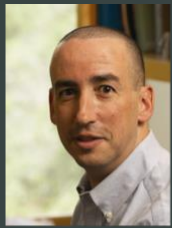

MARKET UPDATE

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May 29, 2023 – Market Update

I. Stocks

#1. It was a mixed-market last week. Companies needed to have an AI story.

1. Last week: DJIA -1.00%; S&P 500 +.32%; Nasdaq +2.51%
2. Investors seem to have started believing that the US can avoid recession. Of course, that would mean higher rates for longer.
    a. The Fed funds futures is only pricing in a low possibility of one rate cut this yr. (Bl)
3. At this point, Q1 earnings are -1.4% YoY. This is much better than the -5.9% expected.

#2. Nvidia is the darling of Wall Street and it was the story of the week.

1. Nvidia, the world's most valuable chipmaker, said surging demand for its AI application chips means that revenue in Q2 will be ~$11B, 53% more than analysts had expected. The stock rose 24% on Thursday, adding $184B to its market cap.
    a. For perspective, Intel has a market cap of $114B.
        i. NVDA is now 8X the size of INTC even though INTC has almost twice as much revenue.
    b. On different days in 2022, AMZN and AAPL each added over $190B of market cap. NVDA's increase is ranked third for a single day.
    c. NVDA has increased 160% YTD.
2. NVDA became 1% of the S&P 500 in late 2020. Now, it's 2.6%.
3. Earnings estimates increased even more than price. As a result, the P/E dropped from above 60 to ~45.
4. More about NVDA:
    a. Its processors drive new chatbots that generate cogent-sounding sentences and a raft of other tools that the world's biggest companies are racing to deploy.
    b. There are incredible orders to retool the world's data centers.
    c. NVDA designs but doesn't make its own chips. (Bloomberg) (Bloomberg) (WSJ)

#3. The average stock is not doing well.

1. The equal-weighted Nasdaq 100 trails the market-cap weighted Nasdaq by 16% YTD.
    a. The Nasdaq climbed for the fifth straight week. The seven largest tech stocks (AAPL, MSFT, GOOGL, AMZN, META, TSLA, and NVDA) added $454B in value for the week.
        i. These seven stocks are up 43% YTD and have a P/E ratio of 35.
2. With respect to the S&P 500, the equal-weighted index is losing by the widest margin (YTD) since the data began in 1990.
    a. Not since 1999 has the disparity between the market-cap weighted S&P 500 and the equal-weighted S&P 500 been so large (but that was for the entire year). For all of 1999, the gap was 9.3%. For all of 1998, it was 16.3%. This year (YTD), it is 9.3% (8.1% vs. -1.2%).
3. Only 33% of large-cap mutual funds are beating their benchmarks this year. (Bl.) (Barron's)

#4. Tech is crushing small-caps. This may not be a great sign.

1. The FANG+ index is now valued at 3.5X the Russell 2000. This has surpassed the Sep. 2020 peak.
2. It's unusual for small-caps to trail so badly if stocks have really bottomed.
    a. Of the nine meaningful drawdowns since 1995, the average percentage of Russell 3000 stocks trading above their 200-day moving average at the 150-day mark post the bottom was 70% (min. 56%; max 88%).
        i. As of the 150-day mark following the Oct. low, it was just 36%. In other words, it would be by far the weakest breadth this far off a major bottom of any new uptrend over the last 30 years.
3. While the S&P 500 is up 9.9% YTD, the "mega-caps" (the 10 largest stocks) have gained 24.5% and the five largest have gained 39.4%.
4. From the market's Aug. 2022 highs through last year-end, the five largest underweights trailed the rest of the market by 24.2% (-5.3% vs. -29.5%). Their 36.7% outperformance YTD (39.4% vs. 2.7%) is simply a reversal of prior weakness.
    a. While these names carried a 34.0X multiple last August and 24.4X at year-end, they trade at 33.6X today (in the middle of their historical range).
        i. EPS for these names are expected to grow 16.7% over the next 12 months, vs. 4.6% for the rest of the S&P 500. (Bloomberg)
5. Apple's stock is up 35% this year, adding nearly $690B in market value. The stock is now trading at 28X earnings and is just below $3T (which it had hit in early 2022). The shares now comprise 7.5% of the S&P 500. (Bloomberg)

#5. "Greedflation" is real and it's helping stocks.

