

THE DAY AHEAD

MARKET RECAP at 4 pm ET

The **S&P 500** and the **Nasdaq** extended gains as Facebook's upbeat earnings added to optimism following the Federal Reserve's dovish remarks, while the **Dow** ended lower. **Treasury yields** fell on indications of weaker-than-expected inflation. The **dollar** slipped against the **yen**. **Brent oil** rose for a third day, while **U.S. oil** pared gains to trade lower. **Gold** prices edged higher.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	24997.67	-17.19	-0.07	26951.81	21712.53
Nasdaq	7281.74	98.66	1.37	7201.31	6457.13
S&P 500	2704.70	23.65	0.88	2690.44	2443.96
Toronto	15540.60	56.05	0.36	16586.46	13776.88
FTSE	6968.85	27.22	0.39	7001.94	6599.48
Eurofirst	1411.14	3.19	0.23	1410.26	1308.86
Nikkei	20773.49	216.95	1.06	20892.68	19241.37
Hang Seng	27942.47	299.62	1.08	27790.22	24896.87

TREASURIES	Yield	Price
10-year	2.6328	18 /32
2-year	2.4617	4 /32
5-year	2.4382	10 /32
30-year	3.0032	33 /32

FOREX	Last	% Chng
Euro/Dollar	1.1446	-0.27
Dollar/Yen	108.88	-0.13
Sterling/Dollar	1.3114	-0.02
Dollar/CAD	1.3140	-0.05
TR/HKEX RMB	94.83	0.20

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	54.01	-0.22	-0.41
Spot gold (NY/oz)	1320.32	0.81	0.06
Copper U.S. (front month/lb)	0.0279	0.0002	0.38
Reuters/CRB Index Total Return	186.54	-0.48	-0.26

S&P 500	Price	\$ Chng	% Chng
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GAINERS

Charter Communications Inc	331.05	41.14	14.19
General Electric Co	10.14	1.04	11.43
Facebook Inc	166.69	16.27	10.82
Coty Inc	7.76	0.54	7.48

LOSERS

DowDuPont Inc	53.81	-5.47	-9.23
H & R Block Inc	23.59	-1.94	-7.58
Tractor Supply Co	85.40	-4.22	-4.71
PayPal Holdings Inc	88.76	-3.66	-3.96

Coming Up



A file photo of people waiting in line at a stand during the Executive Branch Job Fair hosted by the Conservative Partnership Institute at the Dirksen Senate Office Building in Washington, U.S., June 15, 2018. REUTERS/Toya Sarno Jordan

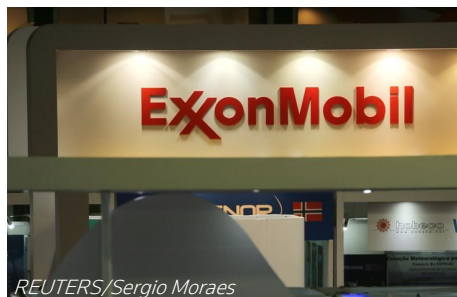
The Labor Department's closely watched employment report is expected to show a moderation in job growth in January, with **nonfarm payrolls** expected to have increased by 165,000 jobs after jumping 312,000 in December. The **unemployment**

rate is seen unchanged at 3.9 percent. **Average hourly earnings** are expected to have increased 0.3 percent after climbing 0.4 percent in December. That is expected to keep the annual increase in wages at 3.2 percent.

