

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Wall Street ended higher, lifted by strong quarterly reports from Coca-Cola and United Technologies. **Treasuries** fell after a report said U.S. representatives were heading to China to discuss trade terms. The **dollar** rose following a deal lifting U.S. government borrowing limits, while **gold** prices traded lower. Rising tensions in the Middle East helped **oil** prices jump.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	27349.19	177.29	0.65	27398.68	21712.53
Nasdaq	8251.40	47.27	0.58	8264.78	6457.13
S&P 500	3005.47	20.44	0.68	3017.80	2443.96
Toronto	16572.68	53.80	0.33	16672.71	13776.88
FTSE	7556.86	41.93	0.56	7622.58	6599.48
Eurofirst	1540.31	15.05	0.99	1548.20	1308.86
Nikkei	21620.88	204.09	0.95	22362.92	19241.37
Hang Seng	28466.48	95.22	0.34	30280.12	24896.87

TREASURIES	Yield	Price
10-year	2.0707	-8 /32
2-year	1.8353	-1 /32
5-year	1.8214	-4 /32
30-year	2.6039	-24 /32

FOREX	Last	% Chng
Euro/Dollar	1.1146	-0.55
Dollar/Yen	108.24	0.35
Sterling/Dollar	1.2436	-0.30
Dollar/CAD	1.3146	0.21
TR/HKEX RMB	93.80	0.08

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	56.93	0.71	1.26
Spot gold (NY/oz)	1416.94	-7.78	-0.55
Copper U.S. (front month/lb)	0.0269	-0.0002	-0.70
CRB Index Total Return	188.01	0.52	0.28

S&P 500	Price	\$ Chng	% Chng
GAINERS			
Hasbro Inc	119.31	10.80	9.95
Sherwin-Williams Co	490.17	35.58	7.83
Stanley Black & Decker Inc	151.85	10.35	7.31
LOSERS			
PulteGroup Inc	30.69	-2.79	-8.33
Lamb Weston Holdings Inc	63.60	-3.96	-5.86
Zions Bancorporation NA	42.83	-2.40	-5.31

Coming Up



A file photo shows stickers bearing the Facebook logo pictured at Facebook Inc's F8 developers conference in San Jose, California, U.S., April 30, 2019. REUTERS/Stephen Lam

Facebook Inc is expected to post a rise in second-quarter revenue as the world's largest social network continues to see a steady increase in its advertising business despite concerns that cloud its privacy and data protection standards. Investors will look for comments on user privacy across its platforms, the \$5 billion FTC charge, its cryptocurrency (Libra) and concerns over it.

Boeing Co is scheduled to report lower second-quarter profit and revenue, hurt by the grounding of its best-selling 737

MAX aircraft following two deadly crashes. Investors will look for comments on full-year financial forecast and the progress Boeing is making to get the MAX back in service.

Tesla Inc is expected to post a rise in its second-quarter revenue, powered by record number of deliveries in the quarter. Investors will look for updates on the company's forecast. Tesla had earlier said it would post a second-quarter loss, but will return to profit in the third quarter.

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Build permits R number for June	0800	--	1.220 mln
Build permits R change mm for June	0800	--	-6.1%
Markit Composition Flash PMI for July	0945	--	51.5
Markit Manufacturing PMI Flash for July	0945	51.0	50.6
Markit Services PMI Flash for July	0945	51.7	51.5
New home sales-units for June	1000	0.660 mln	0.626 mln
New home sales change mm for June	1000	6.0%	-7.8%

Research firm IHS Markit is expected to say its manufacturing purchasing managers index (PMI) progressed to a reading of 51 in July. (0945/1345) Additionally, the Commerce Department is scheduled to say new home sales for June likely rose 6% to a seasonally adjusted annual rate of 660,000.

Caterpillar Inc will release its second-quarter results before market hours. The heavy-duty equipment maker is expected to report higher quarterly profit. Investors, however, will likely focus on how slowing demand for construction machines and rising costs are impacting the company's profit margins.

AT&T Inc is expected to post a rise in second-quarter revenue. Investors will be on the lookout for postpaid phone subscriber additions/losses, satellite TV losses and revenue from WarnerMedia.

Ford Motor Co will report second-quarter earnings. The market will be watching to see how the company's restructuring is faring amid falling U.S. and Chinese new vehicle sales. Ford's sales in the United States, its most profitable market, were down more than 3% in the first six months of 2019.

