

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Stocks fell after Caterpillar and Nvidia warned of weak Chinese demand. Strong demand in auctions pushed most **Treasuries** higher. The **dollar** fell against a basket of currencies as traders awaited the Federal Reserve's two-day policy meeting. **Oil** slipped on expectations of growing U.S. crude supply. **Gold** was little changed.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	24487.94	-249.26	-1.01	26951.81	21712.53
Nasdaq	7085.69	-79.18	-1.11	7185.38	6457.13
S&P 500	2643.83	-20.93	-0.79	2675.47	2443.96
Toronto	15378.62	12.57	0.08	16586.46	13776.88
FTSE	6747.10	-62.12	-0.91	7001.94	6599.48
Eurofirst	1391.06	-13.55	-0.96	1408.77	1308.86
Nikkei	20649.00	-124.56	-0.60	20892.68	19241.37
Hang Seng	27576.96	7.77	0.03	27569.19	24896.87

TREASURIES	Yield	Price
10-year	2.7458	2 / 32
2-year	2.5918	1 / 32
5-year	2.5822	1 / 32
30-year	3.0662	-4 / 32

FOREX	Last	% Chng
Euro/Dollar	1.1425	0.11
Dollar/Yen	109.38	-0.14
Sterling/Dollar	1.3162	-0.30
Dollar/CAD	1.3252	0.26
TR/HKEX RMB	94.54	-0.10

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	52.16	-1.53	-2.85
Spot gold (NY/oz)	1304.11	0.97	0.07
Copper U.S. (front month/lb)	0.0269	-0.0005	-1.77
Reuters/CRB Index Total Return	184.25	-3.29	-1.75

S&P 500	Price	\$ Chng	% Chng
GAINERS			
American Airlines Group Inc	36.57	1.59	4.55
Estee Lauder Companies Inc	132.01	3.94	3.08
Altria Group Inc	45.32	1.08	2.43
Sylmar Inc	20.85	0.47	2.31
LOSERS			
NVIDIA Corp	138.01	-22.14	-13.82
Caterpillar Inc	124.36	-12.50	-9.13
Freeport-McMoRan Inc	10.28	-0.96	-8.54
Advanced Micro Devices Inc	20.18	-1.75	-7.98

Coming Up



The Federal Reserve building is pictured in Washington, DC, August 22, 2018. REUTERS/Chris Wattie

Policy makers on the **Federal Open Market Committee** begin a two-day **meeting** on interest rate policy. They are expected to signal a pause in tightening and acknowledge growing economic risks.

Apple Inc is expected to post a drop in first -quarter revenue, due to lower demand for its pricey iPhones.

Advanced Micro Devices Inc is expected to post a rise in its fourth-quarter profit, helped by higher sales of its processors

and graphics chips used in computers and data centers.

Xerox Corp is expected to report lower revenue for the fourth quarter as its core printing and photocopying business continues to decline. The company has been cutting costs under a new management backed by activist investors Carl Icahn and Darwin Deason, which could help boost profit.

EBay Inc is expected to report a rise in

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Caseshiller 20 mm SA for Nov	0900	0.4 pct	0.4 pct
Caseshiller 20 mm NSA for Nov	0900	--	0.0 pct
Caseshiller 20 yy for Nov	0900	4.9 pct	5.0 pct
Consumer Confidence for Jan	1000	124.9	128.1
Texas Service Sector Outlook for Jan	1030	--	-5.0
Dallas Fed Services Revenues for Jan	1030	--	10.1



fourth-quarter revenue and profit, as it benefits from tweaks to its website and more advertising on its platform. Investors will be on the lookout for commentary following recommendations of changes to its businesses by two major hedge funds last week.

Verizon Communications Inc is expected to post a rise in fourth-quarter revenue as the largest U.S. wireless carrier adds more net new phone subscribers who pay a monthly bill.

