MARKET RECAP at 4 pm ET

The **Dow** and the **S&P 500** closed lower, pressured by concerns over Fed independence and a drop in Eli Lilly shares. The **dollar** was little changed on reports that Fed Governor Christopher Waller could be President Trump's leading candidate for Fed chair. **Treasury yields** rose after another weak 30-year bond auction. **Oil** prices slipped, while **gold** gained on safe haven demand.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	43,968.64	-224.48	-0.51	45,054.36	36,611.78
Nasdaq	21,242.70	73.27	0.35	21,457.48	14,784.03
S&P 500	6,340.00	-5.06	-0.08	6,427.02	4,835.04
Toronto	27,761.27	-159.60	-0.57	27,955.55	21,659.26
FTSE	9,100.77	-63.54	-0.69	9,190.73	7,544.83
Eurofirst	2,160.29	19.99	0.93	2,255.80	1,845.24
Nikkei	41,059.15	264.29	0.65	42,065.83	30,792.74
Hang Seng	25,081.63	171.00	0.69	25,735.89	18,671.49

TREASURIES	Yield	Price
10-year	4.2384	-2 /32
2-year	3.7176	-1 /32
5-year	3.7776	-2 /32
30-year	4.8241	-7 /32

FOREX	Last	% Chng
Euro/Dollar	1.1656	-0.03
Dollar/Yen	147.04	-0.21
Sterling/Dollar	1.3441	0.64
Dollar/CAD	1.3741	0.01
USD/CNH (Offshore)	7.1816	-0.03

COMMODITIES ($)	Price	Chng	% Chng
Front Month Crude /barrel	63.73	-0.62	-0.96
Spot gold (NY/oz)	3400.29	31.78	0.94
Copper U.S. (front month/lb)	4.38	-0.0125	-0.28
CRB Index Total Return	362.63	0.96	0.26

S&P 500	Price	$ Chng	% Chng
GAINERS			
Becton Dickinson and Co	187.64	15.23	8.83
Zimmer Biomet Holdings Inc	98.43	7.28	7.98
APA Corp (US)	19.46	1.40	7.75
LOSERS			
Fortinet Inc	75.30	-21.28	-22.03
Texas Pacific Land Corp	867.47	-83.15	-8.75
Airbnb Inc	120.03	-10.47	-8.02

Coming Up

People walk by an Under Armour store in Manhattan, New York City, February 7, 2022. REUTERS/Andrew Kelly

Sportswear maker **Under Armour** is expected to post a decline in first-quarter revenue, hurt by weaker demand for its products. Investors will look for comments on demand, the impact of rising competition, cost-saving measures and annual forecasts.

St. Louis Fed President **Alberto Musalem** is scheduled to speak at an event hosted by Mississippi Valley State University.

In Latin America, Chile's statistics agency is expected to report that **consumer prices** likely rose 0.6% in July, after a 0.4% decline in the previous month.

LIVECHAT-REUTERS GLOBAL MARKETS FORUM
WEEK IN REVIEW with Jamie McGeever, Reuters markets columnist, to recap the major themes and events in financial markets, and preview the week ahead. To join the conversation at 1000 ET/1400 GMT, **click here**

Market Monitor

The **Dow** and **S&P 500** eased as shares of Eli Lilly dropped 14.15% after data from its oral weight loss drug disappointed, while **Nasdaq** ended slightly higher. **Intel** shares fell 3.14%. Meanwhile, Trump's higher tariffs on imports from dozens of countries kicked in on Thursday, raising the average U.S. import duty to its highest in a century. "The market rally is beginning to look a little bit tired here. We ran up on earnings, and of course the market was basically ignoring a lot of the tariff news," said Peter Cardillo, chief market economist at Spartan Capital Securities in New York. The **Dow Jones Industrial Average** fell 0.51% to 43,968.64, the **S&P 500** lost 0.08% to 6,340 and the **Nasdaq Composite** rose 0.35% to 21,242.70.

