

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Stocks ended higher on rising hopes that U.S. and China shall reach a resolution to their trade dispute. **Benchmark Treasury yields** were slightly up, but held in the middle of their recent range over mixed economic data. The **dollar** fell after dovish comment by San Francisco Fed President Mary Daly, while **gold** prices rose. **Oil** prices gained after a partial outage at a top offshore field in Saudi Arabia.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	25845.20	405.81	1.60	26951.81	21712.53
Nasdaq	7472.41	45.46	0.61	7461.67	6457.13
S&P 500	2775.60	29.87	1.09	2761.85	2443.96
Toronto	15838.24	142.26	0.91	16586.46	13776.88
FTSE	7236.68	39.67	0.55	7232.83	6599.48
Eurofirst	1452.11	20.68	1.44	1444.53	1308.86
Nikkei	20900.63	-239.08	-1.13	21235.62	19241.37
Hang Seng	27900.84	-531.21	-1.87	28533.36	24896.87

TREASURIES	Yield	Price
10-year	2.6626	-1 /32
2-year	2.5161	-1 /32
5-year	2.4931	-3 /32
30-year	2.9936	10 /32

FOREX	Last	% Chng
Euro/Dollar	1.1294	-0.04
Dollar/Yen	110.40	-0.06
Sterling/Dollar	1.2890	0.62
Dollar/CAD	1.3246	-0.35
TR/HKEX RMB	94.76	0.10

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	55.71	1.30	2.39
Spot gold (NY/oz)	1321.06	8.58	0.65
Copper U.S. (front month/lb)	0.0280	0.0003	1.59
Reuters/CRB Index Total Return	188.48	2.72	1.47

S&P 500	Price	\$ Chng	% Chng
---------	-------	---------	--------

GAINERS			
Arista Networks Inc	262.00	21.22	8.81
CenturyLink Inc	13.74	0.96	7.51
American International Group Inc	42.33	2.14	5.32
DISH Network Corp	30.90	1.20	4.04

LOSERS			
Newell Brands Inc	17.16	-4.53	-20.89
Mattel Inc	13.82	-3.09	-18.27
Applied Materials Inc	39.10	-1.61	-3.95
Under Armour Inc	19.04	-0.74	-3.74

Coming Up - On Tuesday



Walmart Inc is expected to report fourth-quarter comparable sales growth that could be its best in three years as investments in its business drive more traffic through its doors. Gross margins are likely to contract due to higher transportation costs, tariffs and as it continues to pour money into its online business. Investors will be keen to hear what the management has to say about the strength of the consumer and its Flipkart business, and whether the government shutdown or the polar vortex had any impact on its performance in the three-month period ended January.

Medtronic Plc is expected to report a rise in third-quarter earnings and is likely to benefit from growth in its cardiac and surgical product units. Investors will look out for updates on its diabetes unit and

comments on the progress of its surgical robotic system.

Federal Reserve Bank of Cleveland President **Loretta Mester** is scheduled to speak on the economic outlook and monetary policy before the 2019 Economic Forecast hosted by the University of Delaware Center for Economic Education and Entrepreneurship and Lyons Companies.

Noble Energy Inc is expected to post a fall in fourth-quarter profit, hit by a drop in crude oil prices and total sales volumes.

The National Association of Home Builders and Wells Fargo **housing market index** is likely to have risen to 59 points in February compared to 58 points in the previous month.

LIVECHAT- FED WATCH

Reuters reporters and editors tracking the Federal Reserve take questions on the economics, politics, trade matters and rates policies facing America's central bank. (0930 ET/1430 GMT) To join the conversation, [click here](#)

Coming Up - Week Ahead

The **Federal Open Market Committee** is likely to release the **minutes** from its Jan. 29-30, 2019 policy meeting on Wednesday.

