

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Wall Street ended mixed and **Treasury yields** were little changed, amid uncertainty over when a trade deal between the U.S. and China would be reached. The **dollar** gained versus the **British pound** while **gold** fell as fears of a "no-deal" Brexit faded. **Oil** prices were mixed as OPEC stressed the need to extend its production cut program past June while lowering its forecast for crude demand.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	25710.55	7.66	0.03	26951.81	21712.53
Nasdaq	7630.91	-12.50	-0.16	7677.07	6457.13
S&P 500	2808.56	-2.36	-0.08	2821.24	2443.96
Toronto	16087.55	-62.42	-0.39	16586.46	13776.88
FTSE	7185.43	26.24	0.37	7261.63	6599.48
Eurofirst	1488.05	11.41	0.77	1481.21	1308.86
Nikkei	21287.02	-3.22	-0.02	21860.39	19241.37
Hang Seng	28851.39	43.94	0.15	29241.80	24896.87

TREASURIES	Yield	Price
10-year	2.6285	-5 /32
2-year	2.4627	-1 /32
5-year	2.4304	-3 /32
30-year	3.0447	-22 /32

FOREX	Last	% Chng
Euro/Dollar	1.1301	-0.21
Dollar/Yen	111.67	0.47
Sterling/Dollar	1.3222	-0.86
Dollar/CAD	1.3330	0.20
TR/HKEX RMB	95.75	0.12

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	58.54	0.28	0.48
Spot gold (NY/oz)	1295.96	-13.07	-1.00
Copper U.S. (front month/lb)	0.0289	-0.0005	-1.67
CRB Index Total Return	190.97	-0.01	-0.01

S&P 500	Price	\$ Chng	% Chng
---------	-------	---------	--------

GAINERS			
TechnipFMC PLC	23.00	1.10	5.02
Lam Research Corp	176.53	6.12	3.59
General Electric Co	10.30	0.28	2.79

LOSERS			
Dollar General Corp	111.61	-9.07	-7.52
Take-Two Interactive Software Inc	92.43	-3.60	-3.75
Nektar Therapeutics	36.32	-1.34	-3.56

Coming Up



The Federal Reserve is expected to report **industrial production** rose 0.4 percent in February, after dipping 0.6 percent in January. In a separate report, the Fed is likely to show **manufacturing output** increased 0.3 percent in February, after a 0.9 percent decline in January. The Labor

Department is scheduled to report **job openings** data, which likely declined to 7.310 million in January, compared to 7.33 million in December. **University of Michigan's consumer sentiment index** survey will possibly show a reading of 95.3 in March, up from 93.8 points in February.

LIVECHAT - CHARTS & CHAT

Reuters Stocks Buzz writer and chartist **Terence Gabriel** calls out risks and opportunities in global markets via the charts. (1030 ET/1430 GMT) To join the conversation, [click here](#)

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
NY Fed Manufacturing for Mar	0830	10.00	8.80
Industrial production mm for Feb	0915	0.4 pct	-0.6 pct
Capacity utilization SA for Feb	0915	78.4 pct	78.2 pct
Manufacturing output mm for Feb	0915	0.3 pct	-0.9 pct
Industrial production YoY for Feb	0915	--	3.80 pct
JOLTS job openings for Jan	1000	7.310 mln	7.335 mln
U Mich Sentiment Preliminary for Mar	1000	95.3	93.8
U Mich Conditions Preliminary for Mar	1000	111.0	108.5
U Mich Expectations Preliminary for Mar	1000	86.0	84.4
U mich 1year inflation preliminary for Mar	1000	--	2.6 pct
U mich 5-year inflation preliminary for Mar	1000	--	2.3 pct
Net L-T flows,exswaps for Jan	1600	--	-48.3 bln
Foreign buying, T-bonds for Jan	1600	--	-77.4 bln
Overall net capital flows for Jan	1600	--	-33.1 bln
Net L-T flows,inclusion swaps for Jan	1600	--	-66.6 bln

KEY RESULTS

No major S&P 500 companies are scheduled to report.

