

# THE DAY AHEAD

## MARKET RECAP at 4 pm ET

**Wall Street** ended higher on optimism around Sino-U.S. trade talks at the G20 summit. The **dollar index** made gains, bringing **gold** prices lower. **Treasury yields** fell. **Oil** traded in the red on worries of oversupply, even as losses were capped by expectations that OPEC members and Russia would agree to cut output.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	25538.46	199.62	0.79	26951.81	23344.52
Nasdaq	7330.54	57.45	0.79	8133.30	6630.67
S&P 500	2759.83	22.07	0.81	2940.91	2532.69
Toronto	15197.82	3.78	0.02	16586.46	14639.70
FTSE	6980.24	-58.71	-0.83	7903.50	6851.59
Eurofirst	1409.60	-1.74	-0.12	1587.95	1370.70
Nikkei	22351.06	88.46	0.40	24448.07	20347.49
Hang Seng	26506.75	55.72	0.21	33484.08	24540.63

TREASURIES	Yield	Price
10-year	3.0042	9 /32
2-year	2.8007	1 /32
5-year	2.8344	3 /32
30-year	3.3023	16 /32

FOREX	Last	% Chng
Euro/Dollar	1.1317	-0.65
Dollar/Yen	113.49	0.02
Sterling/Dollar	1.2745	-0.37
Dollar/CAD	1.3291	0.08
TR/HKEX RMB	92.85	0.08

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	50.68	-0.77	-1.50
Spot gold (NY/oz)	1221.81	-1.80	-0.15
Copper U.S. (front month/lb)	0.0278	0.0000	-0.07
Reuters/CRB Index Total Return	187.94	-0.58	-0.31

S&P 500	Price	\$ Chng	% Chng
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GAINERS	Price	\$ Chng	% Chng
SVB Financial Group	254.81	11.09	4.55
American Airlines Group Inc	40.16	1.74	4.53
Raymond James Financial Inc	79.72	3.45	4.52
Caterpillar Inc	135.67	5.44	4.18

LOSERS	Price	\$ Chng	% Chng
Laboratory Corporation of America Holdings	145.67	-16.14	-9.97
Hasbro Inc	91.00	-5.85	-6.04
Marriott International Inc	115.03	-6.81	-5.59
General Electric Co	7.50	-0.44	-5.54

## Coming Up— On Monday

Fed Vice Chair for Supervision **Randal Quarles** participates in a moderated question-and-answer session on the economic outlook, inflation and monetary policy before the C. Peter McColough Series on International Economics, hosted by the Council on Foreign Relations in New York. New York Fed President **John Williams** gives introductory remarks before the Evolving Structure of the U.S. Treasury Market conference in New York. At the same event, Federal Reserve Board Governor **Lael Brainard** speaks on "Treasury Market Structure". Dallas Fed President **Robert Kaplan** participates in a moderated question-and-answer session before a community forum hosted by the Federal Reserve Bank of Dallas, in Laredo, Texas.

**U.S. construction spending** is expected to have risen 0.4 percent in October, after a flat reading in September. The Institute of Supply Management's index of manufacturing activity for November is

expected to come in at 57.5, edging slightly lower from 57.7 in October.

U.S. Treasury Secretary **Steven Mnuchin**, White House economic adviser **Larry Kudlow**, National Security Adviser John Bolton and U.S. Senate Republican Leader **Mitch McConnell** are scheduled to speak at Wall Street Journal's two-day 11th annual CEO Council Meeting in Washington. This year's annual meeting will focus on the incoming Congress and the major policy initiatives the White House is pressing abroad and at home.

### LIVECHAT - CRYPTOCURRENCIES TESTIMONIALS FOR SALE

Reuters journalists **Anna Irrera** and **Elizabeth Dilts** detail the murky, ethically challenged world of cryptocurrency endorsements by social media personalities and others. (0600 ET/1100 GMT) To join the Global Markets Forum, [click here](#)

## Coming Up— Week Ahead

Federal Reserve Chairman **Jerome Powell** testifies on the economic outlook before the congressional Joint Economic Committee on Wednesday, and on Thursday, Powell gives brief welcome remarks before the Housing Assistance Council Rural Housing Conference in Washington.

