

# THE DAY AHEAD

## MARKET RECAP at 4 pm ET

**Major stock indexes** ended slightly lower as rising tensions between U.S. and Iran dented investor sentiment, though U.S. Vice President Mike Pence's decision to defer a speech on the China policy boosted optimism ahead of U.S.-China trade talks. **Treasuries** dropped as investors cashed in on the two-day rally. **Gold** prices were buoyed by a weaker **dollar**. **Oil** extended gains.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	26736.90	-16.27	-0.06	26951.81	21712.53
Nasdaq	8031.71	-19.63	-0.24	8176.08	6457.13
S&P 500	2950.46	-3.72	-0.13	2958.06	2443.96
Toronto	16525.43	-49.40	-0.30	16672.71	13776.88
FTSE	7407.50	-16.94	-0.23	7528.93	6599.48
Eurofirst	1515.55	-6.47	-0.43	1541.32	1308.86
Nikkei	21258.64	-204.22	-0.95	22362.92	19241.37
Hang Seng	28473.71	-76.72	-0.27	30280.12	24896.87

TREASURIES	Yield	Price
10-year	2.0609	-18 /32
2-year	1.7740	-3 /32
5-year	1.7988	-9 /32
30-year	2.5877	-42 /32

FOREX	Last	% Chng
Euro/Dollar	1.1368	0.68
Dollar/Yen	107.36	0.07
Sterling/Dollar	1.2740	0.32
Dollar/CAD	1.3207	0.14
TR/HKEX RMB	93.59	0.19

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	57.61	0.54	0.95
Spot gold (NY/oz)	1398.93	11.15	0.80
Copper U.S. (front month/lb)	0.0271	-0.0001	-0.22
CRB Index Total Return	187.11	-0.10	-0.05

S&P 500	Price	\$ Chng	% Chng
<b>GAINERS</b>			
Humana Inc	270.39	11.56	4.47
Baker Hughes A GE Co	25.19	0.83	3.41
Carmax Inc	85.60	2.60	3.13
<b>LOSERS</b>			
Carnival Corp	46.60	-2.20	-4.51
Altria Group Inc	48.00	-2.26	-4.50
Sealed Air Corp	41.73	-1.94	-4.44

## Coming Up - On Monday



A file photo of shoppers waiting to pay for purchases during the shopping season, 'El Buen Fin' (The Good Weekend), at a Sam's Club store, in the early hours of Friday, in Mexico City, Mexico, November 16. REUTERS/Henry Romero

Mexican national statistics agency is scheduled to report **consumer price index data** for the first half of June. **Inflation** fell 0.3% during the first-half of May. Also, **Brazil's inflation** data is expected to be released.

International Energy Agency's Executive Director **Fatih Birol** is expected to speak at the agency's annual conference in Dublin. Irish Prime Minister **Leo Varadkar**, Green Climate Fund executive director

**Yannick Glemarec**, Saint-Gobain CEO **Pierre-Andre De Chalendar** and **Mark W. Menezes**, Under Secretary of Energy, United States Department of Energy are also likely to speak.

**LIVECHAT-FX WEEK AHEAD**  
FX Buzz analyst **Jeremy Boulton** analyses G7 currencies. (0730 ET/1130 GMT) To join the conversation, [click here](#)

## KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
National Activity Index for May	0830	--	-0.45
Dallas Fed Manufacturing Business Index for Jun	1030	--	-5.3

## KEY RESULTS

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

# Coming Up - Week Ahead

On the U.S. economic calendar, the Commerce Department, on Thursday, is scheduled to report economy expanded at a 3.2% annualized rate in its third reading of **first-quarter GDP growth**. **Consumer spending** rose 0.4% in May, following a 0.3% growth in the month before, the Commerce Department is likely to report on Friday. Besides, the University of Michigan's **preliminary consumer sentiment index** for June is likely to show a reading of 97.9. On Tuesday, data is likely to show **new home sales** rose 1.8% to a seasonally adjusted annual rate of 675,000 units in May. Separately, the Conference Board is expected to report **consumer confidence** fell to a reading of 132 in June from 134.1 in May. **Initial jobless claims** for the week ended June 22, scheduled to be released on Thursday, is likely to have risen to a seasonally adjusted 218,000.