Market Monitor

The **S&P 500** slipped, snapping a three-day streak of gains, as uncertainty over when a trade deal between the United States and China would be reached left investors on edge. President Donald Trump said the United States was doing very well in trade talks with China, but could not say whether a final deal would be reached. "The good news is mildly negative news on China trade doesn't tip the apple cart over anymore," said Art Hogan, chief market strategist at National Securities in New York. "But breaking out of the next level of resistance has been a wall to get through. It shows we're probably range-bound 2,750 to 2,800 until we get answers to China trade, Brexit etc." The **Dow Jones Industrial Average** rose 0.03 percent, to 25,710.55, the **S&P 500** lost 0.09 percent, to 2,808.51 and the **Nasdaq Composite** dropped 0.16 percent, to 7,630.91.

Treasury prices dropped in quiet trading overall, with the sharpest falls seen on the long end of the curve, pressured by corporate debt supply and some selling from Japanese investors ahead of Japan's fiscal year end this month. "There could be selling by Japanese investors on the long end," said Kim Rupert, managing director of global fixed income, at Action Economics in San Francisco. Japanese investors tend to sell foreign bonds and repatriate the proceeds ahead of their fiscal year end in an effort to bolster their balance sheets. The **10-year notes** fell 5/32, yielding 2.63 percent. The **2-year notes** were 1/32 lower, yielding 2.46 percent. The **30-year bonds** fell 22/32, yielding 3.04 percent.

The **dollar** gained for the first time in a week, albeit modestly, as the pound



Traders work on the floor at the New York Stock Exchange in New York, U.S., March 13.

stalled at lower levels ahead of a vote to extend Britain's March 29 deadline for exiting the European Union. "With the uncertainty around (Brexit), it's not a time ... to take sizeable positions. The risk/reward still favors waiting for some clarity," said Charles Tomes, senior investment analyst at Manulife Asset Management. The **British pound** was down 0.86 percent at \$1.3222. The **dollar index** was up 0.23 percent at 96.78.

Oil prices steadied after hitting 2019 highs as OPEC built its case to extend its production cut program past June while lowering its forecast for crude demand. Uncertainty over the progress of U.S.-China trade talks and global economic growth weighed on oil prices. OPEC's bearish demand outlook was offset by its apparent resolve to extend crude output cuts, agreed to by its members and allied producers, which have helped oil prices rise more than 20 percent this year. "That's probably a

reflection of the price fluctuation we've seen in today's prices," said Phil Streible, senior commodities strategist at RJO Futures in Chicago. **Brent crude** was at \$67.16 a barrel, down 0.58 percent. **U.S. crude** was at \$58.54 a barrel, up 0.49 percent.

Gold fell as fears of a "no-deal" Brexit faded and the dollar gained versus the pound ahead of a vote to extend the deadline for Britain's exit from the European Union. "The possibility of a no-deal Brexit being passed had increased the likelihood of widespread buying in gold, and now that it has been rejected, I think some of that safe haven buying in gold is likely to fade," said Suki Cooper, precious metals analyst at Standard Chartered Bank. **Spot gold** dropped 1 percent to \$1,295.96 per ounce. **U.S. gold futures** were 1.03 percent lower at \$1,295.80 per ounce.

Top News

General Electric CEO sets low 2019 profit targets, vows better from 2020

General Electric Chief Executive Larry Culp set conservative profit targets for this year and staked his reputation on hitting them and doing better in 2020 and beyond, igniting a rally in the stock. Culp's detailed pep talk, which drew praise from Wall Street analysts on a conference call, swiftly reversed an earlier rout in the stock as he stressed GE was serious about its targets after years of missing profit expectations. The forecast was low largely because GE will be spending \$2.5 billion on restructuring this year, Culp said, adding the investment would pay off after a tough 2019. "This is what constitutes a 'reset,'" Culp said, using a word many analysts had longed to hear. Culp did not soft-pedal the short-term pain. He said 2019 adjusted profit would be 50 cents to 60 cents a share, below analyst estimates of 70 cents, and GE could lose as much as \$2 billion in cash from its industrial businesses, putting a number on a warning he issued last week. The company expects free cash flow at GE Power to remain negative in 2020 before turning positive in 2021. Shares of the company closed up 2.79 percent at \$10.30.

