

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Stocks tumbled, while the **dollar** and **Treasury yields** climbed as a bigger-than-expected U.S. inflation spike raised worries about more aggressive interest rate hikes by the Fed. Demand concerns weighed on **oil** prices. **Gold** prices rebounded strongly in volatile trading.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	31395.72	-882.47	-2.73	36952.65	30635.76
Nasdaq	11340.02	-414.20	-3.52	15852.14	11035.69
S&P 500	3900.86	-116.96	-2.91	4818.62	3810.32
Toronto	20274.82	-289.07	-1.41	22213.07	19480.00
FTSE	7317.52	-158.69	-2.12	7687.27	6787.98
Eurofirst	1657.59	-44.60	-2.62	1921.56	1591.24
Nikkei	27824.29	-422.24	-1.49	29388.16	24681.74
Hang Seng	21806.18	-62.87	-0.29	25050.59	18235.48

TREASURIES	Yield	Price
10-year	3.1536	-30 /32
2-year	3.0632	-15 /32
5-year	3.2515	-27 /32
30-year	3.1960	-16 /32

FOREX	Last	% Chng
Euro/Dollar	1.0518	-0.90
Dollar/Yen	134.40	0.05
Sterling/Dollar	1.2309	-1.45
Dollar/CAD	1.2778	0.65
TR/HKEX RMB	101.12	-0.07

COMMODITIES (\$)	Price	Chng	% Chng
Front Month Crude /barrel	120.55	-0.96	-0.79
Spot gold (NY/oz)	1871.52	23.91	1.29
Copper U.S. (front month/lb)	0.0430	-0.0009	-2.03
CRB Index Total Return	347.23	-4.02	-1.14

S&P 500	Price	\$ Chng	% Chng
GAINERS			
Newmont Corporation	66.84	2.26	3.50
Cardinal Health Inc	53.50	1.15	2.20
Baxter International Inc	73.38	1.35	1.87
LOSERS			
Caesars Entertainment Inc	45.50	-4.66	-9.29
Illumina Inc	204.19	-20.28	-9.03
ETSY Inc	75.84	-7.23	-8.70

Coming Up - On Monday

BlackRock Inc, the world's biggest asset manager, is expected to update on the degree to which its institutional clients have taken up an offer to take back more control of proxy voting decisions.

Morgan Stanley's CEO Jim Gorman and **Bank of America's CFO, Alastair Borthwick**, will speak at the Morgan Stanley U.S. Financials, Payments & CRE conference.

LIVECHAT-REUTERS GLOBAL MARKETS FORUM

Gilles Moëc, AXA Group Chief Economist and AXA IM Head of Research joins the forum to discuss the recent EBC meeting, the upcoming Federal Reserve meeting and the likely policy path ahead for major central banks. He will also discuss his economic outlook for the second half of 2022. (0900 ET/1300 GMT) To join the discussion, [click here](#)

KEY ECONOMIC EVENTS

No economic indicators are scheduled for release

Coming Up - Week Ahead



A file photo of U.S. Federal Reserve Chair Jerome Powell collecting his notebooks as he testifies before a Senate Banking, Housing, and Urban Affairs Committee in Washington, U.S., March 3. REUTERS/Jonathan Ernst/Pool

On Tuesday, the **Federal Open Market Committee (FOMC)** begins a two-day meeting on interest rate

policy in Washington. On the following day, U.S. Federal Reserve's FOMC announces its decision on

interest rates followed by statement and a news conference by Federal Reserve Chair **Jerome Powell**. On Friday, Powell will give welcome remarks before the Inaugural Conference on the International Roles of the U.S. Dollar, in Washington. Meanwhile, Federal Reserve Vice Chair **Lael Brainard** discusses the Community Reinvestment Act before the National Community Reinvestment Coalition (NCRC): Just Economy Conference 2022 on Tuesday.

