

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Stocks rose but traded within thin ranges as investors awaited word on a new U.S. aid package and digested upbeat jobless claims data. **Treasury yields** slipped. The **dollar** was little changed against a basket of currencies. Safe-haven **gold** extended its record-breaking run. **Oil** prices struggled for direction as demand recovery fears eclipsed Iraq's planned production cuts.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	27387.18	185.66	0.68	29568.57	18213.65
Nasdaq	11108.07	109.67	1.00	11002.11	6631.42
S&P 500	3349.15	21.38	0.64	3393.52	2191.86
Toronto	16579.10	77.49	0.47	17970.51	11172.73
FTSE	6026.94	-77.78	-1.27	7689.67	4898.79
Eurofirst	1406.21	-10.84	-0.76	1691.19	1051.38
Nikkei	22418.15	-96.70	-0.43	24115.95	16358.19
Hang Seng	24930.58	-171.96	-0.69	29174.92	21139.26

TREASURIES	Yield	Price
10-year	0.5379	2/32
2-year	0.1191	0/32
5-year	0.2137	1/32
30-year	1.2012	14/32

FOREX	Last	% Chng
Euro/Dollar	1.1871	0.08
Dollar/Yen	105.55	-0.02
Sterling/Dollar	1.3134	0.17
Dollar/CAD	1.3300	0.27
TR/HKEX RMB	91.68	-0.09

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	42.02	-0.17	-0.40
Spot gold (NY/oz)	2062.50	23.10	1.13
Copper U.S. (front month/lb)	0.0291	0.0000	-0.14
CRB Index Total Return	157.84	-0.11	-0.07

S&P 500	Price	\$ Chng	% Chng
GAINERS			
MGM Resorts International	18.46	1.74	10.38
Sealed Air Corp	39.85	3.21	8.76
AES Corp	16.55	1.15	7.47
LOSERS			
Western Digital Corp	37.30	-7.17	-16.12
Resmed Inc	175.50	-27.46	-13.53
FLIR Systems Inc	37.46	-5.37	-12.54

Coming Up



REUTERS/George Frey

U.S. unemployment rate is expected to have risen 10.5% in July, after increasing 11.1% last month. **Nonfarm payrolls** are likely to have risen 1.58 million in July, after a 4.8 million increase in June. **Wholesale inventories** are expected to drop 2% in June, after a similar decline in May.

Brazilian inflation as measured by the IPCA consumer price index is likely to

have risen 0.35% in July, compared with a 0.26% increase in June. In the 12 months to July, Brazil is expected to have recorded 2.31% inflation, after clocking in 21.3% in June.

LIVECHAT - REUTERS GLOBAL MARKETS FORUM

With less than 100 days to go for the U.S. Presidential elections, join us on the GMF as we discuss the elections with our panel of experts that include market gurus, political pundits and betting experts. **Scott Minerd**, Chairman of investments and Global CIO, at Guggenheim, discusses markets and the economy ahead of the U.S. elections in November. (1200 ET/1600 GMT) To join the conversation, [click here](#)

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Non-farm payrolls for Jul	0830	1,580,000	4,800,000
Private payrolls for Jul	0830	1,474,000	4,767,000
Manufacturing payrolls for Jul	0830	253,000	356,000
Government payrolls for Jul	0830	--	33,000
Unemployment rate for Jul	0830	10.5%	11.1%
Average earnings mm for Jul	0830	-0.5%	-1.2%
Average earnings yy for Jul	0830	4.2%	5.0%
Average workweek hours for Jul	0830	34.4 hrs	34.5 hrs
Labor force partic for Jul	0830	--	61.5%
U6 underemployment for Jul	0830	--	18.0%
Wholesale inventory, R mm for Jun	1000	-2.0%	-2.0%
Wholesale sales mm for Jun	1000	4.9%	5.4%
Consumer credit for Jun	1500	\$10.00 bln	-18.28 bln

