

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Wall Street ended higher, reversing earlier losses, after the WHO declared the China coronavirus a global emergency, while earnings painted a mixed picture. **Oil** tumbled and **Benchmark Treasury yields** dipped over concerns about the potential economic impact of the coronavirus. **Spot gold** prices were lower. The **dollar** fell on lacklustre U.S. GDP data.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	28858.53	124.08	0.43	29373.62	24504.04
Nasdaq	9298.93	23.77	0.26	9451.43	8943.50
S&P 500	3283.60	10.20	0.31	3337.77	3214.64
Toronto	17490.56	-21.19	-0.12	17666.45	15413.88
FTSE	7381.96	-101.61	-1.36	7689.67	7392.83
Eurofirst	1622.26	-16.85	-1.03	1664.26	1614.20
Nikkei	22977.75	-401.65	-1.72	24115.95	22951.18
Hang Seng	26449.13	-711.50	-2.62	29174.92	27101.54

TREASURIES	Yield	Price
10-year	1.5890	2 /32
2-year	1.4167	0 /32
5-year	1.4091	1 /32
30-year	2.0540	-2 /32

FOREX	Last	% Chng
Euro/Dollar	1.1031	0.20
Dollar/Yen	108.95	-0.04
Sterling/Dollar	1.3090	0.54
Dollar/CAD	1.3191	-0.04
TR/HKEX RMB	92.77	0.06

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	52.73	-0.60	-1.13
Spot gold (NY/oz)	1574.76	-1.96	-0.12
Copper U.S. (front month/lb)	0.0252	-0.0003	-0.94
CRB Index Total Return	181.37	-1.91	-1.04

S&P 500	Price	\$ Chng	% Chng
GAINERS			
ServiceNow Inc	341.61	28.68	9.17
Mondelez International Inc	58.80	4.24	7.77
Franklin Resources Inc	26.21	1.37	5.52
LOSERS			
Dupont De Nemours Inc	52.75	-4.94	-8.56
United Rentals Inc	141.61	-10.65	-6.99
United Parcel Service Inc	107.95	-7.81	-6.75

Coming Up



The **United Kingdom** will leave the **European Union** at the stroke of midnight Brussels time, after which the country will no longer be an EU member state and will be considered a third country. However, it will enter a transition period until Dec. 31, 2020, designed to provide more time for citizens and businesses to adapt.

During the transition, Britain will continue to apply EU law but will no longer be represented in EU institutions.

A report from the U.S. Commerce Department will likely show **consumer spending** rose 0.3% in December, after gaining 0.4% in November. The report will also show **personal income** rising 0.3% in December from 0.5% in the month before. Final reading of the **University of Michigan's consumer sentiment index** is expected to remain unchanged at 99.1 in January, compared with December.

Oil majors **Chevron Corp** and **Exxon Mobil Corp** are scheduled to report their fourth-quarter results. Chevron's

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Personal income mm for Dec	0830	0.3%	0.5%
Personal consumption real mm for Dec	0830	--	0.3%
Consumption, adjusted mm for Dec	0830	0.3%	0.4%
Core PCE price index mm for Dec	0830	0.1%	0.1%
Core PCE price index yy for Dec	0830	1.6%	1.6%
PCE price index mm for Dec	0830	--	0.2%
PCE price index yy for Dec	0830	--	1.5%
Employment wages QQ for Q4	0830	--	0.9%
Employment benefits QQ for Q4	0830	--	0.6%
Employment costs for Q4	0830	0.7%	0.7%
Chicago PMI for Jan	0945	48.8	48.9
U Mich Sentiment Final for Jan	1000	99.1	99.1
U Mich Conditions Final for Jan	1000	116.0	115.8
U Mich Expectations Final for Jan	1000	--	88.3
U Mich 1 year inflation final for Jan	1000	--	2.5%
U Mich 5-year inflation final for Jan	1000	--	2.5%
Dallas fed PCE for Dec	1200	--	2.2%

THE DAY AHEAD

earnings are expected to be affected by a sharp decline in natural gas prices and an \$11 million charge related to asset impairment. Exxon's earnings will likely fall sharply from a year ago on weakness in chemical and refining. Separately, **Phillips 66** is expected to post lower fourth-quarter profit and revenue. Investors will be closely looking at its 2020 capital spending budget and updates on any new projects after it recently cancelled a renewable diesel project in Washington.

