

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Stocks fell and **Treasury** yields tumbled amid concerns that a spreading virus from China would curb travel and hurt economic demand. **Oil** prices slumped, while **gold** was higher. The **dollar** slipped against the **Japanese yen**.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	28989.73	-170.36	-0.58	29373.62	24307.17
Nasdaq	9314.91	-87.57	-0.93	9439.29	8943.50
S&P 500	3295.45	-30.09	-0.90	3337.77	3214.64
Toronto	17565.34	-56.44	-0.32	17666.45	15141.54
FTSE	7585.98	78.31	1.04	7689.67	7503.17
Eurofirst	1656.50	14.07	0.86	1661.93	1614.20
Nikkei	23827.18	31.74	0.13	24115.95	22951.18
Hang Seng	27949.64	40.52	0.15	29174.92	27706.37

TREASURIES	Yield	Price
10-year	1.6891	15 / 32
2-year	1.4947	1 / 32
5-year	1.5104	7 / 32
30-year	2.1379	32 / 32

FOREX	Last	% Chng
Euro/Dollar	1.1029	-0.21
Dollar/Yen	109.26	-0.20
Sterling/Dollar	1.3078	-0.33
Dollar/CAD	1.3140	0.14
TR/HKEX RMB	93.18	0.03

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	54.40	-1.19	-2.14
Spot gold (NY/oz)	1571.28	8.25	0.53
Copper U.S. (front month/lb)	0.0269	-0.0004	-1.69
CRB Index Total Return	186.21	-2.93	-1.55

S&P 500	Price	\$ Chng	% Chng
GAINERS			
Intel Corp	68.47	5.15	8.13
Arista Networks Inc	238.05	7.99	3.47
DaVita Inc	83.20	2.70	3.35
LOSERS			
Discover Financial Services	76.29	-9.57	-11.14
Synchrony Financial	32.63	-3.58	-9.88
Advance Auto Parts Inc	141.66	-8.07	-5.39

Coming Up - On Monday



A file photo of newly constructed single family homes shown for sale in Encinitas, California, U.S., July 31, 2019. REUTERS/Mike Blake

New home sales in the U.S. are expected to have seen an uptick in December to a seasonally adjusted annual rate of 730,000 units, from 719,000 units in the previous month.

Federal Reserve Bank of New York hosts a two-day "Investment Connection Puerto Rico Pitch Program." Federal Reserve Bank of New York President **John Williams**

will give welcome remarks via pre-recorded video.

LIVECHAT – FX WEEK AHEAD
Jeremy Boulton, Reuters FX Buzz analyst, answers questions on G7 currencies and select EM FX pairs. (0700 ET/ 1200 GMT). To join the Global Markets Forum, [click here](#)

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Building permits R number for Dec	0800	--	1.416 mln
Building permits R change mm for Dec	0800	--	-3.9%
New home sales-units for Dec	1000	0.730 mln	0.719 mln
New home sales change mm for Dec	1000	1.5%	1.3%
Dallas Fed Manufacturing Business Index for Jan	1030	--	-3.20

Coming Up - Week Ahead

The **U.S. Federal Reserve** is scheduled to hold a two-day **monetary policy meeting** starting Wednesday. The central bank is expected to leave its benchmark overnight lending rates in the current target range between 1.50% and 1.75%, when it announces decision on Thursday. On the same day, the Federal Reserve will hold an open meeting to discuss a proposal to simplify and clarify the covered funds provision within the Volker rule and a final rule to streamline and increase the transparency of the Board's control framework.

Markets will work through another spate of economic figures that include **GDP** data and **weekly jobless claims** numbers on Thursday, **durable goods** and **consumer confidence** data on Tuesday and **consumer spending data** on Friday. The U.S. Commerce Department in its first estimate of fourth-quarter GDP is expected to show the country's economy expanded at a 2.1% annualized rate. In the final estimate of the third-quarter, GDP rose 2.1%. Overall orders for durable goods are forecast to have rebounded 0.5% in December after falling 2.1% in the month before. Number for initial claims for state unemployment benefits likely stood at 215,000 for the week ended Jan. 25. A report from the Conference Board will show consumer confidence index increased to 128.0 in January. The index stood at 126.5 in December.

