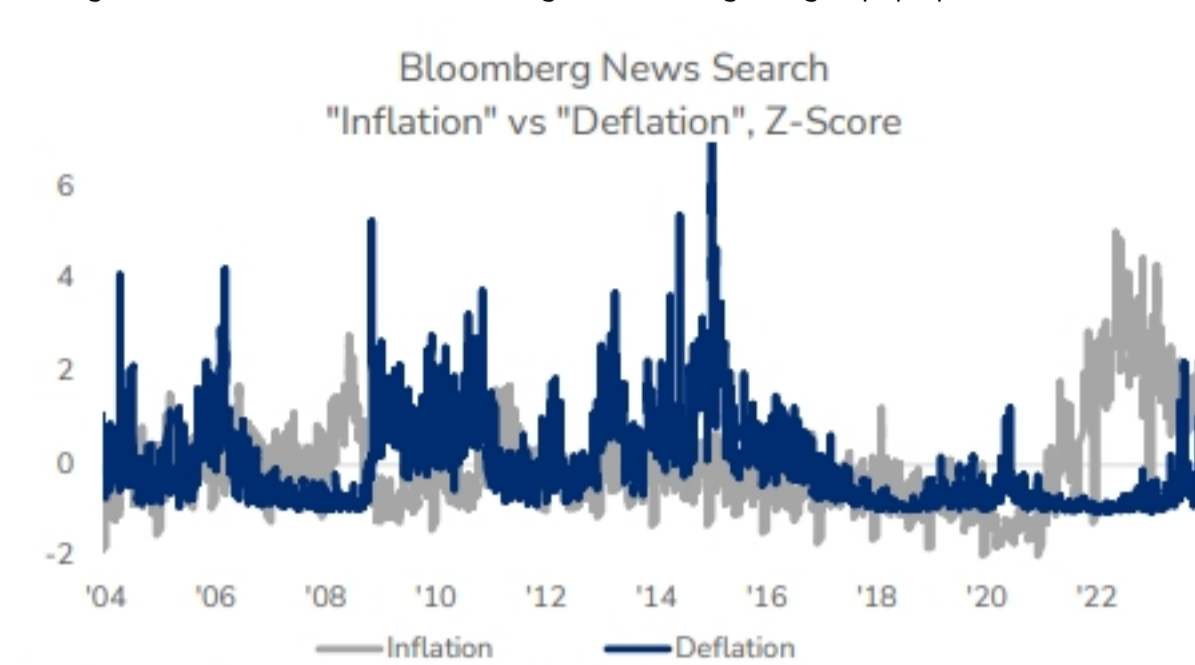
Wolfe Daily Howl

Yesterday, President Joe Biden pardoned two turkeys named Liberty and Bell during the annual Turkey Pardon. Unlike Liberty and Bell, who got lucky this Thanksgiving, their less fortunate friends will face the consequences of being at the wrong place at the wrong time come Thursday...

Also, in case you missed it, be sure to check out Stephanie Roth's latest interview with Bloomberg's Sonali Basak, where she digs into the latest moves in credit and fixed income - [View Interview](#)

Economic Analysis: Most Likely Ways We'd Be Wrong on Inflation

In today's Daily Froth, Stephanie Roth breaks down the possible ways her core inflation measure of 2.2% by the end of 2024 could be wrong. The report examines both scenarios of inflation coming in hotter or cooler than expected. If inflation comes in hotter, the most likely reason is the labor market remains firm and wages fail to slow. If inflation comes in cooler, the most likely reason would be that goods prices fall further than we anticipate as COVID factors are still holding up prices. Concerns about weak inflation are even starting to creep into the media with a Bloomberg search of news mentions showing deflation beginning to pop up.



