

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Stocks tumbled as new coronavirus cases reported around the world surpassed those in mainland China, raising worries over its economic impact. The **benchmark 10-year note** hit an all-time low for the third consecutive day. The **dollar** fell as traders hoped for a potential Federal Reserve rate cut. **Gold** pared gains on profit booking. Lingered demand concerns weighed on **oil** prices.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	25760.16	-1197.43	-4.44	29568.57	24680.57
Nasdaq	8566.48	-414.30	-4.61	9838.37	8927.80
S&P 500	2978.66	-137.73	-4.42	3393.52	3108.99
Toronto	16717.44	-324.48	-1.90	17970.51	15891.94
FTSE	6796.40	-246.07	-3.49	7689.67	6871.85
Eurofirst	1519.76	-57.27	-3.63	1691.19	1532.64
Nikkei	21948.23	-477.96	-2.13	24115.95	22127.42
Hang Seng	26778.62	82.13	0.31	29174.92	26145.59

TREASURIES	Yield	Price
10-year	1.2772	10 / 32
2-year	1.0794	4 / 32
5-year	1.0847	7 / 32
30-year	1.7779	15 / 32

FOREX	Last	% Chng
Euro/Dollar	1.0992	1.01
Dollar/Yen	109.80	-0.56
Sterling/Dollar	1.2889	-0.11
Dollar/CAD	1.3377	0.35
TR/HKEX RMB	93.62	0.08

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	46.89	-1.84	-3.78
Spot gold (NY/oz)	1639.79	0.21	0.01
Copper U.S. (front month/lb)	0.0257	0.0000	-0.10
CRB Index Total Return	173.07	-3.35	-1.90

S&P 500	Price	\$ Chng	% Chng
GAINERS			
Quanta Services Inc	39.42	2.34	6.31
Apache Corp	25.06	0.63	2.58
HanesBrands Inc	12.86	0.19	1.50
LOSERS			
FLIR Systems Inc	44.43	-9.67	-17.87
Perrigo Company PLC	51.61	-8.84	-14.62
Chipotle Mexican Grill Inc	755.56	-91.73	-10.83

Coming Up



A file photo of the headquarters of Spirit AeroSystems Holdings Inc, seen in Wichita, Kansas, U.S. December 17, 2019. REUTERS/Nick Oxford

Spirit AeroSystems Holdings Inc is expected to report lower profit for the fourth quarter, hurt by a production halt of the 737 MAX aircraft. The company, Boeing Co's biggest supplier, is unlikely to give a financial outlook for 2020 until the plane is cleared by regulators to fly again and production resumes.

Consumer spending data for the United States is expected to show spending remained unchanged at 0.3% in January. The **University of Michigan's consumer sentiment index** is likely to show a final reading of 100.9 for February.

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Personal income mm for Jan	0830	0.3%	0.2%
Personal consumption real mm for Jan	0830	--	0.1%
Consumption, adjusted mm for Jan	0830	0.3%	0.3%
Core PCE price index mm for Jan	0830	0.2%	0.2%
Core PCE price index yy for Jan	0830	1.7%	1.6%
PCE price index mm for Jan	0830	--	0.3%
PCE price index yy for Jan	0830	--	1.6%
Advance goods trade balance for Jan	0830	--	-\$68.67 bln
Wholesale inventories advance for Jan	0830	--	-0.2%
Retail inventories ex-auto advance for Jan	0830	--	0.0%
Chicago PMI for Feb	0945	45.9	42.9
U Mich Sentiment Final for Feb	1000	100.9	100.9
U Mich Conditions Final for Feb	1000	114.0	113.8
U Mich Expectations Final for Feb	1000	--	92.6
U Mich 1 year inflation final for Feb	1000	--	2.5%
U Mich 5-year inflation final for Feb	1000	--	2.3%
Dallas fed PCE for Jan	1200	--	1.7%