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Non-farm payrolls for Jan	0830	165,000	312,000
Private payrolls for Jan	0830	170,000	301,000
Manufacturing payrolls for Jan	0830	17,000	32,000
Unemployment rate for Jan	0830	3.9 pct	3.9 pct
Average earnings mm for Jan	0830	0.3 pct	0.4 pct
Average earnings yy for Jan	0830	3.2 pct	3.2 pct
Average workweek hours for Jan	0830	34.5 hrs	34.5 hrs
Markit Manufacturing PMI Final for Jan	0945	--	54.9
Construction spending mm for Dec	1000	0.2 pct	-0.1 pct
ISM Manufacturing PMI for Jan	1000	54.2	54.1
ISM Manufacturing Prices Paid for Jan	1000	54.5	54.9
U Mich Sentiment Final for Jan	1000	90.8	90.7
Wholesale inventory R mm for Nov	1000	0.5 pct	--
Wholesale sales mm for Nov	1000	-0.1 pct	-0.2 pct
Domestic car sales for Jan	1530	--	3.99 mln
Total vehicle sales for Jan	1530	17.20 mln	17.55 mln





REUTERS/Sergio Moraes

Chevron reports fourth-quarter results. Investors will look for how the fallout of U.S. sanctions on Venezuela will affect this year's operations. The company is the last remaining U.S. oil major with production operations in the South American country and is a big buyer of its heavy oil. **Exxon Mobil**, the world's largest publicly-traded oil company, is also expected to release their fourth-quarter results before the market opens.

Drugmaker **Merck & Co Inc** is expected to

report higher fourth-quarter sales, fueled by market-share gains for its cancer immunotherapy, Keytruda. Investors will focus on quarterly Keytruda revenue and the company's full-year forecast as well as comments on business development and future M&A plans.

Honeywell International Inc is expected to report a rise in fourth-quarter revenue. Investors would look for full-year forecast and cash deployment in 2019.

Health insurer **Cigna Corp** will report its fourth-quarter result. Investors will get a glimpse of its performance as a combined entity with Express Scripts, which it bought for \$52 billion last year. They will focus on the company's forecast for the year as well as comments on broader trends in the health insurance industry.

Federal Reserve Bank of Dallas President **Robert Kaplan** participates in moderated

question-and-answer session before the Texas Lyceum Public Conference.

U.S. **wholesale inventories** is expected to increase by 0.5 percent in November. The U.S. **construction spending** is expected to rise by 0.2 percent in November after a fall of 0.1 percent in October.

The Institute for Supply Management is expected to report that its **national manufacturing index** in January would be at 54.2, compared to its December reading of 54.1. The University of Michigan is likely to confirm that its **consumer sentiment** index fell to a more than two-year low of 90.8 in January.

LIVECHAT – CHARTS & CHAT

Reuters Stocks Buzz writer and Chartist Terence Gabriel calls out risks and opportunities in global markets via the charts. (0930 ET/1430 GMT) To join the conversation, [click here](#)

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Aon PLC	Q4	BMO	\$2.12	\$2.13	\$2.35	\$2,817.55
Chevron Corp	Q4	BMO	\$1.90	\$1.87	\$0.72	\$46,134.36
Dominion Energy	Q4	BMO	\$0.89	\$0.90	\$0.91	\$3,428.18
Exxon Mobil	Q4	08:00	\$1.07	\$1.08	\$0.88	\$77,276.77
Honeywell International	Q4	BMO	\$1.89	\$1.89	\$1.85	\$9,702.32
IDEXX Laboratories	Q4	BMO	\$0.90	\$0.90	\$0.77	\$546.35
Illinois Tool Works	Q4	08:00	\$1.83	\$1.82	\$1.70	\$3,614.27
Johnson Controls International PLC	Q1	BMO	\$0.24	\$0.24	\$0.54	\$5,478.49
LyondellBasell Industries NV	Q4	BMO	\$2.30	\$2.26	\$2.73	\$9,609.84
Merck & Co	Q4	BMO	\$1.03	\$1.03	\$0.98	\$10,946.28
Roper Technologies	Q4	BMO	\$3.13	\$3.13	\$2.70	\$1,351.14
Simon Property Group	Q4	BMO	\$1.91	\$1.90	\$1.84	\$1,458.12
Weyerhaeuser	Q4	BMO	\$0.11	\$0.11	\$0.31	\$1,689.48
Zimmer Biomet Holdings	Q4	06:00	\$2.17	\$2.17	\$2.10	\$2,062.32

*Includes companies on S&P 500 index. **Estimates may be updated or revised; release times based on company guidance or past practice.

