

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Stocks closed lower as Amazon slumped following a gloomy quarterly report. **Treasury yields** rose as March inflation surged by the largest amount since 2005. The **dollar** slipped from 20-year highs, while **gold** gained. **U.S. crude** fell, pulled downward by the heating oil contract.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	32978.59	-937.80	-2.77	36952.65	32272.64
Nasdaq	12338.13	-533.40	-4.14	15852.14	12430.90
S&P 500	4132.94	-151.51	-3.60	4818.62	4114.65
Toronto	20762.00	-359.06	-1.70	22213.07	19052.41
FTSE	7544.55	35.36	0.47	7687.27	6787.98
Eurofirst	1763.38	12.44	0.71	1921.56	1591.24
Nikkei	26847.90	461.27	1.75	29388.16	24681.74
Hang Seng	21089.39	813.22	4.01	25050.59	18235.48

TREASURIES	Yield	Price
10-year	2.9044	-11/32
2-year	2.7248	-5/32
5-year	2.9396	-9/32
30-year	2.9691	-23/32

FOREX	Last	% Chng
Euro/Dollar	1.0546	0.50
Dollar/Yen	129.76	-0.83
Sterling/Dollar	1.2572	0.93
Dollar/CAD	1.2845	0.31
TR/HKEX RMB	102.25	-0.42

COMMODITIES (\$)	Price	Chng	% Chng
Front Month Crude /barrel	104.18	-1.18	-1.12
Spot gold (NY/oz)	1896.71	2.37	0.12
Copper U.S. (front month/lb)	0.0437	-0.0005	-1.08
CRB Index Total Return	328.15	0.27	0.08

S&P 500	Price	\$ Chng	% Chng
GAINERS			
Mohawk Industries Inc	141.11	10.33	7.90
Celanese Corp	147.09	4.16	2.91
Honeywell International Inc	193.51	3.59	1.89
LOSERS			
Verisign Inc	178.69	-29.73	-14.26
Amazon.com Inc	2485.63	-406.30	-14.05
Cincinnati Financial Corp	122.66	-13.34	-9.81

Coming Up - On Monday



A file photo of Amazon's LDJ5 sortation center in the Staten Island borough of New York, April 25. REUTERS/Brendan McDermid.

Votes of **Amazon.com Inc** workers in a second election will be counted to determine whether a warehouse known as LDJ5 in New York City's borough of Staten Island unionizes.

The **S&P Global U.S. Manufacturing Purchasing Managers' Index (PMI)** for April is slated for release. The **ISM's Manufacturing PMI Index** is expected to have increased to a reading of 57.6 in April, from 57.1 in March. The country's **construction spending** is expected to have inched up to 0.7% in March, after rising 0.5% in February.

Brazil's IBC-BR economic activity

index is expected to have risen at a 0.5% rate in February, compared with a 0.33% rise in January. The country's **trade balance** for April is also due.

Brazil and Mexico's S&P Global Manufacturing PMI for April are expected to be released.

LIVECHAT-REUTERS GLOBAL MARKETS FORUM

Reuters FX Buzz Analyst **Jeremy Boulton** looks at the weekly outlook for G7 currencies and select EM FX pairs. (1000 ET/1400 GMT) To join the conversation, [click here](#)

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
S&P Global Manufacturing PMI Final for Apr	0945	--	59.7
Construction spending mm for Mar	1000	0.7%	0.5%
ISM Manufacturing PMI for Apr	1000	57.6	57.1
ISM Manufacturing Prices Paid for Apr	1000	87.5	87.1
ISM Manufacturing Employment Index for Apr	1000	--	56.3
ISM Manufacturing New Orders Index for Apr	1000	--	53.8

Coming Up - Week Ahead

On Tuesday, the **Federal Open Market Committee (FOMC)** will begin its two-day meeting on **interest rate** policy in Washington.

U.S. trade deficit due on Wednesday is expected to have widened to \$107 billion in March, from \$89.2 billion in the earlier month. The **ADP National Employment** will on Wednesday release **private payrolls** data, which is expected to have dropped to 395,000 in April from 455,000 in March. **Job Openings and Labor Turnover Survey** for March is scheduled to be released on Tuesday. On Friday, the Labor Department is expected to report **nonfarm payrolls** fell to 380,000 in April from 431,000 in March. **Private payrolls** - due on the same day - are expected to have fallen to 400,000 in April from 426,000 in March. Separately, **unemployment rate** is likely to have increased 3.5% in April, after rising 3.6% in March. Data on **initial claims for state unemployment benefits** is due on Thursday and is expected to remain unchanged at 180,000 for the week ended April 30 from the previous week. **Continued jobless claims data** for the

week ended April 23 is also due. On Wednesday, the **ISM's non-manufacturing activity index** is likely to show a reading of 58.5 in April, compared with 58.3 in March. The **S&P Global composite** and **services final PMI data** for April is due on the same day. **Factory orders** data, which is due on Tuesday, is likely to have risen to 1.1% in March, after declining 0.5% in the earlier month. **Preliminary unit labor costs** data due on Thursday is expected to have risen at a 8.5% rate for the first quarter, compared with a 0.9% rise in the earlier quarter. **Preliminary labor productivity** is likely to have declined 4.5% in the first quarter, after rising 6.6% in the fourth quarter. **Consumer credit** data for March is due on Friday.

