

# THE DAY AHEAD

## MARKET RECAP at 4 pm ET

**Stocks and gold rose**, while the **dollar and treasuries** fell over the possibility of a U.S. interest rate cut. **Oil** bounced buoyed by equity markets.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	25332.18	512.4	2.06	26951.81	21712.53
Nasdaq	7527.12	194.10	2.65	8176.08	6457.13
S&P 500	2803.21	58.76	2.14	2954.13	2443.96
Toronto	16166.24	150.35	0.94	16672.71	13776.88
FTSE	7214.29	29.49	0.41	7528.93	6599.48
Eurofirst	1467.33	7.88	0.54	1541.32	1308.86
Nikkei	20408.54	-2.34	-0.01	22362.92	19241.37
Hang Seng	26761.52	-132.34	-0.49	30280.12	24896.87

TREASURIES	Yield	Price
10-year	2.1210	-12/32
2-year	1.8794	-3/32
5-year	1.8862	-6/32
30-year	2.6040	-39/32

FOREX	Last	% Chng
Euro/Dollar	1.1256	0.14
Dollar/Yen	108.09	0.03
Sterling/Dollar	1.2707	0.35
Dollar/CAD	1.3392	-0.31
TR/HKEX RMB	93.32	0.11

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	53.59	0.34	0.64
Spot gold (NY/oz)	1325.85	1.08	0.08
Copper U.S. (front month/lb)	0.0267	0.0002	0.72
CRB Index Total Return	183.74	0.82	0.45

S&P 500	Price	\$ Chng	% Chng
<b>GAINERS</b>			
Mattel Inc	10.78	1.13	11.71
Wynn Resorts Ltd	112.87	9.30	8.98
Xerox Corp	33.31	2.33	7.52
<b>LOSERS</b>			
Nektar Therapeutics	32.92	-1.14	-3.35
Ventas Inc	62.15	-2.00	-3.12
HCP Inc	30.99	-0.82	-2.58

## Coming Up

The **United States** and **Mexico** are scheduled to start official talks in Washington after U.S. President Donald Trump threatened to impose punitive tariffs on Mexican products on June 10, accusing Mexico of not doing enough to stop the flow of illegal immigration from Central America.

On the U.S economic schedule, the Institute for Supply Management's **non-manufacturing activity index** is expected to come in at 55.5 in May, same as its previous month reading.

The **ADP National Employment Report** is likely to show private payrolls decreased 95,000 to a

seasonally adjusted 180,000 in April.

Home robots, cashier-less retail stores and space, the final frontier: **Jeff Bezos**, other tech industry executives and researchers are expected to discuss their efforts to make the stuff of science fiction a reality, in **Amazon.com Inc's** two-day conference dedicated to artificial intelligence and the future, dubbed "re:MARS". Bezos will likely speak at the company's first-ever artificial intelligence summit on Thursday.

**Walmart Inc** is set to hold its annual shareholders meeting. Vermont



A file photo of people lining up at a Walmart store that reopened Friday after Tropical Storm Harvey in Port Arthur, Texas, September 1, 2017. REUTERS/Carlo Allegri

## KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
ADP national employment for May	0815	180,000	275,000
Markit composite final PMI for May	0945	--	50.9
Markit services PMI final for May	0945	--	50.9
ISM N-Manufacturing PMI for May	1000	55.5	55.5
ISM N-Manufacturing Business Activity for May	1000	58.5	59.5
ISM N-Manufacturing Employment Index for May	1000	--	53.7
ISM N-Manufacturing New Orders Index for May	1000	--	58.1
ISM N-Manufacturing Price Paid Index for May	1000	--	55.7

Senator and presidential hopeful Bernie Sanders is scheduled to attend to advocate workers' rights. A separate event for associates and shareholders is expected to be held on Friday.

**Campbell Soup Co**, the soup maker, is expected to report a sharp fall in third-quarter profit, hurt by higher input costs related to raw materials and freight. The Pepperidge Farm owner is trying to turn around its legacy soup business under Chief Executive Officer **Mark Clouse**, who took over the top job in January. Investors will look out for update on international business that has been up for sale since August last year.