United Parcel Service Inc is expected to report lower earnings per share in the second quarter due to a global trade cool-down. Investors will look for an update on the company's full-year financial forecast.

General Dynamics Corp is expected to post a rise in revenue for the second quarter, as the U.S. defense contractor benefits from strong demand for its Gulfstream business jets. Investors will look for updates on the company's financial forecast.

Anthem Inc will report second-quarter results, where it is expected to provide updates on the progress of its plan to transition customers to its revamped



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

pharmacy benefits business. Investors will also watch for comments on how the health insurer views policy-related uncertainty that could affect its core business in the run up to the 2020 presidential election.

Hilton Worldwide Holdings Inc is expected to report an increase in second-quarter revenue and profit, as it benefits from steady demand for rooms by corporate travelers in North America. Investors will look for an update on its full-year financial forecast amid concerns of a global economic slowdown.

Boston Scientific Corp is expected to report a rise in second-quarter revenue, helped by demand for its heart devices. Investors will look for updates on the launch of its Lotus heart valve system and comments on the impact from the FDA panel meeting on the safety of drug-coated heart stents and balloons.

The heads of **BB&T** and **SunTrust Bank**, the banks that plan a \$66-billion merger, will testify before the U.S.

House of Representatives Financial Services Committee. The chief executives are expected to answer questions about how the merger, which committee members say, will create a mega bank, will impact the financial services industry.

VF Corp is expected to report a nearly 20% fall in revenue in the first quarter, primarily due to spin-off of its jeans business into a separate public company in May. Investors will look for any update on full-year forecast and comments on improvement in demand for Vans and North Face brands.

Freeport-McMoRan Inc, the world's largest publicly traded copper producer, is expected to swing to a loss in the second quarter, partly due to a drop in prices for the red metal during the past year.

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Equities reporters at Reuters covering Europe and the Americas discuss trends in stock markets. (0900 ET/1300 GMT) To join the conversation, [click here](#)

Market Monitor

The **S&P 500** and **Nasdaq** approached record highs, lifted by upbeat quarterly earnings reports from Coca-Cola and United Technologies. The U.S. corporate earnings season is off to a strong start, with nearly 80% of 104 S&P 500 companies topping earnings expectations so far in the second quarter, according to Refinitiv IBES data. **Coca-Cola** surged 6.07% and **United Technologies** gained 1.5%. The **Dow Jones Industrial Average** was up 0.65% at 27,349.19, while the **S&P 500** gained 0.68% to 3,005.47 and the **Nasdaq Composite** added 0.58% to 8,251.40.

Treasuries yields rose on a report that U.S. negotiators are heading to China to discuss trade terms, boosting hopes that the two countries may deescalate a trade war that has weighed on economic growth. **Benchmark 10-year notes** fell 8/32 to yield 2.07%. The **30-year bonds** fell 24/32 to yield 2.60%. Meanwhile, the Treasury Department sold \$40 billion in **two-year notes** at a high yield of 1.825%. The bid-to-cover ratio was 2.50.

The **dollar** rose against a basket of currencies after President Donald Trump and U.S. lawmakers reached a two-year deal that raises the limits on government borrowing to cover spending. The agreement averted another partial government shutdown. As a result of this deal, the U.S. Treasury can ramp its short-term borrowing to rebuild a cash pile that has fallen to about \$195 billion from \$423 billion in late April, Morgan Stanley analysts said. The **dollar index** was up 0.48% at 97.72. The **pound** was down 0.32% at \$1.2434.



A file photo of traders working on the floor at the New York Stock Exchange in New York, U.S., July 1. REUTERS/Brendan McDermid

Oil jumped late in the session after the head of U.S. Central Command said the United States may have taken down a second Iranian drone over the Strait of Hormuz last week. "We are confident we brought down one drone, we may have brought down a second," General Kenneth McKenzie told CBS News in an interview. "The oil market gets nervous when there's an event in the Persian Gulf that involves shooting down a piece of equipment," said Andy Lipow, president of Lipow Oil Associates in Houston. "It stokes market anxiety that tensions are being ratcheted up, and that increases fears of a significant supply disruption." **Brent crude** was up 1.15% to \$63.99 a barrel. **U.S. West Texas Intermediate** rose 1.28% to \$56.94 per barrel.