The U.S. Commerce Department, on Wednesday, is expected to report **retail sales** rising 0.2% in May, after advancing 0.9% in the previous month. **Excluding automobiles, gasoline, building materials and food services, retail sales** are likely to rise 0.8% last month, after gaining 0.6% in April. On Tuesday, the **Labor Department is expected to show producer price index (PPI)** for final demand likely rose 0.8% in May, after gaining 0.5% in the previous month. In the 12 months through May, the **PPI** probably increased 10.9% after accelerating 11.0% in April. On Thursday, **initial claims for state unemployment benefits** are expected to drop to a seasonally adjusted 215,000 for the week ended June 11. A separate report on Wednesday is expected to show import prices increasing 1.1% in May, after remaining flat in the month before. **Industrial production**, on Friday, is likely to have increased 0.4% in May, after gaining 1.1% in April. Overall **industrial sector capacity utilization**, a measure of how fully companies are using their resources, is likely to gain 79.2% in May, after it rising 79.0% in the previous month. On Thursday, **May building permits** are expected to have dropped to 1.787 million units from 1.823 million units in April. Separately on the same day, **housing starts** are likely to have fallen to 1.700 million units in May, from 1.724 million units a

month earlier. **The Commerce Department**, on Wednesday, is expected to report **business inventories advancing** 1.2% in April, after increasing 2.0% in March.

U.S. grocer **Kroger Co's** first-quarter revenue is expected to increase on strong demand for packaged foods and everyday essentials. Investors will look out for the company's comments on the impact of inflation on demand and margins as well as consumer trade-down.

Wells Fargo & Co's CFO **Michael Santomassimo** and **Citigroup Inc's** global head of markets **Andy Morton** will speak at **Morgan Stanley** U.S. Financials, Payments & CRE conference on Tuesday and Wednesday respectively.

A San Jose federal court will hear **Apple Inc's** request to block its former engineer **Ricky Wen** and "any other person or entity" acting with him from taking its trade secrets to **Rivos Inc**, a "stealth" startup that works on competing "system-on-chip" (SoC) technology. Apple sued Wen, Rivos and another former engineer for stealing trade secrets related to Apple's computer chips last month. Wen and Rivos have denied the allegations.

On Tuesday, Preliminary Jury Selection will take place for the **Juul Labs Inc** and **Altria Group Inc** trial, based on questionnaires, before Judge **William H. Orrick**. This proceeding will be held via Zoom webinar. On Thursday, Juul and Altria are slated to face trial in the first case to go to a jury in the litigation over the e-cigarette company's marketing practices, before U.S. District Judge William H. Orrick in San Francisco. The case was brought by a mother on behalf of her minor child who allegedly developed bronchitis, asthma and cognitive and behavioral problems as a result of e-

cigarette addiction.

Deutsche Bank AG hosts an auto conference on Tuesday at which executives of **General Motors Co, Ford Motors Co, Stellantis NV, Rivian Automotiv Inc, Nio Inc, Aptiv Plc** and more will speak.

On Thursday, the **Bank of England** looks set to raise interest rates for the fifth time since December, its steepest run of rate hikes in 25 years, and is likely to keep going in the coming months as inflation heads for double digits. The minutes of the meeting will be published following the rate decision in London. On the same day, the Bank of Japan is expected to maintain ultra-low interest rates at a two-day June policy meeting, making it among the few outliers as many central banks hike interest rates to combat soaring inflation.

On Friday, **Canada's producer prices data** for May is scheduled for release. A data on raw materials prices is also due for release on the same day. Factory sales data for April is scheduled for release on Tuesday. On the following day, the country's housing starts data for May is set for release. On Thursday, Statistics Canada is scheduled to release wholesale trade data for April.

On Wednesday, **Brazil's central bank** is expected to raise **interest rates** by 50 basis points to 13.25%. The country's March IBC-Br economic activity index, a leading indicator of gross domestic product, is due on the same day. Separately, **IGP-10 price index** for June is due for release on Wednesday. Meanwhile, the country's **services activity data**, as provided by the statistics agency IBGE, is expected to come on Tuesday. On the same day, **Argentina's consumer prices data** for May is scheduled for release.

Market Monitor

Stocks ended down sharply and posted their biggest weekly percentage declines since January as a steeper-than-expected rise in U.S. consumer prices in May fueled investor worries about more aggressive interest rate hikes by the Federal Reserve. "Inflation this past month was certainly hotter than expected and a reminder that inflation will be with us for longer than we previously expected," said Michael Sheldon, chief investment officer at RDM Financial Group at Hightower in Westport, Connecticut. "But there are some signs within the economy that ultimately inflation should start to slow, and the Fed will likely do whatever it takes to keep raising rates and reduce inflation over the coming 12 to 18 months." **Microsoft** fell 4.46% and **Apple** fell 3.86%. The **Dow Jones Industrial Average** fell 2.73% to 31,395.72; the **S&P 500** lost 2.27% to 3,926.76; and the **Nasdaq Composite** dropped 2.91% to 11,411.60. For the week, the **S&P 500** fell 5.06%, the Dow lost 4.58%, the **Nasdaq** shed 5.60%

