

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Wall Street fell after negative headlines about Johnson & Johnson and Boeing and bleak economic data from China soured risk appetite. **Benchmark Treasury yields** dropped as investors awaited a UK vote on Britain's deal to leave the European Union this weekend. The **dollar** fell broadly. **Gold** and **oil** prices edged lower.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	26770.81	-255.07	-0.94	27398.68	21712.53
Nasdaq	8089.54	-67.31	-0.83	8339.64	6457.13
S&P 500	2986.12	-11.83	-0.39	3027.98	2443.96
Toronto	16377.12	-49.18	-0.30	16947.23	13776.88
FTSE	7150.57	-31.75	-0.44	7727.49	6599.48
Eurofirst	1534.81	-5.93	-0.38	1554.53	1308.86
Nikkei	22492.68	40.82	0.18	22615.47	19241.37
Hang Seng	26719.58	-128.91	-0.48	30280.12	24896.87

TREASURIES	Yield	Price
10-year	1.7519	1/32
2-year	1.5757	2/32
5-year	1.5642	2/32
30-year	2.2463	-3/32

FOREX	Last	% Chng
Euro/Dollar	1.1160	0.34
Dollar/Yen	108.40	-0.23
Sterling/Dollar	1.2944	0.43
Dollar/CAD	1.3119	-0.12
TR/HKEX RMB	91.38	-0.01

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	53.79	-0.14	-0.26
Spot gold (NY/oz)	1490.31	-1.33	-0.09
Copper U.S. (front month/lb)	0.0263	0.0004	1.51
CRB Index Total Return	185.42	0.24	0.13

S&P 500	Price	\$ Chng	% Chng
GAINERS			
Kansas City Southern	145.37	9.95	7.35
Intuitive Surgical Inc	566.25	36.85	6.96
State Street Corp	63.38	3.68	6.16
LOSERS			
L Brands Inc	16.33	-1.77	-9.78
Boeing Co	344.21	-24.85	-6.73
Johnson & Johnson	127.72	-8.45	-6.21

Coming Up - On Monday

Halliburton Co, the biggest frac player, is expected to post weak third-quarter numbers as U.S. oil and gas producers cut back on drilling. Investors and analysts will watch closely for any comments on conditions in the North America market and any cost saving plans after the company cut 650 jobs last week.

Federal Reserve Board Governor Michelle Bowman is expected to

deliver closing remarks through a prerecorded video to the "Gender and Career Progression: A Joint Bank of England, Federal Reserve Board, and European Central Bank Conference" held in Frankfurt, Germany.

LIVECHAT-MARKETS UPDATE

Mike Dolan, Reuters EMEA Markets Editor, talks the forum through the upcoming week in European markets. (0600 ET /1000 GMT) To join the conversation, [click here](#)

KEY ECONOMIC EVENTS

No major economic events are scheduled

Coming Up - Week Ahead

Amazon.com Inc is expected to post a rise in third-quarter revenue on Thursday, as the world's biggest online retailer benefits from soaring demand for its cloud and a surge in online shopping. Investors will keep an eye on the forecast for the holiday quarter.

Facebook Chief Executive Officer Mark Zuckerberg is scheduled to testify before the U.S. House Financial Services Committee on Wednesday, as the social media company faces growing scrutiny from U.S. lawmakers over its planned cryptocurrency and other issues including advertising policies.

Microsoft Corp will likely report a higher first-quarter profit on Wednesday, driven by increased sales from Azure, its flagship cloud product. Since CEO Satya Nadella took over in 2014, the company has been shifting away from its Windows operating system software and toward cloud services. Cloud growth powered Microsoft's market value past \$1 trillion for the first time in April.

Boeing Co on Wednesday is expected to report lower profit and revenue for the third quarter, as its best-selling 737 MAX jets remain grounded. Investors await comments on the timing of the jet's return to service. Lockheed Martin

Corp is expected to post increased revenue and profit for third quarter on Tuesday, helped by higher defense spending and demand for its F-35 jets.

Visa is expected to report a rise in fourth-quarter profit on Thursday. PayPal Holdings Inc is likely to post a higher third-quarter profit, as more customers use its payment processing platform to transact. Investors will look for commentary on the company's China entry with the acquisition of Gopay. The Travelers Companies Inc is set to report its third-quarter results on Tuesday.

