

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Stocks and Treasury yields rose on investor expectations of further stimulus after data showed a smaller-than-expected rebound in the U.S. labor market. The **dollar** fell, while **gold** gained. **Oil** prices climbed, supported by major oil producers' commitment to curb supply.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	31143.31	92.38	0.28	31272.22	18213.65
Nasdaq	13856.30	78.55	0.57	13778.42	12543.24
S&P 500	3886.83	15.09	0.39	3872.42	3662.71
Toronto	18135.90	93.93	0.52	18072.17	11172.73
FTSE	6489.33	-14.39	-0.22	6903.61	6397.24
Eurofirst	1575.71	-0.94	-0.06	1596.27	1521.71
Nikkei	28779.19	437.24	1.54	28979.53	27002.18
Hang Seng	29288.68	175.18	0.60	30191.16	27079.24

TREASURIES	Yield	Price
10-year	1.1721	-10/32
2-year	0.1052	1/32
5-year	0.4672	-1/32
30-year	1.9784	-32/32

FOREX	Last	% Chng
Euro/Dollar	1.2047	0.71
Dollar/Yen	105.38	-0.15
Sterling/Dollar	1.3734	0.47
Dollar/CAD	1.2763	-0.48
TR/HKEX RMB	96.81	0.05

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	56.97	0.74	1.32
Spot gold (NY/oz)	1810.13	17.87	1.00
Copper U.S. (front month/lb)	0.0365	0.0008	2.22
CRB Index Total Return	192.75	1.22	0.64

S&P 500	Price	\$ Chng	% Chng
GAINERS			
Activision Blizzard Inc	101.61	8.93	9.64
Estee Lauder Companies Inc	272.90	19.85	7.84
Wynn Resorts Ltd	116.99	8.30	7.64
LOSERS			
Cabot Oil & Gas Corp	17.57	-1.30	-6.89
TechnipFMC PLC	10.77	-0.68	-5.94
Cboe Global Markets Inc	89.87	-5.25	-5.52

Coming Up - On Monday

Toymaker **Hasbro Inc** is expected to post an increase in fourth-quarter net revenue on strong demand for board games during the COVID-19 pandemic. Investors will look out for comments on shipments following congestion at major seaports on the U.S. West Coast.

Mall landlord **Simon Property Group Inc** is expected to report a fall in fourth-quarter revenue and profit, hurt by a decline in rent collected from tenants, many of whom have been forced to permanently close stores due to the impact of the COVID-19 pandemic.

Federal Reserve Bank of Cleveland President **Loretta Mester** is likely to participate in a virtual fireside chat on the economy hosted by Rotary Club of Toledo.

Take-Two Interactive Software Inc is expected to post lower quarterly

revenue as it had no new major releases in the third quarter. Last year, the videogame publisher benefited from the much-anticipated launch of "Red Dead Redemption 2" and "The Outer Worlds."

ECB President **Christine Lagarde** is expected to participate in a debate about the ECB Annual Report 2019 at the European Parliament in Frankfurt, Germany.

Bank of England Governor **Andrew Bailey** is likely to face tough questions from lawmakers in London about his failure to protect investors in the failed London Capital & Finance fund while he was the CEO of UK's financial market regulator.

Chile's inflation data for January is likely to be released, after it rose 0.3% in the previous month.

Coming Up - Week Ahead

On Wednesday, the Labor Department is expected to show **Consumer Price Index (CPI)** rose 0.3% in January, after rising 0.4% in December. For the 12 months through January, CPI is likely to have increased 1.5% following a 1.4% rise in the previous month. For the 12 months through January, seasonally adjusted core CPI is likely

to have increased 1.5% in January, after increasing 1.6% in the previous month. The **Job Openings and Labor Turnover Survey**, or JOLTS data for December from the Labor Department is expected on Tuesday. It fell to 6.527 million in November. The department is also expected to show on Thursday **initial jobless claims** for the week

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Employment Trends for Jan	1000	--	99.01

ended Feb. 1 fell to 750,000, from 779,000 in the previous week. The Commerce Department is expected to show **wholesale inventories** rose 0.1% in December, after a similar rise in November. The **University of Michigan's consumer sentiment preliminary** data for February is expected on Friday and is expected to show a reading of 80.7.

Global entertainment company **Walt Disney Co** is expected on Thursday to report a fall in its first-quarter revenue, as its theme park operations are yet to see a full recovery from pandemic disruptions. Investors will watch out for numbers from its fast-growing Disney+ platform. **Fox Corp** is expected on Tuesday to post a rise in second-quarter revenue from strong growth in its entertainment, news and sports businesses due to an increase in political ad spending and the return of select live sports to television.