Gold inched down as a robust dollar offset weak U.S. economic data, and investors awaited clearer signals on the Federal Reserve's trajectory for interest rates. Gold briefly pared losses following weaker-than-expected U.S. home sales and monthly manufacturing data from the Richmond Fed. "The Richmond print raised a few eyebrows, though it's really not that important of a figure, but seemed to have triggered some buying," said Tai Wong, head of base and precious metals derivatives trading at BMO. "Gold is likely to stay within the \$1,415-35 range with the market getting all bulled up above \$1,430 and hand-wringing below \$1,420." **Spot gold** was down 0.55% at \$1,416.94 per ounce. **U.S. gold futures** were 0.69% lower at \$1,417 per ounce.

Top News

Coca-Cola's coffee and zero sugar soda mix lifts 2019 goals, shares

Coca-Cola beat second-quarter earnings expectations and raised its organic revenue forecast for the full year thanks to higher sales of its zero-sugar sodas, soft drinks with new flavors and ready-to-drink coffees. "Our performance was largely driven by consumer demand for no sugar versions of some of our best-known sparkling soft drink brands as well as for the a smaller packages for less sugar," Chief Executive Officer James Quincey told analysts. As part of his plan to create a "total beverage company", Quincey has been looking beyond soda and last year clinched a deal to buy Britain-based Costa Coffee for \$5 billion. Excluding one-time items, Coca Cola earned 63 cents per share, 2 cents above Wall Street's estimates, according IBES data from Refinitiv. Shares of the company ended 6.07% higher at \$54.33.

Facebook to create privacy panel, pay \$5 billion to U.S. to settle allegations

The Federal Trade Commission is set to announce on Wednesday that Facebook has agreed to a sweeping settlement of significant allegations it mishandled user privacy and pay \$5 billion, two people briefed on the matter said. As part of the settlement, Facebook will agree to create a board committee on privacy and will agree to new executive certifications that users' privacy is being properly protected, the people said. The Washington Post reported that the FTC will alleged Facebook misled users about its handling of their phone numbers and its use of two-factor authentication as part of a wide-ranging complaint that accompanies a settlement ending the government's privacy probe, citing two people familiar with the matter.

Sales to emerging markets a bright spot for Harley Davidson

Harley-Davidson reported stronger sales in China and other Asian markets and said U.S. sales should improve in the second half of the year, positive news that offset a cut to its full-year motorcycle forecast. "There's a general sense of relief that the company's earnings are expected to hold up fairly well despite lower motorcycle sales volume and operating margin guidance," said Garrett Nelson, a senior equity analyst at CFRA. "We expected 2019 to be a difficult year and it is unfolding as such, especially in our developed international markets," Chief Financial Officer John Olin told analysts on an earnings call. In the June quarter, Harley's profits declined to \$1.23 per share from \$1.45 per share a year ago.

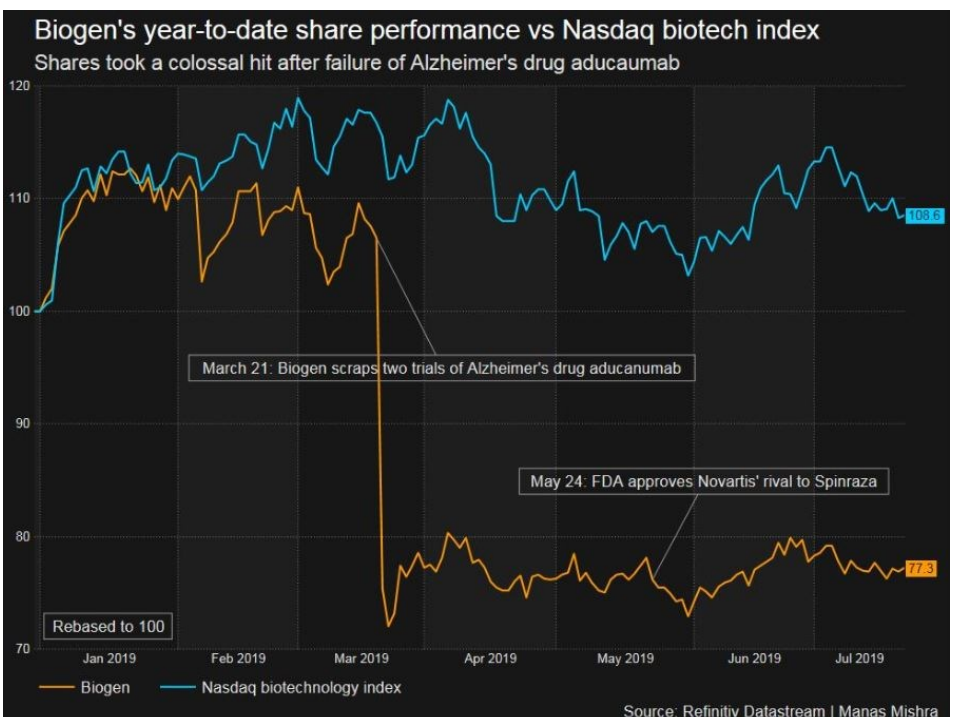
United Tech profit beats on aircraft parts demand after MAX grounding