Pfizer Inc is scheduled to report first-quarter earnings on Tuesday, with all eyes on sales of its COVID-19 vaccine and antiviral pill Paxlovid. Investors will look out for comments on how Pfizer's plans to spend its cash as the drugmaker faces patent expiration for some key drugs in the next few years, as well as remarks on the performance of its non-COVID business. **Moderna**

Inc is expected to report first-quarter earnings on Wednesday, weeks after the African Union declined to buy additional doses of the company's vaccine. Focus will be on whether Moderna can allay investor concerns over lower demand for COVID-19 vaccines in the next few years. **Regeneron Pharmaceuticals Inc** reports its first-quarter earnings on the same day. Investor focus will be on demand for blockbuster drugs Dupixent and Eylea, as well as management commentary around the company's development of next generation COVID-19 antibody therapies.

On Wednesday, **Uber Technologies Inc** is expected to post a rise in first-quarter revenue as more riders use its service. On Tuesday, **Lyft Inc's** first-quarter revenue is expected to rise on more people availing the company's ride-hailing services.

KFC-parent **Yum! Brands Inc** is likely to post an increase in first-quarter revenue on Wednesday, benefiting from strong online demand, consumer appetite for its new menu items and the return of dining out trends. Investors will be focused on the company's comments on cost inflation, labor pressures and the impact of the war in Ukraine. Separately, Burger King parent **Restaurant Brands International Inc** is expected to post a rise in first-quarter revenue on Tuesday, helped by higher prices and sustained online demand. Investors will keep an eye out for the company's comments on inflation and staffing pressures.

Starbucks Corp is expected to post a rise in comparable store sales for the second quarter on Tuesday as people returning to old routines drive up demand for its coffee. Analysts will be on the lookout for comments on inflation, price increases and the impact of unionization efforts at its coffeehouses.



A 3D printed Pfizer logo is placed near medicines from the same manufacturer in this illustration taken September 29, 2021. REUTERS/Dado Ruvic



A file photo shows the logo of Nikola on a truck at an event in Turin, Italy, December 3, 2019. REUTERS/Massimo Pinca

Thomson Reuters Corp will post first-quarter financial results on Tuesday and is expected to report a more than 5% rise in revenue rising more than, according to analyst estimates.

Federal Reserve Bank of New York President **John Williams** will on Friday deliver opening remarks before the Environmental Economics and Policy event hosted by the Federal Reserve Bank of New York and the Columbia University Center for Environmental Economics and Policy. Federal Reserve Governor **Christopher Waller** and Federal Reserve Bank of St. Louis President **James Bullard** are scheduled to speak in a panel discussion at Stanford University's Hoover Institution on the same day. Meanwhile, Federal Reserve Bank of Atlanta President **Raphael Bostic** is scheduled to speak before the Georgia Tech 2022 Master's Ceremony Commencement. Separately, Federal Reserve Bank of San Francisco President **Mary Daly** is expected to give the commencement speech before the spring Class of 2022 at Utah Valley University.

Media firm **Paramount Global**, formerly ViacomCBS, is set to report a slight fall in first-quarter revenue on Tuesday. Heavy content investments, staggering ad growth and the fading

out of the streaming boom may be the factors affecting the company's first quarterly results since being rebranded as Paramount Global.

Marriott International Inc is expected to report a first-quarter profit on Wednesday, compared to a year-ago loss, benefiting from a rebound in travel. Investors will look out for comments on annual forecast and future travel trends. Separately, **Hilton Worldwide Holdings Inc** is expected to report a first-quarter profit on Tuesday. Investors will focus on the company's outlook for the year ahead and comments around status of travel demand. Online travel agency **Booking Holdings Inc** is expected to report a rise in its first-quarter revenue on Wednesday, helped by a strong leisure travel recovery. Investors will look out for comments on the summer travel season and any impact from the Russian business suspension.

EBay Inc is expected to show a fall in first-quarter revenue on Wednesday due to rising inflation and intense competition from rivals. The reopening of economy is also encouraging people to step outside to brick-and-mortar stores.

New York Times Co is set to report a rise in first-quarter revenue on

Tuesday. Digital subscriber additions are expected to have benefited from the acquisitions of The Athletic and Wordle. Analysts and investors will look out for comments on how these deals will affect margins, and the long-term growth plan to retain subscribers.

Wall Street expects **Nikola Corp** to post its first revenue on Thursday, from sales of vehicles in the first quarter, as the company started production of its electric vehicles at its Coolidge, Arizona facility.

DoorDash Inc is expected to post an increase in first-quarter revenue on Thursday, as a pandemic-era boom in food delivery remains firm. Investors will eye comments on international expansion, labor shortage and the impact of inflation on demand.

Short-term rental firm **Airbnb Inc** is expected to report a smaller first-quarter loss on Tuesday as the business rebounded with the return of travel demand and increased use of alternative accommodations in a post-pandemic, hybrid working world.

