

THE DAY AHEAD

MARKET RECAP at 4 pm ET

The **S&P 500** and **Nasdaq** were slightly up, registering record closing highs for the second time this week. **Treasury yields** fell on weak inflation data. **Oil** prices sank after U.S. President Donald Trump again pressured the OPEC to lower crude prices. A weakening **dollar** boosted demand for **gold**.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	26543.33	81.25	0.31	26951.81	21712.53
Nasdaq	8146.40	27.72	0.34	8151.85	6457.13
S&P 500	2939.88	13.71	0.47	2936.83	2443.96
Toronto	16613.46	37.36	0.23	16672.71	13776.88
FTSE	7428.19	-5.94	-0.08	7528.93	6599.48
Eurofirst	1535.67	2.00	0.13	1541.32	1308.86
Nikkei	22258.73	-48.85	-0.22	22362.92	19241.37
Hang Seng	29605.01	55.21	0.19	30280.12	24896.87

TREASURIES	Yield	Price
10-year	2.5036	9/32
2-year	2.2861	3/32
5-year	2.2916	6/32
30-year	2.9265	13/32

FOREX	Last	% Chng
Euro/Dollar	1.1148	0.16
Dollar/Yen	111.60	-0.02
Sterling/Dollar	1.2921	0.19
Dollar/CAD	1.3461	-0.18
TR/HKEX RMB	96.16	-0.01

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	62.87	-2.34	-3.59
Spot gold (NY/oz)	1285.64	8.69	0.68
Copper U.S. (front month/lb)	0.0297	0.0009	0.00
CRB Index Total Return	192.84	-1.34	-0.69

S&P 500	Price	\$ Chng	% Chng
GAINERS			
Ford Motor Co	10.41	1.01	10.74
Align Technology Inc	317.98	21.24	7.16
Capital One Financial Corp	93.73	5.68	6.45
LOSERS			
Intel Corp	52.43	-5.18	-8.99
Target Corp	77.11	-4.63	-5.66
NVIDIA Corp	178.09	-8.82	-4.72

Coming Up - On Monday



Small toy figures are seen in front of Google logo in this illustration picture, April 8, 2019. REUTERS/Dado Ruvic

Google parent **Alphabet Inc** is expected to post a rise in first-quarter revenue, driven by soaring ad sales and solid contributions from its other businesses like YouTube, Play, Cloud and its hardware initiatives. Investors will be keeping an eye on Google's expenses.

Boeing Co holds its annual meeting with shareholders, some of whom have sued the company over disclosures regarding its 737 MAX jetliner that is grounded worldwide following two fatal crashes.

Due on U.S. economic schedule, **personal consumption expenditure** in March is likely to have risen at a

seasonally adjusted rate of 0.7 percent from 0.1 percent in February.

The Bakken-focused oil producer **Continental Resources Inc** is expected to report lower first-quarter profit, hurt by a fall in crude prices. Investors will focus on any further cuts to spending as shareholder push for more returns.

LIVECHAT – FIN TECH

Reuters correspondent Anna Irrera talks bitcoin, cryptocurrencies regulation and other E-money innovations. (1100 ET/1500 GMT on Monday) To join the conversation, [click here](#)

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Personal income mm for Mar	0830	0.4 pct	0.2 pct
Personal consumption real mm for Mar	0830	--	0.1 pct
Consumption, adjusted mm for Mar	0830	0.7 pct	0.1 pct
Core PCE price index mm for Mar	0830	0.1 pct	0.1 pct
Core PCE price index yy for Mar	0830	1.7 pct	1.8 pct
PCE price index mm for Mar	0830	--	-0.1 pct
PCE price index yy for Mar	0830	--	1.4 pct

Coming Up - Week Ahead

Federal Open Market Committee (FOMC) announces its interest rate decision at the end of two-day meeting, beginning on Tuesday. The Fed recently suspended its three-year monetary policy tightening campaign, dropping forecasts for any interest rate hikes this year. Fed presidents will be busy at speaking engagements on Friday. Federal Reserve Bank of Chicago President **Charles Evans** speaks on current economic conditions and monetary policy before the NABE International Symposium: "Global Economies at the Crossroads: Growing Together While Growing Apart?" Federal Reserve Vice Chairman Richard Clarida speaks on "Models, Markets and Monetary Policy," Federal Reserve Bank of New York President **John Williams** speaks on "Tying Down the Anchor: Monetary Policy Rules and the Lower Bound on Interest Rates," and Federal Reserve Board Governor **Michelle Bowman** chairs the "Milton Friedman and the Long History of Monetary Policy Rules" luncheon discussion before the "Strategies for Monetary Policy: a Policy Conference" hosted by the Hoover Institution. Also, Federal Reserve Bank of St. Louis President **James Bullard**, Federal Reserve Bank of San Francisco President **Mary Daly**, Federal Reserve Bank of Dallas President **Robert Kaplan** and Federal Reserve Bank of Cleveland President **Loretta Mester** participate in "Monetary Strategies in Practice" policy panel before the same conference.