U.S. automaker **General Motors Co** is likely to report fourth-quarter earnings on Wednesday and provide more detail on the financial impact of the global semiconductor chip shortage that has led GM and other automakers to cut vehicle production. Smaller U.S. rival Ford Motor Co said the shortage will hit profits by as much as \$2.5 billion.

Social networking service company **Twitter Inc** is expected on Tuesday to post a rise in fourth-quarter revenue as advertisers resume spending on digital ads with the partial return of sports and other live events. Investors will look for comments on how the advertisers reacted to the U.S. presidential election after the company warned that the election could affect ad sales. Technology firm **Cisco Systems Inc** is expected on Tuesday to report nearly 1% drop in second-quarter revenue despite the healthy demand for its networking equipment. The results approach as China approved its sweetened \$4.5 billion deal for Acacia. On Wednesday, gaming service company **Zynga Inc** is expected to post a rise in fourth-quarter revenue as the mobile game publisher continues to

benefit from higher in-game spending from stay-at-home gamers. Investors will look out for forecast for the next financial year.

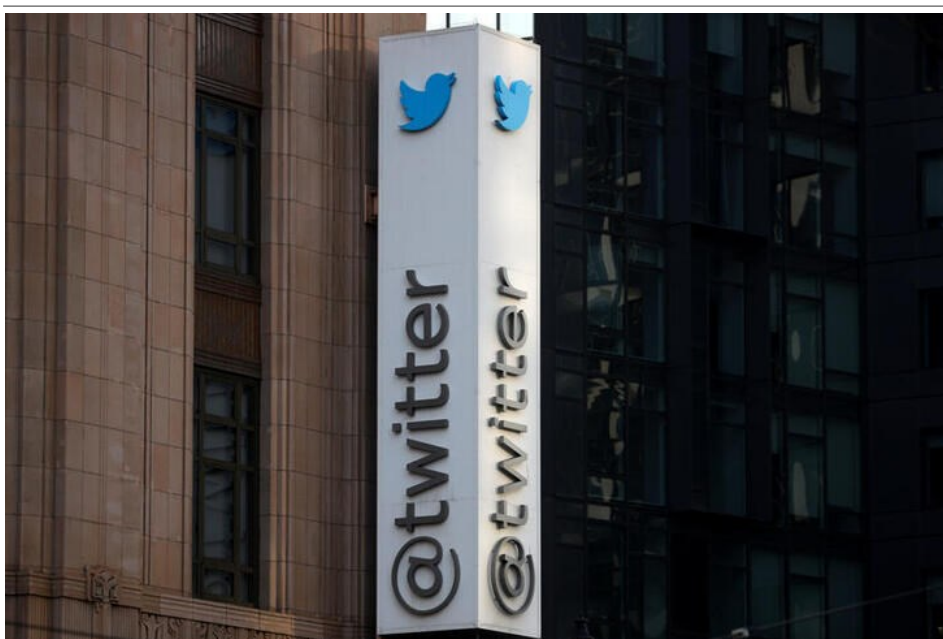
On Wednesday, **Coca-Cola Co** is expected to report a smaller fourth-quarter profit and a fall in revenue, still reeling from the impact of limited restaurant operations and fewer consumers going out to theaters, concerts and sporting events due to the COVID-19 pandemic. Separately on Thursday, **PepsiCo Inc's** fourth-quarter profit and revenue are expected to show growth, powered by stuck-at-home consumers stocking up on snacks and beverages. Investors will watch out for management's comments on consumer trends, should they return to their normal habits of eating out.

Uber Technologies Inc is expected to report a fall in fourth-quarter revenue on Wednesday, as its ride-hailing business bore the brunt of the COVID-19 pandemic with people staying at home. Investors will be looking out for any commentary on profitability and sales in its Eats business. Separately, **Lyft Inc** is expected to post a fall in quarterly revenue on Tuesday as its ride-hailing business continued to

suffer with people sheltering at home to combat the spread of the COVID-19 pandemic.

Food processing company **Kraft Heinz Co** is expected to report an increase in fourth-quarter sales and profit on Thursday, with some analysts saying no major U.S. food company has benefitted more from COVID. On the same day, U.S. meat and poultry processor **Tyson Foods Inc** is expected to post a decline in its first-quarter profit on higher corn and soybean prices as well as COVID-19-related costs. Investors will look out for current levels of demand for pork, chicken and beef.