Market Monitor

Wall Street's main indexes plunged in their sixth straight day of declines with the **S&P 500** confirming its fastest correction in history as the rapid global spread of coronavirus intensified investor worries about economic growth. Governments battling the epidemics from Iran to Australia shut schools, canceled big events and stocked up on medical supplies. And in the United States, the Centers for Disease Control and Prevention late Wednesday confirmed an infection in California of unknown origin. Industry analysts and economists continued to sound the alarm as they assessed the fallout of the outbreak, with Goldman Sachs saying U.S. firms will generate no earnings growth in 2020. Bucking the trend, 3M Co was up 0.77% after an analyst upgraded the stock, citing possible benefit from higher sales of respirator masks during the outbreak. The **Dow Jones Industrial Average** fell 4.44% to 25,760.16, the **S&P 500** lost 4.43% to 2,978.4 and the **Nasdaq Composite** dropped 4.61% to 8,566.48

Treasury yields steadied following sharp declines as coronavirus concerns led investors to pile into safe-haven assets, with the yield on the benchmark 10-year note reaching an all-time low for the third consecutive day. Analysts said the rush to safety came as more coronavirus cases were reported worldwide, drawing buyers for U.S. government debt from among investors dumping equities and other assets, as well as regular fixed-income customers. The Treasury Department sold \$32 billion in **7-year notes** at a high yield of 1.247%. The bid-to-cover ratio was 2.49. The **benchmark 10-year notes** were last up 9/32 to yield 1.28%, after the yield reached a record low of 1.2408%. The **two-year notes**



Traders work on the floor at the New York Stock Exchange in New York, February 27.

were 4/32 higher, yielding 1.07%.

The **dollar** fell as investors bet the Federal Reserve would cut interest rates to offset the impact of the spreading coronavirus, lifting the **euro**. Money markets are now fully pricing in one 25 basis point cut in U.S. interest rates by April and three by March 2021. Expectations for a European Central Bank rate cut have also risen; money markets now price a more than 80% chance of a 10 basis point rate cut in July. Against the **dollar**, the **euro** rose 1.01% to 1.0992. The **dollar index** dropped 0.54% to 98.46.

Oil prices tumbled as further novel coronavirus cases outside China fanned fears that a pandemic could slow the global economy and erode demand for crude. The crude market is watching for possible deeper output

cuts by the Organization of the Petroleum Exporting Countries and its allies including Russia, a group known as OPEC+, set to meet in Vienna on March 5-6. The group is currently reducing supply by roughly 1.2 million bpd to support prices. **Brent crude** dropped 2.73%, to \$51.97 a barrel, while **U.S. crude** sank 3.78%, \$46.89 a barrel.

Gold pared gains as investors booked profits on mounting worries about how the coronavirus outbreak might hurt the global economy. "No one knows what the impact (of the coronavirus) will be. It's clearly reducing economic activity in many parts of the world," said Jeffrey Christian, managing partner of CPM Group. **Spot gold** inched up 0.03% to \$1,640.12 per ounce. **Gold futures** dipped 0.09% to \$1,641.60 an ounce.



In Focus: Coronavirus Threat Spreads



Passengers wearing masks are seen arrival at the Shanghai railway station in Shanghai, China, as the country is hit by an outbreak of a new coronavirus, February 27. REUTERS/Aly Song

U.S. ramps up fight against coronavirus; stocks fall on worries about economic impact

President Donald Trump's administration is considering invoking special powers to rapidly expand domestic production of protective masks and clothing to help combat the coronavirus in the United States, two U.S. officials told Reuters. The move would be part of ramped-up efforts by U.S. officials to guard against the virus's spread in the United States, where the number of confirmed cases is still relatively small at 60, most of them repatriated American passengers from the Diamond Princess cruise ship docked in Japan. HHS Secretary Alex Azar told a House of Representatives committee that at least 40 public health labs should now be able to test specimens for coronavirus and that could more than double as soon as Friday.

No country will be spared, warn experts, as fight against coronavirus ramps up

No country should make the "fatal mistake" of assuming it will be spared the coronavirus, the World Health Organization said on Thursday, as governments from Iran to Australia raced to contain the epidemic's rapid global spread. With new infections

reported around the world now surpassing those in mainland China, WHO Director General Tedros Adhanom Ghebreyesus said even rich nations should prepare for surprises.