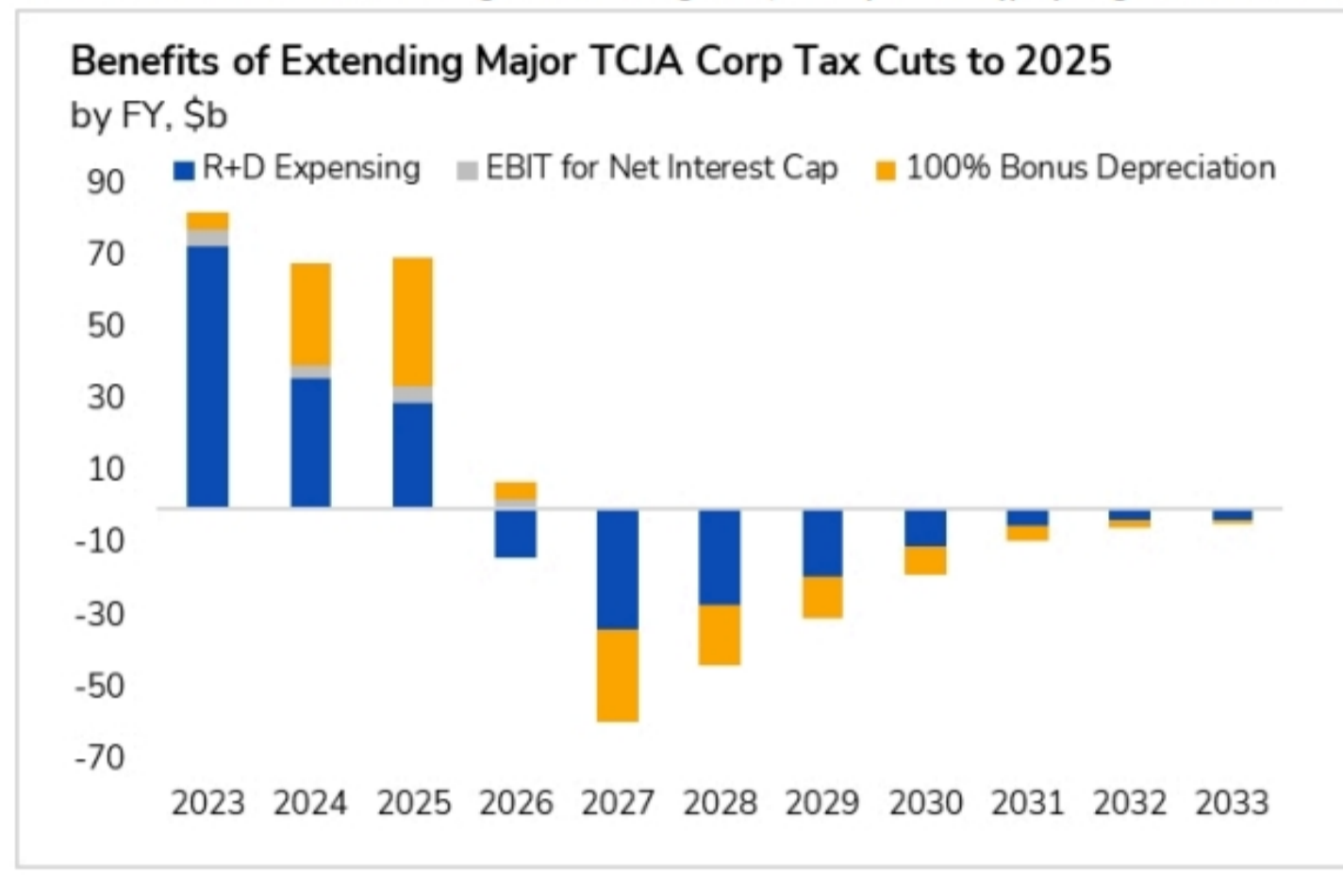
Stephanie Roth | [View Full Report](#)

Political Analysis: Assessing a Tax Deal - Last Best Chance for Stimulus?

This morning, Tobin's note takes stock of the outlook for a bipartisan tax package in Congress early next year. He thinks the odds this happens are still below 50%, but they've risen significantly. He makes 3 key points on the matter:

1. This would be a major package worth ~\$270b through 2025. That includes \$220b in gross short-term benefits from three major corporate tax items (R&D expensing, 100% bonus depreciation, and net interest expense limitation fixes), plus \$49b from a 2-year Child Tax Credit expansion. If this gets done, Tobin would see it as positive for low-end consumers, high-capex businesses, and the overall fiscal impulse into next year, improving the margin of error for a soft landing.
2. Tobin thinks that after months of quiet, constructive talks, the leading tax writers for Senate Democrats and House Republicans are not far apart on a deal, with negotiations getting serious and reported parameters starting to emerge. This is a major change from last year, when negotiations never got off the ground.
3. However, the larger legislative environment remains hostile. Even if a tax deal is reached, there may be no vehicle to enact it, thanks to the dysfunctional government funding debate that has now been punted to a January 19 shutdown deadline. This puts a ceiling on Tobin's optimism for now.

Exhibit 1 - Business Tax Fixes Provide Large Benefits Through 2025, Before (Theoretically) Imposing Costs Later in the Decade



Tobin Marcus | [View Full Report](#)

Technical Analysis: With NVDA On Deck, Semis Have Ripped Into Absolute and Relative Resistance



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Rob Ginsberg | [View Full Report](#)

Technical Analysis: Video Brief

Technical Analysis Video: Gas or Cold Water onto the Fire?

Technical Analysis
Monday, November 20th, 2023

GAS OR COLD WATER ONTO THE FIRE?

Rob Ginsberg

WOLFE RESEARCH

Tobin Marcus | [Watch Video Brief](#)

Portfolio Strategy: "Big 7: Fundamentals: The Most Important Immediate-Term Question!"

The year-end melt-up in U.S. equity markets continued yesterday. Since the recent bottom on October 27th, the S&P 500, NASDAQ-100 and an equal-weighted "Big 7" index have now jumped +10%, +13% and +15%, respectively. While relative strength indicators (e.g., RSI) suggest the U.S. stock market is currently "overbought," upside momentum (e.g., MACD) remains very strong, and Chris's sense is that performance chasing is likely to persist over the next several weeks.

With respect to the "Big 7" stocks, Chris believes that this cohort is likely to outperform the overall market until their fundamental outlooks broadly weaken. While he saw some cracks in 3Q reports, consensus has clearly not shared his view! As such, his sense is that these companies may not underperform as a group until a recession appears imminent. For additional details, please see Chris's note out yesterday morning, Top 10 Things to Watch into Year End.



Chris Senyek | [View Full Report](#)

Today's Highlights

- Stephanie Roth -- The Daily Froth
- Tobin Marcus -- Assessing a Tax Deal: Last Best Chance for Stimulus?
- Timna Tanners -- WCN: Downgrading on landfill risks
- Scott Group -- Group Thoughts
- Nigel Cooke -- (Heat) Pumping Out the Pro-Forma Model

Today's Webinars

There are no Wolfe webcasts today.

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