

THE DAY AHEAD

MARKET RECAP at 4 pm ET

The **S&P 500** ended slightly lower as an initial boost from corporate earnings faded in the wake of the policy announcement from the Federal Reserve. The **dollar** gained, while **Treasury yields** fell on concerns over the coronavirus outbreak. **Gold** prices were higher. **Oil** was mixed as virus fears and swelling U.S. crude inventories weighed on prices, counter-balanced by expectations that OPEC could extend output cuts.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	28735.09	12.24	0.04	29373.62	24323.94
Nasdaq	9275.16	5.48	0.06	9451.43	8943.50
S&P 500	3273.43	-2.81	-0.09	3337.77	3214.64
Toronto	17511.75	10.87	0.06	17666.45	15276.91
FTSE	7483.57	2.88	0.04	7689.67	7392.83
Eurofirst	1639.11	6.48	0.40	1664.26	1614.20
Nikkei	23379.40	163.69	0.71	24115.95	22951.18
Hang Seng	27160.63	-789.01	-2.82	29174.92	27706.37

TREASURIES	Yield	Price
10-year	1.5891	15/32
2-year	1.4147	3/32
5-year	1.4091	9/32
30-year	2.0466	36/32

FOREX	Last	% Chng
Euro/Dollar	1.1001	-0.17
Dollar/Yen	109.06	-0.06
Sterling/Dollar	1.3012	-0.12
Dollar/CAD	1.3206	0.39
TR/HKEX RMB	92.96	-0.01

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	53.16	-0.32	-0.60
Spot gold (NY/oz)	1577.21	11.35	0.72
Copper U.S. (front month/lb)	0.0255	-0.0003	-0.72
CRB Index Total Return	183.28	-0.89	-0.48

S&P 500	Price	\$ Chng	% Chng
GAINERS			
L Brands Inc	23.22	2.66	12.94
General Electric Co	12.94	1.21	10.32
Progressive Corp	80.91	4.46	5.83
LOSERS			
Xilinx Inc	88.06	-10.55	-10.70
Hess Corp	57.81	-4.31	-6.94
Keysight Technologies Inc	95.69	-6.45	-6.31

Coming Up



REUTERS/Pascal Rossignol

A file photo of the logo of Amazon Prime Delivery seen on the trailer of a truck outside the company logistics center in Lauwin-Planque, northern France, December 30, 2019.

Amazon.com Inc is expected to report a jump in fourth-quarter revenue as shoppers continued to buy more during the holiday season and due to a surge in demand for its cloud business.

The U.S. Commerce Department in its **first estimate of fourth-quarter GDP** is expected to report that the country's economy expanded at a 2.1% annualized rate. In the final estimate of the third quarter, GDP rose at a rate of 2.1%. Separately, a report from the Labor Department will likely show **initial claims for state**

unemployment benefits rose 4,000 to a seasonally adjusted 215,000 for the week ended Jan. 25.

The **Federal Reserve Board** is scheduled to hold an open meeting in Washington to discuss a proposal to simplify and clarify the covered funds provision within the **Volcker rule**, and a final rule to streamline and increase the transparency of the Board's control framework.

Coca-Cola Co's fourth-quarter profit and revenue are expected to grow,

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
GDP advance for Q4	0830	2.1%	2.1%
GDP sales advance for Q4	0830	2.1%	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	1.733 mln	1.731 mln

helped by strong demand for its Zero Sugar sodas, coffees and water. A company executive speaking at the World Economic Forum said Coca-Cola does not plan to stop using plastic bottles, and investors will watch for comments from top executives during the company's conference call, as companies across the globe take steps to tackle climate change.

Eli Lilly and Co is expected to post fourth-quarter earnings, 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's migraine treatment Emgality. **Biogen Inc** will also report fourth-quarter results, and 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.

United Parcel Service Inc is expected to report its fourth-quarter earnings and issue its 2020 forecast following its busiest and most compressed holiday peak season in years. Some analysts expect the package delivery company to forecast 2020 earnings growth of around 6% amid signs of economic stabilization in Europe and continued growth in China and the United States.

Verizon Communications Inc is expected to post a marginal rise in fourth-quarter revenue, helped by its new data plans that have allowed it to gain more market share. Investors will be looking at any commentary on its ongoing 5G expansion.

Payments processor **Visa Inc** is expected to report a fall in its first-quarter profit. Investors will be looking



A file photo of Hershey's chocolates pictured for sale on a store shelf in the Manhattan borough of New York City, New York, U.S. July 19, 2017. REUTERS/Carlo Allegri

out for total payments volume, or the dollar amount of purchases made with cards carrying Visa's branding.