A slew of data is due on the U.S. economic calendar next week. On Tuesday, the Conference Board's **consumer confidence index** for April is likely to show a reading of 126.0 points, up from a reading of 124.1 points in March. Also, **pending home sales** is likely to have rebounded 0.5 percent in March after a 1 percent drop

in February. ADP's **national employment data** for April will likely show on Wednesday an addition of 180,000 jobs. Also, the Institute for Supply Management's **index of national factory activity** will likely show a reading of 55.0 in April, down from a reading of 55.3 in March. Due on Thursday, **initial jobless claims** for the week ended April 27 is likely to have dropped to 215,000 from 230,000 the week before. On the same day, **factory goods orders** are likely to have increased 1.5 percent in March from a fall of 0.5 percent in the month before. According to a Reuters survey of economists, **non-farm payrolls** likely decreased to 180,000 in April from 196,000 in March.

Apple Inc is expected to report a fall in second-quarter revenue and profit on Tuesday. Investors will be eager to know how well Apple products are doing after the first-quarter where it unexpectedly lowered its revenue guidance due to fewer-than-expected iPhone upgrades.

General Electric Co is set to announce the first-quarter earnings on Tuesday as its CEO sets low 2019 profit targets after promising it to be better from 2020 onwards. Investors will look for updates on cash flow for the full year as well as beyond.

General Motors Co will report first-quarter earnings on Tuesday. Analysts will be watching to see the impact of declining sales on the company's profits and whether pickup truck sales have been sufficient to prop up margins at the No.1 U.S. automaker.

Pfizer Inc is set to report first-quarter results on Tuesday and investors will focus on performance of key products like cancer drug Ibrance and pain treatment Xeljanz. The company is also

expected to discuss plans to launch new heart drug tafamidis, which is currently under review at the U.S. Food and Drug Administration. Same day, **Eli Lilly & Co** is expected to post a drop in first-quarter earnings as it takes a hit from rising pricing pressures and the withdrawal of cancer drug, Lartruvo. **Merck & Co Inc** is expected to post higher first-quarter profit on Tuesday, powered by use of its immunotherapy Keytruda as a treatment for lung and other types of cancer. On Thursday, Gilead Sciences Inc will follow with its first-quarter results. **Teva Pharmaceutical Industries Ltd**, will also report first-quarter results Thursday.

Qualcomm Inc is expected to report a fall in second-quarter revenue and profit on Wednesday. Investors will focus on earnings which comes days after it's legal dispute settlement with Apple Inc and 5G modem chips.

Sprint Corp is expected to report fourth-quarter decline in earnings and a marginal rise in revenue on Wednesday. Investors will look for Sprint's outlook, details of its deal with T-Mobile US Inc and management view on business conditions in the earnings call.

Canada's **Bombardier Inc** will report first-quarter earnings on Thursday as it faces questions on the future of its regional jet program and the use of working capital by its rail unit. The plane-and-train-maker will also hold its annual general meeting on the same day.

Phillips 66 is expected to report a drop in first-quarter profit on Tuesday, weighed down by weak refining margins and higher Canadian crude prices, after Alberta's government



mandated production cuts. However, focus will be on the company outlook as investors anticipate poor first quarter results.

Shale oil producer **Devon Energy Corp** is expected to report a first-quarter profit from a year-ago loss on Tuesday, benefiting for higher production at its SCOOP and STACK assets. Investors will out for commentary on previously announced intention to sale its assets in Canada and in the gas-rich Barnett shale patch in the United States.

On Tuesday, **Mondelez International Inc.**, which makes majority of its sales outside the United States, is expected to report a fall in first-quarter revenue, hurt by the impact of a stronger dollar. Wall Street will be keen on any commentary the company makes on how Brexit is affecting the Oreo maker's UK business.

McDonald's Corp is scheduled to report first-quarter results on Tuesday. Any updates on the burger chain's profit and sales projection for the year will be keenly watched, as the company is in the process of modernizing its stores with new technology. On Wednesday, Taco Bell's tacos and KFC's fried chicken are likely to give Yum! Brands Inc's quarterly same-store sales a boost when it reports first-quarter results. Pizza Hut's sales growth, which is also expected to be positive, will be watched.