Caterpillar Inc will release its fourth-quarter results in premarket hours. The heavy equipment maker is expected to report lower earnings, hurt by uncertainties caused by the U.S.-China trade war that has slowed down machine sales. Investors will focus on the company's guidance for 2020 for clues about the health of the overall manufacturing economy, which has been experiencing a mild recession.

Honeywell International Inc is expected to report a rise in fourth-quarter profit, benefiting from higher sales of aircraft spare parts and services as older planes remain in service for longer in the wake of the 737 MAX grounding.

Charter Communications Inc is expected to post a rise in fourth-quarter revenue as more customers opted for its broadband and high-speed internet services amid stiff competition from fellow telecom operators in the United States.



A file photo of a banner for Caterpillar Inc. hanging on the facade of at the New York Stock Exchange in New York, U.S., December 17, 2019. REUTERS/Brendan McDermid

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Aon	Q4	06:00	\$2.46	\$2.47	\$2.16	\$2,852.85
Broadridge Financial Solutions	Q2	BMO	\$0.68	\$0.71	\$0.56	\$997.02
Caterpillar	Q4	BMO	\$2.37	\$2.37	\$2.55	\$13,411.68
Charter Communications	Q4	07:00	\$2.55	\$2.48	\$1.29	\$11,731.83
Chevron	Q4	BMO	\$1.39	\$1.45	\$1.95	\$38,639.26
Church & Dwight Co	Q4	BMO	\$0.56	\$0.55	\$0.57	\$1,141.07
Colgate-Palmolive Co	Q4	BMO	\$0.73	\$0.73	\$0.74	\$3,931.91
Exxon Mobil	Q4	07:30	\$0.46	\$0.45	\$1.41	\$64,080.50
Honeywell International	Q4	BMO	\$2.04	\$2.04	\$1.91	\$9,605.03
IDEXX Laboratories	Q4	BMO	\$0.91	\$0.90	\$0.98	\$600.56
Illinois Tool Works	Q4	08:00	\$1.85	\$1.85	\$1.83	\$3,462.06
Johnson Controls International	Q1	BMO	\$0.38	\$0.38	\$0.26	\$5,566.77
LyondellBasell Industries NV	Q4	BMO	\$2.29	\$2.26	\$1.83	\$8,429.86
Phillips 66	Q4	BMO	\$1.54	\$1.56	\$4.87	\$28,067.75
Weyerhaeuser Co	Q4	BMO	\$0.06	\$0.05	\$0.10	\$1,533.12

*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

Stocks staged a late session rebound to close higher after comments from the World Health Organization (WHO) that declared the China coronavirus a global emergency, while earnings painted a mixed picture. Shares of the social media giant **Facebook** slumped 6.24% after the company warned of slowing growth as its business matured and it reported a surge in quarterly expenses. The **Dow Jones Industrial Average** rose 0.43%, to 28,858.53, the **S&P 500** gained 0.31%, to 3,283.58 and the **Nasdaq Composite** added 0.27%, to 9,300.64.

Benchmark Treasury yields fell to three-month lows as concerns about the economic impact of a virus emanating in China weighed on risk appetite. "I think that the market is still pricing in some economic weakness, some financial market weakness and general fear, coming out of this coronavirus issue," said Tom Simons, a money market economist at Jefferies in New York. "There are still a lot of unknowns surrounding it, how potentially serious the issue is, how widespread it is and what the economic consequences really are," Simons said. **10-year notes** were up 2/32, yielding 1.59%. Benchmark yields fell as low as 1.534%, the lowest since Oct. 9. **Two-year notes** were flat, yielding 1.41%. **30-year bonds** were 1/32 lower to yield 2.05%.

The **dollar** fell on news that the American economy in 2019 posted its slowest annual growth in three years and that personal consumption weakened dramatically, ending the currency's rally on safe-haven demand from worries about economic fallout of the coronavirus outbreak in China. Investors' flight from risk lifted the Japanese yen and the Swiss franc, but the U.S. economic data was bleak enough to depress the dollar's safe-haven appeal. "The Fed message yesterday was consistent with tolerance for higher inflation - that



Trader Michael Urkonis works on the floor of the New York Stock Exchange (NYSE) in New York, U.S., January 28. REUTERS/Bryan R Smith

depresses U.S. real rates and that's not great news for the dollar. The soft components of GDP, particularly core PCE deflator would point you in the direction of lower Fed policy," said Daniel Katzive, head of foreign exchange strategy for North America at BNP Paribas. The **dollar index** was down 0.16% to 97.84. Against the **Japanese yen**, the dollar was down 0.04% to 108.95 yen. Against the **Swiss franc**, the dollar was 0.35% lower at 0.9696 franc.