A street sign is seen near the New York Stock Exchange in New York City, August 7. REUTERS/Eduardo Munoz

Treasury yields were modestly higher in a choppy session following a soft auction of 30-year bonds, the latest in a string of sales that showed lackluster demand this week. Yields had moved off their session highs earlier in the day after data on the labor market and worker productivity did little to change market expectations for rate cuts from the Federal Reserve this year. A poor $25 billion auction in 30-year bonds, at a high yield of 4.813, pushed yields higher, however, with a bid-to-cover ratio of 2.27, the softest since November 2023. "We're definitely in the camp of the jobs numbers have not been telling the real story for some time and now we're just getting that data confirmed with the revisions, so I'm not really super surprised that there's weakness in the auctions," said Jeff McClean, CEO of Solidarity Capital and Solidarity Wealth in Lehi, Utah. Benchmark **10-year notes** fell 2/32, yielding 4.2384%, while **two-year notes** were down 1/32 to yield 3.7176%.

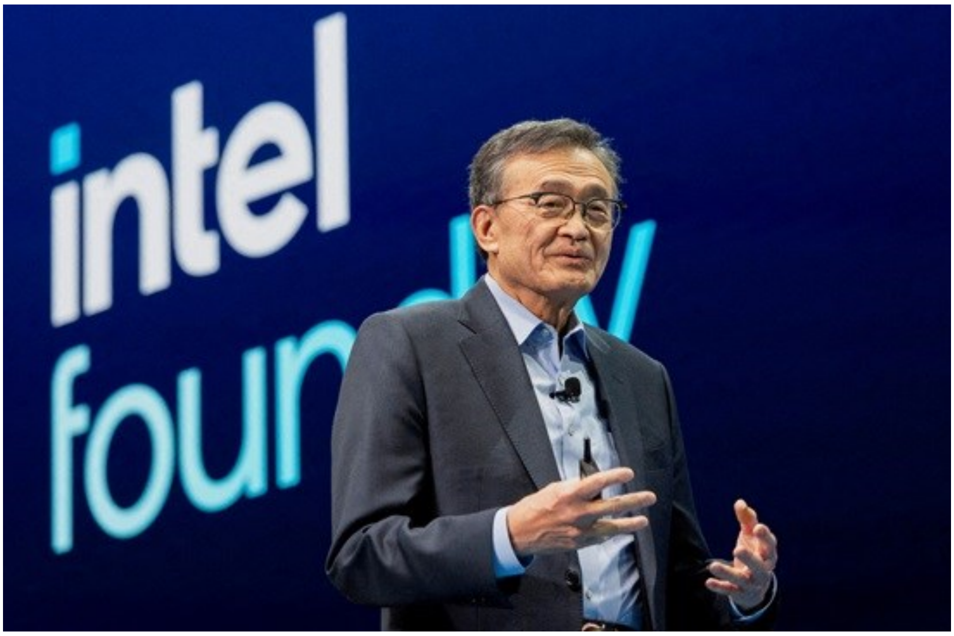
The **dollar** was little changed after Bloomberg News reported that Federal Reserve Governor Christopher Waller is emerging as a top candidate to serve as the central bank's chair among President Donald Trump's team. Waller is deeply respected in financial markets and central banking circles and his appointment would be positive for the U.S. dollar, said Karl Schamotta, chief market strategist at Corpay in Toronto. "He is understood to be someone with an easing bias, but he has the credibility that could keep long-term yields anchored and keep flows into the dollar well supported," Schamotta said. The **dollar index** was flat at 98.18. Against the **Japanese yen**, the dollar was down 0.21% at 147.04 yen. Meanwhile, **Sterling** rose after more policymakers than expected at the Bank of England voted to keep rates on hold, even as the British central bank cut rates by 25 basis points as was widely expected. The **British currency** was last up 0.64% at $1.3441.

Oil prices dropped for the sixth consecutive session after the Kremlin said Russian President Vladimir Putin would meet U.S. President Donald Trump in the coming days, raising expectations for a diplomatic end to the war in Ukraine. Kremlin aide Yuri Ushakov said that Trump and Putin would meet in the coming days in what would be the first summit between leaders of the two countries since 2021. **Brent crude** lost 0.91% to $66.28 a barrel. **U.S. West Texas Intermediate crude** fell 0.96% to $63.73 per barrel.