Hershey Co is likely to post an increase in fourth-quarter revenue, helped by its acquisition of snack bar maker One Brands and launch of new products including Reese's Thins and Kit Kat Duos. Profit is expected to fall marginally, hurt by higher marketing expenses. Hershey's fiscal 2020 outlook will be an area of focus, as investors will be keen on knowing how a potential increase in cocoa prices affects the company.

Electronic Arts Inc is expected to post a rise in its third-quarter revenue, boosted by the success of "Star Wars Jedi: Fallen Order". Investors will look for the company's forecast and comments on its upcoming games.

Defense contractor **Raytheon Co** is expected to report a rise in fourth-quarter profit, boosted by higher sales in its missiles systems unit. Investors will watch for updates on the

company's financial forecast.

Industrial materials maker **Dupont De Nemours Inc** is expected to post a profit for the fourth quarter. Any comments on the company's strategy to tackle a slowdown in automotive and semiconductor end-markets and updates on the pending divestiture of its \$26 billion nutrition unit would be closely watched.

Valero Energy Corp's fourth-quarter profit and revenue are expected to fall, likely hurt by lower refining margins. Investors will focus on updates on the company's growth projects and any commentary on recently implemented IMO 2020 rules.

Reynolds Consumer Products is set to price its U.S. initial public offering, in which it is looking to raise up to \$1.32 billion. It is likely to be the first \$1 billion-plus U.S. listing of 2020.

Mexico's fourth-quarter gross domestic product data is also scheduled for release.



Market Monitor

The **S&P 500** ended slightly lower, as an initial boost from the likes of Apple, Boeing and General Electric following their quarterly results faded in the wake of the policy announcement from the Federal Reserve. Stocks showed little reaction to the Federal Reserve's policy statement. The Fed, as expected, held rates steady while offering no new guidance on its balance sheet or mentioning any economic risks that could come about from the coronavirus outbreak in China. "The biggest thing going on is earnings and obviously the coronavirus," said Thomas Martin, senior portfolio manager at Globalt Investments in Atlanta. Shares of **Boeing** closed up 1.70% and **Apple** shares ended 2.09% higher. The **Dow Jones Industrial Average** closed 0.04% higher to 28,735.09, the **S&P 500** was 0.08% lower at 3,273.46 and the **Nasdaq Composite** rose 0.06% to 9,275.16.

Treasury yields fell as the death toll from a Chinese virus rose sharply, and dipped to session lows after the Federal Reserve left interest rates unchanged and said it would continue expanding its balance sheet. Uncertainty over the economic impact of the virus has resulted in sharp swings in risk sentiment over the past few days. "There was a bit of a split about whether they would raise IOER," said Gennadiy Goldberg, an interest rate strategist at TD Securities in New York. "The very front-end of the curve reacted." **Benchmark 10-year notes** rose 15/32, yielding 1.59%. **Two-year notes** were up 3/32 to yield 1.42%. **30-year bonds** were 1-4/32 higher, yielding 2.05%.

Demand strengthened for the **dollar index** and the safe-haven **Japanese**



Traders work on the floor of the New York Stock Exchange (NYSE) in New York, U.S., January 28. REUTERS/Bryan R Smith

yen firmed modestly as a risk-off tone returned to markets amid continued uncertainty about the economic fallout of the coronavirus outbreak. The **yen** was last 0.08% stronger at 109.04 per dollar. The **dollar index** was up 0.06% at 98.08.

Oil prices were mixed as worries about the coronavirus outbreak and swelling U.S. crude inventories weighed on prices, counter-balanced by talk that OPEC could extend oil output cuts. "Following the outbreak of coronavirus, commodities markets suffered from a technical selloff," said Michel Salden, senior portfolio manager of Vontobel Asset Management. "But oil prices would likely rebound soon after a 14% drop so far, far more than the fall in stock markets." Crude inventories rose by 3.5

million barrels in the week to Jan. 24, as refiners cut runs and demand for gasoline and diesel slipped. Gasoline stocks rose for a 12th straight week to an all-time high at 261.2 million barrels, the EIA said. **Brent crude** was up 2.75% at \$59.66 a barrel. U.S. crude was down 2.69% at \$53.11 per barrel.