Cigna Corp is slated to post first-quarter results on Thursday, when investors will receive updates on how integration with Express Scripts has progressed after Cigna closed its \$54 billion acquisition of the pharmacy benefits manager last year. The health insurer is expected to provide more details on its forecast for the year and comment on proposed changes to

healthcare policy that have recently weighed on stock. Meanwhile, Humana Inc will report first-quarter results on Wednesday, when investors will focus on performance of its Medicare Advantage business, which provides health plans to seniors.

MetLife Inc plans to report its first-quarter results after the close of markets on Wednesday. Analysts and investors are looking for insights about the direction that new CEO Michel Khalaf plans to take the insurer and whether its retirement business shows signs of a U.S. economic slowdown. Prudential Financial Inc also plans to report its first-quarter results the same day. The results mark insurers' first reporting season under a new U.S. tax law, a change that could affect levels of retirement contributions, analysts say.

Mastercard Inc is expected to report a rise in first-quarter profit on Tuesday, helped by higher consumer spending, and an increase in transaction volumes. Its cross-border volume growth, which for rival Visa declined, will be in focus as the Purchase, New York-based company deals with an investigation in the EU over high fees on tourist cards.

On Wednesday, **Estee Lauder Cos Inc** is expected to report a rise in quarterly sales and profit, buoyed by high demand for its make up brands such as M.A.C and high margin skincare brands such as Clinique and La Mer. Investors will watch out for any updates on full-year forecast and comments on demand in China that has been fueling higher sales.

The U.S.-listed oil producer **Apache Corp** is expected to report lower first-quarter profit on Wednesday, hurt by a fall in crude prices. The company was forced to temporarily halt production at its Alpine High assets in the Permian basin late March because of extremely

low prices and any guidance on when the company expects to restart production will be closely watched.

On Thursday, U.S. refiner **HollyFrontier Corp** is expected to post a smaller profit due to a surge in Canadian crude prices, planned and unplanned maintenance activities and weak margins. Investors will focus on the company's guidance as the market already expects poor results for the first quarter.

Statistics Canada is expected to show that the country's economy expanding by 0.1 percent in February, after a rise of 0.3 percent in January. Producer prices will also be on the tap for the day. Meanwhile, the IHS Markit Canada Manufacturing Purchasing Managers' index is expected to be released on Wednesday.

Bank of Canada Governor **Stephen Poloz** and Senior Deputy Governor **Carolyn Wilkins** will testify on Tuesday to the House of Commons finance committee. They will be speaking a week after the central bank slashed its growth forecasts and made clear interest rate hikes were off the table for the foreseeable future.

On Tuesday, the Canadian e-Commerce software maker **Shopify Inc** is expected to post a smaller loss than estimated, likely on the back of international growth and benefiting from its investments in Shopify Plus, adding more merchants on its network. Investors will be on a look out for full-year forecast and will be seeking comments on new product launches.

On Tuesday, **Facebook Inc** hosts F8 Developer conference, its annual event for software developers where it will announce new services. Last year's event included reveal of a new dating service.

Market Monitor

The **S&P 500** and **Nasdaq** edged up, rising just enough to notch record closing highs for the second time this week, as investors digested mixed corporate earnings and economic data. "We had a pretty big beat on GDP today, but some underlying numbers are giving investors a pause on where they see future growth coming from given the consumer spending levels," said Mike Loewengart, vice president of investment strategy at E*Trade Financial. Intel shares closed 8.88 percent down and Exxon Mobil shares ended 2.18 lower. Shares of Walmart, Target and other U.S. retailers fell as Amazon.com unveiled a one-day delivery plan for its Prime members.

Walmart ended 1.94 percent down and **Target** closed 5.66 lower. The **Dow Jones** rose 0.31 percent to 26,543.33, the **S&P 500** ended 0.47 percent up at 2,999.88 and the **Nasdaq** ended 0.34 percent up at 8,146.40. For the week, the S&P rose 1.2 percent, the Dow Jones lost 0.06 percent and the Nasdaq gained 1.86 percent.

Treasury yields fell following first-quarter growth report as weak inflation data tempered the strong headline figure. "From a Treasury perspective, the Fed is going to focus on the inflation number," said Stan Shipley, strategist at Evercore ISI. "Offsetting the GDP growth was the GDP deflator, which was 0.9%." "While the consumer did pull back from their torrid holiday buying in the fourth quarter, trade and inventory rebuilding added an outsized 1.7% to GDP. GDP was expected to be 2.3% and without the boost from trade and inventory, GDP would have actually missed," said Bryce Doty, senior portfolio manager at Sit Fixed Income Advisors. **Benchmark notes** were up 9/32 to yield 2.5036 percent and **30-year bonds** were up 14/32 to yield 2.9257 percent. **2-year notes** were up 3/32 to yield 2.2861 percent.