Estee Lauder Companies Inc is expected to post a rise in third-quarter revenue on Tuesday, helped by robust demand for its self-care, skin care and fragrance products. Focus will be on comments on make-up sales recovery, supply chain disruptions, the impact of coronavirus-related restrictions in China and Russia's invasion of Ukraine on the company's sales.

Canadian business jet maker **Bombardier Inc** is set to report a smaller adjusted loss and higher revenue for the first quarter, helped by higher aircraft margins and cost reduction efforts.

Royal Caribbean Cruises Ltd is expected to post a rise in first-quarter revenue on Thursday, helped by a rebound in demand for cruise travel. Investors will look out for comments on the impact of Omicron, Russia's invasion of Ukraine and higher fuel prices.

Marathon Petroleum Corp is expected to post a first-quarter profit on Tuesday compared with a year-ago loss as demand for fuel and refined products hovers near pre-pandemic levels. Investors and analysts will look out for comments around the Russian-Ukraine conflict and its effects on crude supply and refining margins.

Albemarle Corp is expected to post rise in first-quarter profit on Wednesday on the back of rising demand for lithium - a key battery component for electric-vehicle. Investors and analysts eye commentary on mining costs, inflation, labor shortage and supply-chain disruptions.

Loblaw Cos Ltd is expected to post a rise in first-quarter revenue on Wednesday, boosted by strong demand for groceries and other essentials. Investors will look out for comments on supply chain disruptions, impact of COVID-19 curbs and rising commodity and freight costs.

Indiana and **Ohio** will on Tuesday conduct **primary elections**, where Democrats and Republicans choose their nominees to contest November's congressional elections, which will determine which party controls U.S. House of Representatives and Senate for the next two years.

On Tuesday, U.S. President **Joe Biden** is scheduled to travel to Alabama to visit the **Lockheed Martin Corp** facility that is manufacturing weapons being



A file photo of storage tanks seen at Marathon Petroleum's Los Angeles Refinery in Carson, California, March 11. REUTERS/Bing Guan

provided to Ukraine, including Javelin anti-tank missiles.

Canada's trade balance data for March is due on Wednesday. The country's **employment change** and **unemployment rate** for April are scheduled to be released on Friday. Separately, Canada's **Ivey PMI** is also due on the same day.

Carolyn Rogers will on Tuesday give her first official speech as the Bank of Canada senior deputy governor, to Women in Capital Markets in Toronto. This will be the first in-person speech

from a Bank of Canada official since the pandemic took hold in 2020. Separately, **Lawrence Schembri**, deputy governor of the Bank of Canada, will speak at an event on economic reconciliation with Indigenous people on Thursday.

Brazil's S&P Global Composite and **Services PMI** for April are set to be released on Wednesday. The country's **industrial output** for March is due on Tuesday. **Argentina's industrial output** is expected to be released on Thursday.

Market Monitor

Wall Street finished sharply lower, as Amazon slumped following a gloomy quarterly report, and as the biggest surge in monthly inflation since 2005 spooked investors already worried about rising interest rates.

Amazon.com tumbled 14.05% after the e-commerce giant delivered a disappointing quarter and outlook, swamped by higher costs to run its warehouses and deliver packages. Downbeat results and worries about aggressive monetary policy tightening by the Federal Reserve have hammered megacap technology and growth stocks this month. "Market participants are nervous to begin with, so there is a quick trigger when it comes to these names when there's any uncertainty," said Keith Buchanan, senior portfolio manager at Globalt Investments in Atlanta. The **S&P 500** lost 3.60% to end at 4,132.94 points, while the **Nasdaq Composite** lost 4.14% to 12,338.13. The **Dow Jones Industrial Average** fell 2.77% to 32,978.59. For the week, the S&P 500 fell 3.28%, the Dow lost 2.46%, and the Nasdaq shed 3.93%. For the month, the S&P 500 fell 8.80%, the Dow lost 4.90%, and the Nasdaq shed 13.26%.

Yields of Treasuries rose slightly following data that showed monthly inflation surged by the largest amount since 2005 in March. The strong economic numbers may lead to a more hawkish response from the Federal Reserve, said Ian Lyngen, head of U.S. Rates Strategy at BMO Capital Markets. The **benchmark 10-year notes** were down 10/32 to yield 2.9005%. The **30-year bonds** fell 23/32, yielding 2.9691%.

The **dollar** slipped from 20-year highs against a basket of currencies, but posted the best month in seven years as concerns about the global economy and a hawkish Federal Reserve bolstered demand for the greenback. The dollar hit a 20-year high against



A file photo of traders working on the floor of the New York Stock Exchange in New York City, April 28. REUTERS/Brendan McDermid

the yen on Thursday, as the Japanese currency was hurt by dovish Bank of Japan policy. It also hit a five-year high against the euro, which has dropped sharply since Russia's invasion of Ukraine, with investors concerned about Europe's energy security, inflation and growth. The greenback gave back some of those gains on Friday as investors took profits, but still ended the month strong. "We've seen some broad-based dollar strength," said Vassili Serebriakov, an FX strategist at UBS in New York. "There is a general story, which has more to do with concerns about the global cycle and that helps the dollar through risk aversion, but then there are some idiosyncratic stories like dollar/yen." The **dollar index** fell 0.41% to 103.20.