U.S. firms set for zero profit growth this year as virus spreads - Goldman Sachs

U.S. companies will see profits stagnate in 2020 thanks to the spread of the coronavirus in China and beyond, Goldman Sachs said, slashing its expectations for average corporate earnings this year. In a note to clients, the bank cut its baseline earnings per share estimate for S&P 500 companies to \$165 from \$174 in 2020, implying that profits would remain unchanged from a year ago. Meanwhile, Goldman is asking people not to attend the bank's New York conference next week if they or someone they are close to had recently traveled to China, South Korea or parts of Italy, according to the conference website. To read more, [click here](#)

Microsoft shares slip after warning of coronavirus hit to supply chain

Shares of Microsoft fell after the company warned of weakness in its PC business after a hit to its supply chain from the coronavirus outbreak, echoing similar statements from Apple and HP.

Microsoft said on Wednesday its supply chain was taking longer to return to normal operations than expected, and its Windows and Surface computers had taken a bigger hit than feared. Shares of Microsoft ended 7.05% lower at \$158.18. Meanwhile, Facebook said it would cancel its annual developer conference due to fears over the coronavirus outbreak and Microsoft followed suit by withdrawing from a gaming conference scheduled for next month. To read more, [click here](#)

Tesla shares slump as coronavirus hits China car registrations

Shares of Tesla fell on concerns about the impact of the coronavirus on the electric-car maker's vehicle registrations in China. Data from LMC Automotive showed that 3,563 Tesla vehicles were registered in China in January, up from 853 vehicles a year earlier, but down from the 6,613 vehicles registered in December. Tesla registrations fluctuate significantly from month to month, LMC data showed. The automaker typically delivers many more vehicles in the final month of a quarter than in the first month. In October 2019, Tesla owners registered just 763 vehicles, LMC data showed. Shares of the company ended 12.81% lower at \$679.

Pfizer warns of hit to financial results on continued coronavirus outbreak

Pfizer warned that the continued spread of the coronavirus globally could have an adverse impact on its business and financial results. The outbreak could have an impact on the company's manufacturing, supply chain and clinical trial operations, Pfizer said under the risk factors section of a regulatory filing. "The extent to which the coronavirus impacts our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence," the drugmaker added.



Top News

Best Buy warns of profit, sales hit on coronavirus fallout

Best Buy Co forecast largely lower-than-expected annual profit and sales as electronics makers curb manufacturing due the coronavirus epidemic. The tepid forecast overshadowed robust online demand for smartphones and tablets during the crucial holiday season that helped the company beat quarterly profit and sales estimates. In mainland China, electronics manufacturers are grappling with a logistical nightmare as many of the workers they depend on cannot return to work, hindered by travel and quarantine restrictions. The company forecast fiscal 2021 adjusted earnings per share of \$6.10 to \$6.30, largely below expectations of \$6.25. It expects same-store sales growth of flat to 2%, compared with expectations of a 1.9% rise, and said this reflects its best estimate of the coronavirus impact. In the fourth quarter, Best Buy's overall same-store sales rose 3.2%, beating analysts' average estimate of a 1.9% increase, according to IBES data from Refinitiv. The company's domestic comparable online revenue increased 18.7% to \$3.52 billion in the quarter ended Feb. 1. Revenue rose 2.7% to \$15.20 billion, beating the estimate of \$15.05 billion. Excluding one-time items, the company earned \$2.90 per share, ahead of expectations of \$2.75 per share. Net profit rose 1.4% to \$745 million in the quarter. Shares of the company ended 4.72% lower at \$78.30.