1. One-third of the growth in US unit prices from 2020 – 2022 can be explained by higher corporate profits and only one half by higher wages.
    a. Historically, capital accounted for a tenth of increases and labor for almost two-thirds.
2. Companies seem to have seized on the excuse of generalized inflation to shield their margins, with drops in actual sales mostly offset by higher prices. (WSJ)

#6. Japanese stocks are roaring. A weaker yen helps.

1. The Nikkei 225 is at a 33-year peak, still below its peak set on NYE 1989.
2. The yen and the Nikkei have a strong inverse relationship, in part because investors assume that the country's companies are reliant on exports and need a cheap yen.
    a. A foreign investor needs the Nikkei to appreciate more than the yen depreciates.
3. The yen has weakened recently as the BOJ's new governor seems less interested in abandoning yield curve control. The yen closed at 137.98 per dollar last Friday, down 5% YTD.
    a. If core inflation continues to be high, we'll see a more hawkish BOJ. This should strengthen the yen.
    b. But, the possibility of a still-hawkish Fed could hurt the yen. (Bloomberg) (Bloomberg)

#7. Bank of America says that investors should be selling.

1. BAC strategist Michael Hartnett says that the three-year run of investors pouring cash into stocks has run out of steam. He says that investors are taking money out of stocks and putting it into money market funds and bonds.
    a. He predicts another bout of risk-off to return late June.
2. He suggests selling at 4,200.
3. Citigroup strategists, on the other hand, raised US stocks to neutral b/c of the expected boost from AI, the likelihood that Fed rate hikes are ending soon, and resilient economic growth. (Bloomberg)

#8. Quick thoughts about the markets.

1. Morgan Stanley's Michael Wilson says that the recent stock run is not the start of a new bull market. He cited lofty valuations, narrow breadth and the outperformance by defensive stocks. He suggested that resolution of the debt ceiling will be a bull trap. (Bloomberg)
2. All bubbles need easy money and a plausible investment case. Extreme bubbles occur when central banks are forced to make money easier when they would otherwise be tightening.
    a. The rally during the last few weeks could be liquidity-driven, with the Fed's lending facility to help banks raise money without selling their bonds for a loss. (Bloomberg)
3. AI could be inflationary. This is because there is no way that today's politicians could allow a new wave of unemployment. Expect regulation and/or another push for universal basic income facilities, funded either by windfall taxation of corporations and/or Fed yield curve control to fund larger government deposits.
    a. AI = UBI = YCC (Bloomberg)
4. Stocks are greatly outperforming bonds. SPY is greatly outperforming TLT (10.25% vs. 2.57% YTD). (Bloomberg)

II. Interest Rates and Loans

#1. Treasury yields increased for the week.

1. 3-month: 5.34% (+5 bps); 2-yr 4.54% (+26 bps); 10-yr: 3.80% (+10 bps)
2. The most interesting story is the 26 bp increase in the 2-year yield.
    a. This is consistent with the story of a stronger economy and reduced chance of recession. It could also be consistent with a longer fight against inflation.

#2. Inflation, liquidity issues and the debt ceiling could make interest rates more volatile.

1. BlackRock, PIMCO and Vanguard are warning that recent violent swings in US Treasuries are only the beginning of a new era of volatility that's here to stay until central banks conquer inflation.
2. There are other problems in addition to inflation:
    a. Debt ceiling concerns
    b. Impaired market liquidity as big dealers operate under a stricter regulatory regime (Bloomberg)

#3. Small businesses are paying much more for loans.

1. The average rate for a loan from the SBA, which historically costs less than a bank loan, has reached double-digits.
    a. In contrast, bonds issued by companies with top credit ratings paid an average of 5.3% in interest.
2. A recent survey of small-business owners from GS found 77% reporting that they are concerned about their ability to access capital.
    a. One year ago, 77% said that they were confident in their ability to access capital.
3. Evidence that small businesses are struggling: US companies with between one and nine employees laid off or fired 341K workers in March. That was the highest amount since May 2020 and 4X March 2022. (WSJ)

III. The Debt Ceiling

A. Stories During the Week (prior to the agreement)

#1. Parts of the markets are showing some fear about the debt ceiling.

1. Premiums for CDS on US debt are now double the 2011 level (during a debt-ceiling crisis).
2. Treasuries maturing June 6 briefly rose above 7% in Wednesday trading. This is ~4% higher than a T-bill maturing on May 30^{th}.
3. On the other hand, gold has been dropping this month. (Bloomberg) (Bloomberg)

#2. As of Friday, we're closer to a resolution of the debt-ceiling standoff.