Initial claims for state unemployment benefits, to be released on Thursday, are seen dropping to 228,000 for the week ended Feb. 16 from last week's 239,000. Meanwhile, data on **durable goods**

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
NAHB Housing Market Index for Feb	1000	59	58



orders, due on the same day, is likely to have risen 1.5 percent in December compared to 0.7 percent in the previous month. In another report, **existing home sales** are likely to have risen to 5.00 million units in January compared to 4.99 million units last month.

CVS Health Corp is expected to report higher fourth-quarter profit on Wednesday, aided by strength in its retail pharmacy segment. Investors will focus on commentary about recent proposals by the U.S. government to overhaul the drug rebate rule, as well as on CVS's recently closed deal to acquire Aetna Inc.

Federal Reserve Bank of San Francisco President **Mary Daly** is likely to participate in an event, "Achieving Full Employment in the Modern Economy: Associates Meeting with Mary C. Daly" hosted by Stanford University on Wednesday. Meanwhile, Federal Reserve Bank of Atlanta President **Raphael Bostic** is scheduled to speak on the economic outlook and monetary policy before the Terry Third Thursday event. On Friday, Bostic, Federal Reserve Bank of New York President **John Williams** and Federal Reserve Bank of New York Executive Vice President **Simon Potter** are likely to speak before the First Annual Joint Research Day on Quantitative Tools for Monitoring Macroeconomic and Financial Conditions organized by the Federal Reserve Banks of Atlanta and New York.

The 2019 Monetary Policy Forum hosted by The Initiative on Global Markets, University of Chicago Booth School of Business on Friday will see Federal Reserve Bank of St. Louis President **James Bullard**, Federal Reserve Bank of Philadelphia President **Patrick Harker** and Federal Reserve Vice Chair for Supervision **Randal Quarles** participating in the panel, "The Future of the Federal Reserve's Balance Sheet". Federal Reserve Vice Chairman **Richard Clarida** will speak at the same event. Meanwhile, Federal Reserve Bank of New York President **John Williams** and Federal



A file photo of the CVS logo at one of their stores in Manhattan, New York, U.S., August 1, 2016. REUTERS/Andrew Kelly

Reserve Bank of San Francisco President **Mary Daly** shall participate in the panel, "Prospects for Inflation with a High-Pressure Economy".

On Thursday, **Baidu Inc** is scheduled to report its fourth-quarter earnings, following a punishing year for the country's tech sector, which saw the company downgrade its full-year revenue estimates.

Kraft Heinz Co is expected to report a rise in fourth-quarter sales on Thursday, as the Tater Tots maker sees higher demand in the United States. However, the company's profit margins may be pressured by higher commodity costs as well as a strengthening dollar hurting sales in international markets.

Newmont Mining Corp is expected to post a fourth-quarter profit on Thursday, compared with a year-earlier loss, when it took a \$776 million charge. Investors will look for further details on the company's

2019 outlook in the light of its \$10 billion acquisition of Goldcorp Inc.

On Thursday, **Bunge Ltd** is scheduled to report fourth-quarter results after warning last month that its earnings in two of its business segments — including agribusiness, its largest in terms of revenue — will be short of its earlier forecast. Under pressure from activist investors, Bunge has replaced its long-time CEO and is conducting a strategic review of its businesses that may include a sale of the 200-year-old company.

Canadian wholesale trade data is due for Thursday. Canadian **retail sales data**, expected to be released on Friday, is likely to have edged 0.3 percent lower in December from a decline of 0.9 percent in November.

Bank of Canada Governor **Stephen Poloz** is expected to deliver a speech at the Chamber of Commerce of Metropolitan Montreal on Thursday.