Gold rose, buoyed by safe haven demand after U.S. President Donald Trump's tariffs went into effect and U.S. jobs data added to rate-cut expectations. "Ongoing trade tensions, and heightened geopolitical tensions continue to underpin the market with the safe-haven interest," said Peter Grant, vice president and senior metals strategist at Zaner Metals. **Spot gold** gained 0.94% to $3,400.29 per ounce. **U.S. gold futures** were 0.90% higher at $3,464.20 an ounce.

Top News

Trump demands 'highly conflicted' Intel CEO resign over China ties
U.S. President Donald Trump demanded the immediate resignation of new Intel CEO Lip-Bu Tan, calling him "highly conflicted" due to his ties to Chinese firms and raising doubts about plans to turn around the struggling American chip icon. "The CEO of INTEL is highly CONFLICTED and must resign, immediately. There is no other solution to this problem," Trump said in a post on his Truth Social platform. "We don't believe Lip-Bu is 'conflicted,' though given the nature of this administration the China ties are seemingly creating an increasingly bad look," Bernstein analyst Stacy Rasgon said. "And unfortunately, unlike other tech CEOs Lip-Bu does not appear to have cultivated the kind of personal relationship with Trump that would help to assuage his ire." A White House official said, "President Trump remains fully committed to safeguarding our country's national and economic security. This includes ensuring iconic American companies in cutting-edge sectors are led by men and women who Americans can trust."



A view shows Bombardier's private jet completion center in Montreal, Quebec, Canada February 6. REUTERS/Evan Buhler

Lilly pill cuts body weight by 12.4% in trial, lagging Novo's Wegovy injection
Eli Lilly said that its experimental GLP-1 pill helped patients lose 12.4% of their body weight in a late-stage study, but that was less than previous trial results for Novo Nordisk's Wegovy, sending shares of the U.S. drugmaker tumbling. Dave Wagner, portfolio manager at Aptus Capital Advisors, said 12.4% weight loss was "still pretty good" and that the market was overreacting. Despite the selloff, he said he was confident Lilly could keep expanding its share of the weight-loss market. A Lilly executive said the company would set a list price for orforglipron based on value, considering both economic and healthcare system factors. He said Lilly would continue to offer direct-to-consumer pricing options for the pill, given ongoing gaps in insurance coverage for obesity treatments. Eli Lilly's shares fell 14.15% to close at $640.76. Meanwhile, the drugmaker raised its full-year profit and sales forecast, betting on surging demand for its weight-loss drug, Zepbound, as it targets new markets and looks to grab more share from Novo Nordisk's Wegovy. To read more, **click here**

Apple leads surge in global tech shares after Trump tariff relief
Global technology stocks advanced in a relief rally after the latest tariff salvo from U.S. President Donald Trump largely exempted industry heavyweights from his threat to impose 100% levy on chips and semiconductors. Trump said the new tariff rate would apply to "all chips and semiconductors coming into the United States," but would not apply to companies that had made a commitment to manufacture in the U.S. or were in the process of doing so. "From a high level, the 100% headline number seems intimidating, but in practice we expect a much lower impact," BofA Global Research analysts led by Vivek Arya said in a note. Apple stock rose 3.18% to close at $220.03. Separately, Apple said on Wednesday that Samsung Electronics will supply chips from its production plant in Austin, Texas, for Apple products including iPhones. To read more, **click here**

Rubio orders US diplomats to launch lobbying blitz against Europe's tech law
President Donald Trump's administration has instructed U.S. diplomats in Europe to launch a lobbying campaign to build opposition to the European Union's Digital Services Act (DSA), which Washington says stifles free speech and imposes costs on U.S. tech companies, an internal diplomatic cable seen by Reuters showed. In a State Department cable dated August 4, signed by U.S. Secretary of State Marco Rubio, the agency said the EU was pursuing "undue" restrictions on freedom of expression in its efforts to combat hateful speech, misinformation and disinformation, and the DSA was

further enhancing these curbs. The cable, whose headline described it as an "action request", tasked American diplomats across U.S. embassies in Europe with regularly engaging with EU governments and digital services authorities to convey U.S. concerns about the DSA and the financial costs for U.S. companies.