J.C. Penney comparable sales outlook disappoints while earnings beat estimates

J.C. Penney Co projected a bigger comparable sales fall than market expectations for 2020, even after reporting better-than-expected results for the holiday quarter on strength of its women's apparel business. Plano, Texas-based Penney has struggled for years to excite consumers with its mid-

priced range of apparel, and has lost a lot of shoppers to online behemoths like Amazon.com and off-price retailers like TJX Cos as it reworks its business strategy. Penney expects to close at least six store locations in 2020, it said. The retailer has also partnered with resale clothing company thredUP and relaunched its a.n.a brand with new all-inclusive sizes of jeans, fits and fabrics to appeal to younger consumers. "We are beginning to see results," CEO Soltau said. "Women's apparel had a sequential improvement from the third to fourth quarter." However, the company also said it expects comparable sales in fiscal 2020 to fall between 3.5% and 4.5%, much more than the Wall Street estimate of a 1.22% drop. Sales at stores open for more than a year fell 7% in the quarter ended Feb. 1 compared with expectations of a 7.3% slide, according to data from IBES Refinitiv. Revenue fell 7.7% to \$3.49 billion, slightly above expectations of \$3.44 billion. Net income fell to \$27 million, or 8 cents per share, from \$75 million, or 24 cents per share, a year earlier. On an adjusted basis, it earned 13 cents in the quarter, surpassing the estimate of a 6 cent loss.

PayPal sees revenue hit from coronavirus outbreak

Payments processor PayPal Holdings said it expects first-quarter revenue to be at the lower end of its previously forecast range, as online transactions globally took a hit from the coronavirus outbreak. PayPal, which derives nearly half of its total revenue from international operations, forecast first-quarter revenue of \$4.78 billion to \$4.84 billion last month. "We currently estimate the negative impact from COVID-19 to be an approximate one percentage point reduction, to PayPal's year-over-year revenue growth for the first quarter," the company said. PayPal, however, said the negative impact of the virus was partially offset by strength in its diversified business, which includes its domestic operations. PayPal said it was reaffirming its first-quarter adjusted earnings of 76 cents to 78 cents per share. Analysts were expecting earnings of 78 cents per share and revenue of \$4.83 billion.

Facebook election reminder on hold in EU over data concerns - regulator

A Facebook feature that reminds users to vote has been put on hold in the European Union until the U.S. firm



A file photo of shopper leaving the J.C. Penney department store in North Riverside, Illinois, November 17, 2017. REUTERS/Kamil Krzaczynski

responds to concerns on the use of data gathered by it, Ireland's data regulator said. Since 2014, Facebook has posted reminders on its website during elections and referendums in EU countries with a button that allows users to indicate on their timeline whether they voted. But Ireland's Data Protection Commission said in a statement Facebook will not use the feature in elections in the European Union until concerns are addressed. The regulator did not specify what data might be gathered by Facebook or their specific concerns over how it might be used. Separately, Facebook will provide a way for people to track political sponsored content on Facebook and Instagram ahead of the U.S. presidential election, it said. To read more, [click here](#)

DoorDash files to go public in latest IPO test for unprofitable startups

DoorDash, the loss-making U.S. food delivery startup backed by SoftBank Group, said it has filed for an initial public offering (IPO), setting it up to be one of the most high-profile listings of 2020. "The number of shares to be offered and the price range for the proposed offering have not yet been determined," DoorDash said. "The initial public offering is expected to take place after the SEC (Securities and Exchange Commission) completes its review process, subject to market and other conditions." DoorDash competes with Uber Eats, GrubHub and Postmates Inc, and was last valued at around \$13 billion after its most recent funding round in 2019, according to data platform PitchBook.

FCC to propose fines for U.S. cellphone carriers over consumer data disclosures

The U.S. Federal Communications Commission is set to propose fining four major U.S. mobile phone companies at least \$200 million in total for improperly disclosing some consumer real-time location data, two people briefed on the matter said. The FCC is expected to announce the proposed fines on AT&T, Verizon Communications, Sprint Corp and T-

Mobile by Friday. The companies will be able to challenge the fines before they become final and the precise amount could change - and possibly increase - the sources said. FCC Chairman Ajit Pai confirmed in January that "one or more wireless carriers apparently violated federal law." The FCC said in May 2018 it was investigating reports that a website flaw could have allowed the location of mobile phone customers to be tracked. That probe expanded into other uses of consumers' location data by third-party firms.

