MARKET RECAP at 4 pm ET

Wall Street closed lower but rebounded from earlier sharp losses after President Trump delayed new tariffs on Mexico, following his decision to impose steep tariffs on three countries, which had triggered a global rush to safe-haven assets. Meanwhile, **short-term Treasury yields** rose, indicating increased near-term inflation risks. The **dollar** gained and **oil** prices climbed. **Gold** surged.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	44,420.19	-124.47	-0.27	45,008.75	41,844.89
Nasdaq	19,391.96	-235.49	-1.20	20,118.61	18,831.91
S&P 500	5,994.57	-45.96	-0.76	6,128.18	5,773.31
Toronto	25,241.76	-291.34	-1.14	25,875.61	20,466.50
FTSE	8,583.56	-90.40	-1.04	8,692.84	8,160.60
Eurofirst	2,129.61	-17.47	-0.81	2,158.36	2,008.73
Nikkei	38,520.09	-1052.40	-2.66	40,288.80	38,055.68
Hang Seng	20,217.26	-7.85	-0.04	20,337.46	18,671.49

TREASURIES	Yield	Price
10-year	4.5327	9 /32
2-year	4.2530	-1 /32
5-year	4.3484	2 /32
30-year	4.7591	26 /32

FOREX	Last	% Chng
Euro/Dollar	1.0293	-0.67
Dollar/Yen	154.74	-0.28
Sterling/Dollar	1.2396	0.05
Dollar/CAD	1.4571	0.32
USD/CNH (Offshore)	7.3160	-0.05

COMMODITIES ($)	Price	Chng	% Chng
Front Month Crude /barrel	72.86	0.33	0.45
Spot gold (NY/oz)	2816.76	15.76	0.56
Copper U.S. (front month/lb)	4.31	0.0465	1.09
CRB Index Total Return	372.96	4.91	1.33

S&P 500	Price	$ Chng	% Chng
GAINERS			
Molina Healthcare Inc	326.31	15.90	5.12
Elevance Health Inc	407.31	11.61	2.93
Valero Energy Corp	136.73	3.73	2.80
LOSERS			
Franklin Resources Inc	20.82	-1.42	-6.38
FedEx Corp	247.98	-16.89	-6.38
BlackRock Inc	1015.73	-59.77	-5.56

Coming Up

The logo of Google is seen outside Google Bay View facilities during the Made by Google event in Mountain View, California, August 13, 2024. REUTERS/Manuel Orbegozo

Google-parent **Alphabet** is expected to report a rise in its fourth-quarter revenue, aided by strong digital advertising demand and growth in its cloud unit. Investors will be watching for the company's outlook, trends on Google's AI initiatives including AI Overviews and Gemini, as well as its capital spending plans.

AMD is expected to report a jump in its fourth-quarter revenue. Investors are likely to scrutinize AMD's AI strategy as it faces competition from Nvidia and custom chipmakers.

Drugmaker **Pfizer** is expected to report fourth-quarter earnings a little over a month after it forecast 2025 profit roughly in line with Wall Street

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Durables excluding-defense, (R) MM for Dec	1000	--	-2.4%
Durable goods, (R) MM for Dec	1000	--	-2.2%
Factory orders MM for Dec	1000	-0.7%	-0.4%
Durables excluding-transportation (R) MM for Dec	1000	--	0.3%
Nondefense capital excluding-aircraft (R) MM for Dec	1000	--	0.5%
Factory excluding-transportation MM for Dec	1000	--	0.2%
JOLTS Job openings for Dec	1000	8 mln	8.098 mln

expectations. The performance of its COVID-19 vaccine, antiviral drug Paxlovid, and newer cancer drugs will be closely watched, alongside any updates on its experimental obesity drug. Comments around any engagement with activist hedge fund Starboard Value will also be of interest. Separately, **Amgen** is set to report its fourth-quarter results. Investor focus will be on the performance of its drugs for cholesterol, osteoporosis and thyroid eye disease along with any updates on the development of its weight-loss drug. Additionally, **Merck** is slated to report fourth-quarter results. Investors will look out for the drugmaker's 2025 outlook and comments regarding sales of its HPV vaccine, Gardasil, in China. Meanwhile, **Regeneron** is expected to report its fourth-quarter results. Investor focus will be on the drugmaker's 2025 outlook and performance of its eczema drug and eye drug, which is facing competition from biosimilars.

The U.S. Labor Department's **Job Openings and Labor Turnover Survey** is likely to show 8 million job openings in December, down from 8.098 million in the previous month. Additionally, the Commerce Department's Census Bureau is expected to report that **factory orders** likely declined 0.7% in December after falling 0.4% in November.

Federal Reserve Vice Chair **Philip Jefferson** is slated to speak on the U.S. economic outlook and monetary policy before the Lafayette College Economics Department Special Lecture in Easton. Additionally, Atlanta Fed President **Raphael Bostic** is due to speak on housing in a moderated conversation before a National Housing Crisis Task Force Meeting in Atlanta. Meanwhile, San Francisco Fed President **Mary Daly**, is expected to participate in a hybrid discussion, "The Economy 2025: the Impacts of Tariffs, Tax Cuts and Trump" before the Commonwealth Club World Affairs of California in San Francisco.