Oil prices fell on concerns over the potential economic impact of the coronavirus that continues to spread worldwide, while the market also considered the possibility of an early OPEC meeting. "The overriding bearish price influencer remains as the coronavirus that appears to possess much additional risk of spreading rather than any nearby suggestion of containment," Jim Ritterbusch, president of Ritterbusch and Associates, said in a note. Saudi Arabia has opened a discussion about moving the upcoming OPEC+ policy

meeting to early February from March, four OPEC+ sources said, after the recent slide in oil prices. No final decision over the new date of the meeting has been made, and not all OPEC members are on board yet, with Iran a possible contender to oppose the move, the OPEC+ sources said. **Brent crude** was down 1.37% to \$58.99 a barrel. **U.S. crude** fell 1.16% to \$52.71 a barrel.

U.S. gold futures rose as concerns of a slowdown in global growth due to a virus outbreak in China weakened risk appetite among investors. "We have a bit of risk off in the market due to fears of global health from the coronavirus," said Frank Cholly, senior market strategist at Chicago brokerage RJO Futures. "The coronavirus economic impact is growing and a flight to Treasuries and gold will likely remain the favorite trades on Wall Street," Edward Moya, a senior market analyst at broker OANDA, said in a note. **Spot gold** was down 0.09% at \$1,575.31 per ounce. **U.S. gold futures** were 0.43% higher at \$1,577.10 per ounce.

Top News

WHO declares global emergency as China virus death toll reaches 170

The World Health Organization (WHO) said it was declaring the China coronavirus outbreak that has killed 170 people in China a global emergency, as cases spread to 18 countries. The United States reported its first case of person-to-person transmission. Experts say cases of person-to-person transmission - which have also been detected outside China in Germany, Vietnam, and Japan - are especially concerning because they suggest greater potential for the virus to spread further. Tedros Adhanom Ghebreyesus, WHO director-general, told a news conference in Geneva that recent weeks have witnessed an unprecedented outbreak which has been met by an unprecedented response. "Let me be clear, this declaration is not a vote of no confidence in China," he said. "Our greatest concern is the potential for the virus to spread to countries with weaker health systems." The declaration of a global emergency triggers recommendations to all countries. It is aimed at preventing or reducing cross-border spread of disease.

Altria takes another \$4 billion hit on Juul investment, revises deal terms

Altria Group took another \$4 billion charge on its investment in Juul Labs and said it had reworked its deal terms with the embattled e-cigarette maker, which is facing increased regulatory scrutiny amid a backlash against vaping. The Marlboro maker said the fourth-quarter charge was mainly due to the increased number of legal cases pending against Juul and the expectation that the number would continue to grow. "I'm highly disappointed in the financial performance of the Juul investment," Altria Chief Executive Officer Howard Willard said on a post-earnings call. "(The valuation) is substantially below what we had expected." The company



Director-General of the World Health Organization (WHO) Tedros Adhanom Ghebreyesus gestures during a news conference after a meeting of the Emergency Committee on the novel coronavirus (2019-nCoV) in Geneva, Switzerland January 30, 2020. REUTERS/Denis Balibouse

also said it does not expect to receive earnings contributions from Juul over the next three years. "Right now, our primary focus is on helping Juul file a compelling and complete PMTA (premarket tobacco product application)," Altria CEO said. Altria will stop providing services including logistics, distribution and access to retail shelf space to Juul, it said.

Verizon shares down on profit miss even as wireless customers added

Verizon Communications shares fell as quarterly profits missed estimates even though the company added more monthly mobile phone subscribers than expected as adding the Disney+ streaming service helped some of its plans. The company said that in the fourth quarter, it added 790,000 phone customers who pay a monthly bill, well above the average analysts' estimate of 525,000 subscribers, according to research firm FactSet. Net income rose to \$5.22 billion, or \$1.23 per share, in the fourth quarter from \$2.07 billion, or 47 cents per share, a year earlier. Verizon said it expects to spend \$17 billion to \$18 billion in expanding 5G, ramping up its 4G and building out more fiber. Verizon said that building out its own multi-use fiber will help

increase revenue for its business segment. Verizon shares closed down 0.27% at \$59.37.