Tesla Inc is scheduled to report its third-quarter results on Wednesday after market close. Analysts are expecting another loss - although the company had earlier forecast a break-even performance. The focus will be on the company's strategy to turn a profit in the fourth quarter. Separately on the same day, Ford Motor Co is scheduled to report third-quarter results, which are expected to be hurt by the No. 2 U.S. automaker's ongoing restructuring and a slowdown in the world's largest auto market, China. Harley Davidson Inc is expected to report its third-quarter earnings before the bell on Tuesday. While the motorcycle maker is expected to report a lower quarterly profit, investors' focus will be on its efforts to revive U.S. sales as well as the early orders for its first electric bike.

A Commerce Department report on Thursday is likely to show sales of durable goods fell 0.7% in September, after a 0.2% gain a month ago. Another report on Friday will probably show new home sales decreased 0.5% to a seasonally adjusted annual rate of 700,000 units in September. Separately, on Tuesday, existing home sales report is likely to show a decrease of 0.7% to a seasonally adjusted rate of 5.45 million units.

Comcast Corp is expected to report a higher profit and addition of more internet subscribers in the third quarter on Thursday. Investors will watch

closely for any commentary on forecast with the upcoming launch of its streaming unit.

Procter & Gamble Co is expected to post first-quarter earnings on Tuesday. The results are likely to reflect strongest sales growth in at least three years, boosted by demand for its premium beauty products Olay and SK-II as well as healthcare goods, including Vicks cold relief. The focus, however, will be on the performance of its grooming unit, in which it took a \$8 billion write-down for Gillette business last quarter.

Intel Corp is expected to report a drop in its third-quarter revenue on Thursday, as the chip industry faces setbacks from a global slowdown and a protracted U.S.-China trade war. While an early forecast from Taiwan's TSMC has suggested some rebound, financial outlook from chipmakers Intel and Texas Instruments Inc during the week will allow more clarity to investors.

American Airlines Group Inc is expected to report a rise in third-quarter revenue and profit on Thursday, as the No.1 U.S. airline benefits from strong travel demand and higher fares. Investors will look for

updates on the company's financial forecast. On the same day, Southwest Airlines Co is expected to report a rise in third-quarter revenue, boosted by higher fares and strong passenger traffic.

McDonald's Corp is expected to post a rise in profit and comparable store sales in third quarter on Tuesday, as the company's low-price "value" meals drew in more customers. The company has also been making technology-driven investments to improve ordering and delivery. Investors will look for updates on the company's partnership with Beyond Meat in Canada and the timing of a possible U.S. launch.

3M Co is expected to post lower revenue and profit for third quarter on Thursday, as some of its fast-growing markets including China see a deceleration in economic growth. Investors will look for an update on full-year financial forecast.

Hershey Co is likely to report a rise in third-quarter sales on Thursday, helped by price hikes and higher demand in North America. Investors will be looking for the company's comments on the impact of new acquisitions such as



A file photo of an employee showing a Hershey's chocolate bar made in USA in the "American lifestyle" store in Berlin, Germany, August 13, 2018. REUTERS/Fabrizio Bensch



A file photo of a UPS delivery person offloading packages from a truck in New York's financial district, March 5, 2014. REUTERS/Brendan McDermid

One Brands and the potential full-year earnings outlook revision in light of recent price hikes.

Chipotle Mexican Grill Inc is expected to report a rise in third-quarter profit and revenue on Tuesday, as the Mexican fast-casual chain benefits from limited-time menu additions like the carne asada option and the success of its loyalty and delivery program. Investors will watch for CEO Brian Niccol's comments on whether the latest steak launch is helping traffic rise, an issue restaurants are struggling with in a highly competitive environment.

United Parcel Service Inc is expected to post a rise in third-quarter revenue and profit on Tuesday, as the package delivery company benefits from strong e-commerce demand. Investors will look for updates on the company's financial forecast.

Eli Lilly and Co is likely to report a drop in third-quarter earnings on Wednesday, as it faces generic competition for its Cialis. Investors will focus on commentary related to the uptake of its migraine treatment Emgality and updates on experimental cancer therapy LOXO-292. Biogen Inc

is expected to report a rise in third-quarter profit on Tuesday, boosted by its growth driver spinal muscular atrophy drug, Spinraza.

Caterpillar Inc is expected to report lower third-quarter profit on Wednesday, as its customers turn wary of making large capital expenditures amid slowing global economic growth. Investors will look for evidence to gauge the depth of slowdown in the manufacturing sector.