Oil prices fell, reversing in volatile trade, pulled downward by the U.S. heating oil contract that plummeted by more than 20% at one point on the day of its expiration. "The fireworks were all in the expiring diesel contract," said Andrew Lipow of Lipow Oil Associates

in Houston. "Today's expiry is especially volatile and may not be reflective of actual tightness." The more-active **second-month Brent crude futures** contract fell 0.44% to \$106.78 a barrel. **U.S. West Texas Intermediate crude**, which does not expire on Friday, fell 0.94% to \$104.37 a barrel

Gold prices rallied after the dollar retreated. "Gold market has seen consistent sell-off in the past weeks as the dollar rallied. Currently, the dollar index has declined, which is lifting gold prices," said Edward Meir, an analyst with ED&F Man Capital Markets. "The GDP data and the cost index for employment data showed that inflation still running fairly hot, this is generally supportive for gold," Meir said. **Spot gold** was up 0.09% at \$1,896.01 per ounce. **U.S. gold futures** were up 0.36% at \$1,898.20 per ounce.

Top News

Musk sells Tesla shares worth \$8.5 billion ahead of Twitter takeover

Tesla Chief Executive Officer Elon Musk sold \$8.5 billion worth of shares in the electric vehicle maker, U.S. securities filings showed, in sales likely aimed at helping finance his planned purchase of Twitter. Musk said in a tweet on Thursday that there are "no further TSLA sales planned after today". He sold about 9.6 million shares this week, according to the filings on Thursday and Friday, equating to 5.6% of his stake in the company. It was not clear whether all of Musk's recent Tesla share sales were reported. Meanwhile, Elon Musk told banks that agreed to help fund his \$44 billion acquisition of Twitter that he could crack down on executive and board pay at the social media company in a push to slash costs, and would develop new ways to monetize tweets, three people familiar with the matter said. To read more, [click here](#)

Exxon, Chevron hit by Q1 market swings, but still post big revenues

The two largest U.S. oil companies posted big revenues in the first quarter, but both Exxon Mobil and Chevron found themselves tripped up by market fluctuations, though those stand to dissipate in coming months. To be sure, Exxon and Chevron earned \$5.5 billion and \$6.3, respectively, and the former dusted off its old reputation as the poster child for share repurchases by tripling expected buybacks through 2023 to \$30 billion. Chevron got in on that as well, boosting buybacks to their most in more than a year. However, Exxon said its revenues were \$1.3 billion lower than they could have been due in part to derivative positions and "negative timing" issues, while Chevron's global refining business was hit by lower margins and foreign currency swings. "Timing and derivative effects impacted XOM's results heavily this quarter. We think investors will look through this noise and focus on underlying earnings,



Elon Musk's Twitter profile is seen on a smartphone placed on printed Twitter logos in this illustration taken April 28. REUTERS/Dado Ruvic

which actually looked extremely strong this quarter and will only look better into next quarter," RBC Capital Markets analyst Biraj Borkhataria said.

Honeywell raises full-year profit forecast as air travel surges

Honeywell International raised its full-year profit forecast, as a recovery in aviation markets due to a pickup in travel boosted demand for the company's parts, software and aftermarket services, sending its shares up. "Our end market setup continues to be strong with ongoing improvement in global flight hours, return to public spaces and elevated oil prices," Chief Financial Officer Gregory Lewis said during an analyst call. The company, which builds everything from aircraft engines to cockpit components, said it expects 2022 adjusted profit per share of \$8.50 to \$8.80, higher than its previous forecast range of \$8.40 to \$8.70. Honeywell also raised the lower end of its full-year sales guidance to \$35.5 billion to \$36.4 billion from its previous range of \$35.4 billion to \$36.4 billion. The company's first-quarter adjusted net income per share of \$1.91 beat analyst expectations of \$1.86 per

share, according to Refinitiv data, on higher prices. Honeywell shares ended 1.89% higher at \$193.51.

AbbVie misses sales estimates on Humira weakness, shares fall

AbbVie missed Wall Street estimates for first-quarter sales, hurt by European competition for its blockbuster drug Humira and lower demand for its newer drug Rinvoq, sending shares of the company down. Sales of the rheumatoid arthritis drug, Humira, fell 2.7% to \$4.74 billion in the first quarter, below estimates of \$4.91 billion, as it faces competition from cheaper biosimilar copies in Europe. U.S. rivals are expected next year when it loses patent protection in the country. "Growth is going to be suppressed in 2023 and somewhat in 2024. But as soon as that pressure is off, that's when we'll re-emerge and deliver growth on the other side," said Chief Executive Officer Richard Gonzalez. AbbVie lowered its adjusted earnings per share forecast to between \$13.92 and \$14.12, from earlier estimates of \$14.00 to \$14.20, citing the impact of those expenses. The drugmaker's

shares were down 6.08% to \$146.81 at market close.