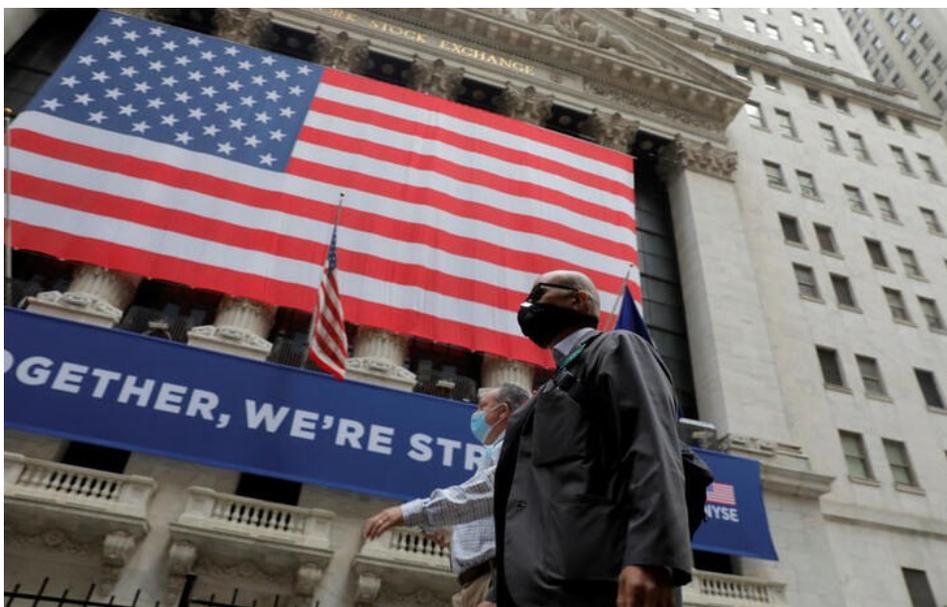
Market Monitor

Shares on Wall Street shrugged off a sluggish start and closed higher, with the **Nasdaq** ending the session above 11,000 for the first time as investors hoped for a new fiscal stimulus package. "The stimulus package will clearly help sentiment and boost the economy near term," said Terry Sandven, chief equity strategist, at U.S. Bank Wealth Management in Minneapolis. "To that extent, the package should have an upward bias to the broad market. Ultimately, we need to see the overall economy start to improve and the growth rates start to accelerate," he added. The corporate results season is now in its final stretch, with about 424 S&P 500 firms having reported so far. Earnings have been about 22.5% above analyst expectations, according to IBES Refinitiv data, the highest on record since 1994. **Becton Dickinson** dropped 8.4% after reporting results.

Western Digital sank 16% after reporting weaker-than-expected revenue. **ViacomCBS** shares jumped 3.3% on upbeat quarterly revenue. Shares of **Rocket Cos** rose 15.4% following their NYSE debut. The **Dow Jones Industrial Average** rose 0.68%, to 27,387.18, the **S&P 500** gained 0.64%, to 3,349.17 and the **Nasdaq Composite** added 1.0%, to 11,108.07.

Treasury yields ticked up slightly after weekly jobless claims beat expectations, but gains were capped and yields remained lower on the day with bond traders expecting to see evidence of a slowdown in the U.S. labor market's recovery in Friday's federal payrolls data. The **benchmark 10-year notes** rose 2/32, yielding 0.537%. The **two-year notes** were flat, yielding 0.119% and **30-year bonds** were 14/32 higher, with a yield of 1.201%.

The **dollar** was little changed after data showed fewer Americans sought



A file photo shows traders walk past the New York Stock Exchange as the outbreak of the coronavirus disease continues in the Manhattan borough of New York, U.S., May 26. REUTERS/Lucas Jackson

jobless benefits last week. The **dollar index** was last down 0.05% at 92.82. "The market is mostly just consolidating a little bit after this amazing weakness we've had of late," said Axel Merk, president and chief investment officer at Merk Hard Currency Fund in Palo Alto, California. At the same time, "the weakest currencies are the ones that have been doing the best in recent days." The **euro** was up 0.1% at \$1.1872 against the dollar after reaching a two-year high of \$1.1916.