**Accenture PLC** is expected to post a rise in third-quarter revenue on Thursday, as the consulting and outsourcing services provider continues to reap benefits of its investments in digital and cloud services. Investors be on the lookout for forecast, company's revenue from digital and cloud services and if the company announces a new CEO.

**Nike Inc** is expected to report a rise in fourth-quarter sales on Thursday, as it gains a boost in its home market from new product launches and women's apparel. The sportswear maker, which manufactures about 25% of its footwear & apparel in China, may also comment on any potential impact Washington's proposed tariffs on Chinese imports may have.

**FedEx Corp** is expected to post a fall in fourth-quarter profit on Tuesday, hurt by higher costs and trade uncertainty



REUTERS/Mohammad Khursheed

A file photo of a customer walking out of a Walgreens pharmacy store in Austin, March 26, 2018.

between the U.S. and China. The company's Ground segment recently announced it would expand residential delivery service to 7-days-per-week year-round. Investors will look for updates on the investigation into FedEx's parcel delivery errors and the company's financial forecast.

On Tuesday, U.S. Secretary of State **Mike Pompeo** starts his week-long Indo-Pacific trip in India. He will also accompany President **Donald Trump** to Japan for the **G20 summit**. Leaders of the G20 nations are set to attend an opening ceremony at Osaka summit on Friday. Japanese Prime Minister **Shinzo Abe** is expected to speak. Finance and health ministers are likely to meet in a sideline event during the summit. All eyes will be trained on an event on the sidelines: whether U.S. President Donald Trump and Chinese President **Xi Jinping** can resolve a trade war that's hurting economies around the world.

**Walgreens Boots Alliance Inc** is

expected to report a lower third-quarter profit on Thursday, after what it called its "most difficult quarter" in April. Investors will focus on the company's plans to tackle a competitive pharmacy environment to gauge growth prospects, as well as comments on future acquisitions.

Chipmaker **Micron Technology Inc** is expected to post a fall in third-quarter revenue on Tuesday as the semiconductor industry comes under continued pressure due to slowing demand. Analysts will be looking at commentary on the effects of U.S. blacklisting of Huawei Technologies and the renewed trade war between U.S. and China, which in May led to fall in shares of memory chipmakers including Micron and Western Digital as well as others in the industry.

On Wednesday, **General Mills Inc's** fourth-quarter sales are expected to rise, helped by demand for its Blue Buffalo pet products. Performance of the cereal and yogurt segment will be



keenly watched as they are likely to recover after years of slumping sales.

**Conagra Brands Inc** is expected to post a rise in fourth-quarter revenue on Thursday with the rising demand in its frozen and snacks category. The company, which has struggled with its Pinnacle Foods acquisition, is also seeing an improvement in the business, which is likely to drive sales. Conagra has been tackling the problem of rising input costs by hiking prices. Whether these costs pressures have eased or likely to continue will be on the analysts' radar.

**Constellation Brands Inc** is likely to report lackluster first-quarter results on Friday, hurt by poor weather and the lack of innovation in its beer portfolio. Profit is expected to take a hit, weighed by the company's investments in Canopy Growth and rising marketing expenses.

On Wednesday, **BlackBerry Ltd** is expected to report a first-quarter loss compared with a year-ago profit due to a rise in costs. Investors will be looking for any commentary on additional government contracts in the quarter as the company looks to expand its government solutions business.

The **U.S. Federal Reserve**, on Thursday, will report its finding from its annual **stress test** of large bank operations, including whether the firms will be able to deploy capital to investors as planned.

U.S. Federal Reserve Board Chair **Jerome Powell** is scheduled to speak at "C. Peter McColough Series on International Economics: A



A file photo of bottles of the beer, Corona, a brand of Constellation Brands Inc., sitting on a supermarket shelf in Los Angeles, California April 1, 2015. REUTERS/Lucy Nicholson

Conversation with Jerome H. Powell" at Council on Foreign Relations in New York on Tuesday. On the same day, Federal Reserve Bank of Atlanta President **Raphael Bostic** is expected to participate in a panel on "Housing" before the Harvard University Joint Center for Housing Studies' "The State of the Nation's Housing 2019," in Atlanta, Georgia. Separately, Federal Reserve Bank of New York President **John Williams** is set to give welcome remarks before the OPEN Finance Forum organized by OPEN Finance NYC and Bloomberg, in New York. Also, Federal Reserve Bank of Richmond President **Thomas Barkin** is scheduled to take part in a discussion at the University of Ottawa's Institute of Fiscal Studies and Democracy. Federal Reserve Bank of St. Louis President **James Bullard** is likely to give welcome remarks before the Homer

Jones Memorial Lecture featuring **Carmen Reinhart** and will also hold a media Q&A prior to the event, in St. Louis, Missouri.