EQT Corp sells half its stake in pipeline operator, strikes rate relief deal

EQT Corp said it renegotiated its gas transportation rates and sold half its stake in pipeline company Equitrans Midstream as the largest U.S. natural gas producer tries to cope with low fuel prices. U.S. natural gas prices are trading at their lowest in nearly two decades, hurting producers, many of whom have disclosed asset writedowns in the last few months. It has hedged 87% for 2020 and 26% for 2021, assuming flat production. EQT also reported a 5.2% fall in fourth-quarter sales volumes and posted a smaller-than-expected loss. Excluding items, the company posted a loss of 3 cents per share, smaller than analysts' average estimate of 21 cents, according to Refinitiv IBES.

Peloton settles music publishers' lawsuit over songs used in workout videos

Peloton Interactive has settled a lawsuit in which a music publishing trade group and 14 of its members accused the maker of stationary bicycles of streaming more than 2,400 songs without permission in its workout videos. In a joint statement, Peloton and the National Music Publishers' Association said they have also entered a collaboration agreement to "further optimize" Peloton's processes for music licensing. The trade group had been suing Peloton for more than \$300 million, accusing it of copyright infringement for using songs without first getting required licenses.

South African unit of Philip Morris welcomes tax stance on cigarette alternatives

The South African unit of cigarette maker Philip Morris International welcomed the government's decision to introduce a lower excise tax on heated tobacco products than on regular cigarettes. In his annual budget speech on Wednesday, Minister of Finance Tito Mboweni said, in line with Department of Health policy, his government will start taxing heated tobacco products such as hookah or "hubbly bubbly". But he said the rate will be set at 75 per cent that of the tax on cigarettes. Electronic cigarettes, or so-called vapes, will only be taxed from 2021, Mboweni said. Philip Morris' South Africa Managing Director, Marcelo Nico said there was a growing body of evidence that regulating less harmful tobacco products differently to cigarettes can reduce smoking rates to the overall benefit of public health.

Whiting Petroleum plunges to record low on weak production forecast

Whiting Petroleum Corp forecast a wider-than-expected fall in quarterly production as its drilling operations were hit by severe bad weather. Shares of the company have lost nearly 75% of their value this year amid weak oil prices and rising investor concerns over the company's ability to meet its debt maturities. For the fourth quarter, Whiting posted a net loss of \$147.5 million, compared with a profit of \$204 million last year as costs jumped 87%, while natural gas prices dropped. Whiting forecast 2020 capital spending of \$585 million to \$620 million, well below \$778 million it spent in 2019. Quarterly production of 11.31 million barrels of oil equivalent (mboe) was marginally ahead of estimates of 11.23 mboe and revenue of \$380.6 million also beat estimates of \$371.4 million. Excluding items, it recorded a loss of 22 cents per share, smaller than analysts' expectations of a loss of 41 cents. Shares of the company ended 24.34% lower at \$1.71.





U.S. President Donald Trump holds news conference on the coronavirus outbreak at the White House in Washington, U.S., February 26. REUTERS/Carlos Barria

Insight and Analysis

Too white, too male: Fed takes on diversity one bank board member at a time

The Federal Reserve, long criticized for being too white and male, crossed a substantial milestone last year: for the first time in its 107-year history, white men held fewer than half of board seats at the Fed's 12 regional outposts. The shift, reinforced this January with a fresh round of appointments, has drawn little notice outside the Fed itself. But it is a window into how the U.S. central bank is setting the table for change among top policymakers, where progress toward diversity has been slow. Among this particularly influential boardroom subset, white men are now outnumbered by women and minorities by more than two to one, a Reuters analysis shows.

Blowout fear for FX markets as coronavirus stirs dormant volatility trades

With this week's coronavirus-driven rout having shaken awake previously slumbering euro-dollar markets, the spotlight is back on the "short volatility" trades that some regulators fear could trigger a blowup on world markets. The world's most traded currency pair, comprising a quarter of global FX volumes, has become increasingly becalmed in recent years, and volatility gauges embedded in euro-dollar options tumbled in January to historic sub-4% lows from 7.3% a year earlier. The pair's trading range last year was the narrowest in the euro's two-decade history, to the displeasure of currency traders who can wring out more profits in volatile markets.