Market Monitor

Wall Street rallied, with the **Dow** and the **Nasdaq** posting their eighth consecutive weekly gains as investors grew hopeful that the United States and China would hammer out an agreement resolving their protracted trade war. Talks between the United States and China will resume in Washington next week, with both sides saying progress has been made toward resolving the two countries' contentious trade dispute. Investors were also heartened by news President Donald Trump was expected to sign a bipartisan spending bill to prevent another partial government shutdown, while appearing to shrug off Trump's announcement he would declare a national emergency in order to fund his promised border wall. The **Dow Jones Industrial Average** was up 1.62 percent at 25,851.37 points, while the **S&P 500** rose 1.09 percent to 2,775.60. The **Nasdaq Composite** rose 0.61 percent to 7,472.41. For the week, the **S&P 500** rose 2.5 percent, the **Dow** added 3.1 percent, the **Nasdaq** gained 2.4 percent.

Benchmark Treasury yields rose slightly but held in the middle of their recent range as investors digested mixed economic data for signals of Federal Reserve interest rate policy. "It's been a mix. It's not been a trend of weaker or stronger that can really push the market one way or another, that's why I think we're kind of sitting here and waiting," said Justin Lederer, an interest rate strategist at Cantor Fitzgerald in New York. **Benchmark 10-year notes** fell 1/32 in price to yield 2.66 percent while **30-year bonds** rose 10/32 in price yielding 2.99 percent.

The **dollar** dropped after San Francisco Federal Reserve Bank President Mary Daly



A file photo of traders working on the floor of the New York Stock Exchange in New York, February 8. REUTERS/Brendan McDermid

suggested the central bank may hold off on raising interest rates in 2019, bolstering risk appetite in the currency market. The **dollar index** was about 0.11 percent lower at 96.87. The fall in the dollar drove the **euro** down 0.06 percent against the dollar at \$1.129.

Oil prices rose after an outage at Saudi Arabia's offshore oilfield boosted expectations for tightening supply, while progressing U.S.-Sino trade talks strengthened demand sentiment. **Brent crude** rose 2.73 percent, to \$66.33 a barrel. **U.S. crude futures** were up 2.43 percent at \$55.73 a barrel. "It's another factor that is raising concerns about the availability of crude," said Phil Flynn, an analyst at Price Futures Group.

Gold rose after weak U.S. economic data boosted expectations the U.S. Federal Reserve would hold pat on monetary tightening, while palladium matched an all-time high on a prolonged deficit. **Spot gold** was up 0.65 percent at \$1,321.06 an ounce. **Gold futures** were up 0.80 percent at \$1,324.40. "Gold (price action) is like watching oil evaporate. The market is continually bearish at lows and bullish at highs with actual breaks infrequent," said Tai Wong, head of base and precious metals derivatives trading at BMO. **Palladium**, was up 1.24 percent at \$1,433 per ounce. Earlier prices surged to match an all-time high of \$1,434.50.

Top News

PepsiCo says investments to drive sales will dent profit this year

PepsiCo said increased investments in advertising and products aimed at boosting sales growth would lead to a fall in profit this year. In his first major strategic move after taking over as chief executive officer, Ramon Laguarta unveiled plans to cut jobs and restructure plants to save \$1 billion annually through 2023 and fund its investments in a bid to claw back market share from larger rival Coca Cola. The company said it expects 2019 adjusted profit per share to drop 3 percent to \$5.50, while analysts on average had expected a 3.5 percent rise to \$5.86 per share, according to IBES data from Refinitiv. The forecast also takes into account a higher tax bill and a 2 percentage point hit from a stronger dollar. Revenue and profit were in line with expectations for the quarter ended Dec 29.

Uber posts \$50 billion in annual bookings as profit remains elusive ahead of IPO

Uber Technologies had \$50 billion in total bookings for its ride-service and food-delivery businesses last year, a testament to the size and global reach of the company as it prepares to woo investors in one of the biggest public stock listings to date. Uber's full-year revenue for 2018 was \$11.3 billion, up 43 percent from the prior year. Its losses before taxes, depreciation and other expenses were \$1.8 billion, an improvement over the \$2.2 billion loss posted in 2017. Uber's revenue in the fourth quarter reached \$3 billion, up 2 percent from the third quarter and a 24 percent increase over the previous year. The company's losses before interest, taxes and depreciation spiked in the fourth quarter to \$940 million, a 43 percent jump over the previous quarter and 21 percent increase from 2017.