On Friday, Statistics Canada data is expected to show **gross domestic product** in April grew 0.1%, after increasing 0.5% in the March. **Canada's wholesale trade data** for April is scheduled for release on Tuesday.

**Mexico's** central bank will hold its **monetary policy** meeting on Thursday. Investors will be on the lookout for comments on the future trajectory of interest rates and risks to inflation and economic growth.

**Brazil's jobless rate data** for May is expected to be released on Friday. It fell to 12.5% in the month before.

# Market Monitor

**Wall Street** closed slightly lower as U.S. Vice President Mike Pence's decision to defer a speech on China policy increased optimism on upcoming trade talks between Washington and Beijing, while tensions between the United States and Iran undercut sentiment. "People will be focusing on what happens at the G20 with Presidents Trump and Xi," said Kurt Brunner, portfolio manager with the Swarthmore Group in Philadelphia. Trump said he aborted a military strike on Iran in response to Tehran's downing of a U.S. drone, but the possibility of a U.S. retaliation pushed crude prices higher and helped lift the **energy sector** by 0.82%. The **Dow** fell 0.13%, to 26,719.2, the **S&P 500** lost 0.12%, to 2,950.53 and the **Nasdaq Composite** dropped 0.24%, to 8,031.71. The benchmark S&P 500 index hit an intraday record high of 2,964.15 earlier in the day. For the week, the **S&P** rose 2.20%, the **Dow** added 2.41%, the **Nasdaq** gained 3.02%.

**U.S. Treasury** prices fell sharply, as investors cashed in on steep gains the last two days that saw yields drop to multi-year lows in the wake of a Federal Reserve statement that flagged interest rate cuts this year. A few analysts believe the rally that followed the Fed's decision and statement on Wednesday was overdone and now the market is ratcheting back forecasts of three to four rate cuts given that the U.S. economy, while slowing, remained solid overall. The **10-year notes** fell 17/32 to a yield of 2.05%. The **2-year notes** fell 3/32 to yield 1.77% and the **30-year bonds** were down 1-8/32, yielding 2.58%.



Reuters/Brendan McDermid  
Traders work on the floor at the New York Stock Exchange in New York, June 19.

The **dollar** fell against a basket of currencies on bets the Federal Reserve would start lowering interest rates. The greenback's weakness propelled the euro to rise. The single currency was also buoyed by stronger-than-forecast survey data on French and German business activity. The **euro** gained 0.67% against the dollar at \$1.1367. The **dollar index** was 0.44% lower at 96.2. The dollar was up 0.03% against the **Japanese yen** at 107.32 yen. The yen earlier hit 107.045 per dollar during Asian trading, which was its strongest level since Jan. 3.

**Oil** futures rose on fears the United States could attack Iran and disrupt flows from the Middle East, which provides more than a fifth of the world's oil output. "The heightening of tensions between the United States and Iran has evolved as primary price motivator in spiking oil values," Jim Ritterbusch of Ritterbusch and Associates said in a

note. **Brent futures** were up 1.4%, at \$65.35 a barrel, while the **U.S. crude** was up 1.02% at \$57.65 per barrel.

**Gold** prices surpassed \$1,400, still holding near a six-year high on the U.S. central bank's dovish stance on monetary policy. Prices also found support from worries about a potential U.S. military strike against Iran and a global trade conflict. Prices surged to \$1,410.78 in the session, a high not seen since early September 2013. "Gold is seeing a continuation move from bullish comments throughout the week, most notably the fact that world central banks easing monetary policy is generally very supportive for commodities overall, particularly gold," said David Meger, director of metals trading at High Ridge Futures. **Spot gold** rose 0.8% to \$1398.87 per ounce. **U.S. gold futures** were up 0.42% at \$1402.8 per ounce.