Traders work on the floor at the New York Stock Exchange (NYSE) in New York, U.S., April 24, 2017. REUTERS/Brendan McDermid

The **dollar** fell against a basket of currencies, snapping a three-day streak of gains, after an overall strong U.S. first-quarter growth report was overshadowed by soft inflation data. "Overall, U.S. growth last quarter was outstanding. But the soft inflation components were enough to spur some profit-taking in the buck's winning week," said Joe Manimbo, senior market analyst at Western Union Business Solutions in Washington. The **dollar index** was 0.16 percent lower at 98.04.

Oil prices fell after U.S. President Donald Trump again pressured the Organization of the Petroleum Exporting Countries to raise crude production to ease gasoline prices. Trump told reporters that he had called OPEC and told the cartel to lower crude prices, without identifying who he spoke to. The market, however, pared some losses after U.S. oil drillers this week cut the most rigs since the week to Jan. 18, down 20 rigs to a total of 805, as independent producers follow

through on plans to cut spending on new drilling and completions. Traders also said the selloff was in part due to rumors that Washington could grant China an exemption allowing it to keep buying Iran's oil, which would increase available worldwide supply. **Brent crude** fell 3.67 percent to \$71.62 a barrel. **WTI crude** was down 3.57 percent to \$62.88 a barrel.

Gold jumped to a near two-week high, as the dollar slipped on tepid U.S. inflation data, outweighing an overall strong first-quarter growth report. "The main reason is the fact that the dollar is pulling lower today," said Bob Haberkorn, senior market strategist at RJO Futures. But, he said, "It looks like a false positive because I expect equities to continue to be strong next week, pressuring the precious metals." **Spot gold** gained 0.68 percent to \$1,285.63 per ounce, after hitting its highest level since April 16, at \$1,288.59. **Gold futures** were 0.64 percent higher at \$1,287.90 an ounce.

Top News

Uber unveils IPO terms that temper expectations

Uber Technologies plans an initial public offering that values the company lower than the startup's insiders had hoped, between \$80.5 billion and \$91.5 billion. The valuation, outlined in a regulatory filing, is less than the \$120 billion that investment bankers told Uber last year it could fetch, and closer to the \$76 billion valuation it attained in a private fundraising round in 2018. In a regulatory filing, Uber set a target price range of \$44 to \$50 per share for its IPO. The company will sell 180 million shares in the offering to raise up to \$9 billion, with a further 27 million sold by existing investors for as much as \$1.35 billion. Of the stock being sold in the IPO by existing Uber investors, 6.86 million shares are from Uber co-founders Travis Kalanick and Garrett Camp, meaning the two men could jointly pocket \$343 million if the IPO prices at the top end of its current range. Uber expects to price the IPO on May 9 and then begin trading on the New York Stock Exchange the following day, people familiar with the matter have said.

Exxon Mobil, Chevron dogged by refining, chemicals troubles

Exxon Mobil and Chevron reported lower profits, citing lower margins and refining weaknesses, areas that have plagued the two oil companies off and on for more than a year. Exxon posted the first loss in its refining business since 2009, citing the worst refining margins on gasoline and other profits it had seen in a decade. Chevron reported its refining and chemical profits fell 65 percent. Both reported top-line figures that missed Wall Street expectations and were lower than year-ago levels due to weaker crude pricing. Exxon's 49 percent drop in first-quarter profit showed the turnaround at the largest U.S. oil producer remains a

work in progress. Its first-quarter profit fell to \$2.35 billion, or 55 cents a share, from \$4.65 billion, or \$1.09 a share, a year ago. Analysts had expected Exxon to earn 70 cents per share, according to Refinitiv Eikon estimates. At Chevron, investors ignored earnings that beat estimates and focused on its \$33 billion bid for rival Anadarko Petroleum.

ADM considers ethanol spinoff as Q1 profit falls on severe weather

Archer Daniels Midland (ADM) said it was considering spinning off its ethanol business after slim biofuel margins and Midwestern floods slammed the U.S. grains merchant's profit, which tumbled 41 percent in the first quarter. A major cause was the "bomb cyclone" blizzards that devastated the Midwest and Great Plains this year, causing massive flooding across Nebraska, Iowa and Missouri, washing out rail lines and wreaking havoc in the moving and processing of grains. One-sixth of U.S. ethanol production was halted. Net earnings attributable to the

company fell to \$233 million, or 41 cents per share, from \$393 million, or 70 cents per share, a year earlier. Revenue fell to \$15.30 billion from \$15.53 billion. On an adjusted basis, the company earned 46 cents per share, versus analysts' average estimate of 60 cents according to IBES data from Refinitiv.