**American Eagle Outfitters Inc** is expected to post a rise in first-quarter same-store sales as demand for its

Aerie line of lingerie continues to grow. Investors will also pay close attention to the company's forecast and any commentary on the effect of potential tariffs, especially after a sell-off in many retail stocks over the last few weeks.

The **U.S. Federal Reserve** is set to hold a conference to review how it conducts monetary policy, pulling together a stable of well-known academics to comment alongside union members, community groups and others with potentially different take on central banking. Federal Reserve Vice Chairman **Richard Clarida** is likely to speak on "Monetary Policy Strategy, Tools, and Communication Practices" at the Fed Listens Conference. Federal Reserve Bank of Boston President **Eric Rosengren** is scheduled to moderate

"Transmission of Monetary Policy to the Economy: Beyond the Headlines" morning panel at the conference.

Cyber security company **SecureWorks Corp** is expected to post a rise in first-quarter revenue as corporates continue to raise their budget to prevent attacks on computer networks. Investors will look out for any commentary on possible sale of the company, forecast and competition.

**Rex Tillerson**, former U.S. secretary of state and Exxon Mobil chairman who has clashed with President Trump since leaving the administration, is expected to make a rare public appearance, speaking at KPMG's Global Energy Conference in Houston.

In **Brazil's** economic calendar, **Markit services purchasing managers' index (PMI)** and **composite PMI** for May are scheduled for release. The services PMI fell to 49.9 and the composite PMI activity fell to 50.6 in April.

**Chile's economic activity** is expected to rise 2.1% in April, compared to a rise of 1.9% in the month before.

**LIVECHAT-EQUITIES WATCH**  
Join Reuters correspondents in London and New York for a discussion on the stock markets and company earnings. (0900 ET/1300 GMT) To join the conversation, [click here](#)



A file photo of shoppers leaving the American Eagle Outfitters store in Broomfield, Colorado August 20, 2014. REUTERS/Rick Wilking

## KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Brown-Forman	Q4	08:00	\$0.31	\$0.30	\$0.23	\$760.51
Campbell Soup	Q3	BMO	\$0.47	\$0.47	\$0.70	\$2,365.40

\*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.



# Market Monitor

## Wall Street's three major indexes

clocked their biggest one-day gains in five months after Federal Reserve Chair Jerome Powell left the door open for a possible rate cut. A day after St. Louis Fed chief James Bullard said a rate cut may be warranted soon, Powell said the Fed was "closely monitoring the implications" of a trade dispute that has disrupted global markets and posed risks to growth.

"When the market's been down as much as it has been, all you need is a little bit of a spark," said Paul Nolte, portfolio manager at Kingsview Asset Management in Chicago. Nolte said investors were also encouraged after Mexican President Andres Manuel Lopez Obrador told reporters that he was optimistic that a deal could be reached even as U.S. President Donald Trump said he was likely to go ahead with new tariffs on all Mexican goods. **Apple** rose 3.66%. **Microsoft** was up 2.4%. The **Dow Jones** rose 2.06% to 25,332.18, the **S&P 500** gained 2.14% to 2,803.27 and the **Nasdaq** added 2.65%, to 7,527.12.

**Treasury** yields rose with longer-dated yields climbing from their lowest since September 2017, as Wall Street stock prices recovered from recent losses tied to growing trade conflicts between the United States and its trade partners. Trade tensions remained high on Tuesday with U.S. President Donald Trump saying he would impose new tariffs on Mexico next week despite the Mexican government's expected plan to stem immigration at the U.S. southern border. **Benchmark Treasuries** fell 12/32 to yield 2.12%. **30-year bonds** were down 1-8/32, yielding 2.60%.

The **dollar** was modestly lower after Federal Reserve Chair Jerome Powell alluded to the possibility of an interest rate cut in the face of economic risks,



Traders work on the floor at the New York Stock Exchange (NYSE) in New York, June 3. REUTERS/Brendan McDermid

including the global trade war. The **pound** climbed but concerns about a disorderly departure from the EU meant gains were modest, amid promises from U.S. President Donald Trump of a "phenomenal" post-Brexit trade deal. The **British pound** gained 0.30% against the dollar to \$1.2701. The **euro** rose 0.14% to \$1.1256. The **dollar index** slipped 0.1% to 97.05.