I/B/E/S EPS and revenue estimates, and StarMine Smart Estimates, provided by Refinitiv.



Market Monitor

Major **indexes** extended their rally as strong earnings from Facebook added to optimism after the Federal Reserve's dovish remarks the previous day, while investors waited for the outcome of U.S.-China trade talks. **Facebook** jumped 10.82 percent, on track for its best day since January 2016 after its quarterly profit topped expectations. **General Electric** soared 11.43 percent. "There was a severe lack of trust in the Fed a month ago, and that has been relieved," said Craig Callahan, Chief Executive Officer of Icon Advisors in Denver. Better-than-expected results from many U.S. companies reporting in recent days are also fueling optimism on Wall Street, Callahan added. Of the 210 S&P 500 companies that have reported fourth-quarter results, 71 percent have topped profit estimates, according to Refinitiv data. **Microsoft** declined 1.83 percent. **Intel** slipped 0.88 percent. The **S&P communications services sector** surged 3.74 percent to 152.75. The Dow was dragged down by losses in **DowDuPont**, which fell 9.23 percent. The **S&P materials sector** dropped 1.54 percent to 333.98. Investors were awaiting the conclusion of the high-level talks between the United States and China, aimed at easing a six-month-old trade war that has battered financial markets. **Tesla** fell 0.57 percent. **Raytheon** fell 3.84 percent. The **Dow Jones Industrial Average** was down 0.08 percent at 24,996.06, while the **S&P 500** gained 0.86 percent to 2,704.15. The **Nasdaq Composite** added 1.37 percent to 7,281.74.

The **30-year Treasury yield** fell after manufacturing data disappointed and a measure of wage inflation came in weaker than expected, reinforcing the Federal Reserve's suggestion it may need to pause before lifting borrowing costs further. The 30-year notes rose 1-2/32, to yield 3.0 percent. **Two-year notes** rose 4/32, yielding 2.46 percent. The **benchmark 10-year notes** rose 18/32 to yield 2.63 percent.



Traders work on the floor of the New York Stock Exchange (NYSE) in New York, U.S., January 30. REUTERS/Brendan McDermid

The **dollar** fell against the **yen**, pressured by the Federal Reserve's cautious outlook on the U.S. economy, which suggested that the central bank is near the end of its tightening cycle. The euro slid against the dollar after Jens Weidmann, the Bundesbank president and a member of the European Central Bank Governing Council, painted a bleak picture of the German economy, saying the country's slump will last longer than initially thought. The **dollar** fell 0.14 percent against the **yen** to 108.87. The **euro** was down 0.27 percent against the **dollar** at \$1.1446. The **dollar index** edged up 0.23 percent to 95.56.

U.S. crude prices were lower as uncertainty about trade overtook bullish news about production cuts and U.S. monetary policy that drove prices higher early in the session. U.S. President Donald Trump said he would either strike a very big trade deal with China or "postpone" it, which sent oil traders scrambling to sell in the last day of trading for the March

contract. **WTI crude** fell 0.46 percent to \$53.98 a barrel. **Brent crude futures for March delivery** rose 0.41 percent to \$61.9 a barrel. Investors have been concerned about the outcome of the U.S.-China trade talks, which could shape the outlook for oil demand in the world's largest economies. The uncertainty overtook bullish sentiment driven by production cuts from the Organization of Petroleum Exporting Countries (OPEC) and its allies, including Russia. OPEC oil supply has fallen in January by the largest amount in two years, a Reuters survey found Thursday, as Saudi Arabia and its Gulf allies over-delivered on the group's supply-cutting pact while Iran, Libya and Venezuela registered involuntary declines.