**Organization of the Petroleum Exporting Countries (OPEC)** and Russia gather in Vienna on Thursday for a two-day meeting to discuss output policy. OPEC and its allies led by Russia have been restraining production under a pact reached in late 2016 to prop up oil prices. Earlier in the week, industry sources said

### KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Markit Manufacturing PMI Final for Nov	0945	--	55.4
Construction spending mm for Oct	1000	0.3 pct	0.0 pct
ISM Manufacturing PMI for Nov	1000	57.5	57.7
ISM Manufacturing Prices Paid for Nov	1000	69.1	71.6
Total vehicle sales for Nov	1530	17.20 mln	17.57 mln



Russia had accepted the need to cut production.

Google CEO **Sundar Pichai** testifies to the House Judiciary Committee on the company's transparency of the Alphabet Inc unit's context filtering practices on Wednesday. Pichai in September 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 it is biased toward conservatives.

The **Federal Reserve** issues its so-called Beige Book, a compendium of anecdotes on the health of the economy drawn from the central bank's sources across the nation, on Wednesday. The Labor Department's closely watched **monthly employment report** on Friday is expected to show the unemployment rate steady at a 49-year low of 3.7 percent. According to a Reuters survey of economists, **nonfarm payrolls**, out on Friday, probably decreased by 50,000 to 200,000 jobs in November. On Wednesday, the **ADP national employment** report is expected to show private sector employment rising by 195,000 jobs in November, down from 227,000 jobs measured in October. Thursday's data is expected to show that U.S. trade deficit is widening to 54.9 billion in October, from 54 billion the month before. **Jobless claims** report for the week ended Dec. 1 is also expected on the same day.

New York Fed chief **John Williams** gives opening remarks and participates on a panel before an economic briefing on "local employment and labor force trends in the Second District, including New York City, New York State, and New Jersey", in New York on Tuesday. Fed Vice Chair for Supervision **Randal Quarles** speaks on "Banking Conditions in the West" before the event, "State of the West 2018: Investing in the Future West -- Banks and Infrastructure," in Stanford on Wednesday. Federal Reserve Bank of Atlanta President **Raphael Bostic** speaks on the national outlook before a Georgia Economic Outlook event. On the same day, **John**

**Williams** participates in a moderated discussion organized by the London School of Economics and Political Science in New York. Capping the list of Fed speakers for the week is Federal Reserve Board Governor **Lael Brainard**, who speaks on "Financial Stability" before a luncheon hosted by the Peterson Institute for International Economics in Washington.



**Kroger Co** is expected to report an increase in quarterly revenue on Thursday. The supermarket chain's results are likely to be helped by an expansion in tie-ups with delivery services such as Instacart. Investors will also keep a close eye on the company's "Restock Kroger" store remodeling program, which Kroger said would hamper sales for the rest of the year.

The **Trump administration** meets with top tech executives for a roundtable on Thursday to discuss innovation and future jobs. Chief executives in attendance will include Microsoft Corp's **Satya Nadella**, Alphabet Inc's **Sundar Pichai**, Qualcomm Inc's **Steven Mollenkopf** and Oracle Corp's **Safra Catz**. White House adviser **Larry Kudlow** said U.S. President Donald Trump will preside over the "little conference", that would also be attended by "some who are dissatisfied with those companies".

On Tuesday, **Dollar General Corp** is expected to post a rise in third-quarter sales, as its efforts to boost traffic with store renovations and expanded product offerings, particularly in consumables, pay off. However, margins may continue to be under pressure due to the company's deep discounts and higher freight and labor

costs. Investors will look out for any updates on tariff impact and the company's full-year forecast.

While **American Eagle Outfitters** is expected to report same-store sales growth for the third quarter on Wednesday, 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.

**Bank of Canada** announces its key policy interest rate decision on Wednesday. The central bank is likely to keep its rate unchanged at 1.75 percent. The day after, **Canada's October trade deficit** is expected to have widened to C\$720 million from C\$416 million in the month before. On Friday, Statistics Canada is expected to show that the country added 15,000 **jobs** in November and the **unemployment rate** steadied at 5.8 percent.