Amazon places big bet on aspiring Tesla rival Rivian

Amazon.com said it would lead a \$700 million investment in U.S. electric pickup



A file photo of bottles of Pepsi at a grocery store in Pasadena, California, U.S., July 11, 2017.

truck startup Rivian Automotive, in the e-commerce giant's biggest bet on technologies with potential to reshape the automotive sector. The deal represents a major endorsement of Rivian's electric vehicle technology by the world's largest online retailer, which is looking for ways to boost the speed and reduce the cost of its deliveries. Reuters reported on Tuesday that Amazon and General Motors were in talks to invest in Rivian. GM's talks with Rivian about an investment are continuing and any deal would be announced at a later date, people familiar with the talks said. Rivian could ultimately be valued at between \$3 billion and \$4 billion, one of the sources said.

Newell shares plunge as Toys 'R' Us liquidation, strong dollar weigh on forecast

Newell Brands forecast lower-than-expected full-year sales and profit, hit by a strong dollar, higher costs and sluggish sales of its Graco baby products in the aftermath of the liquidation of Toys 'R' Us. Newell, on a post-earnings conference call, said inflationary pressures, including tariffs, strong dollar and higher input costs, would dent profits by \$200 million

in 2019. It also expects a 2.5 percent impact to its core sales in the current quarter because of the loss of a key customer in Babies 'R' Us after its liquidation last year. Overall, full-year sales will be in the range of \$8.2 billion to \$8.4 billion, the company said, below the average analyst estimate of \$8.78 billion, according to IBES data from Refinitiv. It also forecast a full-year adjusted profit that missed estimates. Excluding some items, Newell earned 71 cents per share and beat estimates. Shares of the firm were 20.86 percent down at \$17.17.

Mattel shares plunge on 2019 forecast

Mattel said 2019 gross sales were expected to be flat, with weakness in Thomas & Friends and American Girl offsetting comparatively stronger sales of its Barbie and Hot Wheels brands. The company also forecast a drop in first-quarter gross sales. Mattel also forecast capital expenditures to be roughly in line with 2018 when it spent about \$152 million and said it would be increasing strategic investments to about \$100 million in 2019. Shares of the company ended 18.10 percent down at \$13.85.



Coty forms special panel to evaluate JAB's offer to raise stake to 60 percent

Coty said it has formed a special committee to evaluate shareholder JAB Holding Co's offer to raise its stake in the cosmetics maker to 60 percent. The board will not move forward with approving or recommending the offer or any other transaction with the German conglomerate unless it is approved by the special committee, Coty said. The private holding company of Germany's Reimann family, which is already the largest shareholder in Coty with a 40 percent stake, earlier this week offered a premium of about 21 percent to buy out some minority shareholders.

REUTERS/Mohammad Khurshed



Deere's first quarter earnings hurt by higher costs, trade war

Deere's first-quarter earnings missed Wall Street's estimates, hurt by higher raw materials and logistics costs as well as by slowing trade between the United States and its partners, particularly China. The world's largest tractor manufacturer retained its 2019 earnings guidance - full-year net income is expected to be \$3.6 billion with a 7 percent annual growth in equipment sales. But whether the company would beat or miss the guidance depends on the outcome of Washington's ongoing trade talks with China. Freight and raw materials costs are expected to remain elevated in the coming quarter. Deere's production costs in the first quarter shot up by 2 percentage points from last quarter. For the quarter ended Jan. 28, the company reported an adjusted profit of \$1.54 per share, up 14 percent from a year

earlier, but below analysts estimates of \$1.76 per share, according to Refinitiv Eikon data.