Uber plans to kick off IPO in April -sources

Uber Technologies is planning to kick off its initial public offering in April, putting it close on the heels of its smaller rival Lyft, people familiar with the matter said. Next month, Uber will issue its required public disclosure, known as an S-1, and launch its investor roadshow, the people said. The timing for Uber's IPO means it will most likely be hitting the public markets soon after Lyft completes its own public offering, which is expected to happen by the end of March, people familiar with the matter said. Uber and Lyft both

filed confidentially for an IPO in December. Uber is seeking a valuation as high as \$120 billion. Lyft is seeking a valuation of \$20 billion to \$25 billion

U.S. lawmakers say Boeing 737 MAX 8 grounded for at least 'weeks'

U.S. lawmakers said after a briefing with the acting head of the Federal Aviation Administration that Boeing 737 MAX 8 and 9 planes will remain grounded for "weeks" at a minimum, until a software upgrade could be tested and installed in all of the planes. FAA Administrator Dan Elwell told reporters on Wednesday the software update will be ready within a couple of months after regulators around the world grounded the plane following a second fatal crash in the 737 MAX 8 since October. Representative Rick Larsen said after the briefing the software upgrade would take a few weeks to complete and installing on all aircraft would take "at least through April." He said additional training would also have to take place.

Facebook restores services after global outage

Facebook said it had restored service

to its main app and Instagram, after the world's largest social network suffered a major outage that frustrated users across the globe for about 24 hours. The company also said it was considering whether to refund advertisers for lost exposure due to the problems, which internet outage trackers showed affected users in Europe, Japan, North and South America. "Yesterday, a server configuration issue made it difficult for people to access our apps and services. We are 100 percent back up and running and apologize for any inconvenience," a Facebook spokesperson said. "We are still investigating the overall impact of this issue, including the possibility of refunds for advertisers."

Higher store investments to hit Dollar General profit, shares fall

Dollar General will plough back a part of its 2019 profit to revamp its supply chain and add self-checkout lanes at its stores as it competes with online grocers and U.S. chains Walmart and Kroger. Shares of the discount retailer fell after it projected full-year profit



A file photo of the logo of Uber during the presentation of their new security measures in Mexico City, April 10, 2018. REUTERS/Ginnette Riquelme

below analysts' expectations and said it would spend \$50 million for the initiatives. The company, which operates more than 15,000 stores in the United States, said it would open 975 new stores and remodel 1,000 old ones. Dollar General also said by the end of fiscal 2019 it aims to become its own distributor of fresh and frozen foods to as many as 5,000 stores in a bid to rein in costs and offer more private label brands. "We have some distribution voids quite frankly, across the country.... By taking it in-house, we believe it will simplify our network and be able to execute that much better," Chief Executive Officer Todd Vasos said in an earnings call. Shares of the company ended 7.52 percent lower at \$111.61.

Tesla to unveil Model Y SUV as electric vehicle competition heats up

Tesla will unveil its Model Y electric sports utility vehicle in California, promising a much-awaited crossover that will face competition from European car makers rolling out their own electric rivals. Chief Executive Elon Musk has said the compact SUV, built on the same platform as the Model 3, which starts at \$35,000, is about 10 percent bigger than the sedan, will cost about 10 percent more, and have slightly less range for the same battery. Musk plans to unveil the car and offer pricing and other details at a small event at Tesla's design studio in Hawthorne, outside Los Angeles, and it will stream it online starting at 8 pm ET.

Microsoft targets video game developers, in challenge to Amazon's cloud dominance

Microsoft said it is combining elements of its video gaming and Azure cloud computing businesses to court game developers, an action designed to use the strength of its Xbox gaming

franchise to gain ground on cloud services leader Amazon.com. Microsoft said it will start rolling out "Microsoft Game Stack," a group of services that lets game developers do things like host multiplayer games and match players of similar skill levels. The services are designed to work for titles played on any device - including those with operating systems from Microsoft's onetime rivals like Apple and Google.