U.S. Treasury prices tumbled and short- and intermediate-dated **yields** surged after data showed that U.S. consumer prices soared in May. "It's tough to find any solace in this inflation report," said Gennadiy Goldberg, a senior rates strategist at TD Securities in New York. "The fact that we continue to see strong inflation prints is going to keep the Fed thinking that more 50 basis points hikes could be in the cards," Goldberg said. **Benchmark 10-year Treasury notes** fell 30/32 to yield 3.1563%. **2-year notes** were down 15/32 to 3.0652%. **5-year notes** slumped 27/32 to 3.2550%.

The **dollar** climbed to a near four-week high against a basket of currencies, after data showed U.S. consumer prices accelerated in May, strengthening expectations the Federal



A trader works on the floor of the New York Stock Exchange (NYSE) in New York City, June 7, 2022. REUTERS/Brendan McDermid

Reserve may have to continue with interest rate hikes through September to combat inflation. "Inflation is now at a 40-year high with little evidence that it has peaked," said John Doyle, vice president of dealing and trading at Monex USA. "Stocks are extending losses on the expectation the Fed could find the scope to speed up rate hikes. The greenback is gaining on policy divergence and risk-off trading," Doyle said. The **U.S. Dollar Currency Index**, which tracks the greenback against six other major currencies, was 0.94% higher at 104.19, its highest since May 17, and within sight of 105.01, the two-decade high touched in mid-May.

Oil prices fell, after U.S. consumer prices rose more than expected and China imposed new COVID-19 lockdown measures. **Brent crude** fell 1.04% to \$121.79 a barrel. **U.S. West**

Texas Intermediate crude fell 0.86% to \$120.46 a barrel. "The concern is that could be a forward indicator of consumer habits and even though gasoline demand is strong now, it's a sign in the future that if gasoline prices don't stabilize then consumers will be cutting back," said Phil Flynn, analyst at Price Futures.

Gold prices bounced back in volatile trading, as focus turned to economic risks after elevated U.S. inflation readings bolstered bets for aggressive interest rate hikes. **Spot gold** rose 1.25% to \$1,870.66 per ounce. **U.S. gold futures** were up 1.2% at \$1,875.10 an ounce. "Gold has had a manic roller coaster ride, dropping to lows of the month before rallying sharply on the CPI report and bouncing back again on the worst consumer sentiment report on record," said Tai Wong, an independent metals trader in New York. Gold's fate next week may hinge on the Fed meeting, Wong added.