1. Politicians are moving closer to an agreement to raise the debt limit and cap federal spending for two years. Yields on T-bills maturing in early June tumbled – a sign that investors are regaining confidence.
2. Under the terms of the emerging agreement, defense spending would be permitted to rise 3% next year, in line with Pres. Biden's budget request.
3. The deal would cut $10B from an $80B budget increase for the IRS. (Bloomberg)

#3. A lot of the debt ceiling argument involves discretionary spending.

1. The Democrats have offered a spending freeze on discretionary spending. Republicans want reduced spending. Discretionary spending is less than 1/3 of total spending.
   a. The Republicans also want increased military spending. This would break years of precedent where nondefense and defense spending were linked. (WSJ)
2. Our longer-term problems really stem from mandatory spending (Social Security and Medicare). Why aren't we talking about how we're going to fix these programs?

#4. The debt ceiling conflict has the potential to slow the economy and hurt financial assets.

1. Uncertainty could cause consumers, investors and businesses to retrench. This could increase the chances of a recession.
2. An agreement after the X-date could cause recession. It could also result in the Treasury prioritizing Treasury payments. On the positive side, inflation could decrease.
3. If the US defaults, the risk-free building block for pricing all other assets becomes risky. (WSJ)

#5. Fitch is threatening to downgrade the U.S.

1. Fitch Ratings said it may downgrade the US's AAA credit rating to reflect the worsening political standoff that's preventing a deal to solve the nation's debt-ceiling crisis.
   a. They said that this is due to the increased partisanship
   b. They moved the US to "rating watch negative"
2. In 2011, S&P downgraded US debt from AAA to AA. (Bloomberg)
3. UBS says that the safe-haven status of Treasury bonds isn't so much a function of their being backed by the full faith and credit of the US government but their status as the deepest, most liquid markets in the world. (WSJ)

B. The Debt Ceiling Agreement

#1. Pres. Biden and Speaker McCarthy announced a deal late Saturday.

1. Debt limit would be suspended until 2025.
2. Nondefense spending in 2024 will be roughly the same level as 2023. It will increase 1% in 2025.
3. Defense spending holds to fiscal 2024 plans (3% higher than last year).
4. If Congress doesn't approve 12 annual spending bills, spending limits revert to the previous year (a 1% cut).
5. Funds earmarked for Covid-19, including $400MM for the CDC's "Global Health Fund" will be reclaimed.
6. $10B will be cut from the $80B Congress previously approved for the IRS.
7. Enacts tougher work requirements for federal food aid. Adults between 18 and 54 with no dependents have to work. Previously, it was 18 to 49. It will bring the age back to 49 in 2030.
    a. But it eases requirements for veterans and homeless people and doesn't have any for Medicaid recipients.
8. The pause in student loan repayments would end in August. (AP) (Barron's)

#2. Will the House approve the agreement?

1. Several Freedom Caucus members (Ken Buck, Lauren Boebert and Ralph Norman) have complained about the proposal.
2. Some liberal Democrats (Pramila Jayapal and Ro Khanna) have also complained about it.
    a. They don't like the work requirements and treatment of student loan forgiveness. They also don't like language in the bill that would expedite completion of the Mountain Valley Pipeline, a victory for Sen. Joe Manchin. (NBC)

#3. We still need to fix Social Security.

