

MORNING NEWS CALL

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U.S. EDITION

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TOP NEWS

US eases sanctions on Russian oil to ease energy prices inflated by Iran war

The U.S. has issued a 30-day waiver for countries to buy sanctioned Russian petroleum products currently at sea, hoping to ease oil and gas prices driven up by the war the U.S. and Israel are waging on Iran.

Adobe shares drop after CEO exit adds to AI-disruption concerns

Adobe's shares plunged in premarket trading after the Photoshop maker said CEO Shantanu Narayen would step down after 18 years at the helm, unsettling investors already wary of AI-driven disruptions to the design software market.

PREVIEW-Nvidia to focus on competition-beating AI advances at megaconference

When Jensen Huang strides onto the stage of a packed hockey arena to kick off Nvidia's annual developer conference on Monday, he is likely to reveal products and partnerships geared toward keeping the AI chipmaker atop a growing array of competitors.

Warsh's room to move at the Fed may be disappearing in a war-clouded outlook

Chances for President Donald Trump's Federal Reserve chair nominee Kevin Warsh to quickly loosen monetary policy are dwindling in the eyes of investors and analysts who have begun pushing back the dates of expected rate cuts and limiting how far they see Warsh being able to steer his colleagues towards lower borrowing costs if an ongoing oil price shock persists.

Starbucks may be neglecting labor dispute risks, shareholder proxy firms warn

Starbucks may be neglecting the financial and reputational risks that stem from labor disputes, two proxy advisory firms are warning shareholders.

BEFORE THE BELL

U.S. stock index futures were subdued as a widening conflict in the Middle East threatened to stoke price pressures and complicate the Federal Reserve's monetary policymaking. Investors were also tracking developments in the private-credit market and awaiting a slate of economic data later in the day, including PCE inflation and a second estimate of the U.S. GDP.

Oil prices extended their climb and were on track for strong weekly gains, as disruptions from the Middle East war outweighed U.S. and International Energy Agency measures to ease supply concerns.

The **dollar** was on course for a second consecutive weekly gain as investors sought safety, while energy-sensitive currencies such as the **euro** and **yen** slid to multi-month lows. **Gold** prices were little changed.

In **Europe**, **shares** extended their declines and were headed for a second weekly loss as inflation worries weighed on sentiment. Asian markets also slipped, with Japan's **Nikkei** logging a second straight weekly drop and **Chinese stocks** weakening alongside regional peers.