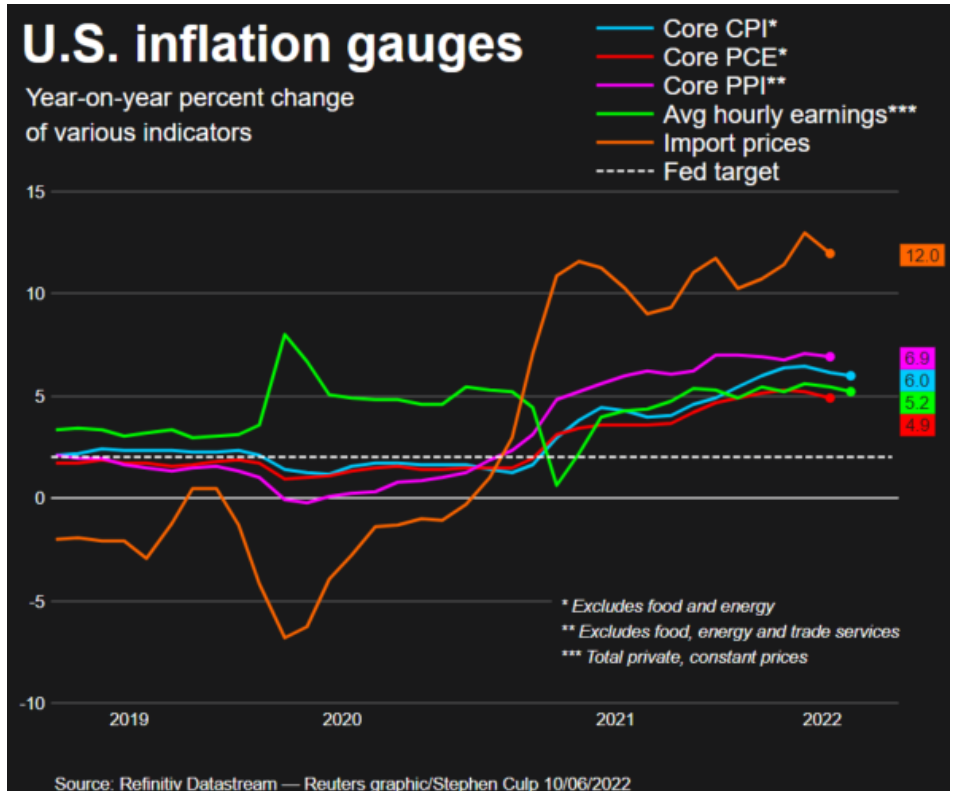
Top News

Americans feel the heat as U.S. annual inflation posts largest gain since 1981

U.S. consumer prices accelerated in May as gasoline prices hit a record high and the cost of food soared, leading to the largest annual increase in nearly 40-1/2 years, suggesting that the Federal Reserve could continue with its 50 basis points interest rate hikes through September to combat inflation. The consumer price index increased 1.0% last month after gaining 0.3% in April. Economists polled by Reuters had forecast the monthly CPI picking up 0.7%. Gasoline prices rebounded 4.1% after falling 6.1% in April. In the 12 months through May, the CPI increased 8.6%. That was the largest year-on-year increase since December 1981 and followed a 8.3% advance in April. Excluding the volatile food and energy components, the CPI climbed 0.6% after advancing by the same margin in April. A survey showed consumer sentiment plunged to a record low in early June.

UK plans to probe Apple, Google's mobile browser dominance

Britain's competition watchdog said it was planning to investigate the market dominance of Apple and Google's mobile browsers, as well as the iPhone maker's restrictions on cloud gaming through its app store. The Competition and Markets Authority (CMA) said it was also taking enforcement action against Alphabet's Google over its app store payment practices. It said the two tech giants had an "effective duopoly" on mobile ecosystems that gave them a stranglehold on operating systems, app stores and web browsers on mobile devices. Separately, Apple Chief Executive Tim Cook sent a letter to a group of U.S. lawmakers asking them to pass federal privacy legislation, according to a copy of the letter seen by Reuters. To read the full story, [click here](#).



Goodbye Golden Arches: rebranded McDonald's to reopen in Russia

Sunday marks a new dawn for Russia's fast-food lovers as former McDonald's restaurants reopen under new branding and ownership, more than three decades after the arrival of the hugely popular Western fast food chain. The relaunch will begin on Russia Day, a patriotic holiday celebrating the country's independence, at the same flagship location in Moscow's Pushkin Square where McDonald's first opened in Russia in January 1990. McDonald's iconic 'Golden Arches' have been taken down at sites in Moscow and St Petersburg, where they will make way for a new logo comprising two fries and a hamburger patty against a green background. The reopening will initially cover 15 locations in Moscow and the surrounding region. The new chain's name remains a closely guarded secret. A change in the name of the

McDonald's app to 'My Burger' generated some online excitement, but the chain's press team said this was only temporary, the RBC daily reported.

Netflix shares slide as Goldman downgrades on grim economic picture

Netflix shares fell after Goldman Sachs downgraded the streaming pioneer over risks of slower consumer spending and tough competition from Amazon and Walt Disney Co. Goldman downgraded the stock to "sell" from "neutral" and slashed its price target to \$186 from \$265, the lowest PT among analysts covering the stock, according to data from Refinitiv. The brokerage also lowered its ratings on e-commerce platform eBay and online gaming firm Roblox to "sell" from "neutral". Roblox and eBay shares fell nearly 4% in afternoon trading. Netflix is now a

"show-me story", Goldman said, as it cut revenue estimates for 2022-2023. Shares of the company fell 5.10% to \$182.94.

