

# THE DAY AHEAD

## MARKET RECAP at 4 pm ET

**Wall Street** ended lower, led by losses in tech stocks, as U.S.-China trade tensions continued to worry investors. The **dollar** dropped against the **euro** and **benchmark Treasury yields** fell, following a weaker-than-expected jobs report. **Gold** moved higher. A boost in **oil** prices was supported by OPEC and its allies' decision to cut production.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	24388.41	-559.26	-2.24	26951.81	23344.52
Nasdaq	6969.25	-219.01	-3.05	8133.30	6630.67
S&P 500	2633.07	-62.88	-2.33	2940.91	2532.69
Toronto	14795.13	-141.87	-0.95	16586.46	14639.70
FTSE	6778.11	74.06	1.10	7903.50	6673.57
Eurofirst	1362.52	8.57	0.63	1587.95	1350.59
Nikkei	21678.68	177.06	0.82	24448.07	20347.49
Hang Seng	26063.76	-92.62	-0.35	33484.08	24540.63

TREASURIES	Yield	Price
10-year	2.8558	6 /32
2-year	2.7190	2 /32
5-year	2.7009	7 /32
30-year	3.1458	-6 /32

FOREX	Last	% Chng
Euro/Dollar	1.1406	0.28
Dollar/Yen	112.62	-0.04
Sterling/Dollar	1.2741	-0.32
Dollar/CAD	1.3308	-0.52
TR/HKEX RMB	93.59	0.02

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	52.55	1.06	2.06
Spot gold (NY/oz)	1248.49	10.88	0.88
Copper U.S. (front month/lb)	0.0276	0.0002	0.55
Reuters/CRB Index Total Return	190.52	2.96	1.58

S&P 500	Price	\$ Chng	% Chng
<b>GAINERS</b>			
PPL Corp	31.08	0.84	2.78
Newmont Mining Corp	33.40	0.74	2.27
Schlumberger NV	43.05	0.73	1.73
Edison International	58.50	0.96	1.67
<b>LOSERS</b>			
Ulta Beauty Inc	254.47	-38.45	-13.13
Cooper Companies Inc	243.01	-34.02	-12.28
American Airlines Group Inc	33.57	-3.37	-9.12
Advanced Micro Devices Inc	19.46	-1.84	-8.64

## Coming Up - On Monday



U.S. Labor Department report of **job openings** and **labor turnover** for October is scheduled for release. **Job openings** fell to 7.009 million in September. Institute for Supply Management issues semi-annual economic forecasts for **manufacturing and nonmanufacturing business data**.

**SoftBank Corp** will price its domestic telecoms unit's IPO. The company is also expected to announce additional share offering in an over allotment, thanks to solid retail investor demand.

Tokyo prosecutors plan to indict former **Nissan Motor Co** Chairman **Carlos Ghosn** and Representative Director **Greg Kelly** for financial misconduct, ratcheting up their case against the auto tycoon.

## Coming Up - Week Ahead

On the economic calendar, a report from the U.S. Commerce Department on Wednesday may show **consumer inflation** for November stayed flat, compared with 0.3 percent rise in October. In the 12 months through November, inflation is expected to have increased at a slower pace of 2.2 percent, compared to October's reading of 2.5 percent. **Retail sales** data, due for release on Friday, will likely show sales dropped 0.2 percent in November. Retail sales rebounded 0.8 percent in October, as purchases of motor vehicles and building materials surged. The Labor Department on Thursday may report a decline in the number of Americans filing for **unemployment benefits for the week** ended Dec. 8. Initial claims are seen dropping to 227,000 from last week's 231,000. Thursday's list also includes **import prices** data for November. Industrial production, data due for release

on Friday, is expected to edge up 0.3 percent in November, compared with 0.1 percent in October. **Markit manufacturing PMI** and **business inventories data** are also scheduled for release on Friday.

**Google** Chief Executive **Sundar Pichai** testifies before **U.S. House Judiciary Committee** on Alphabet Inc's social media practices on Tuesday. Pichai had agreed to testify before the panel over Republican concerns that the company is biased against conservatives after it skipped a high-profile Senate hearing. Google has denied the allegation that it is biased toward conservatives.