Gold gained as worries over economic growth due to the fast-spreading coronavirus buoyed safe haven demand. "Other than the Fed factor, reasons for investors' interest in gold are the coronavirus impact and how it will affect the Chinese economic data," said Bob Haberkorn, senior market strategist at RJO Futures. **Spot gold** was up 0.72% at \$1,577.19 an ounce. **U.S. gold futures** were 0.42 higher at \$1,576.40 per ounce.

Coronavirus: Impact On Global Businesses

WHO to reconsider declaring global emergency as China virus evacuations begin

Foreign governments flew their citizens out of the epicentre of China's coronavirus outbreak, as the number of deaths jumped to 133 and the World Health Organization voiced "grave concern" about person-to-person spread in three other countries. The WHO said its Emergency Committee would reconvene behind closed doors on Thursday to decide whether the rapid spread of the new virus from China now constitutes a global emergency. "In the last few days the progress of the virus especially in some countries, especially human-to-human transmission, worries us," WHO chief Tedros Adhanom Ghebreyesus told a news conference in Geneva, naming Germany, Vietnam and Japan. "Although the numbers outside China are still relatively small, they hold the potential for a much larger outbreak." In many Chinese cities, streets were largely deserted. Tourist attractions were closed, while Starbucks coffee shops required people to have their temperatures taken and to wear masks.

Many global firms, excluded from epidemic insurance, face heavy coronavirus costs

Many global companies from hotels and airlines to industrial houses are expected to have to foot the bill for disruptions caused by a new coronavirus in China, with epidemics usually excluded from insurance cover, experts said. With 132 deaths in China and new cases being reported around the world, companies are set to face billions of dollars in losses linked to events and travel cancellations and closure of businesses, they said. "For insurers, the bulk of the claims from this outbreak will come from businesses, mainly travel, hospitality and event firms, followed by mortality and healthcare costs," said a Hong Kong-based insurance sector lawyer



A woman wearing a mask checks her mobile phone in Shanghai, China January 29, 2020.

with a global law firm. "A lot of these airlines and hotels are offering refunds to their customers," said Richard Coyle, London-based head of risk financing and non-standard solutions at Miller Insurance. "Without adequate insurance in place, the airlines and hotels are absorbing the financial losses themselves." Separately, Royal Caribbean Cruises said its 2020 earnings would be hurt after it canceled three trips of its China-based cruise liner following discussions with health authorities over the coronavirus outbreak. To read more, [click here](#)

Johnson & Johnson working on vaccine for deadly coronavirus

Johnson & Johnson became the latest drugmaker to begin work on developing a vaccine for a new coronavirus that has already killed more than 100 people in China, as health authorities race to contain the outbreak. J&J said its vaccine program would utilize the same technologies used to make its experimental Ebola vaccine, which is currently being administered in the Democratic Republic of Congo and Rwanda. Three separate research teams backed by a global coalition set up to fight epidemic diseases last week said they will start work on developing

potential vaccines against the new coronavirus. The research will be conducted by drug developers Moderna, Inovio Pharma, and a team at the University of Queensland, Australia. J&J also said it had donated its HIV drug Prezcoibx to China for use in research to find a solution against the outbreak.

ANALYSIS-For airlines, China boom now exposes them to risk as coronavirus slams market

China's growth has helped power a global aviation boom over the last decade, but as the country curtails travel in the face of a new coronavirus, a slowdown could hit the industry harder than ever before. United Airlines, American Airlines, British Airways, Air Canada, Cathay Pacific, Lufthansa and Finnair are among carriers that have cancelled some or all China flights as countries expand travel warnings and demand plummets due to the coronavirus outbreak. The virus appears to represent the biggest epidemic threat to the airline industry since the SARS outbreak, which at its peak in April 2003 led to a 45% plunge in passenger demand in Asia, analysts said.

Top News

Fed keeps interest rates steady, offers no new balance sheet guidance

The Federal Reserve held interest rates steady at its first policy meeting of the year, with the head of the U.S. central bank pointing to continued moderate economic growth and a "strong" job market, and giving no sign of any imminent changes in borrowing costs. "We believe the current stance of monetary policy is appropriate to support sustained economic growth, a strong labor market and inflation returning to our symmetric 2% objective," Fed Chair Jerome Powell said at a news conference following the central bank's unanimous decision to maintain the key overnight lending rate in a range of between 1.50% and 1.75%. He noted signs that global economic growth was stabilizing and diminishing uncertainties around trade policy, concern about both of which were key factors in the Fed's decisions to cut rates three times last year. But, he added, "uncertainties about the outlook remain, including those posed by the new coronavirus." The outbreak of the new flu-like virus in China has led to fears of a further slowdown in the world's second-largest economy.

