

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Wall Street ended higher after strong U.S. housing data and signs of resilience in the Chinese economy raised hopes of a rebound in global growth. **Treasury yields** rose and the **dollar** edged up. **Oil** prices steadied while **gold** climbed. **Palladium** soared boosted by a chronic shortage of the metal in the market.

| STOCKS | Close | Chng | %Chng | Yr-high | Yr-low |
|-----------|----------|--------|-------|----------|----------|
| DJIA | 29347.08 | 49.44 | 0.17 | 29300.32 | 24088.90 |
| Nasdaq | 9388.94 | 31.81 | 0.34 | 9357.92 | 8943.50 |
| S&P 500 | 3329.57 | 12.76 | 0.39 | 3317.11 | 3214.64 |
| Toronto | 17559.02 | 74.25 | 0.42 | 17489.56 | 15057.04 |
| FTSE | 7674.56 | 64.75 | 0.85 | 7653.58 | 7524.96 |
| Eurofirst | 1660.03 | 15.56 | 0.95 | 1647.90 | 1614.20 |
| Nikkei | 24041.26 | 108.13 | 0.45 | 24059.86 | 22951.18 |
| Hang Seng | 29056.42 | 173.38 | 0.60 | 29149.53 | 27857.73 |

| TREASURIES | Yield | Price |
|------------|--------|--------|
| 10-year | 1.8267 | -5/32 |
| 2-year | 1.5674 | 0/32 |
| 5-year | 1.6261 | 0/32 |
| 30-year | 2.2857 | -19/32 |

| FOREX | Last | % Chng |
|-----------------|--------|--------|
| Euro/Dollar | 1.1090 | -0.40 |
| Dollar/Yen | 110.13 | -0.01 |
| Sterling/Dollar | 1.3013 | -0.48 |
| Dollar/CAD | 1.3063 | 0.18 |
| TR/HKEX RMB | 93.84 | 0.09 |

| COMMODITIES (\$) | Price | Chng | % chng |
|------------------------------|---------|--------|--------|
| Front Month Crude /barrel | 58.68 | 0.16 | 0.27 |
| Spot gold (NY/oz) | 1556.67 | 4.13 | 0.27 |
| Copper U.S. (front month/lb) | 0.0285 | 0.0000 | 0.05 |
| CRB Index Total Return | 193.71 | 0.69 | 0.35 |

| S&P 500 | Price | \$ Chng | % Chng |
|-----------------------------------|--------|---------|--------|
| GAINERS | | | |
| Qualcomm Inc | 95.91 | 4.12 | 4.49 |
| Centurylink Inc | 14.05 | 0.49 | 3.61 |
| Citizens Financial Group Inc | 40.89 | 1.30 | 3.28 |
| LOSERS | | | |
| Expeditors International of Wash- | 76.82 | -4.52 | -5.56 |
| ington Inc | | | |
| CDW Corp | 136.85 | -7.35 | -5.10 |
| NetApp Inc | 62.42 | -2.96 | -4.53 |

Coming Up - On Tuesday



A general view shows the congress centre, the venue of the World Economic Forum (WEF) in Davos, Switzerland January 13, 2020. REUTERS/Arnd Wiegmann

The **2020 World Economic Forum** annual meeting in **Davos** is scheduled to begin. U.S. President **Donald Trump** is expected to deliver a speech at the event. Trump will not be short of sparring opportunities at Davos - some 53 heads of state are to show up in the Alpine resort, including Germany's **Angela Merkel**. There will be 35 finance and 30 trade ministers.

Netflix Inc is expected to post a rise in fourth-quarter revenue. The streaming giant had a strong content slate in the quarter with films like "The Irishman" and a number of shows in local languages. Given the launch of new streaming services from Disney and Apple, investors will look for commentary on content spend and new additions to its online library.

United Airlines Holdings Inc is expected to report an increase in fourth-quarter profit, helped by higher travel demand. Investors will look for 2020 outlook and commentary on the

grounded Boeing 737 MAX. **Statistics Canada** is scheduled to report **factory sales** fell 0.3% in November after dropping 0.7% in the month before.