The **European Central Bank** to announce its **interest rate** decision on Thursday, followed by a news conference with ECB President **Mario Draghi**. The ECB is set to

## KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
JOLTS job openings for Oct	1000	--	7.009 mln

## KEY RESULTS

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



formally announce the end of its three-year long, 2.6 trillion euro monetary stimulus scheme. What investors appear more certain about is that the ECB will struggle to bring interest rates back up to zero percent - especially if a U.S. slowdown encourages the Fed to pause its rate-hike cycle. Money market pricing suggests investors expect roughly a 75 percent chance of an ECB rate hike in 2019.

**American Eagle Outfitters Inc** is expected to report another quarter of same-store sales growth on Tuesday. All eyes will be on the apparel retailer's forecast for the crucial holiday selling season as it continues to spend heavily on the expansion of its Aerie brand of lingerie.

**Stitch Fix Inc** will report first quarter results on Tuesday. Investors will look for

growth in the number of active clients, a key factor that includes subscribers who have received a shipment in the previous 12-month period.

**Hess Corp** CEO John Hess meets with investors on Wednesday to present the company's strategy and goals to build on its shale oil production and investments in deep water discoveries off the coast of Guyana.

**Costco Wholesale Corp** is expected to report a rise in first-quarter sales and profit on Thursday, boosted by an increase in membership fees and strong e-commerce sales. The company's profit margin for the latest quarter will be in focus as the members-only grocer faces stiff competition, resulting in aggressively price cuts.

Statistics Canada is scheduled to report **industrial capacity utilization data** for the third quarter on Wednesday. Industries ran at 85.5 percent of capacity in the second quarter.

**Detour Gold Corp** will hold a special meeting of shareholders to consider an alternate slate of eight directors proposed by activist hedge fund Paulson & Co on Tuesday.

**Brazilian central bank** is expected to hold **interest rates** steady at 6.5 percent, when it announces monetary policy decision on Wednesday. **Retail sales data** for October will be released on Thursday. Sales dropped 1.3 percent in September.

**Mexican industrial production** data for October is due for release on Wednesday. Industrial output rose 1 percent in September.



A Costco Wholesale sign seen during the China International Import Expo (CIIE), at the National Exhibition and Convention Center in Shanghai, China November 5, 2018. REUTERS/Aly Song

# Market Monitor

**Stocks** tumbled in a broad sell-off led by declines in big internet and technology shares, and the **benchmark S&P 500 index** posted its biggest weekly percentage drop since March as concerns over U.S.-China trade tensions and interest rates convulsed Wall Street. The trade standoff between Washington and Beijing has been a major overhang on equities for most of this year and this week has seen the markets sell off on diminishing hopes that their truce, brokered last weekend, would help resolve differences. Concerns over U.S.-China trade relations were fanned by White House trade adviser Peter Navarro's comments that U.S. officials would raise tariff rates if the two countries could not come to an agreement during a 90-day negotiating period. The **S&P 500 tech sector** was down 3.53 percent at 1,129.58. Shares of **Moderna** fell 17.4 percent. The **Dow** fell 2.24 percent to 24,388.41, the **S&P 500** lost 2.33 percent to 2,633.06 and the **Nasdaq** dropped 2.58 percent to 7,002.49. For the week, the **Dow** was down 4.5 percent, **S&P 500** down 4.6 percent and **Nasdaq** was down 4.9 percent.