CEO of Berkshire's Brooks Running expects sales boost despite pandemic, supply disruptions

The longtime chief executive of running shoe maker Brooks Running, a unit of Warren Buffett's Berkshire Hathaway, aims to more than triple revenue over the next decade, overcoming effects from supply chain disruptions and a lingering pandemic. Jim Weber, 62, who has led Brooks since 2001, said in a Thursday interview that Berkshire management gives him the freedom to play the "long game." He said that allowed Brooks to avoid spending cuts and layoffs even as the COVID-19 outbreak in Vietnam, where it makes most of its shoes, recently forced it to shut 45% of production for three months. Despite signs that running participation is now "stabilizing" as more people return to gyms and resume other sporting activities, Weber said he expects sustained growth in how many people worldwide run for sport or fitness. "In the world economy, there's lots of challenges but a lot of economic success, creating a middle class that's being more active investing in themselves, in fitness," Weber said. "Running could double in the next 10 years to 300 million people." He also said Brooks plans further expansion in Europe, where he believes sales could double by 2025.

FDA to discuss Pfizer, Moderna requests for COVID vaccines in young kids in June

An advisory panel of experts to the U.S. drug regulator will meet in June to review requests from Pfizer and Moderna for use of their COVID-19 vaccines in young children, the U.S. Food and Drug Administration said. The FDA said it would also convene a meeting to review Novavax's request for emergency use authorization of its vaccine in individuals aged 18 and older. The Vaccines and Related Biological Products Advisory Committee is expected to meet on June 7 to discuss Novavax's application, and will convene on June

8, 21, and 22 to discuss Pfizer and Moderna's data, the FDA said. The U.S. regulator also plans to convene a meeting to discuss whether the SARS-CoV-2 strain composition of COVID-19 vaccines should be modified, and if so, which strain(s) should be selected for the fall of 2022.

Phillips 66 beats profit estimates, to resume share buybacks

U.S. refiner Phillips 66 promised to resume share buybacks in the current quarter, after posting a quarterly profit that surpassed Wall Street expectations as demand for fuel and refined products hovered near pre-pandemic levels. Phillips' overall product supplied, a proxy for demand, rose to 21.1 million barrels per day in the third week of March and was near pre-pandemic levels. The Houston-based company said its first-quarter realized refining margins more than doubled to \$10.55 per barrel, while total processed inputs worldwide rose 7.7% to 1.9 million barrels of oil per day. "We believe current market conditions will allow us to increase shareholder returns by restarting share repurchases and increasing the dividend," Phillips Chief Executive Officer Greg Garland said. Phillips 66 had suspended share buybacks in March 2020 in response to the pandemic. The company said net income was \$582 million, or \$1.29 per share, for the quarter ended March 31, compared with a loss of \$654 million, or \$1.49 per share, a year earlier.

Purdue urges skeptical appeals court to revive Sackler opioid lawsuit shield

Judges on a U.S. appeals court appeared hesitant to revive a legal shield that would protect the Sackler family that owns Purdue Pharma from lawsuits related to the prescription opioid OxyContin, a key to ending the company's bankruptcy. During oral arguments, a three-judge panel on the U.S. 2nd Circuit Court of Appeals probed the limits of a bankruptcy judge to protect non-bankrupt parties like the wealthy Sacklers, in the absence of clear legal authority. One judge

described the court's own past rulings as "a flimsy ship" to build on, while another gave little weight to Purdue's argument that the Sackler protections were necessary to secure funding for opioid settlements. Purdue needs the court to revive the legal shield in order to carry out its bankruptcy exit plan.

ISS backs two dissident directors in boardroom battle at Kohl's

Proxy advisory firm Institutional Shareholder Services (ISS) recommended that Kohl's investors elect two of the 10 board nominees put forth by activist investment firm Macellum Advisors as the department store considers selling itself. ISS said Macellum nominee Jeffrey Kantor, who had been chief merchandising officer at retailer Macy's and a former chief executive at the Hecht Company, and Pamela Edwards, who had been a former chief financial officer at Victoria's Secret and Express, would bring critical expertise to the board. "Some incremental change at the board level may provide added comfort to investors that the strategic alternatives available are being weighed against the upside and risks associated with the standalone plan, and add expertise," ISS wrote.

Bristol Myers 1st-quarter sales up on Eliquis, Opdivo

Bristol Myers Squibb posted slightly better-than-expected first-quarter earnings on growth of sales of its blood thinner Eliquis and cancer drug Opdivo, but said it no longer expects sales growth in 2022 due to stiff generic competition overseas for blood cancer drug Revlimid. Revenue in the quarter rose 5% from last year, to \$11.65 billion. Analysts had forecast \$11.4 billion in revenue, according to Refinitiv IBES data. Earnings in the quarter were \$1.28 billion, or 59 cents a share, down from \$2.02 billion, or 89 cents a share, last year. Excluding one-time items, the company said it earned \$1.96 a share, topping analyst forecasts of \$1.91 a share. Bristol said it lowered its full-year forecast by 21 cents, to between \$7.44 and \$7.74 a share, to reflect those expenses.



