



Hi "[FNAME]", here's what you need to know for September 15th in 3-minutes.

Quote of the Day
"Play by the rules, but be ferocious"
- Phil Knight

TODAY'S TOP STORIES

- 1. Short-seller calls Nikola Motors an "intricate fraud". The SEC is investigating the claim. Do these claims have any merits?
2. The legalization of sports betting across America is looking more and more like the California Gold Rush of 1848. ESPN - Caesars - DraftKings strike major deal.

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STOCK MARKET PERFORMANCE as of 09/14/2020

Table with 4 columns: Index, Price Level, 1-Day, YTD. Rows include S&P 500 Index, Dow Jones Index, NASDAQ, Gold, and 10-Year Treasury.

Table with 2 columns: Top Gainers, Top Decliners. Rows include Tesla, Kohls, Tapestry, Citigroup, Kroger, and Coty.

What is Driving Markets Today?
U.S. stock futures point to a slightly negative market open today after the market kicked off the week with a broad-based rally.
The Trend - The combination of positive Covid-19 vaccine news by AstraZeneca and major tech deals by Nvidia and Softbank creates bullish sentiment.



TOP STORY 1: Is Nikola a fraud?

What? - Shares of Nikola closed up 11% Monday as the electric vehicle startup disputed fraud claims made last week by short-selling firm Hindenburg Research. The accusations came days after General Motors said it is taking an 11% stake in Nikola. Shares are still down almost 34% in a week.
Why? - On Sep. 10, Hindenburg Research called Nikola an "intricate fraud".
Hindenburg Research's argument: Among many accusations is that a 2018 promotional video was misleading because it gave the impression that a prototype was capable of being driven when the truck had in fact been rolled down a hill.
Access the short-seller's full report here.
Nikola's convenient rebuttal was that "it never claimed the truck was driving under its own propulsion". Nikola also asked the SEC to investigate the short-seller's claims, since the company lost 34% of its value in a week.
Access the company's full report here.
The Takeaway: It is wise to stay on the sidelines during a "he said, she said" argument between a short-seller and a company. If anything, expect a lot of volatility in Nikola stock in the coming days or weeks.
Who are short-sellers? - Short-sellers pride themselves on their ability to sniff out fraud sooner than regulators or other investors. Many times they are correct, but many times they are wrong. Their positions gather a lot of attention because often times when they bet against a company they publish provocative research on why the company's stock should fall.



TOP STORY 2: Sportsbetting market heating up

What? - DraftKings and Caesars announced Monday a deal with Disney's ESPN that will feature their content on the network's digital and TV platforms. Shares of DraftKings (DKNG) and Caesars (CZR) jumped 12% and 7% on the news. As part of the agreement, ESPN's website will link exclusively to the two companies' sportsbooks.
Why? - There are now 22 states, plus Washington D.C., that have legalized sports betting. Another seven have active legislation considering it, as of Aug. 17. Also, as states face revenue shortfalls due to the Covid-19 pandemic, they could be incentivized to speed up legalization to plug budget holes. The CEO of Caesars called the further legalization of sports betting one of the biggest growth opportunities for the gaming industry in over two decades.
The Takeaway: The sports betting industry is on fire. DraftKing's is up 170% since going public in April. There is a lot of speculation built into these stocks. Tread carefully.

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DEAL CORNER:

- Verizon buying TracFone Wireless (the largest mobile virtual network operator) for up to \$6.9 billion
Oracle submits TikTok bid to U.S. Treasury, Edging out Microsoft. It seems that Oracle won't be taking full ownership of TikTok's American operations. It is now up to the White House to determine if that deal is acceptable or not.
Spreadsheet startup Airtable taps funding at \$2.5 billion value.
Alibaba is said to invest \$3 billion in Southeast Asian ride-hailing giant Grab.

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WHAT'S MOVING AFTER HOURS:

- Netflix: Shares of the streaming video giant ticked up 1.4% in extended trading after KeyBanc Capital Markets initiated coverage of the company with an overweight rating (24% upside).
Nikola: The electric car stock sank 7.8% in extended trading following a Bloomberg News report that the Securities and Exchange Commission will examine the company after a short-seller report.
Camping World Holdings: Shares of the outdoors company rose more than 5% in extended trading after Camping World released an outlook for 2021 and goals for the years ahead.

WHAT ELSE IS HAPPENING:

George Washington University Enrollment Drops 24%: Some 67% of schools expect enrollment to decrease. Expect some institutions to close doors.
Pepsi is launching a sleep-aid drink. Pepsi's Driftwell drink is meant to help consumers relax and unwind before bed. Pepsi is releasing the drink because a lot of consumers are struggling with pandemic induced stress. The drink will be available this December.
Billionaire Steven Cohen reached a deal to buy the New York Mets baseball team on Monday.

EARNINGS TODAY:

Adobe (ADBE), FedEx (FDX), Cracker Barrel (SCBRL)

EARNINGS TOMORROW:

Brady Corp (SBRC), Herman Miller (SMLHR)

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