COLUMN-China coronavirus roils oil markets, but China may ultimately rescue crude: Russell

The spread across the world of the Chinese coronavirus has probably wiped out global crude oil demand growth for 2020, but in something of an irony it's likely to be China that will be responsible if any increase is eked out. There is little doubt that the coronavirus, which started in the city of Wuhan and has killed more than 2,700 people so far, will hit Chinese crude consumption this month, and likely into March and April. But it also seems to be the case that Beijing may finally be getting a handle on containing the virus, just as it ramps up in other countries, most notably South Korea, Japan, Iran and Italy.



CANADA

Coming Up

Canadian GDP data for December is scheduled for release and is expected to have remained unchanged at 0.1%.

Statistics Canada is expected to release **producer prices** data for January, it is also likely to have remained unchanged at 0.1%.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
Pason Systems Inc	12.53	0.44	3.64
Stantec Inc	40.43	1.33	3.40
Jamieson Wellness Inc	26.00	0.67	2.65
LOSERS			
Ballard Power Systems Inc	12.25	-1.76	-12.56
Eldorado Gold Corp	13.09	-1.26	-8.78
MAG Silver Corp	13.09	-1.25	-8.72

MARKET MONITOR

Canada's main stock index fell as the coronavirus' spread outside China ratcheted up risk aversion. Canada's largest stock exchange operator TMX Group experienced its second technical glitch in less than two years, resulting in the shut-down of trading across three local bourses nearly two hours ahead of the scheduled closing. The **Toronto Stock Exchange's S&P/TSX composite index** was last down 1.90% to 16,717.44.

The **U.S. dollar** rose 0.37% against its **Canadian counterpart** at C\$1.3379.

Top News

Muted 2020 outlook for Canada banks as first-quarter strength seen as temporary

Canadian banks' first-quarter outperformance, driven by volatile trading and advisory revenues, is unlikely to continue for the rest of 2020, particularly as interest rates remain low and the coronavirus outbreak clouds the outlook, investors said. TD Bank became the only major Canadian lender to miss first-quarter profit estimates, as strong capital markets revenue, which drove better-than-expected earnings at rivals, failed to offset weakness elsewhere. "The strength of (Canadian banks') results came ... from an area that's very lumpy and difficult to repeat," said Kash Pashootan, chief executive officer of First Avenue Investment Counsel. "We see a continued slowdown in personal and commercial banking, with the Canadian and U.S. economies in very late stages of expansion." TD's earnings miss was driven by an 8% drop in U.S. retail income, in part due to falling net interest margins. Laura

Lau, chief investment officer at Brompton Group, said, "second-quarter earnings will be lower because uncertainties around rail blockades in Canada and the coronavirus outbreak are likely to hurt borrowing."

Husky Energy blames long Canada regulatory process for canceled Teck oil project

Canada's excessively long regulatory process led to cancellation of Teck Resources' Frontier oil sands project this week, the chief executive of rival Husky Energy said. Regulatory reviews should not last more than five years, Husky CEO Rob Peabody said on a quarterly conference call. Frontier was reviewed for nine years. "What killed Teck ultimately was a regulatory process that just went on and on and on," Peabody said. "Had that process concluded in a sensible timeframe, I'm sure we'd have a Teck project under construction today. Husky took a C\$2.3 billion charge for the fourth quarter, saying it expected oil prices to stay low long-term. Husky reported a net loss of

C\$2.3 billion in the fourth quarter, compared with net earnings of C\$216 million a year earlier. Shares of the company ended 4.8% lower to C\$6.81.

Hudson's Bay Co secures shareholder approval to become a private company

Saks Fifth Avenue owner Hudson's Bay said it won shareholders' approval to become a private company in a C\$2 billion deal proposed by Chairman Richard Baker. Baker and his partners had been in a tussle with the department store operator's top shareholders over the deal. The retail mogul fell short in an earlier vote to approve his take-private quest last year, Reuters reported, but later won the support of a significant shareholder after bumping the offer price to C\$11 per share. The deal was backed by 98.28% of all shareholders and 94.46% common shareholders, a company spokeswoman told Reuters. The company expects the process to be completed on or around March 3.