STOCKS TO WATCH

- **Adobe Inc:** The company's longtime CEO Shantanu Narayen will leave his role once a successor is appointed, the design software maker said on Thursday, sending its shares down over 7% in extended trading on renewed worries around its strategy as it grapples with AI disruption. The announcement of him leaving the helm puts the company in a precarious position as it comes at a time when Adobe is doubling down on AI, striking partnerships and exploring acquisitions to extend its industry lead. Separately, Adobe reported quarterly financial results, with double-digit growth in total revenue and its customer subscription segments, reflecting resilient spending on its product suite.
- **Amazon.com Inc:** The firm is planning to move its Prime Day sale event up to late June, Bloomberg News reported on Thursday, marking a rare shift in calendar for the critical, decade-old shopping event. Prime Day is marked by heavy discounts on categories ranging from apparel and electronics, and its summer iteration coincides with the back-to-school shopping season with parents and students waiting to cash in on the deals. The timing shift would also move Prime Day sales to Amazon's second quarter, which typically ends on June 30. The company declined to comment to Reuters on the report. However, Amazon has also had to contend with competing deals events from retailers such as Walmart and Target as these companies invest in their digital order fulfillment and same-day delivery capabilities.
- **Apple Inc:** The tech giant said on Thursday that it would lower the commission fees collected by the company from its App Store in mainland China in a huge win for Chinese developers following apparent pressure from regulators in the U.S. tech giant's second-largest market. Fees for in-app purchases and paid transactions will be lowered to 25% from 30% starting on Sunday, the California-headquartered company said in a statement on its website. In-app purchase transactions for developers belonging to Apple's small business and mini apps partner programs will be cut to 12% from 15%. The move is a breakthrough for Chinese app developers and operators of "super apps" including Tencent and TikTok owner ByteDance, whose platforms host many smaller apps created by third-party developers.
- **BE Semiconductor Industries NV:** The company has been fielding takeover interest, as demand for its chip-packaging technology has become more critical for semiconductor equipment makers, according to three people familiar with the matter. The chip equipment maker, which has a market value of 14 billion euros, has been working with investment bank Morgan Stanley to evaluate the approaches, two of the people said, requesting anonymity as the discussions are confidential. U.S. chip-equipment maker Lam Research is among the suitors that have held discussions with the Dutch company, one of the people said. BESI shares jumped in early trade after the news and were trading higher.
- **Buzzfeed Inc:** The company on Thursday flagged concern and said it will not provide a forecast for 2026 as it evaluates strategic options, sending the digital media company's shares down 7.3% after the bell. BuzzFeed has been grappling with a cash crunch as digital advertisers increasingly favor social media platforms such as TikTok and Meta Platforms' Instagram. It went public via a blank-check merger in 2021 with an enterprise value of \$1.5 billion. The stock has lost 98% of its value since then. BuzzFeed said it may lack sufficient cash to meet its financial obligations over the next 12 months. It ended 2025 with cash and cash equivalents of \$8.5 million.
- **JPMorgan Chase & Co:** The company's move to mark down the value of certain loans to private credit players will reduce lending to the funds, a source familiar with the matter said. The move from the largest U.S. lender extends a flurry of jitters across the roughly \$2 trillion private credit market, with Wall Street juggernauts facing heightened withdrawal requests in recent weeks. The bank's credit agreements for private credit allow it to re-mark valuations based on the collateral of the fund if there is a market dislocation, adding that the marks are not significant. The move means the lender is restricting the amount of leverage for the borrower, the source said. The decision has impacted on a small cohort of JPMorgan's borrowers, the source said, adding that the lender reserved the right to revalue private credit assets at any time.
- **Lucid Group Inc:** The company expects to turn cash flow positive late this decade, the EV maker said on Thursday, as it laid out its roadmap for affordable cars and autonomy, including unveiling a two-seater robotaxi concept without a steering wheel and pedals. Lucid is also racing to roll out later this year a mid-size electric vehicle platform that it said would drive annual deliveries up to about 100,000 in the medium term. Lucid has been working on cutting costs and, on Thursday, forecast a 50% to 60% reduction in unit costs in the medium term. Capital spending as a percentage of revenue is also set to fall by 2028, it said. Lucid's monthly subscription for its self-driving technology would be priced between \$69 and \$199 depending on the level of autonomous driving capability a customer chooses, the EV maker said.