Federal Reserve Chairman **Jerome Powell** is expected on Wednesday to speak at a webinar event hosted by Economic Club of New York. Federal Reserve Bank of St. Louis President **James Bullard** is likely to participate on Tuesday before a virtual event "2021 Dow Lecture: U.S. Economy and Monetary Policy" hosted by the National Institute of Economic and Social Research. Federal Reserve Bank of New York President **John Williams** is likely to moderate a virtual discussion organized by the Economic



A file photo of the Twitter logo seen outside the company headquarters in San Francisco, California, January 11. REUTERS/Stephen Lam



Club of New York.

Cosmetics maker **Coty Inc** is likely to post a decline in second-quarter net revenue on Tuesday, hit by weak demand for its makeup products during the COVID-19 pandemic. Investors will be on the lookout for comments on current levels of demand for its beauty products and fragrances.

Toymaker **Mattel Inc** is expected to report a rise in fourth-quarter sales and profit on Tuesday, as parents rushed out to buy Barbie dolls and playsets for their kids who had to spend their holidays stuck indoors due to the COVID-19 pandemic. Investors will be on the lookout for comments from the company on how long it expects elevated demand to last as vaccines begin to roll out.

Agricultural commodities trader **Bunge Ltd** is set to report fourth-quarter results on Wednesday, when investors will be listening for comments on how the global farm commodities trader performed amid soaring crop import demand from China and a record-high soybean processing pace in the United States. The results follow stronger-than-expected Q4 earnings by rival agribusiness ADM.

KKR & Co Inc is expected to report on Tuesday its fourth-quarter earnings amid a rebound in dealmaking and strong fundraising among large private equity firms. Financial technology company **Affirm Holdings Inc**, founded by PayPal Holdings Inc's co-founder Max Levchin, is likely to report on Thursday its second-quarter results since its IPO in January. The company provides instalment loans to online shoppers.

Dating app operator **Bumble Inc** is likely to debut its stock on the Nasdaq on Thursday. The company hopes to be worth nearly \$6 billion in its stock market launch.

On Wednesday, ECB President **Christine Lagarde** is expected to participate in a newsmaker webinar organized by The Economist. Bank of England's **Anna Sweeney** participates in Westminster Business Forum "Next steps for policy affecting the insurance sector – the regulatory landscape post-Brexit and the outcomes from the Solvency II review".

On Friday, energy company **Enbridge Inc** is expected to report a higher fourth-quarter profit on a sequential basis, helped by the pipeline operator's efforts to cut costs and a recovery in crude prices. Investors will be on the lookout for comments on U.S. President Joe Biden's energy policies and ongoing construction of Enbridge's Line 3 crude oil pipeline replacement project.

Canada's **Bombardier Inc**, now a pure-play business jet maker following the recent sale of its rail division, is expected on Thursday to report fewer corporate aircraft deliveries in 2020 due to COVID-19, despite a year-end flurry of customers taking their planes. **Air Canada** is expected on Friday to

report lower revenues as COVID-19 travel restrictions hit passenger demand. Investors will be closely watching for news of a Canadian government bailout package. On the same day, civil aviation training giant **CAE Inc** is expected to report lower quarterly revenues due to the COVID-19 pandemic.

Statistics Canada is expected to release the country's **wholesale trade** data for December on Friday and it is likely to fall 1.6%.

Brazil's statistics agency IBGE is expected on Tuesday to report on the **inflation** rate for January, after increasing 1.35% in December. On Wednesday, the agency is also scheduled to report on **retail sales** data for the 12 months through December. It rose by 3.4% in November. **Mexico's** central bank is expected to release the country's **benchmark interest rate** on Thursday, after it left the rates unchanged at 4.25%. **Argentina's consumer price index** data for January is expected on Thursday. It rose 3.7% in December.



A file photo of the logo of Bombardier seen at an office building in Zurich, Switzerland February 28, 2019. REUTERS/Arnold Wiegmann



Market Monitor

Stocks rose and the **S&P** and **Nasdaq** indexes registered their biggest weekly percentage gains since the U.S. elections in early November, boosted by optimism over earnings, stimulus talks and progress in vaccine rollouts. The S&P 500 rose for a fifth straight session in its longest streak of gains since August. The benchmark index and the Nasdaq posted record closing highs for a second day. "The upcoming package of stimulus is going to be big," said Alan Lancz, president of Alan B. Lancz & Associates Inc, an investment advisory firm based in Toledo. "You have a situation where there's a lot of cash on sidelines and bonds have really underperformed, so that's helped some sectors that have really done poorly." The **Dow Jones Industrial Average** was up 0.28% at 31,143.31, the **S&P 500** gained 0.39% to 3,886.82 and the **Nasdaq Composite** rose 0.57% to 13,856.30. For the week, the S&P 500 gained 4.65%, the Nasdaq rose 6.01% and the Dow added 3.89%.