A slew of Dow 30 companies report results next week. **Apple Inc** is expected to report a rise in its first-quarter revenue on Tuesday, powered by higher sales of new iPhone models, AirPods and Apple Watches. **Microsoft Corp** will report quarterly earnings on Wednesday. **Boeing Co** is scheduled to report quarterly earnings on Wednesday. The planemaker is likely to have recorded charges worth billions of dollars in the fourth quarter, as the grounding of its once best-selling

aircraft, the 737 MAX, is likely to stretch until the middle of 2020. Burger chain **McDonald's Corp** on Wednesday is expected to report higher fourth-quarter same-store sales growth likely powered by its breakfast offerings. **Caterpillar Inc** will release its fourth-quarter earnings in pre-market hours on Friday. The world's largest heavy equipment maker is expected to report lower earnings, hurt by uncertainties caused by the U.S.-China trade war that has slowed down machine sales. Oil majors **Exxon Mobil Corp** and **Chevron Corp** are scheduled to release their quarterly results for the fourth quarter on Friday. Chemicals maker **Dow Inc** is expected to post a profit for the fourth-quarter and report revenues at upper end of its forecast on Wednesday. **Coca-Cola Co's** fourth-quarter profit and revenue are expected to grow, helped by strong demand for its Zero Sugar sodas, coffees and waters, when it reports earnings on Thursday. When the largest U.S. drugmaker **Pfizer Inc**

reports fourth-quarter earnings on Tuesday, it is expected to provide its forecast for profit in 2020. **United Technologies Corp** will report its fourth-quarter results on Tuesday, and it is expected to have benefited from higher sales of aircraft spare parts and services as older planes remain in service for longer in the wake of the 737 MAX grounding.

General Electric Co is expected to report a higher fourth-quarter profit on Wednesday helped by lower costs in its aviation unit and rising demand for its healthcare products. Investors will be looking for comments on free cash flow targets. Meanwhile, **Honeywell** is expected to report a rise in fourth-quarter profit on Friday, partly as it benefits from higher sales of aircraft spare parts and services, as older planes remain in service for longer in the wake of the 737 MAX grounding.

Harley-Davidson Inc will release its fourth-quarter earnings in pre-market



A file photo of the Apple Inc. logo seen hanging at the entrance to the Apple store on 5th Avenue in Manhattan, New York, U.S., October 16, 2019. REUTERS/Mike Segar

hours on Tuesday. The motorcycle maker is expected to report lower earnings. Investors will likely focus on the outcome of the company's efforts to arrest sales declines in the United States, its biggest market and make deeper inroads in foreign, particularly emerging markets.

Starbucks Corp is expected to report a rise in first-quarter sales on Tuesday, as the coffee chain's loyalty program entices customers to spend more frequently at its outlets, while new delivery options in China help it battle competition from upcoming rivals.

Eli Lilly and Co is expected to post fourth quarter earnings on Thursday, with investors focusing on comments over the impact to sales of its diabetes drug Trulicity from the recent launch of Novo Nordisk's rival treatment. Focus will also be on sales of Lilly migraine treatment Emgality. **Biogen Inc** will report fourth-quarter results on Thursday, when investors will be on high alert for updates on its plan to file an application for U.S. approval of its experimental treatment for Alzheimer's. The company is also expected to outline its expectations for profit in 2020 and report higher quarterly sales

of key drugs, including spinal muscular atrophy treatment Spinraza.

Mastercard Inc, the world's second-largest payments processor, is scheduled to report its fourth-quarter results on Wednesday before markets open. The company is expected to post strong gains in profit on the back of healthy consumer spending during the U.S. holiday season coupled with low unemployment rates.

Marathon Petroleum Corp is expected to post a lower fourth-quarter profit on Wednesday. Investors will look out for more clarity around the company's midstream business structure and updates on its search for a new CEO. On the same day, **Hess Corp** is expected to report a bigger loss as it digests a hit from lower crude prices in the quarter as well as slowing North American shale output. Investors will be looking out for the company's 2020 outlook and strategy as the first-ever shipment of crude from Guyana began earlier this month. On Thursday, **Valero Energy Corp** reports earnings and its fourth-quarter profit and revenue is expected to fall, likely hurt by lower refining margins. Investors will focus on further updates on the

company's growth projects and any commentary on IMO 2020. **Phillips 66** is expected to post a lower fourth quarter profit and revenue on Friday. Investors will be closely looking at its 2020 capital spending budget and updates on any new projects after it recently canceled a renewable diesel project in Washington.

Grain trader **Archer Daniels Midland Co** will report fourth-quarter results on Thursday after the market closes. The company continues to overhaul its portfolio and focus on its nutrition business - but also faces headwinds from the ongoing uncertainty over China's pledge to radically increase U.S. farm imports. Archer Daniels has also faced challenges with sluggish commodity prices and ethanol industry troubles.