Harley-Davidson Inc is expected to report lower adjusted profits for the fourth quarter as the motorcycle manufacturer struggles to address demographic challenges in the domestic market. Investors will watch for any update on its efforts to arrest the sales slide in the United States. Any commentary on the market response to its new electric bike should also be of interest.

A raft of drugmakers report their fourth-quarter results, including **Pfizer Inc**, **Allergan Plc**, **Biogen Inc** and **Amgen Inc**. When Pfizer reports its fourth-quarter earnings, investors will watch for details on company strategy under new Chief Executive Officer Albert Bourla, who took over at the start of the year. Investors will also watch for any development updates on Allergan Plc's treatment portfolio as the drugmaker faces looming competition for its blockbuster eye drug Restasis, and any comments on the progress of the potential sale of two business units announced last year. When Biogen Inc will report results, investors will focus on updates about its Alzheimer's drug pipeline in the face of looming competition for its muscle disease treatment Spinraza,



The Verizon store in Superior, Colorado, U.S., July 27, 2017. REUTERS/Rick Wilking

which has powered the company's recent profits.

Lockheed Martin Corp, the Pentagon's No. 1 weapons supplier, is expected to report higher fourth-quarter profit.

Homebuilder **PulteGroup Inc** is expected to report a rise in fourth-quarter profit and revenue, buoyed by strong demand for its homes. Investors will look for updates on its financial forecast.

The world's largest maker of airbags and seatbelts, **Autoliv Inc**, will report fourth-quarter results and set out margin and sales targets for 2019. In October, the company, which competes with Joyson Safety Systems and ZF TRW, lowered its full-year organic sales growth forecast,

citing slower demand in China and the impact of tougher emission tests on car production volumes in Europe.

A report from the U.S. Conference Board is likely to show its **consumer confidence index** falling to a reading of 124.9 in January from 128.1 in December, according to a Reuters survey of economists. The S&P/Case Shiller **house price index** for November will also be published.

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. (0830 ET/1330 GMT) To join the conversation, [click here](#)

Market Monitor

Stocks ended lower after warnings from Caterpillar and Nvidia added to concerns about a slowing Chinese economy and tariffs taking a bite out of U.S. corporate profits. Shares of **Caterpillar** fell 9.13 percent. **Nvidia** tumbled 31.82 percent. The **S&P industrial index** dropped 1 percent to 583.84. The **Philadelphia semiconductor index** slumped 2.09 percent to 1,254.42, while the **S&P technology index** dropped 1.4 percent to 1,141.83. Although earnings have largely surpassed Wall Street's expectations, helping the S&P 500 climb about 12 percent from its December lows, worries about slowing global growth have tempered expectations. With Wall Street in the thick of quarterly results this week, 72.6 percent of companies that have already reported have exceeded profit estimates, according to IBES data from Refinitiv. The **Dow Jones Industrial Average** was down 1.01 percent at 24,487.94, while the **S&P 500** lost 0.79 percent to 2,643.84. The **Nasdaq Composite** dropped 1.11 percent to 7,085.69.

Treasuries rose, after \$162 billion of new debt sold to strong demand. The flood of supply, issued to pay for President Donald Trump's tax cuts and fiscal policies, was bought up despite the crowded auction schedule and an expected pause in Federal Reserve interest rate hikes. The U.S. government sold \$81 billion in short-dated bills, \$40 billion of two-year notes and \$41 billion of five-year notes. An additional \$78 billion will be sold on Tuesday. Direct bidders that include bond dealers and large fund managers purchased their largest share of U.S. 5-year Treasury notes since July 2014, a portion of the strong demand for the latest 5-year supply. This group of bidders at U.S. Treasury auctions bought 15.23 percent of the \$41 billion of the five-year debt offering, marking their biggest share at an auction of this maturity since July 2014. The bid-to-cover ratio was 2.41. The Treasury also sold the \$40 billion in 2-year

debt issue at a yield of 2.600 percent, the lowest yield at an auction for this debt maturity since June. The bid-to-cover ratio was 2.56. **Benchmark 10-year notes** were 2/32 up to yield 2.75 percent.