Facebook shares hit by slowest growth in years, higher expenses

Shares of Facebook fell after the social media giant posted its slowest quarterly growth since its market debut as expenses mount and warned of continued stagnant growth. The dire forecast prompted six Wall Street analysts to cut their price targets with Pivotal Research reducing its own target by \$30 to \$215. Pivotal analyst Michael Levine, who downgraded the stock to "hold", said he expected cautious commentary around the first quarter of 2020 and a better result for the fourth quarter. Chief Financial Officer David Wehner said that the pace of expansion will slow further in the first quarter of 2020. However, MKM Partners argued that the negative commentary was not sufficient enough to alter investor opinion on the stock, but could make some marginally cautious over the near-term. Facebook shares were down 6.24% at \$209.31 at market close. Separately, Facebook has reached a \$550 million settlement of claims it collected and stored millions of users' biometric data without

their consent, as Chief Executive Mark Zuckerberg pledged better protections for users to address privacy concerns that have dogged the social media company. To read more, [click here](#)

Tesla shares hit record after blowout results, strong delivery forecast

Shares of Tesla opened at a record high as Wall Street analysts were encouraged by the company's better-than-expected quarterly results and delivery targets for the year. Tesla shares, which have been on a tear for the last six months, shot to \$643.80 in early trading. At least nine analysts raised their price targets on the stock, with Canaccord Genuity's analyst Jed Dorsheimer raising his price target to \$750 from \$515. Credit Suisse analyst Dan Levy said that Tesla checks a number of boxes for investors and noted that the key takeaway from the quarter was the company's promise of comfortably delivering over 500,000 units this year. Tesla, which was infamous for not keeping up with production targets, has been looking to broaden its manufacturing capability with its new \$2 billion factory in Shanghai. Tesla shares ended 10.37% higher at \$641.26.

Eli Lilly profit beat helps ease investor concerns over growth

Eli Lilly posted a higher-than-expected fourth-quarter profit on strong demand for diabetes drug Trulicity and psoriasis treatment Taltz, helping ease investor concerns over the impact of fierce competition for its growth products. Sales of Trulicity surged nearly 31% to \$1.21 billion in the quarter, accounting for about a fifth of total sales and surpassing expectations of \$1.15 billion, according to Refinitiv data. Taltz sales rose about 37% to \$420 million, also beating estimates of \$395.7 million. Its recent \$1.1 billion acquisition of skin disease specialist Dermira helped it slightly raise its 2020 revenue forecast to between \$23.7 billion and \$24.2 billion from \$23.6 billion and \$24.1 billion. Excluding items, the company earned \$1.73 per share, beating analysts' average estimate by 21 cents. Meanwhile, Biogen said it was preparing for the

launch of its experimental treatment for Alzheimer's as the drugmaker races to become the first to bring a treatment for the memory-robbing disease to market. To read more, [click here](#)

Coke, Fuze tea demand drive Coca-Cola's revenue beat

Coca-Cola's quarterly revenue beat market expectations, driven by demand for the beverage maker's signature soda, flavored Cokes and Fuze teas. The company said fourth-quarter revenue growth was led by its trademark Coca-Cola, that included products such as caffeinated beverage Plus Coffee and Zero Sugar soda. Retail sales of its flagship brand rose 6%, Chief Executive Officer James Quincey said, adding that volumes in the brand were positive for the second straight year. Coca-Cola projected 2020 organic revenue growth to slow slightly to about 5% from a 6% rise it reported in 2019 and said it would continue focus on new categories through acquisitions. For the year, Coca-Cola expects to record adjusted profit of \$2.25 per share, just a cent below analysts' forecast, according to IBES data from Refinitiv. Net revenue grew 16% to \$9.07 billion, beating analysts' estimate of \$8.89 billion. Separately, Hershey forecast 2020 profit and sales largely above Wall Street expectations, after the candy maker posted sales that beat estimates on higher prices and investments in healthier snacking options. To read more, [click here](#)

UPS e-commerce projects weigh on 2020 profit forecast

United Parcel Service said accelerated spending on weekend delivery and speedier service would take a bite out of 2020 expected earnings. The company is under pressure to wring more profit from booming e-commerce deliveries as it builds always-on operations to serve Amazon.com and other online retailers. Chief Executive David Abney said it will not take the company long to show results. "The investments we're making now are going to be accretive in 2021. There is a short-term return on this," Abney said. UPS forecast 2020 adjusted

earnings of \$7.76 to \$8.06 per share - at least a penny below analysts' average estimate of \$8.07 per share, according to IBES data from Refinitiv. UPS's profit for the fourth quarter matched Wall Street's target of \$2.11 per share, despite a slight miss on revenue for the period that included the all-important holiday quarter.