US fines Cognizant, charges 2 former top execs in India bribery case

U.S. authorities announced criminal charges against two former top Cognizant Technology Solutions executives for their roles in a bribery scheme in India, and said the company will pay \$25 million to settle a related civil case. The U.S. Department of Justice said the former president, Gordon Coburn, and the former chief legal officer, Steven Schwartz, were charged in a 12-count indictment with violating the federal Foreign Corrupt Practices Act and other offenses. According to the indictment, in 2014 Coburn and Schwartz allegedly authorized an unlawful payment of approximately \$2 million to one or more government officials in India to secure and obtain a permit to build a new campus in the country.

Bayer gains full Vitrekvi rights from Eli Lilly's Loxo

German drugmaker Bayer took full control of Vitrekvi, a drug used against a variety of cancers driven by a rare genetic mutation, in a deal with from Eli Lilly's Loxo Oncology. Bayer said it exercised a right to gain exclusive licensing rights for the global development and commercialization of Vitrekvi, also known as larotrectinib, under a clause in the initial collaboration deal with Loxo Oncology that provided for Loxo becoming a takeover target. Financial terms such as the initially agreed upfront payments to Loxo as well as milestone payments for development achievements remain unaffected, said a Bayer spokeswoman. Bayer has put the drug's annual peak sales potential at more than 750 million euros.

XPO Logistics shares dive after biggest customer slashes business

XPO's shares sank after it said its biggest customer, believed to be Amazon.com, slashed its business with the warehousing

and last-mile delivery provider by two-thirds. XPO did not identify the customer. According to a former employee, analysts, industry insiders and a regional news report, the customer is Amazon. Amazon did not immediately respond to requests for comment. XPO is closing its 571,000 square-foot warehouse in Aberdeen, Maryland. A former employee told Reuters that facility handled Amazon work. XPO told local news organizations in recent weeks that its customer decided to close that facility. "Reading between the lines, we believe the shipper that is paring down its parcel injection, brokerage, last mile, and logistics activity with XPO is Amazon," J.P. Morgan analyst Brian Ossenbeck said in a note. The company's shares ended 12.61 down at \$52.04.

Alphabet unit seeks share of property taxes for Toronto smart city

Alphabet's Sidewalk Labs unit is proposing it get a share of property taxes, development fees, and the rising value of Toronto city land as part of a deal to build a smart city, according to the company's slide presentation made public. Sidewalk Labs said the proposal was yet to be evaluated by Toronto city and the public and has the potential to generate around C\$6 billion to pay for the infrastructure over 30 years. The proposal suggests that a light rail transit and infrastructure be financed by a mix of development charges, incremental property taxes and increased land value. Sidewalk Labs outlined its project for a light railway transit, 2,500 homes where 40 percent would be below market price, and a tall-timber factory they project will create 4,000 jobs. These would be initially financed by Sidewalk, and the company plans to recoup its investment through the various taxes, the proposals showed.

KEY RESULTS

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





Winter swimmers dressed in ballet costumes pose for a photo before diving into the icy water, during a snowfall at a park in Shenyang, Liaoning province, China, February 15. REUTERS/Stringer

Insight and Analysis

How Amazon scrapped its plans for a New York headquarters

More than a year of work to bring Amazon.com's headquarters and tens of thousands of jobs to New York City ended on Thursday with a couple of phone calls. Jay Carney, the company's top policy executive, told New York Governor Andrew Cuomo that the world's biggest online retailer would not go ahead with plans to invest \$2.5 billion to build a second head office in the New York City borough of Queens. Carney, a former press secretary for President Barack Obama, told New York City Mayor Bill de Blasio the same shortly after. Abruptly scuttling its Big Apple plans blindsided Amazon's allies and opponents alike.