# Top News

## Exxon's \$53 billion Iraq deal hit by contract snags, Iran tensions - sources

Just weeks ago, U.S. energy giant ExxonMobil looked poised to move ahead with a \$53 billion project to boost Iraq's oil output at its southern fields, a milestone in the company's ambitions to expand in the country. But now a combination of contractual wrangling and security concerns, heightened by escalating tensions between Iraq's bigger neighbour Iran and the United States, has conspired to hold back a deal, according to Iraqi government officials. The negotiations have been stymied by terms of the contract that Baghdad objects to, said four Iraqi officials involved in the discussions who spoke to Reuters on condition of anonymity due to the sensitivity of the matter. The main sticking point, they said, was the means by which Exxon proposed to recoup its development costs, with the company aiming to share the oil produced by two fields - something Iraq opposes, saying it encroaches on state ownership of production.

## Airlines avoid parts of Iran-controlled airspace after U.S. regulator's order

Some global airlines are re-routing flights to avoid Iran-controlled airspace over the Strait of Hormuz and Gulf of Oman, they said, after the U.S. aviation regulator barred its carriers from the area until further notice. Thursday's emergency order from the U.S. Federal Aviation Administration (FAA) came after Iran shot down a high-altitude U.S. drone with a surface-to-air missile, sparking concerns about a threat to the safety of commercial airlines. According to flight tracking applications, the FAA said, the nearest civil aircraft was operating within about 45 nautical miles of the unmanned aircraft when it was shot down.



A file photo of flames emerging from the flare stacks at the West Qurna-1 oilfield, which is operated by ExxonMobil, near Basra, Iraq, June 1. REUTERS/Essam Al-Sudani

## Four U.S. states join lawsuit to stop T-Mobile-Sprint deal

Four more U.S. states joined an unusual effort by state attorneys general to stop T-Mobile US's acquisition of Sprint, a New York official said at a court hearing. Hawaii, Massachusetts, Minnesota and Nevada will be included in an amended complaint being filed Friday, said Beau Buffier, chief of the antitrust bureau in the New York attorney general's office. Lawyers for the states and the companies also proposed Oct. 7 for the start of a trial, which could last two to three weeks. The four states join 10 state attorneys general, led by New York and California and including the District of Columbia. Sprint ended 6.89% percent lower at \$6.89 and T-Mobile ended 2.84% lower at \$75.72.

## European central bankers claim oversight over Facebook's cryptocurrency

Three European central bankers are claiming oversight over Facebook's planned virtual currency, Libra, to

ensure it will not jeopardise the financial system or be used to launder money. With the potential to reach billions of internet users and the backing of payment giants like Visa, Facebook hopes Libra will not only power transactions but offer people without bank accounts access to financial services for the first time. But the central bankers of Britain, France and Germany said Facebook should expect scrutiny. "It has to be safe, or it's not going to happen," Bank of England Governor Mark Carney told the BBC in an interview broadcast. "We, the Fed, all the major global central banks and supervisors, would have direct regulatory (oversight)," he said, referring to the U.S. Federal Reserve.

## PG&E to float \$31 billion restructuring plan - Bloomberg

Power producer PG&E will propose a \$31 billion bankruptcy restructuring plan that will include two funds worth a total of \$34 billion to cover past and future wildfire claims, Bloomberg

reported. Asked by Reuters about the plan, a PG&E spokesman said: "We are looking at all options when it comes to working with the governor and legislature, and are committed to resolving wildfire victims' claims fairly and expeditiously." The Bloomberg report said there would be two funds, one of \$14 billion to cover past claims and one of \$20 billion to cover future claims, under the plan which it said was expected to be filed formally in August.

### U.S. Senate Democrats ask for details on antitrust probes into Big Tech

Seven U.S. Senate Democrats asked the Trump administration to disclose details of possible Federal Trade Commission and Justice Department antitrust investigations into Amazon.com Inc, Facebook, Alphabet and Apple. The senators led by Senator Amy Klobuchar, a presidential candidate, said in the letters to FTC Chairman Joe Simons and Justice Department antitrust chief Makan Delrahim that "given the silence of the FTC and the Justice Department, the truth is that we still do not know if these investigations have actually been initiated and neither do the American people." The FTC declined to comment on the letter, while the Justice Department did not immediately comment.