JPMorgan denied it closed account linked to former Kansas governor on religious grounds, letter shows

JPMorgan Chase denied it closed an account linked to former Kansas Governor Sam Brownback on religious grounds, and did not receive information it requested from him before shutting the account, according to a letter seen by Reuters. Brownback, a Republican who chairs the National Committee for Religious Freedom, claims the bank canceled the group's new account on religious grounds in 2022. He also alleged Chase shuns conservatives and religious groups. "We don't discontinue client relationships because of a religious or political affiliation, and we didn't with your account," wrote Larry Thode, a managing director at Chase, in a letter in October 2022. A spokesman for Brownback said the letter was the first time Chase had discussed regulations including the Bank Secrecy Act and anti-money laundering regulations as a cause for the account being canceled.

Froot Loops maker WK Kellogg reports downbeat quarterly results on demand decline

WK Kellogg reported second-quarter results below estimates, hurt by soft demand for its packaged breakfast cereal amid macroeconomic uncertainty. The cereal maker agreed to be bought by the Italian owner of Ferrero Rocher in a deal worth around $3.1 billion in July, and the company continues to expect the deal to close in the second half of 2025. Net sales for the quarter ended June 28 fell 8.8% to $613 million, missing estimates of $622.1 million. The company reported earnings per share of 9 cents, below estimates of 24 cents.

US Senators Wyden, Warren launch probe into UnitedHealth's nursing home practices

U.S. Senators Ron Wyden and Elizabeth Warren are launching an investigation into UnitedHealth Group related to allegations that the company secretly paid nursing homes thousands in bonuses to cut hospital transfers of sick residents. In a letter dated August 6 to UnitedHealth CEO Stephen Hemsley, the senators called on the healthcare conglomerate to provide detailed information about its reported incentive programming and its impact on the nursing home residents. They have sought a response from the company by September 8 about its hospitalization policies, directives related to care planning for nursing home residents enrolled in its institutional special needs plans (I-SNPs), marketing practices related to those plans and federal oversight related to them. The company said it has received the Senators' letter and will continue to educate its staff and share information on the I-SNP model and its proven benefit for seniors.

Band-Aid maker Kenvue cuts annual sales forecast amid strategic review

Kenvue cut its annual sales forecast, as the consumer health company undergoes a strategic review aiming to boost brand performance amid a cautious spending environment. The Tylenol maker expects its 2025 net sales to be down low-single-digits, compared with its prior expectation of a 1% to 3% increase. It said the cautious sentiment of consumers has been factored into the forecast. The company forecast annual adjusted profit to be in the range of $1.00 to $1.05 per share, below analysts' estimate of $1.13 per share. It posted adjusted profit per share of 29 cents during the second quarter, compared with the estimate of 28 cents.

Warner Bros Discovery posts surprise quarterly profit on 'Minecraft' hit, streaming gains

Warner Bros Discovery posted a surprise second-quarter profit, as the international rollout of HBO Max sent subscriber numbers climbing and blockbuster hits like "A Minecraft Movie" dominated the U.S. box office. Its streaming unit added 3.4 million subscribers globally, beating Visible Alpha expectations for 2.71 million additions, driven in part by its expansion into Australia. A title-heavy quarter led to 55% growth in the studio, pushing total revenue to $9.81 billion in the second quarter and beating expectations for $9.76 billion. WBD posted a quarterly profit of 63 cents per share, compared with expectations for a loss of 21 cents. Investors were fretting that the studio success and new subscriber additions are "mere box-office cameos," while the sagging linear-TV business and upcoming increase in spending on sequels remain the main focus, according to Michael Ashley Schulman of Running Point Capital Advisors.