Brent prices were little changed as a weak dollar and Iraq's planned production cuts counteracted bearish sentiment about fuel demand, pushing the benchmarks in and out of positive territory. **Brent crude** was up 0.04% at \$45.19 a barrel, while **U.S. crude** fell 0.40% to \$42.02. "It's very choppy today, rallying on Iraq production cuts," said Phil Flynn, senior analyst at Price Futures group in Chicago. Iraq said it would make an additional cut in its oil

production of about 400,000 barrels per day in August to compensate for its overproduction over the past period under the OPEC supply reduction pact. Concerns remain that demand is depressed due to an economic slowdown due to the coronavirus, he said.

Gold extended its record-breaking run, driven by expectations of more monetary response as surging virus cases continue to pummel the U.S. economy. **Spot gold** hit an all-time high of \$2,069.21 per ounce and was last up 1.13% at \$2,062.46. **U.S. gold futures** were 1.16% higher at \$2,073.10. "There are mixed signals that the economy is recovering and some of the signs of recovery are relatively superficial as they show aggregate figures and not how medium and small enterprises continue to suffer," said Jeffrey Christian, managing partner of CPM Group.

Top News

Senate's McConnell says U.S. economy needs 'boost,' but coronavirus aid talks drag on

Senate Majority Leader Mitch McConnell said the U.S. economy needs an "additional boost" to cope with the fallout of the coronavirus pandemic, as Republicans and Democrats remained far apart about what to include in another wave of relief. President Donald Trump, who has threatened to act unilaterally if Congress does not agree on a further aid package, said he was working on an executive order targeting eviction protections and unemployment benefits. The order would also address student loan repayment options and payroll tax cuts - a proposal he has raised repeatedly that met with little enthusiasm from Democrats or his fellow Republicans. McConnell, who met with Trump but kept mum about their talks, said that while the Senate would be in session next week, he would give at least 24 hours notice of any votes.

Microsoft aiming to buy TikTok's entire global business - FT

Microsoft is chasing a deal to buy all of TikTok's global business, the Financial Times reported, citing five people with knowledge of the talks. However, a source familiar with the discussions told Reuters that Microsoft had not raised the prospect of buying all of TikTok in its negotiations with ByteDance. Microsoft declined to comment on the report. TikTok parent ByteDance did not immediately respond to Reuters' requests for comment. The company is exploring whether it can add regions including India and Europe to the deal, according to the FT report. There was a "deal in the works" with Microsoft for TikTok India but it fell through, the FT reported, citing one person close to ByteDance in India. Meanwhile, the U.S. Senate unanimously voted to approve a bill from Senator Josh Hawley banning federal employees



A file photo shows police officers wearing face masks guarding the U.S. Capitol Building in Washington, U.S., May 14. REUTERS/Erin Scott

from using video-sharing app TikTok on government-issued devices, amid threats from the White House to ban company. To read more, [click here](#).

ViacomCBS beats estimates for revenue, profit on streaming boost

ViacomCBS' quarterly results demonstrated a level of resilience, buoyed by demand for streaming, even as the coronavirus pandemic ravaged media businesses globally. The company declined to give financial guidance for the year but said that advertising trends had improved since April. ViacomCBS U.S. streaming subscribers reached 16.2 million in the second quarter, up from 13.5 million in the prior quarter. The company said it now expects to reach 18 million customers by the end of the year. Revenue fell 12% to \$6.28 billion in the second quarter but exceeded estimates of \$6.27 billion, according to Refinitiv IBES data. On an adjusted basis, the company earned \$1.25 per share, beating analysts' estimates of \$0.93 per share, according to IBES data.