PepsiCo is expected to post a slight rise in fourth-quarter revenue, benefitting from still steady demand for sodas internationally, but taking a hit from lackluster sales in its snacking department in the U.S. Investors will look out for comments on promotions, cost-saving initiatives and outlook for the new fiscal year.

KKR is expected to post a jump in its fourth-quarter profit when the alternative asset manager reports its earnings, driven by higher fee-related earnings.

Mondelez is expected to announce an increase in fourth-quarter revenue, on demand for its snacks and confectionery. Investors will look out for comments on forecasts, impact, and efforts to offset cocoa price inflation, including cost-saving measures and pricing strategies.

Oreo boxes are displayed on a shelf in a supermarket in Sarajevo, Bosnia and Herzegovina, October 29, 2024. REUTERS/Dado Ruvic

PayPal is expected to report a higher fourth-quarter revenue, thanks to strong holiday season spending at the digital payments giant. Analysts and investors will be watching for the company's outlook on spending growth in 2025 and its path to expanding operating margins.

Private equity giant **Apollo Global Management** is expected to post its fourth-quarter results. Analysts expect the company to report higher fee-related earnings, thanks to a better environment for dealmaking.

Electronic Arts is expected to report a slight fall in third-quarter bookings after the company warned of weaker performance of its popular EA FC franchise and worse-than-expected sales for its new Dragon Age title.

Global grains merchant **Archer-Daniels-Midland** is expected to report its fourth-quarter results. The results will be closely watched by investors as the company continues to grapple with accounting irregularities which forced it to correct six years of financial data.

Chipotle Mexican Grill is expected to post a rise in fourth-quarter revenue, helped by strong demand for its burrito bowls and wraps. Investors will watch out for CEO Scott Boatwright's plans for price hikes for the rest of the year, as well as comments on input costs.

Cosmetics giant **Estee Lauder** is expected to post a decline in second-quarter revenue, hurt by sluggish demand for luxury goods. Investors will look for comments on demand, especially in China, turnaround plans of the new CEO as well as annual forecasts.

Snap is expected to report higher fourth-quarter revenue, driven by strong digital advertising spend on its platform during the crucial holiday shopping season when brands spend heavily to promote their products and services. Investors will be looking for commentary on uncertainty over a potential U.S. TikTok ban, benefits and risks of its app redesign, dubbed "Simple Snapchat," and any impact from stronger U.S. dollar on the current quarter expectations. Meanwhile, **Spotify** is expected to report higher fourth-quarter revenue, helped by price increases of its premium plans and growing subscriber base. Investors will be looking for commentary on how the Swedish audio streaming company's artificial intelligence initiatives are helping it to boost its services.

Broadcasting company **Fox Corp** is expected to report a rise in its second-quarter revenue and profit, helped by an uptake in political advertising spending in the run-up to the U.S. presidential elections and incremental advertising earnings from Tubi, its ad-supported streaming service.

Toymaker **Mattel** is expected to post fourth-quarter sales flat to last year owing to the strained US consumer spending backdrop and fading benefits of Barbie sales last year. Investors will look out for comments on tariff impacts, demand recovery and margin progress.

Marathon Petroleum is expected to report a lower fourth-quarter profit. Investors will look for comments on Trump's tariff plans, first-quarter updates, and renewable fuels.

Farm and construction equipment maker **CNH Industrial** is expected to report a fall in quarterly revenue when it reports its fourth-quarter results. Analysts expect the company to report a fall in per-share profit as well.

Packaging firm **Amcor** is expected to report a rise in its second-quarter revenue, benefiting from consecutive price hikes and easing input costs.

Small figurines are seen in front of displayed Spotify logo in this illustration taken February 11, 2022. REUTERS/Dado Ruvic

Investors will be on the lookout for the company's 2025 adjusted forecast.

Jacobs Solutions is set to report first-quarter results. The company is expecting to report upbeat results on the back of growing global investment across life sciences, semiconductor and data centers sectors. Investors expect Jacobs' strong backlog and investment pipeline to support overall revenue growth.

Health insurer **Centene** is expected to report fourth-quarter results. Investors are expected to look out for any changes to its 2025 profit forecast and any commentary on the company's medical costs.

Edwards Lifesciences is expected to give its fourth-quarter results. Investor focus will be on the performance of its artificial heart valves.

Beer can maker **Ball Corp** is expected to post a drop in fourth-quarter revenue, hurt by slowing demand for alcoholic drinks. Investors will look out for progress on cost-cutting measures, demand outlook and any potential impact from tariff changes.

Match Group is expected to post a decrease in its fourth-quarter revenue, as users cut back spending on dating apps.