Google's work in China benefiting China's military -U.S. general

The United States' top general said that the Chinese military was benefiting from the work Alphabet's Google was doing in China, where the technology giant has long sought to have a bigger presence. "The work that Google is doing in China is indirectly benefiting the Chinese military," Marine General Joseph Dunford, chairman of the Joint Chiefs of Staff, said during a Senate Armed Services Committee hearing. "We watch with great concern when industry partners work in China knowing that there is that indirect benefit," he said. "Frankly, 'indirect' may be not a full characterization of the way it really is, it is more of a direct benefit to the Chinese military." Asked about Dunford's comments, Google referred to previous statements. Google Chief Executive Sundar Pichai has previously said the company has invested in China for years and plans to continue to do so, but that the company also was continuing to work with the U.S. government on projects in

health care, cybersecurity and other fields.

Huawei pleads not guilty to U.S. charges in New York court

China's Huawei Technologies pleaded not guilty to a 13-count indictment filed in a New York federal court against the company, as tensions have ratcheted up between the U.S. and Beijing. Huawei was charged with bank and wire fraud, violating sanctions against Iran and obstructing justice. The company's chief financial officer, Meng Wanzhou, was arrested in December in Canada on charges in the indictment, which was not unsealed until January. She has said she is innocent of the charges and is fighting extradition. At the arraignment in U.S. District Court in Brooklyn, James Cole, a U.S. lawyer for Huawei, entered the plea on behalf of the company and its U.S. subsidiary. The next court date is set for April 4.

EU antitrust watchdog considering Apple probe – Vestager

The European Union's competition watchdog is considering opening a probe of Apple over allegations that it uses its app store to gain an advantage on its own services over rivals', the authority's chief said on Thursday. Competition Commissioner Margrethe Vestager, told German newspaper Tagesspiegel her watchdog would examine if there were parallels with Google, which in 2017 was fined over 2 billion euros for unfairly disadvantaging rivals on its platform. "We have to examine the role of Apple and Apple's app store," she was quoted as saying. "If we conclude that they have a market-dominating position, then the case would be comparable to our proceedings against Google."



Britain's Prime Minister Theresa May reacts in Parliament following the vote on Brexit in London, Britain, March 13.
UK Parliament/Jessica Taylor/Handout via REUTERS

Insight and Analysis

GRAPHIC-Boeing shares cheaper, but are they a buy?

The fall in Boeing shares has made the stock's valuation less expensive but that may not make it an obvious buy for investors. The planemaker's shares have fallen 11 percent this week after a Ethiopian Airlines crash on Sunday that killed 157 people prompted the grounding of Boeing's global 737 MAX fleet. Boeing shares were down 0.5 percent \$375.09 on Thursday afternoon.

Job boom to outweigh soft patch as Bank of Canada mulls rate moves

The Bank of Canada is unlikely to cut interest rates to support a flagging economy as long as job growth continues at a robust pace, an analysis of the central bank's response to past divergences in economic data suggests. The economy could also get a boost from a revival in consumer spending, with next week's federal budget expected to offer incentives that may ease the burden of debt-laden consumers.

Bribing your way to college? Check your math, it may not pay

Experts agree that college pays off. But at any price? More than two dozen wealthy families charged with allegedly cheating or bribing their kids' way into elite schools are learning the hard way that crime doesn't pay, even when higher education is the prize. Potential criminal punishments aside, the scheme raises the question: was the premium parents paid worth the anticipated long-term economic gain for their children?

CANADA

Market Monitor

Canada's main stock index marginally fell, led by declines in shares of material companies on the back of lower gold prices.

The **Toronto Stock Exchange's S&P/TSX composite index** ended down 0.39 percent at 16,087.55.

The **materials sector** fell 1.84 percent to 234.89.