American Airlines cuts outlook on 737 MAX, sees jets flying again by mid-August

American Airlines Group cut its 2019 profit forecast, blaming an estimated \$350 million hit from the grounding of Boeing's 737 MAX planes during its busiest travel season, but said it was confident the aircraft would start flying by mid-August. The U.S. carrier said it expects to cancel hundreds of flights during the peak summer season due to the groundings. The airline said its employees were working overtime to accommodate some 700,000 summer travelers and thousands of crew affected by 15,000 MAX cancellations through Aug. 19. As a result, it said it



A file photo of the Exxon Mobil gas station in Denver, Colorado United States July 28, 2017. REUTERS/Rick Wilking

now expects its 2019 adjusted profit of \$4.00 per share to \$6.00 per share, from a previous forecast of between \$5.50 per share and \$7.50 per share. Analysts on average were expecting 2019 earnings of \$5.63 per share, according to Refinitiv data. American reported first-quarter net income of \$185 million, or 41 cents per share, compared with \$159 million, or 34 cents per share, a year earlier.

Slack posts \$141 million annual loss as it files to go public

The owner of workplace instant messaging app Slack made public strong year-on-year growth numbers, and an annual loss of \$140.7 million, as it filed formally for its long-awaited market debut. Slack Technologies said it had more than 10 million daily active users as of the end of January. Only 88,000 of those were paying subscribers, but that was up almost 50 percent from a year earlier and more than double the 37,000 it had in 2017, the company's regulatory filing showed. The company said it had more than 500,000 organizations on its free subscription plan and that revenue jumped 82 percent from last year to \$400.6 million and up from \$105 million in 2017.

"Anemic" traffic raises doubts over Starbucks sales gains

Initial optimism over first-quarter results from Starbucks was waning fast on Wall Street, as analysts questioned the longer-term prospects of its new sales push given subdued overall customer traffic numbers especially in China. The company on Thursday beat brokerage estimates for quarterly same-store sales on the back of demand for its new Cloud Macchiato, Matcha tea and cold brews in the United States. However, BTIG's Peter Saleh was one of a number of sector analysts who said while customers forking out for higher-priced new drinks had helped drive growth in same-store sales, "anemic" traffic at cafes remained a concern. He and others pointed to a 1

percent decline in footfall at cafes in the Chinese market, viewed as crucial to the chain's growth for the foreseeable future. "We remain cautious given near-term headwinds surrounding China, including cannibalization, increasing competition (and) a slowing economy," Wedbush analyst Nick Setyan said. 11 of 29 brokerages rate Starbucks "buy" or higher, 17 "hold" and 1 "sell" or lower. Their median price target is \$75.

Ad firm Interpublic beats profit estimates on higher client spending

Interpublic Group beat Wall Street estimates for quarterly profit and revenue, as the U.S. advertising company benefited from higher client spending worldwide. Interpublic said organic revenue rose 6.4 percent in the first quarter, beating analysts' expectations of a 3.8 percent rise, according to research firm FactSet. Interpublic said leading client sectors included consumer packaged goods, financial services and retail. Net loss available to Interpublic's common stockholders narrowed to \$8 million, or 2 cents per share, in the quarter, from \$14.1 million, or 4 cents per share, a year earlier. Excluding items, Interpublic earned 11 cents per share, beating the average analyst estimate of 4 cents per share, according to IBES data from Refinitiv. Separately, WPP suffered a sharp drop in first-quarter underlying sales in North America as the loss of work from clients such as Ford took a toll on its most important market. To Read more, [click here](#)

Intel puts modem business up for sale, held talks with Apple - WSJ

Intel is exploring strategic options for its modem chip business, including a possible sale to Apple or another acquirer, the Wall Street Journal reported, citing people familiar with the matter. Intel decided to exit the 5G modem chip business last week, hours after Apple settled a longstanding legal dispute with Qualcomm. Apple had held talks with Intel around last

summer and continued to do so for months until halting recently around the time of its settlement with Qualcomm, the WSJ report said. Intel has already received expressions of interest from a number of parties and has hired Goldman Sachs to manage the process, which was in an early stage, the report said.