LIVECHAT- DAVOS

Moderated by experienced Reuters journalists, join us in the GMF as we bring you to the heart of the Davos debate and on-location coverage of one of the biggest global events of the year. A raft of guests including Jean-**Phillipe Courtiois**, Executive Vice President and President, Global Sales, Marketing and Operations, Microsoft (0715 ET/1215 GMT), **Ned Tozun**, Chief Executive Officer and Founder, D. Light (0800 ET/1300 GMT), **Elie Maalouf**, Board member and Chief Executive Officer - America, IHG (0900 ET/1400 GMT), **Kenneth Goldman**, President, Hillspire (1100 ET/1600 GMT) and **Anand Mahindra**, Chairman, Mahindra Group (1150 ET /1650 GMT) will join us. To be a part of the discussions, [click here](#)

KEY ECONOMIC EVENTS

No major events are scheduled.

Coming Up - Week Ahead



Johnson & Johnson is expected to report a higher fourth-quarter profit on Wednesday, boosted by sales of its cancer drugs Darzalex and Imbruvica. Investors will look for commentary on the several lawsuits related to its baby powders and medical devices, as well as on its M&A plans. Medical device maker **Abbott Laboratories** is expected to post fourth-quarter results on the same day. Investor focus will be on sales performance of its fastest growing glucose monitoring device, Libre, cardiovascular device MitraClip and diagnostics testing device, Alinity, and commentary on approval of Libre 2.0 along with 2020 guidance.

On the U.S. economic tap, the National Association of Realtors on Wednesday is likely to show **existing home sales** rose 1.7% to a seasonally adjusted annual rate of 5.43 million units in December. On Thursday, the Labor Department is expected to report **initial claims for state unemployment benefits** increased to a seasonally adjusted 215,000 for the week ended Jan. 18 from 204,000 in the previous week. On Friday, the **IHS Markit manufacturing sector final new orders index** for December is likely to have risen slightly to a reading of 52.5 in January from 52.4 in the previous month. Separately, **IHS Markit services sector final new business index** is expected to have decreased

slightly to a reading of 52.7 in January from 52.8 in December.

Comcast Corp is expected to post a rise in fourth-quarter revenue on Thursday, helped by an increase in internet customers. Investors await commentary on its streaming platform, for instance Peacock, that is set for an April release. **Intel Corp** is expected to report a drop in fourth-quarter revenue on the same day, as the chip industry struggles with a global slowdown. An early forecast from Taiwan chipmaker TSMC has suggested a rebound in demand.



Southwest Airlines Co is expected to post a fall in fourth-quarter profit on Thursday, as the U.S. carrier is hurt by the ongoing grounding of Boeing's 737 MAX jets. The largest operator of the MAX worldwide is removing about 330 weekday flights from its more than 4,000 daily flights. Investors will look for updates on financial forecast and capacity growth in 2020. American Airlines Group Inc is expected to post a rise in fourth-quarter profit on the same day, benefiting from higher fares and strong travel demand. Investors will look for updates on the company's financial forecast and comments around the 737 MAX.

On Thursday, **Procter & Gamble Co** is expected to show a rise in second-

quarter sales and profit, driven by higher sales of detergents, face creams and healthcare products. Focus will be on any updates on the company's financial projections for the year as it ramps up investments in new products across most of its business to gain back market share.

American Express Co is scheduled to report its fourth quarter results on Friday before markets open. It is expected to post gains in profit as unemployment rates remain low and consumers spent more during the U.S. holiday season. Investors will keep an eye on expenses, which have grown rapidly in recent years due to rewards programs that are expected to fend off competition. The **Travelers Companies Inc** is set to report fourth-quarter results on Thursday. Investors will look for insights on the insurer's catastrophe losses and whether workers' compensation claims are increasing given low U.S. unemployment.

The **Bank of Canada** is likely to keep the interest rate steady at 1.75% on Wednesday. Statistics Canada is scheduled to report the country's **annual inflation rate** on the same day which is expected to remain unchanged at 2.2% in December. Meanwhile, Statistics Canada is likely to release **retail sales** data on Friday, it is likely to have increased 0.5% in November after falling 1.2% in the previous month. **Core retail sales** is expected to have risen 0.4% in November, following a 0.5% fall in October. **Canadian wholesale trade** is expected to have decreased by 0.3% in November.