- **LyondellBasell Industries NV:** The company on Thursday said a fire broke out at its Bayport Choate site in Texas and its firefighting and incident response teams were working to contain the blaze. The company added that "at this time, there is no threat to the surrounding community, and no action is required by neighbors" and it said all personnel were safe and accounted for. LyondellBasell earlier said it was experiencing an operational upset at the site and the people in the surrounding community might see bright flames or smoke.
- **Meta Platforms Inc:** The company has postponed the release of its artificial intelligence model "Avocado" to at least May, from this month, the New York Times reported on Thursday, citing sources. The performance of Meta's new AI model currently falls between Google's AI Gemini 2.5 and Gemini 3, delaying its launch until May or June, a person familiar with the matter told Reuters. The delayed timeline comes even as the company invests heavily to expand its AI ambitions, including a roadmap for building its own chips. Meta's new model, which the company has been working on for months, has fallen short in performance when compared with the latest offerings from rivals, the NYT report said. The leaders of Meta's AI division have discussed the possibility of temporarily licensing Gemini to power the company's AI products, the report added, although no decisions have been reached.
- **Nvidia Corp:** TikTok's Chinese parent ByteDance is assembling computing power with top Nvidia chips outside China, the Wall Street Journal reported on Thursday. ByteDance is working with Southeast Asian firm Aolani Cloud to deploy about 500 Nvidia Blackwell computing systems in Malaysia, totaling roughly 36,000 B200 chips, the WSJ report said, citing people familiar with the matter. The hardware build-out would likely cost more than \$2.5 billion, the report said, adding that Aolani currently operates with about \$100 million worth of hardware. ByteDance plans to use the computing power for AI research and development outside China and to meet growing global demand for AI from its customers, according to the report.
- **PayPay Corp:** The company's shares opened above their offer price in a widely anticipated Nasdaq debut on Thursday, valuing the Japanese payments app at \$12.7 billion and giving a much-needed boost to the new listings market. The SoftBank-backed company's stock opened at \$19, compared with the \$16 offer price. PayPay and an investment fund controlled by the SoftBank Group about 55 million American Depositary Shares below the marketed range of \$17 to \$20 to raise roughly \$880 million. PayPay pushed ahead with the offering despite the conflict in the Middle East roiling global markets and weighing on risk sentiment. The listing comes as SoftBank steps up its push into artificial intelligence, including its "all-in" bet on OpenAI.
- **Starbucks Corp:** The company may be neglecting the financial and reputational risks that stem from labor disputes, two proxy advisory firms are warning shareholders. The warnings come more than a year after contract talks between the company and its U.S. union, formed by baristas at its coffee shops, broke down. ISS highlighted strikes from Starbucks' U.S. union as well as a \$38.9 million settlement Starbucks recently agreed to pay over claims it violated New York City law requiring fast-food workers be given predictable and stable schedules. ISS and Glass Lewis flagged Starbucks' recent dissolution of a board committee formed under former CEO Laxman Narasimhan's tenure to oversee labor relations.
- **Ulta Beauty Inc:** The company forecast annual profit below analysts' estimates as higher costs drag margins and sounded some caution on the potential impact from "global conflicts", sending its shares down 8% in extended trading on Thursday. To draw younger and more affluent shoppers, Ulta has leaned on celebrity-owned and premium labels such as Beyonce's Cecred haircare line and Rihanna's Fenty Skin Body, while it ran holiday campaigns featuring Khloe Kardashian and Paris Hilton. While Ulta topped holiday-quarter sales expectations, its operating margin fell to 12.2% from 14.8% a year ago. It expects comparable sales growth of 2.5% to 3.5% in fiscal 2026, down sharply from a 5.4% increase posted in 2025.
- **United Parks & Resorts Inc:** Sesame Workshop sued SeaWorld, a unit of United Parks & Resorts, on Thursday to end their decades-long relationship, accusing the theme park operator of withholding royalties and undermining the "Sesame Street" brand. In a complaint filed in Manhattan federal court, Sesame Workshop said SeaWorld has been its exclusive U.S. theme park licensee for 45 years, however, said SeaWorld has for a few years ignored the most recent licensing agreement, which dates from 2017, including by withholding royalties and closing sites, including the temporary closure of Sesame Place San Diego. "United Parks & Resorts has repeatedly failed to honor its contractual obligations, leaving Sesame Workshop no choice but to pursue litigation to protect our brand and the trust that families place in it," a Sesame Workshop spokesperson said in an emailed statement.

FOCUS**Credit-card cash reshapes US airline loyalty — and profit**

For years, the fortunes of U.S. airlines have been dictated by fares, fuel bills and how many passengers fill their cabins. Now, a growing share of their cash comes from co-branded credit cards, and that is increasingly showing up in how loyalty programs reward travelers.

ANALYSTS' RECOMMENDATION

- **Adobe Inc:** JPMorgan cuts target price to \$420 from \$520, highlighting softer than expected ARR, a sharp decline in its Stock business, and added uncertainty from the CEO transition.
- **Dollar General Corp:** Jefferies cuts target price to \$170 from \$178, noting steady but moderated FY26 guidance, ongoing cost pressures, and limited near-term margin upside despite a strong fourth-quarter and reaffirmed mid-term targets.
- **Sentinelone Inc:** JPMorgan cuts target price to \$16 from \$17, citing in-line results, a cautious outlook, and uncertainty from an incoming CFO transition, even though product traction remains solid.
- **Ulta Beauty Inc:** Jefferies cuts target price to \$635 from \$720, citing weak FY26 guidance and reduced visibility on margin expansion as SG&A remains elevated.