Ralph Lauren warns that tariffs will pressure margins, shares fall

Ralph Lauren cautioned that tariff-related costs would pressure its margins this year and said it was bracing to see how inflation was weighing on price-sensitive consumers, sending its shares down. The comments overshadowed a rise in its annual revenue forecast, which was powered by solid demand for its Polo shirts and cable-knit sweaters in North America. "The most meaningful offset is really the incremental cost inflation from the tariffs," CEO Patrice Louvet said on a conference call with analysts. "The bigger unknown here today is the price sensitivity and how the consumer reacts to the broader pricing environment and how sensitive that consumer is. So that's what we're watching very closely as we head into the second half." On an adjusted basis, it earned $3.77 per share, above estimates of $3.50, aided by a 14% jump in average unit retail in its direct-to-consumer channel. The company shares closed 6.42% lower at $283.50.

Palestinians run towards parachutes carrying aid packages airdropped over northern Gaza Strip, August 7. REUTERS/Ebrahim Hajjaj

Insight and Analysis

Struggling US healthcare stocks endure rough 2025 but draw some bargain hunters

Woes for U.S. healthcare stocks have worsened this year driven partly by Trump administration policies, although some investors are betting that the beaten-down shares are now becoming too much of a bargain to pass up. Pressure to bring down U.S. prescription drug prices to overseas rates, tariffs targeted at pharmaceuticals and cuts to areas such as health research funding and Medicaid are among the Trump administration actions clouding the outlook for the shares this year, investors said.

FOCUS-Trump, pharma industry discuss boosting medicine spending abroad to cut US prices, sources say

The Trump administration has been talking to drugmakers about ways to raise prices of medicines in Europe and elsewhere in order to cut drug costs in the United States, according to a White House official and three pharmaceutical industry sources. U.S. officials told drug companies it would support their international negotiations with governments if they adopt "most favored nation" pricing under which U.S. drug costs match the lower rates offered to other wealthy countries, the White House official said.

ESPN-NFL deal faces regulatory hurdles

The National Football League's deal with Walt Disney in which it will gain an equity stake in ESPN in return for prime media assets is expected to face scrutiny from the U.S. Department of Justice, according to legal experts and industry sources. The league would receive a 10 percent stake in the sports network. Andre P. Barlow, a partner at Doyle, Barlow & Mazard, said the transaction "surely raises competition concerns," because it could potentially give Disney greater control over televised sports carriage and reduce competition. ESPN and the NFL declined comment.

CANADA

Market Monitor

Canada's main stock index closed lower, with consumer discretionary declines outweighing gains from gold miners, as investors assessed a mixed bag of corporate earnings and weighed the impact of U.S. tariff implementation.

The **S&P/TSX composite index** was down 0.57% at 27,761.27.

The U.S. dollar was up 0.01% against its **Canadian counterpart** at C$1.3741.

A Canadian dollar coin, commonly known as the "Loonie", is pictured in this illustration taken in Toronto, January 23, 2015. REUTERS/Mark Blinch

COMING UP

Statistics Canada is expected to report the economy likely added 13,500 jobs in July, after adding 83,100 in June. The **unemployment rate** is expected to rise to 7.0%, from 6.9% in the prior month.

TSE's S&P/TSX composite	Price	C$ Chng	% Chng
GAINERS			
Lundin Mining Corp	15.65	1.49	10.52
OceanaGold Corp	21.84	2.04	10.30
Enerflex Ltd	12.22	1.14	10.29
LOSERS			
Fortuna Mining Corp	8.55	-1.17	-12.04
Canadian Tire Corporation Ltd	165.41	-19.70	-10.64
Altus Group Ltd	52.25	-4.99	-8.72

Top News

Canada's Ivey PMI climbs to one-year high in July

Canadian economic activity expanded in July at the fastest pace in one year as employment rose, Ivey Purchasing Managers Index (PMI) data showed. The seasonally adjusted index rose to 55.8 last month from 53.3 in June, posting its highest level since July 2024. A reading above 50 indicates an increase in activity. The gauge of employment edged up to an adjusted 51.2 from 49.5 in June, while the prices index was at 68.5, down from 70.2. The unadjusted PMI was unchanged from June at 54.6.