AutoNation quarterly profit beats on higher earnings per vehicle

AutoNation reported a better-than-expected quarterly profit, as it earned more per vehicle sold. The company said its same-store gross profit per vehicle retailed across its 325 U.S. locations was up 6 percent to \$3,559 during the quarter. AutoNation Chief Executive Carl Liebert told Reuters there remains room to improve gross profit per vehicle, including by increasing the use of AutoNation vehicle financing. "We want to make sure we are managing price and volume," Liebert said. "There are good deals and bad deals." Net income from continuing operations fell to \$92.1 million in the first quarter, from \$93.3 million a year earlier.

Cabot Oil & Gas raises dividend as quarterly profit more than doubles

U.S. natural gas producer Cabot Oil & Gas raised its dividend by 29 percent after its quarterly profit handily beat analysts' estimates on better-than-expected natural gas production and higher prices. Cabot's first-quarter daily equivalent production rose 21 percent to 2.28 billion cubic feet per day (bcfe), exceeding the high-end of the company's forecast range. Natural gas prices, including hedges, rose 37 percent to \$3.35 per thousand cubic feet in the three months to March 31. Cabot said it expects second-quarter production to range between 2.3 billion to 2.35 billion cubic feet per day and reiterated its expectation that full-year production would grow 20 percent.



North Korean leader Kim Jong Un arrives at the railway station before his departure in Vladivostok, Russia April 26. REUTERS/Shamil Zhumatov

Insight and Analysis

COLUMN-U.S. economy loses momentum despite impressive headline growth: Kemp

The U.S. economy showed clear signs of slowing during the first three months of the year, despite a much higher than expected figure for headline growth in GDP reported. Real GDP expanded at an annualised rate of 3.2 percent in the first quarter, according to the advanced estimate from the U.S. Bureau of Economic Analysis. But the details contained within the GDP report paint a much less healthy picture of the economy and confirm other indicators that suggest it continued to lose momentum at the start of 2019.

POLL-Global tightening cycle over, slower ride for growth ahead

Major central banks are done tightening policy, according to a majority of economists polled by Reuters, with the growth outlook wilting across developed and emerging economies along with scant prospects for a surge in inflation. While that is largely reflected in bond markets, global equities have rallied, and the S&P 500 index is near record highs. One striking conclusion from the latest surveys of over 500 economists from around the world, was not just a toning down of the economic outlook, but a clear shift away from optimistic views.

COLUMN-Global economy is close to stalling as trade falls: Kemp

World trade volumes are falling for the first time since the end of the financial crisis in a sign the global economy is only one more major shock away from recession. Trade volumes in the three months between December and February were down 0.8 percent compared with the same period a year earlier, according to the Netherlands Bureau of Economic Policy Analysis. So far, the loss of momentum has been felt most strongly in manufacturing and transportation, sectors with heavy international exposure, rather than in more domestically focused services.

CANADA

Coming Up – On Monday

Canadian National Railway Co is expected to report higher first-quarter profit, benefiting from increased crude transportation volume and investments made in strengthening its network. Investors will look out for commentary on how the Alberta output cuts impact shipments and capex investments.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
MAG Silver Corp	13.72	1.11	8.80
Hexo Corp	10.45	0.79	8.18
Aecon Group Inc	18.79	1.27	7.25
LOSERS			
Mullen Group Ltd	10.58	-1.61	-13.21
Peyto Exploration & Development Corp	6.26	-0.42	-6.29
Turquoise Hill Resources Ltd	2.02	-0.13	-6.05

MARKET MONITOR

Canada's main stock index rose, with the **Toronto Stock Exchange's S&P/TSX Composite index** closing 0.23 percent up at 16,613.46

The **financials sector** climbed up 0.42 percent to 308.80, while the **energy group** fell 1.48 percent to 163.37.

The **U.S. dollar** was down 0.18 percent against its **Canadian counterpart** to 1.3461.

Top News

Husky Energy and Imperial Oil urge Alberta to end oil curbs

Two of Canada's biggest integrated oil producers urged the incoming Alberta government to end mandatory production cuts, saying they have hurt the economy and deterred investment in the country's main crude-producing province. Alberta imposed the curtailments in January in an attempt to reduce hefty price discounts on Canadian crude that reflected production that far exceeded pipeline space. Imperial Oil and Husky Energy previously benefited from refining cheaper oil, and opposed the cuts. "Alberta needs to take concrete measures to rebuild investor confidence," Husky Chief Executive Rob Peabody said on a conference call. "We have a new government and we urge them to return to competitive free market principles by ending quotas and allowing the market to manage itself in a more natural and efficient manner."