United Technologies raised its full-year sales and profit forecasts, aided by an

increase in demand for its aircraft maintenance parts and services as airlines grapple with overworked planes due to the grounding of Boeing's MAX jets. UTC is among the first aero parts supplier to signal gains from the Boeing groundings. UTC said sales in its Collins aerospace unit, which makes engine components, landing gear, wheels and brakes, and interior and exterior aircraft lighting, surged about 66% percent to \$6.58 billion in the second quarter. Separately, Lockheed Martin said it was working to establish alternate supply sources for F-35 parts in the United States after the Pentagon decided last week to remove Turkey from the fighter jet program. To read more, [click here](#)

Multiple sclerosis drug helps Biogen beat Wall St profit expectations

Biogen reported better-than-expected second quarter profit and raised its 2019 earnings forecast, driven by higher sales of its top-selling multiple sclerosis drug Tecfidera and lower



taxes. Tecfidera sales of \$1.15 billion topped analysts' estimates of \$1.05 billion and accounted for nearly a third of second-quarter revenue of \$3.62 billion. While Spinraza sales rose 15.4% from a year ago to \$488 million, they fell short of lofty Wall Street estimates of \$535.1 million, according to Refinitiv data. Biogen said it now expects 2019 adjusted earnings of \$31.50 to \$32.30 per share, up from its prior view of \$28 to \$29.

Alibaba welcomes U.S. small businesses to sell globally on its platform

Alibaba Group Holdings will allow small U.S. businesses to sell on Alibaba.com, the company said, as it seeks to tap into the business-to-business e-commerce market and fend off rivals like Amazon.com. The change will open up markets to U.S. merchants in countries served by Alibaba, including India, Brazil and Canada. U.S. merchants, previously able to only buy on Alibaba.com, can now also sell to other U.S.-based businesses on the marketplace. Alibaba, which does not sell inventory of its own, hopes to attract local U.S. businesses as their marketplace platform of choice by offering small- and medium-sized businesses global selling power. Alibaba highlighted its interest in winning over manufacturers, wholesalers and distributors.

Toymaker Hasbro profit draws power from 'Avengers', 'Magic' card game

Hasbro beat Wall Street estimates for quarterly profit, powered by higher demand for action toys of blockbuster "Avengers: Endgame" and collectible

card game Magic: The Gathering, sending its shares to a record high. Revenue from partner brands, which includes tie-up with Disney, climbed 3% in the second quarter, while sales from Hasbro-owned brands, its largest business, gained 14%, mainly driven by Magic: the Gathering, Monopoly, Play-doh and Transformers toys. The toymaker also reaffirmed its full-year growth forecast, banking on the lineup of big movies such as "Star Wars" and "Frozen" and new products such as Fortnite-themed Nerf guns and games under Magic: The Gathering, Dungeons & Dragons. Shares of the company were 9.95% higher at \$119.31 at market close.

Pulte full-year forecast disappoints, higher costs persist

PulteGroup forecast full-year home sales and gross margins below analyst expectations, as it grapples with rising land costs. Chief Executive Officer Ryan Marshall, however, said he expected demand to pick up in the second half of the year, helped by lower mortgage rates. Pulte expects to sell 22,300 to 22,800 homes this year, compared with estimates of 22,764 units, according to Refinitiv data. The company expects an average sales price of between \$425,000 to \$430,000 for the remainder of the year, and forecast gross margins to be between 23% and 23.3% for 2019, compared to a consensus of 23.9%.