Bristol Myers lifts annual profit view on hopes of pickup in patient visits

Bristol Myers Squibb raised its annual profit forecast as it predicted a recovery in sales of its hospital-administered drugs, which had taken a hit to demand as patients avoided doctors' offices due to the COVID-19 pandemic. In the second quarter, drugs such as cancer immunotherapy Opdivo were hurt by fewer visits to the doctor as well as demand from new patients. Opdivo sales fell 9% to \$1.65 billion, roughly in line with analysts' estimates, but the company said it expected the drug to return to growth in 2021. The company said it was expecting demand from new patients as well as for its products administered by doctors to recover in the third quarter and stabilize in the fourth quarter. Sales of Eliquis, which has been used to treat some COVID-19 patients, rose 6% to \$2.16 billion. Bristol raised the lower end of its full-year adjusted profit range by 10 cents and the top end by 5 cents to \$6.10 to \$6.25 per share. Bristol's total revenue rose 61.5% to \$10.13 billion, above an estimate of \$9.97 billion, according to

IBES data from Refinitiv, mainly due to its \$74 billion buyout of Celgene.



Trump says coronavirus vaccine possible before November 3

U.S. President Donald Trump said it was possible the United States would have a coronavirus vaccine before the November 3 election, a more optimistic forecast on timing than anything suggested by his own White House health experts. Asked on the Geraldo Rivera radio program when a vaccine might be ready, Trump said, "Sooner than the end of the year, could be much sooner." "Sooner than November 3?" he was asked. "I think in some cases, yes possible before, but right around that time," Trump said. Later at the White House, Trump said he was optimistic a vaccine would be available around that date. Asked if it would help him in the election, he said, "It wouldn't hurt. But I'm doing it, not for the election; I want to save a lot of lives." In other news, Trump will sign a long-awaited executive order aimed at boosting American production of medicines and medical equipment, and protecting the United States against shortfalls in a future pandemic, a top adviser Peter Navarro said. To read the full story, [click here](#).

Facebook, Twitter, YouTube pull Trump posts over coronavirus misinformation

Facebook took down a post by U.S. President Donald Trump, which the company said violated its rules against sharing misinformation about the coronavirus. The post contained a video clip, from an interview with Fox & Friends earlier in the day, in which Trump claimed that children are "almost immune" to COVID-19. "This

video includes false claims that a group of people is immune from COVID-19, which is a violation of our policies around harmful COVID misinformation," a Facebook spokesman said. A tweet containing the video that was posted by the Trump campaign's @TeamTrump account and shared by the president was also later hidden by Twitter for breaking its COVID-19 misinformation rules. YouTube, through a spokesman, said it had also pulled down the video for violating its COVID-19 misinformation policies. However, the original interview remains available on the Fox News page on the platform. YouTube did not immediately respond to requests to clarify which videos were taken down.

Hilton sees demand rebounding to pre-COVID levels by 2022

Hilton said it expects its room occupancy rates to improve by 5% by early fall as economies reopen gradually, and predicted it would take at least two years for demand to rebound to pre-coronavirus levels. The company reported an 81% drop in second-quarter revenue per available room (RevPAR) - a key performance measure for the hotel industry. On an adjusted basis, Hilton posted a loss of 61 cents per share, much bigger than the average analyst estimates of 31 cents, according to Refinitiv IBES data. Revenue plunged 77.3% to \$564 million, below estimates of \$848.7 million.

HollyFrontier posts smaller-than-feared loss as demand picks up

U.S. refiner HollyFrontier posted a smaller-than-expected loss as demand for its products picked up in the quarter due to easing of coronavirus-led travel restrictions. HollyFrontier said demand for transportation fuels and lubricants stabilized and improved late in the quarter as economic activity began to pick up worldwide with easing of lockdowns. Excluding items, the company posted a loss of 25 cents per share, compared with analysts' average estimate of a loss of 55 cents per share, according to IBES data from Refinitiv. The company's net loss

attributable to shareholders was \$176.7 million, or \$1.09 per share, compared with a profit of \$196.9 million, or \$1.15 per share, a year earlier.