DuPont forecast disappoints as auto, electronics demand remains sluggish

DuPont forecast current-quarter profit below Wall Street expectations as it faces subdued demand from automotive and electronics industries, two key markets hit hardest by the U.S.-China trade war. DuPont forecast first-quarter net sales to be down mid-single digits. It expects first-quarter profit of between 70 and 74 cents per share, well below analysts' estimate of \$1.01, according to IBES data from Refinitiv. Full-year profit forecast of \$3.70 to \$3.90 per share also fell short of the \$4.11 estimate. The company has been cutting costs aggressively and said it would cut spending further this year and look for more options to consolidate its "asset footprint".

Weapons maker Raytheon tops profit estimates on strong international demand

Raytheon topped Wall Street estimates for quarterly profit as strong international demand spurred sales in its defense systems unit, which makes the Patriot missile-defense system and surveillance radars. CFO Toby O'Brien said that for 2020 "we see strong sales growth for the year 6 to 8 percent." He said "international and domestic are both expected to grow again in 2020 as they did in 2019." Sales in Raytheon's integrated defense systems unit rose 17.6% to \$1.98 billion in the fourth quarter. Sales at Raytheon's missile systems unit, its largest, rose 1.2% to \$2.35 billion in the quarter, while margins increased to 12.7% from 11.8%. Raytheon's earnings from continuing operations rose to \$3.16 per share in the quarter, from \$2.93 per share a year earlier, beating analysts' average estimate of \$3.12 per share, according to IBES data from Refinitiv.



An unidentified man brandishes a gun during a protest against a new citizenship law outside the Jamia Millia Islamia university in New Delhi, India, January 30. REUTERS/Danish Siddiqui

Insight and Analysis

Companies Trump said would create thousands of jobs have failed to deliver

In his first address to the U.S. Congress, President Donald Trump hailed General Motors, Harley-Davidson, Intel Corp and seven other companies as innovators and job creators, predicting they would be among those producing "tens of thousands of new American jobs" and investing "billions and billions of dollars." While Trump's 10 companies have spent billions on new factories and upgrades, they failed to keep pace with new hires, according to a Reuters analysis of the group's capital expenditures and headcount since 2017.

Current U.S. earnings season points to growth, defying expectations

Earnings for S&P companies are seen increasing for the fourth quarter over a year earlier, according to IBES data from Refinitiv. Earnings for the quarter are now expected to have risen 0.7% from the year-ago quarter, based on results from 193 S&P 500 companies and estimates for the rest. At the start of the month, analysts had been expecting a 0.3% year-over-year decline in fourth-quarter earnings, per Refinitiv's data. Investors have been keeping a close eye on fourth-quarter results following a slight fall in third-quarter earnings.

Virus fears draw value investors to travel, casino stocks

As travel and casino stocks reel from concerns over the coronavirus outbreak, some value-focused investors are betting the declines will not last. Fund managers say outbreak concerns have exacerbated pressure on these stocks, which had already been hit by the trade war between the U.S. and China. Fears of a widening health crisis have sent shares of companies such as Las Vegas Sands and Booking Holdings down. "They really are a slave to headline risk right now," said Charles Norton, a co-manager of the Vitium Global Fund.



CANADA

Coming Up

A report from Statistics Canada will likely show **Canada's economic growth** was flat in November. The country's economy shrank by 0.1% in October, the first monthly decline since February. A separate report from Statistics Canada is expected to show growth in **producer prices**, which was 0.1% in November, was flat in December.

Canada's **Imperial Oil Ltd** is expected to post a sharp fall in fourth-quarter profit as it continues to battle Alberta's output curtailments. Investors will be looking out for the company's plan, under new CEO Brad Corson, to



REUTERS/Mark Blinch

navigate the year with reduced spending while the curtailments remain in place.

MARKET MONITOR

Canada's main stock index fell with the Toronto Stock Exchange's **S&P/TSX composite index** ending 0.10% lower at 17,494.89.