Market Monitor

Wall Street's major indexes climbed to record highs after strong U.S. housing data and signs of resilience in the Chinese economy raised hopes of a rebound in global growth. Market sentiment brightened further this week after the United States and China sealed a Phase 1 trade deal, pausing an 18-month tariff dispute that has weighed on financial markets globally. Analysts expect earnings at S&P 500 companies to drop 0.8% in the fourth quarter, but forecast a 5.8% rise in the first quarter of 2020, according to Refinitiv IBES data. Many investors expect companies to be more upbeat about the future following the truce in the China-U.S. trade war. The **Dow Jones Industrial Average** was up 0.17% at 29,347.08, while the **S&P 500** gained 0.39% to 3,329.59. The **Nasdaq Composite** added 0.34% to 9,388.46. For the week, the S&P 500 gained 1.96%, Dow rose 1.82% and Nasdaq was up 2.29%.

Treasury yields rose after strong homebuilding and manufacturing reports and upbeat corporate earnings, while traders eyed the potential impact of a new government bond coming by summer. "It doesn't seem to have gleaned most of the optimism we've seen in the equity market," said John Herrmann, director of U.S. interest rates strategy for MUFG. Equity investors seem willing to find company-specific reasons to look past soft growth and inflation figures, he said. "The bond market is telling you that growth is a little more moderate" than stock prices suggest, he said. The **10-year notes** were down 5/32 to yield 1.83% and the **two-year notes** were flat, yielding 1.57%. The **30-year bonds** were down 19/32 to yield 2.29%.

The **greenback** rose against the **euro** as economic data pointed to solid economic growth, and reduced fears about an impending slowdown. "The last couple of sessions we've gotten



A file photo shows traders working on the floor at the New York Stock Exchange in New York, U.S., January 14. REUTERS/Brendan McDermid

some pretty good data," said Bipan Rai, North American head of FX strategy at CIBC Capital Markets in Toronto. "There was a little bit of concern by the Federal Reserve with regard to the health of the consumer and household market in the U.S., but it seems like yesterday's retail sales numbers and also the housing data from yesterday and today have assuaged some of those fears for the time being," Rai said. The **euro** fell 0.40% against the **dollar** to \$1.1090. The **dollar index** was 0.30% higher at 97.61.

Oil prices steadied as sluggish economic growth in China, the world's biggest crude importer, raised concerns over fuel demand and countered optimism from the signing of a China-U.S. trade deal. **Brent crude futures** fell 0.53% to \$64.96 a barrel. **U.S. crude futures** fell 0.27% to \$58.68 a barrel. "Mounting downward economic pressure will perhaps limit oil's upside in the mid- to long-term," said Margaret Yang, market analyst at CMC Markets. But surging Chinese demand, as seen in refinery throughput figures, helped offset the less positive economic growth data. "The increase in

China's refinery capacity is reshaping the trade flows of refined products, while the increase in U.S. crude oil production is reshaping the trade flows of crude oil," said Olivier Jakob of consultancy Petromatrix.

Palladium soared, boosted by a chronic shortage of the metal in the market and hopes the global economy might be turning the corner. **Spot palladium** was 7.98% higher at \$2,496.37 per ounce, having earlier surged past the \$2,500 an ounce level. "This is a structural deficit market that has been brewing for years and we don't really see an increase in supply on the horizon to quell that," said Ryan McKay, a commodity strategist at TD Securities. Elsewhere, **spot gold** edged 0.26% higher at \$1,556.57 per ounce, while **U.S. gold futures** were up 0.41% to \$1,556.90 an ounce. There's continued interest in gold buying with political, geopolitical and economic worries globally and haven-seeking buyers in countries with weak currencies, said George Gero, managing director at RBC Wealth Management.