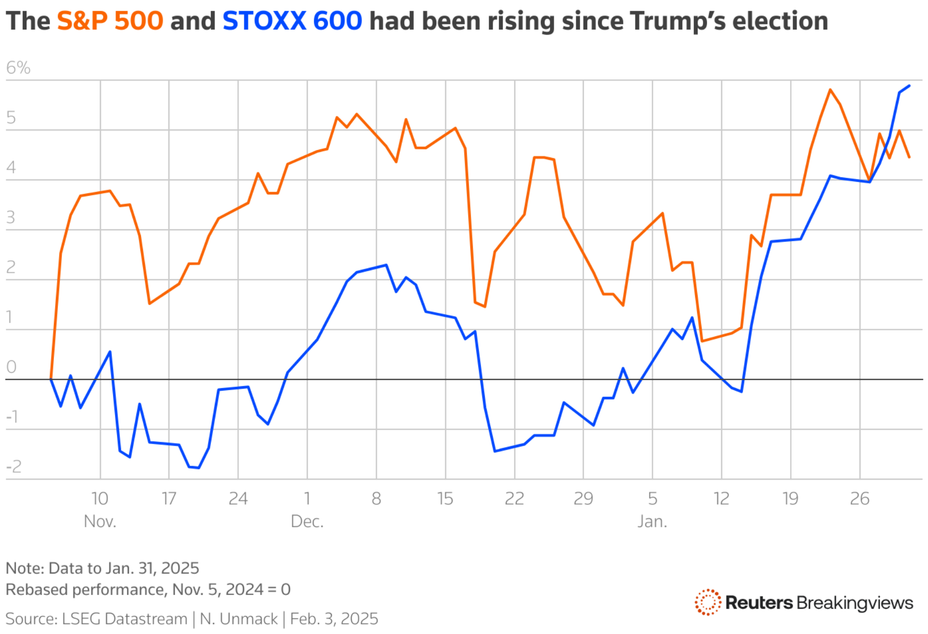
Commercial real estate investment trust **Simon Property** is expected to post a jump in fourth-quarter revenue, helped by leasing demand for its shopping center real estate space. Investors will watch for the annual forecast.

Prudential Financial is set to report its fourth-quarter results. Analysts expect a rise in profit. Willis Towers Watson is set to report its fourth-quarter results. Analysts expect a rise in profit.

In Latin America, **Brazil**'s statistics agency, IBGE, is expected to report **producer price index** figures for December. Investors will also look out for **Mexico**'s **S&P Global manufacturing PMI** data for January.

Market Monitor

Stocks closed lower, but partly recovered from initial steeper losses as U.S. President Donald Trump delayed tariffs on Mexico after his orders to levy tariffs on three countries sparked a global scramble to safe-haven assets earlier in the day. "Trump has been really serious that tariffs are going to be a primary tool to achieve a number of different things," said Carol Schleif, chief investment officer at BMO Family Office. "They're not going away and the ride is likely to be bumpy in the short run. And it's clear the European Union is in his sights too." Analysts at Citi noted that "if tariffs persist, markets are likely to move further (down) and inflationary effects will emerge." The **Dow Jones Industrial Average** fell 0.27% to 44,420.19. The **S&P 500** lost 0.76% to 5,994.57 and the **Nasdaq Composite** was 1.20% down at 19,391.96.



Click on the chart for a detailed and interactive graphic

U.S. short-dated Treasury yields advanced in volatile trading, while those on **long-dated debt** slipped, as investors worried about the inflationary and growth impact of U.S. President Donald Trump's tariffs on Canada, Mexico and China. "The short end of the curve is focused on the inflationary impact of tariffs. And the long part is reacting to potential economic weakness tied to the tariffs," said Jim Barnes, director of fixed income, at Bryn Mawr Trust in Berwyn, Pennsylvania. "We are in a period of heightened volatility and we'll likely have a lot of back and forth before the market find its footing. And so the Fed will stay on the sidelines...and will be patient and see what these policies end up doing," he added. The **two-year notes** fell 1/32 with a yield of 4.2530%. **Benchmark 10-year notes** rose 9/32, yielding 4.5327%. **30-year bonds** added 26/32 to yield 4.7591%.

The **dollar** fell against the Mexican peso as Donald Trump paused new tariffs on Mexico for one month, after the country agreed to reinforce its northern border with 10,000 National Guard members to stem the flow of illegal drugs, Trump said. "This delay to Mexico plays into this idea that the tariffs are just a transactional tool," said Marc Chandler, chief market strategist at Bannockburn Global Forex. The **euro** plunged as much as 2.3% to $1.0125 - the lowest since November 2022 - as investors braced for tariffs on Europe from the Trump administration. Against the **Mexican peso**, the **dollar** was down 1.29% at 20.4120 pesos. The **euro** was last down 0.67% against the dollar at $1.0293. Against the **Japanese yen**, the **dollar** slid 0.28% to 154.74 yen. The **dollar index** was last up 0.48% at 108.89.

Oil prices were up in volatile trade, as the market digested U.S. President Donald Trump's planned imposition of tariffs on Canada, Mexico and China. "Tariffs on Canadian energy imports would likely be more disruptive for domestic energy markets than those on Mexican imports and might even be counterproductive to one of the president's key objectives - lowering energy costs," Barclays analyst Amarpreet Singh said. **Brent futures** rose 0.15% to $75.78 a barrel, while **U.S. West Texas Intermediate crude** were up 0.45% at $72.86 per barrel.