**Oil** prices were higher after a global stock market rally pulled Brent crude from a four-month low touched earlier in the session. The move higher comes ahead of market-moving U.S. weekly oil data which is expected to show crude stockpiles fell 800,000 barrels last week, their second decline in a row after inventories in mid-May rose to their highest in nearly two years, according to analysts in a Reuters poll. The poll was conducted ahead of weekly reports from the American Petroleum Institute, an industry group, at 4:30 p.m. EDT on Tuesday and the

U.S. Energy Information Administration at 10:30 a.m. EDT on Wednesday.

**Brent** futures rose 1.21% to \$62.02 a barrel. The global benchmark fell as low as \$60.21 earlier in the session, its lowest since Jan. 29. **U.S. crude** rose 0.64% to \$53.59 per barrel.

**Gold** steadied on news China was open to negotiating its trade dispute with the United States, while rising expectations the U.S. Federal Reserve will cut interest rates provided underlying support. "Investors are exiting the safe-haven asset at a higher price and putting their money in equities, which is gaining today," said Jeffrey Sica, founder of Circle Squared Alternative Investments. **Spot gold** gained 0.09% to \$1,326.01 per ounce. **U.S. gold** futures were up 0.30% at \$1,331.90 per ounce.



# Top News

## Top tech executives will be asked to testify in U.S. probe

Leaders of big tech companies will be asked to testify as part of an investigation into whether the companies misuse their massive market power, the head of the U.S. House Judiciary subcommittee leading the probe said. The comments came a day after sources said the U.S. executive branch is gearing up for a similar probe of Amazon.com, Apple, Facebook and Alphabet's Google, setting up what could be an unprecedented, wide-ranging investigation of some of the world's largest companies. The House of Representatives Judiciary Committee opened its own investigation into competition in digital markets on Monday, with both Republicans and Democrats expressing concern about the power exercised by several of the world's most valuable companies. Apple's Chief Executive Tim Cook, denied the company is a monopoly, saying the iPhone maker controlled a moderate share of the market but was not too big, and disagreed with calls from some U.S. politicians that the company be broken up. Cook's comments were broadcast the same day two app developers sued Apple over its App Store practices, saying the company took an unfair commission on sales of iPhone apps.

## U.S. SEC probes Siemens, GE, Philips in alleged China medical equipment scheme -sources

The U.S. Securities and Exchange Commission is investigating Siemens, Philips and General Electric for allegedly using local middlemen to negotiate bribes with Chinese government and hospital officials to sell medical equipment, two U.S. sources with knowledge of the matter told Reuters. The investigations into the companies' business in China, along

with an existing SEC probe into their sales in Brazil, are part of a new effort by U.S. regulators to crack down on alleged corruption in sales of costly medical equipment worldwide, said the sources, who spoke on condition of anonymity because they were not authorized to discuss the investigation publicly. Siemens, GE and Philips all denied wrongdoing and said they were unaware of any SEC investigation concerning their operations in China.

## Automakers say Trump's threatened Mexico tariffs would cost billions

Toyota said that U.S. President Donald Trump's proposal to slap tariffs on Mexican-made goods could cost its major suppliers \$1 billion, highlighting growing concern in the U.S. auto sector about the potential damage of a new front in the Trump administration's trade wars. Faced with this threat, major automakers are also planning to delay some vehicle shipments from Mexico, people briefed on the plans told Reuters. Consultancy LMC Automotive said the industry could absorb a 5% percent tariff for a month, but that a sustained period at the 25%