Canada's **Dollarama Inc** reports third-quarter results on Thursday. The discount store chain is expected to benefit from customers spending more at its stores. Investors will be looking for any comments about its plans to ward off competition from rivals such as U.S.-based Dollar Tree.

In the largest biotech listing of the year, **Moderna Inc** debuts on Nasdaq on Friday.

Top German car bosses, including Volkswagen Chief Executive **Herbert Diess**, Daimler CEO **Dieter Zetsche** and BMW production chief **Oliver Zipse**, will gather in the White House for a meeting, tentatively set for Tuesday, to discuss trade policy. Sources said the bosses plan to make clear they cannot negotiate on behalf of the EU.

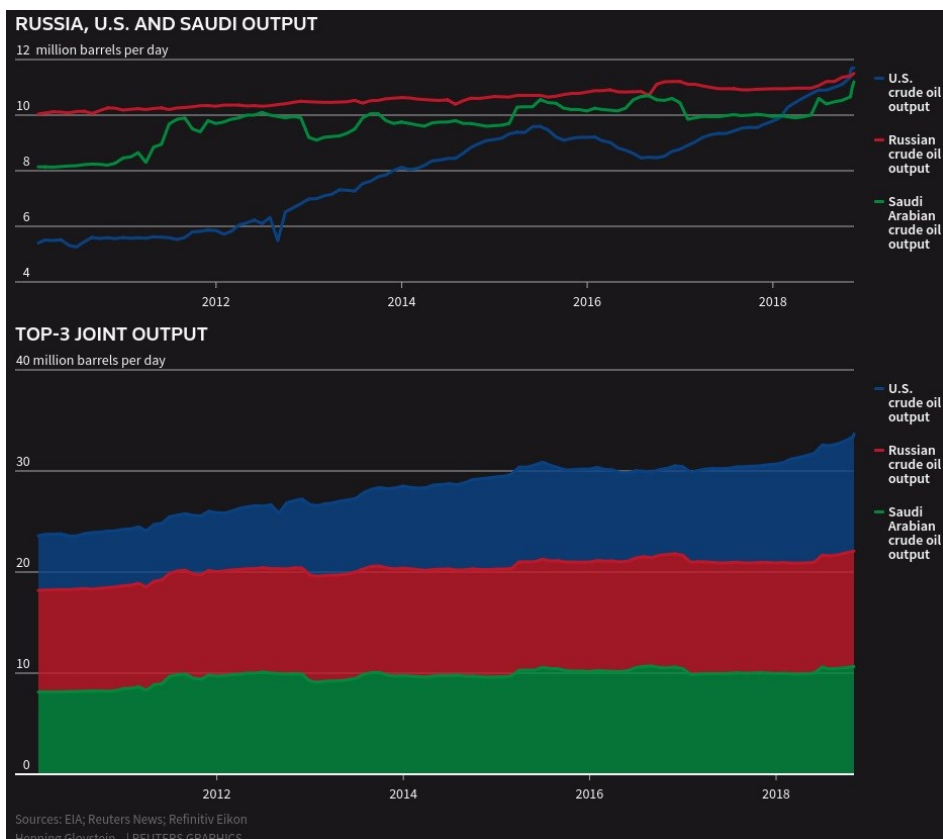
**Goldman Sachs** hosts a conference in New York on Tuesday and Wednesday. The list of speakers at the event includes JPMorgan Chase & Co CEO **Jamie Dimon**, Blackstone Group CEO and co-founder **Stephen Schwarzman**, BlackRock CFO **Gary Sheddlin**, and Citigroup Inc CFO **John Gerspach**, among others.

# Market Monitor

**Wall Street** rose with the **S&P 500** and **Nasdaq** posting their biggest weekly percentage gains in nearly 7 years after the U.S. Federal Reserve hinted at a more dovish approach to future interest rate hikes on Wednesday and investors hoped for progress in the U.S.-China trade dispute at a G20 summit. "The market has been sensitized to two things," said Bernard Baumohl, managing director and chief global economist at the Economic Outlook Group in Princeton. The **S&P 500 utilities index** rose 1.54 percent. Falling oil prices boosted airlines stocks. The **Dow Jones Airlines index** was up 2.77 percent. Shares of **Marriott International** sank 5.73 percent and **General Electric** shares slid 5.67 percent. The **Dow** rose 0.67 percent to 25,509.71, the **S&P 500** gained 0.78 percent to 2,759.11 and the **Nasdaq** rose 0.79 percent to 7,330.54. For the month, the **S&P 500** rose 1.8 percent, **Dow** added 1.7 percent, and **Nasdaq** gained 0.3 percent.