Gold prices hit an all-time high, bolstered by safe-haven inflows after U.S. President Donald Trump's tariffs on Canada, China and Mexico added to concerns of inflation that would dent economic growth. Despite the usual dampening effect of a strong dollar on the gold market, prices have been rallying due to the safe-haven demand driven by uncertainty surrounding Trump's tariffs, said David Meger, director of metals trading at High Ridge Futures. **Spot gold** rose 0.56% to $2,816.76 per ounce, after hitting a record of $2,830.49 earlier in the session. **U.S. gold futures** were 0.73% higher at $2,855.80 per ounce.

Top News

Mexico, US reach deal to delay tariffs for one month

U.S. President Donald Trump paused new tariffs on Mexico for one month after Mexico agreed to reinforce its northern border with 10,000 National Guard members to stem the flow of illegal drugs. The agreement also includes a U.S. commitment to prevent trafficking of high-powered weapons to Mexico, Mexican President Claudia Sheinbaum said on X. The two leaders spoke by phone, just hours before U.S. tariffs on Mexico, China and Canada were set to take effect - steep levies that economists say would cause widespread economic harm, including raising prices for U.S. businesses and consumers. The U.S. and Mexico will use the month-long suspension to engage in further negotiations, Trump said on social media. "We have this month to work and convince each other that this is the best way forward," Sheinbaum said at a press conference. While the deal eases the pressure for now on Mexico, prospects for a comparable reprieve imminently for Canada and China appeared dim, as Trump and his team kept up their criticism of the U.S. northern neighbor in particular. Meanwhile, automakers and alcoholic beverage companies pared early session losses after U.S. President Donald Trump paused new tariffs on Mexico for one month. To read more, **click here**

Google asks US appeals court to overturn app store verdict

Lawyers for Alphabet's Google and "Fortnite" maker Epic Games squared off before a U.S. appeals court in California, as Google tries to undo a jury verdict and a judge's order forcing it to revamp its app store. Google's lawyer argued to the San Francisco-based 9th U.S. Circuit Court of Appeals that a trial judge made legal errors in the antitrust case that unfairly benefited Epic Games. Epic accused Google in a 2020 lawsuit of monopolizing how consumers access apps on Android devices and how they pay for transactions within apps. The Cary, North Carolina-based company convinced a San Francisco jury in 2023 that Google illegally stifled competition. Attorney Jessica Ellsworth, representing Google, told the appeals court that the tech company's Play store competes fiercely with Apple's App Store, and that Donato unfairly barred Google from more broadly making that point. Ninth Circuit Judge Danielle Forrest pushed back on Google. “There are definitely some clear factual differences from the Android world and the Apple world, and your arguments sort of brush that idea aside,” Forrest said.

Tesla's California car registrations down 12% in 2024, report shows

Tesla's electric-vehicle registrations in California fell about 12% last year, according to industry data, indicating mounting challenges for the automaker in the key U.S. market. While high interest rates, tough competition and the introduction of a restyled Model 3 sedan hurt the EV maker's sales in California, the loss of business was likely exacerbated by CEO Elon Musk's involvement in the U.S. election. "Things aren't looking so golden for Tesla in the Golden State. Tesla's dominance in the electric-vehicle market continues to falter as the brand reported its fifth consecutive quarterly registration decline," California New Car Dealers Association said in a report published on Jan. 31. Still, the Model Y crossover continued to be the top-selling vehicle in the state, with about 129,000 units sold last year. The Model 3 sedan was a distant second, with around 53,000 cars delivered. Meanwhile, Tesla lost market share in Sweden and Norway in January, car registration data showed as the U.S. electric vehicle maker faces a test of popularity following billionaire CEO Elon Musk's high-profile foray into politics. To read more, **click here**

Cigna links executive pay to customer satisfaction as insurers face scrutiny

U.S. health insurer Cigna Group will hire more staff in people-facing roles and link executive compensation to customer satisfaction as part of sweeping measures to address widespread criticism over medical care denials and delays. "We recognize that the way we will get trust back is not

Tesla electric vehicles use a Tesla supercharging station in Union City, New Jersey, July 23, 2024. REUTERS/Eduardo Munoz through our words, it's not even through our actions. It's through the results that people will see," David Brailer, Cigna's chief health officer, said in a video posted on the company's website. The company said it would add new concierge teams to support customers experiencing challenges with prior authorization or with claims payments. Cigna also plans to double the number of employees, which it expects will largely be hired externally, to help support patients during the treatment process.

SoftBank, OpenAI unveil Japan AI joint venture
SoftBank Group CEO Masayoshi Son said he has agreed with OpenAI CEO Sam Altman to set up a joint venture in Japan to offer artificial intelligence services to corporate customers. The joint venture, SB OpenAI Japan, will be owned by OpenAI and a company established by SoftBank and its domestic telecoms arm. The Japanese investment giant will also pay $3 billion annually to use OpenAI's technology across SoftBank group companies. "The world is going to just need so much compute," Altman said. Son's backing for OpenAI reflects his reemergence as an investment force after a period of retrenchment sparked by the falling value of SoftBank's tech portfolio and a series of high profile stumbles.