PulteGroup Inc is expected to post a fall in third-quarter revenue and profit on Tuesday, as the U.S. homebuilder is hit by declining home sales despite lower interest rates. Investors will look for updates on the company's financial forecast and comments around demand.

Nasdaq Inc is set to report its third-quarter results on Wednesday, before markets open. The exchange operator is expected to post a rise in profit.

Hasbro Inc is likely to post a rise in third-quarter sales on Tuesday, helped by stronger demand for its franchise toys such as Magic: The Gathering and Monopoly. Investors will be on the lookout for more details on the company's \$4 billion acquisition of Peppa Pig maker Entertainment One, expectations for the holiday quarter and any possible tariff impact.

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Cadence Design System	Q3	AMC	\$0.51	\$0.51	\$0.49	\$576.37
Halliburton Co	Q3	BMO	\$0.33	\$0.34	\$0.50	\$5,810.62

*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 as negative headlines about Johnson & Johnson and Boeing, along with bleak economic data from China, soured investor risk appetite and offset generally positive corporate earnings. Growth of China's gross domestic product slowed to its weakest pace in nearly 30 years as the bruising trade war with the United States took its toll, stoking fears of slowdown contagion. "Earnings have been coming in better than expected, but it doesn't mesh with economic data that have been coming out recently, and the global growth forecasts," said Robert Pavlik, chief investment strategist, senior portfolio manager at SlateStone Wealth LLC in New York. "That's keeping some investors on the sideline." **Boeing** shares dropped 6.73% and **Johnson & Johnson** shares fell 6.21%. The **Dow Jones Industrial Average** fell 0.94%, to 26,770.81, the **S&P 500** lost 0.39%, to 2,986.12 and the **Nasdaq Composite** dropped 0.83%, to 8,089.54. For the week, **S&P 500** rose 0.54%, **Dow** fell 0.17% and **Nasdaq** was up 0.4%.

Treasury yields fell as investors awaited a UK vote on Britain's deal to leave the European Union this weekend, and after a senior Federal Reserve official said the U.S. central bank will act as appropriate to sustain economic expansion. "The bigger picture is just headlines, especially Brexit and the vote tomorrow," said Justin Lederer, an interest rate strategist at Cantor Fitzgerald in New York. The **two-year notes** rose 2/32 to yield 1.58% and the **benchmark 10-year notes** were up 2/32 to yield 1.75%.

The **dollar** fell sharply against the **euro** as the common currency jumped on hopes that a Brexit deal between



Traders work on the floor at the New York Stock Exchange, October 18. REUTERS/Brendan McDermid

Britain and the European Union could improve the odds of the euro zone avoiding a recession for now. "While the results of tomorrow's vote is far from certain, we see the progress made over the past week as diminishing the chances of a no-deal Brexit," said John Doyle, vice president for dealing and trading at Tempus Inc in Washington. "A no-deal Brexit would be devastating for the U.K. economy, but the ripple effects into the mainland would be substantial," Doyle said. "That has helped lift equity markets, regional currencies and put downward pressure on the greenback." The **euro** was up 0.35% at \$1.116. The **pound** was 0.43% higher against the **dollar** at \$1.294. The **dollar index** fell 0.34% to 97.27.

Oil prices edged lower, as concerns about China's economy outweighed bullish signals from its refining sector, but losses were limited on hopes for

progress toward a U.S.-China trade agreement. "For now, trade related concerns over a slowed global economic growth path have been pushed to the sidelines as markets await additional guidance regarding U.S.-Chinese trade negotiations," Jim Ritterbusch, president of Ritterbusch and Associates, said in a report. **Brent crude oil futures** fell 0.93% to \$59.35 a barrel. **U.S. West Texas Intermediate crude futures** lost 0.30% to \$53.77 a barrel.

Gold prices edged lower. "The dollar is a bit soft so (that) could help a little, but overall gold is meandering in no-man's land. Perhaps we've found a restive equilibrium until we get a fresh macro driver," said Tai Wong, head of base and precious metals derivatives trading at BMO. **Spot gold** was down 0.09% at \$1,490.29 an ounce. **U.S. gold futures** were 0.25% lower at \$1,494.50 an ounce.