WEALTH NEWS

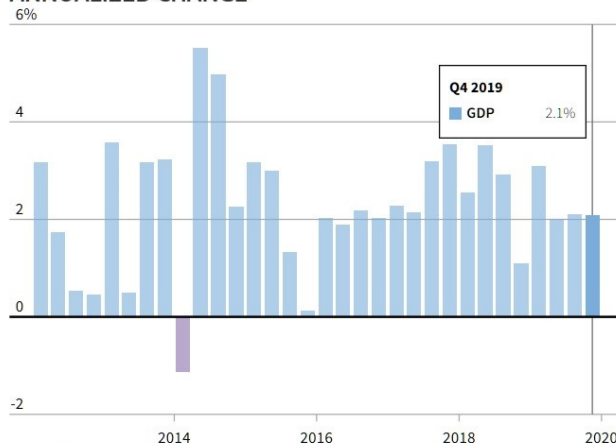
U.S. ECONOMY

U.S. fourth-quarter GDP unrevised; weakness in business spending persists

The U.S. economy grew moderately in the fourth quarter, the government confirmed, and is facing a bumpy road in early 2020 amid the fast-spreading coronavirus that has left financial markets fearing a recession. Though other data suggested some stabilizing in business investment in January and the labor market remained solid, that failed to calm jittery investors. Gross domestic product increased at a 2.1% annualized rate, supported by a smaller import bill, the Commerce Department said in its second estimate of fourth-quarter GDP. That was unrevised from last month's advance estimate and matched the growth pace logged in the July-September quarter. A second report from the department showed orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, jumped 1.1% last month, the largest gain since January 2019. A separate report showed applications for unemployment benefits increased 8,000 to 219,000 last week, though the underlying trend remained consistent with solid labor market conditions.

U.S. GDP

ANNUALIZED CHANGE



Source: Thomson Reuters Datastream

By Jiachuan Wu and Stephen Culp | REUTERS GRAPHICS

Click on the chart for a detailed and interactive graphic

POSSIBLE INTEREST RATE CUT

Fed seen slashing rates amid virus threat, low inflation

The Federal Reserve may need to move aggressively to cut borrowing costs to cushion the economy from the rapid spread of the new coronavirus, in part because interest rates are already low and so is inflation.

ACQUISITION

Thyssenkrupp sells elevator unit for \$18.7 billion to Advent-led consortium

Thyssenkrupp said it agreed to sell its elevators division to a consortium of Advent, Cinven and Germany's RAG foundation for \$18.7 billion in what could be the world's largest buyout this year.

ACKMAN REJIGS PORTFOLIO

Ackman still likes Chipotle, says sold shares to manage portfolio

Billionaire investor William Ackman, whose hedge fund earned double-digit returns last year with the help of strong gains in Chipotle Mexican Grill shares, said he remained a "delighted long-term shareholder" even after selling some stock.

KKR'S OFFER

Telecom Italia picks KKR as partner for Italian broadband

Telecom Italia (TIM) picked KKR as exclusive partner to develop a fibre-optic network, saying its board had taken positive note of a non-binding proposal by the U.S. investment firm.

OPIOID FIRM'S LITIGATION

Opioid companies say lawyers' fee demand threatens settlement talks

Johnson & Johnson and other drug companies facing lawsuits over their role in the opioid epidemic have warned that settlement talks will be "severely" jeopardized if plaintiffs' lawyers are allowed to assess a fee payment worth billions of dollars.

AMERICAN PETROLEUM INSTITUTE REPORT

Democratic candidates' drilling ban would cost U.S. economy \$7 trillion -oil group

Banning hydraulic fracturing and halting new drilling on federal land would cost the U.S. economy \$7 trillion in the next decade and kill millions of jobs, the U.S. oil industry's main lobby group said in a report targeting the climate plans of top Democratic presidential candidates.



KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
AES	Q4	BMO	\$0.33	\$0.33	\$0.36	\$2,694.16

**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.

The Financial and Risk business of Thomson Reuters is now Refinitiv.

The Day Ahead - North America is compiled by Siddharth Athreya V and Swathi Nair in Bengaluru.

For questions or comments about this report, email us at: TheDay.Ahead@thomsonreuters.com.

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