The **dollar** was little changed against a basket of currencies as traders were cautious about staking new positions ahead of the Federal Reserve's two-day policy meeting and trade talks between China and the United States. "This could be the calm before the storm," said Marc Chandler, chief market strategist at Bannockburn Global Forex in New York. "It feels like a consolidation day with a risk-off bias." U.S.-China talks resume on Tuesday and Wednesday to see if the world's two largest economies can end their trade dispute. The **dollar index** was down 0.06 percent at 95.74. The euro reached a 10-day high against the greenback as investors consolidated positions before votes in the British parliament on Tuesday aimed at breaking

a Brexit deadlock. The **euro** rose to a near two-week peak at \$1.1444. It last traded 0.14 percent higher at \$1.1428.

Oil fell after an increase in U.S. crude drilling pointed to further supply growth amid continuing concerns about a global economic slowdown. **Brent crude oil futures** tumbled 2.56 percent, to \$60.06 a barrel, while **U.S. West Texas Intermediate crude** slumped 2.83 percent, to \$52.17 a barrel. "We're seeing oil prices really start to break down here," said Phillip Streible, senior market strategist at RJO Futures in Chicago. "One of the factors that played (into prices) is the rising rig count that we saw on Friday."

Gold was little changed, hovering near the \$1,300 mark as investors awaited further developments on the U.S.-China trade dispute and the Federal Reserve's interest rate trajectory. **Spot gold** was flat at \$1,303.16 per ounce. **Gold futures** were up 0.35 percent at \$1,302.60 per ounce.

10-year and 2-year U.S. Treasury yields



Source: Thomson Reuters Datastream/ 28/01/2019



Top News

Caterpillar stock slides on profit miss, China sales forecast

Caterpillar missed quarterly earnings estimates, hurt by soft Chinese demand, higher manufacturing and freight costs, sending shares of the heavy machinery maker tumbling. Industrial bellwether Caterpillar now expects construction equipment sales in China, the world's second-largest economy, to be flat this year. China, which accounts for up to 10 percent of company sales, last week reported its slowest economic growth in nearly three decades. Caterpillar posted a decline in construction equipment sales in the Asia-Pacific region in the latest quarter due to the cooling China demand. Caterpillar forecast 2019 adjusted profit of \$11.75 to \$12.75 per share, compared with the average analyst estimate of \$12.73, according to IBES data from Refinitiv. Sales for the year are expected to increase modestly. Chief Financial Officer Andrew Bonfield said profits this year will be weighed down by a higher U.S. tax rate and increased freight and material costs. In the quarter, the company reported an adjusted profit of \$2.55 per share, well below the average analyst estimate of \$2.99, according to IBES data from Refinitiv.

Nvidia cuts Q4 revenue estimate on weak China demand

Nvidia cut its fourth-quarter revenue estimate by half a billion dollars because of weak demand for its gaming chips in China and lower-than-expected data center sales. The company forecast revenue of \$2.20 billion for the quarter ended Jan. 27, down from its earlier forecast of \$2.70 billion. Both numbers were plus or minus 2 percent. Analysts on average had forecast revenue of \$2.7 billion, according to Refinitiv data from IBES. Data center revenue, which accounts for nearly a third of Nvidia's sales, fell short as a number of deals did not close in the last month of the quarter. Nvidia said sales of its next generation Turing graphic chips, launched in August last year, were also below expectations as some customers delayed their purchases. Nvidia expects



A Caterpillar logo is pictured on the skid-steer loader at the construction site in Warsaw, Poland June 1, 2017. REUTERS/Kacper Pempel

gross margin of 55 percent, plus or minus 100 basis points, for the fourth quarter on a GAAP basis, its worst in at least three years.