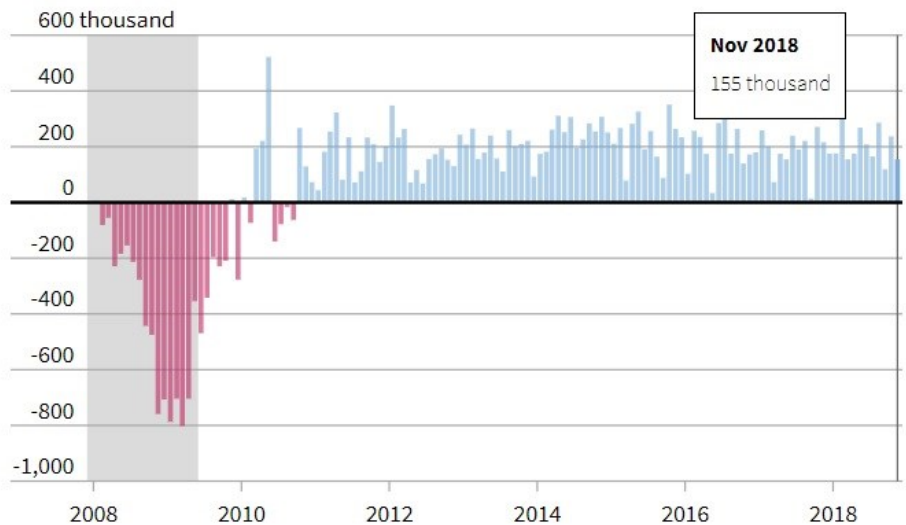
**Oil** prices ended higher after OPEC members and allies like Russia agreed to reduce output to drain global fuel inventories and support the market, but the gains were capped by concerns that the cuts would not offset growing production. The Organization of the Petroleum Exporting Countries and its Russia-led allies, referred to as "OPEC+," agreed to slash production by a combined 1.2 million barrels per day next year in a move to be reviewed at a meeting in April. OPEC will curb output by 800,000 bpd from January while non-OPEC allies contribute an additional 400,000 bpd of cuts, Iraqi Oil Minister Thamer Gadhban said. **Brent crude** rose 2.46 percent to \$61.54 a barrel, while **U.S. crude** rose 1.98 percent to \$52.51 a barrel.

The **margin between short- and long-end U.S. Treasury yields** grew as weaker-than-expected data on domestic jobs growth in November bolstered the view

## U.S. Employment

### NONFARM PAYROLLS

Change from previous month



Source: Thomson Reuters Datastream

By Matthew Weber | REUTERS GRAPHICS

*Click on the chart for a detailed and interactive graphic*

that the Federal Reserve may tap the brakes on raising interest rates sooner than previously thought. Bets that the end of the U.S. central bank's rate-hike campaign is on the horizon and a rally in oil prices after an OPEC deal to reduce output briefly reduced demand for safe-haven U.S. government debt, analysts said. The **entire yield curve** steepened, with the **spread between two-year and 10-year yields** widening 2 percent to 13.50 basis points. The **benchmark 10-year Treasury notes** fell 6/32 to yield 2.8540 percent. The **two-year notes** fell 2/32 to yield 2.7190 percent.

The **dollar** fell against the **euro**, after data showed U.S. employers hired fewer workers than forecast in November, raising worries that U.S. growth is moderating and the Federal Reserve may stop raising rates sooner than previously thought. Interest rate futures implied traders see no more than one rate increase in 2019, compared with expectations a month earlier for

possibly two rate hikes, according to CME Group's FedWatch program. The **euro** was 0.30 percent higher against the **dollar** at \$1.1408. An index that tracks the **greenback** versus the **euro, yen, sterling** and three other currencies was down 0.22 percent at 96.60. **Sterling** fell 0.34 percent to \$1.2739 as British Prime Minister Theresa May pressed ahead with plans for a parliamentary vote on her Brexit deal with the European Union, despite warnings it could topple her government.

**Gold** moved higher as the dollar slid following weaker-than-expected U.S. jobs data, which added to expectations that the U.S. Federal Reserve may go slow on interest rate hikes next year. With a rise of more than 2 percent this week, gold posted its best gain since the week of March 23. **Spot gold** gained 0.85 percent to \$1,248.16 per ounce. **U.S. gold futures** was up 0.88 percent at 1,254.50 per ounce.





# Top News

## U.S. wants Huawei CFO to face charges over Iran sanctions, court hears

U.S. prosecutors want a top executive of Huawei to face charges of fraud linked to the skirting of Iran sanctions, a Vancouver court heard. Huawei Chief Financial Officer Meng Wanzhou, 46, daughter of the founder of the company, which U.S. intelligence agencies allege is linked to China's government, was arrested in Canada on Dec. 1 at the request of the United States. U.S. prosecutors want to extradite Meng to face accusations that she misrepresented Huawei's relationship to a company they said had transacted business in Iran despite U.S. sanctions, according to evidence read in a bail hearing in court. The United States has 60 days to make a formal extradition request, which a Canadian judge will weigh to determine whether there is a strong case against Meng. Then it is up to Canada's justice minister to decide whether to extradite her. If extradited to the United States, Meng would face charges of conspiracy to defraud multiple financial institutions, the court heard, with a maximum sentence of 30 years for each charge. The hearing was to present arguments for and against releasing Meng while her case proceeds. A judge could release Meng on no conditions, on strict conditions, or decide to keep her in custody for the duration. Chinese Foreign ministry spokesman Geng Shuang said that neither Canada nor the United States had provided China any evidence that Meng had broken any law in those two countries, and reiterated Beijing's demand that she be released.