The **Treasury yield curve** steepened as yields on the benchmark 10-year note soared to levels not seen in nearly a year while two-year yields hit record lows after U.S. jobs data strengthened expectations of more stimulus spending from Washington.

Benchmark 10-year notes were down 9/32% at 1.1704%, with yields having risen to 1.188%, its highest since March 20, 2020. At the other end of the curve **two-year notes** were up 1/32 to yield 0.1052%. The movement left the closely watched part of the **U.S.**

Treasury yield curve measuring the gap between yields on the two notes at 106.52 basis points, 4.43 basis points higher than Thursday's close and its highest since April 2017.

The **dollar** lost out to the euro the U.S. jobs report suggested that some traders may have over-played a stronger American recovery from the coronavirus pandemic. The **euro** was last up 0.72% to \$12048. The **dollar**



A file photo of a Wall Street sign seen outside the New York Stock Exchange (NYSE) in New York City, New York, January 3, 2019. REUTERS/Shannon Stapleton/

index was down 0.56% at 91.02, but still holding a weekly gain of 0.6%. "This forces some of the late dollar-long out," Chandler said. "It doesn't really change what to expect for Q1 GDP in the U.S. Market positioning is a different story."

Gold rebounded above the \$1,800 psychological level, helped by a retreat in the dollar and data showing slower-than-expected growth in U.S. employment underpinning the need for additional financial support. "Gold continues to primarily take its lead from the dollar and we expect this to remain the case in the coming sessions," said Suki Cooper, analyst at Standard Chartered. "Beyond the near term, we believe the outlook remains constructive for gold given the fiscal stimulus is likely to result in large U.S. twin deficits." Making gold cheaper for holders of other currencies, the dollar retreated 0.6%. **Spot gold** climbed 1% to \$1,810.21 per ounce. **U.S. gold futures** were up 1.14% at \$1,811.60 an ounce.

Oil prices rose about 1%, after hitting their highest in a year and closing in on \$60 a barrel, supported by economic revival hopes and supply curbs by producer group OPEC and its allies. Oil was also supported as U.S. stock markets hit record highs on signs of progress toward more economic stimulus, while a U.S. jobs report confirmed the labor market was stabilizing. "Brent is eyeing the \$60 level now that OPEC+ has successfully eased most supply side concerns and optimism on the COVID front improves globally," said Edward Moya, senior market analyst at OANDA in New York. "The fundamentals remain solid for crude, but a consolidation seems likely given the recent runup." The last time Brent traded at \$60 a barrel, the pandemic had yet to take hold, economies were open and demand for fuel was much higher. **Brent crude** was up 1.05%, at \$59.46 a barrel after hitting its highest since Feb. 20 at \$59.79. **U.S. crude** was up 1.32%, at \$56.97 a barrel, after reaching \$57.29, its highest since Jan. 22 last year.

Top News

GameStop shares rise after Robinhood lifts trading curbs

Shares of GameStop and other companies caught in the recent social media-hyped trading frenzy rose, after online broker Robinhood lifted all the buying curbs imposed at the height of the battle between amateur investors and Wall Street hedge funds. Robinhood, among the fee-free online brokers that are credited with fueling the trades, said late on Thursday it had removed all buying restrictions imposed due to a surge in clearing house deposit requirements last week. "The speculation is now fading but that doesn't mean it can't come back a month or two months from now," said Peter Cardillo, chief market economist at Spartan Capital Securities in New York. "A lot of the small investors may have gotten burnt, so it's going to take time to heal that wound. It may not pop up in those stocks that were already attacked, but it could happen in other companies and maybe on a broader scale." GameStop shares closed 23.31% higher at \$65.97.

Clover Health shares dip as SEC looks into short-seller allegations

U.S. regulators are following up on a critical report about Clover Health Investments by short-selling specialist Hindenburg Research and have told the insurance company to preserve any relevant documents. Clover said the SEC had requested "document and data preservation for the period from January 1, 2020, to the present, relating to certain matters that are referenced in the (Hindenburg) article." The company also disclosed a separate earlier inquiry from the U.S. Department of Justice (DOJ), but added it had not received any civil investigative demands or subpoenas from the department. Palihapitiya and the company were fully aware of the DOJ inquiry, which it did not consider as "material information" for its earlier disclosures, Clover said. Clover said some of the claims were "completely

untrue" and executives Vivek Garipalli and Andrew Toy said in a separate blog post that the report was "rife with ad-hominem attacks, sweeping inaccuracies and gross mischaracterizations". The company's shares were down for most of the trading session, before bouncing back 4.49% at market close.