The ratio of Canadian **household debt -to-income** widened to a record 174.0 percent in the fourth quarter from a downwardly revised 173.6 percent in the third quarter, Statistics Canada said.

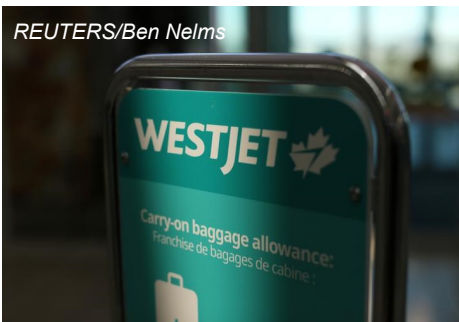
The **U.S. dollar** was up 0.15 percent against its **Canadian counterpart** at C\$1.3324.

COMING UP

Statistics Canada is expected to report that **manufacturing sales** probably rose 0.4 percent in January, after slipping 1.3 percent in December.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
Birchcliff Energy Ltd	3.68	0.17	4.84
Nexgen Energy Ltd	2.27	0.07	3.18
Whitecap Resources Inc	4.54	0.11	2.48
LOSERS			
North West Company Inc	30.34	-1.78	-5.54
Iamgold Corp	4.64	-0.25	-5.11
Alamos Gold Inc	6.73	-0.36	-5.08

Top News



WestJet cancels 11 flights, impacting 1,200, after 737 MAX grounding

WestJet Airlines said it canceled 11 flights impacting 1,200 passengers, following the global grounding of Boeing's 737 MAX planes because of safety concerns. Canada and the United States announced on Wednesday they would follow other nations in grounding the MAX planes, citing new satellite data and evidence from the scene of an Ethiopian Airlines plane crash on Sunday that killed 157 people. WestJet, which operated 13 MAX planes, said in a statement that more than three-quarters of passengers impacted by the

cancellations will be rebooked on flights today, with the remainder being rebooked this week.

Advantage Lithium replaces CEO in wake of college admissions scandal

Advantage Lithium said it has temporarily replaced Chief Executive David Sidoo as he battles U.S. fraud charges connected to a sweeping college admissions scandal. The company has named board member Callum Grant, an engineer by training, as its interim president and said it would move forward with plans to develop an Argentine lithium deposit. Sidoo also stepped down as president and CEO of Vancouver-based East West Petroleum. Sidoo plans to travel to a Massachusetts court to face the charges, according to his attorney, Richard Schonfeld, who requested that "people don't rush to judgment in the meantime."

Canada mulls setting rules for crypto platforms

Canadian regulators are looking to create new rules for crypto trading

platforms, months after the death of the founder of digital platform Quadriga CX that led to about C\$180 million in frozen cryptocurrencies. The Canadian Securities Administrators (CSA) and the Investment Industry Regulatory Organization of Canada (IIROC) said they are considering a set of tailored regulatory requirements to address the "novel features and risks" of crypto platforms. "We must adapt to innovation, and provide clarity to the market about how regulatory requirements might best be tailored and applied to these unique business models, while maintaining investor protection," IIROC Chief Executive Officer Andrew Kriegler said in a statement. The Quadriga situation highlighted a regulatory vacuum for the cryptocurrency industry in Canada and raised questions about who would be held accountable for any potential losses. The cryptocurrencies have been frozen in Quadriga's user accounts since its founder Gerald Cotten, the only person with the password to gain access, died suddenly in December.