1. The Social Security Trust Fund is expected to be exhausted by 2034. At that point, unless Congress has made changes, Social Security benefits will be cut by ~20%.
    a. As you watch the way that Congress has handled the debt ceiling, you should have a lot of confidence that Congress will handle this ahead of time. (And yes, that was sarcasm.)
2. A few facts about Social Security:
    a. The program serves ~70MM Americans
    b. It represents ~20% of federal spending
    c. The program is widely loved by Americans (regardless of political party)
    d. The system is a pay-as-you-go system. In other words, what workers are contributing today is used to pay current retirees (it doesn't go into an account for the worker).
        i. By 2035, there will only be 2.3 workers contributing for each retiree
    e. People need Social Security. Nearly half of US households headed by someone aged 55 and over have no retirement savings.
3. In 1983, to extend Social Security, a commission made several changes, including:
    a. Changing full-retirement-age from 65 to 67
    b. Accelerating a previously scheduled payroll tax increase
    c. Making some benefits subject to federal taxation
4. Obviously, we have to either raise taxes or cut benefits. Here are three ideas:
    a. Maintain the status quo by either raising revenue by ~1/3 or reducing benefits by ~1/4 or some combination.
        i. E.g., applying the tax to wages above $400K (this year, it's only applied to wages up to $160,200) would cut the shortfall by 64%
        ii. Gradually increasing the payroll tax rate from 12.4% to 13.4% (split equally between employer and employee) would eliminate an additional 26% of the shortfall
        iii. Gradually raising the full retirement age from 67 to 68 would close 12% of the shortfall. This is ultimately a benefit cut.
    b. Bernie Sanders and Elizabeth Warren want to increase benefits by ~$200 per month. They would come close to fixing 97% of the total shortfall by methods including:
        i. Taxing earnings above $250K and eventually taxing all earnings (including those between $160K and $250K)
        ii. A 12.4% tax on investment income, including capital gains, interest, dividends, etc. to individuals making $200K or $250K (married)
    c. Require individuals to save 3% of their wages in an employer-sponsored retirement account, to supplement lower Social Security payments. Then, pay middle-income and higher earners less over time, while setting a higher minimum benefit to the lowest income recipients.
        i. This assumes that the highest earners (who have contributed the most) also have private savings. (Barron's)

IV. The Economy

A. The Fed

#1. The FOMC minutes reveal division about where we are in the tightening cycle.

1. Fed minutes showed that officials were uncertain about how much additional policy tightening might be needed.
    a. The debate makes it appear that some officials may have been promised that the group would consider a pause at the June meeting and this resulted in a unanimous decision.
2. The FOMC has a balancing act when deciding whether to pause or raise rates.
    a. The argument to raise rates:
        i. Inflation is still more than double the Fed's target
        ii. The labor market is too tight (and could be inflationary)
        iii. Since the last meeting, we have received some data:
            1. Strong labor report
            2. Core inflation of 4.6%
    b. The argument to pause:
        i. The lags in policy transmission suggest that a weaker economy looms
            1. The debt ceiling issue could slow the economy more
        ii. Higher rates could hurt the banking system (resulting in a credit crunch)
        iii. Optionality
3. Several officials made clear that any pause would only be temporary. (Bloomberg) (Bloomberg) (Bloomberg) (WSJ)

#2. Kashkari says it's a tough call as to whether the FOMC should pause in June.

1. Minneapolis Fed Pres. Neel Kashkari said that he was open to pausing and moving slower from here.
    a. Kashkari said that it was a close call whether the Fed should pause or raise rates in June.
2. But he said that he would object to any kind of declaration that the FOMC is done.
    a. He even said that we may need to go higher than 6%.
3. Kashkari was one of the biggest doves prior to the pandemic and has been one of the biggest hawks in recent months. (WSJ) (Bloomberg)

#3. Bernanke and Blanchard think we need to cool the labor market.

1. Former Fed Chair Ben Bernanke and ex-IMF Chief Economist Olivier Blanchard said that the Fed needs to cool off the overheated labor market to tame inflation.
2. But, their paper indicated that it's not clear how far unemployment must rise to achieve that. (Brookings)

#4. Former Fed Vice-Chair Kohn blames the Fed's change in operating policy for inflation.

1. Former Fed Vice Chair Donald Kohn and Brown University professor Gauti Eggertsson published a paper arguing that the Fed's adoption in 2020 of a flexible average inflation target – and the forward guidance it gave to back that up – delayed the central bank's response to the price pressures that developed subsequently. (Brookings)
    a. The delay may have contributed to the inflation surge, and forced a more abrupt tightening that might have contributed to financial instability and eroding confidence in the central bank. (Bloomberg)
2. Bernanke and Blanchard attributed high inflation to strong demand and a tight labor market. They said that even after pandemic disruptions subsided, demand was so strong, reflecting the legacy of low rates and fiscal largess, and the labor market was significantly overheated, and this cause problems. Moreover, the initial surge of inflation had an echo: it lifted workers' expectations of short-term inflation, which then partly found its way into their wages.
    a. The authors didn't discuss the lower supply of labor (WSJ)

#5. In the unlikely event of a debt default, the Fed could take some action.

1. Abandon QT
2. Buy defaulted USTs (effectively, more QE)
3. Accept USTs that have lost value as collateral for loans (Bloomberg)

B. General Economy

#1. Inflation is far too high!