Statistics Canada is scheduled to report **gross domestic product** data for November, which is likely to remain unchanged, on Friday. The country's economy unexpectedly shrank by 0.1% in October, the first monthly decline since February. **Producer prices** data for the month of December is also due for release on the same day.

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Arconic	Q4	BMO	\$0.53	\$0.54	\$0.33	\$3,473.37
D.R. Horton	Q1	BMO	\$0.92	\$0.92	\$0.76	\$3,769.99
F5 Networks	Q1	AMC	\$2.43	\$2.43	\$2.70	\$565.96
Juniper Networks	Q4	AMC	\$0.58	\$0.57	\$0.59	\$1,186.69
PerkinElmer	Q4	AMC	\$1.33	\$1.33	\$1.18	\$800.98
Whirlpool	Q4	16:10	\$4.28	\$4.27	\$4.75	\$5,520.42

*Includes companies on S&P 500 index. **Estimates may be updated or revised; release times based on company guidance or past practice.

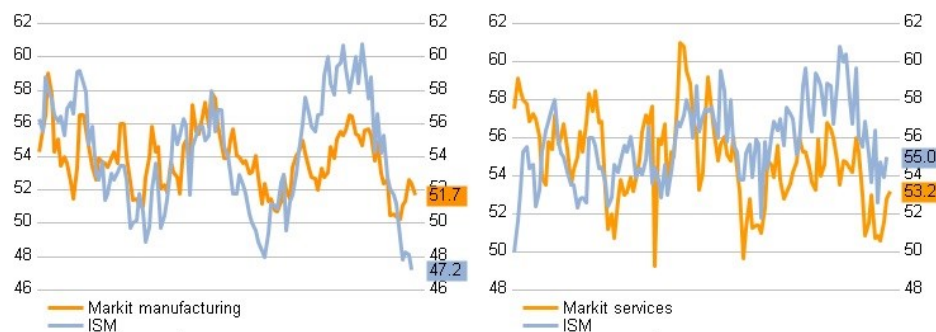
/B/E/S EPS and revenue estimates, and StarMine Smart Estimates, provided by Refinitiv.

Market Monitor

Wall Street fell in a broad sell-off, as investors fled equities on growing concerns over the scope of the coronavirus outbreak, capping the S&P 500's biggest weekly decline in six months. All three major U.S. stock averages extended their losses after the Centers for Disease Control and Prevention confirmed the second case of the virus on U.S. soil, this time in Chicago. "There's not much confidence in actual fundamentals, and a scare like the virus can be enough to force investors to rethink if markets have run too far too fast for too long," said David Carter, chief investment officer at Lenox Wealth Advisors in New York. "There's lots of uncertainty in the markets and the virus scare has only added to that." Meanwhile, IHS Markit's U.S. manufacturing sector flash Purchasing Managers' Index (PMI) came at 51.7 in January compared to a final reading of 52.4 in December. The services sector flash PMI for January rose to 53.2 from December's final reading of 52.8. The **Dow Jones Industrial Average** fell 0.58% to 28,989.73, the **S&P 500** lost 0.90%, to 3,295.45 and the **Nasdaq Composite** dropped 0.93%, to 9,314.91. For the week the S&P 500 fell 1.03%, the Dow lost 1.22%, the Nasdaq shed 0.79%.

Treasury prices advanced, pushing **yields** lower for a fourth straight session, as news of the latest coronavirus spreading outside China continued to undermine risk appetite and spur demand for safe-haven assets. "The economic impact of the Wuhan coronavirus is ... (an) unknown with potential downside skew. The quarantine of Wuhan and surrounding cities is already restricting travel, and fear of exposure could further restrict economic activity," said Chris Low, chief economist, at FHN Financial. It may not constitute a material threat to growth forecasts if contained, Low said. But he said experts worry that it may be too late to prevent the disease from

Markit vs ISM PMIs: manufacturing & services



going global. **Benchmark 10-year notes** rose 14/32 to yield 1.69%. **Two-year notes** were up 1/32 to yield 1.49%. **30-year bonds** rose one full point to yield 2.14%.