A Muslim woman with a child leaves after offering prayers during Jumat-ul-Vida or the last Friday of the holy fasting month of Ramadan, at Jama Masjid in the old quarters of Delhi, India, April 29. REUTERS/Anushree Fadnavis

Insight and Analysis

FOCUS-Proposed China investment curb by U.S. sparks debate among chipmakers

Chipmakers are divided over how aggressively to oppose a legislative proposal that would give the U.S. government sweeping new powers to block billions in U.S. investment into China, according to documents seen by Reuters. The measure is part of the House version of a bill that would also grant \$52 billion to chipmakers to expand operations, a boon to the industry that has made some companies loath to forcefully oppose the package's China investment controls.

N. American oil companies scramble to find workers despite boom

Oil workers left the industry in droves after the COVID-19 pandemic started. Now, the U.S. unemployment rate has fallen to 3.6%, just a hair above the pre-pandemic low, but there are still roughly 100,000 fewer oil and gas workers now in the country than before the pandemic. Oil industry employment in Canada has rebounded more swiftly, which has allowed workers to drive a harder bargain in negotiations for benefit and wage packages as companies try to maintain their workforce.

Musk's Twitter free speech promise may be tested in Middle East

Twitter buyer Elon Musk calls himself a free speech absolutist, but that could be put to the test in the Middle East where critics say authoritarian governments use the platform to track opponents and spread disinformation. In a region where the local media is often controlled by the state, millions of people rely on social media platforms to follow news and express their opinions. Both Twitter and Facebook showed their potential to influence real-life events during the 2011 Arab Spring uprisings, when they played an outsized role in social upheaval.

CANADA

Market Monitor

Canada's main stock index fell, as the technology sector echoed a downbeat mood on Wall Street following Amazon's disappointing forecast, although the index was on track for nine straight months of gains.

The Toronto Stock Exchange's **S&P/TSX composite index** closed 1.70% lower at 20,762.00.

Toronto-listed **technology shares** dipped 2.46% to 142.47, reflecting the drop on Wall Street.

The **U.S. dollar** was 0.32% higher against its **Canadian counterpart** at C\$1.2846.

COMING UP - ON MONDAY

The **S&P Global Canada Manufacturing PMI index** for April is scheduled for release.

TSE's S&P/TSX composite	Price	C\$ Chng	% Chng
GAINERS			
Canopy Growth Corp	7.41	0.38	5.41
Agnico Eagle Mines Ltd	74.78	3.26	4.56
Altus Group Ltd	48.11	2.01	4.36
LOSERS			
NFI Group Inc	11.79	-2.08	-15.00
CAE Inc	30.55	-3.01	-8.97
Eldorado Gold Corp	12.48	-1.05	-7.76

Top News

Canada's first-quarter economic surge adds to rate hike pressure

The Canadian economy most likely grew by an annualized 5.6% in the first quarter, official data showed, well ahead of the Bank of Canada's recent projections, reinforcing the likelihood of another oversized interest rate increase. Canada's real gross domestic product rose by 1.1% in February from January, beating analyst estimates of 0.8% growth and gaining for a ninth consecutive month. The economy likely grew by 0.5% in March, Statscan said in its flash estimate. The flash estimate for first-quarter annualized growth was much higher than the 3.0% forecast published by the Canadian central bank earlier this month. The economy posted broad-based increases as COVID-related restrictions were eased, Statistics Canada said. The accommodation and food services sector jumped 15.1%, clawing back nearly all the declines of the previous two months. Transportation rose as people returned to trains and planes,



A file photo of a sign seen outside the Bank of Canada building in Ottawa, Ontario, May 23, 2017. REUTERS/Chris Wattie

and the arts, entertainment and recreation sector bounced back. Construction expanded again, while the real estate sector gained on surging

home resale activity. Housing demand also buoyed the finance and insurance industry, as home buyers rushed to lock in mortgages ahead of rate

increases. Separately, Canada recorded its second surplus of fiscal 2021/22 in February, as its budget deficit for the first 11 months of the fiscal year shrunk considerably compared with the year-ago period, the finance ministry said.

Canada's Imperial Oil nearly triples quarterly profit on surging crude prices

Canada's Imperial Oil booked a first-quarter profit boosted by soaring global oil prices, and announced plans for a substantial issuer bid (SIB) that will involve buying back up to C\$2.5 billion of its common shares. News of the SIB helped offset lower-than-expected production for the quarter, after extreme cold weather in northern Alberta triggered an extended unplanned outage at the company's huge Kearl oil sands mine. "The C\$2.5 billion is clearly very affordable and at current prices we'd expect to continue to generate significant cash flow," Imperial Chief Executive Brad Corson told analysts on an earnings call. Imperial, which is majority-owned by Exxon Mobil, posted net earnings of C\$1.17 billion, or C\$1.75 per share, from C\$392 million, or 53 Canadian cents per share, a year ago. The company said this was its highest first-quarter earnings in over 30 years.

Pipeline operator TC Energy beats profit estimates on higher energy demand

Canadian pipeline operator TC Energy reported quarterly profit that narrowly beat estimates, helped by rising demand for its energy transport services as oil and gas prices surged after Russia's invasion of Ukraine. The company's liquids pipelines unit posted a profit of C\$272 million, compared with a year-ago loss of C\$2.51 billion, while earnings at its Canadian natural gas pipelines rose marginally. Net income attributable to common shares stood at C\$358 million, or 36 Canadian cents per share, in the three months ended March 31, compared with a loss of C\$1.1 billion, or C\$1.1 per share, a year earlier. In the year-

ago quarter, TC took C\$2.2 billion in impairment charges related to the suspension of its Keystone XL pipeline project. On comparable basis, the company posted a profit of C\$1.12 per share, compared with estimates of C\$1.11 per share, according to Refinitiv IBES.