Activision Blizzard recognizes new "Call of Duty" workers union

Activision Blizzard recognized the Communications Workers of America and began negotiations on behalf of a small group of quality assurance testers at the "Call of Duty" videogame maker who voted to unionize last month. "While first labor contracts can take some time to complete, we will meet CWA leaders at the bargaining table and work toward an agreement that supports the success of all our employees," Chief Executive Bobby Kotick said in a letter to all U.S. Activision employees. Quality assurance employees at Raven Software in Middleton, Wisconsin, voted 19-3 in favor of joining the CWA, according to a tally by U.S. National Labor Relation Board (NLRB) officials.

Tesla cancels three June online hiring events for China

Tesla has cancelled three online recruitment events for China scheduled this month, the latest development after Chief Executive Elon Musk threatened job cuts at the electric car maker, saying it was "overstaffed" in some areas. However, Musk had not commented specifically on staffing in China, which made more than half of the vehicles for the automaker globally and contributed a quarter of its revenue in 2021. The company cancelled the three events for positions in sales, R&D and its supply chain originally scheduled for June 16, 23 and 30, notifications on messaging app WeChat showed late on Thursday, without stating a reason. Tesla did not respond to a Reuters request for comment.

White House says Delta to ship UK baby formula starting June 20

Delta will start transporting 3.2 million bottles of Kendamil baby formula on

June 20, the White House said in announcing the sixth shipment of overseas formula to help quell a U.S. shortage. Delta will ship about 212,000 pounds of the British formula maker's product from London to Boston and Detroit, where it will then get to retailers, the White House said in a statement. Separately, the U.S. Food and Drug Administration said Abbott Laboratories would have 16.5 million bottles of its Similac infant formula ready to be shipped from Spain this month. It did not say when the bottles would be shipped into the United States, but said the government was looking at options to get the product to the U.S. "as quickly as possible".

Meta probing Sheryl Sandberg's use of company resources - WSJ

Lawyers are investigating Meta Platforms's outgoing operations chief Sheryl Sandberg's use of company resources over several years, the Wall Street Journal reported, citing people familiar with the matter. Several employees have been interviewed in connection with the investigation by Facebook-parent Meta, the WSJ reported, adding that the probe has been underway since at least last fall. Meta and Sandberg did not immediately respond to Reuters' requests for comment. Among the activities being scrutinized is the work of Meta employees to support Sandberg's foundation, Lean In, and towards writing and promotion of her second book, "Option B: Facing Adversity, Building Resilience, and Finding Joy", the report added.

Former Amazon India seller says antitrust raid illegally detained employees

A former top seller for Amazon in India, Cloutail, has accused India's antitrust agency of illegally detaining its employees during a raid over suspected competition law violations, court documents seen by Reuters show. Cloutail, among a handful of online sellers raided in an investigation



of Amazon and Walmart's Flipkart over suspected preferential treatment on e-commerce platforms, argued in a court filing the detentions were cause for disallowing materials taken during the raid. "[Three] employees from the senior management were detained for over 30 hours through the night till the completion of the search & seizure operation," the May 30 filing said. The operation was conducted on April 28 and 29. Cloutail and Amazon did not respond to requests for comment. Separately, U.S. tech behemoth Amazon will not bid for rights to telecast India's premier league cricket, projected to be worth more than 500 billion rupees, a source with knowledge of the company's plans said. To read the full story, [click here](#).

Drug developer Zymeworks adopts 'poison pill' to keep All Blue at bay

Cancer therapy developer Zymeworks said it had adopted a "poison pill" to thwart a hostile takeover from All Blue Capital, a month after rejecting the investment firm's \$773 million bid on valuation grounds. Vancouver, Canada-based Zymeworks said the shareholder rights plan would stop investors from amassing more than 10% of its share, or 20% in the case of some passive investors. Poison pills, such as the one recently adopted by Twitter before it accepted Elon Musk's buyout bid, make a takeover more difficult by allowing existing shareholders to buy shares at a discount, diluting a suitor's ownership stake. In a filing late last month, All Blue Falcons raised its stake in Zymeworks to 6.9%. The rights plan will expire in June next year.





Former U.S President Donald Trump seen on video during the hearing of the U.S. House Select Committee to Investigate the January 6 Attack on the United States Capitol, on Capitol Hill in Washington, June 9. REUTERS/Jonathan Ernst

Insight and Analysis

FOCUS-U.S. banks finally see upturn in credit-card borrowing

Big U.S. banks including JPMorgan Chase and Citigroup appear set for some earnings boost from a pick-up in the battered credit-card business, but a possible recession would pull consumers back and bring losses on outstanding loans. When consumer spending crashed during the pandemic, Citigroup marked a low point as 2020 ended with a 13% fall in quarterly revenue from U.S. Citi-branded cards from a year earlier. Now overall balances on credit card and similar loans at U.S. banks are up 15%, as of May 25, from a year earlier, and back near pre-pandemic levels, according to Federal Reserve data.