Gold prices were steady after the U.S. Federal Reserve kept interest rates steady and said it would be patient on further hikes. Spot gold edged up 0.05 percent at \$1,320.22 per ounce. **Gold futures** were up 0.79 percent to \$1,320.20 an ounce.

Top News

General Electric's modest gains, candor spark 'relief rally'

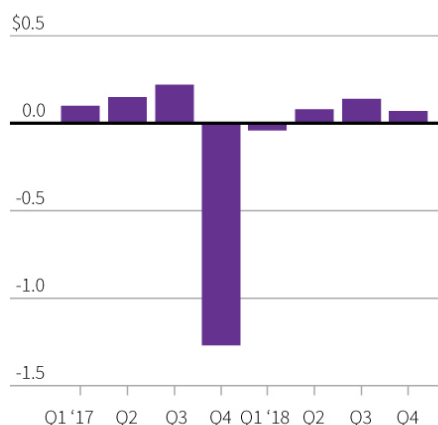
General Electric beat estimates for sales and cash flow in the fourth quarter and said it had reached a tentative deal to settle a subprime mortgage case with U.S. regulators, sending its shares sharply higher. GE stock briefly soared as profits and sales rose in its aviation, healthcare and oil-and-gas businesses, offsetting \$1 billion in cumulative losses at its power and capital units. GE's bond prices also rose sharply. The 2018 results cap one of GE's worst years, starting with an \$11 billion charge and disclosure of accounting investigations by U.S. regulators, and ending with fears about GE's liquidity and even the continued existence of what once was America's most famous and valuable company. GE also announced a settlement with the U.S. Department of Justice over its subprime mortgage practices before the 2008 financial crisis. GE will pay a \$1.5 billion civil penalty, money it has already set aside. GE booked a \$666 million profit for the fourth quarter and revenue rose 5 percent to \$33.3 billion, above analyst estimates of \$32.6 billion, according to Refinitiv IBES.

Intel makes interim CEO Swan permanent, bucking history of insiders

Intel made interim Chief Executive Officer Robert Swan's role permanent, marking the first time the chipmaker has picked a leader who did not rise through the company ranks. Swan, 58, who was previously Intel's chief financial officer, served as eBay's CFO for nine years before a stint in private equity and joining Intel in 2016. His career in corporate finance marks a sharp break from tradition at Intel, which has typically been led by engineers who spent decades at the company and time in both its microchip architecture and manufacturing businesses. Swan will be tasked with getting Intel's manufacturing operations back on track and fending off newer chip rivals that are eating into Intel's dominance in personal computers and data centers. Intel intends to keep manufacturing its flagship CPU chips but

GE earnings

EPS



Source: Thomson Reuters Datastream; company filings
By Jiachuan Wu and Stephen Culp | REUTERS GRAPHICS

remains open to using outsiders to make chips in newer markets like chips for cars or artificial intelligence, Swan told Reuters.

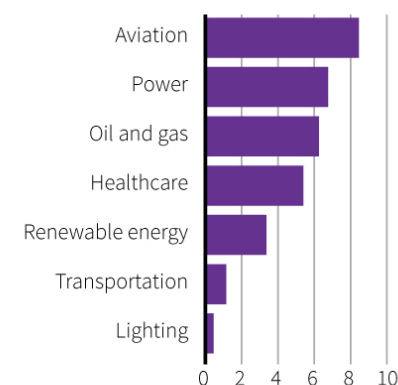
Mastercard, Visa warn of lower overseas spending in 2019

Mastercard and Visa indicated a drop in 2019 overseas spending by cardholders due to a strong dollar, an outcome of the U.S.-China trade dispute, a potential Brexit and geopolitical uncertainty in Latin America. Mastercard, which reported results, said cross-border payments volume fell 0.5 percent to 12 percent through Jan.28. Mastercard said cross-border payment volume would not be as rosy as last year when there was an uptick in transactions in Europe and a spike in cryptocurrency purchases. Mastercard said it expects adjusted net revenue growth in the low-teens percentage range, while Visa said it expects 2019 revenue growth of low double digits. Both companies beat Wall Street estimates for profit on the back of higher consumer spending in the holiday season and reported growth in overall transactions volume, largely due to gains in the United States and Europe.