Moderna plans to build vaccine facility in Canada's Quebec province

Moderna said it plans to build an mRNA vaccine manufacturing facility in Quebec province as part of the COVID-19 vaccine maker's 10-year partnership with the Canadian government to better prepare for future pandemics. The construction of the facility, which would be able to produce up to 100 million mRNA respiratory vaccine doses annually, is expected to start this year and is likely to be operational by end 2024, Moderna said in a statement. A Moderna executive in Canada also announced at the news conference that the company had asked Canada to approve its COVID vaccine for pediatric use in children aged 6 months to 5 years. Once operational, the facility would provide access to a domestically manufactured portfolio of mRNA

vaccines against respiratory viruses, including COVID, seasonal influenza, and others, contingent on approval by Health Canada.

Canadian pot producer Hexo names new CEO

Canadian pot producer Hexo named Charlie Bowman as its acting chief executive officer, replacing Scott Cooper who is stepping down after just six months into the job. In February, the company had said it would refresh its board as part of a deal with activist shareholder Adam Arviv and his fund Kaos Capital. Bowman had previously served as Hexo's acting chief operating officer and general manager of the company's U.S operations. The company also appointed Julius Ivancsits as the acting Chief Financial Officer, effective May 16. Cooper took the helm from Hexo's co-founder Sebastien St-Louis in October last year, who, according to media reports, was ousted from his role after an investor alleged the company had "not acted in the best interest of its shareholders" under him.



Canada's Prime Minister Justin Trudeau and Quebec Premier Francois Legault look on as Moderna's global CEO Stephane Bancel speaks at an event to announce the construction of a new Moderna mRNA vaccine production plant in Montreal, April 29. REUTERS/Christinne Muschi

WEALTH NEWS

FED POLICY

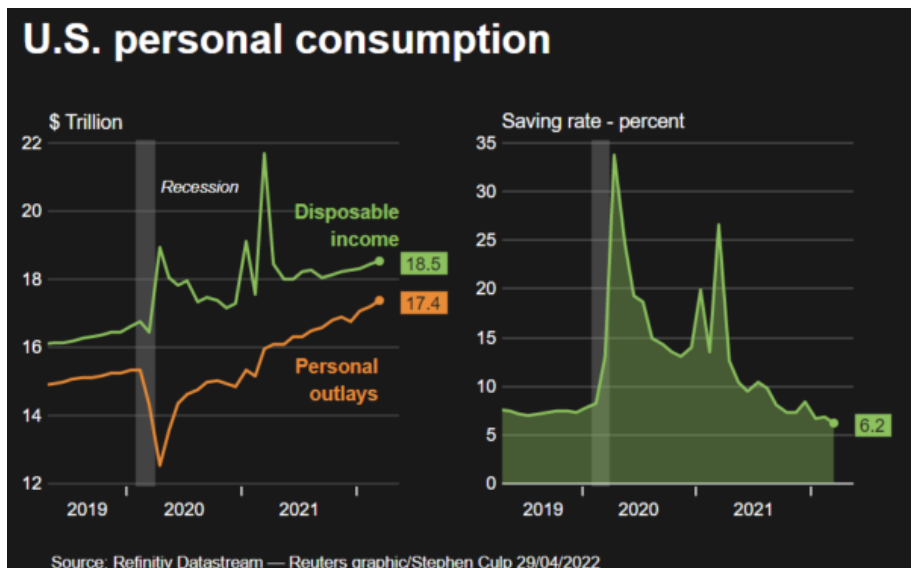
Big Fed rate hikes ahead, amid early signs hot inflation is peaking

U.S. Federal Reserve policymakers look set to deliver a series of aggressive interest rate hikes at least until the summer to deal with hot inflation and surging labor costs, even as two reports showed tentative signs both may be cresting.

ECONOMIC INDICATORS

U.S. consumers shrug off high inflation, lean on savings to boost spending

U.S. consumer spending rose more than expected in March amid strong demand for services, while monthly inflation surged by the most in 16-1/2 years, giving the Federal Reserve ammunition to hike interest rates by a hefty 50 basis points next week. Consumer spending surged 1.1% last month, the Commerce Department said. The PCE price index shot up 0.9% in March, the largest increase since September 2005, after climbing 0.5% in February. Wages and salaries increased 1.2% last quarter after rising 1.0% in the fourth quarter. Benefits jumped 1.8%, the most in 18 years, after increasing 0.9% in the October-December quarter.



WALL STREET WEEK AHEAD

Rocky stock market faces Fed test with eyes on tightening plans

A volatile stock market faces a critical test next week, when the U.S. Federal Reserve is expected to raise interest rates and give more insight on its plans for tightening monetary policy to fight surging inflation.