The **U.S. dollar** slipped against the safe-haven **Japanese yen** as investors fretted over concerns that a spreading virus from China would curb travel and hurt economic demand. "The dollar and yen rallied modestly in New York trade, with safe-haven buying the main driver into the weekend," Ronald Simpson, managing director, global currency analysis at Action Economics, said in a note. "Nerves were ramped up some as the coronavirus outbreak appeared to have worsened," Simpson said. Against the **yen**, which tends to draw investors during times of geopolitical or financial stress given Japan's status as the world's largest creditor, the **dollar** was 0.18% lower at 109.28 yen. The **euro** was 0.23% lower against the **greenback** at \$1.1027. The **dollar index** was up 0.18% at 97.87.

Crude prices fell over concerns that the coronavirus will spread farther in China, the world's second-largest oil consumer, curbing travel and oil demand. "It's all about the coronavirus all the time, and we're not getting signs that things are getting any better," said Phil Flynn, an analyst at Price Futures Group in Chicago. The latest U.S. rig

count data, an indication of future supply from the world's largest crude producer, did little for oil prices. U.S. energy firms added oil rigs for a second consecutive week, raising doubts over producers' plans to continue reducing spending on new drilling for a second year in a row in 2020. **Brent crude** was down 1.92%, at \$60.85 per barrel. **U.S. crude** dropped 2.18%, to \$54.38 a barrel.

Gold jumped to a more than two-week high as the latest updates on the coronavirus dented risk sentiment, and prompted a flight into safe-haven assets. "The entire market just switched into risk-off mood," said Bart Melek, head of commodity strategies at TD Securities. "Mounting concerns about the virus ahead of the weekend are driving accumulation of gold. ... Clearly, the headlines will get worse before they get better," said Tai Wong, head of base and precious metals derivatives trading at BMO. Further developments surrounding the outbreak and a U.S. Federal Reserve meeting on Jan. 28-29 will be key drivers for gold into next week, Wong added. **Spot gold** was up 0.54% at \$1,571.43 per ounce, having hit a peak since Jan. 8 of \$1,575.03 earlier in the session. **U.S. gold futures** were 0.4% higher at \$1,571.60 per ounce.

Top News

Intel's blockbuster results lift shares to dotcom peak, fire up sector

Intel's shares hit their highest in nearly two decades after cloud computing demand fired up the chipmaker's data center business and allayed concerns of market share loss to rival AMD, lifting stocks across the sector. At least 15 brokerages raised their price targets on Intel's stock, with J.P.Morgan making the most aggressive move by boosting its target by \$12 to \$80, well above the median price target of \$65. Revenue at Intel's data center business jumped 19% and sales to cloud computing providers surged 48% year-over-year in the fourth quarter. Intel's stock was up 8.6% at \$68.75, a level it has not seen since the peak of the dotcom boom in 2000, propelling the broader Nasdaq and the Philadelphia SE Semiconductor Index to record highs. Shares of the company closed 8.13% higher at \$68.47.

Financier doubts add to Boeing's MAX headaches

To restore faith in the 737 MAX, Boeing needs to prove its flagship jet is not just airworthy but also a safe investment. At a gathering in Dublin this week of the titans of the multibillion-dollar aircraft leasing industry, which finances half the world's fleet, cracks were appearing in that effort. Boeing said on Tuesday its troubled workhorse - grounded last March after two crashes in which 346 people died - should receive approval by mid-year from U.S. regulators, paving the way for hundreds of jets to resume service later this year. But in scores of high-stakes negotiations in the background, it is trying to convince banks, leasing firms and airlines that the investment case for thousands more of the jets - worth hundreds of billions of dollars - remains intact. Airplane owners and investors said some lenders were already demanding higher collateral in deals on the MAX. One airline said financing for pre-delivery payments had dried up amid the uncertainty - though the

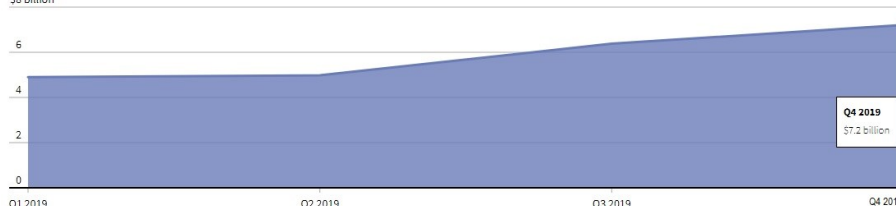
The cloud computing gurus

Intel has benefited from the soaring popularity of cloud-based services such as voice assistants, which require even more powerful chips to run