Boeing posts first annual loss in two decades as 737 MAX costs near \$19 billion

Boeing swung to its first annual loss since 1997 as 737 MAX costs doubled to nearly \$19 billion, and the plane manufacturer indicated it would again cut production of its bigger 787 Dreamliner aircraft, currently its main source of cash. President and CEO David Calhoun said he believes Boeing can win regulatory approval for the planes to fly again by mid-year. Costs related to the 737 MAX grounding reached \$14.6 billion in 2019 and the planemaker warned of another \$4 billion in charges in 2020 due to the expense of slowly re-starting production. Boeing had estimated a \$9.2 billion price tag for the MAX fallout

in the third quarter. Boeing's core operating loss was \$2.53 billion, or \$2.33 per share, compared with a profit of \$3.87 billion, or \$5.48 per share, a year earlier. Separately, Textron will increase the number of 737 MAX simulators in production, its chief executive said, after Boeing recommended that pilots undergo training in a simulator replicating the model before flying the grounded plane. To read more, [click here](#)

GE shares jump on profit beat, higher 2020 cash target

General Electric sold more investors on its turnaround story, sending shares higher on its quarterly profit and cash results that beat forecasts, and its bullish cash target for 2020. The results marked a fourth consecutive quarter that GE beat its forecasts, reinforcing a view that Chief Executive Officer Larry Culp was making progress in rescuing the ailing maker of jet engines, power plants, medical imaging equipment and other industrial goods. GE on Wednesday also said it would slash 737 MAX engine deliveries to Boeing roughly in half this year. But it still set a higher cash target for 2020 of \$2 billion to \$4 billion - above the \$3 billion

analysts expect on average. GE's 2020 adjusted profit forecast, at 50 cents to 60 cents a share, was less than the 66-cent Wall Street average forecast. But much of the future depends on how events play out with the 737 MAX, the company said. GE's adjusted earnings totaled 21 cents a share, topping analyst estimates of 18 cents, according to data from Refinitiv. Shares of the company were up 10.32% at \$12.94 at market close. In a separate report, General Dynamics reported a 28% jump in its order backlog due to an order for Navy submarines, and quarterly profits that topped Wall Street estimates helped by higher sales in its aerospace unit that makes Gulfstream business jets. To read more, [click here](#)

McDonald's sees 2020 spending on tech after sales beat; breakfast competition looms

McDonald's beat quarterly sales forecasts and said it would spend more on technology and research in 2020, as the world's largest burger chain bets on revamped stores and menu additions to lure diners and gain market share. But the company continues to battle lower U.S. store traffic and faces stiff competition in breakfast against rivals



A file photo of grounded Boeing 737 MAX aircraft seen parked in an aerial photo at Boeing Field in Seattle, Washington, U.S. July 1, 2019. REUTERS/Lindsey Wasson

including Starbucks and Dunkin' Brands, as well as the Wendy's impending launch into morning menu items. "Breakfast remains the area of focus to further improve U.S. traffic," Guggenheim analyst Matthew DiFrisco said. McDonald's reported a 5.9% rise in global comparable sales, both for the full year and the fourth quarter, beating analysts' forecast for a 5.23% growth, according to IBES Refinitiv. Meanwhile, Beyond Meat said it will supply plant-based "fried chicken" to several KFC stores in Tennessee and North Carolina, after a test conducted last year showed strong consumer demand. To read more, [click here](#)

Apple's iPhone strength is back and analysts say it is here to stay

Wall Street analysts were smitten by a rebound in sales of Apple's iPhones after a year of decline and said strong demand for new models, spurred by trade-in programs and heavy discounts on older models, will drive growth this year. At least 15 brokerages raised their price targets on the company's stock, with D.A. Davidson setting the most bullish price target of \$385, well above the stock's current median price target of \$325. "We see Apple's December 2019 quarter as a microcosm for its calendar 2020 performance, with the iPhone, once again, returning to the front and center," D.A. Davidson analyst Tom Forte said. Oppenheimer analyst Rick Schafer said the widely touted release of a 5G iPhone later this year would likely boost demand.