1. The headline PCE price index rose .4% in April and 4.4% YoY. The core increased .4% MoM and 4.7% YoY.
    a. If you take the core reading and exclude housing and goods, inflation was up .4% MoM and 4.6% YoY. This "core services" index may show the impact of labor costs. (It could also reflect higher margins.)
2. Real consumer spending increased .5% MoM. So you have strong consumer spending and high inflation.
3. Cleveland Fed Pres. Mester responded by saying that the FOMC would need to tighten more. The index is up 4.4% YoY. (Bloomberg) (WSJ)

#2. Immigrants are a key component of our economic growth.

1. People born outside the US made up 18.1% of the overall labor force in 2022, up from 17.4% last year and the highest level in data going back to 1996.
2. More foreign-born people joined the labor force than native-born Americans, accounting for more than half of the 3.1MM overall gain last year.
3. According to GS, the US population had ~2MM fewer people at the end of 2021 than it would have had if not for the pandemic and the labor force had ~1.6MM fewer. (WSJ)

#3. A Fed survey shows that Americans are struggling.

1. Approximately 73% of adults were "doing at least okay financially" as of October, down five percentage points from a year earlier and among the lowest levels since 2016.
2. The share of adults who reported being worse off financially in 2022 than in 2021 rose to 35%, the highest on record going back to 2014.
3. Nearly a quarter of respondents said that while their spending had increased in 2022, their incomes had not. 54% said their budgets had been affected "a lot" by higher prices.
    a. Roughly 2/3 said that they had stopped using a product or used less of it because of higher prices.
    b. 51% noted that they reduced their savings.
    c. About 28% reported going without some form of medical care in the last year because they couldn't afford it.
4. 18% said they responded to higher prices by working more or getting another job
5. Only 63% of adults surveyed said they would cover an unexpected $400 expense using cash or its equivalent, down from 68% the prior year.
6. 31% of non-retirees report their savings were on track for retirement; down from 40% in 2021. (Bloomberg) (WSJ)

#4. A new book suggests that AI will increase income inequality.

1. Two MIT professors have just published a book about artificial intelligence (*Power and Progress: Our thousand-Year Struggle Over Technology and Prosperity*). They say that there is nothing automatic about new technologies bringing widespread prosperity.
    a. Throughout history, powerful elites have seized control of new technologies and used them to enrich themselves and extend control over their subordinates.
        i. Better plows, crop rotation and mills enriched landlords and left peasants worse off.
        ii. The tech revolution from the 1980s forward has made bosses rich (increasing income inequality)
2. Now we use technology to gather more info on all of us and sell it to advertisers. Then we personalize ads.
    a. This is **surveillance capitalism**.
3. The authors' main fear is that AI will supercharge the current regime of surveillance, labor substitution and emotional manipulation. (Bloomberg)

#5. Returns have a high cost for retailers.

1. On average, the cost to process $100 of returned merchandise is ~$26.50. This includes, shipping, warehousing and labor.
2. 66% of retailers charge for returns. Interestingly, some 69% of shoppers said they would stop shopping at retailers who charge for returns and 49% said they would pay more up front for free returns.
3. Some companies with high return rates (e.g., dress retailers) started offering shoppers a discount of 10% to 70% if they agreed to give up the right to return what they were buying. Approximately 14% opted for the discount. (WSJ)

C. Banks

#1. JPM is huge!

1. JPM has opened branches in 25 new states plus Washington D.C. since 2018. It has nearly **4,800 locations** and is in every state in the Lower 48. It added another 93 locations when it bought First Republic.
2. JPM now has more than **13% of the nation's deposits and 21% of all credit-card spending**. Its investment bankers bring in more revenue than all of their Wall Street rivals. (WSJ)

#2. The U.S. is moving more in the direction of "narrow banking."