Centene signals higher costs in 2019 from Obamacare business

Centene beat second-quarter sales targets and raised its 2019 earnings forecast, but the health insurer warned of higher medical costs from its

Obamacare business this year. The company expects a marginally higher health benefits ratio (HBR) of between 86.6% and 87.1% in 2019, from its previous forecast of 86.5% to 87%. "We continue to experience a higher membership retention rate compared to prior years," Chief Financial Officer Jeffrey Schwaneke said. Centene, which earned \$1.34 per share in the quarter excluding items, said the HBR rise was due to higher costs from its Obamacare business and its 2018 acquisition of Fidelis Care, which had a higher HBR.



Bed Bath & Beyond cuts 7% of corporate staff, including COO

Bed Bath & Beyond said its chief operating officer was departing as part of its move to cut 7% of corporate staff, following a review of office costs. The company also decided to eliminate the COO position, which was held by Eugene Castagna. The layoffs include vice presidents, directors and managers at its headquarters in Union, New Jersey, and at other select locations, the company said. The company said the workforce reduction is expected to generate net savings of \$18.9 million for the rest of fiscal 2019, but will lead to a restructuring charge of about \$12 million related to severance and other costs.



Guatemalan migrant Lety Perez embraces her son Anthony while praying to ask a member of the Mexican National Guard to let them cross into the United States, as seen from Ciudad Juarez, Mexico, July 22. REUTERS/Jose Luis Gonzalez

Insight and Analysis

COLUMN-Boeing 737 MAX shareholders' lawsuit sparks law firm war: Frankel

The battle between two law firms vying to lead a shareholder lawsuit against Boeing over its 737 MAX planes escalated in court on Friday, with one accusing the other of engaging in a campaign of "harassment" and "intimidation." Kahn Swick & Foti represents a Nevada family that claims to have invested \$40 million in Boeing stock and lost nearly \$5 million when Boeing's share price fell by \$34 billion within two weeks of the March 10 crash of an Ethiopian Airlines 737 MAX. Bernstein Litowitz Berger & Grossmann, for its part, says the family's assertion is "implausible." It

COLUMN-Global oil consumption stagnates leaving prices under pressure: Kemp

Global oil consumption has stalled since the middle of 2018, making lower oil prices inevitable despite the best efforts of Saudi Arabia and its allies to reduce production. The world's top 18 oil-consuming countries, each using more than 1 million barrels per day (bpd) of petroleum products, account for almost two-thirds of world consumption, so they make a useful proxy for global demand. Consumption in the top 18 rose by just 0.7% in the three months to March compared with the same period a year earlier, figures from the Joint Organisations Data Initiative show.

U.S. farmers look past trade fears to cash in on China's hog crisis

It might seem an unlikely time for U.S. farmers to look to China for more business but the devastating impact of African swine fever on the Chinese pork industry is trumping concerns about trade wars and tariffs. Experts estimate the disease will wipe out about a third of China's pork production this year. That's twice the amount of pork exported worldwide every year and enough to feed U.S. consumers for almost two years. The U.S. trade war with China initially forced U.S. pork exporters to scour the world for new markets but as the swine fever crisis deepens they're gearing up for new opportunities to supply the Chinese market later this year and next.



CANADA

Coming Up

Loblaw Companies Ltd is expected to report higher second-quarter revenue, helped by a surge in vegetable prices in Canada. Investors are keen to hear more on Loblaw's unit Shoppers Drug Mart's partnership with a blockchain company to implement a tracking system for medical cannabis industry.

Suncor Energy Inc is scheduled to announce its second-quarter earnings. Canadian crude prices have been relatively strong throughout the quarter,

but production is still curtailed by the Alberta government and investors are reluctant to put money to work in Canada.

Agnico Eagle Mines Ltd is set to post a rise in second-quarter profit, helped by higher gold production and a recent recovery in gold prices. Investors and analysts are keen on updates on Agnico's plans to buy smaller rival Alexandria Minerals Corp after the proposal expired in July.

MARKET MONITOR

Canada's main stock index rose, tracking gains in global equities as investors anticipate major central banks to cut interest rates in the near future. The **Toronto Stock Exchange's S&P/TSX Composite index** ended 0.33% higher at 16,572.68. The **U.S. dollar** rose 0.21% against its **Canadian counterpart** to C\$1.3146.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
BRP Inc	47.89	4.04	9.21
Cronos Group Inc	20.21	0.98	5.10
Linamar Corp	45.32	1.58	3.61
LOSERS			
SNC-Lavalin Group Inc	21.51	-2.29	-9.62
Hexo Corp	5.93	-0.25	-4.05
OceanaGold Corp	3.93	-0.16	-3.91