Global investment banking faces tougher times after blockbuster year

A dearth of IPOs, a plunge in stock prices and slowing global economic growth are clouding the outlook for revenue at global investment banks after pandemic spending by governments and central banks fueled a blockbuster 2021. Russia's invasion of Ukraine and significant monetary tightening have led to volatile trading in financial markets this year. While that can help trading volumes, it however slowed initial public offerings (IPOs) and deals led by special purpose acquisition companies (SPACs). Banks have talked in recent weeks about the shine coming off investment banking - or at least parts of it.

Buy Now Pay Later business model faces test as rates rise

Reduced consumer spending, rising interest rates and trickier credit conditions spell trouble for Buy Now Pay Later lenders, raising the prospect of consolidation in the sector. Buy Now Pay Later (BNPL) firms have created one of the fastest-growing segments in consumer finance, with transaction volumes hitting \$120 billion in 2021 up from just \$33 billion in 2019, according to GlobalData. The BNPL business model emerged out of a very low interest rate environment which enabled BNPL firms to raise funds at relatively low cost and offer point-of-sale loans to customers on online shopping websites.

CANADA

Market Monitor

Canada's main **stock index** fell, as stronger-than-expected U.S. consumer price data stoked fears that the **Federal Reserve** would continue with its aggressive policy tightening to tame soaring inflation.

The **Toronto Stock Exchange's S&P/TSX composite index** ended 1.41% lower at 20,274.82.

Energy sector fell 1.66% to 277.58.

The **U.S. dollar** was up 0.66% against the **Canadian dollar** to C\$1.2780.



REUTERS/Mark Blinch

COMING UP - ON MONDAY

No major events are scheduled for the day.

TSE's S&P/TSX composite	Price	C\$ Chng	% Chng
GAINERS			
Endeavour Silver Corp	5.05	0.41	8.84
Fortuna Silver Mines Inc	4.68	0.38	8.84
IAMGOLD Corp	2.96	0.22	8.03
New Gold Inc	1.77	0.13	7.93
OceanaGold Corp	3.10	0.22	7.64
Equinox Gold Corp	7.80	0.52	7.14
LOSERS			
goeasy Ltd	104.55	-8.95	-7.89
Tilray Brands Inc	4.32	-0.29	-6.29
Altus Group Ltd	44.60	-2.86	-6.03
Canaccord Genuity Group Inc	10.13	-0.65	-6.03
Methanex Corp	63.30	-3.89	-5.79
Shopify Inc	444.85	-26.67	-5.66

Top News

Canada jobless rate hits record low, bolstering case for 75-bps rate hike

Canada's jobless rate inched down to a new record low after adding more jobs than expected in May, and wage growth picked up steam, official data showed, bolstering the case for an even larger rate increase next month by the central bank. Canada added a net 39,800 jobs in May, entirely in full-time work, beating expectations for a gain of 30,000, Statistics Canada data showed. The jobless rate dropped to 5.1%, beating predictions it would remain at 5.2%. The average hourly wage of permanent employees rose 4.5%, accelerating from 3.4% April and in-line with gains seen in 2019, when the labor market was also extremely tight. The result is likely to bolster calls for the Bank of Canada to act more aggressively at its July interest rate decision. "Certainly this does come down on the hawkish side of the ledger and it is going to add to the speculation around a potential 75-basis-point move next month," said Andrew Kelvin, chief



A file photo of a construction worker passing a condominium site with a roll of cable in Toronto, Ontario, October 8, 2021. REUTERS/Chris Helgren

Canada strategist at TD Securities. "It's another signal to the Bank of Canada that they are a little bit behind the curve

on their rate hikes." Money markets see about a 60% chance the bank will increase by 75 bps on July 13 and

expect rates to hit 3.25% by-year end, up sharply from 0.25% in January. While Canadian wage gains are not yet keeping pace with inflation, they are gaining momentum and that could feed into broader price increases as employers pass those costs on to customers.