Facebook plans content oversight board, tightens paid ad rules

Facebook laid out plans for an independent content oversight board with the power to overturn company decisions on user posts, aimed at addressing concerns over misinformation and abusive behaviour on the platform. The board's 40 members would select cases to review as the world's largest social media network tries to crack down on harassment, incitement of violence and the spread of false information without infringing freedom of speech. Chief Executive Mark Zuckerberg has said that Facebook should not make such decisions, but defer to an independent body of technology and human rights experts free of commercial influences. Facebook will select inaugural members for three-year terms, but they will independently decide on future membership, Facebook proposed in a draft charter. Details about the board's makeup and appeals process will be finalised after a series of workshops over the next six

months, wrote Nick Clergy, Facebook recently appointed head of global affairs, in a blog post introducing the charter.

Snapchat weighs what was once unthinkable - permanent snaps

Snap is considering changes to its Snapchat app, known for disappearing photos and videos, that could make users' public posts longer lasting or even permanent, people familiar with the matter said. The company is also weighing an option to reveal the identities of Snapchat users who make public posts, a person familiar with Snap's plans said. Together the changes would mark a big step in Snap's effort to lure and keep users by making public content more available outside Snapchat. They could also create a new revenue source for money-losing Snap, which has seen its user base shrink and executives flee the company. But such changes to Snapchat, which launched in 2011 and became an instant hit among teenagers and millennials, could trigger backlash from users who cherish their privacy, especially as rival Facebook has been plagued by scandals over how it handles user data.



Boeing nears \$3.5 billion 737 MAX jet deal with Japan's ANA -sources

Boeing is close to a deal worth \$3.5 billion at list prices to sell 30 Boeing 737 MAX jetliners to ANA Holdings, two people familiar with the matter said. The deal is the first sale in Japan for the newest version of Boeing's best-selling 737 family and marks a reversal for Europe's Airbus, five years after the same airline became the first Japanese carrier to pick the competing A320neo. It also coincides with negotiations between Washington and Tokyo over a potential trade pact, with Japan facing pressure from U.S. President Donald Trump's administration to cut its trade surplus with the United States. Boeing declined to comment. ANA could not immediately be reached for comment. A deal announcement could come as early as Tuesday, subject to the airline's final approval, the sources said, speaking on condition of anonymity.

Shares of PG&E jump on report of investor group offer

Shares of power producer PG&E jumped after a Bloomberg News report said an investor group had offered the company a \$4 billion alternative plan that would avoid bankruptcy, according to a CNBC report. PG&E said this month it plans to file for Chapter 11 bankruptcy protection after coming under pressure from potentially crushing liabilities linked to California's wildfires in 2017 and 2018. Separately, The California Public Utilities Commission will hold an emergency meeting to review a request by power provider PG&E to seek up to \$6 billion in debtor-in-possession financing for the company's expected

bankruptcy, the agency said in a notice. To read more, [click here](#)

Chemicals maker Entegris to buy Versum in \$4 billion microchip bet

Entegris said it would buy rival Versum Materials in an all-stock deal worth about \$4 billion, creating a big chemical supplier to the semiconductor market at a time when the industry is under pressure. Versum's shares fell 27 percent in 2018 as demand for microchips used in smartphones and other personal devices plateaued and a decade-long rally in U.S. stock markets wobbled, meaning Entegris is buying at a discount while making a bet on newer uses of chips. The combined company will be worth about \$9 billion and sell products such as advanced materials, specialty gases and microcontamination control. Versum Materials shareholders will get 1.120 shares of Entegris for each share held, the companies said. This translates to \$3.83 billion, according to Reuters calculations. The deal is expected to generate more than \$75 million in annual cost savings within 12 months of closing, likely in the second half of this year.