U.S. senators propose limiting liability shield for social media platforms

Three Democratic U.S. senators introduced a bill that would limit Section 230, a law that shields online companies from liability over content posted by users, and make the companies more accountable when posts result in harm. Called the SAFE TECH Act, the legislation would mark the latest effort to make U.S. social media companies like Alphabet's Google, Twitter and Facebook more accountable for "enabling cyber-stalking, targeted harassment, and discrimination on their platforms," Senators Mark Warner, Mazie Hirono and Amy Klobuchar said in a statement. The bill from the three Democrats would make it clear that Section 230 - which was enacted in

1996 as part of a law called the Communications Decency Act - does not apply to ads or other paid content, does not impair the enforcement of civil rights laws, and does not bar wrongful-death actions. Separately, tech giant Google launched a platform in Australia offering news it has paid for, striking its own content deals with publishers in a drive to show legislation proposed by Canberra to enforce payments, a world first, is unnecessary. To read more, [click here](#)

Chevron offers to buy out pipeline operator Noble Midstream

Chevron said it offered to buy shares in Noble Midstream Partners that it does not already own, in a deal valuing the company at \$1.13 billion, months after the U.S. oil major bought the pipeline operator's sponsor, Noble Energy. The U.S. oil giant said it had offered to buy the rest of Noble Midstream at \$12.47 per common unit, in line with its closing price on Thursday. "The transaction's biggest benefit to Chevron is to simplify its corporate entity," said Rob Thummel, energy portfolio manager at Tortoise Capital. Infrastructure assets also give steadier, more stable cash flows than oil drilling businesses,



REUTERS/Mike Blake

A file photo of a Chevron gas station sign seen in Cardiff, California, January 25, 2016.

Thummel said, noting that midstream cash flow is based on the volume of products moved on Noble Midstream's network. Any deal agreement is subject to talks and will need Noble Midstream board's approval, Chevron said.

Pfizer drops India vaccine application after regulator seeks local trial

Pfizer said it had withdrawn an application for emergency-use authorisation of its COVID-19 vaccine in India, after failing to meet the drug regulator's demand for a local safety and immunogenicity study. Unlike other companies conducting small studies in India for foreign-developed vaccines, Pfizer had sought an exception citing approvals it had received elsewhere based on trials done in countries such as the United States and Germany. Indian health officials say they generally ask for so-called bridging trials to determine if a vaccine is safe and generates an immune response in its citizens. The drug regulator said on its website its experts did not recommend the vaccine because of side effects reported abroad were still being investigated. It also said Pfizer had not proposed any plan to generate safety and immunogenicity data in India. Meanwhile, the Biden administration is exploring every option for increasing manufacturing of Johnson & Johnson's COVID-19 vaccine, which is under regulatory review, and said that currently expected levels of early doses were less than hoped. To read more, [click here](#)

Regeneron expects new data on COVID-19 therapy over next few months

Regeneron Pharmaceuticals beat quarterly profit estimates and said it expects to report new trial data in a few months on a lower dose of its COVID-19 antibody therapy that will be easier to administer. To address the logistical challenges, Regeneron has been working on a lower dose of its antibody therapy, REGEN-COV, which is to be given subcutaneously, i.e. by injecting under the skin, increasing patient

convenience. "We expect important additional readouts over the next few months, in terms of confirmatory Phase III results in the prevention setting, in the outpatient setting, which includes an evaluation of our lower dose and in the hospitalized setting," Chief Scientific Officer George Yancopoulos said. Excluding items, Regeneron earned \$9.53 per share in the fourth quarter, beating estimates of \$8.39 per share, according to Refinitiv IBES data.

Estee Lauder posts surprise revenue growth on China demand, shares soar

Estee Lauder reported a surprise rise in quarterly sales and handily beat profit estimates on strong demand for premium skin-care products and fragrances in China, lifting its shares to a record high. Sales in its Asia-Pacific market rose 35% in the quarter, boosted by robust demand during Tmall's Singles' Day shopping event in China, helping Estee post its first growth in overall revenue since the onset of the pandemic. Excluding items, Estee earned \$2.61 per share in the second quarter, far exceeding analysts' estimate of \$1.69. Net sales rose 5% to \$4.85 billion, also beating a Refinitiv IBES estimate of \$4.49 billion. Estee, however, forecast third-quarter net sales to grow between 13% and 14%, lower than estimates of 15.3% growth, as its makeup sales drag. Estee Lauder shares ended up 7.81% at \$272.81.