**Yields** moved in a narrow range and trading volume reached a three-month low ahead of trade talks between U.S. President Donald Trump and his Chinese counterpart on Saturday, after a Group of 20 meeting that began on Friday. Treasuries traded in a narrow range with the biggest moves happening at the long end of the curve. That flattened the yield curve, the **spread between two- and 10-year yields** hitting 19.8 basis points. The **spread between two- and five-year Treasury yields** narrowed to 3.1 basis points. **Benchmark 10-year notes** rose 8/32 to yield 3.0 percent.

The **dollar** rose as investors prepared for the outcome of trade talks between the United States and China at the G20 meeting on Saturday, which investors expect will increase volatility across markets. U.S. President Donald Trump said on Friday there were some good signs ahead of the meeting with Chinese President Xi Jinping. "For now, really, the trade issue seems to be a dominant theme swaying sentiment," said Mazen Issa, senior FX strategist at TD Securities in New



York. The **dollar index** gained 0.49 percent to 97.25. The **pound** fell 0.36 percent to \$1.2746.

**Gold** fell as the dollar strengthened, while **palladium** prices crossed the \$1,200 per ounce mark for the first time. "The markets now have more clarity into issues such as the U.S. Federal Reserve's interest rate thinking, the Italian budgetary drama, and the U.S.-China trade war," said Ronan Manly, a precious metals analyst at Singapore-based dealer BullionStar. "As such, this clarity and visibility could cap any further gains for gold in the short term. So, a major move above the current range is not likely." **Spot gold** dipped 0.15 percent to \$1,221.81 per ounce, while **U.S. gold futures** was down 0.25 percent at \$1,227.30 per ounce. **Palladium** rose 0.17 percent to \$1,183 per ounce.

**Oil** prices edged lower due to concerns of oversupply and a strong dollar but losses

were limited by expectations that the Organization of the Petroleum Exporting Countries (OPEC) and Russia would agree some form of production cut next week. Prices pared losses from session lows after Bloomberg reported OPEC's advisory committee suggested decreasing production by 1.3 million barrels per day from last month's levels, traders said. Russia's energy minister Alexander Novak will meet his Saudi counterpart at the G20 summit in Argentina and discuss an oil output reduction in 2019, RIA news agency cited Novak as saying. U.S. crude oil production rose about 129,000 barrels per day (bpd) in September to a fresh record of about 11.5 million bpd, the Energy Information Administration said in a monthly report. **Brent futures** fell 1.39 percent to \$58.68 a barrel. **U.S. crude** dropped 1.67 percent to \$50.59 per barrel.



# Top News

## Marriott's Starwood hack hits up to 500 million customers

Marriott said that hackers accessed up to 500 million customer records in its Starwood Hotels reservation system in an attack that began four years ago, exposing data including passport numbers and payment cards. The Federal Bureau of Investigation said it was looking into the attack on Starwood, whose brands include Sheraton, St. Regis, W and Westin hotels. It advised affected customers to check for identity fraud and report it to the bureau's Internet Crime Complaint Center. The hack began in 2014, a year before Marriott offered to buy Starwood to create the world's largest hotel operator. The \$13.6 billion deal closed in September 2016. Some 327 million customer records containing information including passport details, birthdates, addresses, phone numbers and email addresses were exposed, according to the company. The hackers also accessed payment card data for an undisclosed number of customers, the company said. Attorneys filed a lawsuit in a Maryland federal court within hours of the disclosure which seeks class-action status for customers whose data was exposed in the breach. The complaint accuses Marriott of negligence as well as deceptive and unfair trade practices and sought unspecified financial compensation for harm caused by exposure of their data. Marriott said it learned of the breach on Sept. 8 when an internal security tool sent an alert about suspicious activity. Marriott said it would inform affected guests about the breach. Marriott said it was too early to estimate the financial impact of the breach, though it would not affect its long-term financial health. The hotel chain said it was working with its insurance carriers to assess coverage.