Stellantis shakes up management, structure, as CEO search continues
Stellantis announced management changes as part of a shake-up at the world's fourth-largest automaker launched after the shock exit CEO Carlos Tavares in December. The search for a new permanent CEO is "well under way", the company's interim executive committee led by Chairman John Elkann said in a statement, reiterating that the process would be concluded in the first half of this year. The company announced that head of North American operations Antonio Filosa, who is seen as a candidate to become the group's new CEO, is taking on the additional role of global chief for quality. He will leave his job as head of the Jeep brand to Bob Broderdorf. Alain Favey has been appointed head of the group's Peugeot brand, replacing Linda Jackson, a long-time serving manager under Tavares who is retiring. Also as part of the reorganisation plan, Stellantis has integrated its software and engineering activities under Chief Engineering and Technology Officer Ned Curic, the company said.

Becton Dickinson looks to divest life sciences unit at $30 billion valuation, source says
U.S. medical device maker Becton Dickinson is considering a potential separation of its life sciences unit at a valuation of about $30 billion, a person familiar with the matter said. The company could announce the separation of the business, which consists of biosciences and diagnostic solutions, at the time of its earnings later this week, the source said. Becton is scheduled to report results on Thursday. The Financial Times had earlier reported that activist investor Starboard Value had taken a stake in Becton and was pushing the company to sell its life sciences unit. The size of Starboard's stake is unclear, the FT report said, adding that the hedge fund met with the company's management and sent a letter to the board regarding the matter.

Tyson lifts 2025 sales forecast, prepares for tariff impacts
U.S. meatpacker Tyson Foods raised its annual sales forecast as strong demand for beef and chicken helped it exceed first-quarter results estimates. However, Tyson faces threats from tariffs that U.S. President Donald Trump plans for Mexico, Canada and China, as well as tight supplies of U.S. cattle. Tyson considered tariff risks when it lifted its annual adjusted operating income forecast range to between $1.9 billion and $2.3 billion, from $1.8 billion to $2.2 billion expected earlier, CEO Donnie King told analysts on a call. The company now expects fiscal 2025 sales to be flat to up 1%, compared with flat to down 1%. On an adjusted basis, Tyson earned $1.14 per share in the first quarter ended Dec. 28, compared with estimates of 88 cents. Sales in its beef unit, the company's biggest business, rose 6.2% as cattle are being raised to heavier weights after farmers slashed their herds due to drought.

Aero parts maker Triumph to go private in $3 billion deal
Investment firms Warburg Pincus and Berkshire Partners have agreed to buy aircraft parts maker Triumph Group in a take-private deal valued at about $3 billion, the company said. The deal drove competition by both business-focused and investor-backed buyers amid a scarcity of high quality commercial aerospace companies on the market, a person close to the transaction said. Triumph's shareholders will receive $26 per share in cash. Discussions were largely unaffected by a decision by the administration of U.S. President Donald Trump to impose tariffs on China, Mexico, and Canada, the person added. Triumph has Boeing, Airbus and GE Aerospace among its customers and services military and commercial aircraft.

Baxter CEO José Almeida to retire after near decade-long tenure
Baxter International said its CEO José Almeida will retire effective immediately, after nearly a decade as the company's top boss. Almeida's retirement comes on the heels of Baxter completing a $3.8 billion spinoff of its kidney-care unit. During his tenure, Baxter agreed a $10.5 billion deal to bring hospital bed-maker Hill-Rom under its wing, and shifted focus away from its biopharma business. Almeida, who also held the roles of board chair and president at Baxter, will serve in an advisory capacity through Oct. 31, the company said. Baxter's board appointed Brent Shafer, lead independent director, as chair and interim CEO and initiated its search for a permanent candidate. The company reiterated its forecast of 4% to 5% operational sales growth and about 16.5% adjusted operating margin in 2025.

Beyonce receives the Best Country Album award for "Cowboy Carter" during the 67th Annual Grammy Awards in Los Angeles, California, February 2. REUTERS/Mario Anzuoni

Insight and Analysis

PREVIEW-Alphabet faces scrutiny on AI spending as Google cloud growth slows
Alphabet will face investor scrutiny over its massive spending on AI when it reports earnings on Tuesday, as revenue growth at the Google parent likely slowed in the holiday quarter due to a slowdown in its advertising and cloud businesses. Like other U.S. technology heavyweights, Alphabet faces new scrutiny on its capital expenditure after Chinese startup DeepSeek last month launched low-cost AI models that threaten to push the AI industry into a price war.

PREVIEW-AMD's AI bets face investor scrutiny as Big Tech switches to custom chips
AMD investors will closely examine the chip designer's artificial intelligence strategy when it reports fourth-quarter results on Tuesday as Big Tech's shift to custom silicon raises doubts about its place in the AI infrastructure race. Analysts expect AMD's December-quarter revenue to surge over 22% to $7.53 billion, but the company's growth prospects are shadowed by the dominance of Nvidia in the AI chip market and the rising trend of tech giants like Microsoft, Amazon.com and Meta developing custom chips.