Ford says U.S. Justice Dept. California end probe into emissions issue

Ford Motor confirmed the U.S. Justice Department and California Air Resources Board have closed a lengthy investigation into the automaker's emissions certification process without taking any action. Ford said in a securities filing that reviews by the U.S. Environmental Protection Agency and Environment and Climate Change Canada remain open. Ford said the investigations' closure was "consistent with the company's own investigation and conclusion that we appropriately completed our

certification processes." Ford declined to releasing findings from its own investigation and said it has not changed any fuel economy ratings as a result. Ford faces a class-action lawsuit from owners who claim Ford "cheated on its fuel economy testing on some of its best-selling and most popular trucks" and said the issue affected over a million Ford truck owners.

Walmart lawsuit against U.S. over opioids is dismissed

A federal judge has dismissed Walmart's lawsuit seeking to preemptively block the U.S. government from blaming the world's largest retailer for its alleged role in fueling the nation's opioid crisis. U.S. District Judge Sean Jordan said the government had not waived its sovereign immunity from Walmart's "sweeping" challenge to the Department of Justice's and Drug Enforcement Administration's enforcement of laws governing opioid prescriptions by pharmacies and pharmacists. Walmart said it will appeal the decision, which the Plano, Texas-based judge issued on Thursday night. Jordan ruled six weeks after the government filed its own lawsuit against Walmart, claiming its network of more than 5,000 pharmacies was unable to adequately detect and report suspicious opioid prescriptions.

Advertising platform Magnite buys SpotX from RTL for \$1.17 billion

Magnite has agreed to buy video advertising group SpotX from European broadcaster RTL Group for \$1.17 billion, it said, aiming to create a leading interactive advertising platform. The purchase price comprises \$560 million in cash and 14 million shares of Magnite stock, RTL said. The combination of Magnite and SpotX will bring together the best CTV technologies and teams at a critical time, Magnite Chief Executive Michael Barrett in a statement. "Ad-supported CTV is just beginning to draw budgets from linear TV and we will be well-positioned to participate in the strongest segment of industry growth for the foreseeable future," Barrett said.



People hit pots during a night protest against the military coup in Yangon, Myanmar, February 4. REUTERS/Stringer

Insight and Analysis

The other winners of the Reddit-fueled rallies: convertible bonds

Among the winners from the recent retail-driven frenzy in U.S. stocks are investors in the niche market of convertible debt, capping a year of gains for the securities and potentially drawing new interest. While buyout firm Silver Lake capitalized on a surge in AMC Entertainment, one of the stocks at the epicenter of the retail frenzy linked to a convertible bond, others have also seen their bonds gain. Those holding convertible notes - which allow investors to convert the debt to equity when a company's shares hit a set price - in Ligand Pharmaceuticals have seen prices rise 10% since Jan. 25.

FOCUS-Walgreens, CVS beef up protections against threat of 'bot' attacks on vaccine program

U.S. retailers and pharmacies like Walgreens and CVS Health are preparing for a fresh round of "bot" attacks by scalpers hoping to snap up Covid-19 vaccine appointments as they did hoarding Sony PlayStation 5s and Nike sneakers. For over a decade, the retail industry has battled so-called "scalper bots," programmed to cut digital lines and snap up limited-supply products within milliseconds of their release, that are resold at significant mark-ups.

FOCUS-One U.S. company's risky effort to build a new mask factory during COVID

Dan Izhaky is betting \$4 million that the pandemic will change what Americans are willing to pay for high quality face masks from his new factory here in this suburb of Los Angeles. It's a risky wager. Before COVID-19 hit, the United States imported much of the personal protection equipment needed by health care providers, mainly from Asia. Izhaky is president of United Safety Technology Inc, a startup that is poised to open a new N95 mask factory possibly within weeks.

CANADA

Market Monitor

Canada's main stock index hit a record high, supported by energy stocks and was set to clock its best week since November, offsetting concerns about worse-than-expected domestic jobs data for January.

The Toronto Stock Exchange's S&P/

TSX composite index was up 0.52%, at 18,135.90.

The energy sector was up 1.22% at 99.22.

The U.S. dollar was down 0.48% against the Canadian dollar at C\$1.2763.