Top News

Boeing 2016 internal messages suggest employees may have misled FAA on 737 MAX – sources

Boeing turned over instant messages from 2016 between two employees that suggest the airplane maker may have misled the Federal Aviation Administration about a key safety system on the grounded 737 MAX, according to documents seen by Reuters. The messages, first reported by Reuters, prompted FAA Administrator Steve Dickson to demand an "immediate" explanation from Boeing Chief Executive Dennis Muilenburg for the delay in turning over the documents the company said it had found "some months ago." The FAA said it found the messages "concerning" and "is reviewing this information to determine what action is appropriate." A person briefed on the matter said Boeing failed to turn over the documents to the FAA for four months and that the Justice Department is also in possession of the messages.

Johnson & Johnson to recall some baby powder as FDA finds traces of asbestos

Johnson & Johnson said it is recalling around 33,000 bottles of baby powder in the United States after U.S. health regulators found trace amounts of asbestos in samples taken from a bottle purchased online. The move marks the first time the company has recalled its baby powder for possible asbestos contamination, and the first time U.S. regulators have announced a finding of asbestos in a J&J powder. Asbestos is a known carcinogen that has been linked to mesothelioma. The voluntary recall is limited to one lot of Johnson's Baby Powder produced and shipped in the United States in 2018, the company said. J&J in a news release said that testing by the U.S.

Food and Drug Administration as recently as a month ago found no asbestos in their talc. The U.S. healthcare conglomerate is facing some 15,000 lawsuits from plaintiffs claiming use of J&J talc products caused cancer. J&J said on a conference call that it received a report from the FDA on Oct. 17 alerting the company about the asbestos finding. It said it has started an investigation and is reviewing manufacturing records to determine where the product was shipped.

Schlumberger takes \$12 billion charge as CEO charts new course

Schlumberger's new chief executive wielded an axe to the company's asset-heavy businesses, taking a \$12.7 billion charge in the face of weaker shale drilling and sliding profits. The move, by Olivier Le Peuch, writes down his predecessors' big investments that took the world's largest oilfield services company deeper into shale and oilfield operations and shows that he intends to shift the company toward more asset

-light software and services-driven businesses. The charge, amounting to nearly 18% of value of the company's assets, drove an \$11.4 billion loss, the largest in the company's history. Excluding the charges, Schlumberger earned 43 cents a share, above the 40 cents estimated by analysts. While revenue, at \$8.5 billion, was flat compared with the same period a year earlier, sales rose in all regions except for North America.

Oracle co-CEO Mark Hurd dies at 62

Oracle co-Chief Executive Officer Mark Hurd has died, the business software maker said, an unexpected development that raises pressure on co-CEO Safra Catz to lead the company's ongoing transition to cloud computing. Hurd, 62, went on medical leave last month, with Catz and founder Larry Ellison taking over his responsibilities during his absence. The company did not provide any further details at the time. Hurd and Catz were named co-CEOs in 2014, after Ellison decided to step aside to focus on his role as chief



A file photo of the bottle of Johnson and Johnson Baby Powder is seen in a photo illustration taken in New York, February 24, 2016. REUTERS/Shannon Stapleton

technology officer. "Mark was my close and irreplaceable friend, and trusted colleague," Ellison wrote in an email to Oracle employees. "Oracle has lost a brilliant and beloved leader who personally touched the lives of so many of us during his decade at Oracle." Wedbush Securities' Steve Koenig said he does not see any changes in how the company will be run.

Apple's Cook meets China regulator after pulling Hong Kong app

Apple Chief Executive Tim Cook met the chief of China's market regulator in Beijing, the Chinese agency said, a week after the U.S. firm was thrust into political tensions between the mainland and protesters in Hong Kong. China's State Administration for Market Regulation said that its chief, Xiao Yaqing, and Cook discussed topics including Apple expanding investment in China, consumer rights protection and fulfilling corporate social responsibility. It did not give more details. Cook was in Beijing for an annual meeting at Tsinghua University, where he serves on an advisory board alongside executives from other companies. Apple did not immediately respond to a request for comment. Separately, a bipartisan group of seven U.S. lawmakers including Senators Ted Cruz, Ron Wyden and Marco Rubio and Representative Alexandria Ocasio-Cortez urged Apple chief executive Tim Cook to restore the HKMap app used in Hong Kong. To read more, [click here](#)