Top News

U.S. will look at sudden acceleration complaints involving 500,000 Tesla vehicles

The National Highway Traffic Safety Administration (NHTSA) said it will review a petition asking the agency to formally investigate and recall 500,000 Tesla vehicles over sudden unintended acceleration reports. The petition covers 2012 through 2019 model year Tesla Model S, 2016 through 2019 Tesla Model X, and 2018 through 2019 Tesla Model 3 vehicles, the agency said. The petition cites "127 consumer complaints to NHTSA involving 123 unique vehicles. The reports include 110 crashes and 52 injuries," the agency added. Many of the complaints report sudden acceleration incidents when attempting to park vehicles in a garage or at a curb. Others claimed the sudden acceleration happened while in traffic or when using driver assistance systems and led to crashes.

Boeing addresses new 737 MAX software issue that could keep plane grounded longer

Boeing said it is addressing a new software issue discovered in Iowa last weekend during a technical review of the proposed update to the grounded Boeing 737 MAX, a development that could further delay the plane's return to service. "We are making necessary updates," Boeing said in a statement. Officials at the planemaker said the issue relates to a software power-up monitoring function that verifies some system monitors are operating correctly. One of the monitors was not being initiated correctly, officials said. The monitor check is prompted by a software command at airplane or system power up, and will set the appropriate indication if maintenance is required, company officials added.

Schlumberger tops profit estimates, plans more cost cuts amid shale slump

Schlumberger outlined an aggressive cost-cutting plan for its North American

operations as the world's largest oilfield service firm contends with sharp declines in U.S. shale activity. The company reported a slightly better-than-expected fourth quarter profit amid stronger international sales for its services and equipment, offsetting weakness in North America. Schlumberger Chief Executive Officer Olivier Le Peuch, who took the top job last year, promised to improve North American margins, including through staff cuts, asset sales and by idling equipment. Revenue rose 8% to \$5.72 billion in the fourth quarter, compared with a 13% decline in North America. Schlumberger's net income fell 38% to \$333 million, or 24 cents per share, in the three months, from \$538 million, or 39 cents per share, a year earlier.

Facebook sued in U.S. federal court for alleged anticompetitive conduct

Four companies sued Facebook in U.S. federal court on Thursday for alleged anticompetitive conduct, saying the social network inappropriately revoked developer access to its platform in order to harm prospective competitors. The plaintiffs sought class-action status and unspecified damages, according to a filing at the

U.S. District Court for the Northern District of California. "Facebook faced an existential threat from mobile apps, and while it could have responded by competing on the merits, it instead chose to use its might to intentionally eliminate its competition," said Yavar Bathaee, a partner at law firm Pierce Bainbridge and co-lead counsel in the case. "In the current environment, where plaintiffs' attorneys see financial opportunities, claims like this aren't unexpected but they are without merit," a Facebook spokesperson said in an email statement. Separately, Facebook's \$22 billion buyout of WhatsApp six years ago should have been blocked, the boss of France's antitrust watchdog, which is set to help review EU rules, has told Reuters. To read more, [click here](#)

Fiat Chrysler and Foxconn plan push into Chinese electric car market

Automaker Fiat Chrysler plans to set up a joint venture with the parent of iPhone assembler Foxconn to build electric cars and develop internet-connected vehicles in China, as it looks to make up ground in electric mobility. FCA confirmed it was in talks with Hon



A file photo shows Boeing 737 Max aircraft sitting on the tarmac at Boeing's 737 Max production facility in Renton, Washington, U.S. December 16, 2019. REUTERS/Lindsey Wasson

Hai on the potential creation of a 50-50 joint venture to develop new generation battery electric vehicles and engage in the IoV, or 'Internet of Vehicles', business, with an initial focus on the Chinese market. It "would enable the parties to bring together the capabilities of two established global leaders across the spectrum of automobile design, engineering and manufacturing and mobile software technology to focus on the growing battery electric vehicle market," FCA said.