## GM's CEO to meet U.S. lawmakers next week over job cuts

General Motors' Chief Executive Mary Barra plans to visit Capitol Hill next week to discuss its plans to halt production at five plants in North America next year and cut up to 15,000 jobs, two congressional aides said. Barra is expected to meet with

lawmakers from Michigan and Ohio, where GM plans to shutter three plants, as well as senior leaders in Congress. GM did not immediately comment. Barra has been calling lawmakers this week to explain the decision to end production. Trump has threatened to revoke subsidies for GM for electric vehicles. Barra also will speak at a forum next week at Harvard University in Massachusetts for new incoming members of Congress.

## U.S. appeals court upholds Sprint patent verdict against Time Warner Cable

A U.S. appeals court upheld a roughly \$140 million jury verdict in favor of Sprint in its lawsuit accusing Time Warner Cable, part of Charter Communications of using patented technology without authorization. The U.S. Court of Appeals for the Federal Circuit said there was sufficient evidence to support a Kansas jury's determination in March 2017 that Time Warner infringed five Sprint patents. Sprint's patents, which the Overland, Kansas-based company has accused a number of competitors of infringing, relate to Voice over Internet Protocol (VoIP) technology that facilitates the transmission of voice messages and phone calls.

## Vodafone, Liberty Global deal faces full EU antitrust scrutiny – source

Vodafone's \$21.8 billion proposed acquisition of Liberty Global's assets in Germany and eastern Europe is likely to face a full EU antitrust investigation, a person familiar with the matter said. The European Commission's move could ratchet up pressure on the world's second-largest mobile operator to offer concessions, unless it can convince the EU competition enforcer that the deal poses no competition issues. The deal between Vodafone and Liberty would enable Vodafone to better compete with Deutsche Telekom in the German rival's home market. The opening of a so-called in-depth investigation would in practical terms mean the European Commission's rejection of a request by the German cartel authority to take over the case - a request that had been welcomed by Deutsche Telekom. The Commission may see the deal in a broader EU-wide perspective, which could benefit Vodafone. The Commission, which is scheduled to wrap up its preliminary review by Dec. 11.



General Motors Chairman and CEO Mary Barra speaks at GM's press conference at the North American International Auto Show in Detroit, Michigan, U.S., January 16, 2018. REUTERS/Rebecca Cook



### Does Google harm local search rivals? EU antitrust regulators ask

EU antitrust regulators have asked Google's rivals if the internet search giant unfairly demotes local search competitors, according to a questionnaire seen by Reuters, a move which could lead to a fourth case against the Alphabet unit. The EU competition authority's interest in local search services followed a complaint by Yelp and rivals in the travel, restaurant and accommodation industries. It sent questionnaires to Google rivals last month, asking for details of the company's practices and the impact on competing services between January 2012 to December 2017. Regulators also wanted to know if rivals experienced an impact in the operation of their local services as a result of major search algorithm changes by Google, including the introduction of its Panda 4.0 algorithm. Companies were also asked if Google's introduction of the Local Universal or One Box had a substantial impact on their local search services.

### EXCLUSIVE-Boeing eyes Lion Air crash software upgrade in 6-8 weeks

Boeing is weighing plans to launch a software upgrade for its 737 MAX in six to eight weeks that would help address a scenario faced by the Lion Air crew during last month's deadly crash in Indonesia, two people briefed on the matter said on Thursday. Crash investigators are focusing on the possibility that a new anti-stall system that repeatedly pushed the Lion Air jetliner's nose down was being fed by erroneous data from a faulty sensor left in place after a previous hazardous flight. While plans for the possible fix are not final, Boeing's software upgrade could block the recently modified anti-stall system, known as MCAS, from continuously running until the plane hits its nose-down limit, the sources said. The MCAS function would be disabled if the crew counteracted it by trimming or

adjusting settings in the opposite direction, according to two people briefed on Boeing's proposals. Boeing's software update would come as an emergency measure from Boeing and Federal Aviation Administration, the sources said.