Zero-sugar sodas, smaller soft drink cans drive Coca-Cola revenue beat

Coca-Cola beat Wall Street estimates for quarterly revenue as customers took to smaller-sized cans of its sodas, including Coca-Cola Zero Sugar, prompting the beverage maker to give an upbeat forecast for 2019. Volume in sparkling soft drinks rose 2% in the quarter, driven by double-digit percentage growth in Coca-Cola Zero Sugar and Sprite in North America. Organic revenue, that excludes the

impact of currency fluctuations, acquisitions and divestitures, climbed 5% during the quarter, above the average analyst estimate of 4.3%, according to five analysts polled by Refinitiv. Overall, revenue rose 8.3% to \$9.51 billion in the third quarter, beating the average analyst estimate of \$9.43 billion, according to IBES data from Refinitiv. The beverage maker maintained its full-year profit forecast even as it lowered its capital expenditure forecast for the year to about \$2.2 billion from its prior target of about \$2.4 billion.

American Express profit beats estimates as consumers shrug off slowdown fears

American Express reported a higher-than-expected quarterly profit that highlighted the health of the U.S. consumer even as fears mount that a manufacturing-led weakness could spread to the broader economy. "The trends we saw in the business this quarter continue to be consistent with an economy that continues to grow, albeit at a more modest pace than last year," Chief Executive Officer Steve Squeri said. AmEx said foreign exchange adjusted proprietary card member spending rose 7% in the third quarter, led by strong consumer growth in both the United States and international markets. Net income rose to \$1.76 billion, or \$2.08 per share, in the quarter, from \$1.65 billion, or \$1.88 per share, a year earlier, the company said.

WHO hails 'triumph' as Merck's Ebola vaccine gets European green light

The world's first Ebola vaccine was recommended for approval by European drugs regulators in a move hailed by the World Health Organization (WHO) as a "triumph for public health" that would save many lives. The vaccine, developed by U.S. drugmaker Merck & Co, is already being used under emergency guidelines to try to protect people

against the spread of a deadly Ebola outbreak in Democratic Republic of Congo. It protects against the Zaire strain of the Ebola virus - the one that most commonly causes outbreaks. The shot is also being reviewed under a fast-track system by regulators in the United States, with a decision expected in the first quarter of next year.

FTC official says data collection allows Big Tech to hurt competition

Vast troves of consumer data collected by big technology companies allow them to gain a competitive edge and pose a threat to competition, Federal Trade Commission's Rohit Chopra said. Personal data is powering the dominance of tech companies that offer basic services for free, which are ultimately "not really free," Commissioner Chopra, a Democrat, told the House of Representatives Judiciary's antitrust subcommittee during a hearing. There are several probes at the federal, state and congressional level aimed at determining if big technology companies - Alphabet-owned Google, Facebook, Amazon.com, Apple - use their considerable clout in the online market illegally to hurt rivals or otherwise break competition law.

Kansas City Southern profit beats, signals strength in fourth quarter

Kansas City Southern reported a better-than-expected quarterly profit, helped by an increase in refined fuel shipments to Mexico and ongoing cost cuts. "We have a positive outlook for the rest of the year," Chief Executive Patrick Ottensmeyer said on a conference call with analysts. Third-quarter net income available to common stockholders rose to \$180.1 million, or \$1.81 per share, from \$173.5 million, or \$1.70 per share, a year earlier. Revenue rose 7% to \$747.7 million. Executives, who are revising the railroad's forecasts on the heels of the strong results, signaled caution on roughly 30% of the railroad's overall revenue.



A demonstrator sits near burning tires as he holds a Lebanese flag during a protest over the deteriorating economic situation, in Dora, Lebanon, October 18. REUTERS/Mohamed Azakir

Insight and Analysis

FOCUS-How a small aluminum maker won U.S. trade protection

When Donald Trump won the White House, the sprawling aluminum smelter that hugs the Ohio River here was operating at less than half its capacity, and most of its skeleton crew of 270 remaining workers were fearful about their future. But Trump's tariffs have saved it, at least for now. How a tiny industry won protection is a testament to savvy lobbying, and one firm's ability to get the Trump administration to view it as a sector that would soon be gone without a government intervention. Century Aluminum, which operates the Hawesville smelter and ranks as the second-largest aluminum maker in the United States, spearheaded the fight.

COLUMN-Global economy slows, recession risk hangs in the balance: Kemp

Economic growth around the world has slowed to a crawl but (so far) there are few signs of the second-round effects on jobs, income and spending that would turn a significant slowdown into an outright recession. The International Monetary Fund has forecast global output will increase by just 3.0% this year, the slowest expansion since the recession of 2008/09 ("World economic outlook", IMF, Oct. 15). The Fund expects growth to accelerate slightly to 3.4% next year but only because of a slightly better performance in economies such as Turkey and Argentina currently under severe strain.