The **U.S. dollar** was down 0.03% against its **Canadian counterpart** at C\$1.3192.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
OceanaGold Corp	2.72	0.29	11.93
Real Matters Inc	13.93	0.46	3.41
Semafo Inc	2.75	0.09	3.38
LOSERS			
Silvercorp Metals Inc	6.73	-0.46	-6.40
Shawcor Ltd	10.55	-0.71	-6.31
Methanex Corp	46.44	-2.35	-4.82

Top News

Canadian energy sector to boost spending after 6-year slide -industry group

Capital spending by Canada's oil and gas industry will rise by 6%, or C\$1.9 billion, in 2020 from the previous year, halting a six-year decline due to improving economics, said the Canadian Association of Petroleum Producers (CAPP). CAPP said a corporate tax cut by Alberta's provincial government last year and its easing of oil production limits will lead to higher spending. Congested pipelines created a glut of oil in storage in the Western Canadian province in recent years, depressing prices and causing its government to curtail output by the biggest producers. Oil producers are cautiously optimistic that proposed pipeline expansions - badly needed to move Alberta oil to U.S. refineries - are advancing after years of delay, the association said. "Investors are seeing some positive activity in the industry right now," CAPP Chief Executive Tim McMillan said.



A file photo of a tanker truck used to haul oil products operates at an oil facility near Brooks, Alberta, Canada April 18, 2018. REUTERS/Todd Korol

Financial vulnerabilities could undermine effect of rate cuts -Bank of Canada

Financial vulnerabilities like high household debt could undermine central bank efforts to keep inflation in check, since they potentially limit the effectiveness of rate cuts, a top Bank of Canada official said. In a lecture to university students in Quebec City, Deputy Governor Paul Beaudry made no mention of future rate moves and said an environment where inflation was low, stable and predictable remained ideal. Achieving that could become more challenging, however, given increased risks posed by vulnerabilities linked to balance sheets, asset prices and risk allocation, he said. "The same policy choice that helps the central bank achieve its inflation target in the short run may be making it more difficult to attain its target in the longer run," Beaudry said.

CIBC planning layoffs to cut costs

Canadian Imperial Bank of Commerce will lay off employees in the months ahead to cut costs, a memo obtained by Reuters showed. Chief executive Victor Dodig of Canada's fifth-largest bank told staff that CIBC needs to continue to be "a more efficient bank by focusing on continuous improvement and keeping a careful eye on costs." "As a result, some team members will be leaving our bank in the coming months." The move is expected to lower the bank's non-interest expense ratio, which measures such expenses as a percentage of revenue.

Enbridge defends plan to sell capacity on Mainline oil network amid criticism

Facing criticism, Canadian pipeline company Enbridge said its plan to sell nearly all capacity on the Mainline oil network was fair and would benefit the western Canadian industry. Enbridge plans to allow shippers to book 90% of space under long-term contracts on the nearly 3 million barrel per day Mainline, Canada's biggest oil pipeline system, rather than continue to ration space monthly. It made its application in

December to the Canada Energy Regulator (CER). "We went to great lengths in this proposal to make sure every producer, no matter how big or small, had an option to be involved," Chief Executive Al Monaco said at a CIBC investor conference in Banff, Alberta. "Fair access to everyone is a key tenet." The change will result in improved netback pricing for shippers and will better link the region's oil with U.S. refiners and export channels, Monaco said.

Canada's wood bison near proposed oil project face 'imminent threats' - minister

Canada's wood bison, who live in northern Alberta near the proposed site of Teck Resources Frontier oil sands project, face "imminent threats" to their recovery, a report from the country's environment department said. A one-page summary released late on Wednesday said Environment Minister Jonathan Wilkinson has concluded the bison are threatened and that "immediate intervention is required to allow for recovery." The summary does not mention Frontier, which is proposed to operate for 40 years starting in 2026. But it said the Ronald Lake herd is at risk of contracting disease in the nearby Wood Buffalo National Park and of losing range to "proposed industrial activities."

FCL, union to resume workers' contract negotiations

Unifor, Canada's largest private sector union, and Federated Cooperatives said they would resume formal discussions on contracts of workers at the Co-op Refinery on Jan. 31, following Unifor's decision to comply with a court injunction. FCL, which owns and operates the refinery in Regina, Saskatchewan, and workers have been locked in a dispute for months. The management locked out 800 workers on Dec. 5 in the dispute over pensions. Last week, police arrested the leader of Unifor and six others who joined workers blockading the refinery.