UPS revamp bolsters profit in holiday quarter

United Parcel Service's multi-billion-dollar

SEGMENT REVENUE - Q4 2018, in billion \$



effort to revamp its network helped it exceed profit expectations in the crucial holiday fourth quarter, driving down costs as e-commerce deliveries surged to record levels. UPS also said its efforts would propel growth in adjusted operating profit by around 13 percent this year. UPS spent \$6.6 billion in 2018 as part of a three-year plan to automate package-sorting hubs, make routes more efficient and to upgrade airplanes and other equipment. Atlanta-based UPS affirmed planned capital spending of 8.5 percent to 10 percent of 2019 revenue, in line with 2018. Net income fell to \$453 million, or 52 cents per share, in the fourth quarter ended Dec. 31, from \$1.10 billion, or \$1.26 per share, a year earlier, when it booked a gain from changes to U.S. tax law. Revenue rose to \$19.85 billion from \$18.98 billion.

Exxon CEO combines exploration units to reverse output declines

Exxon Mobil outlined a major reorganization of its global exploration businesses aimed at reversing years of weak oil and gas output. Chief Executive Darren Woods, who took over the helm two years ago, has spent billions to buy production, build new pipelines and expand refineries after a series of costly misfires on deals under predecessor Rex Tillerson. Woods, who will address Wall



Street analysts on an earnings call Friday for the first time as CEO, has been pleading with investors for patience as he restructures its sprawling businesses. The Exxon veteran replaced Tillerson, who became U.S. Secretary of State in February 2017, and reorganized Exxon's refining operations that year. Exxon, which has spent heavily on U.S. shale and deep-water blocks in Brazil and Guyana, has posted lower output in nine of the last 10 quarters. The reorganization will fold seven companies into three as of April 1, merging units for production, exploration, development, gas and power marketing, and others. The new companies - ExxonMobil Upstream Oil & Gas Co, ExxonMobil Upstream Business Development Co and ExxonMobil Upstream Integrated Solutions Co - are designed to help the company double profits by 2025 and better coordinate oil and gas production with logistics and refining operations.

Sprint beats on revenue, loses fewer phone subscribers

Sprint posted third-quarter revenue that beat estimates while the U.S. wireless carrier lost fewer customers than expected even as it cut back on price promotions to improve financials. The company posted a net loss of 3 cents a share versus a net profit last year, when it benefited from a U.S. tax cut. Analysts had expected a loss of just 2 cent a share. Sprint lost a net 26,000 so-called "postpaid" phone subscribers who pay a recurring bill during the third quarter ended Dec. 31, fewer than the 32,000 subscriber losses analysts had expected, according to research firm FactSet. Sprint reported a net loss of \$141 million, or 3 cents per share, in the quarter, compared with a net income of \$7.16 billion, or \$1.76 per share, a year earlier, when the company benefited from a change in U.S. tax laws. Analysts were expecting the company to report a loss of 2 cents per share, according to IBES data from Refinitiv. Sprint said it continues to expect cash capital expenditures between \$5 billion to \$5.5 billion.

Raytheon's mixed quarter, modest forecast hurt shares

Raytheon disappointed investors by forecasting conservative 2019 profit and

revenue after reporting quarterly revenue below Wall Street expectations. Revenue in the quarter rose to \$7.36 billion from \$6.78 billion a year earlier boosted by higher demand for its weapons from the United States and its allies, but it missed estimates of \$7.46 billion, according to IBES data from Refinitiv. The company said it expected 2019 net sales to range between \$28.6 billion and \$29.1 billion, marginally below analysts' average expectation of \$29.01 billion, according to Refinitiv data. The U.S. weapons maker forecast 2019 profit in the range of \$11.40 to \$11.60 per share, below analysts' average estimate of \$11.78 per share, according to IBES data from Refinitiv. Net income jumped to \$832 million, or \$2.93 per share, in the quarter, compared with \$393 million, or \$1.35 per share, a year earlier, benefiting from lower taxes related to the U.S. tax overhaul.