DEAL LIKELY

China, U.S. discussing audit deal plan as delistings loom - sources

China and U.S. regulators are discussing operational details of an audit deal that Beijing hopes to sign this year, sources familiar with the matter said, in the latest move to try to keep Chinese companies listed on U.S. exchanges.

POSSIBLE HEADWINDS

U.S. consumer sector braces for slowing demand as inflation bites

U.S. consumer goods firms, including P&G and Coca-Cola, are preparing for an impending slowdown in demand as runaway inflation fuels a surge in prices of everything from toothpaste to sodas and hammers the spending power of Americans.

SPECIAL REPORT

How military technology reaches Russia in breach of U.S. export controls

The story of how the American chips made it from Texas to Moscow back in 2015 shows how sensitive Western technology can still end up in Russia despite strict U.S. export controls.

BAD STRATEGY

Amazon's net loss prompts query: Has it built too many warehouses?

In recent years, Amazon has spent billions of dollars on new warehouses that cut into profits, explaining to investors that it had no choice but to meet ever-rising consumer demand. It turns out, Amazon may have built too much, too soon, analysts say.

ON THE RADAR

Events	ET	Poll	Prior
Tue: Durable goods ex-defense, R mm for Mar	1000	--	1.2%
Durable goods, R mm for Mar	1000	--	0.8%
Factory orders mm for Mar	1000	1.1%	-0.5%
Durables ex-transport R mm for Mar	1000	--	1.1%
Nondefense capital ex-aircraft R mm for Mar	1000	--	1.0%
Factory ex-transport mm for Mar	1000	--	0.4%
JOLTS job openings for Mar	1000	--	11.266 mln
Wed: ADP national employment for Apr	0815	395,000	455,000
International trade for Mar	0830	-\$107.0 bln	-\$89.2 bln
Goods trade balance (R) for Mar	0830	--	-\$125.32 bln
S&P Global Composite Final PMI Apr	0945	--	55.1
S&P Global Service PMI Final Apr	0945	--	54.7
ISM N-Manufacturing PMI for Apr	1000	58.5	58.3
ISM N-Manufacturing Business Activity for Apr	1000	--	55.5
ISM N-Manufacturing Employment Index for Apr	1000	--	54.0
ISM N-Manufacturing New Orders Index for Apr	1000	--	60.1
ISM N-Manufacturing Price Paid Index for Apr	1000	--	83.8
Thu: Challenger layoffs for Apr	0730	--	21,387
Initial jobless claims	0830	180,000	180,000
Jobless claims 4-week average	0830	--	17,975
Continued jobless claims	0830	1.400 mln	1.408 mln
Labor costs preliminary for Q1	0830	8.5%	0.9%
Productivity preliminary for Q1	0830	-4.5%	6.6%
Fri: Non-farm payrolls for Apr	0830	380,000	431,000
Private payrolls for Apr	0830	400,000	426,000
Manufacturing payrolls for Apr	0830	35,000	38,000
Government payrolls for Apr	0830	--	5,000
Unemployment rate for Apr	0830	3.5%	3.6%
Average earnings mm for Apr	0830	0.4%	0.4%
Average earnings yy for Apr	0830	5.5%	5.6%
Average workweek hours for Apr	0830	34.7 hrs	34.6 hrs
Labor force participation for Apr	0830	--	62.4%
U6 underemployment for Apr	0830	--	6.9%
Consumer credit for Mar	1500	\$25 bln	\$41.82 bln

KEY RESULTS - ON MONDAY

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Arista Networks	Q1	AMC	\$0.82	\$0.81	\$0.63	\$854.22
Boston Properties	Q1	AMC	\$0.69	\$0.67	\$0.59	\$730.93
Clorox Co	Q3	AMC	\$0.95	\$0.97	\$1.62	\$1,793.89
Coterra Energy	Q1	AMC	\$0.84	\$0.83	\$0.38	\$1,757.80
Devon Energy	Q1	AMC	\$1.75	\$1.75	\$0.45	\$3,808.87
Diamondback Energy	Q1	AMC	\$4.51	\$4.51	\$2.30	\$1,906.37
Expedia Group	Q1	AMC	-\$0.53	-\$0.65	-\$2.02	\$2,227.24
FMC	Q1	AMC	\$1.72	\$1.71	\$1.53	\$1,285.75
Global Payments	Q1	BMO	\$2.03	\$2.04	\$1.82	\$1,956.56
MGM Resorts International	Q1	AMC	-\$0.08	-\$0.07	-\$0.69	\$2,784.34
Monolithic Power Systems	Q1	AMC	\$2.27	\$2.26	\$1.46	\$360.52
Moody's	Q1	BMO	\$2.98	\$2.90	\$4.06	\$1,508.16
Mosaic Co	Q1	AMC	\$2.43	\$2.41	\$0.57	\$4,076.42
Solaredge Technologies	Q1	AMC	\$1.28	\$1.27	\$0.98	\$636.02
Vornado Realty Trust	Q1	AMC	\$0.08	\$0.08	\$0.06	\$427.86
WEC Energy Group	Q1	BMO	\$1.69	\$1.67	\$1.61	\$2,730.64
Williams Companies	Q1	AMC	\$0.36	\$0.35	\$0.35	\$2,979.96

*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.

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

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