## GE's push to fix power turbine problem goes global

Utilities are shutting down at least 18 of General Electric's newest gas turbines for repairs at power plants from Taiwan to France, according to more than a dozen interviews with plant operators and industry experts. Power plant operators in Japan, Taiwan, France and at multiple U.S. sites have shut down - or plan to shut down - at least 18 of the 55 new HA-model turbines that GE has shipped so far, French

utility data and interviews with more than 20 industry experts, including executives, plant operators, insurance specialists, engineers and consultants with direct knowledge of GE turbines show. In an interview, GE gas power systems CEO Chuck Nugent played down the significance of turbine shutdowns and the French data, saying that GE turbines are performing "extremely well," despite the need for "early maintenance" to fix the blades. Considering all of the power turbines it has in use, GE has "the most reliable fleet in the world - 99 percent, give or take, reliability," he added. GE previously disclosed that its equipment needing blade repairs includes four 7HA turbines in Texas that were shut after oxidation caused a blade to fail in one of them in September. Those turbines are included in the 18 being shut down. Photographs of the damaged turbine reviewed by Reuters show dozens of jagged and broken blades inside the massive machine, owned by Exelon. The turbines are now running after two months of repairs, Exelon said. GE told Reuters it identified the oxidation problem in 2015, and developed a fix before the failure in Texas.

## Altria to marry pot with big tobacco in \$1.8 billion Cronos deal

Marlboro cigarette maker Altria announced a \$1.8 billion investment in Cronos, which could give it up to 55-percent ownership of the Canadian cannabis producer. With the Cronos investment, Altria will get a new

opportunity to boost revenue as cigarette smoking continues to decline in the United States. Altria will buy 146.2 million of newly issued Cronos shares at C\$16.25 per share for a 45-percent stake. The offer represents a 16.2-percent premium to the stock's Thursday close on the Toronto Stock Exchange. The deal also includes warrants to acquire an additional ownership interest in Cronos at a price of C\$19 per share over the next four years, which could raise Altria's stake to 55 percent. After the deal is closed, Altria will have the right to nominate four directors, including one independent, to Cronos' board comprising seven directors in total. The deal structure was driven by an appetite on Cronos' part to entertain discussions with other parties, although it is not guaranteed that any future discussions will result in product partnerships or new deals, according to one person familiar with the matter. Separately, Altria said it would discontinue some of its e-cigarette brands, including all of MarkTen and Green Smoke e-vaper products, based on their financial performance and will take a related pretax charge of \$200 million in the fourth quarter.

## Brazil's govt joins Embraer in challenging injunction of tie-up with Boeing

Brazil's government said that it would appeal an injunction issued Thursday blocking a proposed tie-up between Embraer and Boeing, joining Embraer, which has also said it will challenge the



A sign marks a General Electric facility in Medford, Massachusetts, U.S., April 20, 2017. REUTERS/Brian Snyder

decision. The Brazilian government will appeal through its solicitor general. Embraer announced in July its intention to sell 80 percent of its commercial aviation business to Boeing for \$3.8 billion. Embraer has said the deal is crucial for its survival. The Embraer deal has stalled since July partly because the Brazilian government, which has veto power over any significant business decisions, has been reluctant to approve it. Embraer needs government approval, a remnant of when the company was state-owned before its privatization in the 1990s, before it can formally present the deal with Boeing to its shareholders.

#### **Amazon targets airports for checkout-free store expansion**

Amazon.com is looking at bringing its futuristic checkout-free store format to airports in an effort to win business from hungry, time-pressed travelers, according to public records and a person familiar with the strategy. Amazon has opened seven of the stores to the public since January: in Chicago, San Francisco and its hometown Seattle, mostly catering to workers in nearby offices looking for a quick lunch. Amazon is evaluating top U.S. airports for new locations, according to public records requests to several airport operators. "The lead for Amazon Go requested a meeting," read a June 27 email from a technology adviser who supports Los Angeles International, to a concessions official. "Interested?" "Yes. Thanks!" the concessions official replied. A few hundred miles north, in the heart of Silicon Valley, an account manager at Amazon's cloud unit asked San Jose International Airport for a meeting and referenced Amazon Go, as "one of many possibilities we can discuss." Officials from both airports have since told Reuters they had no further correspondence about Amazon Go and that the retailer would have to undergo a competitive bid process to become a concessionaire, as is typical. The status of the Amazon Go effort is unclear. A person familiar with the strategy confirmed that Amazon is studying how to get the checkout-free stores into airports and that an employee with experience in business development was assigned to the task.