Tesla seen forecasting first-quarter loss after Musk warning

Wall Street analysts expect Tesla to forecast a loss for the first quarter when it reports results on Wednesday, having changed their expectations for a profit after Chief Executive Officer Elon Musk warned of a "very difficult" road ahead. On Jan. 18, Musk announced thousands of job cuts and said the electric car maker was targeting a "tiny profit" in the first quarter "with great difficulty, effort and some luck." He also forecast a profit for the fourth quarter, albeit down from the third quarter's \$311.5 million. The analyst consensus on Jan. 21 turned to a loss for the first quarter and stands at \$2.5 million. Analysts on average were expecting Tesla to post a profit of \$62.80 million on a reported basis as of Jan. 17, according to Refinitiv data. "One potential rationale for the company guiding to a loss in March is

the timing of vehicles in transit to Europe and Asia," said Gene Munster from Loup Ventures in a note on Jan. 24.

'Greed' fueled Insys founder's opioid bribe scheme -prosecutor

A lawyer for Insys Therapeutics' one-time billionaire founder denied that he had any role in the U.S. opioid crisis as a federal prosecutor told jurors he ran a scheme to bribe doctors to prescribe an addictive fentanyl spray. John Kapoor, the drugmaker's former chairman, and four colleagues are the first painkiller manufacturer executives to face trial over conduct authorities say contributed to an opioid abuse crisis that has killed tens of thousands of people a year. Assistant U.S. Attorney David Lazarus told a Boston federal jury at the trial's start that Kapoor oversaw the bribing of doctors who were paid to act as speakers at poorly-attended sham events at restaurants ostensibly meant to educate clinicians about its product, Subsys. The U.S. Food and Drug Administration has only approved Subsys as a treatment for severe cancer pain. Yet Lazarus said doctors who took bribes often prescribed Subsys to patients without cancer, creating higher sales.

Guess CEO Victor Herrero to step down

Guess said Chief Executive Officer Victor Herrero will step down and named former top executive Carlos Alberini as his replacement. Herrero, 49, will be with the company till Feb. 2. It was not immediately clear why Herrero was leaving. The company also said co-founder Paul Marciano, who resigned from his executive chairman post in June, will remain as the chief creative officer, though his contract expires in Jan. Marciano resigned after the company launched an investigation against him on allegations of improper conduct. Marciano's brother Maurice, who took up the responsibilities of the chairman in June, will serve as interim chief executive officer until incumbent CEO Alberini joins the company. Alberini was Guess's chief operating officer from 2000 to 2010, and until Monday head of jeans maker Lucky Brand.





Singer Ricky Martin looks on at singer Lady Gaga at 25th Screen Actors Guild Awards, in Los Angeles, California, U.S., January 27, 2019. REUTERS/Mario Anzuoni

Insight and Analysis

Chipmaker Xilinx's 5G orders kick off race to cash in on new networks

Amid a bleak earnings season for semiconductor companies as China's economy slows, Xilinx provided a bright spot for the sector: Revenue growth driven by the early phases of 5G wireless data networks, earlier and sharper than analysts had expected. Those networks, up to 100 times faster than existing ones, will generate billions of dollars for gear and chips. Carriers in South Korea and China plan to roll out 5G networks this year, and handset makers, including Samsung Electronics, plan to make phones work on those networks.

Long winter's nap? Global slowdown, market fears could extend Fed pause

Ebbing global growth and shaky financial markets threw the U.S. Federal Reserve off course in early 2016, and it took nearly a year for officials to regain confidence growth would continue and convince investors they would again raise interest rates. Similar conditions confront Fed policymakers as they meet this week, with market skepticism about further rate hikes as deep as it was three years ago, and a stalemate over global trade, a U.S. federal government shutdown, and waning business and consumer confidence further clouding the picture.

EXPLAINER-Key Issues, implications of U.S.-China trade talks

U.S.-China trade talks will reach a pivotal phase this week when Chinese Vice Premier Liu He comes to Washington for negotiations with his U.S. counterparts, U.S. Trade Representative Robert Lighthizer and U.S. Treasury Secretary Steven Mnuchin. The two sides are trying to resolve deep differences over China's trade and intellectual property practices, industrial subsidies and market access to avert an increase in U.S. tariffs on Chinese goods scheduled for March 2.