Amazon removes numerous products from India site as new e-commerce rules bite

E-commerce rules that went into effect in India on Friday caused widespread disruption for Amazon.com, forcing it to take down an array of items from its India website including Echo speakers, batteries and floor cleaners. Two sources with direct knowledge of the matter said the products began to disappear from the Amazon India site late on Thursday as it began complying with the revised norms before a midnight deadline. In December, India modified foreign direct investment (FDI) rules for its burgeoning e-commerce sector, which has drawn major bets from not only Amazon.com but also the likes of Walmart, which last year bought a majority stake in homegrown e-commerce player Flipkart. India's new e-commerce investment rules bar online retailers from

selling products via vendors in which they have an equity interest, and also from making deals with sellers to sell exclusively on their platforms. Clothing from Indian department store chain Shopper's Stop was also no longer available, as Amazon owns 5 percent of the company.

Hershey's earnings miss overshadows strong forecast

Hershey reported quarterly profit and sales that narrowly missed Wall Street estimates, hurt by lower prices, overshadowing a profit forecast for the full year that was largely above analysts' estimates. Hershey forecast full-year adjusted profit to be in the range of \$5.63 per share to \$5.74 per share, the mid-point of which at \$5.69 is above analysts' estimate of \$5.65 per share, according to IBES data from Refinitiv. Hershey also forecast full-year sales growth to be in the range of 1 percent to 3 percent in line with expectations. Hershey's net sales rose 2.5 percent to \$1.99 billion in the quarter ended Dec. 31, but narrowly missed the average analyst estimate of \$2 billion, weighed down by a 0.8 percent cut in average price aimed at boosting volumes. Net income attributable to the company surged to \$336.8 million, or \$1.60 per share, in the quarter, from \$181.1 million, or 85 cents per share, a year earlier.

Valero beats on profit, has stopped buying Venezuela crude

Valero Energy beat quarterly profit estimates and said it was well prepared for a fallout from sanctions imposed by the U.S. government on crude supplier Venezuela. The company, one of the largest buyers of Venezuelan crude in the United States, said it had stopped intake from the country after the U.S. slapped sanctions on Venezuelan state-owned oil firm PDVSA earlier this week. During the quarter, refining margins rose 26 percent to \$3.05 billion in the last three months of 2018. Valero plans to run its 14 refineries at up to 95 percent of their combined production capacity of 3.1 million bpd in the first quarter of 2019. On an adjusted basis, income attributable to Valero shareholders rose to \$900 million, or \$2.12 per share, in the fourth quarter ended Dec. 31, from \$509 million, or \$1.16 per share, a year earlier.





A pedestrian stops to take a photo by Chicago River, as bitter cold phenomenon called the polar vortex has descended on much of the central and eastern United States, in Chicago, Illinois, U.S., January 29. REUTERS/Pinar Istek

Insight and Analysis

COLUMN-Fed's patience should be a warning to investors: Kemp

The Federal Reserve's promise to be "patient" as it determines how to adjust interest rates in future has been welcomed by investors fearful that an economic slowdown could preface a slide into recession. The central bank's statement, issued following the conclusion of a two-day meeting of the interest-rate setting Federal Open Market Committee on Jan. 30, has sparked a limited relief rally in equity markets. But the committee's decision to put rate hikes on hold, at least for now, is a bearish rather than bullish sign for the economy and confirms that the risk of recession is elevated.