FOCUS-Lyft to woo investors with fast U.S. growth in IPO race with Uber

Lyft Inc will pitch investors on its fast growth in the U.S. as it seeks to beat out Uber to become the first publicly listed ride-hailing company, according to people familiar with the matter. Lyft plans to tell investors its U.S. market share is approaching 40 percent, up from 35 percent in early 2018, the people said. It has pushed aggressively into smaller and mid-sized cities. Lyft serves more than 600 American and Canadian cities, three times more than in early 2017. Lyft is under pressure to sell investors on its prospects as it races neck-and-neck with Uber to an initial public offering that could come as early as the second quarter of 2019.

GRAPHIC-Risk of U.S. corporate recession rises as earnings outlook dims

The outlook for Wall Street earnings has deteriorated significantly in recent months, data shows, raising the risk that companies in the United States may slip into recession before its economy does - with Europe close behind. Analysts on average expect the S&P 500's first-quarter earnings per share to drop 0.3 percent year-on-year, according to I/B/E/S Refinitiv data. That's a big drop from the 8.2 percent rise expected as recently as October and would mark the first contraction in U.S. company earnings in three years. Analysts have also made deep cuts to forecasts for the rest of the year.

CANADA

Market Monitor

Canada's main stock index rose, as energy stocks gained from higher oil prices and upbeat earnings from the country's largest pipeline operator Enbridge.

The **Toronto Stock Exchange's S&P/TSX Composite index** was up 0.91 percent, at 15,838.24.

The **energy sector** ended 3.21 percent higher at 155.38. **Enbridge Inc** closed up 0.11 percent.

The **U.S. dollar** fell 0.33 percent against the **Canadian dollar** to C\$1.3249.

COMING UP - ON TUESDAY

No major events are scheduled.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
Toromont Industries Ltd	65.59	6.04	10.14
Sierra Wireless Inc	16.58	1.52	10.09
Lundin Mining Corp	6.50	0.43	7.08
LOSERS			
MTY Food Group Inc	62.08	-7.78	-11.14
Cineplex Inc	25.00	-2.15	-7.92
New Gold Inc	1.12	-0.09	-7.08

Top News

REUTERS/Dan Riedlhuber



Enbridge 'not surprised' by Minnesota governor's pipeline appeal -CEO

Canadian pipeline operator Enbridge was not surprised by renewed opposition from Minnesota's state government to its C\$9 billion Line 3 but still expects the oil pipeline replacement to enter service by year-end, its chief executive said. "It's common for regulatory decisions to be challenged," Enbridge Chief Executive Al Monaco said on a quarterly conference call. "Although we certainly don't agree with (the commerce department's) views, we're not surprised by the filing."

Enbridge topped analysts' estimates for quarterly profit, as it moved more crude oil and refined products along its pipelines. The company said it transported 2.7 million bpd of crude oil on its Mainline system across Canada and the U.S. during the quarter, up from 2.6 million bpd in the year-ago quarter. Net income rose to

C\$1.09 billion, or 60 Canadian cents per share, in the fourth quarter, from C\$207 million, or 13 Canadian cents per share. On an adjusted basis, the company earned 65 Canadian cents per share. Analysts had expected 62 Canadian cents per share, according to IBES data from Refinitiv.

Air Canada beats profit estimates, sees higher costs in 2019

Air Canada beat analysts' estimates for quarterly profit, helped by more high-paying passengers, but the carrier forecast higher costs for 2019. The airline said it is focused on improving margins while growing capacity on key domestic and international routes amid stiff competition from rival WestJet Airlines. In the fourth quarter, the company's yield rose 3.4 percent, while revenue passenger mile rose about 7.2 percent. Air Canada reported a loss of C\$231 million, or 85 Canadian cents per share, in the quarter, compared with a profit of C\$8 million, or 2 Canadian cents per share, a year earlier. Fuel costs rose nearly 25 percent in the fourth quarter, pushing operating expenses up about 12 percent to C\$4.12 billion. Excluding items, the company earned 20 Canadian cents per share, beating the average analyst estimate of 15 Canadian cents, according to IBES data from Refinitiv. Air Canada's

operating revenue rose to C\$4.25 billion from C\$3.82 billion.