Norwegian Cruise Line posts bigger-than-expected loss on pandemic hit

Norwegian Cruise Line reported a bigger-than-expected quarterly loss as travel curbs and no-sail orders due to the COVID-19 pandemic brought the industry to a grinding halt. Norwegian said its total debt position as of June 30 was \$10.3 billion and it had cash and cash equivalents of \$2.3 billion. It expects an average monthly cash burn of about \$160 million, which was at the high end of its estimate. Norwegian said booking volumes were still below historical levels and that it had \$1.2 billion of advanced ticket sales as of the end of the quarter. In the second quarter, Norwegian also reported a staggering 99% slump in quarterly revenue to \$16.9 million, missing expectations of \$25.5 million, according to Refinitiv IBES data. The company reported a net loss of \$715.2 million compared with a profit of \$240.2 million, or \$1.11 per share, a year earlier.

U.S. SEC fines World Acceptance Corp \$21.7 million for Mexican bribes

The U.S. Securities and Exchange Commission announced it had fined World Acceptance Corp, a consumer loan company, \$21.7 million for paying bribes in Mexico. The SEC said that the company's Mexican subsidiary paid over \$4 million in bribes to Mexican government and union officials in exchange for business lending to government employees. The company agreed to the penalty without admitting or denying guilt. The company agreed to overhaul its internal operations, as well as pay \$17.8 million in disgorgement, nearly \$2 million in interest, and a \$2 million penalty. The SEC said that the company's Mexican subsidiary would deposit money into bank accounts linked to the officials or distribute bags of cash. The expenses were then recorded as legitimate business expenses.



Goldfish bowl-like acrylic screens used as part of new social distancing measures and prevention of infection against the coronavirus disease (COVID-19), where male customers sit inside the screens to be entertained by female staff, are installed at Jazz Lounge Encounter, a form of a night club for seeking encounters, at Ginza district in Tokyo, Japan, August 6. REUTERS/Issei Kato

Insight and Analysis

FOCUS-Uber pulls Latin American U-turn by joining taxi ranks

Latin America's coronavirus crisis is forcing Uber to adopt the taxi model it was meant to drive off the streets of cities from Santiago to Medellin. Uber's U-turn has been prompted by a pandemic-linked regulatory clampdown in countries including Chile and Colombia, where the ride-hailing it has built its name on is unregulated. The San Francisco start-up's Chinese rival Didi, which has made big inroads in Latin America in recent years, has a head start in working with taxi drivers in the region. It has been implementing health measures like plastic barriers to keep passengers hailing its cabs. Uber has responded by racing to join Latin America's taxi ranks, announcing a

service in Chile in June after lockdowns sidelined its ride-hailing drivers there, as well as plans to launch taxis in Brazil's financial center Sao Paulo.

FEATURE - Risk coronavirus or default: ride-hail drivers face tough choices as U.S. aid expires

Uber driver Johan Nijman faces a difficult decision as federal unemployment aid expires: risk failing to pay for groceries and even lose his home, or resume driving and potentially catch COVID-19. Nijman is among thousands of Uber and Lyft drivers across the United States choosing between physical and financial health risks as \$600 in additional weekly unemployment assistance expire.

POLL-Canadian dollar forecasts shift higher as commodity markets rally

Strategists are raising their forecasts for the Canadian dollar as commodity prices rise and the domestic economy shows signs of recovery, according to a Reuters poll, with the loonie already gaining in recent months. After rallying more than 10% since March to close at 1.3264 per U.S. dollar, or 75.39 U.S. cents, on Wednesday, the loonie is expected to weaken by 1.8% to \$1.35 in three months, the poll of more than forty currency strategists showed. That's still stronger than the \$1.36 forecast in the July poll. The currency is expected to strengthen to \$1.32 in one year, compared with the \$1.33 foreseen last month.

CANADA

Coming Up

Canada's **unemployment rate** for July is forecast to rise 11%, after increasing 12.3% in June. Canada is expected to have added 400,000 **jobs** in July, following a record 952,900 jobs in June.