Gun with a chip: U.S. Army contracts may lead to a smarter firearm

A carbine that can call in an airstrike. A computer-aided scope on a machine gun that can turn just about anyone into a marksman. Even firearms that measure and record every movement, from the angle of the barrel to the precise moment of each shot fired, which could provide law enforcement with a digital record of police shootings. The application of information technology to firearms has long been resisted in the United States by gun owners and law-enforcement officials who worry they could be hacked, fail at the wrong moment, or invite government control.



CANADA

Market Monitor

Canada's main stock index ended lower.

The Toronto Stock Exchange's S&P/TSX composite index was down 0.30%, at 16,377.12.

The energy sector fell 1.13% to 125.15.



REUTERS/Mark Blinch

The U.S. dollar fell 0.11% against its Canadian counterpart at C\$1.3121.

COMING UP - ON MONDAY

No major events are scheduled.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
Ballard Power Systems Inc	7.35	0.44	6.37
Norbord Inc	34.59	1.25	3.75
Enerflex Ltd	10.71	0.38	3.68
LOSERS			
Gildan Activewear Inc	34.53	-11.96	-25.73
Aurora Cannabis Inc	4.81	-0.30	-5.87
Cronos Group Inc	10.93	-0.67	-5.78

Top News



A file photo of Condo buildings on both sides of Gardiner Expressway in downtown Toronto, Ontario, on August 31, 2017. REUTERS/Hyungwon Kang

Canadian home prices edge higher in September, led by Montreal

Canadian home prices edged higher in September, paced by increases in Montreal, the province of Quebec's most populous city, and the capital region of Ottawa-Gatineau, data showed. The Teranet-National Bank Composite House Price Index, which measures changes for repeat sales of

single-family homes, showed that prices rose 0.1% last month from August. The gain was below the 21-year average of 0.2% for September but was the second straight month that the index was higher after correcting for seasonal pressure, said Marc Pinsonneault, a senior economist at National Bank of Canada. The Bank of Canada said last month that activity in

Canada's housing market has recovered more quickly than expected, helped by lower mortgage rates.

Global trade uncertainty a reason to ratify USMCA -Mexican minister

Mexican Finance Minister Arturo Herrera said the current global uncertainty over trade is another reason to ratify the agreement negotiated last year between his country, the United States and Canada. Herrera said a common topic during a meeting of the Group of 20 late on Thursday had been the concern about trade tensions worldwide. The United States and China, the world's top two economies, have been in a 15-month trade war that the IMF said is partly to blame for a sharp slowdown in global growth. "It is clear for everybody that this is a topic of great concern and these tensions have happened at the same time in which we are seeing a cyclical slowdown of the economy," Herrera said.

WEALTH NEWS

TRADE WAR

Trump hopes U.S.-China trade deal will be signed by middle of November

U.S. President Donald Trump said he thinks a trade deal between the United States and China will be signed by the time the Asia-Pacific Economic Cooperation meetings take place in Chile on Nov. 16 and 17.

WALL STREET WEEK AHEAD

Tech haves and have-nots face third-quarter tests

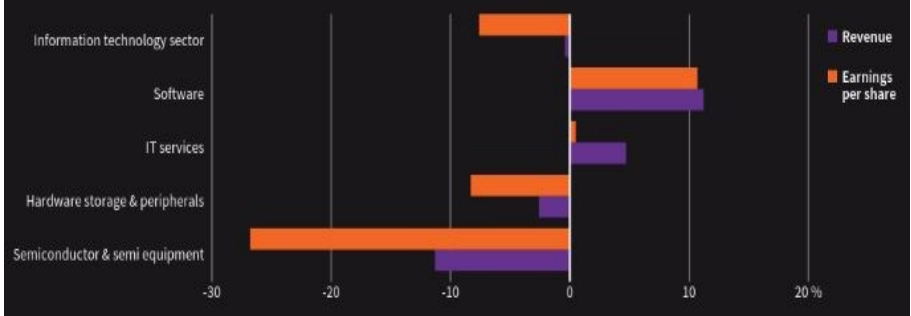
Technology companies are expected to post a nearly 8% drop in third-quarter profits as reports roll in next week from the sector's biggest corporations. The estimates reveal a wide range among the companies that comprise the S&P 500 information technology sector, which includes Apple, Microsoft as well as communications equipment, hardware and IT services companies. The sector's performance is being dragged down by semiconductors, which are expected to post a nearly 27% plunge in quarterly profits, according to IBES data from Refinitiv, on impact from the U.S.-China tariff conflict and weak demand.