### Tesla achieves Model 3 production of 1,000 cars per day- Electrek

Tesla met its production target of 1,000 Model 3 cars per day, automotive news website Electrek reported, citing Chief Executive Officer Elon Musk's email to employees. Despite the electric carmaker achieving its target for the sedan, the company still needs to demonstrate if it could sustain that level.

### PVH plans fixes for Calvin Klein, sees strong start to holidays

PVH allayed investor concerns over its Calvin Klein business and said early holiday sales were above its expectations, sending its shares up. "We went too far, too fast on both fashion and price," Chief Executive Officer Emanuel Chirico said on a post-earnings call. "We're working on fixing this fashion miss, and we believe that our CK Jeans offering will be much more commercial and fashion-right beginning in 2019," Chirico said. The company will also reevaluate spending on Calvin Klein's 205W39NYC line to improve profit margins in 2019. Management appears to not only have a better understanding of the driver behind Calvin Klein's weakness but has executed clear fixes to self-inflicted missteps of the past, J.P. Morgan analyst Matthew Boss said in a note.

### Former GE employees say insurance risks were ignored – WSJ

General Electric's former employees are being questioned by federal investigators about details in a legacy insurance business that led to accounting issues at the conglomerate last year, the Wall Street Journal reported. The insurance business

failed to internally acknowledge worsening results over the years, the WSJ reported, citing several former GE employees. Former employees described examples of what they call lax managerial oversight and buried risks that ultimately kept the company from booking bigger reserves, according to the report. "We are exploring every option to manage and mitigate risk from the company's legacy insurance liabilities," GE told Reuters. The company said it is not going to comment on the specifics of ongoing legal matters.



### Honeywell to shift global headquarters to Charlotte

Honeywell said it is relocating its global corporate headquarters to Charlotte, North Carolina, which is closer to several of the U.S. industrial conglomerate's businesses in the Southeast of the United States. The company will also relocate the headquarters of its safety and productivity solutions (SPS) business unit to Charlotte from Fort Mill, South Carolina. "Charlotte is a top-10 destination city in the U.S. that will readily enable us to recruit and retain the world-class talent we will need over the long term," Chief Executive Officer Darius Adamczyk said. Honeywell will relocate about 150 to 200 New Jersey-based senior management positions and about 100 South Carolina-based employees to Charlotte between now and September 2019, the company said. The company plans to gradually add about 500 corporate and SPS employees to the Charlotte location over the next five years, taking the total employment to about 750 at the new location by the end of 2024. About 1,000 Honeywell employees will remain within the company's six locations



*A farmer listens to a speaker during a rally to protest soaring farm operating costs and plunging prices of farm produce, in New Delhi, India, November 30. REUTERS/Adnan Abidi*

## Insight and Analysis

### **Fed retunes message for 2019, opening door to 'slow down'**

With the Federal Reserve expected next month to raise rates to what some U.S. central bankers believe is at or near a neutral level, Chairman Jerome Powell is retuning his message to signal a more cautious approach on further rate hikes next year. It is not clear whether the idea of perhaps nudging rates above neutral, as he had earlier suggested, is still on the table, or if it means he expects fewer rate hikes, or even a pause. But minutes from the Fed's Nov. 7-8 policy-setting meeting, released on Thursday, as well as remarks over the last two weeks, point to a reassessment of the Fed's longstanding promise of "further gradual rate increases" that would extend two years of nearly

uninterrupted quarterly tightening. The transition comes as the Fed's target policy rate, left at 2 percent to 2.25 percent in November, grinds closer to the 2.5 percent to 3.5 percent range of Fed officials' views of where a rate that neither boosts nor cools a healthy economy lies. After the release of the Fed's meeting minutes, traders of interest-rate futures stuck to their bets that the Fed would slow rate hikes next year, to just one.

### **After Trump calls, Gulf OPEC members cover most of Iran oil loss - Reuters survey**

OPEC oil supply has fallen in November from a two-year high due to U.S. sanctions on Iran, a Reuters survey found, although most of the output gap left by Iran was

plugged by Saudi Arabia and the UAE in response to calls from U.S. President Donald Trump. The 15-member Organization of the Petroleum Exporting Countries has pumped 33.11 million barrels per day this month, the survey found, down 160,000 bpd from October, which was the highest by OPEC as a group since December 2016. The survey adds to indications that OPEC output remains ample despite U.S. sanctions imposed on Iran this month. With Saudi Arabia and Russia pumping at record rates, U.S. output surging and forecasts pointing to lower demand in 2019 due to a slowing economy.