#### **In biggest Indian IT deal, HCL Tech to buy \$1.8 billion of IBM software**

HCL Technologies will buy some software assets from IBM for \$1.8 billion, the companies said, marking the largest purchase ever by an Indian IT services firm. HCL will buy seven software platforms from IBM, giving it a larger clientele and allowing it to step up its presence in areas such as commerce, security, and marketing — an over \$50 billion market opportunity that the Indian firm said would help boost profits. The deal will also help HCL collect additional revenue of about \$650 million in the second year of the acquisition on a run-rate basis, though sales would take a roughly \$25 million hit in the first year. Some IT analysts said the deal did not make strategic sense for HCL over the long term because it already maintained a partnership with IBM for a bulk of the products it was buying and was overpaying for the purchase. For IBM, the deal is an opportunity to further trim its legacy businesses as it focuses on cloud computing.

#### **Akorn shares fall after Delaware court rules in favor of Fresenius**

Germany's Fresenius properly terminated its merger agreement with Akorn, the Delaware Supreme Court said, sending shares of the drugmaker down. The ruling upholds what was considered a landmark decision from the Delaware Chancery Court in October, which ruled Fresenius could walk away from the deal valued at over \$4 billion. That decision came as a surprise since it determined for the first time in Delaware that a buyer had validly terminated a merger after the target's business took a nosedive, and also because Delaware judges have generally held buyers to merger deals. Akorn had argued that Fresenius Chief Executive Officer Stephan Sturm suffered buyer's remorse and directed his lawyers to construct a case to end the deal. Akorn's shares ended 25.04 percent lower at \$4.19.

#### **India government meets with WhatsApp over tracing of fake news -source**

Indian tech ministry officials met with senior WhatsApp executives this week to ask the Facebook unit to start tracing the origins of misinformation spread through

its messaging platform, a senior government official said. "We have been asking them for traceability," said the official at the Ministry of Electronics and Information Technology, declining to be identified as the meeting was private. "They (WhatsApp) are non-committal on it but we are forcing this issue." WhatsApp maintains that building traceability into its messaging service would undermine its private nature and end-to-end encryption, creating the potential for misuse. It has also said it will not weaken the privacy protection it provides.

#### **EU clears with conditions Knauf's buy of Armstrong business**

EU antitrust regulators approved Knauf's purchase of Armstrong World Industries' ceilings business outside the Americas on condition the German building materials maker sells Armstrong's tiles plants in Britain. Both companies are two of Europe's biggest suppliers of modular suspended ceilings, which are used in offices, hospitals and schools. The European Commission said the sale of the Armstrong unit and the transfer of the U.S. company's sales team and customer base in 11 countries to ensure the viability of the divested business addressed its competition concerns.



#### **Tesla hires Washington trial lawyer as new general counsel**

Tesla has hired Dane Butswinkas, a Washington, D.C. trial lawyer, as its general counsel, the electric car manufacturer said late on Thursday. Tesla Chief Executive Officer Elon Musk had hired Butswinkas to help settle a case with the U.S. Securities and Exchange Commission, Bloomberg had reported in October. Musk and Tesla paid \$20 million each in fines to settle the case, which stemmed from the billionaire CEO's Twitter posts in August about taking the company private. Butswinkas, the chairman of major Washington law firm Williams & Connolly, is replacing Todd Maron at Tesla.





*A nurse holds a hand of malnourished two-month-old Jood Motaher two days before her death at a malnutrition treatment centre in Sanaa, Yemen November 22. REUTERS/Mohamed al-Sayghi*

## Insight and Analysis

### **As bitcoin trading shifts shape, big money stays away**

Bitcoin's value has plunged by three-quarters this year, sending the original and biggest cryptocurrency back to levels not seen before its bubble. And price isn't the only aspect of trading that has changed. The retail investors behind bitcoin's dizzying ascent to a record of nearly \$20,000 last December have fled, leaving the early adopters and crypto-related firms that traditionally dominated digital coin trading driving exchange volumes. And while bigger investors from proprietary traders to hedge funds are growing more active, mainstream financial firms have stayed away from cryptocurrencies, even as market infrastructure seen as key to their entry begins to be built.