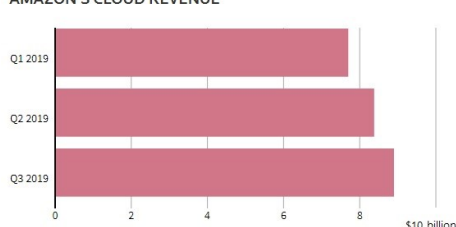
INTEL'S DATA CENTER REVENUE

(In billions)

\$8 billion

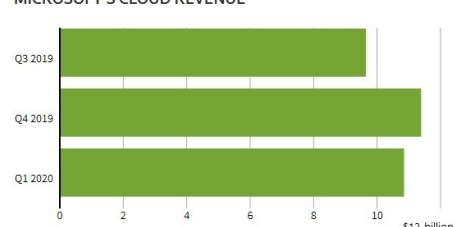


AMAZON'S CLOUD REVENUE



Note: Amazon and Microsoft are yet to report their latest quarters
Source: Company filings
Ayanti Bera | REUTERS GRAPHICS

MICROSOFT'S CLOUD REVENUE



Click on the chart for a detailed and interactive graph

market won't be fully tested until closer to renewed deliveries. Separately, Federal Aviation Administrator Steve Dickson has called senior U.S. airline officials and told them that the agency could approve the grounded Boeing 737 MAX's return to service before mid-year, people briefed on the calls said. To read more, [click here](#)

AmEx profit beats on strong U.S. holiday season spending

American Express reported a fourth-quarter profit that beat analysts' estimates, as more people used its cards for shopping and paying bills while a strong U.S. retail sales environment also helped. Spending by customers using AmEx cards during the quarter rose 6% in the United States and 4% in overseas markets, as the company spent more on its rewards program to woo customers. The company spent \$2.72 billion on card member rewards, up 8% from a year earlier. This pushed up total expenses by 9% to \$8.36 billion in the reported quarter. The company's net income fell to \$1.69 billion, or \$2.03 per share, in

the quarter, from \$2.01 billion, or \$2.32 per share, a year earlier.

Italy watchdog threatens Facebook with another fine over improper use of data

Italy's competition watchdog said it has launched proceedings against Facebook for non-compliance with a request to correct improper commercial practices in the group's treatment of user data. In November 2018 the watchdog ruled that Facebook had not informed users properly about the collection and use, for commercial reasons, of the data they release. It fined the U.S. company 5 million euros and asked it to publish an amending statement on the homepage of its website for Italy, on the Facebook app and on the personal page of each registered Italian user. Today the regulator said in a statement that Facebook had not done so and the company could face another fine of up to 5 million euros. A spokesperson for Facebook said the group was reviewing the decision.



Athletics body to tighten rules after Nike's Vaporfly helps records tumble -sources

Athletics' ruling body will tighten regulations governing shoe technology, two sources familiar with the matter said, after Nike's popular Vaporfly brand helped re-write running records and sparked debate about whether it was "technological doping." World Athletics expects to announce the findings of a review into technology used in road and track shoes by the end of January. Recreational runners' use of the fluorescent footwear will be unaffected, World Athletics said. Vaporfly combines carbon plate and ultra-springy compressed foam and is now a familiar sight at starting lines across the world. "World Athletics definitely agrees that there needs to be greater clarity on what is permissible in elite sport and in our competitions," it said in a statement to Reuters, adding that any change would need to be ratified by its council. When asked about the review and a possible change of rules, Nike said: "We respect the IAAF (now World Athletics) and the spirit of their rules, and we do not create any running shoes that return more energy than the runner expends."

New U.S. curb on Huawei in limbo amid pushback from Pentagon -sources

The U.S. Commerce Department has withdrawn a rule aimed at further reducing sales to China's Huawei amid concerns from the Defense Department that the move would harm U.S. businesses, people familiar with the matter said. The decision to pull the rule from the formal review process leaves its future in jeopardy and highlights deep divides within the Trump administration over how best to approach the blacklisted telecoms giant and the broader war with China over technological dominance. But President Donald Trump's administration plans a Cabinet-level meeting next week to discuss the rule, which could be revived, killed or rewritten, one of the sources said, amid pushback from the U.S. Treasury

Department as well. Under current regulations, the United States can require a license or block the export of many high-tech products shipped to China from other countries if U.S.-made components make up more than 25% of the value.