Judge slashes \$8 billion Risperdal award against Johnson & Johnson to \$6.8 million

A Pennsylvania judge slashed to \$6.8 million from \$8 billion a punitive damages award against Johnson & Johnson to a man who said it failed to warn that boys using its antipsychotic drug Risperdal could grow breasts. Judge Kenneth Powell of the Philadelphia Court of Common Pleas reduced the payout that a jury awarded Oct. 8 to the plaintiff Nicholas Murray, a Maryland resident. No reason was given for the reduction, which was disclosed in court records. Lawyers for Murray have said the punitive damages

award was the first in thousands of lawsuits against Johnson & Johnson's Janssen Pharmaceuticals unit over Risperdal. "The ruling is wrong (and) provides essentially no punishment for the worst of the worst of corporate misconduct," Murray's lawyer Thomas Kline said in an email. "We believe that when the merits are reviewed that the \$8 billion will be reinstated."

Netflix opens Paris office, plans new French-language series

Netflix has opened a new Paris office and plans to develop more than 20 original French-language productions in 2020, it said. Launched in 2014 in France - where it employs 40 people, and has existing operations in Paris - Netflix has developed 24 French titles, including six films, nine series and three documentaries. It plans to produce several new shows over the coming years as well as a range of series and films made by production partners, it said. "We are becoming a major French producer, we are no longer just a machine to export Hollywood content," Netflix Chief Executive Reed Hastings said, adding that he was set to meet with French

president Emmanuel Macron.

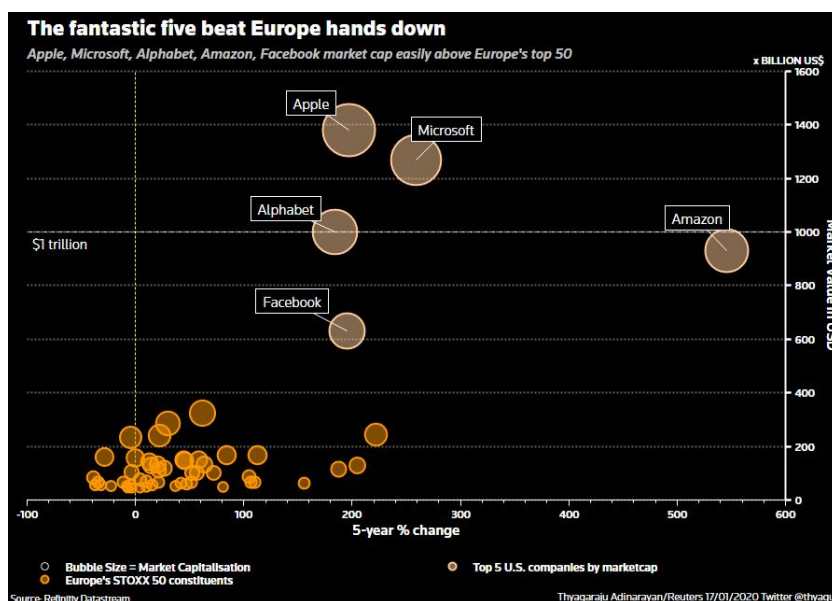
U.S. eases firearms export rules, officials say

U.S. firearms makers will be able within days to export as much as 20% more guns, including assault rifles and ammunition, under rules the Trump administration announced. The change, which had been contemplated for more than a decade, will officially move oversight of commercial firearm exports from the State Department to the Commerce Department, where export licenses will be much easier to obtain. The move by President Donald Trump's administration will generate business for gun makers such as American Outdoor Brands and Sturm Ruger, while increasing the sale of deadly weapons abroad. Relaxing the rules could increase foreign gun sales by as much as 20%, the National Shooting Sports Foundation has estimated. The Department of Commerce is "better oriented for the kinds of licensing requirements that we are going to be enforcing." Rich Ashooh, the U.S. Assistant Secretary of Commerce for Export Administration told reporters in a conference call.

Graphic

Wall Street's trillion-dollar club dwarfs Europe Inc

With Google parent Alphabet becoming the latest entrant to Wall Street's trillion-dollar club, Europe's blue-chip companies are dwarfed by comparison -- the most valuable firm from the "old continent", Nestle, is worth just a third of that. Alphabet surged past the \$1 trillion mark late on Thursday, joining Apple, Microsoft and Amazon, which had breached that level in 2018 before giving up some of those gains. Add Facebook (current worth: \$630 billion) and you get a group with a combined market cap of \$5.2 trillion, more than the combined \$4.6 trillion value of the European index. Comparing entire benchmark stock indexes, the U.S. S&P 500 has a \$27.5 trillion price tag, almost three times the \$10.1 trillion on the pan-European STOXX 600. There is no place for Europe at the global top 10 table where the cheapest company, JPMorgan, scrapes in at \$430 billion, well above Nestle's \$315 billion.