Auto parts maker **Magna International Inc** is expected to report a loss in its second quarter, as the coronavirus-led lockdowns hurt production of new automobiles. Investors will look for comment on current-quarter outlook.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
Pretium Resources Inc	16.65	3.40	25.66
Spin Master Corp	26.96	3.95	17.17
Cargojet Inc	192.38	26.00	15.63
Badger Daylighting Ltd	36.41	4.16	12.90
LOSERS			
Cronos Group Inc	7.78	-1.46	-15.80
Canopy Growth Corp	23.31	-2.18	-8.55
NFI Group Inc	14.83	-1.07	-6.73
Canadian Tire Corporation Ltd	120.49	-8.08	-6.28

MARKET MONITOR



The **Toronto Stock Exchange's S&P/TSX composite index** ended 0.47% higher at 16,579.10. The **energy sector** climbed 1.36% to 81.27. **Bausch Health** shares rose 3.9% after it said it would spin off its eye care unit.

The **U.S. dollar** was 0.24% higher against the **Canadian dollar** at C\$1.3296.

Top News

Bombardier sees higher deliveries of flagship jet, misses quarterly profit

Bombardier aims to double deliveries of its flagship business jet during the back half of 2020 and break even this year on free cash, the company said after missing quarterly earnings, hurt by higher rail costs. Bombardier expects to roughly double by year's end the 11 Global 7500 jet deliveries it made during the first six months of 2020. The company reported an adjusted quarterly loss of \$319 million compared with a profit of \$312 million a year earlier. The company's revenue declined about 37% to \$2.70 billion but topping analysts' expectation of \$2.48 billion.

Restaurant Brands to close hundreds more outlets to weather pandemic

Restaurant Brands said it will close hundreds more outlets this year as the owner of Burger King and Tim Hortons looks to shore up capital to weather a

sales hit from the COVID-19 pandemic. Sales at Burger King and Tim Hortons have been hammered in recent months due to coronavirus-led restrictions on indoor dining and a drop in demand for on-the-go breakfast and coffee, with the company reporting an over 25% fall in overall second-quarter revenue. Restaurant Brands expects to end 2020 with roughly the same number of outlets as last year - a little over 27,000. On an adjusted basis, the company earned 33 cents per share in the second quarter, beating Wall Street expectations of 31 cents, according to IBES data from Refinitiv.

Bausch Health to spin off eye care business

Bausch Health Companies said it would spin off its eye care unit, Bausch + Lomb, into a separate publicly listed company, seven years after acquiring it for nearly \$9 billion. Bausch Health said the spin-off would create two companies, one of which would consist of Bausch Health's global vision care,

surgical, consumer and ophthalmic businesses that brought in revenue of about \$3.7 billion in 2019. The other company would comprise brands across the Salix, International, neurology and medical dermatology businesses that brought in a revenue of about \$4.9 billion in 2019.