Top News



A file photo shows the SNC-Lavalin logo pictured outside the company headquarters building in Montreal, Quebec, Canada, May 5, 2019. REUTERS/Dario Ayala

SNC-Lavalin shares at 14-year low on near-term woes

SNC-Lavalin shares slumped to a 14-year low, as investors worried about the near-term hit from the struggling Canadian construction company's restructuring plans, including a move to

exit fixed-price contracts. Analysts and investors backed SNC's decision to end bidding for fixed-price contracts - which the company said was the root cause of its performance issues - but some questioned the lack of clarity. "I am happy they are going to stop

investing in the fixed-price contract, but I am really, really upset as to how they got into this position in the first place and how they screwed up," said institutional investor David Taylor of Taylor Asset Management, which holds an undisclosed number of shares in the company. SNC is facing a trial in Canada over fraud and corruption charges. SNC's shares ended 9.62% lower at C\$21.51.

Rogers quarterly profit misses on fewer wireless subscriber additions

Rogers Communications, Canada's largest wireless carrier, reported a slightly lower-than-expected quarterly profit in a softer market that hit subscriber additions. The telecom company, which has been enduring tougher competition, added just 77,000 net postpaid wireless subscribers in the second quarter ended June 30, down from 122,000 new customers a year earlier. The company said 365,000 customers have already switched to

the newly introduced "Infinite" data plan and their usage grew 50% within six weeks of its launch. Rogers expects a short-term moderation in growth with respect to the new data plan, Chief Financial Officer Anthony Staffieri said on a conference call. The Toronto-based company's net income rose 10% to C\$591 million, or C\$1.15 per share, in the quarter. Revenue rose 0.6% to C\$3.78 billion.

Aluminium producers in Canada cash in on U.S. tariff exemption

Canada's exemption from U.S. tariffs on imports of aluminium metal has boosted earnings at the Canadian operations of companies such as Rio Tinto and Alcoa, but has not cut costs for U.S. consumers. Aluminium costs for U.S. consumers are the benchmark price on the London Metal Exchange at around \$1,810 a tonne plus the physical market premium, around \$400 a tonne. "About 70% of U.S. aluminium demand can be met without paying import duties, yet 100% is pegged to the duty payable," said Citi analyst Oliver Nugent, adding the bank's estimate for U.S. aluminium demand this year was 5.57 million tonnes. "Canadian producers are making good margins on physical premiums. It's a negotiated market and up to consumers to push the premiums down. The surprising thing is that there isn't a two-tier structure. One tier for producers that pay duties and another for those that don't."

France's parliament approves EU-Canada deal with small majority

France's parliament approved the EU-Canada trade agreement with a relatively small majority, meaning that a significant part of President Emmanuel Macron's party voted against it. French lawmakers at the National Assembly, the country's lower house of parliament, cast 266 votes in favour, 213 against and 74 abstentions. All leftist and far-right parties voted against the agreement, but among the conservative Les Republicains, one



A file photo of visitors to the Rio Tinto booth speaking with representatives during the Prospectors and Developers Association of Canada annual convention in Toronto, Ontario, Canada, March 4, 2019. REUTERS/Chris Helgren

lawmaker voted in favour of the treaty and five abstained. Ahead of the vote, popular former environment minister Nicolas Hulot, NGOs and green lawmakers had urged parliament to vote against the Comprehensive Economic and Trade Agreement (CETA). They said the treaty undermines the European Union's social and ecological regulations by importing products made under conditions that would not be allowed in Europe.

Canada launches contest to build new fighter jet; first delivery in 2025

Canada launched a long-delayed competition to build new fighter jets, and said it was confident no favoritism had been shown toward any one contender, though some in the industry have said the race is tilted towards Lockheed Martin. Ottawa wants 88 new planes in a contract worth between C\$15 billion and C\$19 billion. Initial proposals are due in the spring of 2020, with a winner named early in 2022, and the first aircraft delivery to be scheduled for as early as 2025, a

statement from the federal government said. Andre Fillion, assistant deputy minister of Defense and Marine Procurement, said there had been "intense engagement" with all the eligible suppliers while drafting the jet requirements, and "thousands of changes" were made as a consequence. "We're quite confident that we have a product that we'll publish today that does not have any show stoppers for any of the suppliers," Fillion said in a telephone interview.