Canadian home sales rise in January from December -CREA

Canadian home sales rose 3.6 percent in January from the previous month but remained below levels posted one year ago, the Canadian Real Estate Association said. The industry group said actual sales, not seasonally adjusted, fell 4 percent from a year earlier, while the group's Home Price Index was up 0.8 percent from January 2018.

Canada's Trudeau says did not direct ex-justice minister on SNC-Lavalin

Canadian Prime Minister Justin Trudeau said that his former justice minister asked him if he was going to offer direction over whether construction company SNC-Lavalin should face a corruption trial and he told her "absolutely not." Jody Wilson-Raybould quit Trudeau's cabinet unexpectedly on Tuesday after a newspaper reported she had been pressured by the prime minister's team to go easy on SNC-Lavalin last year when she was justice minister and attorney general. She was shuffled to Veteran Affairs in January, a move widely seen as a demotion.



WEALTH NEWS

TRADE TALKS

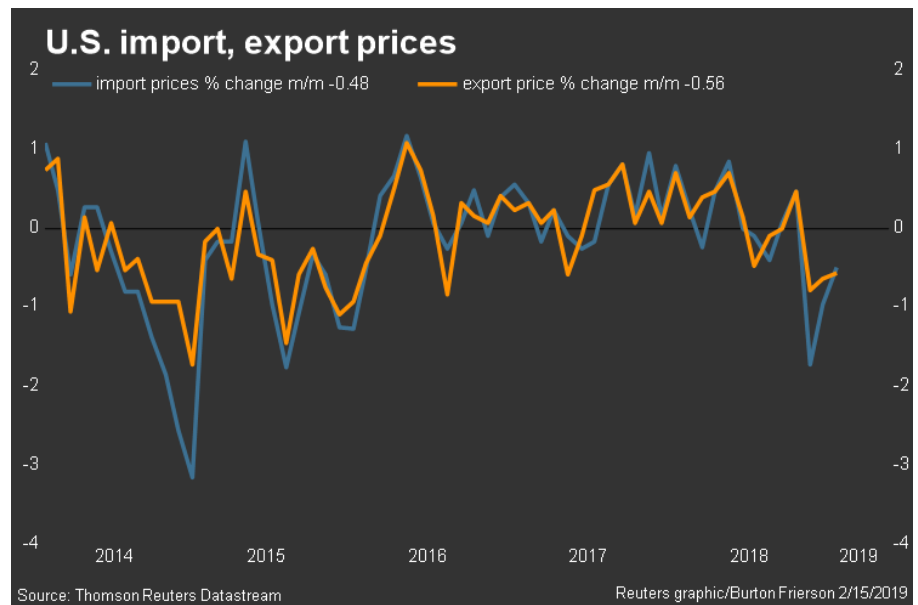
U.S.-China trade talks to resume next week, Trump hints at extension

The U.S. and China will resume trade talks next week in Washington with time running short to ease their bruising trade war, but U.S. President Donald Trump repeated that he may extend a March 1 deadline for a deal and keep tariffs on Chinese goods from rising.

ECONOMIC DATA

Sputtering auto production sinks U.S. manufacturing output

U.S. manufacturing fell sharply in January, led by the biggest drop in motor vehicle production since the recession, the latest indication that the economy was losing momentum. Manufacturing production slumped 0.9 percent in January, the biggest drop in eight months. The benign inflation outlook was underscored by a report from the University of Michigan showing consumers' long-term inflation expectations fell in early February to the lowest since December 2016. The survey's consumer sentiment index rose 4.3 points to 95.5 early this month. The Labor Department said import prices decreased 0.5 percent last month as the cost of petroleum products fell and a strong dollar weighed on prices of motor vehicles and consumer goods.