Samburu men attempt to fend-off a swarm of desert locusts flying over a grazing land in Lemasulani village, Samburu County, Kenya January 17, 2020. REUTERS/Njeri Mwangi

Insight and Analysis

The yield curve's still weird. Fed's Bullard is okay with that

It was more than a year ago when St. Louis Federal Reserve bank President James Bullard started raising the alarm about a U.S. bond market where interest rates seemed to show investors losing faith in the economy, a risky environment for the Fed to carry out planned rate increases. As 2020 gets under way, the closely watched spreads between long- and short-term Treasury securities still don't look completely healthy. But with months of market turbulence and three rate cuts now in the rear view mirror, Bullard says he is ready to stand down, leave policy on hold for up to a year, and see what transpires.

Break up big tech's 'monopoly', smaller rivals tell Congress hearing

In April 2019, Tile.com, which helps users find lost or misplaced items, suddenly found itself competing with Apple, after years of enjoying a mutually beneficial relationship with the iPhone maker. Apple carried Tile on its app store and sold its products at its stores since 2015. It even showcased Tile's technology at its biggest annual event in 2018 and the startup sent an engineer to Apple's headquarters to develop a feature with the company's voice assistant Siri. Then, in early 2019, Tile's executives read news reports of Apple launching a hardware product, along with a service that resembled what Tile sold.

COLUMN-U.S. oil and gas boom tamed by sharply lower prices: Kemp

U.S. oil and gas production growth is slowing, as lower prices force shale firms to reduce new well drilling and completion rates, and the slowdown is set to intensify this year. Low prices and the need to conserve cash, rather than a sudden conversion to the merits of investment discipline, have brought the drilling and production boom of 2017/18 to a halt. U.S. crude oil output was up almost 9% in the three months between August and October compared with the same period in 2018, according to data from the U.S. Energy Information Administration.



CANADA

Market Monitor

Canada's main stock index rose, tracking gains in global equities, as upbeat Chinese economic data pointed to signs of stabilization in the world's second-largest economy.

The Toronto Stock Exchange's S&P/TSX Composite index ended 0.42% higher at 17,559.02.



REUTERS/Brendan McDermid

The U.S. dollar was 0.21% up against its Canadian counterpart at C\$1.3067.

COMING UP- ON MONDAY

No major events are scheduled

| TSE's S&P/TSX composite | Price | C\$ chng | % chng |
|-----------------------------|-------|----------|--------|
| GAINERS | | | |
| Ballard Power Systems Inc | 15.74 | 1.34 | 9.31 |
| Interfor Corp | 15.74 | 1.22 | 8.40 |
| Norbord Inc | 39.81 | 2.85 | 7.71 |
| LOSERS | | | |
| Hexo Corp | 2.10 | -0.21 | -9.09 |
| Bombardier Inc | 1.12 | -0.10 | -8.20 |
| Ag Growth International Inc | 44.51 | -2.16 | -4.63 |

Top News

POLL-Canadian economy expected to gather steam, keeping BoC at bay in 2020

A revival in the Canadian economy may already be underway, according to a Reuters poll of economists, who were mostly confident a rate cut was not needed and so predicted monetary policy would remain unchanged this year. Nearly 70%, or 27 of 39, economists who provided a year-end outlook expected the central bank to keep its key interest rate on hold at 1.75% this year, compared with just over half, or 16 of 31, in a poll taken before the previous meeting in early December. All but one respondent in the latest poll expected rates to remain unchanged when the BoC meets on Jan. 22, in line with the futures market's view. The Jan. 13-16 poll of over 40 economists predicted the economy would grow at an annual rate of 1.6% this quarter after expanding 0.8% last quarter.