PREVIEW-Smaller US winter COVID wave adds pressure to Pfizer turnaround
Health experts are seeing signs of a much smaller wave of U.S. COVID-19 cases this winter than in previous years, which could put additional pressure on Pfizer to find growth from its non-COVID treatments. Pfizer, which reports financial results on Tuesday, has been under pressure from investors looking for an improved performance from its other products, such as its cancer drugs, to make up for COVID sales, which have crashed from their pandemic peak of close to $60 billion in revenue.

CANADA

Market Monitor

Canada's main stock index ended lower as investors dumped risky assets after Ottawa retaliated against U.S. President Donald Trump's tariffs on imports.

The Toronto Stock Exchange's **S&P/ TSX composite index** was down 1.14% at 25,241.76.

Among sectors, **industrials** fell 2.54% to 461.85, with business jet exporter **Bombardier** ending 2.69% lower. Shares of Canadian auto parts makers also sank; **Magna International** fell 6.18% and **Linamar** was 4.86% lower.

The **U.S. dollar** was up 0.32% against its **Canadian counterpart** at C$1.4571.

TSE's S&P/TSX composite	Price	C$ Chng	% Chng
GAINERS			
Equinox Gold Corp	9.54	0.77	8.78
Definity Financial Corp	59.22	2.07	3.62
SilverCrest Metals Inc	15.78	0.55	3.61
IAMGOLD Corp	9.36	0.32	3.54
Sandstorm Gold Ltd	8.76	0.28	3.30
LOSERS			
goeasy Ltd	162.18	-14.75	-8.34
BRP Inc	64.04	-5.46	-7.86
Air Canada	18.19	-1.42	-7.24
Tilray Brands Inc	1.44	-0.11	-7.10
Magna International Inc	54.06	-3.56	-6.18

Top News

Canadians cancel trips, ban American booze after Trump's tariffs
Canadians have canceled trips south of the border, boycotted U.S. alcohol and other products and even booed at sporting events after U.S. President Donald Trump announced 25% tariffs on most of Canada's goods on Saturday. Though Trump had pledged to put tariffs on Canada and Mexico before taking office, the perceived act of economic warfare on a country that is so close to the United States culturally and geographically still came as a shock to many Canadians. "It feels like Trump wants to restructure the world order," Drew Dilkens, mayor of the Canadian border city of Windsor, said in an interview. "He's willing to start with his closest ally… If he's willing to do this to Canada, what's he willing to do to everybody else?" Separately, global makers of alcoholic drinks like Diageo are caught in the cross-fire of a major trade war as U.S. tariffs deal a hefty blow to an industry already struggling with falling sales. To read more, **click here**

Canadian factory PMI dips in January as trade war risk dents confidence
Canadian manufacturing activity increased at a slower pace in January as looming U.S. trade tariffs reduced confidence in the outlook, even as moves by clients to get ahead of the taxes led to the first increase in export orders in 17 months. The S&P Global Canada Manufacturing Purchasing Managers' Index (PMI) fell to 51.6 in January from 52.2 in December. Still, it was the fifth straight month above the 50.0 no-change mark. A reading above 50 indicates expansion in the sector. U.S. President Donald Trump on Saturday ordered sweeping tariffs of 25% on goods from Mexico and Canada, demanding they stanch the flow of fentanyl and illegal immigrants. Canadian Prime Minister Justin Trudeau said Canada would respond with 25% tariffs against $155 billion of U.S. goods, including beer, wine, lumber and appliances.

North American aerospace union presses Trump to pause tariffs on Canada
The United States should pause tariffs on Canada as it did on Mexico, the head of the largest North American aerospace union told Reuters, as industry executives weighed the impact of fresh duties on plane parts and jets. U.S. President Donald Trump announced executive orders that would impose tariffs of 25% on Canadian imports and 10% on goods from China starting on Tuesday. Trump had planned a 25% tariff on Mexico, but that was delayed after a Monday call with Mexico's president. "I would think they would do the same thing for Canada," said Brian Bryant, international president of the International Association of Machinists and Aerospace Workers (IAM), which represents workers at planemakers such as Boeing.

TD veteran Chun takes over as bank recovers from money laundering scandal
A longtime TD Bank executive took over as the Canadian lender's CEO on Saturday, tasked with steering it through an anti-money laundering remediation program after it paid a historic fine to U.S. regulators. Raymond Chun, 55, has spent over 30 years at Canada's second-largest bank, running TD's wealth, insurance and Canadian personal banking business. As CEO he will be in charge of cleaning up the bank's U.S. retail banking business, including the potential sale of certain assets. Unlike other CEO contenders, Chun maintained a low profile on Bay Street - Toronto's financial district - while running many of TD's businesses and was known for his broad knowledge of the bank business, former colleagues and industry executives said.