Crypto regulation efforts need to keep pace with market growth -Bank of Canada official

The number of Canadians who own cryptoassets is growing rapidly and efforts to regulate the sector need to start keeping pace, a senior Bank of Canada official said, noting many people may not understand the risk of investing in products like bitcoin. The issue is growing more pressing as cryptoassets become integrated into Canada's financial system, increasing the risk that crypto shocks - like the recent price plunge - could end up hitting the broader financial system. "This is an area that is still small, but it's growing really rapidly. And it is largely unregulated," Bank of Canada Senior Deputy Governor Carolyn Rogers told Reuters in an interview on Thursday. "We don't want to wait until it gets a lot larger before we bring regulatory controls in place." The value of the global cryptoasset market soared from \$200 billion in early 2020 to \$3 trillion at its peak, the Bank of Canada said in a report this week. The share of Canadians who own bitcoin more than doubled to 13% in 2021 from 5% in 2020. "Like any asset that's jumping around in price, people see an opportunity for quick gains," said Rogers. "Our concern is they may not understand the risks. They may not even understand that it's not a regulated area." Indeed, cryptocurrency prices plunged in recent months as appetites for high-risk assets soured, exposing some investors to significant financial losses. The industry needs to be regulated, said Rogers, but the challenge is sorting out just how that will be done.

Gold Fields investor tells miner to scrap Yamana deal

A top-10 investor in South Africa's Gold



Representations of the Ripple, Bitcoin, Ethereum and Litecoin virtual currencies are seen on a PC motherboard in this illustration picture, February 14, 2018. REUTERS/Dado Ruvic

Fields urged the miner to cancel its planned takeover of Canada-based Yamana Gold, saying the \$6.7 billion transaction was expensive and did not guarantee growth and profitability. Redwheel, which holds 3.38% of Gold Fields, on Friday became the first major investor to publicly call for the deal to be scrapped, saying the share price decline showed that the market believed the miner had made a "serious error" in pursuing Yamana. "Redwheel has been a significant investor in Goldfields for several years and we believe that the company should withdraw the offer and concentrate on the excellent organic growth options which it already owns," it said in an open letter to Gold Fields' board published on its website. While the market reaction to the deal has been mostly negative, some analysts believe Gold Fields could benefit from expanding its size and geographical diversification, ahead of the next gold price rally. "Gold Fields has been unduly punished by the market. They are leaders of disciplined growth in LatAm, hence a bigger platform in the region provides an expanded base for real value creation with a Tier 1 asset in Canada to boot," Christopher Kololian, RBC's Co-Head of EMEA

Mining & Metals, said.

India's IndInfravit to buy five road projects from Brookfield in \$1.2 bln deal

India's IndInfravit Trust said it would acquire five operational road projects from companies owned by Brookfield Asset Management's funds in a deal valued at about \$1.2 billion, including debt, as it seeks to expand its road portfolio. The deal with Canada's Brookfield will extend the infrastructure investment trust's presence into three more states, adding roads spread across 2,400 lane kilometres. It currently has a portfolio of 13 operational road assets with about 5,000 lane kms spread across five states. IndInfravit's unit holders include Allianz insurance companies represented by Allianz Capital Partners, Canada Pension Plan Investment Board and OMERS Infrastructure. The transaction is subject to approval from regulatory authorities, lenders and unitholders of IndInfravit. The Indian government plans to step up spending in the current fiscal year to build public infrastructure and drive economic growth, which will be a boon for infrastructure companies.

WEALTH NEWS

FED INFLATION

Bets rise on bigger Fed rate hikes as inflation sears

Stubbornly hot U.S. inflation is fueling bets that the Federal Reserve will need to get more aggressive on interest rate hikes to cool price pressures, with chances of a 75-basis-point rate hike seen rising and the policy rate expected to top 3% by year end. Core CPI - which strips out volatile energy and food prices - rose 6%, down slightly from April's 6.2% pace but far from the "clear and convincing" sign of cooling price pressures that Fed Chair Jerome Powell has said he needs to see before slowing rate hikes. "So much for the idea that inflation has peaked," wrote Bankrate chief financial analyst Greg McBride. "Any hopes that the Fed can ease up on the pace of rate hikes after the June and July meetings now seems to be a long shot."



WALL STREET WEEK AHEAD

Dashed peak inflation hopes spell more pain for stocks and bonds

Blistering inflation is threatening to re-ignite twin declines in U.S. stocks and bonds, leaving investors with few places to hide from a Federal Reserve that appears locked in to its most aggressive policy tightening in decades.