COMING UP - ON MONDAY

No major events are scheduled.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
Eldorado Gold Corp	16.52	1.77	12.00
BlackBerry Ltd	16.90	1.30	8.33
New Gold Inc	2.35	0.14	6.33
LOSERS			
Sleep Country Canada Holdings Inc	25.59	-2.13	-7.68
Alimentation Couche-Tard Inc	39.70	-1.26	-3.08
Canopy Growth Corp	54.76	-1.57	-2.79

Top News

Canada posts blowout job loss in January as shutdowns bite

Canada lost far more jobs than expected in January, with the declines driven by coronavirus lockdowns in populous Ontario and Quebec, while the unemployment rate rose sharply, Statistics Canada data showed. Canada lost 212,800 jobs in January, the largest monthly decline since the height of the first wave in April 2020, more than four times the average analyst prediction of a loss of 47,500 jobs. The unemployment rate climbed to 9.4%, its highest level since August, missing analyst expectations of 8.9%. Employment remains 4.5% below pre-pandemic levels. "It's definitely a disappointment," said Derek Holt, vice president of Capital Market Economics at Scotiabank. "We're going through a soft patch and better days are ahead. So I would view it as a transitory loss."

POLL-Canadian dollar seen stronger if global economy resumes growing

The Canadian dollar is expected to rally further over the coming year as a global economic recovery takes hold, and the gains could accelerate if investors perceive the Bank of Canada is preparing to reduce monetary stimulus, strategists say. The median forecast of nearly 40 analysts in a Reuters poll was for the loonie to strengthen 1% to 1.27 per U.S. dollar, or 78.74 U.S. cents, in three months, matching the forecast in January's poll.

It is then expected to gain to 1.25 in one year. "Global deflation and commodity price support are very likely this year and hence CAD direction is clear – the pace is the only debate," said Derek Halpenny, head of research, global markets EMEA and international securities, at MUFG Bank.

Canadian miner Eldorado signs revised contract with Greece for Kassandra Mines

Eldorado Gold signed a revised contract with Greece covering its mining operations in the north of the country, where it has faced repeated stalling over licensing delays and environmental concerns. Eldorado has been in talks with the Greek government on a revised investment plan that would secure higher royalties from mining development and new jobs. The contract will now allow for completion of construction at Skouries and transition of the project into production, expansion of Olympias to 650,000 tonnes per annum, further investment in exploration at Mavres Petres-Stratoni, among others, Eldorado said. The investment plan has been revised to \$3.1 billion from \$1.4 billion, all the three mines will remain open and will be upgraded, while a total of 3,070 of workers will be employed, up from 1,650 today, Greek Energy Minister Kostas Skrekas said.

Canada's COVID rules on leisure travel weighing on business, say industry officials

Canada's move to limit inbound flights to four major airports as it seeks to curb the spread of COVID-19 from leisure travel is spilling over to business trips and fueling uncertainty which could delay economic recovery, industry executives said. Canada, which already has some of the world's toughest travel and quarantine rules, plans to introduce restrictions such as mandatory airport COVID-19 tests and hotel quarantines for up to three days. Directing flights to four airports -- Toronto, Montreal, Calgary and Vancouver -- which started Thursday, has created headaches for some companies in smaller cities. "This kind of approach with business travel is going to hamper our efforts to rebound," said Anthony Norejko, president of the Canadian Business Aviation Association (CBAA). Prime Minister Justin Trudeau told reporters that Canada was looking at ways to further strengthen its land border with the United States, which has been shut to non-essential travel for almost a year, but gave no details. The CBAA has asked Transport Canada to exempt certain corporate aircraft operators flying for essential business to smaller Canadian cities from having to land at a major airport like Toronto due to the extra costs and time.

WEALTH NEWS

BUDGET PLAN

Democrats clear path for approval of Biden's \$1.9 trillion COVID package

President Joe Biden and his Democratic allies in Congress forged ahead with their \$1.9 trillion COVID-19 relief package as lawmakers approved a budget outline that will allow them to muscle Biden's plan through in the coming weeks without Republican support.

ECONOMIC HEALTH

Stalling U.S. labor market boosts Biden's push for hefty stimulus package

U.S. employment growth rebounded moderately in January and job losses in the prior month were deeper than initially thought, strengthening the case for a sizable relief package from the government to aid the recovery from the COVID-19 pandemic. Nonfarm payrolls increased by 49,000 jobs last month. Data for December was revised to show 227,000 jobs lost instead of 140,000 as previously reported. "The weakness portrayed in today's labor report opens the door for the Biden administration to push forward with a higher spending package and provide relief for many Americans and businesses that continue to struggle with the pandemic," said Charlie Ripley, senior investment strategist at Allianz Investment Management.