tariff level would have a potentially devastating impact on the auto industry and cut U.S. new vehicle sales by up to 1.5 million units annually. In an email seen by Reuters, Toyota told its U.S. dealers the duties could cost its major suppliers between \$215 million and \$1.07 billion. The email, dated June 3, from Toyota's North American sales chief, Bob Carter, also told dealers that 65% of the Tacoma midsize pickup trucks the Japanese automaker plans to sell in the U.S. market in 2019 will be imported from its plant in Baja, Mexico. Kevin Clark, chief executive at auto supplier Aptiv told investors at a conference in Boston that a 5% tariff would cost it around \$17 million per month. Steve Kiefer, senior vice president, global purchasing and supply chain at General Motors, declined to discuss how much tariffs could cost but said "the single biggest problem we have is the uncertainty with tariffs." Meanwhile, Navistar said it was too early to assess the impact on its Mexico operations from possible U.S. tariffs on the country. To read more, [click here](#)



A file photo of the logo of conglomerate General Electric at the company's site of its energy branch in Belfort, France, February 5. REUTERS/Vincent Kessler

### Uber says IRS probing its 2013-14 tax returns

The U.S. Internal Revenue Service is auditing Uber's taxes for 2013 and 2014 and the ride-hailing company expects unrecognized tax benefits to be reduced within the next year by at least \$141 million. In its full quarterly report, Uber said various state and foreign tax authorities were also looking into its taxes and that it was currently unable to put a definite timeline or estimate on the overall adjustments that might result. The announcement came on a day when at least 11 of the brokerages, whose underwriting arms backed Uber's Wall Street debut last month, weighed in with "buy" recommendations on the company's shares as a statutory embargo lifted. Citi, however, initiated coverage with a "neutral" rating.

### Tiffany sees lower Chinese tourist business

Tiffany cut its profit outlook for the year and blamed dramatically lower spending by tourists at its stores around the world for missing quarterly same-store sales estimates, but reassured Wall Street the second half of the year could show improvement. Tiffany said it expected stronger second half results as year-over-year comparisons get easier, foreign exchange pressures ease and more new products and associated marketing reach the market. For the second quarter, the company expects a decline in earnings per share, under pressure from continued lower tourist spending. Comparable-store sales declined 2%, while analysts on average were expecting a 1.16% drop, according to IBES data from Refinitiv. Including the impact of currency fluctuations, sales fell 5%. The company's net income fell 12% to \$125.2 million, or \$1.03 per share, in the first quarter ended April 30. Analysts were expecting the company to earn \$1.02 per share. Net sales fell to about \$1 billion, missing the average analyst

estimate of \$1.02 billion.

### CVS to expand health hubs to 1,500 stores by end of 2021

CVS Health said it would offer expanded health services such as nutrition counseling and blood pressure screenings in 1,500 stores by the end of 2021, following through on plans announced during the pharmacy chain's 2018 acquisition of health insurer Aetna. The bulk of the expansion will be split between 2020 and 2021. The company said it expects adjusted earnings of over \$7 per share in 2020, while reiterating its profit and sales forecast for 2019. Analysts on average expect a profit of \$7.22 per share for 2020, according to IBES data from Refinitiv. The company also said it expects adjusted earnings per share growth in mid-single digits in 2021 and in low double digits in 2022 and beyond.

### Canada court to hear Huawei extradition case details June 6

Canadian authorities have set a June 6 court date to discuss technical issues concerning the extradition case against Huawei executive Meng Wanzhou, but she will not be in court, the federal justice ministry said. Meng, detained by Vancouver police on a U.S. warrant last December, is still waiting to learn when the extradition proceedings will formally start. She had been due back in court on Sept. 23. The justice ministry said the June 6 hearing would set court dates beyond those that have already been agreed in September and October. Separately, a former engineering manager used Huawei trade secrets and lured away 24 of its employees to improperly build his startup company, a lawyer for the Chinese telecommunications firm told a Texas jury. To read more, [click here](#).

### U.S. firms fret as China's FedEx probe, planned hit-list heightens trade frictions

The sudden deterioration in trade talks

between the United States and China last month has ratcheted up concerns among U.S. firms that the dispute could go beyond tariffs and affect business in the long-term. Business associations and consultants say they have been fielding a growing number of inquiries from companies about how best to navigate the trade dispute. They expect those calls to intensify after FedEx over the weekend became embroiled in U.S.-China frictions and an ongoing spat over Chinese tech giant Huawei. Further rattling nerves are Beijing's plans to unveil an unprecedented hit-list of "unreliable" foreign firms, groups and individuals that harm the interests of Chinese companies. China's commerce ministry announced the move on Friday without singling out any country or company.