OIL REFINERY CAPACITY

Biden looking to address oil refinery capacity, White House adviser says

U.S. President Joe Biden is looking at ways to bring in more oil supplies amid rising energy costs, including working to address oil refinery capacity, White House economic adviser Cecelia Rouse said.

U.S. COVID

U.S. to drop COVID testing for incoming international air travelers

The United States will drop from Sunday a 17-month-old requirement that people arriving in the country by air test negative for COVID-19, an official said, a move that follows intense lobbying by the airlines and the travel industry.

PRIVATE EQUITY DEAL

CVC explores \$2 billion sale of software firm VelocityEHS -sources

Private equity firm CVC Capital Partners is exploring a sale of VelocityEHS for as much as \$2 billion, seeking to capitalize on a boom in demand for compliance software in the corporate world, three people familiar with the matter said.

AIRLINES DEAL

JPMorgan sees 'growing probability' of a Spirit-JetBlue deal

Spirit Airlines' acquisition by JetBlue has become a "growing probability", according to analysts at JPMorgan.

DEAL

KKR consortium makes offer for bike maker Accell unconditional

A consortium led by buyout firm KKR has made its offer to buy Accell unconditional, it said, in a deal that values the maker of Sparta, Batavus and Raleigh at 1.56 billion euros.



ON THE RADAR

Events	ET	Poll	Prior
Tue: NFIB Business Optimism Index for May	0600	--	93.2
PPI Machine Manuf'ng for May	0830	--	164.2
PPI final demand yy for May	0830	10.9%	11%
PPI final demand mm for May	0830	0.8%	0.5%
PPI exfood/energy yy for May	0830	8.6%	8.8%
PPI exfood/energy mm for May	0830	0.6%	0.4%
PPI ex food/energy/transport yy for May	0830	--	6.9%
PPI ex food/energy/transport mm for May	0830	--	0.6%
Wed: NY Fed Manufacturing for Jun	0830	4.50	-11.6
Import prices mm for May	0830	1.1%	0%
Export prices mm for May	0830	1.4%	0.6%
Import prices yy for May	0830	--	12%
Retail sales mm for May	0830	0.2%	0.9%
Retail sales ex-autos mm for May	0830	0.8%	0.6%
Retail ex gas/autos for May	0830	--	1%
Retail control for May	0830	0.4%	1%
Retail sales YoY for May	0830	--	8.19%
Business inventories mm for Apr	1000	1.2%	2%
Retail inventories ex-auto rev for Apr	1000	--	1.7%
NAHB Housing Market Index for Jun	1000	68	69
Fed funds target rate for 15 Jun	1400	1.375%	0.875%
Fed interest on excess reserves for 15 Jun	1400	--	0.9%
FFR projection-current for Q2	1400	--	1.9%
FFR projection-1st year for Q2	1400	--	2.8%
FFR projection-2nd year for Q2	1400	--	2.8%
FFR projection-longer for Q2	1400	--	2.4%
Thu: Building permits: number for May	0830	1.787 mln	1.823 mln
Building permits: change mm for May	0830	--	-3%
Housing starts number for May	0830	1.7 mln	1.724 mln
Housing starts mm: change for May	0830	--	-0.2%
Initial jobless claims	0830	215,000	200,000
Jobless claims 4-week average	0830	--	206,500
Continued jobless claims	0830	--	1.306 mln
Philly Fed Business Index for Jun	0830	5.3	2.6
Philly Fed 6M Index for Jun	0830	--	2.5
Philly Fed Capex Index for Jun	0830	--	9.6
Philly Fed Employment for Jun	0830	--	25.5
Philly Fed Prices Paid for Jun	0830	--	78.9
Philly Fed New Orders for Jun	0830	--	22.1
Fri: Industrial production mm for May	0915	0.4%	1.1%
Capacity utilization SA for May	0915	79.2%	79%
Manufacturing output mm for May	0915	0.4%	0.8%
Industrial production YoY for May	0915	--	6.4%
Leading index change mm for May	1000	-0.4%	-0.3%

KEY RESULTS - ON MONDAY

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Oracle	Q4	AMC	\$1.37	\$1.37	\$1.54	\$11,656.18

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

I/B/E/S EPS and revenue estimates, and StarMine Smart Estimates, provided by Refinitiv.

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

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