Canadian Natural Resources posts smaller-than-expected loss on cost cuts

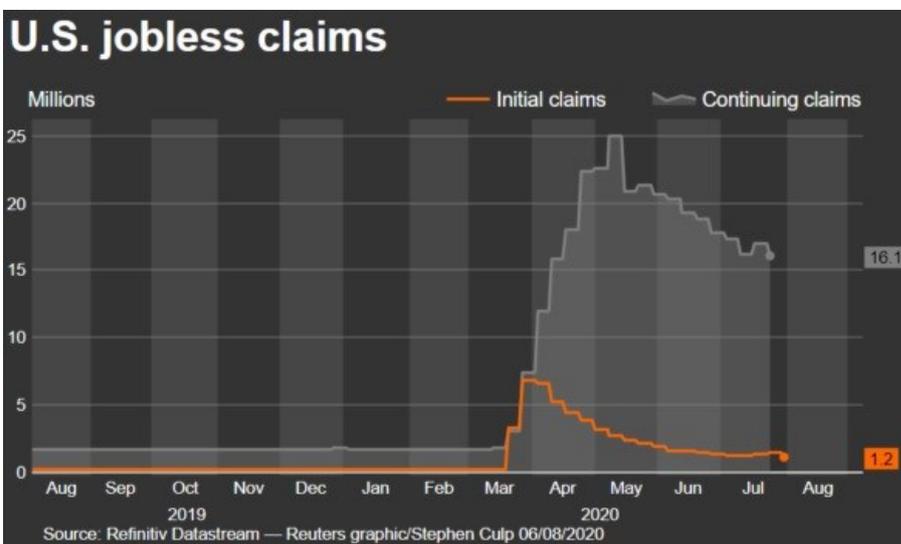
Canadian Natural Resources posted a smaller-than-expected quarterly loss as improved natural gas prices and cost cuts helped cushion the blow from the COVID-19 pandemic on its operations. The oil producer said average prices for its natural gas, a byproduct of crude production, rose 2.5% to C\$2.03 per barrel in the reported quarter. The company reported a 13.6% jump in second-quarter output and on an adjusted basis, lost 65 Canadian cents per share, while analysts expected a loss of 80 Canadian cents per share, according to Refinitiv IBES data.

WEALTH NEWS

JOBLESS CLAIMS FALL

U.S. weekly jobless claims fall, labor market struggling as COVID-19 epidemic spreads

The number of Americans seeking jobless benefits fell last week, but a staggering 31.3 million people were receiving unemployment checks in mid-July, suggesting the labor market was stalling as the country battles a resurgence in new COVID-19 cases that is threatening a budding economic recovery. Initial claims for state unemployment benefits fell 249,000 to a seasonally adjusted 1.186 million for the week ended Aug. 1, the Labor Department said. Claims report also showed the number of people receiving benefits after an initial week of aid totaled 16.107 million in the week ending July 25, from 16.951 million in the prior week.



INSTANT PAYMENTS FRAMEWORK

Fed's Brainard lays out central bank's instant payment framework

Federal Reserve Governor Lael Brainard laid out the framework for the central bank's instant payments system, saying the Fed's plans call for getting the system online as fast as possible.

EXCLUSIVE

Taiwan in talks to make first purchase of sophisticated U.S. drones – sources

The United States is negotiating the sale of at least four of its large sophisticated aerial drones to Taiwan for the first time, according to six U.S. sources familiar with the negotiations, in a deal that is likely to ratchet up tensions with China.

THIRD POINT'S NEW POSITIONS

Third Point takes new positions in tech stocks, trims earlier losses

Daniel Loeb's hedge fund Third Point took new positions in technology companies including Alibaba and Amazon and reported strong returns in the second quarter after he took back the reins as sole chief investment officer in May.

CHANGE AT CALPERS MANAGEMENT

CalPERS investment chief steps down at \$400 billion pension fund

The investment chief of CalPERS, Yu Ben Meng, has resigned effective immediately, the largest public U.S. pension fund said on Wednesday, amid pressure from the Trump administration to curb investments in China.

CAPITAL ONE FINED

Capital One to pay \$80 million fine after data breach

Capital One Financial will pay an \$80 million penalty to a U.S. bank regulator after the bank suffered a massive data breach one year ago.

KEMPNER NOT TO TENDER QIAGEN SHARES

Davidson Kempner says again it will not be tendering Qiagen shares

Hedge fund Davidson Kempner said again it will not be tendering its shares in Qiagen, days after Thermo Fisher Scientific said its offer to buy the German genetic test maker expires soon.

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
DISH Network	Q2	BMO	\$0.58	\$0.58	\$0.60	\$3,098.86
Kimco Realty	Q2	BMO	\$0.07	\$0.07	\$0.20	\$249.01
Ventas	Q2	BMO	\$0.27	\$0.25	\$0.58	\$977.60

**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.

The Day Ahead - North America is compiled by Nachiket Tekawade and Yoganand KN in Bengaluru.

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

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