### UK regulator tells Facebook, eBay to tackle sale of fake reviews

Britain's competition watchdog told Facebook and eBay to go through their websites and crack down on the sale of fake and misleading online reviews. The Competition and Markets Authority (CMA) said it had found "troubling evidence" of a growing marketplace for misleading reviews on the two sites. The CMA said it had found more than 100 eBay listings offering fake reviews for sale between November and June, and identified 26 Facebook groups with people offering to write fake reviews, or businesses recruiting people to write

them on popular shopping and review sites. A Facebook spokeswoman told Reuters the company had removed 24 of the groups and pages flagged by CMA, a number of them before the regulator's report. eBay said it was working closely with the regulator.

### Harris wins EU approval for L3 Tech deal subject to sale of night vision business

Military communication equipment provider Harris has won European Union approval for the acquisition of L3 Technologies, on the condition that Harris sells its night vision global business, the EU Commission said. The all-stock merger will create the sixth-largest United States defense contractor, with a market value of \$34 billion at the time it was announced in October 2018. The EU antitrust regulator found that the merger would have reduced competition in the European markets for image intensification night vision devices and image intensification tubes. Harris offered to sell its night vision business before completing the deal, and the Commission accepted the remedy, Brussels said in a statement.

### U.S. group says Novartis MS drug price out of line with benefit

A U.S. group that reviews the value of medicines issued a critical report on Novartis's new multiple sclerosis drug Mayzent, calling its \$88,561 list price

"far out of line" compared with its benefits for patients. The Boston-based Institute for Clinical and Economic Review, which has been reviewing Mayzent for months, recommended that Novartis lower the drug's price. Novartis disputed the findings. "It is unfortunate that Novartis chose a price that is so far out of line with (Mayzent's) benefits to patients with active SPMS, particularly with it entering a crowded field of disease modifying therapies," ICER Chief Medical Officer David Rind said in a statement late on Thursday.

### German econmin: It's up to Huawei to show it meets our security requirements

Germany expects Huawei to demonstrate it can meet its security requirements for participating in the building of the country's 5G network, the economy minister Peter Altmaier said after meeting with the company's chief executive officer. After meeting Huawei CEO Ren Zhengfei in Shanghai, German Economy Minister Peter Altmaier said: "I made it very clear that telecommunication security is of high importance, that we expect all operators to fulfill our security requirements and that it is now Huawei's duty to show us that they are able to do so." A spokeswoman for Altmaier said he had also stressed that the protection of citizens' data and compliance with German law were key.



A file photo of the logo of Swiss drugmaker Novartis seen at its branch in Schweizerhalle near Basel, Switzerland, March 29, 2018. REUTERS/Arnd Wiegmann





*Dancers waltz in front of Russian armoured vehicles, including tanks T-72 B3, during a rehearsal for an exhibition event, part of the Army-2019 international military and technical forum, in Rostov Region, Russia, June 20. REUTERS/Sergey Pivovarov*

## Insight and Analysis

### Dashboard of a downturn: global recession signals

As the U.S.-China trade war erodes confidence and central banks prepare to unleash another wave of stimulus, investors are checking which advance warning indicators might be forecasting a global economic recession. A decade after the 2008 financial crisis, one of the most accurate predictors of U.S. recessions - inversion of the government bond yield curve - has kicked in. Most countries simply can't match U.S. data for breadth. Global recessions are also infrequent - before 2009, one would have to go back to 1990-1991 to find a period when the world economy actually shrank.

### Risks to Wall Street's rally abound despite record high

The benchmark S&P 500 index hit a record high on Thursday as an almost giddy euphoria over the prospects of a U.S. interest rate cut fueled the appetite for equities, but there are plenty of pitfalls that could throw the stock market off course. From the high expectations for something positive on the U.S.-China trade front at next week's Group of 20 summit, to rising geopolitical concerns and a worrying U.S. profit picture, the potential for missteps and stumbles is great. Moreover, the rally appears to be based more on hope than reality, strategists said.