Air Canada to resume India flights

Air Canada said it would resume its flights to India, a week after Pakistan reopened its airspace for international civil aviation. The country had closed its airspace after an attack by a Pakistan-based militant group in Indian-controlled Kashmir led to clashes between the nuclear-armed powers. Air Canada had suspended flights to India in February, as the airspace closure forced long detours that cost airlines millions of dollars. The airline said it would resume its daily, non-stop Toronto-Delhi flights on October 1.



WEALTH NEWS

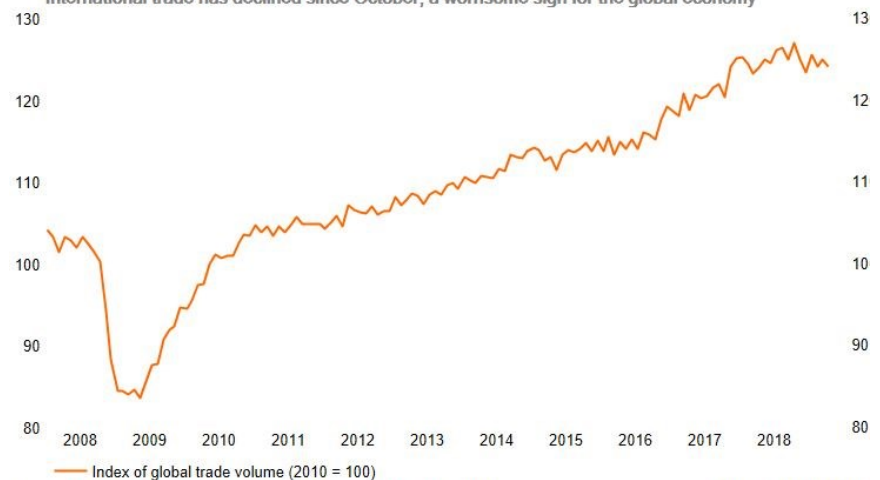
IMF OUTLOOK

IMF says Q1 global trade growth slowest since 2012, big downside risk

Global trade expanded by just 0.5% in the first quarter of 2019, marking the slowest year-on-year pace of growth since 2012 amid signs a more significant slowdown is possible, International Monetary Fund officials said. The IMF lowered its forecast for global growth this year and next, warning that more U.S.-China tariffs, auto tariffs or a disorderly Brexit could further slow growth, weaken investment and disrupt supply chains. IMF chief economist Gita Gopinath told reporters in Santiago, Chile, the global lender did not see signs of a recession, but did see "significant downside risks" for global growth going forward, including escalating trade wars.

Faltering trade

International trade has declined since October, a worrisome sign for the global economy



U.S. ECONOMY

U.S. home sales tumble as prices race to record high

U.S. home sales fell more than expected in June as a persistent shortage of properties pushed prices to a record high, indicating the housing market was struggling to regain speed since hitting a soft patch last year.

HUAWEI PROBE

U.S. will deal with Huawei waiver applications within weeks -Ross

The Trump administration plans to handle applications from tech companies seeking waivers over Huawei's blacklisting within the next few weeks, U.S. Commerce Secretary Wilbur Ross told Bloomberg Television.

MERGER SCRAPPED

LSC, Quad/Graphics abandon \$1.4 billion merger after U.S. antitrust suit

LSC Communications and Quad/Graphics terminated their \$1.4 billion merger, a month after the U.S. Justice Department filed a lawsuit to block the deal, sending LSC shares down to a record low.

TRADE NEGOTIATIONS

U.S. officials will travel to China for trade talks -Bloomberg

U.S. Trade Representative Robert Lighthizer and senior U.S. officials will travel to Shanghai on Monday for face-to-face trade meetings with Chinese officials, Bloomberg reported, citing unnamed sources.

UBER DATA BREACH

Colombia orders Uber to improve data security after 2016 breach

Colombia has given ride-hailing app Uber four months to improve its data security, the commerce regulator said, after a 2016 data breach affected more than 260,000 of the South American country's residents.

U.S. DRUG PRICING

U.S. senators announce bipartisan proposal to lower drug prices

The top Republican and Democrat on the U.S. Senate Finance Committee announced a proposal to lower prescription drug prices that could save \$100 billion in costs to government healthcare programs, and said the committee would vote on the legislation on Thursday.