1. America is relying less on traditional banks – part of reform known as "narrow banking."
    a. The basic idea is to separate lending and deposits.
        i. Banks would hold very safe assets (such as gov't bonds) – limiting the risks from bank insolvency and bank runs
        ii. Loans would be made by commercial credit lenders and other non-bank sources.
    b. Part of the concern with traditional banking is that the FDIC ends up insuring a lot of uninsured deposits.
        i. Otherwise, runs would cause even larger problems.
2. Narrow banking has been plagued by two problems:
    a. There have never been enough safe assets to satisfy the demands of depositors.
        i. Now, we have more debt – you rarely hear that as a positive!
            1. Of course, not all of it is short-term.
            2. Bank deposits were $17.5T in March
    b. Excessive investment in gov't securities tends to crowd out private investment.
        i. Private equity and other sources make this less of a concern (Bloomberg)

#3. Other ideas about banking

1. Banks' franchise value is a much more questionable concept today.
    a. There has been a long-held belief that the value of a lender's deposit business increases as interest rates increase. The idea is that banks don't increase rates (that they pay depositors) as much and deposits are sticky. Investors are now questioning this franchise value. (WSJ)
2. Once the Treasury issues more debt, this will create competition for bank deposits. (WSJ)

V. China and Russia

#1. Chinese government debt is huge.

1. GS estimates that China's total government debt is ~$23T, a figure that includes the hidden borrowing of thousands of financing companies set up by provinces and cities.
   a. The risk is that they will have to cut spending or divert money from projects.
2. Beijing has been pushing local governments to curb debt risks for years, especially the "hidden" kind – referring to debt raised by financing vehicles on behalf of municipalities, but which doesn't show up on the balance sheets of the localities.
3. In addition, many of China's cities don't have the workforce to sustain faster economic growth and tax revenue. (Bloomberg)

#2. Investors were expecting higher growth in China.

1. China's muted economic rebound and Beijing's reluctance to deploy large-scale stimulus are reverberating around the globe, crushing commodity prices and weakening equity markets.
   a. Recent data suggest GDP growth this year will be closer to the government's 5% target (that many believed was too low). Industrial activity is lagging. Consumer services are leading the rebound.
2. Here's what we're seeing:
   a. Chinese stocks have given back approximately half of the gains from the re-opening trade.
   b. The yuan is now trading at less than 7-per-dollar.
   c. The property market is still slow as developers work through problems.
   d. Infrastructure spending is limited due to local government debt.
   e. Global commodity prices are lower. China is the world's largest buyer of items like crude oil and copper. Its steel industry accounts for well over half of global iron ore demand. (Bloomberg)

#3. China's economic coercion is worse than US economic coercion.

1. The G-7 complained about **economic coercion**. This is a reference to how China uses its economic heft to punish critics, countries and institutions uttering truths it doesn't like about things such as Taiwan, pro-democracy protests in Hong Kong, and repression in Xinjiang.
2. Of course, the US uses sanctions, export controls, and other coercive measures (foreign aid, loans for infrastructure projects, and trade agreements). The EU actually started talking about this when Trump wielded tariffs and other threats to impose its will.
3. There are differences between US and Chinese use of economic coercion:
   a. US sanctions are typically much more transparent; China's are more opaque.
   b. The US tries to use sanctions to punish non-democratic nations; China uses it to punish countries that speak the truth. (Bloomberg)

#4. It's insane to think of China as a neutral peacemaker with respect to Russia's invasion.

1. China's envoy to Europe suggested that European countries should ignore the US and urge an immediate cease-fire in Ukraine, leaving Russia in possession of the parts Ukraine that it now controls.
    a. My response to Comrade/Dictator Xi Jinping is that I think China should similarly leave the Taiwanese people in possession of the parts of Taiwan that they now control – meaning all of it.
2. Apparently, the Chinese envoy encouraged Europe to consider China as an economic alternative to Washington.
    a. Yes, an evil, untrustworthy alternative. But an alternative all the same. I'm not quite sure how we're supposed to trust a country with internment camps or a country that promised Hong Kong 50 years of autonomy and cut that promise after 20 years. Or a country that has not spoken out against Russia's invasion of Ukraine. (WSJ)

#5. Putin is trying to sow discord in the US.

1. Putin has announced sanctions on ~500 Americans. (Maybe these Americans are responsible for Russia's genocide?) Interestingly, of the 500 Americans on the list, many have nothing to do with Russia or policy. They are domestic foes of former Pres. Trump.
    a. Examples include:
        i. Letitia James – the NY AG who is suing Trump for fraud
        ii. Brad Raffensperger – the GA Sec'y of State who resisted Trump's urging to find votes
        iii. Michael Byrd – the police officer who shot and killed a pro-Trump rioter on Jan. 6
        iv. Barack Obama
        v. Stephen Colbert
2. Clearly, Putin is trying to sow division and discord in the US (Bloomberg)