### Lords of the Ring: Can 'smart' ring give BlackRock fund managers the edge?

After years of using the internet, satellites, algos and other innovations to mine 'Big Data' for that edge over rivals, the world's biggest investment firm is trialling a gizmo that puts the focus back on humans -- its own portfolio managers. In a world where marginal gains can translate into millions of dollars of returns BlackRock, which manages \$6.5 trillion in assets, is betting that healthier, happier fund managers make smarter investment decisions -- and wearable smart technology can help optimise their performance.

# CANADA

## Market Monitor

Canada's main stock index fell, mirroring losses in global equities as tensions between the United States and Iran kept investors on the sidelines.

The **Toronto Stock Exchange's S&P/TSX composite index** was up 0.3%, at 16,525.43.



The **U.S. dollar** was up 0.14% against its **Canadian counterpart** at C\$1.3208.

### COMING UP- ON MONDAY

No major events are scheduled.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
<b>GAINERS</b>			
New Gold Inc	1.01	0.08	8.60
Eldorado Gold Corp	7.10	0.38	5.65
Ero Copper Corp	21.83	1.05	5.05
<b>LOSERS</b>			
Canopy Growth Corp	53.28	-4.39	-7.61
Brookfield Business Partners LP	51.20	-3.21	-5.90
Torex Gold Resources Inc	13.48	-0.73	-5.14

## Top News



Canada's Prime Minister Justin Trudeau speaks as Canada's Foreign Minister Chrystia Freeland listens during a news conference at the Canadian Embassy, in Washington, June 20.

### Canadian oil industry dismayed as contentious energy bills become law

Two pieces of legislation opposed by Canada's oil and gas industry that fulfil Liberal government promises to protect

the environment will become the law. Bill C-69, which will overhaul environmental assessments for major resource and transportation projects like oil pipelines, and Bill C-48, which

bans oil tankers from British Columbia's northern coast, were passed by the Senate on Thursday evening. That vote followed approval by the House of Commons last week. The two bills are scheduled to formally receive Royal Assent to become law on Friday afternoon. Prime Minister Justin Trudeau's Liberal government is facing a national election in October and overhauling environmental assessments and the oil tanker moratorium were key promises in his 2015 election campaign. Critics including the opposition Conservatives and the government of Canada's main crude-producing province Alberta say Bill C-69 will deter investment in the industry. "This is a sad day for Canada. With the passage of Bill C-69, Justin Trudeau finally has his law that will phase out Canada's oil and gas industry," said Conservative leader Andrew Scheer, who pledged to repeal the bill if his party wins the October election. The laws drew praise from environmental groups.

# WEALTH NEWS

## FED POLICY

### Fed officials face weak inflation, but split over what it means

U.S. Federal Reserve officials were divided over how seriously to treat a slide in inflation, with one top policymaker saying the Fed was "close" to its inflation target and three others warning the weak price increases posed major risks the Fed may need to attack with lower interest rates.

## TRADE MEASURES

### U.S. bars China supercomputer firms, institute from buying American parts

The U.S. Commerce Department said it was adding several Chinese companies and a government-owned institute involved in supercomputing with military applications to its national security "entity list" that bars them from buying U.S. parts and components without government approval.

## ECONOMIC DATA

### Soft U.S. factory activity darkens economic outlook

U.S. manufacturing activity barely grew in early June and the service sector cooled, signs that President Donald Trump's trade war with China could be weighing on the economy. Other economic data released showed a rise in home resales during May, suggesting the Federal Reserve was seeing dividends from its efforts to avert a recession by keeping interest rates low. While many indicators still point to a healthy economy, Fed policymakers are increasingly concerned that the 10-year economic expansion could be in danger. Data firm IHS Markit said its U.S. manufacturing purchasing managers index (PMI) declined to a reading of 50.1 in early June, the lowest level since September 2009. "It is likely that the news on trade policy has weighed on business sentiment and activity," Daniel Silver, an economist at JPMorgan, said in a note to clients. Resales of U.S. homes rose 2.5% in May to a seasonally adjusted annual rate of 5.34 million units, the National Association of Realtors reported.