# CANADA

## Market Monitor

**Canada's main stock index** ended flat as oil prices fell, while latest domestic data showed that economic growth was in line with expectations in the third quarter. The **Toronto Stock Exchange's S&P/TSX composite index** ended flat, at 15,197.82. The **energy sector** fell 0.9 percent. The **materials sector** ended 0.11 percent lower as **gold** prices fell. **ECN Capital** rose 5.06

percent, after announcing a share buyback programme. **Barrick Gold** fell 2.36 percent. **Enbridge Inc** fell 1.4 percent.

The **U.S. dollar** rose 0.36 against its **Canadian counterpart** to C\$1.2746.

### COMING UP- ON MONDAY

No major events are scheduled.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
<b>GAINERS</b>			
BRP Inc	47.34	3.15	7.13
Ivanhoe Mines Ltd	2.65	0.14	5.58
ECN Capital Corp	3.53	0.17	5.06
<b>LOSERS</b>			
Trican Well Service Ltd	1.22	-0.12	-8.96
Advantage Oil & Gas Ltd	2.38	-0.18	-7.03
Transcontinental Inc	20.05	-1.33	-6.22

## Top News



U.S. President Donald Trump, Canada's Prime Minister Justin Trudeau and Mexico's President Enrique Peña Nieto sign documents during the USMCA signing ceremony before the G20 leaders summit in Buenos Aires, Argentina November 30, 2018. REUTERS/Kevin Lamarque

### U.S., Canada, Mexico sign trade deal, Trump shrugs off Congress hurdle

The United States, Canada and Mexico signed a North American trade pact, and President Donald Trump brushed aside difficulties he may have in getting the deal through U.S. Congress, where the opposition Democrats will control one of its two chambers from January. The leaders of the three countries agreed on a deal in principle to govern more than a trillion dollars of mutual trade after a year and a half of acrimonious negotiations concluded with a late-night bargain just an hour before a deadline on Sept. 30. The signing potentially ends a big source of

irritation for the U.S. administration as it pivots to a much bigger trade fight with China that threatens the global economy. Canada and Mexico bickered with the United States over the wording and the finer points of the trilateral deal and still had not agreed just hours before officials were due to sit down and sign it as the G20 summit kicks off in Buenos Aires.

### Economic growth slows in Q3, Dec rate hike seen off cards

Economic growth slowed in the third quarter on declines in motor vehicle purchases and housing investment, underpinning market expectations that the

Bank of Canada will not hike interest rates next week. Statistics Canada said that annualized growth between July and September was 2.0 percent, down from 2.9 percent in the second quarter. The central bank says interest rates still need to continue rising, given the strength of the economy. Statscan data showed the economy shrank 0.1 percent in September from August following seven consecutive months of growth. Analysts in a Reuters poll had predicted a 0.1 percent increase. Statscan said that on a non-annualized basis, household spending in the third quarter grew 0.3 percent, down from 0.6 percent in the second, as sales of motor vehicles dropped by 1.6 percent.

### Alberta trims deficit, warns low oil prices slowing economic growth

The Alberta government trimmed its 2018-2019 budget deficit estimate, but downgraded the 2019 economic growth forecast in the province due to faltering crude oil prices. The deficit looks to reach C\$7.5 billion, compared with C\$7.8 billion projected in August, the government said in a statement. The province downgraded its forecast for 2019 economic growth to 2 percent from a budgeted 2.5 percent, due to oil production curtailments amounting to 150,000 barrels per day and expected weaker corporate profits. It continues to forecast a return to fiscal balance in 2023-24. The budget includes a C\$500 million cushion for risk.