Walmart testing higher minimum wage for some employees

Walmart is testing a higher starting wage for certain newly created jobs in about 500 U.S. stores, as it looks to improve in-store experience for customers amid intense competition. The company would offer team associates, a role it recently created, a starting wage of \$12 an hour, Walmart spokeswoman Jami Lamontagne said. That compares with Walmart's minimum wage of \$11 at its more than 5,000 stores across the United States. The team associates would be cross-trained in several functions and will have more responsibility, Lamontagne said.

U.S. senator slams Tesla's 'misleading' name for Autopilot driver assistance system

A U.S. senator urged Tesla to rebrand its driver assistance system Autopilot, saying it has "an inherently misleading name" and is subject to potentially dangerous misuse. But Tesla said in a letter that it had taken steps to ensure driver engagement with the system and enhance its safety features. Senator Edward Markey said he believed the potential dangers of Autopilot can be overcome. But he called for "rebranding and remarketing the system to reduce misuse, as well as building backup driver monitoring tools that will make sure no one falls asleep at the wheel." Markey's comments came in a press release, with a copy of a Dec. 20 from Tesla addressing some of the Democratic senator's concerns attached.

Payments processor WEX to acquire eNett and Optal for about \$1.7 billion

WEX said it would buy payments services providers eNett and Optal for about \$1.7 billion to strengthen its

presence in the online travel bookings market, which is expected to grow at about 9% through 2023. The deal comprises \$1.28 billion in cash and about 2 million common shares of WEX. WEX will acquire business-to-business payments processor for travel booking platforms eNett from Travelport Worldwide Ltd, which was taken private in December 2018. The cash portion of the deal, which is expected to be completed in mid-2020, will be funded through WEX's cash and debt. Separately, private equity firm AEA Investors is exploring a sale of 1-800 Contacts Inc that could value the U.S. contact lens retailer at more than \$2 billion, including debt, according to people familiar with the matter. To read more, [click here](#)

U.S. Justice Department plans to hold meeting to discuss tech industry liability -sources

The U.S. Justice Department is planning to hold a conference to discuss the future of a current federal law which largely exempts online platforms from legal liability for the material their users post, sources familiar with the plans said. A U.S. government source said the department plans to invite a wide range of interested parties to the conference to examine the future of Section 230 of the Communications Decency Act, including representatives of industry, Congress, "thought leaders" and officials of President Donald Trump's cabinet. Any changes to the law could have implications for companies such as Facebook, Alphabet's Google and Twitter which publish large amounts of user content with only limited ability to monitor it for offensive language and imagery. The tech publication "The Information" reported that the department was planning to hold what it described as a "workshop" on the law's future in February. But the source familiar with the government's plans said a date for the event has not yet been fixed.



Swedish climate change activist Greta Thunberg, Isabelle Axelsson and German Luisa Neubauer take part in a climate strike protest during the 50th World Economic Forum (WEF) annual meeting in Davos, Switzerland January 24. REUTERS/Denis Balibouse

Insight and Analysis

Four-comma club: Predicting the next company to join trillion-dollar value elite

The trillion-dollar market cap club expanded last week to a third U.S. company, with Alphabet topping the lofty valuation mark. Adding the next member, however, is likely to take a while. Apple and Microsoft are also worth more than \$1 trillion on the stock market. And while Amazon.com is currently worth around \$935 billion, the e-commerce leader did cross the trillion-dollar threshold briefly in September 2018. The next closest company is not within \$300 billion of the mark, but a handful of companies could contend based on their current values.

Priced for perfection, oil slides on fears coronavirus will hit demand: Kemp

China's outbreak of novel coronavirus has sent oil prices sharply lower as traders reassess whether the country will be able to generate the strong economic growth needed to rebalance the market in 2020. China and India accounted for more than half of all incremental oil consumption between 2013 and 2018 so the economic growth of these two giant Asian economies is critical to the oil market. Both suffered a sharp economic slowdown in late 2018 and through 2019 as a result of slumping auto sales and tightening credit conditions.

U.S. bank regulator sharpens teeth on Wells Fargo, surprising critics

Long accused of being too soft, a U.S. bank regulator has surprised its critics with tough treatment of scandal-ridden lender Wells Fargo, culminating on Thursday in more than \$58 million in fines against eight former executives at the bank. Consumer groups had worried that the Trump administration's pick to lead the Office of the Comptroller of the Currency (OCC), Joseph Otting, would do little to change its reputation for leniency. A former chief executive of California's OneWest Bank, Otting as comptroller has referred to lenders as his "customers" and pursued rule changes pushed for by bank lobbyists.