THE DAY AHEAD

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Alexion Pharmaceuticals	Q2	BMO	\$2.35	\$2.34	\$2.07	\$1,173.06
Align Technology	Q2	AMC	\$1.52	\$1.51	\$1.30	\$599.38
Ameriprise Financial	Q2	AMC	\$4.04	\$4.04	\$3.60	\$2,983.77
Amphenol	Q2	BMO	\$0.92	\$0.93	\$0.90	\$2,013.50
Anthem	Q2	06:00	\$4.62	\$4.61	\$4.25	\$24,871.67
AT&T	Q2	BMO	\$0.89	\$0.89	\$0.91	\$44,853.64
Boeing	Q2	BMO	\$1.87	\$1.87	\$3.33	\$18,551.70
Boston Scientific	Q2	BMO	\$0.38	\$0.38	\$0.41	\$2,641.90
Caterpillar	Q2	07:30	\$3.11	\$3.12	\$2.97	\$14,435.17
Cerner	Q2	AMC	\$0.64	\$0.64	\$0.62	\$1,436.79
Citrix Systems	Q2	AMC	\$1.34	\$1.34	\$1.28	\$769.17
DTE Energy	Q2	BMO	\$1.07	\$1.08	\$1.36	\$3,004.09
Equifax	Q2	AMC	\$1.36	\$1.36	\$1.56	\$873.84
F5 Networks	Q3	16:30	\$2.55	\$2.55	\$2.44	\$555.39
Facebook	Q2	AMC	\$1.92	\$1.86	\$1.74	\$16,501.80
FLIR Systems	Q2	BMO	\$0.55	\$0.55	\$0.55	\$479.15
Ford Motor	Q2	AMC	\$0.30	\$0.31	\$0.27	\$35,065.27
Freeport-McMoRan	Q2	BMO	-\$0.06	-\$0.05	\$0.58	\$3,515.71
General Dynamics	Q2	BMO	\$2.69	\$2.68	\$2.82	\$9,364.60
Hilton Worldwide Holdings	Q2	BMO	\$1.02	\$1.02	\$0.70	\$2,437.64
IQVIA Holdings	Q2	BMO	\$1.50	\$1.49	\$1.29	\$2,690.88
Marketaxess Holdings	Q2	BMO	\$1.33	\$1.32	\$1.07	\$126.11
Nasdaq	Q2	BMO	\$1.19	\$1.20	\$1.18	\$629.83
Nextera Energy	Q2	BMO	\$2.34	\$2.31	\$2.11	\$4,593.41
Norfolk Southern	Q2	BMO	\$2.80	\$2.79	\$2.50	\$2,948.73
Northrop Grumman	Q2	BMO	\$4.71	\$4.68	\$3.93	\$8,418.48
O'Reilly Automotive	Q2	AMC	\$4.66	\$4.67	\$4.28	\$2,606.54
Packaging of America	Q2	AMC	\$2.03	\$2.03	\$2.08	\$1,781.73
PayPal Holdings	Q2	AMC	\$0.82	\$0.75	\$0.58	\$4,330.42
Raymond James Financial	Q3	AMC	\$1.82	\$1.82	\$1.55	\$1,927.38
Rollins	Q2	BMO	\$0.20	\$0.20	\$0.20	\$524.03
T. Rowe Price Group	Q2	BMO	\$1.92	\$1.91	\$1.77	\$1,395.92
TE Connectivity	Q3	BMO	\$1.40	\$1.42	\$1.43	\$3,438.33
TechnipFMC PLC	Q2	AMC	\$0.32	\$0.35	\$0.28	\$3,257.43
Thermo Fisher Scientific	Q2	BMO	\$3.00	\$3.00	\$2.75	\$6,297.44
Torchmark	Q2	AMC	\$1.65	\$1.65	\$1.51	\$1,124.04
United Parcel Service	Q2	BMO	\$1.92	\$1.92	\$1.94	\$17,965.91
Varian Medical Systems	Q3	AMC	\$1.13	\$1.13	\$1.04	\$761.15
VF	Q1	BMO	\$0.28	\$0.29	\$0.43	\$2,240.34
W W Grainger	Q2	08:00	\$4.70	\$4.65	\$4.37	\$2,969.69
Xilinx	Q1	AMC	\$0.95	\$0.94	\$0.74	\$847.37

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

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



Palestinian building is bombed by Israeli forces in the village of Sur Baher which sits on either side of the Israeli barrier in East Jerusalem and the Israeli-occupied West Bank, July 22. REUTERS/ Ammar Awad

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

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