A man walks in front of buildings in the financial district in Toronto, January 28, 2013. REUTERS/ Mark Blinch

Manulife shares fall after earnings miss due to US weakness

Canadian insurer Manulife Financial shares fell after it reported quarterly earnings below analysts' estimates, largely due to elevated credit and mortality losses in the United States.
"This quarter, we did see variability, and it was negative variability," CFO Colin Simpson said in an interview after earnings were reported after the market close on Wednesday.
"We operate in the affluent and high net worth space and it's relatively by face amount, so that does potentially bring about variability in claims." The U.S. business experienced an elevated number of claims on large policies under its life insurance segment, Simpson said, adding that it was normal claim volatility rather than an unfavorable mortality trend.
Core earnings at its U.S. segment fell 53%. The company earned core earnings of 95 Canadian cents for the second quarter ended June 30, two Canadian cents lower than analysts' estimate. The company's shares closed 3.86% lower at C$41.34.

Burger King owner's marketing efforts spur sales, squeeze profit
Restaurant Brands missed quarterly profit estimates, hurt by aggressive marketing that boosted demand at Burger King and its other brands in the U.S. and international markets. The company's profit miss "highlights the tough terrain quick service restaurants are navigating as cost-conscious consumers continue to pull back," said Zak Stambor, analyst with eMarketer. The Trump administration's unpredictable trade policies have disrupted business operations and shaken consumers, especially lower-income groups, who are increasingly seeking bargains and scaling back dining out plans as they grapple with inflation. U.S. quarterly same-store sales from Burger King, the company's second biggest revenue generator, rose 1.5%, after rising just only 0.1% a year ago. This helped the company post revenue of $2.41 billion in the quarter ended June 30, above analysts' estimates of $2.32 billion.

Bombardier to expand aftermarket service centers across multiple US locations
Bombardier said it would expand its services and support network to multiple regions in the United States, as the Canadian business jet maker aims to meet increasing demand for aftermarket care from its customers. The expansion is expected to roll out over the coming years and will focus on both regions where the company currently operates as well as new ones, it said in a statement, without disclosing the names of the areas. The Montreal-based company, which has centers for its services business in Dallas, Tucson, Hartford, Wichita and Miami Opa Locka, expects stronger profit in the rest of the year, helped by higher deliveries of its more profitable Global models and defense products.

Canadian Natural tops profit estimates as output rise offsets crude price dip
Canadian Natural Resources surpassed expectations for second-quarter profit, as a rise in oil and natural gas production helped offset a decline in crude prices. Oil producers in the country have been benefiting from the commencement of operations at the expandedTrans Mountain pipeline (TMX) that has nearly tripled the flow of oil to Canada's Pacific Coast from the landlocked Alberta. Canadian Natural, the country's largest oil and gas producer, said its total output rose to 1.42 million barrels of oil equivalent per day (boepd) during the second quarter, from 1.29 million boepd a year earlier. Production got a boost from growth across its asset base on the back of deals completed in late 2024 and 2025. The company posted an adjusted profit of 71 Canadian cents per share for the three months ended June 30, compared with analysts' average estimate of 65 Canadian cents.

GFL's Green Infrastructure Partners to be recapitalized in $4.25 billion deal
Waste management company GFL Environmental announced a deal with funds managed by Energy Capital Partners to recapitalize its construction subsidiary, Green Infrastructure Partners (GIP), at an enterprise value of $4.25 billion. GIP will receive gross proceeds of $775 million, of which it will return $585 million to its shareholders and use $175 million to fund future growth, the Canadian company said. GFL will receive $200 million of the distributed amount and will own a near 30.1% interest in GIP valued at about $895 million, the company said. The deal allows GFL to partially monetize its investment in GIP, which it co-founded in 2022 alongside HPS Investment Partners and Patrick Dovigi, GFL's CEO. HPS and Dovigi will continue to hold a minority stake in GIP.