S&P lowers outlook on Bombardier to negative from stable

S&P Global Ratings joined fellow credit rating agency Moody's Investors Service in cutting its outlook for Bombardier to negative from stable, a day after the company lowered its 2019 profit and cash flow guidance. The Canadian plane and train maker warned its 2019 profits would be lower, citing problematic rail contracts, challenges at its business transportation segment and the delayed delivery of its Global 7500 aircraft. S&P said Bombardier's weak outlook lowered its conviction that the company could generate positive free operating cash flow beyond 2019 which it believes is necessary for reducing debt. The rating agency said it expects the free cash flow to be negative in 2020, with poor prospects for material improvement in 2021, and added that if this happened, there could be a further downgrade over the next 12 months.

Extreme cold in Western Canada disrupts oil production, refining

Canadian oil producers and refiners have cut processing rates this week as extreme cold weather grips Western Canada, traders familiar with the matter said. Cold weather has spread across western Canada this week. In Edmonton, the capital of Canada's main oil-producing province, Alberta, temperatures dropped to minus 36 degrees Celsius (minus 33 Fahrenheit) on Wednesday, according to Environment Canada. Syncrude, one of the largest producers of crude oil from Canada's oil sands, as well as North West Refining (NWR), which operates the Sturgeon refinery, have declared force majeure, two traders familiar with the matter said. Force majeure is a declaration that unforeseeable circumstances prevented a party from fulfilling a contract.

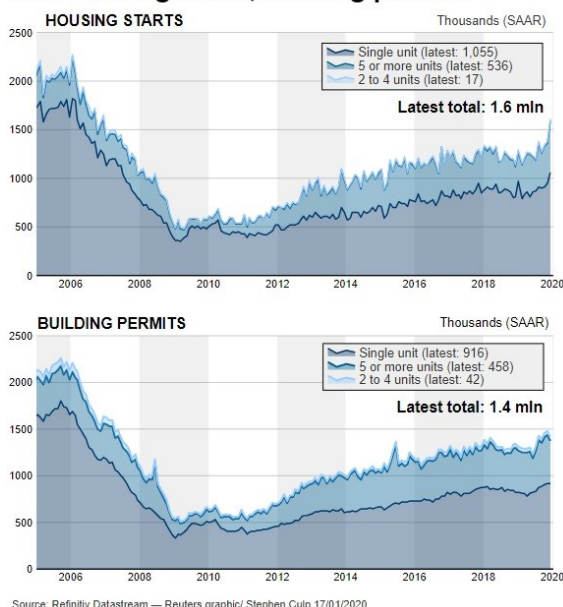
WEALTH NEWS

ECONOMIC DATA

U.S. housing starts at 13-year high, factory output gains

U.S. homebuilding surged to a 13-year high in December as activity increased across the board, suggesting the housing market recovery was back on track amid low mortgage rates, and could help support the longest economic expansion on record. Housing starts jumped 16.9% to a seasonally adjusted annual rate of 1.608 million units last month, the highest level since December 2006. The percentage gain was the largest since October 2016. Housing starts soared 40.8% on a year-on-year basis in December. An estimated 1.290 million housing units were started in 2019, up 3.2% compared to 2018. In a separate report, the Fed said manufacturing production rose 0.2% last month, adding to November's 1.0% increase. Manufacturing output, however, fell 1.0% in the fourth quarter. It dropped 0.2% in 2019, the first decline since 2016. Groundbreaking activity could, however, slow in the coming months as building fell 3.9% to a rate of 1.416 million units in December after hitting the highest level in more than 12-1/2 years in November. Single-family housing building permits slipped 0.5% to a rate of 916,000 units in December after rising for seven straight months. Separately, Job openings, a measure of labor demand, tumbled 561,000 to 6.80 million, the Labor Department said in its monthly Job Openings and Labor Turnover Survey, or JOLTS. To read more, [click here](#)

U.S. housing starts, building permits



TRADE DEAL AND GLOBAL ECONOMY

U.S.-China trade deal to ease global uncertainty -IMF chief

The signing of a Phase 1 trade agreement between the United States and China will reduce - but not eliminate - uncertainty that has dampened global economic growth, International Monetary Fund Managing Director Kristalina Georgieva said.