Canada's Cenovus Energy to build houses for indigenous communities

Cenovus Energy said it would invest C\$10 million annually for a period of five years to help build about 200 homes for indigenous communities near its oil sands operations in the province of Alberta. The commitment towards the six First Nations and Métis communities could be extended to 10 years and result in a total investment of C\$100 million, the company said. Alberta this week set up Alberta Indigenous Opportunities Corp to allocate up to C\$1 billion to support First Nations that back resource projects, such as oil pipelines.



A file photo of the Enbridge Tower is pictured on Jasper Avenue in Edmonton, Alberta, Canada on August 4, 2012. REUTERS/Dan Riedlhuber/File Photo



WEALTH NEWS

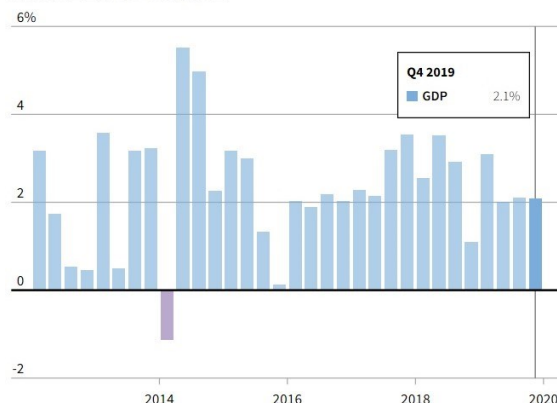
ECONOMIC GROWTH

U.S. economy misses Trump's 3% growth target in 2019

The U.S. economy missed the Trump administration's 3% growth target for a second straight year, posting its slowest annual growth in three years in 2019 as the slump in business investment deepened amid damaging trade tensions. Gross domestic product increased at a 2.1% annualized rate in the fourth quarter, matching the third-quarter pace, also as lower borrowing costs encouraged purchases of houses. Growth was also supported by increased government spending on defense. That helped to offset the drag from a slower pace of inventory accumulation. Economists polled by Reuters had forecast GDP rising at a 2.1% rate in the fourth quarter. Excluding trade, inventories and government spending, the economy grew at a 1.4% rate in the fourth quarter, the slowest in four years. The 2.3% expansion last year reported by the Commerce Department suggested the White House and Republicans' massive \$1.5 trillion tax cut package, which President Donald Trump had predicted would lift growth above 3%, had provided the economy only a temporary boost.

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

BANKING RULES

U.S. banks could invest in venture capital funds again under 'Volcker rewrite'

U.S. banks would be able to take large stakes in venture capital funds under a proposal to ease strict bank trading and investment rules introduced following the 2007-2009 global financial crisis, regulators said.

TRADE TENSION

New tensions surface over U.S.-Mexico seasonal farm trade

Fresh battle lines are being drawn that could lead to farm trade restrictions between the U.S. and Mexico, a letter from a top Mexican trade official seen by Reuters shows, despite the goodwill generated by the newly signed North American trade pact.

GLOBAL ECONOMY

Policymakers fret over risk to global growth from China virus outbreak

A rapidly spreading virus outbreak in China is emerging as a potentially major new risk to the global economy and leaving policymakers, still grappling with the impact of the Sino-U.S. trade war, fretting over the widening fallout.

STRONG GROWTH

Blackstone quarterly profit rises on asset sales, fee revenue

Blackstone Group, the world's largest alternative asset manager, said fourth-quarter distributable earnings rose 27% year-on-year, as strong growth in its real estate and hedge funds businesses offset declines in private equity and credit divisions.

INSURANCE COST

U.S. refiners, chemical makers pare insurance coverage as accidents boost costs

U.S. refineries and petrochemical plants are cutting back on insurance because several years of severe accidents have driven up the cost of coverage, industry and insurance sources said.

GREENHOUSE GAS EMISSION

U.S. environmental groups plan to sue Trump administration on airplane emissions

Environmental groups said they plan to sue the U.S. Environmental Protection Agency for failing to regulate aircraft emissions after a 2016 agency determination that those emissions pose a danger to public health.



Palestinian police recruits loyal to Hamas shout slogans as they demonstrate their skills during a training session at a police academy in Gaza City January 30. REUTERS/Mohammed Salem

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

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