Canada posts larger budget surplus in first 11 months of 2018/19

Canada posted a budget surplus in the first 11 months of the 2018-19 fiscal year compared to a deficit the year earlier as revenues increased mostly on higher tax incomes, the finance department said. The surplus for April-February was C\$3.1 billion, compared to a deficit of C\$6 billion in the same 2017/18 period. Revenues climbed by 8.5 percent, mainly due to higher tax receipts, while program expenses rose by 4.8 percent. The surplus for February was C\$4.3 billion compared with C\$2.8 billion in February 2018. Revenues jumped by 12.2 percent.

Imperial Oil quarterly profit falls 43 percent, cuts 2019 capex

Canada's Imperial Oil cut its 2019 spending forecast, after its net income nearly halved in the first quarter due to extreme cold weather, production cuts enforced by Alberta's government and weak refining margins. Net profit fell to C\$293 million or 38 Canadian cents in the first quarter, from C\$516 million, or 62 Canadian cents, a year earlier. The company said it now expects to spend between C\$1.8 billion and C\$1.9 billion, down from its previous outlook of C\$2.3 billion to C\$2.4 billion. Imperial, along with Husky Energy, was among the strongest critics of Alberta government's decision, as it hurt their ability to get cheap crude for their refineries. Curtailments have been reduced slightly since January and are expected to ease through the year. It also raised its second quarter dividend by 16 percent to 22 Canadian cents per share.



WEALTH NEWS

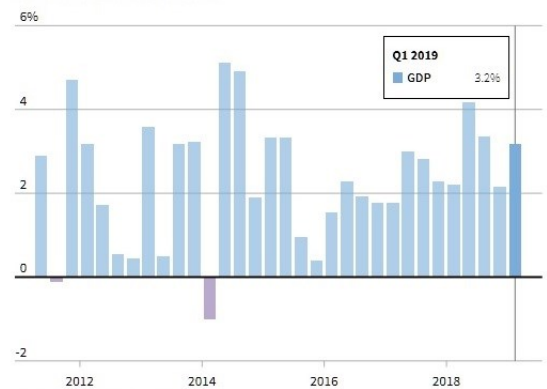
ECONOMIC INDICATOR

U.S. economy expands 3.2 percent in Q1; growth details weak

U.S. economic growth accelerated in the first quarter, but the burst in growth was driven by a smaller trade deficit and the largest accumulation of unsold merchandise since 2015, temporary boosters that are seen weighing on the economy later this year. Gross domestic product increased at a 3.2 percent annualized rate in the first quarter, the government said in its advance GDP report. Growth was also driven by increased investment in roads by local and state governments. Excluding trade, inventories and government spending, the economy grew at only a 1.3 percent rate in the first quarter. A gauge of inflation tracked by the Federal Reserve increased at a 1.3 percent rate last quarter. Fed policymakers are likely to shrug off the last quarter's growth spurt and focus on the weak domestic demand and inflation when they meet next week. Growth in consumer spending, which accounts for more than two-thirds of U.S. economic activity, slowed to a 1.2 percent rate from the fourth quarter's 2.5 percent rate. Business spending on equipment braked sharply, rising at only at a 0.2 percent rate.

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.

WALL STREET WEEK AHEAD

Good news from China could boost materials shares

Even as the lift from optimism over prospects for U.S.-China trade detente shows signs of wearing off for the wider U.S. stock market, upbeat sentiment around China's economy could bolster shares of materials companies.

U.S. LEVERAGE IN TRADE TALKS

Strong growth gives U.S. leverage in China trade talks-White House adviser

Strong U.S. economic growth and modest inflation are giving Washington leverage over Beijing in trade talks, the White House's top economic adviser said as U.S. and Chinese negotiators prepared for a new round of meetings next week.

HUNT FOR NEW CEO

Wells Fargo taps headhunter Spencer Stuart to find new CEO-sources

Wells Fargo's board has retained executive search firm Spencer Stuart to hunt for a new chief executive, ideally a woman who can tackle its regulatory and public perception issues, two people familiar with the matter said.

PROBE ON FORD

U.S. opens criminal probe into Ford emissions certification

The U.S. Justice Department has opened a criminal investigation into Ford Motor's emissions certification process in the United States, the automaker disclosed, saying it was cooperating fully with the probe and still conducting its own internal

DIVESTITURE

CVC in talks over 1 billion euro sale of Continental Foods - sources

Private equity firm CVC Capital Partners is in talks with potential bidders about a possible sale of its Continental Foods business, which could be worth as much as 1 billion euros (\$1.12 billion), five sources familiar with the matter said.

INVESTOR DEMAND

Activist investors pile on pressure for removal of Bed Bath & Beyond CEO

A group of activist investors again urged Bed Bath & Beyond to replace Chief Executive Officer Steven Temares and laid out a plan including cost cuts and better inventory management to improve the retailer's profitability.