### Facebook investors seek independent chair, citing vote tally

Public pension fund leaders called for separating the chairman and chief executive officer positions at Facebook, both held by co-founder Mark Zuckerberg, citing a vote that showed strong support for the idea among outside investors in the world's largest social media company. Separately, the company may be ordered to track down all posts duplicating content it has been told to remove by an EU court, an adviser to the European Union's top court said. To read more, [click here](#).

### San Francisco city hires adviser to explore potential acquisition of PG&E assets

San Francisco Public Utilities Commission said it has hired an adviser to explore the potential acquisition of PG&E's distribution assets. San Francisco has hired Jefferies LLC as buy-side financial adviser, the utilities commission's Press Secretary Will Reisman told Reuters.



Thousands of people take part in a candlelight vigil to mark the 30th anniversary of the crackdown of pro-democracy movement at Beijing's Tiananmen Square in 1989, at Victoria Park in Hong Kong, China, June 4. REUTERS/Tyrone Siu

## Insight and Analysis

### Sino-US trade war offers Europe chance to bank more Chinese reserves

Should European countries want the euro to replace the dollar as the world's dominant reserve currency, the Sino-US trade war may offer a window of opportunity. The souring of ties between the world's two largest economies will indicate the extent to which China can switch some of its giant reserve holdings to another hard currency and also point to the limitations the euro zone faces in providing a viable alternative. Recent data showed China sold more U.S. Treasuries in March than it has in any month over the past 2-1/2 years.

### Bond traders swap phones for new technology as market catches up

Carl James became a trader when he was 19, in the boisterous telephone dealing rooms of the 1990s. Now, he and his colleagues at Pictet Asset Management are about to start learning computer coding to help them understand the technological changes sweeping through one of the final frontiers of 'old-style' trading. Stocks and currencies mostly moved to electronic and automated trading platforms over the past 15 years but the opaque \$100 trillion-plus world of government and corporate debt has been a laggard. It is catching up.

### Mounting climate change fears push U.S. investors to assess geographical risks

With an above-average percentage of its power generated from renewable sources and one of the largest battery storage operations in the United States, utility Sempra Energy seemed to check all the boxes for portfolio manager Todd Ahlsten, who manages more than \$18 billion for Parnassus Investments based on each company's environmental, social and governance attributes. But he sold his shares in the company earlier this year because of his conviction that its location in California will put it in the crosshairs of increasingly severe weather patterns.



# CANADA

## Market Monitor

Canada's main stock index rose, with gains in financial and energy stocks kept in check amid broader concerns of a global economic slowdown.

The Toronto Stock Exchange's S&P/TSX rose 0.94% to 16,166.24.

The U.S. dollar was down 0.28% against its Canadian counterpart at C\$1.3396.

### COMING UP

The labor productivity rate of Canadian businesses is expected to expand 0.3% in the first quarter. The rate fell 0.4% in the previous one.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
<b>GAINERS</b>			
Aurora Cannabis Inc	10.56	0.92	9.54
Interfor Corp	12.20	0.85	7.49
Canfor Corp	9.39	0.60	6.83
<b>LOSERS</b>			
Waste Connections Inc	122.46	-4.16	-3.29
Nexgen Energy Ltd	2.03	-0.06	-2.87
B2Gold Corp	3.77	-0.10	-2.58

## Top News



A file photo of Air Canada signage at Vancouver's international airport in Richmond, British Columbia, Canada, February 5. REUTERS/Ben Nelms