CANADA

Coming Up

Canadian National Railway Co is expected to post a fall in fourth-quarter profit as it had recorded an income tax gain of C\$1.76 billion, in the year-ago quarter. Investors will look for any comments on capacity expansion and contracts to transport crude by rail to U.S. Gulf coast refiners.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
Cronos Group Inc	24.53	3.38	15.98
Iamgold Corp	4.48	0.41	10.07
Alamos Gold Inc	5.65	0.32	6.00
LOSERS			
SNC-Lavalin Group Inc	35.01	-13.49	-27.81
Gran Tierra Energy Inc	3.02	-0.15	-4.73
BRP Inc	37.37	-1.76	-4.50

MARKET MONITOR

Canada's **main stock index** recovered earlier losses to end slightly higher for the day.

The **Toronto Stock Exchange's S&P/TSX composite index** was up 0.08 percent, at 15,378.62. The **energy sector** lost 0.63 percent. **SNC-Lavalin Group** plunged 27.81 percent.

The **U.S. dollar** rose 0.26 percent against its **Canadian dollar** to C\$1.3251.

Top News



A file photo of a pedestrian walking past the SNC-Lavalin Group Inc., headquarters in Montreal, May 7, 2009. REUTERS/Christinne Muschi

Canada's SNC-Lavalin cuts 2018 profit forecast on Saudi strain

Canadian construction and engineering firm SNC-Lavalin Group cut its full-year 2018 profit forecast, citing ongoing trade challenges in Saudi Arabia as well as a problem with a project in its mining and metallurgy unit. The company is in the crosshairs of an ongoing diplomatic spat between Ottawa and Riyadh over a number of issues which have strained relations between the two countries. Saudi

Arabia contributed about 11 percent of SNC's total revenue in 2017, according to Canaccord Genuity analyst Yuri Lynk. Over 15 percent of the company's global workforce is employed in the country. The company said it will take a non-cash after-tax goodwill impairment charge of C\$1.24 billion, or C\$7.06 per share, in the year. SNC now expects earnings of C\$2.15 to C\$2.30 per share in 2018. It had earlier forecast C\$3.60 to C\$3.85 per share.

Fortis sells stake in British Columbia hydro plant

Canadian energy company Fortis said it would sell its 51 percent stake in the Waneta Expansion hydroelectric plant in British Columbia to two public sector partners for about C\$1 billion, and plans to use the proceeds for its five-year investment plan. Columbia Power and Columbia Basin Trust will buy Fortis' stake in the facility, which built a second powerhouse for the Waneta Dam four years ago. Fortis, which has operated the 335 mega-watt facility since it began production in 2015, will continue to operate the facility and purchase its surplus capacity, it said in a statement.

Bombardier resumes deliveries of subway cars to New York City

Bombardier said it has resumed delivering subway cars to New York City Transit, spokesman Eric Prud'Homme said by email, after the agency halted deliveries last week because of performance problems. "We have delivered over 162 cars to date; some are in testing, some are in the process of being accepted by the customer, and others are available for service," Prud'Homme said.



WEALTH NEWS

ECONOMIC COST OF SHUTDOWN

Shutdown costs pegged at \$3 billion as U.S. government reopens

The U.S. economy was expected to lose \$3 billion from the partial federal government shutdown over President Donald Trump's demand for border wall funding, congressional researchers said as 800,000 federal employees returned to work after a 35-day unpaid furlough. The nonpartisan Congressional Budget Office (CBO) said the cost of the shutdown will make the U.S. economy 0.02 percent smaller than expected in 2019. More significant effects will be felt by individual businesses and workers, particularly those who went without pay. Overall, the U.S. economy lost about \$11 billion during the five-week period, CBO said. However, CBO expects \$8 billion to be recovered as the government reopens and employees receive back pay.