Tech's third-quarter outlook

U.S. technology shares have soared this year, with the info tech sector soundly topping the S&P 500's roughly 20% gain. But the third-quarter earnings picture for tech companies is mixed.

Q3 ESTIMATES

Percent change from a year ago (tech sector vs tech industries)



Click on the chart for the detailed graphic

CLARIDA SPEAKS

Fed's Clarida keeps rate-cut door open; others less sure

In their last public comments before the Federal Reserve's next interest-rate decision, U.S. central bankers left the door open to a further reduction in borrowing costs as they continue to assess how household spending is holding up.

EXCLUSIVE

Lampert helps bankroll Sears as woes persist after bankruptcy -sources

Sears has borrowed about \$150 million from lenders, including its billionaire owner Eddie Lampert, as it racks up losses less than a year after it emerged from bankruptcy protection, people familiar with the matter said.

OPIOID LITIGATION

Opioids settlement could be near, lawyer for local governments says

Executives from several large healthcare companies and state attorneys general were progressing toward what is expected to be a multibillion-dollar deal to resolve the sprawling litigation over the U.S. opioid epidemic, a plaintiffs' lawyer said.

JOB GROWTH

General Motors strike to slash U.S. October payrolls-JPMorgan

A month-long strike at General Motors could cut U.S. job growth by as much as 75,000 in October, JPMorgan economist Daniel Silver said, an unwelcome development amid financial market fears of a recession.

SWELL IN DEMAND

Spike in U.S. mortgage activity catches big banks flat footed

A surge in U.S. mortgage applications has left Bank of America, Wells Fargo & Co and other large banks scrambling to meet demand, leading to longer closing times and unhappy customers.



ON THE RADAR

Events	ET	Poll	Prior
Tue: Existing home sales for Sep	1000	5.45 mln	5.49 mln
Existing home sales percentage change for Sep	1000	-0.7 %	1.3%
Rich Fed Composite Index for Oct	1000	--	-9
Rich Fed, Services Index for Oct	1000	--	6
Rich Fed Manufacturing Shipments for Oct	1000	--	-14
 Wed: Monthly home price mm for Aug	0900	--	0.4%
Monthly home price yy for Aug	0900	--	5.0 %
Monthly Home Price Index for Aug	0900	--	276.9
 Thu: Build permits number for Sep	0800	--	1.387 mln
Build permits R change mm for Sep	0800	--	-2.7%
Durable goods for Sep	0830	-0.7 %	0.2%
Durables ex-transport for Sep	0830	-0.1%	0.5%
Durables ex-defense mm for Sep	0830	--	-0.6%
Nondefense cap ex-air for Sep	0830	--	-0.4%
Initial jobless claims	0830	215,000	214,000
Jobless claims 4-week average	0830		214,750
Continued jobless claims	0830	1.675 mln	1.679 mln
Markit Composite Flash PMI for Oct	0945	--	51.0
Markit Manufacturing PMI Flash for Oct	0945	50.7	51.1
Markit Services PMI Flash for Oct	0945	50.9	50.9
New home sales-units for Sep	1000	0.700 mln	0.713 mln
New home sales change mm for Sep	1000	-0.5 %	7.1%
KC Fed Manufacturing for Oct	1100	--	11
KC Fed Composite Index for Oct	1100	--	-2
 Fri: U Mich Sentiment Final for Oct	1000	96.0	96.0
U Mich Conditions Final for Oct	1000	--	113.4
U Mich Expectations Final for Oct	1000	--	84.8
U Mich 1 year inflation final for Oct	1000	--	2.5%
U Mich 5-year inflation final for Oct	1000	--	2.2%



German Chancellor Angela Merkel looks out of her car window as she arrives for the second day of the European Union leaders summit dominated by Brexit, in Brussels, Belgium, October 18. Olivier Matthys/Pool via REUTERS

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The Day Ahead - North America is compiled by Pathikrit Bandyopadhyay and Swathi Nair in Bengaluru.

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