### **GLOBAL ECONOMY-No Brexit shock absorber for UK this time**

It might not feel like it, but Britain's economy got lucky after the shock of the Brexit referendum result in 2016. Although it quickly went from being the fastest-growing major rich economy to one of the slowest, the hit would have been worse if Britain's main trading partners in Europe hadn't started to grow strongly around the same time. Now, as Britain faces the risk of a chaotic no-deal Brexit from the European Union in March, it can no longer count on its neighbours to provide a shock absorber as fears of a global slowdown roil financial markets. Prime Minister Theresa May has warned of the risk of a no-deal Brexit if, as widely expected, lawmakers reject her plan in a vote in parliament scheduled for Tuesday. "

### **Wall Street Week Ahead-Licking their wounds, fund managers prep for rally in '19**

With bond and equity markets from the United States to emerging markets all on pace to lose money this year, investors have not seen this much red on their screens since 1972, the last time no asset class returned at least 5 percent. Yet fund managers are finding things to like despite the recent market volatility, which sent the Dow down more than 2 percent this week. As they start to position their portfolios for 2019, fund managers, from firms including ValueWorks, Sierra Investment Management and Federated Investors, say they are looking at sectors that could snap back next year thanks to a combination of more attractive valuations and a decline in the dollar.



# CANADA

## Coming Up

Canada's **main stock index** ended lower.

The **Toronto Stock Exchange's S&P/TSX composite index** ended lower 0.95 percent at 14,795.13.

The **energy** sector rose 1.09 percent to 148.36. **Suncor Energy** rose 2.73 percent. Shares of **Husky Energy** rose 1.51 percent.

**U.S. dollar** fell 0.13 percent against the **loonie** to C\$1.3369.

REUTERS/Mark Blinch



## MARKET MONITOR

Canada Mortgage and Housing Corporation will release **housing starts** data for November. There were 205,900 housing starts in October. **Building permits** data for October is also due for release.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
<b>GAINERS</b>			
Eldorado Gold Corp	0.83	0.07	9.21
New Gold Inc	1.14	0.09	8.57
Aurora Cannabis Inc	7.60	0.55	7.80
<b>LOSERS</b>			
Aphria Inc	6.93	-0.62	-8.21
Shopify Inc	195.13	-14.52	-6.93
Canada Goose Holdings Inc	77.77	-5.77	-6.91

## Top News



FCA assembly workers work on 2019 Pacifica minivans at the FCA Windsor Assembly Plant in Windsor, Ontario, Canada October 5, 2018. REUTERS/Rebecca Cook

### Record jobs gain in November seen easing Bank of Canada worries

Canada added a record number of jobs in November and the unemployment rate dipped to a new all-time low, a performance that analysts said should help ease the Bank of Canada's worries about a recent economic slowdown. Statistics Canada reported a gain of 94,100 jobs on stronger full-time hiring and said the jobless rate had fallen to 5.6

percent. Analysts in a Reuters poll had forecast 11,000 new positions. Full-time jobs surged by 89,900 on stronger private sector hiring while part-time positions edged up by 4,100. That said, the average year-over-year wage growth of permanent employees - a figure closely watched by the central bank - dropped for the sixth month in a row, falling to 1.5 percent, the lowest since the 1.2 percent seen in July 2017. "This report would certainly warrant

continued tightening. At some point they will resume (lifting rates) but they will probably await clarity on the impact of some recent developments," said Paul Ferley, assistant chief economist at the Royal Bank of Canada.

### Aurora Cannabis to supply medical marijuana to Mexico

Aurora Cannabis said it has partnered with privately held pharmaceutical manufacturer and distributor Farmacias Magistrales to supply medical cannabis to Mexico. "This new exclusive partnership further expands Aurora's early mover advantage in Latin America," Chief Executive Officer Terry Booth said in a statement. Farmacias has a reach of about 80,000 retail points and 500 pharmacies and hospitals across Mexico, the company said. The announcement comes a month after Mexico's Congress website showed its plans to submit a bill to create a medical marijuana industry and allow recreational use in what would be a big step by the incoming government to shake up the country's drug war. If the bill passes, Mexico would join Canada, Uruguay and a host of U.S. states that permit recreational use of the drug and allow its commercialization.