### Quebec real estate developer tops Air Canada buyout offer for Transat

Real estate developer Group Mach said it offered to acquire Canadian tour operator Transat AT for C\$527.6 million, topping an earlier offer from Air Canada. A deal with Transat would help Mach expand in the leisure and

hospitality business by leveraging its expertise to ramp up the development of Transat's hotel chains. Mach said it would take Transat private at C\$14 per share in cash, C\$1 more than Air Canada's all-cash offer that valued the parent company of leisure carrier Air Transat at C\$520 million. Mach's offer

represents a premium of 18.2% to Transat's closing price on Monday. "The public markets are not the proper setting for Transat's 2018-2022 strategic plan, particularly its hotel development strategy," Mach said. Transat's strategic plan projects 5,000 rooms within six years. However, Mach said it can turn that into 12,000 rooms in the same time. Transat and Air Canada have both agreed to a 30-day period of negotiations to finalize a deal. "We believe Air Canada could ultimately offer a better price for Transat given the strong rationale behind the transaction and the potential for cost synergies with its operations", Desjardins analyst Benoit Poirier wrote. Air Canada did not immediately respond to Reuters request for comment on Mach's offer. Transat said it had no immediate comment. Mach said it had approached Transat seeking a potential negotiated deal earlier this year and followed it up with an initial letter of intent addressed to Transat's board.

# CANADA

## Canada raises capital requirement for domestic banks to 2%

Canada's bank regulator, the Office of the Superintendent of Financial Institutions, raised the capital requirement level for 'systemically important' banks in the country by 25 basis points, to 2%. The increased domestic stability buffer indicates the regulator's view that Canadian banks were still vulnerable to factors such as household indebtedness, asset imbalances and institutional indebtedness and hence, should hold more capital for emergencies. U.S. banks, on the other hand, have seen some easing in capital level requirements since President Donald Trump took over in 2016. The rule, effective October 31, will only be applicable to domestic systemically important banks, such as Bank of Montreal, Bank of Nova Scotia,

Canadian Imperial Bank of Commerce, National Bank of Canada, Royal Bank of Canada, and Toronto-Dominion Bank. The 'systemically important' companies are those whose failure can pose a threat to the global financial system.

## Canada says China will increase examination of meat imports

China's customs agency plans to increase inspections of Canadian meat and meat product imports, a move that could seriously damage the Canadian industry, officials said. A Canadian agriculture ministry notice to industry seen by Reuters said the embassy in Beijing had been told the Chinese would open all containers of Canadian meat and meat products and in some cases 100% of the contents will be inspected. Chinese officials cited "recent cases of non-compliance of

pork shipments" and also said the move was linked to the risk of African swine fever and anti-smuggling measures, the ministry said in its notice. China's pork industry has been badly hit by a deadly outbreak of swine fever. The Canadian Meat Council, which represents major processors, urged members to "increase significantly the surveillance and compliance with all requirements" for exports to China.

## Seven companies bid for eleven contracts in Colombia oil auction

Seven companies have put in bids for 11 oil exploration contracts in Colombia, the government said, as the Andean country seeks to revitalize its oil sector. Frontera Energy, Geopark, Ecopetrol, Hocol, Parex Resources, Gran Tierra Energy and ONGC Videsh have put in a total of 19 offers, the national hydrocarbons agency said. Ten of the blocks are onshore and one is offshore. At least 22 companies were qualified to bid on 20 blocks on offer in the auction. Results of the bidding are expected on July 16. "For the first time in the history of Colombia an offer of blocks has obtained 55% success," said agency head Luis Miguel Morelli. Qualified companies which did not bid will have access to competitors' offers and can present alternative ones, Morelli said. Other qualified bidders include: CNE Oil and Gas, Occidental Petroleum, Hunt Overseas Oil Company, Amerisur Exploracion, Mansarovar Energy and Noble Energy. The government hopes the new process and modified contractual terms for offshore exploration will boost its long-stagnant oil sector.