ON THE RADAR

Events	ET	Poll	Prior
Tue: Employment wages QQ for Q1	0830	--	0.6 pct
Employment benefits QQ for Q1	0830	--	0.7 pct
Employment costs for Q1	0830	0.7 pct	0.7 pct
Caseshiller 20 mm SA for Feb	0900	--	0.1 pct
Caseshiller 20 mm NSA for Feb	0900	--	-0.2 pct
Caseshiller 20 yy for Feb	0900	3.3 pct	3.6 pct
Chicago PMI for Apr	0945	58.8	58.7
Consumer Confidence for Apr	1000	126	124.1
Pending Homes Index for Mar	1000	--	101.9
Pending sales change mm for Mar	1000	1 pct	-1 pct
Texas Service Sector Outlook for Apr	1030	--	-4.4
Dallas Fed Services Revenues for Apr	1030	--	12.8
 Wed: ADP national employment for Apr	0815	180,000	129,000
Markit Manufacturing PMI Final for Apr	0945	--	52.4
Construction spending mm for Mar	1000	0.2 pct	1 pct
ISM Manufacturing PMI for Apr	1000	54.8	55.3
ISM Manufacturing Prices Paid for Apr	1000	56.5	54.3
ISM Manufacturing Employment Index for Apr	1000	--	57.5
ISM Manufacturing New Orders Index for Apr	1000	--	57.4
Fed funds target rate	1400	2.375 pct	2.375 pct
Fed int on excess reserves	1400	--	2.4 pct
 Thu: Challenger layoffs for Apr	0730	--	60,587
Initial jobless claims	0830	214,000	230,000
Jobless claims 4-week average	0830	--	206,000
Continued jobless claims	0830	--	1.655 mln
Labor costs preliminary for Q1	0830	2.2 pct	0.9 pct
Productivity preliminary for Q1	0830	1.2 pct	2.2 pct
ISM-New York Index for Apr	0945	--	869.1
ISM New York Business Conditions for Apr	0945	--	66.9
Durables ex-defense, R mm for Mar	1000	--	2.3 pct
Durable goods, R mm for Mar	1000	--	2.7 pct
Factory orders mm for Mar	1000	1.3 pct	-0.5 pct
Durables ex-transport R mm for Mar	1000	--	0.4 pct
Nondefense cap ex-air R mm for Mar	1000	--	1.3 pct
Factory ex-transport mm for Mar	1000	--	0.3 pct
 Fri: Non-farm payrolls for Apr	0830	180,000	196,000
Private payrolls for Apr	0830	165,000	182,000
Manufacturing payrolls for Apr	0830	10,000	-6,000
Government payrolls for Apr	0830	--	14,000
Unemployment rate for Apr	0830	3.8 pct	3.8 pct
Average earnings mm for Apr	0830	0.3 pct	0.1 pct
Average earnings yy for Apr	0830	3.3 pct	3.2 pct
Average workweek hours for Apr	0830	34.5 hrs	34.5 hrs
Labor force participation for Apr	0830	--	63 pct
U6 underemployment for Apr	0830	--	7.3 pct

Events	ET	Poll	Prior
Advance goods trade balance for Mar	0830	--	-80.39 bln
Wholesale inventories advance for Mar	0830	--	0.9 pct
Retail inventories ex-auto advance for Mar	0830	--	1 pct
Markit Composite Final PMI for Apr	0945	--	52.8
Markit Services PMI Final for Apr	0945	--	52.9
ISM N-Manufacturing PMI for Apr	1000	56.8	56.1
ISM N-Manufacturing Business Activity for Apr	1000	--	57.4
ISM N-Manufacturing Employment Index for Apr	1000	--	55.9
ISM N-Manufacturing New Orders Index for Apr	1000	--	59
ISM N-Manufacturing Price Paid Index for Apr	1000	--	58.7

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Alexandria Real Estate Equities	Q1	AMC	\$0.43	\$0.43	\$1.32	\$270.43
Alphabet	Q1	AMC	\$10.60	\$10.60	\$9.93	\$37,331.75
Leggett & Platt	Q1	AMC	\$0.52	\$0.52	\$0.57	\$1,178.31
Loews	Q1	BMO	\$0.95	\$0.95	\$0.80	NULL
MGM Resorts International	Q1	AMC	\$0.19	\$0.21	\$0.33	\$3,129.79
SBA Communications	Q1	AMC	\$0.21	\$0.22	\$0.27	\$481.89
Western Digital	Q3	AMC	\$0.46	\$0.46	\$3.63	\$3,676.43

*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.

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