CANADA

Market Monitor

Canada's main stock index ended lower with the **Toronto Stock Exchange's S&P/TSX composite index** falling 0.32% to 17,565.34.

The **U.S. dollar** was up 0.13% against its **Canadian counterpart** at C\$1.319.



COMING UP - ON MONDAY

No major events are scheduled

TSE's S&P/TSX composite

Price

C\$ chng

% chng

GAINERS

Ballard Power Systems Inc

12.79

1.07

9.13

Endeavour Mining Corp

26.71

1.32

5.20

Pretium Resources Inc

14.07

0.55

4.07

LOSERS

Cronos Group Inc

9.99

-0.96

-8.77

Aphria Inc

6.93

-0.65

-8.58

Canopy Growth Corp

29.76

-2.46

-7.64

Top News

Canadian retail sales jump 0.9% on higher auto sales

Canadian retail sales rose a higher-than-expected 0.9% in November, largely offsetting October's decline, Statistics Canada said, as sales picked up at motor vehicle and parts dealers as well as food and beverage stores. Analysts in a Reuters poll had forecast a gain of 0.4% for overall sales. Statistics Canada revised October's decline down slightly to 1.1% from an initial 1.2%. Sales excluding autos rose 0.2% in November, the agency noted, lower than the 0.4% gain predicted by analysts. "November's retail sales figures did nothing to lift the fog of uncertainty surrounding the health of the Canadian consumer," said Andrew Grantham, a senior economist with CIBC Capital Markets, in a note.

Bombardier scrambles to craft rail merger with Alstom, Hitachi - sources

Bombardier has approached France's Alstom and Japan's Hitachi to find a

merger partner for its rail business as it struggles to contain costs that have eaten into margins, sources told Reuters. The manufacturer of planes and trains is working with Citigroup and UBS to strike a deal that could help create a rail champion to better compete with China's state-backed operator, CRRC. Rail companies are eyeing consolidation to reduce costs through scale in a market dominated by CRRC. Bombardier has seen its share price plunge 37% since the start of the year after it flagged a 2019 profit warning on Jan. 16.

Barrick Gold's 'long safari' ends with Tanzania deal

Barrick Gold signed a deal with Tanzania in which the government will take stakes in three gold mines, ending a long-running tax dispute and setting a template for negotiations with other firms. It was signed by Barrick CEO Mark Bristow and Tanzanian minerals minister Doto Biteko at a ceremony in the commercial capital, Dar es Salaam.

It follows an announcement by the two sides in October in which they agreed to a payment of \$300 million to settle outstanding tax and other disputes, the lifting of an export ban on concentrates and the sharing of future economic benefits from mines.

Nestle teams up with Canadian plant-based ingredient makers

Nestle said it has teamed up with small Canadian plant-based food ingredient makers Burcon and Merit Functional Foods, the second such supply agreement this month that targets Canadian crops. The agreement with Nestle is long-term, with no expiry, Burcon Chief Executive Johann Tergesen said in an interview. Nestle will buy pea and canola proteins from a 20,000-tonne per year Merit plant to be built by the end of this year in Winnipeg, Manitoba. Meat substitutes from plants in burgers, nuggets and many other foods are a fast-growing industry, driving up demand for crops that produce them.



WEALTH NEWS

TRADE NEGOTIATION

U.S. pushing India to buy \$5-6 billion more farm goods to seal trade deal- sources

The United States wants India to buy at least another \$5-6 billion worth of American farm goods if New Delhi wants to win reinstatement of a key U.S. trade concession and seal a wider pact, four sources familiar with the talks told Reuters. U.S. President Donald Trump cited trade barriers last year when removing India from its Generalized System of Preferences (GSP) programme that allowed zero tariffs on \$5.6 billion of exports to the United States. In retaliation, India slapped higher tariffs on more than two dozens U.S. products. Both governments had hoped to work out a limited trade deal last year, but struggled to reach an agreement. India's commerce ministry and the U.S. Embassy in New Delhi did not respond to a request for comment.



A file photo of a man holding the flags of India and the U.S. while people take part in the 35th India Day Parade in New York August 16, 2015. REUTERS/Eduardo Munoz

DAVOS MEET

U.S. Treasury Secretary Mnuchin expects next China trade talks in 'near future'

U.S. Treasury Secretary Steven Mnuchin said that he expects to begin negotiations with China on a so-called Phase 2 trade deal soon, with Washington and Beijing on the same page.