BANKRUPTCY

China's Luckin Coffee seeks U.S. Chapter 15 bankruptcy protection

China's Luckin Coffee, whose explosive growth was derailed last year by accounting fraud, said it is seeking protection under Chapter 15 of the U.S. Bankruptcy Code.

ANALYSIS

As inflation expectations jump, analysts see further room to rise

U.S. Treasury investors are pricing for an uptick in inflation as the American economy recovers from devastating coronavirus-related business shutdowns. And, with the Federal Reserve welcoming the rise as price pressures stay benign, analysts say the increase in inflation expectations may still have further to run.

FORWARD LOOKING

Wall Street Week Ahead-GameStop frenzy reveals potential for broader market stress

As the trading frenzy that took shares of GameStop and other favorites of retail investors on a wild ride recedes, investors are eyeing signs of potential market stress that could weigh on broader stock performance in coming weeks.

CRYPTOCURRENCY PREVIEW

Ether seeks to escape bitcoin's shadow with CME futures launch

Futures on ether, the second largest cryptocurrency in terms of market capitalization and daily volume, will launch late Sunday on derivatives exchange CME, as investors seek to take advantage of mounting institutional interest in this evolving asset class.

SCALING BACK

Prudential CEO mulls shrinking life insurance, "low growth" businesses

Prudential Financial, which has already halted sales of some variable annuities, said that it will also consider scaling back its individual life insurance and other "market sensitive, low growth" businesses.

THE DAY AHEAD

ON THE RADAR

Events	ET	Poll	Prior
Tue: NFIB Business Optimism Index for Jan	0600	--	95.90
JOLTS job openings for Dec	1000	--	6.527 mln
Wed: Core CPI mm, SA for Jan	0830	0.2%	0.1%
Core CPI yy, NSA for Jan	0830	1.5%	1.6%
CPI Index, NSA for Jan	0830	261.731	260.474
Core CPI Index, SA for Jan	0830	--	270.12
CPI mm, SA for Jan	0830	0.3%	0.4%
CPI yy, NSA for Jan	0830	1.5%	1.4%
Real weekly earnings mm for Jan	0830	--	0.1%
CPI mm NSA for Jan	0830	--	0.09%
CPI Index SA for Jan	0830	--	261.78
CPI Wage Earner for Jan	0830	--	254.081
Wholesale inventory, R mm for Dec	1000	0.1%	0.1%
Wholesale sales mm for Dec	1000	--	0.2%
Cleveland fed CPI for Jan	1100	--	0.1%
Refinitiv Ipsos Pcsi for Feb	1100	--	50.87
Federal budget, for Jan	1400	--	-\$144 bln
Thu: Initial jobless claims	0830	750,000	779,000
Jobless claims 4week average	0830	--	848,250
Continued jobless claims	0830	--	4.592 mln
Fri: U Michigan Sentiment Preliminary for Feb	1000	80.7	79
U Michigan Conditions Preliminary for Feb	1000	--	86.7
U Michigan Expectations Preliminary for Feb	1000	--	74
U Michigan 1 year inflation preliminary for Feb	1000	--	3%
U Michigan 5-year inflation preliminary for Feb	1000	--	2.7%

KEY RESULTS - ON MONDAY

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Global Payments	Q4	BMO	\$1.75	\$1.77	\$1.62	\$1,762.02
Hasbro	Q4	BMO	\$1.15	\$1.14	\$1.24	\$1,688.41
Jack Henry & Associates	Q2	AMC	\$0.87	\$0.87	\$0.94	\$432.71
Leggett & Platt	Q4	AMC	\$0.68	\$0.70	\$0.68	\$1,145.60
Everest Re Group	Q4	AMC	-\$1.18	-\$1.16	\$3.20	\$2,320.10
Simon Property Group	Q4	AMC	\$0.88	\$0.88	\$1.66	\$1,090.42
Take-Two Interactive Software	Q3	AMC	\$1.02	\$0.96	\$1.63	\$746.96

*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.



U.S. Representative Marjorie Taylor Greene (R-GA), wearing a mask that reads "Free Speech," waits for an elevator prior to a vote in the U.S. House of Representatives on a Democratic-backed resolution that would punish Taylor Greene for her incendiary remarks supporting violence against Democrats, on Capitol Hill in Washington, February 4. REUTERS/Kevin Lamarque

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

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