A file photo of Canadian pork shoulders on a butcher's counter at North Hill Meats in Toronto, Ontario, May 10, 2017. REUTERS/Hyungwon Kang



# WEALTH NEWS

## POWELL SPEAKS

### Trump trade war may push Fed closer to rate cut it resisted

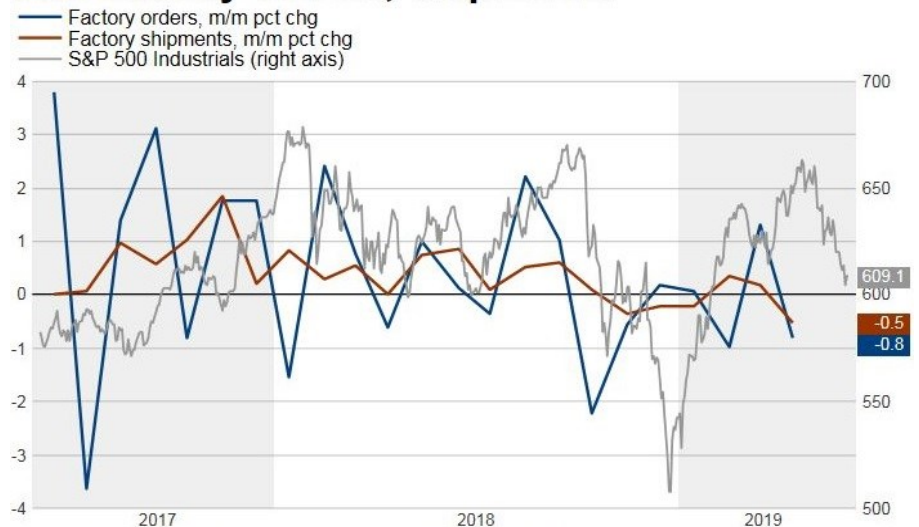
U.S. President Donald Trump may finally get the rate cut he has been demanding, but for the wrong reasons, as top Federal Reserve officials began warning this week that the global trade war may force them to respond.

## ECONOMIC DATA

### U.S. manufacturing mired in soft patch as orders, shipments fall

New orders for U.S.-made goods fell in April and shipments dropped by the most in two years, indicating continuing weakness in manufacturing activity that could hurt the broader economy. Factory goods orders declined 0.8%, pulled down by softening demand for transportation equipment, computers and electronic orders, and primary metals. Orders increased 1.3% in March. Economists polled by Reuters had forecast factory orders would fall 0.9% in April. Factory orders rose 1.6% compared to April 2018. Manufacturing, which accounts for about 12% of the economy, is being squeezed by businesses placing fewer orders while working off stockpiles of unsold goods in warehouses.

### U.S. factory orders, shipments



Source: Thomson Reuters Datastream — Reuters graphic/Stephen Culp 6/4/2019

[Click on the chart for a detailed graphic](#)

## TRUMP ON UK TRADE

### Effusive Trump promises Britain a "phenomenal" post-Brexit trade deal

U.S. President Donald Trump promised Britain a "phenomenal" post-Brexit trade deal, dismissed differences over China's Huawei and glossed over other disagreements as he heaped praise on the United States' closest ally.

## MEXICO TARIFFS

### Trump says tariffs on Mexico likely, decries migrant 'onslaught'

President Donald Trump said he would probably defy Mexico, U.S. business groups and lawmakers from his own party and impose new tariffs on all imports from Mexico to pressure authorities there to clamp down on illegal immigration into the U.S.

## CHINA'S WARNING

### China warns its companies on U.S. travel, rebuffs trade criticism

China warned its companies operating in the United States they could face harassment from U.S. law enforcement agencies, as it also rebuffed U.S. criticism of a trade white paper as "singing the same old tune".

## NO DEAL

### LyondellBasell ends talks with Odebrecht to buy Braskem

Petrochemical giant LyondellBasell Industries said it had ended talks with Braskem's controlling shareholder, Brazilian construction conglomerate Odebrecht SA, to acquire the company.

## FLIPKART TROUBLES

### Walmart faces major India test over unit Flipkart's legal spat with startup

An Indian startup's legal challenge against a Walmart unit claiming losses caused by sharp discounting of its products is winning support from other online sellers, in what is shaping as a key test of how the giant retailer operates in the country.



*U.S. President Donald Trump and Britain's Prime Minister Theresa May meet in Downing Street, as part of Trump's state visit in London, Britain. REUTERS/Carlos Barria*

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

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