ECONOMIC EVENTS (All timings in U.S. Eastern Time)

0830 **Personal income MM** for Jan: Expected 0.5%; Prior 0.3%
 0830 **Personal consumption real MM** for Jan: Prior 0.1%
 0830 **Consumption, adjusted MM** for Jan: Expected 0.3%; Prior 0.4%
 0830 **Core PCE price index MM** for Jan: Expected 0.4%; Prior 0.4%
 0830 **Core PCE price index YY** for Jan: Expected 3.1%; Prior 3.0%
 0830 **PCE price index MM** for Jan: Expected 0.3%; Prior 0.4%
 0830 **PCE price index YY** for Jan: Expected 2.9%; Prior 2.9%
 0830 **PCE prices excluding food, energy & housing** for Jan: Prior 0.4%
 0830 **PCE services price excluding energy & housing** for Jan: Prior 0.3%
 0830 **Durable goods** for Jan: Expected 1.2%; Prior -1.4%
 0830 **Durables excluding transport** for Jan: Expected 0.5%; Prior 1.0%
 0830 **Durables excluding defense MM** for Jan: Prior -2.4%
 0830 **Nondefense capital goods excluding aircraft** for Jan: Expected 0.5%; Prior 0.8%
 0830 **GDP 2nd estimate** for Q4: Expected 1.4%; Prior 1.4%
 0830 **GDP sales preliminary** for Q4: Prior 1.2%
 0830 **GDP cons spending preliminary** for Q4: Prior 2.4%
 0830 **GDP deflator preliminary** for Q4: Expected 3.6%; Prior 3.7%
 0830 **Core PCE prices preliminary** for Q4: Expected 2.7%; Prior 2.7%
 0830 **PCE prices preliminary** for Q4: Prior 2.9%
 0830 **PCE ex food, energy & housing (p)** for Q4: Prior 2.8%
 0830 **PCE services ex energy & housing (p)** for Q4: Prior 3.6%
 1000 **U Mich Sentiment Preliminary** for March: Expected 55.0; Prior 56.6
 1000 **U Mich Conditions Preliminary** for March: Prior 56.6
 1000 **U Mich Expectations Preliminary** for March: Prior 56.6
 1000 **U Mich 1 year inflation preliminary** for March: Prior 3.4%
 1000 **U Mich 5-year inflation preliminary** for March: Prior 3.3%
 1000 **JOLTS job openings** for Jan: Expected 6.700 mln; Prior 6.542 mln
 1000 **Dallas fed PCE** for Jan: Prior 2.2%

CORPORATE EVENTS (All timings in U.S. Eastern Time)

1100 **Lennar Corp:** Q1 earnings conference call

EX-DIVIDENDS

Albemarle Corp: Amount \$0.405
Allegion PLC: Amount \$0.55
Arch Capital Group Ltd: Amount \$0.34
Automatic Data Processing Inc: Amount \$1.7
Chubb Ltd: Amount \$0.97
Coca-Cola Co: Amount \$0.53
Crown Castle Inc: Amount \$1.0625
Devon Energy Corp: Amount \$0.24
Digital Realty Trust Inc: Amount \$1.22
Domino's Pizza Inc: Amount \$1.99
Duke Energy Corp: Amount \$0.35
Everest Group Ltd: Amount \$2
Fortive Corp: Amount \$0.06
Garmin Ltd: Amount \$0.9
Gilead Sciences Inc: Amount \$0.82
Northern Trust Corp: Amount \$0.29
Packaging Corp of America: Amount \$1.25
Ross Stores Inc: Amount \$0.445
SBA Communications Corp: Amount \$1.25
Sempra: Amount \$0.3594
Southern Co: Amount \$0.4062
Textron Inc: Amount \$0.02
Thermo Fisher Scientific Inc: Amount \$0.47
Verisk Analytics Inc: Amount \$0.5
Waste Management Inc: Amount \$0.945
Williams Companies Inc: Amount \$0.525
Xcel Energy Inc: Amount \$0.59

(All analysts' estimates are according to LSEG IBES data)

PICTURE OF THE DAY



U.S. President Donald Trump shows a signed proclamation next to first lady Melania Trump during a Women's History Month event, in the East Room of the White House in Washington, D.C. March 12. REUTERS/Nathan Howard

(Compiled by Rahul Raj and Shriya A in Bengaluru)

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LSEG, 10 Paternoster Square, London, EC4M 7LS, United Kingdom

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