WEALTH NEWS

NEW WEALTH FUND

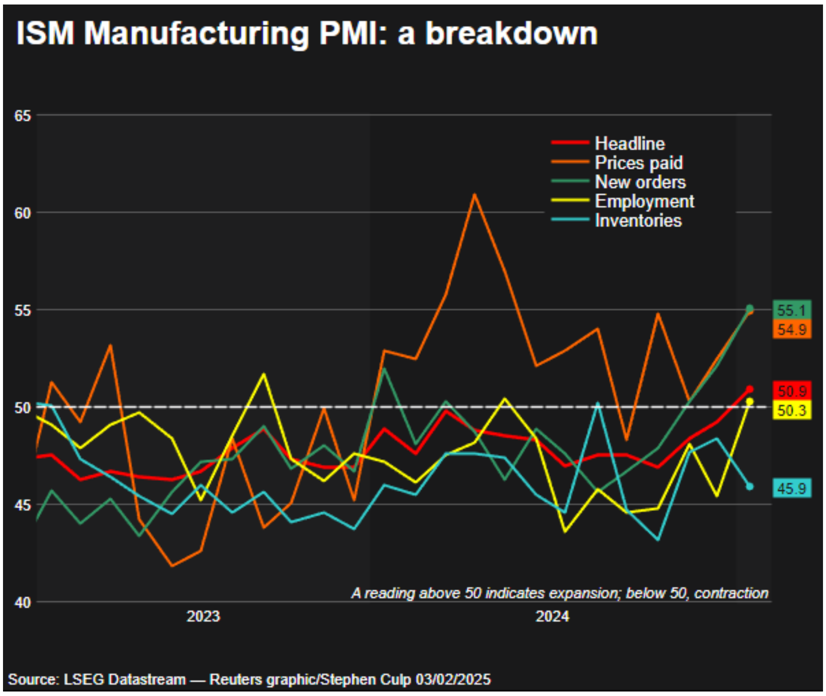
Trump orders creation of US sovereign wealth fund, says it could buy TikTok

U.S. President Donald Trump signed an executive order ordering the creation of a sovereign wealth fund within the next year, saying it could potentially buy the short video app TikTok.

ECONOMIC DATA

US manufacturing rebounds, tariffs could derail tentative recovery

U.S. manufacturing grew for the first time in more than two years in January, but recovery was likely to be short-lived after President Donald Trump imposed tariffs on goods from Canada, Mexico and China at the weekend, which will potentially further raise raw material prices and snarl supply chains. The ISM said its manufacturing PMI increased to 50.9 last month from 49.2 in December. It was the first time since October 2022 that the PMI rose above the 50 mark, indicating growth in the manufacturing sector. The ISM survey's forward-looking new orders sub-index jumped to 55.1 last month from 52.1 in December. Its measure of prices paid by manufacturers raced to an eight-month high of 54.9 from 52.5 in December. A separate report from the Commerce Department's Census Bureau showed that construction spending increased 0.5% in December, underpinned by single-family homebuilding.



INFLATION WARNING

Fed officials see inflation risks from tariff surge

Two Federal Reserve officials warned the large-scale tariffs now being pursued by the Trump Administration come with inflation risks, even as they stopped short of saying how that's affecting their thinking about monetary policy in a climate of notable uncertainty.

EXCLUSIVE

Trump's meme coin made nearly $100 million in trading fees, as small traders lost money

Entities behind President Donald Trump's crypto coin have accumulated close to $100 million in trading fees in less than two weeks, according to estimates from three blockchain analysis firms, a large windfall from a venture that has seen tens of thousands of small traders lose money.

BUSINESS LOAN DEMAND

US banks say demand for business loans rose in Q4-Fed survey

U.S. banks say demand for business loans strengthened in the fourth quarter, with the net share of banks reporting an increase turning positive for the first time in two years, a Federal Reserve survey showed.

REDUCED COSTS

Vanguard slashes fees; expects its investors will save $350 million in 2025

Asset manager Vanguard said it was lowering the cost of investing across its fund lineup in its largest cut ever and estimated that this would translate into savings of more than $350 million for its investors this year.

CHANGING STANCE

US consumer bureau won't defend Biden-era rules in court after chief was fired

The U.S. Consumer Financial Protection Bureau is refusing to defend Biden administration-era rules in court after its director was fired by President Donald Trump.

ON THE RADAR

Events	ET	Poll	Prior
Wed: ADP national employment for Jan	0815	150,000	122,000
International trade for Dec	0830	-$96.6 bln	-$78.2 bln
Goods trade balance (R) for Dec	0830	--	-$122.11 bln
S&P Global Composite Final PMI for Jan	0945	--	52.4
S&P Global services PMI Final for Jan	0945	--	52.8
ISM N-Manufacturing PMI for Jan	1000	54.3	54.1
ISM N-Manufacturing Business Activity for Jan	1000	--	58.2
ISM N-Manufacturing Employment Index for Jan	1000	--	51.4
ISM N-Manufacturing New Orders Index for Jan	1000	--	54.2
ISM N-Manufacturing Price Paid Index for Jan	1000	--	64.4
Thu: Challenger layoffs for Jan	0730	--	38,792
Initial jobless claims	0830	213,000	207,000
Jobless claims 4-week average	0830	--	212,500
Continued jobless claims	0830	1.874 mln	1.858 mln
Unit labor costs preliminary for Q4	0830	3.4%	0.8%
Productivity preliminary for Q4	0830	1.4%	2.2%
Fri: Non-Farm payrolls for Jan	0830	170,000	256,000
Private payrolls for Jan	0830	140,000	223,000
Manufacturing payrolls for Jan	0830	-2,000	-13,000
Government payrolls for Jan	0830	--	33,000
Unemployment rate for Jan	0830	4.1%	4.1%
Average earnings MM for Jan	0830	0.3%	0.3%
Average earnings YY for Jan	0830	3.8%	3.9%
Average workweek hours for Jan	0830	34.3 hrs	34.3 hrs
Labor force participation for Jan	0830	--	62.5%
U6 underemployment for Jan	0830	--	7.5%
Payrolls benchmark NSA (R)	0830	--	-818,000
Payrolls benchmark SA	0830	--	-266,000
U Mich Sentiment preliminary for Feb	1000	71.1	71.1
U Mich Conditions preliminary for Feb	1000	73.0	74.0
U Mich Expectations preliminary for Feb	1000	70.0	69.3
U Mich 1-year Inflation preliminary for Feb	1000	--	3.3%
U Mich 5-year Inflation preliminary for Feb	1000	--	3.2%
Wholesale inventories, (R) MM for Dec	1000	-0.5%	-0.5%
Wholesale sales MM for Dec	1000	--	0.6%
Consumer credit for Dec	1500	$12.35 bln	-$7.49 bln