DEALTALK-Gold mines on market after mergers should interest mid-tier miners

Mid-tier miners such as Kinross Gold, Iamgold and Agnico Eagle Mines, seeking to bolster production, would likely bid for mines to be sold following two recent gold mega-mergers, investors and bankers said. Barrick Gold and Newmont Mining said they will focus on the best-performing mines following their respective acquisitions of Randgold Resources and Goldcorp. This has prompted expectations of mine sales around the world over the next few years. While the two acquisitions have spurred speculation about a pick up in long-dormant gold M&A, the difficulty of raising capital for larger deals makes single-asset transactions more likely, bankers said.

More U.S. companies discussing climate change in wake of hurricanes, wildfires

The bankruptcy of major California utility PG&E as a result of over \$30 billion in costs from California wildfires sparked by the state's prolonged drought will likely prompt more companies to discuss how they will respond to the effects of climate change on their businesses. Already, the trend is increasing. Nearly 50 companies mentioned climate change as a factor in their risk outlook or strategic decision-making on corporate earnings calls with analysts and investors over the last 12 months, more than double the number of companies discussing climate change 4 years ago, a Reuters analysis found.

CANADA

Market Monitor

Canada's **main stock index** ended higher as shares of precious metal miners gained on the back of higher gold prices.

Gains in the precious metal pushed the **materials sector** up 1.42 percent to 234.48. The **Toronto Stock Exchange's S&P/TSX composite index** was up 0.36

percent, at 15,540.60. **Eldorado Gold** jumped 27.46 percent after its decision to resume mining and heap leaching at Kisladag.

The **U.S. dollar** fell 0.05 percent against the **Canadian dollar** to C\$1.3140.

COMING UP

No major events are scheduled.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
Eldorado Gold Corp	4.92	1.06	27.46
Aphria Inc	11.41	1.36	13.53
Ivanhoe Mines Ltd	2.84	0.24	9.23
LOSERS			
Methanex Corp	71.60	-3.99	-5.28
Seven Generations Energy Ltd	10.20	-0.52	-4.85
Nuvista Energy Ltd	3.95	-0.20	-4.82

Top News

Canada's economy shrinks in November, supporting rate hike pause

The Canadian economy contracted as expected in November, adding to evidence of a domestic slowdown after a sharp drop in oil prices, a development that could keep the Bank of Canada on hold over the coming months. Canadian gross domestic product shrank by 0.1 percent in November from October, pulled down in part by weakness in wholesale trade, manufacturing and construction, Statistics Canada said. In separate data from Statistics Canada, Canadian producer prices fell by 0.7 percent in December, their second consecutive sharp month-on-month drop, thanks largely to cheaper energy and petroleum products.

Canada budget to include limited coverage for prescription drugs -sources

Canada's Liberal government will propose a limited expansion to the country's universal healthcare system in the spring budget, to cover part of the cost of prescription drugs, sources with direct knowledge of the matter told Reuters. The modest broadening of the healthcare program is set to become one of Prime Minister Justin Trudeau's key campaign promises ahead of the October election, which is shaping up to be a close fight. The government would not commit to meeting 100 percent of the cost of prescription drugs for those who have no insurance through their workplace, the sources said. That suggests the government is leaning

toward a narrower, more insurance industry-friendly model of pharmacare, as it is called, than that recommended by a government health committee last year.

Bank of Canada sees sluggish wage growth picking up in 2019

Stubbornly low wage growth in Canada should start picking up later this year as the economy overcomes a slowdown caused by weak oil prices and housing market softness, Carolyn Wilkins, a senior deputy governor at the Bank of Canada, said. The central bank has long fretted over the anemic growth in compensation despite a tight labor market. The national average year-over-year wage growth of permanent employees remained at 1.5 percent in December, the lowest since the 1.2 percent recorded in July 2017.