The U.S. Capitol is shown after the U.S. government reopened with about 800,000 federal workers returning after a 35-day shutdown in Washington, U.S., January 28. REUTERS/Joshua Roberts

VALE'S BRAZIL MINING DISASTER

Vale stock plunges after Brazil disaster; \$16 billion in market cap erased

Vale's shares plunged, wiping out nearly 62 billion reais in market value, after a tailing dam collapse on Friday killed at least 60 people and left 292 missing with slim hopes for recovery.

PIF HEDGES TESLA STAKE

Saudi Arabia's PIF slashes exposure to Tesla - FT

Saudi Arabia's Public Investment Fund has slashed its exposure to Tesla, the Financial Times reported, citing people with direct knowledge of the matter.

CHINA STARTS LEGAL PROCESS

China brings U.S. tariff dispute to WTO, berates Washington for blocking judges

China triggered the legal process for the World Trade Organization to hear Beijing's challenge to U.S. tariffs imposed on \$234 billion of goods, and berated the United States for blocking the appointment of judges who could rule on it.

GENERAL ELECTRIC'S STOCK

General Electric stock buyers preach patience, eye progress

Investors who have scooped up decimated shares of General Electric are willing to wait years to reap a solid return but also hope the U.S. conglomerate will show progress in its turnaround plan and avoid more negative surprises.

KEMP'S COLUMN

Hedge funds return to oil as OPEC removes some downside risk

Hedge fund managers stepped up their purchases of oil and refined products last week on growing hopes of a U.S.-China trade truce and that the global economy will avoid a severe slowdown in 2019.

U.S. TO RESTART DATA RELEASES

U.S. Commerce Department to provide new data calendar soon

Officials are scrambling to restart data reports on the U.S. economy following a record-long government shutdown that blacked out key figures for the past five weeks, they said, but had no immediate timeline for a resumption.

ON THE RADAR

Events	ET	Poll	Prior
Wed: ADP national employment for Jan	0815	180,000	271,000
Fed funds target rate for 30 Jan	1400	2.25—2.5 pct	2.25—2.5 pct
Thu: Dallas fed PCE for Dec	:	--	2.4 pct
Challenger layoffs for Jan	0730		43,884
Initial jobless claims	0830	215,000	199,000
Jobless claims 4-week average	0830		215,000
Continued jobless claims	0830		1,713 mln
Employment wages QQ for Q4	0830	--	0.9 pct
Employment benefits QQ for Q4	0830	--	0.4 pct
Employment costs for Q4	0830	0.8 pct	0.8 pct
Chicago PMI for Jan	0945	61.5	65.4
Fri: Non-farm payrolls for Jan	0830	169,000	312,000
Private payrolls for Jan	0830	170,000	301,000
Manufacturing payrolls for Jan	0830	17,000	32,000
Government payrolls for Jan	0830		11,000
Unemployment rate for Jan	0830	3.9 pct	3.9 pct
Average earnings mm for Jan	0830	0.3 pct	0.4 pct
Average earnings yy for Jan	0830	3.2 pct	3.2 pct
Average workweek hours for Jan	0830	34.5 hrs	34.5 hrs
Labor force partic for Jan	0830	--	63.1 pct
U6 underemployment for Jan	0830	--	7.6 pct
Markit Manufacturing PMI Final for Jan	0945	--	54.9
ISM Manufacturing PMI for Jan	1000	54.3	54.1
ISM Manufacturing Prices Paid for Jan	1000	54.5	54.9
ISM Manufacturing Employment Index for Jan	1000	--	56.2
ISM Manufacturing New Orders Index for Jan	1000	--	51.1
U Mich Sentiment Final for Jan	1000	90.8	90.7
U Mich Conditions Final for Jan	1000	--	110.0
U Mich Expectations Final for Jan	1000	--	78.3
U mich 1year inflation final for Jan	1000	--	2.7 pct
U mich 5-year inflation final for Jan	1000	--	2.6 pct
Domestic car sales for Jan	1530	--	3.99 mln
Total vehicle sales for Jan	1530	17.20 mln	17.55 mln