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Advanced Micro Devices	Q4	AMC	$1.08	$1.08	$0.77	$7,526.14
Alphabet	Q4	AMC	$2.14	$2.13	$1.64	$96,563.46
Amcor PLC	Q2	BMO	$0.16	$0.16	$0.16	$3,345.78
AMETEK	Q4	BMO	$1.88	$1.87	$1.68	$1,820.11
Amgen	Q4	AMC	$5.08	$5.08	$4.71	$8,877.18
Apollo Global Management	Q4	BMO	$1.89	$1.89	$1.91	$4,362.60
Archer-Daniels-Midland Co	Q4	BMO	$1.20	$1.15	$1.36	$22,661.09
Atmos Energy	Q1	AMC	$2.18	$2.19	$2.08	$1,349.78
Ball	Q4	BMO	$0.80	$0.80	$0.78	$2,913.12
Centene	Q4	06:00	$0.50	$0.49	$0.45	$39,125.22
Chipotle Mexican Grill	Q4	16:10	$0.25	$0.24	$0.21	$2,847.41
Cummins	Q4	BMO	$4.69	$4.68	$3.97	$8,070.51
Electronic Arts	Q3	AMC	$2.84	$3.08	$2.96	$2,324.87
Enphase Energy	Q4	AMC	$0.74	$0.72	$0.54	$377.60
Estee Lauder Companies	Q2	BMO	$0.33	$0.32	$0.88	$3,968.10
Fair Isaac	Q1	AMC	$6.12	$6.07	$4.81	$452.22
FMC	Q4	AMC	$1.59	$1.60	$1.07	$1,312.00
Fox	Q2	BMO	$0.67	$0.67	$0.34	$4,848.34
Gartner	Q4	BMO	$3.23	$3.25	$3.04	$1,690.41
Hubbell	Q4	BMO	$4.03	$4.02	$3.69	$1,411.32
IDEX	Q4	AMC	$2.02	$2.02	$1.83	$863.82
Jack Henry & Associates	Q2	AMC	$1.30	$1.32	$1.26	$576.23
Jacobs Solutions	Q1	BMO	$1.24	$1.27	$2.02	$2,072.03
Juniper Networks	Q4	AMC	$0.56	$0.58	$0.61	$1,393.26
KKR & Co	Q4	BMO	$1.27	$1.28	$1.00	$1,952.43
Marathon Petroleum	Q4	BMO	$0.04	$0.02	$3.98	$31,115.24
Match Group	Q4	AMC	$0.55	$0.54	$0.81	$858.67
Merck & Co	Q4	BMO	$1.62	$1.62	$0.03	$15,493.15
Mondelez International	Q4	16:05	$0.65	$0.66	$0.84	$9,640.51
Omnicom Group	Q4	AMC	$2.38	$2.37	$2.20	$4,319.84
Pentair PLC	Q4	BMO	$1.00	$1.01	$0.87	$972.78
PepsiCo	Q4	BMO	$1.94	$1.94	$1.78	$27,889.20
Pfizer	Q4	BMO	$0.42	$0.46	$0.10	$17,401.30
Prudential Financial	Q4	16:15	$3.20	$3.25	$2.58	$14,709.25
Regeneron Pharmaceuticals	Q4	BMO	$11.45	$11.29	$11.86	$3,750.81
Simon Property Group	Q4	AMC	$1.95	$1.93	$2.29	$1,397.82
TransDigm Group	Q1	BMO	$7.71	$7.65	$7.16	$2,030.50
Veralto	Q4	AMC	$0.89	$0.89	$0.87	$1,346.06
WEC Energy Group	Q4	BMO	$1.40	$1.42	$1.10	$2,626.28
Willis Towers Watson PLC	Q4	BMO	$8.05	$8.03	$7.44	$3,061.38
Xylem	Q4	06:55	$1.13	$1.13	$0.99	$2,182.56

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

All analysts' estimates are according to LSEG IBES data.

Smoke rises after an Israeli strike, in Jenin, in the Israeli-occupied West Bank, February 2. REUTERS/Raneen Sawafta

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