AT&T revenue falls short ahead of HBO Max launch

AT&T missed fourth-quarter revenue estimates as another decline in subscriptions to satellite TV provider DirecTV overshadowed an increase in monthly phone customers. Analysts at New Street Research said in a note that although AT&T's wireless subscriber growth was strong, "everything else" was worse than expected. Revenue from the entertainment segment, which includes DirecTV, fell 6.1% from the year-ago quarter to \$11.23 billion. AT&T said it

lost 945,000 "premium" TV subscribers during the fourth quarter, including from DirecTV, and a smaller number of cable TV subscribers. Analysts at Cowen had estimated AT&T would lose a net 1 million premium TV customers, leaving the company with 19.4 million. Net income attributable to AT&T fell to \$2.39 billion, or 33 cents per share, from \$4.86 billion, or 66 cents per share, a year earlier.

Anthem's growing, low-margin government business to hurt medical costs

Anthem warned medical costs in 2020 would be higher than market expectations as low-margin, government-backed health plans become a bigger portion of its business, sending the insurer's shares down. The company said the unit, which contributed slightly more than 60% to its revenue in 2018 and 2019, is pulling up the overall costs. Anthem said it expects adjusted profit to be above \$22.30 per share, compared with the consensus estimate of \$22.71 per share. Anthem posted quarterly total operating revenue of \$27.13 billion, narrowly beating estimates of \$27.10 billion, benefiting from higher sales from IngenioRx, the pharmacy benefits unit that it launched last year ahead of schedule. Excluding items, Anthem earned \$3.88 per share, in line with estimates. Shares of the company closed 6.06% lower at \$272.73.

Mastercard beats profit estimates on strong holiday season spending

Mastercard beat Wall Street estimates for quarterly profit as customers spent more on its cards during the U.S. holiday shopping season, boosting fees for the world's second-largest payment processor. The company's gross dollar volume, the dollar value of transactions processed, rose 12% to \$1.73 trillion in the fourth quarter. Net revenue rose 16% to \$4.41 billion, edging past analysts' estimates of \$4.40 billion. Adjusted net income rose to \$2.0 billion in the fourth quarter from \$1.6 billion a year earlier. On a per share basis, the company earned \$1.96 per share, while analysts had expected a profit of

\$1.87 per share, according to IBES data from Refinitiv.

Dow profit beats on Asia demand and cost cuts, sees recovery in 2020

Dow beat Wall Street's estimates for quarterly profit and revenue, helped by growth in volumes in Asia as well as lower costs, and the chemicals maker pointed to a recovery in demand this year as trade tensions ease. Dow's shares rose after the company said it cut about \$35 million in costs in the fourth quarter and expects to reduce another \$140 million in expenses this year. The company's steps to trim costs after its spin off from DowDupont has helped it offset a drop in demand for chemicals used in plastics, building materials and paints, amid a global slowdown. Net loss available to shareholders was \$2.32 billion, compared with a profit of \$891 million, primarily due to a \$2.9 billion write-down on goodwill impairment and restructuring. Dow forecast current-quarter revenue of \$10 billion to \$10.4 billion, below estimates of \$10.76 billion.

Hess posts bigger-than-expected quarterly loss on natgas hit

Hess reported a bigger-than-expected quarterly loss, as lower prices for its natural gas and natural gas liquids more than offset higher output from its Bakken shale assets in North Dakota. Hess said average selling prices for natural gas fell 27.8% and natural gas liquids slumped 34.5% in the fourth quarter. It expects to spend \$3 billion in 2020, compared with \$2.74 billion last year, as it bets big on Bakken and offshore Guyana, which has emerged as one of the most important oil and gas discoveries of the last decade. Excluding items, Hess reported a loss of 60 cents per share, bigger than estimates of 52 cents, according to IBES data from Refinitiv. Separately, Marathon Petroleum's quarterly profit halved as the U.S. refiner was forced to write down \$1.2 billion goodwill in its pipeline and transportation business that has failed to perform since Marathon acquired it two years ago. To read more, [click here](#)



Fans gather around a mural to pay respects to Kobe Bryant after a helicopter crash killed the retired basketball star, in Los Angeles, California, U.S., January 28. REUTERS/Kyle Grillot

Insight and Analysis

COLUMN-Big changes ahead? USDA faces data dilemma after U.S.- China deal -Braun

The next supply and demand update from the U.S. Department of Agriculture could feature some drastic adjustments if it is to fully incorporate China's lofty agricultural commitments as outlined in the Phase 1 trade deal. The deal states that China's purchases of U.S. agricultural goods will be at least \$12.5 billion above the 2017 baseline, which is about \$24 billion, and sales are to rise at least \$19.5 billion above that baseline in 2021. The caveats of "buying under market conditions" and "not disrupting other suppliers" have made the entire scenario nearly impossible to imagine.