A view shows Bombardier's private jet completion center in Montreal, Quebec, Canada February 6. REUTERS/Evan Buhler

WEALTH NEWS

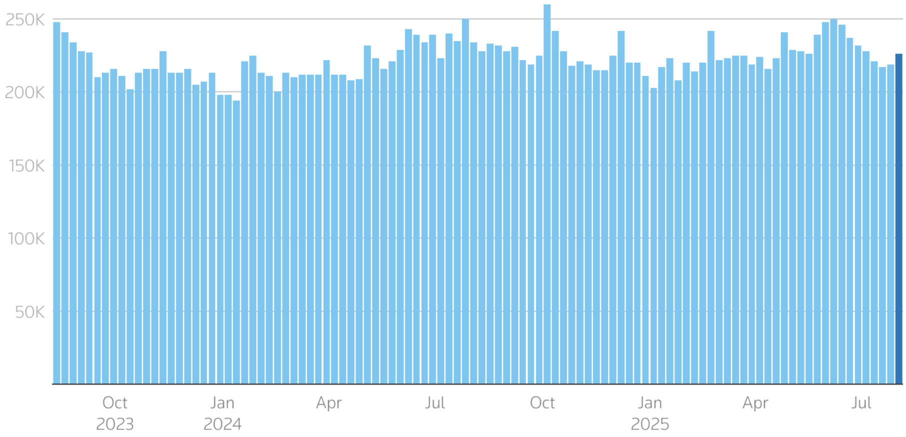
ECONOMIC INDICATOR

US jobless claims edge up, but 'no-hire, no-fire' trend remains intact

The number of Americans filing new applications for unemployment benefits ticked up to the highest level in a month last week, suggesting the labor market was largely stable even though job creation is weakening and it is taking laid-off workers longer to find new employment. Initial claims for state unemployment benefits for the week ended August 2 rose 7,000 to a seasonally adjusted 226,000, the highest level since the week ending July 5, the Labor Department said. Economists polled by Reuters had forecast 221,000 claims for the latest week. The labor market has slowed, with government data last week showing far fewer jobs were created in July than economists had expected due uncertainty over tariffs.

US unemployment claims

The number of people filing new claims increased to 226,000 in the most recent week.



Seasonally adjusted.

Sources: Department of Labor, LSEG | Reuters

TRUMP'S PICK

Waller is favorite for Fed chair among Trump team, Bloomberg News reports

Federal Reserve Governor Christopher Waller is emerging as a top candidate to serve as the central bank's chair among President Donald Trump's team, Bloomberg News reported, citing people familiar with the matter.

ANALYSIS

Investors game out market reaction to Fed chair replacement favorites

As President Trump narrows his shortlist for the next Federal Reserve chair, investors and strategists are closely analyzing the range of possible market reactions to each potential nominee poised to replace Jerome Powell when his term is over.

TARIFF IMPACT

Stressed US low-income shoppers hunt for smaller packs, restaurant meals under $5

Lower-income U.S. households are cutting back on eating out, travel and pantry staples like diapers, soda and beer, as U.S. tariffs on imports are set to push prices higher, said executives from Procter & Gamble, Coca-Cola and Chipotle Mexican Grill.

MOVES

Citigroup hires JPMorgan's Baygual as co-head of M&A, memo shows

Citigroup has appointed JPMorgan Chase's Guillermo Baygual as co-head of mergers and acquisitions, according to an internal memo seen by Reuters, as the U.S. bank seeks to grow its share of the lucrative dealmaking business.

BANK REGULATION

US judge vacates Fed's debit card 'swipe fees' rule, but pauses order for appeal

A U.S. judge has vacated the Federal Reserve's "swipe fees" regulation that capped the amount banks charge merchants for processing debit transactions, in a ruling favoring retailers that have long complained about paying inflated amounts.

RESISTANT MARKETS

Trump wants more American pick-ups in Tokyo and London. That may be a hard sell

Donald Trump is right that Japan and Europe buy few American-made cars - but it has little to do with trade barriers. From Tokyo to London, many consumers see Detroit's offerings as simply too big and too gas-guzzling.

An indigenous woman from the Pataxo indigenous people attends the IV March of Indigenous Women, in defense of women's rights, local indigenous people and the environment, in Brasilia, Brazil August 7. REUTERS/Jorge Silva

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The Day Ahead - North America is compiled by Kushal Varma J V and Malini K in Bengaluru.

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

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