## Markit vs ISM PMIs: manufacturing

Source: Thomson Reuters Datastream/Markit/ISM



*Click on the chart for a full sized and detailed graphic.*

## Wall STREET WEEK AHEAD

### Investors eye G20 with hopes for U.S.-China trade détente

All eyes will be on U.S. President Donald Trump and China's President Xi Jinping next week as investors are desperate for any signs of a thaw in U.S.-China relations even if it shifts expectations for much awaited Federal Reserve interest rate cuts.

## DATA MINING

### Dollars in the detail; banks pan for gold in 'data lakes'

From sending special offers on restaurants to burger-loving current account holders to selling anonymised credit card records, banks are racing to monetize the huge troves of data they hold.

## FINANCIAL REGULATION

### U.S. markets regulators reach deal on Dodd-Frank swaps capital rules

U.S. markets regulators unveiled an agreement on how much capital and margin firms must hold when trading swaps based on securities, finalizing a key piece of the 2010 Dodd-Frank law introduced following the 2007-09 financial crisis.

## RULES FOR CRYPTOCURRENCY

### Global money-laundering watchdog launches crackdown on cryptocurrencies

Cryptocurrency firms will be subjected to rules to prevent the abuse of digital coins such as bitcoin for money laundering, a global watchdog said, the first worldwide regulatory attempt to constrain the rapidly growing sector.



## ON THE RADAR

Events	ET	Poll	Prior
<b>Tue:</b> Build permits number for May	0800	--	1.294 mln
Build permits R change mm for May	0800	--	0.3%
Monthly home price mm for Apr	0900	--	0.1%
Monthly home price yy for Apr	0900	--	4.9%
Monthly Home Price Index for Apr	0900	--	273.4
Caseshiller 20 mm SA for Apr	0900	0.2%	0.1%
Consumer Confidence for Jun	1000	131.0	134.1
New home sales-units for May	1000	0.680 mln	0.673 mln
New home sales change mm for May	1000	2.2%	-6.9%
Rich Fed Composite Index for Jun	1000	--	5
Rich Fed, Services Index for Jun	1000	--	1
Rich Fed Manufacturing Shipments for Jun	1000	--	2
Texas Service Sector Outlook for Jun	1030	--	-0.3
Dallas Fed Services Revenues for Jun	1030	--	2.7
 <b>Wed:</b> Durable goods for May	0830	0.0%	-2.1%
Durables ex-transport for May	0830	0.1%	0.0%
Durables ex-defense mm for May	0830	--	-2.5%
Nondefense cap ex-air for May	0830	0.1%	-1%
Advance goods trade balance for May	0830	--	-70.92 bln
Wholesale inventories advance for May	0830	--	0.8%
Retail inventories ex-auto advance for May	0830	--	0.4%
 <b>Thu:</b> Corporate profits revised for Q1	0830	--	-3.5%
GDP final for Q1	0830	3.2%	3.1%
GDP sales final for Q1	0830	--	2.5%
GDP cons spending final for Q1	0830	--	1.3%
GDP deflator final for Q1	0830	0.8%	0.5%
Core PCE prices final for Q1	0830	1.0%	1%
PCE prices final for Q1	0830	--	0.4%
Initial jobless claims	0830	220,000	216,000
Jobless claims 4-week average	0830	--	218,750
Continued jobless claims	0830	1.664 mln	1.662 mln
Pending Homes Index for May	1000	--	104.3
Pending sales change mm for May	1000	1%	-1.5%
 <b>Fri:</b> Dallas fed PCE for May	:	--	2.9%
Personal income mm for May	0830	0.3%	0.5%
Personal consumption real mm for May	0830	--	0%
Consumption, adjusted mm for May	0830	0.4%	0.3%
Core PCE price index mm for May	0830	0.2%	0.2%
Core PCE price index yy for May	0830	1.6%	1.6%
PCE price index mm for May	0830	--	0.3%
PCE price index yy for May	0830	--	1.5%
Chicago PMI for Jun	0945	53.8	54.2
U Mich Sentiment Final for Jun	1000	98.0	97.9
U Mich Expectations Final for Jun	1000	-89.4	88.6
U Mich 1 year inflation final for Jun	1000	--	2.6%
U Mich 5-year inflation final for Jun	1000	--	2.2%



*Internally displaced Afghan girl carries a child near their shelter at a refugee camp on the outskirts of Kabul, Afghanistan, June 20. REUTERS/Omar Sobhani*

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

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