YOUR MONEY-Seniors deal with the harsh reality of debt

Allen Lomax knows how retirement is supposed to go: By your golden years, you should have paid off your house, built up a big pot of savings, and be able to face the years ahead without fear. The future is not quite shaping up like that for him. Decades ago, the 69-year-old from Sylva, North Carolina took out about \$130,000 in federal loans for grad school. His hopes of eventually wiping that bill clean were dashed when he lost his well-paying job in his late 50s; the debt ballooned to \$170,000, and stayed with him even after he declared bankruptcy. Lomax is hardly alone in his plight of being past 50 and in a deep financial hole.

Big volatility options trade points to mystery investor '50 Cent'

Large options trades some people have attributed to the mysterious investor known as "50 Cent" have become more profitable in recent days, as fears of the economic impact of the coronavirus injected volatility back into stock markets. Earlier this month, at least one investor bought large blocks of February calls on the CBOE Volatility Index at a price of around 50 cents each. The calls, which increase in value when the VIX rises, would be redeemable should the VIX hit 22 by late February. Known as Wall Street's "fear gauge," the index typically rises when markets grow turbulent.



CANADA

Market Monitor

Canada's main stock index rose with the Toronto Stock Exchange's S&P/TSX composite index ending 0.06% higher at 17,558.38.

The TSX's energy group rose 0.2% to 133.86

The U.S. dollar was up 0.36% against its Canadian counterpart at C\$1.3011.

REUTERS/Thomas White



COMING UP

No major events are scheduled.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
Seabridge Gold Inc	18.61	1.04	5.92
Iamgold Corp	3.96	0.20	5.32
Pretium Resources Inc	14.54	0.72	5.21
Alamos Gold Inc	8.52	0.39	4.80
LOSERS			
CGI Inc	104.00	-8.91	-7.89
Chemtrade Logistics Income Fund	9.61	-0.73	-7.06
Spin Master Corp	32.66	-1.06	-3.14
Ballard Power Systems Inc	13.19	-0.42	-3.09

Top News



Canadian Pacific beats profit estimates, sees higher 2020 shipments from trade deal

Canadian Pacific Railway topped analysts' estimates for quarterly profit helped by higher freight revenue from crude shipments, and the company said it expects the U.S.-China trade deal to lift grain volumes in 2020 benefiting its sales. Freight revenue rose 3% to \$2.02 billion in the quarter. The company said net income rose to C\$4.82 per share, in the fourth quarter, from C\$3.83 per share, a year earlier. Excluding items, CP earned C\$4.77 per share, beating the average analysts' estimate of C\$4.66, according to IBES data from Refinitiv. Revenue rose to C\$2.07 billion from C\$2 billion.

Teck Resources says 'anyone's guess' whether Canada will approve oil sands project

The outcome of the Canadian government's pending decision on whether to approve Teck Resources Frontier oil sands project is "anyone's guess," the company's chief executive, Don Lindsay, said. At full capacity, the C\$20.6 billion Frontier could produce 260,000 barrels per day of bitumen in northern Alberta, making it one of the largest in the oil sands. Canada has until the end of February to decide, although delay is an option, Environment Minister Jonathan Wilkinson said on Tuesday.

Canada panel urges taxes and domestic content rules for Netflix, other U.S. firms

Ottawa should require U.S. tech companies such as Netflix, Amazon and Facebook to collect the same taxes as Canadian companies and also be subject to the same requirements for supporting domestically produced content, a Canadian government-mandated panel recommended. "Our recommendations for reform are practical and actionable providing the

legislative powers and regulatory tools necessary to seize the opportunities and address the risks of the digital age," the panel's chairwoman Janet Yale, a veteran Canadian telecoms executive, said in a press release accompanying the report. The report stated that it was not recommending a so-called "Netflix Tax" by charging consumers an extra levy. Instead, the report recommended requiring online streaming services such as Netflix to "invest in Canadian programming that they believe will attract and appeal to Canadians."

Canadian pension fund Caisse names insider and former banker Émond CEO

Caisse de depot et placement du Quebec (CDPQ), said former investment banker Charles Émond will become chief executive, taking over as it navigates an uncertain global economy and some challenging investments. Émond, who will replace Michael Sabia on Feb. 1, follows a leader who navigated through the financial crisis, when Caisse had billions in losses, reducing its exposure to risky assets and returning it to firmer footing.