Bankrupt oil firms must clean up inactive wells -Canada court

Canada's Supreme Court ruled that bankrupt oil companies must clean up inactive wells, overturning lower court decisions that prioritized paying creditors and potentially raising the risks of investment in the industry. The 5-2 ruling means that the Alberta Energy Regulator, which had appealed the earlier court decisions, can order the cleanup of inactive wells even when their owners have filed for bankruptcy protection. Investors may now avoid companies with higher risk of abandonment liability, such as Cardinal Energy, Bonavista Energy and Obsidian

Energy, analysts at Raymond James said in a note.

Canada paid high price for oil pipeline, faces delay risks -watchdog

The Canadian government paid a high price for the Trans Mountain oil pipeline last summer, and delays in expanding it could reduce its resale value, a watchdog on the country's public finances said. Prime Minister Justin Trudeau's government purchased the Trans Mountain pipeline and a related expansion in August from Kinder Morgan Canada, fearing the company might abandon the capacity expansion. The project and others like it have faced stiff opposition in Canada from environmental groups and some local governments. The Canadian government paid C\$4.4 billion for the pipeline, related assets and the expansion project and intends to eventually sell it.

Jeff Bezos' Blue Origin signs launch deal with Canada's Telesat

Jeff Bezos' rocket company, Blue Origin, has signed a deal with Canada's Telesat to launch part of a satellite constellation aimed at providing speedy internet access to governments and businesses globally, the companies said. The contract adds an important customer to Blue Origin's manifest as Bezos' space venture works to grab a share of the lucrative but crowded launch services market with its still-in-development heavy-lift New Glenn rocket planned for 2021.



WEALTH NEWS

JOBS DATA

U.S. weekly jobless claims jump to near 1-1/2-year high

The number of Americans filing applications for unemployment benefits surged to near a 1-1/2-year high last week, but economists dismissed the jump as a fluke and said temporary factors, including a partial government shutdown, were to blame. Initial claims for state unemployment benefits jumped 53,000 to a seasonally adjusted 253,000 for the week ended Jan. 26, the highest level since September 2017. The Employment Cost Index increased 0.7 percent after an unrevised 0.8 percent rise in the third quarter. Separately, the Commerce Department reported new home sales vaulted 16.9 percent in November to a seasonally adjusted annual rate of 657,000 units.

U.S. jobless claims



TRADE TALKS

Trump wants 'very big' U.S.-China trade deal, hints at delays

President Donald Trump said he wanted a "very big" trade deal with China, but signaled there could be delays if negotiations fail to meet his goals of opening the Chinese economy broadly to U.S. industry and agriculture.

BLACKSTONE EARNINGS

Blackstone earnings sink 42 percent on lower fees; managed assets hit record

Blackstone said fourth-quarter earnings slumped 42 percent from a year earlier to \$722 million, hurt by lower performance fees. The U.S. private equity firm also said it would buy a controlling stake in midstream energy company Tallgrass Energy for \$3.3 billion. To read more, [click here](#)

APOLLO GLOBAL POSTS RESULTS

Apollo reports first full-year loss since 2011 after rocky fourth quarter

Apollo Global Management reported a loss for the last quarter of 2018, contributing to the firm's first year in the red since 2011 as falling equity markets diminished the value of its investments on paper.

ACQUISITION

Berry Global weighs bid for packager RPC in challenge to Apollo

Berry Global is considering a cash offer for British packager RPC in a challenge to a 3.3 billion pound bid from the U.S. company's former parent, Apollo Global.

WALL STREET ON TESLA

Musk not worried about Tesla Model 3 demand, Wall Street thinks otherwise

Tesla shares fell as Wall Street wondered if demand for its mass market Model 3 sedan could be sustained while it tries to make substantial inroads in China.

REUTERS POLL

Global funds raise equities to highest in nearly a year

Global investors recommended an increase in equity holdings to the highest in almost a year, with a majority of funds polled by Reuters this month saying the pull-back in stocks has run its course.



Large waves crash over a train as it passes through Dawlish in southwest Britain, January 31. REUTERS/Toby Melville

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