# WEALTH NEWS

## PRODUCTION CUT

### **OPEC, Russia agree to slash oil output despite Trump pressure**

OPEC and its Russia-led allies agreed to slash oil production by more than the market had expected despite pressure from U.S. President Donald Trump to reduce the price of crude. The producer club will curb output from January by 0.8 million barrels per day versus October levels while non-OPEC allies contribute an additional 0.4 million bpd of cuts, in a move to be reviewed at a meeting in April. An output curtailment also would provide support to Iran by increasing the price of oil amid attempts by Washington to squeeze the economy of OPEC's third-largest producer. Asked whether the decision to cut could sour Riyadh's relations with Washington, Saudi Energy Minister Khalid al-Falih told reporters the kingdom was ready to pump more should a major supply outage occur.



*The logo of the Organization of the Petroleum Exporting Countries (OPEC) is seen inside their headquarters in Vienna, Austria December 7, 2018. REUTERS/Leonhard Foeger*

## ECONOMIC INDICATOR

### **U.S. job growth slows in November, monthly wage gains modest**

U.S. job growth slowed in November and monthly wages increased less than forecast, suggesting some moderation in economic activity that could support expectations of fewer interest rate increases from the Federal Reserve in 2019.

## TRADE OPTIMISM

### **Trump upbeat on China talks; aides downplay Huawei arrest friction**

U.S. President Donald Trump sounded an optimistic note about trade negotiations with China as two of his top economic advisers downplayed friction from the arrest of a senior executive of Chinese telecom equipment maker Huawei Technologies.

## ON RATE HIKES

### **Fed policymakers signal turning point on U.S. rate-hike path**

The U.S. central bank is flagging a turning point in monetary policy, as a Federal Reserve policymaker backed interest rate hikes in the "near term" but nodded to increasingly less certainty ahead.

## LACKLUSTER IPO

### **Moderna, largest biotech to go public, fails to impress in market debut**

Moderna shares fell in an upsized market debut, taking a hit from a broader selloff in U.S. markets spurred by investor concerns over an economic slowdown amid renewed trade tensions.

## BAYER STAKE

### **Activist investor Elliott has stake in Germany's Bayer -sources**

Activist investor Elliott has taken a position in Germany's Bayer, adding to the slew of investments the fund has made in German companies, three people familiar with the matter told Reuters.

## POSSIBLE STAKE

### **Buffett's Berkshire eyes stake in India's Kotak Mahindra Bank -report**

Billionaire global investor Warren Buffett's Berkshire Hathaway is looking to pick up a 10 percent stake in Kotak Mahindra Bank, according to a media report, a plan the Indian bank said it was unaware of.





## ON THE RADAR

Events	ET	Poll	Prior
<b>Tue:</b> PPI final demand yy for Nov	0830	2.5 pct	2.9 pct
PPI final demand mm for Nov	0830	0.0 pct	0.6 pct
PPI ex food/energy yy for Nov	0830	2.6 pct	2.6 pct
PPI ex food/energy mm for Nov	0830	0.1 pct	0.5 pct
<b>Wed:</b> Core CPI yy, NSA for Nov	0830	2.2 pct	2.1 pct
CPI mm, SA for Nov	0830	0.0 pct	0.3 pct
CPI yy, NSA for Nov	0830	2.2 pct	2.5 pct
<b>Thu:</b> Import prices mm for Nov	0830	-0.7 pct	0.5 pct
Initial jobless claims for 8 Dec, w/e	0830	227,000	231,000
Continued jobless claims for 1 Dec, w/e	0830	--	1.631 mln
<b>Fri:</b> Retail sales ex-autos mm for Nov	0830	0.3 pct	0.7 pct
Retail sales mm for Nov	0830	0.2 pct	0.8 pct
Retail control for Nov	0830	0.5 pct	0.3 pct
Industrial production mm for Nov	0915	0.3 pct	0.1 pct
Capacity utilization SA for Nov	0915	78.5 pct	78.4 pct
Markit manufacturing PMI flash for Dec	0945	55.2	55.3
Business inventories mm for Oct	1000	0.5 pct	0.3 pct

*The Day Ahead - North America is compiled by Debanjan Bose, Priyanka Das and Yoganand K N in Bengaluru.*

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