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
3M Co	Q4	BMO	\$2.28	\$2.28	\$2.10	\$7,870.55
A. O. Smith	Q4	BMO	\$0.70	\$0.71	\$0.60	\$821.59
Advanced Micro Devices	Q4	AMC	\$0.08	\$0.08	\$0.08	\$1,444.52
Align Technology	Q4	16:00	\$1.16	\$1.15	\$1.19	\$512.70
Allergan	Q4	BMO	\$4.19	\$4.15	\$4.86	\$4,004.51
Amgen	Q4	AMC	\$3.29	\$3.27	\$2.89	\$5,840.40
Apple	Q1	AMC	\$4.17	\$4.17	\$3.89	\$83,972.06
Biogen	Q4	BMO	\$6.74	\$6.73	\$5.26	\$3,394.61
Boston Properties	Q4	AMC	\$0.76	\$0.77	\$0.67	\$689.18
C.H. Robinson Worldwide	Q4	AMC	\$1.22	\$1.21	\$0.86	\$4,265.44
Corning	Q4	BMO	\$0.57	\$0.57	\$0.49	\$3,011.97
Danaher	Q4	06:00	\$1.28	\$1.27	\$1.19	\$5,315.41
Dover	Q4	07:00	\$1.29	\$1.29	\$1.84	\$1,765.67
eBay	Q4	AMC	\$0.68	\$0.68	\$0.59	\$2,864.26
Equity Residential	Q4	AMC	\$0.35	\$0.36	\$0.34	\$653.00
Harley-Davidson	Q4	BMO	\$0.29	\$0.28	\$0.47	\$1,052.03
Harris	Q2	BMO	\$1.91	\$1.91	\$1.67	\$1,635.54
HCA Healthcare	Q4	BMO	\$2.60	\$2.58	\$2.13	\$12,097.03
Helmerich and Payne	Q1	AMC	\$0.30	\$0.30	-\$0.02	\$713.59
Illumina	Q4	AMC	\$1.36	\$1.36	\$1.44	\$863.54
KLA-Tencor	Q2	AMC	\$2.20	\$2.20	\$1.97	\$1,073.28
L3 Technologies	Q4	BMO	\$2.74	\$2.70	\$2.25	\$2,686.07
Lockheed Martin	Q4	BMO	\$4.43	\$4.40	\$3.87	\$13,753.41
Maxim Integrated Products	Q2	AMC	\$0.63	\$0.62	\$0.65	\$591.38
Nucor	Q4	BMO	\$1.93	\$1.94	\$0.65	\$6,305.09
Paccar	Q4	BMO	\$1.55	\$1.53	\$1.18	\$5,735.50
Packaging Corp of America	Q4	AMC	\$2.14	\$2.14	\$1.56	\$1,779.58
Pentair	Q4	BMO	\$0.59	\$0.59	\$0.93	\$735.89
Pfizer	Q4	BMO	\$0.63	\$0.63	\$0.62	\$13,898.80
Principal Financial Group	Q4	16:15	\$1.29	\$1.30	\$1.19	\$3,528.03
PulteGroup	Q4	BMO	\$1.10	\$1.10	\$0.88	\$2,902.59
Robert Half International	Q4	AMC	\$0.92	\$0.91	\$0.65	\$1,462.91
Rockwell Automation	Q1	BMO	\$1.97	\$1.99	\$1.96	\$1,631.59
Stryker	Q4	16:05	\$2.16	\$2.15	\$1.96	\$3,737.56
Total System Services	Q4	AMC	\$1.08	\$1.07	\$0.82	\$973.04
Verizon Communications	Q4	07:00	\$1.10	\$1.09	\$0.86	\$34,444.31
Xerox	Q4	BMO	\$1.06	\$1.04	\$1.04	\$2,563.00

*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.





The U.S. and Mexico border fence is seen in Tijuana, Mexico, January 27. REUTERS/Shannon Stapleton

The Day Ahead - North America is compiled by Nachiket Tekawade and Sourav Bose in Bengaluru.

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