WALL STREET WEEK AHEAD

Hopes are high for tech stock 'Cadillacs'; so are their prices

Wall Street is betting that the most popular U.S. technology and internet stocks can keep outshining the broader equities market but their latest rally leaves little room for error this earnings season.

DISPUTE SETTLEMENT MECHANISM

EU, China and 15 others agree temporary fix to WTO crisis

The European Union, China and 15 other World Trade Organization members agreed to create a temporary mechanism to settle trade disputes after U.S. action rendered the WTO incapable last month of acting as the umpire of global trade.

EXCLUSIVE

Hedge fund billionaire Glenn Dubin retires from industry after 40 years

Glenn Dubin, who made a fortune building and managing hedge funds, is retiring from the industry after 40 years to focus on private investments, the billionaire investor said.

CANNABIS SHARE PRICES

Bargain hunters fire up rally in cannabis stocks

Some cannabis stocks are seeing their prices surge as investors hunt for winners in the ashes of an industry shakeout that hammered share prices last year.

U.S. HEALTH INSURERS

Trump administration says California can't require insurers to cover abortion

The Trump administration said that California cannot require health insurers to cover abortions and threatened to cut some federal healthcare funds unless it pulls that requirement.



ON THE RADAR

Events	ET	Poll	Prior
Tue: Durable goods for Dec	0830	0.5%	-2.1%
Durables ex-transport for Dec	0830	0.2%	-0.1%
Durables ex-defense mm for Dec	0830	--	0.7%
Nondefense cap ex-air for Dec	0830	0.0%	0.2%
Caseshiller 20 mm SA for Nov	0900	0.4%	0.4%
Caseshiller 20 mm NSA for Nov	0900	--	0.1%
Caseshiller 20 yy for Nov	0900	2.4%	2.2%
Consumer Confidence for Jan	1000	128.0	126.5
Rich Fed Composite Index for Jan	1000	--	-5
Rich Fed, Services Index for Jan	1000	--	17
Rich Fed Manufacturing Shipments for Jan	1000	--	-6
Texas Service Sector Outlook for Jan	1030	--	13.5
Dallas Fed Services Revenues for Jan	1030	--	17.9
 Wed: Advance goods trade balance for Dec	0830	--	-\$62.99 bln
Wholesale inventories advance for Dec	0830	--	-0.1%
Retail inventories ex-auto advance for Dec	0830	--	-0.2%
Pending Homes Index for Dec	1000	--	108.5
Pending sales change mm for Dec	1000	0.5%	1.2%
Fed funds target rate for 29 Jan	1400	1.5-1.75%	1.5-1.75%
Fed int on excess reserves for 29 Jan	1400	--	1.55%
 Thu: GDP advance for Q4	0830	2.1%	2.1%
GDP sales advance for Q4	0830	--	2.1%
GDP cons spending advance for Q4	0830	--	3.2%
GDP deflator advance for Q4	0830	1.8%	1.7%
Core PCE prices advance for Q4	0830	1.7%	2.1%
PCE prices advance for Q4	0830	1.7%	1.5%
Initial jobless claims	0830	215,000	211,000
Jobless claims 4-week average	0830	--	213,250
Continued jobless claims	0830	--	1.731 mln
 Fri: Personal income mm for Dec	0830	0.3%	0.5%
Personal consumption real mm for Dec	0830	--	0.3%
Consumption, adjusted mm for Dec	0830	0.3%	0.4%
Core PCE price index mm for Dec	0830	0.1%	0.1%
Core PCE price index yy for Dec	0830	1.6%	1.6%
PCE price index mm for Dec	0830	--	0.2%
PCE price index yy for Dec	0830	--	1.5%
Employment wages QQ for Q4	0830	--	0.9%
Employment benefits QQ for Q4	0830	--	0.6%
Employment costs for Q4	0830	0.7%	0.7%
Chicago PMI for Jan	0945	48.5	48.9
U Mich Sentiment Final for Jan	1000	99.1	99.1
U Mich Conditions Final for Jan	1000	--	115.8
U Mich Expectations Final for Jan	1000	--	88.3
U Mich 1 year inflation final for Jan	1000	--	2.5%
U Mich 5-year inflation final for Jan	1000	--	2.5%
Dallas fed PCE for Dec	1200	--	2.2%



Devotees holding water pots wait to fill water from the Bagmati River, which is considered by them to be holy, during the Swasthani Brata Katha festival in Kathmandu, Nepal, January 24. REUTERS/Navesh Chitrakar

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