WEALTH NEWS

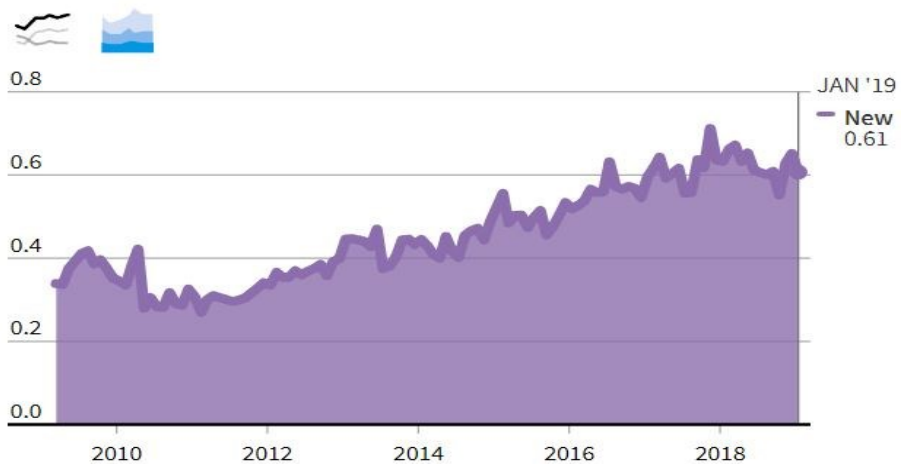
ECONOMIC DATA

U.S. data underscores slowing growth, muted inflation

The number of Americans filing applications for unemployment benefits increased more than expected last week, suggesting the labor market was slowing, but probably not to the extent implied by a near-stall in job growth in February. Initial claims for state unemployment benefits rose 6,000 to a seasonally adjusted 229,000 for the week ended March 9, the Labor Department said. Separately, the Commerce Department said new home sales declined 6.9 percent to a seasonally adjusted annual rate of 607,000 units in January. In third report, the Labor Department said import prices rose 0.6 percent last month, boosted by increases in the costs of fuels and consumer goods.

NEW HOME SALES

million units - SAAR*



*SAAR: Seasonally-adjusted annualized rate

Source: Thomson Reuters Datastream

By Jiachuan Wu and Stephen Culp | REUTERS GRAPHICS

TRADE PROGRESS

U.S.-China trade talks progressing quickly - Trump, Mnuchin

U.S. President Donald Trump and Treasury Secretary Steven Mnuchin said that discussions with China to end a months-long trade war are progressing quickly, though Trump said he could not say whether a final deal would be reached.

OPEC OIL FORECAST

Fearing new oil glut, OPEC builds case for keeping supply cuts

OPEC cut the forecast of global demand for its oil this year as rivals boost production, building a case for extending supply curbs beyond June to stop any new glut.

EXCLUSIVE

Retailer Pier 1 taps debt restructuring lawyers -sources

Pier 1 Imports has tapped debt restructuring lawyers to navigate potential negotiations with lenders as it struggles with falling sales, people familiar with the matter said, sending shares of the U.S. home furnishing retail chain sharply lower.

BUSINESS SUSPENSION

Abu Dhabi state investor Mubadala halts business with Goldman Sachs amid 1MDB lawsuit

Abu Dhabi state investor Mubadala has suspended new business dealings with Goldman Sachs since its subsidiary filed a lawsuit in November against the U.S. bank and others to recover losses suffered through its dealings with Malaysian state fund 1MDB.

COURT HEARING

U.S. judge assessing CVS merger with Aetna orders hearing

A U.S. judge who has been asked to sign off on a government agreement that allowed CVS Health to buy health insurer Aetna ordered a hearing for April 5.

STAKE BUY

Equitrans Midstream's unit to buy gas pipeline assets for \$1.03 billion

U.S. pipeline operator Equitrans Midstream's unit signed a deal worth \$1.03 billion to take control of two pipelines that connect the Marcellus and Utica shale basins, the nation's biggest gas producing region.



A relative puts soil on her face as she mourns at the scene of the Ethiopian Airlines Flight ET 302 plane crash, near the town Bishoftu, near Addis Ababa, Ethiopia, March 14. REUTERS/Tiksa Negeri

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

The Day Ahead - North America is compiled by Pathikrit Bandyopadhyay and Samritha Arunasalam in Bengaluru.

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

To subscribe for The Day Ahead newsletter [click here](#)

© 2019 Refinitiv. All rights reserved.

Refinitiv
3 Times Square, New York, NY 10036

Please visit: [Refinitiv](#) for more information.

[Privacy statement](#)