# WEALTH NEWS

## G20 SUMMIT

### BRICS slam protectionism as China-US spat overshadows G20 talks

Chinese President Xi Jinping and the leaders of major developing economies condemned protectionism at a G20 summit in Argentina overshadowed by U.S. President Donald Trump's threat to escalate tariffs on China. With a rise in nationalist sentiment in many countries, the G20 - which accounts for two-thirds of the global population - faces questions over its ability to deal with trade tensions, which have roiled global markets. Hanging over the summit in Buenos Aires is the trade dispute between the United States and China, the world's two largest economies, which have imposed tariffs on hundreds of billions of dollars on each other's imports after Trump launched an effort to correct what he views as China's unfair commercial practices. Russia, India, China and South Africa - issued a statement calling for open international trade and a strengthening of the World Trade Organization.



*Britain's Prime Minister Theresa May, French President Emmanuel Macron, U.S. President Donald Trump, Japanese Prime Minister Shinzo Abe, Argentina's President Mauricio Macri and G20 leaders pose for a family photo during the G20 summit in Buenos Aires, Argentina November 30, 2018. REUTERS/Marcos Brindicci*

## MONEY LAUNDERING

### Police search offices of Deutsche Bank board members

Police have searched the offices of all the members of Deutsche Bank's board as part of an investigation into money laundering allegations linked to the Panama Papers, a source told Reuters.

## WALL STREET WEEK AHEAD

### Trump-Xi meeting puts stock market on edge

Trade tensions that have clouded Wall Street's outlook for more than eight months will come to a head this weekend at a global political summit, with investors bracing for a range of outcomes that stand to influence stocks for the rest of the year.

## CHOOSING CASH

### Global funds raise cash holdings to 20-month high as caution mounts

Concerned about the health of the global economy, international investors boosted allocations to safe-haven cash in November to the highest levels in almost two years, while further trimming equity exposure, especially in the United States.

## INSTANT BANK PAYMENTS

### ECB takes on PayPal with instant payment system

The European Central Bank launched a new system aimed at letting banks settle payments instantly across Europe, helping them to compete with PayPal and other global tech giants.

## POLL

### Slowing demand and a supply glut to drain oil's gains in 2019

Oil analysts are increasingly pessimistic about the prospect of a price rally next year, when the outlook for demand is uncertain and supply is growing at breakneck speed, even though the market expects OPEC to cut output, a Reuters poll showed.

## 7 YEAR OLD FRAUD

### Former Autonomy boss Lynch to fight U.S. fraud charges

The United States has filed criminal charges against British entrepreneur Mike Lynch over the \$11 billion sale of Autonomy to Hewlett-Packard seven years ago, accusing him of making false statements that inflated the value of the software group.



## ON THE RADAR

Events	ET	Poll	Prior
<b>Tue:</b> ISM-New York Index for Nov	0945	--	831.9
<b>Wed:</b> ADP national employment for Nov	0815	195,000	227,000
Labor costs revised for Q3	0830	1.1 pct	1.2 pct
Productivity revised for Q3	0830	2.3 pct	2.2 pct
ISM N-Manufacturing PMI for Nov	1000	59.1	60.3
<b>Thu:</b> International trade for Oct	0830	\$ -\$54.9 bln	\$ -54.0 bln
Initial jobless claims	0830	225,000	234,000
Continued jobless claims	0830	--	1.710 mln
Factory orders mm for Oct	1000	-2.0 pct	0.7 pct
<b>Fri:</b> Non-farm payrolls for Nov	0830	200,000	250,000
Private payrolls for Nov	0830	200,000	246,000
Unemployment rate for Nov	0830	3.7 pct	3.7 pct
Average earnings mm for Nov	0830	0.3 pct	0.2 pct
Average earnings yy for Nov	0830	3.1 pct	3.1 pct
Average workweek hours for Nov	0830	34.5	34.5
U Mich Sentiment Preliminary for Dec	1000	97	97.5
Wholesale inventory, R mm for Oct	1000	0.3 pct	0.7 pct
Consumer credit for Oct	1500	\$15.00 bln	10.92 bln

## KEY RESULTS

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

*The Day Ahead - North America is compiled by Debanjan Bose, Nachiket Tekawade and Priyanka Das in Bengaluru.*

*For questions or comments about this report, email us at: [TheDay.Ahead@thomsonreuters.com](mailto:TheDay.Ahead@thomsonreuters.com).*

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