NATIONAL EMERGENCY

Trump declares U.S.-Mexico emergency for border wall

President Donald Trump declared a national emergency in a bid to fund his promised wall at the U.S.-Mexico border without congressional approval, an action Democrats vowed to challenge as a violation of the U.S. Constitution.

SLOAN TO TESTIFY

Wells Fargo's Tim Sloan set to appear twice before House panel - WSJ

Wells Fargo's Chief Executive Officer Tim Sloan is expected appear before the House Financial Services Committee alone in March this year, and then in April with several other banking heads, the Wall Street Journal reported, citing people familiar with the matter.

EXCLUSIVE

Portugal government sees Elliott's plan for EDP Brazil as 'unfortunate'

Activist investor Elliott's plan for EDP-Energias de Portugal to sell its Brazilian operations is unfortunate as it would mean leaving a fast-growing market, Portuguese Environment and Energy Transition Minister João Matos Fernandes said.

M&A

Private equity firms win over Scout24 with improved \$6.4 billion bid

Hellman & Friedman and Blackstone have won over Scout24 after raising their offer for the online classifieds group to 5.7 billion euros including debt, setting up the biggest takeover of a listed German company by private equity.

NEW FEES

Visa, Mastercard mull increasing fees for processing transactions - WSJ

Visa and Mastercard, the two biggest U.S. card networks, are preparing to increase certain fees levied on U.S. merchants for processing transactions that will kick in this April, the Wall Street Journal reported, citing people familiar with the matter.

ON THE RADAR

Events	ET	Poll	Prior
Thu: Durable goods for Dec	0830	1.5 pct	0.7 pct
Durables ex-transport for Dec	0830	0.2 pct	-0.4 pct
Durables ex-defense mm for Dec	0830	0.4 pct	-0.1 pct
Nondefense cap ex-air for Dec	0830	0.2 pct	-0.6 pct
Initial jobless claims	0830	228,000	239,000
Jobless claims 4-week average	0830	--	231,750
Continued jobless claims	0830	--	1,773
Philly Fed Business Index for Feb	0830	14	17
Philly Fed 6M Index for Feb	0830	--	31.20
Philly Fed Capex Index for Feb	0830	--	31.6
Philly Fed Employment for Feb	0830	--	9.6
Philly Fed Prices Paid for Feb	0830	--	32.7
Philly Fed New Orders for Feb	0830	--	21.3
Markit Composite Flash PMI for Feb	0830	--	54.4
Markit Manufacturing PMI Flash for Feb	0830	54.7	54.9
Markit Services PMI Flash for Feb	0830	54.3	54.2
Existing home sales for Jan	1000	5 mln	4.99 mln
Existing home sales percentage change for Jan	1000	2.2 pct	-6.4 pct
Leading index change mm for Jan	1000	0.1 pct	-0.1 pct



A U.S. Border Patrol agent listens from the front row as President Donald Trump declares a national emergency at the U.S.-Mexico border during remarks about border security in the Rose Garden of the White House in Washington, U.S., February 15. REUTERS/Carlos Barria

The Day Ahead - North America is compiled by Swathi Nair and Nachiket Tekawade in Bengaluru.

For questions or comments about this report, email us at: TheDay.Ahead@thomsonreuters.com.

To subscribe for The Day Ahead newsletter [click here](#)

To un-subscribe for this newsletter [click here](#)

For more information about our products: <https://www.thomsonreuters.com/en/products-services.html>

Send us a sales enquiry at: <https://www.thomsonreuters.com/en/contact-us.html>

© 2019 Thomson Reuters. All rights reserved. This content is the intellectual property of Thomson Reuters and its affiliates. Any copying, distribution or redistribution of this content is expressly prohibited without the prior written consent of Thomson Reuters. Thomson Reuters shall not be liable for any errors or delays in content, or for any actions taken in reliance thereon. Thomson Reuters and its logo are registered trademarks or trademarks of the Thomson Reuters group of companies around the world.