WEALTH NEWS

TRADE DEAL

Trump signs USMCA, 'ending the NAFTA nightmare'; key Democrats not invited

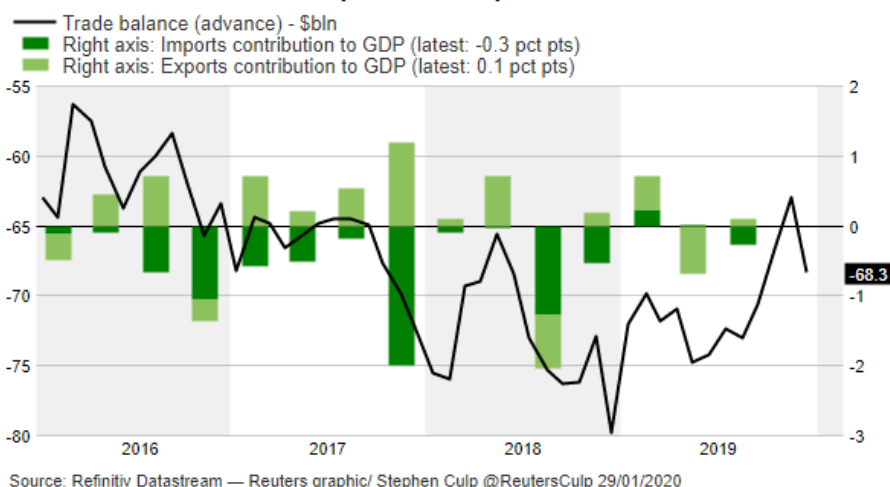
President Donald Trump signed a new North American trade agreement during an outdoor ceremony at the White House attended by about 400 guests - but not the key Democrats who helped secure congressional passage of the deal.

ECONOMIC INDICATOR

U.S. fourth quarter goods trade deficit widens, prompting growth forecast cuts

The U.S. goods trade deficit rose sharply in December as imports rebounded and businesses became more cautious on accumulating inventory, prompting some economists to cut their fourth quarter economic growth estimates. The Commerce Department said the goods trade gap, which had dropped for three straight months due to declining imports, surged 8.5% to \$68.3 billion last month. In December, goods imports surged 2.9% to \$205.3 billion after decreasing 1.3% in November. Motor vehicle and parts imports, fell last month. Exports of goods rose 0.3% last month to \$137.0 billion after increasing 0.8% in November.

U.S. trade balance (advance)



CORPORATE STRATEGY

Goldman Sachs sets growth targets but urges investor patience

Goldman Sachs set targets to grow its fledgling consumer unit and transaction banking business while improving efficiency and returns to shareholders, but urged patience at its first-ever investor day presentation.

EARNINGS

Nasdaq profit tops views as non-trading units take flight

Transatlantic exchange operator Nasdaq reported high-than-expected fourth-quarter earnings, helped by strength in its non-trading businesses.

DEAL TALK

L Brands CEO in talks to step aside and sell Victoria's Secret -WSJ

Victoria's Secret-owner L Brands Chief Executive Officer Leslie Wexner is in talks to step aside from the role and is exploring strategic alternatives for the lingerie brand, the Wall Street Journal reported.

ACQUISITION

Stanley Black & Decker buys Boeing supplier CAM for \$1.5 billion, with caveat

Stanley Black & Decker said it is acquiring Consolidated Aerospace Manufacturing for as much as \$1.5 billion, with a portion of the price contingent on Boeing's troubled 737 MAX aircraft returning to the skies.

DIVESTITURE

Warren Buffett gives up on newspapers; Berkshire sells unit to Lee Enterprises

Warren Buffett's Berkshire Hathaway agreed to sell its newspaper business to Lee Enterprises for \$140 million in cash, abandoning an industry the billionaire investor had long defended even as its financial prospects deteriorated.



KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Alexion Pharmaceuticals	Q4	BMO	\$2.68	\$2.60	\$2.14	\$1,310.69
Alliance Data Systems	Q4	BMO	\$4.11	\$4.34	\$7.04	\$1,499.55
Altria Group	Q4	07:00	\$1.01	\$1.02	\$0.95	\$4,883.27
Amazon.com	Q4	AMC	\$4.11	\$4.03	\$6.04	\$86,023.91
AmerisourceBergen	Q1	BMO	\$1.68	\$1.67	\$1.60	\$47,962.94
Amgen	Q4	AMC	\$3.39	\$3.47	\$3.42	\$6,063.39
Apartment Investment and Manage-	Q4	AMC	\$0.20	\$0.18	\$0.03	\$229.34
Aptiv	Q4	BMO	\$1.02	\$1.02	\$1.34	\$3,544.65
Arthur J Gallagher & Co	Q4	AMC	\$0.51	\$0.52	\$0.53	\$1,404.28
Biogen	Q4	BMO	\$8.32	\$8.02	\$6.99	\$3,536.90
Celanese	Q4	AMC	\$2.13	\$2.13	\$2.38	\$1,531.80
CMS Energy	Q4	BMO	\$0.69	\$0.69	\$0.40	\$1,935.74
Coca-Cola Co	Q4	BMO	\$0.44	\$0.44	\$0.43	\$8,888.24
Danaher	Q4	06:00	\$1.25	\$1.25	\$1.28	\$4,797.82
Dover	Q4	07:00	\$1.45	\$1.45	\$1.43	\$1,793.97
Dupont De Nemours	Q4	BMO	\$0.95	\$0.95	\$2.64	\$5,229.92
Eastman Chemical Co	Q4	AMC	\$1.32	\$1.33	\$1.39	\$2,204.26
Edwards Lifesciences	Q4	AMC	\$1.49	\$1.49	\$1.17	\$1,143.23
Electronic Arts	Q3	AMC	\$2.52	\$2.51	\$1.95	\$1,966.61
Eli Lilly and Co	Q4	BMO	\$1.53	\$1.52	\$1.33	\$5,914.45
Franklin Resources	Q1	BMO	\$0.66	\$0.66	\$0.54	\$1,436.77
Hershey Co	Q4	BMO	\$1.24	\$1.24	\$1.26	\$2,061.39
International Paper Co	Q4	BMO	\$1.02	\$1.02	\$1.65	\$5,557.08
Kimco Realty	Q4	BMO	\$0.17	\$0.17	\$0.17	\$280.72
Marsh & McLennan Companies	Q4	BMO	\$1.18	\$1.18	\$1.09	\$4,332.62
MSCI	Q4	BMO	\$1.61	\$1.61	\$1.31	\$402.35
Northrop Grumman	Q4	BMO	\$4.79	\$4.77	\$4.93	\$8,845.05
Parker-Hannifin	Q2	BMO	\$2.28	\$2.27	\$2.51	\$3,451.93
Quest Diagnostics	Q4	BMO	\$1.60	\$1.60	\$1.36	\$1,919.44
Raytheon Co	Q4	07:00	\$3.14	\$3.12	\$2.93	\$8,004.90
Resmed	Q2	AMC	\$1.03	\$1.02	\$1.00	\$730.47
Robert Half International	Q4	AMC	\$0.98	\$0.98	\$0.95	\$1,541.60
Roper Technologies	Q4	BMO	\$3.35	\$3.35	\$3.22	\$1,402.76
Sherwin-Williams Co	Q4	BMO	\$4.39	\$4.39	\$3.54	\$4,195.83
Thermo Fisher Scientific	Q4	BMO	\$3.54	\$3.54	\$3.25	\$6,776.89
Tractor Supply Co	Q4	BMO	\$1.23	\$1.23	\$1.11	\$2,243.37
Truist Financial	Q4	BMO	\$1.03	\$1.02	\$0.97	\$3,604.14

*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.

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
United Parcel Service	Q4	BMO	\$2.10	\$2.11	\$1.94	\$20,661.44
Valero Energy	Q4	BMO	\$1.63	\$1.62	\$2.12	\$25,909.76
Verizon Communications	Q4	07:00	\$1.14	\$1.14	\$1.12	\$34,597.54
Vertex Pharmaceuticals	Q4	AMC	\$1.23	\$1.20	\$1.30	\$1,010.30
Visa	Q1	AMC	\$1.46	\$1.46	\$1.30	\$6,076.54
W W Grainger	Q4	08:00	\$4.01	\$4.01	\$3.96	\$2,854.01
WEC Energy Group	Q4	BMO	\$0.72	\$0.72	\$0.65	\$2,213.73
Western Digital	Q2	AMC	\$0.59	\$0.58	\$1.45	\$4,219.45
Xcel Energy	Q4	BMO	\$0.54	\$0.54	\$0.42	\$3,056.36

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

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

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The Day Ahead - North America is compiled by Siddharth Athreya V and Samritha Arunasalam in Bengaluru.

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Refinitiv
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