20-YEAR TREASURIES

Investors expect strong demand for 20-year Treasuries

The U.S. is likely to see solid demand for its first sale of 20-year bonds in more than three decades, investors and analysts said, as the Treasury Department looks for fresh ways to raise revenues in the face of yawning budget deficits.

MEXICAN AUTO PARTS

Mexican autoparts firms eye fast lane after U.S. backs trade deal

Mexican auto parts manufacturers with clients across North America expect a record year after U.S. approval of a trade deal mandating higher regional inputs, but the new rules pose a bigger challenge to carmakers.

HARKER ON INFLATION

Fed's Harker says economy looks 'pretty good,' inflation on track for 2% target

Philadelphia Federal Reserve Bank President Patrick Harker said that a robust labor market is boosting consumer confidence and lifting the U.S. economy, despite headwinds such as a global slowdown and trade uncertainty, which are dragging down business investment.

WEWORK CHINA

Temasek, Trustbridge target majority stake in WeWork China at \$1 billion valuation – sources

Temasek Holdings and Trustbridge Partners have held talks with WeWork China over increasing their stake in the China branch of the troubled co-working startup to take majority ownership, three people familiar with the matter told Reuters.

ACQUISITION

Stanley Black & Decker in talks to acquire CAM -sources

U.S. toolmaker Stanley Black & Decker is in talks to acquire Consolidated Aerospace Manufacturing (CAM), in a bid to expand its offerings to the aerospace sector, people familiar with the matter said.

THE DAY AHEAD

ON THE RADAR

| Events | ET | Poll | Prior |
|--|------|----------|-----------|
| Wed: National Activity Index for Dec | 0830 | -- | 0.56 |
| Monthly home price mm for Nov | 0900 | -- | 0.2 pct |
| Monthly home price yy for Nov | 0900 | -- | 5.0 pct |
| Monthly Home Price Index for Nov | 0900 | -- | 280.2 |
| Existing home sales for Dec | 1000 | 5.43mln | 5.35mln |
| Existing home sales % change for Dec | 1000 | 1.7pct | -1.7 pct |
| Thu: Initial jobless claims | 0830 | 215,000 | 204,000 |
| Jobless claims 4-week average | 0830 | -- | 216,250 |
| Continued jobless claims | 0830 | -- | 1.767 mln |
| Leading index change mm for Dec | 1000 | -0.2 pct | 0.0 pct |
| KC Fed Manufacturing for Jan | 1100 | -- | -7 |
| KC Fed Composite Index for Jan | 1100 | -- | -8 |
| Fri: Markit Composite Flash PMI for Jan | 0945 | -- | 52.7 |
| Markit Manufacturing PMI Flash for Jan | 0945 | 52.5 | 52.4 |
| Markit Services PMI Flash for Jan | 0945 | 52.7 | 52.8 |

KEY RESULTS

| Company Name* | Quarter | ET | Smart Estimates | EPS Estimates** | Year Ago | Rev Estimates (mln) |
|---------------------------------|---------|-------|-----------------|-----------------|----------|---------------------|
| Capital One Financial | Q4 | 16:05 | \$2.28 | \$2.28 | \$1.87 | \$7,339.86 |
| Comerica | Q4 | BMO | \$1.72 | \$1.74 | \$1.88 | \$806.51 |
| Halliburton Co | Q4 | BMO | \$0.29 | \$0.29 | \$0.41 | \$5,106.66 |
| International Business Machines | Q4 | AMC | \$4.69 | \$4.69 | \$4.87 | \$21,637.25 |
| Netflix | Q4 | AMC | \$0.52 | \$0.52 | \$0.30 | \$5,451.85 |
| United Airlines Holdings | Q4 | AMC | \$2.70 | \$2.65 | \$2.41 | \$10,884.13 |

*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.



A treated koala lies on the table after being rescued from bushfires on Kangaroo Island, Australia January 13, 2020. RSPCA South Australia via REUTERS

(The Day Ahead – U.S. version will not be published on Monday, January 20 as markets are closed for Martin Luther King, Jr. Day)

The Financial and Risk business of Thomson Reuters is now Refinitiv.

The Day Ahead - North America is compiled by Nachiket Tekawade and Nidhi C Sai in Bengaluru.

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

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