

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Apple and other tech giants boosted **Wall Street**, fueled by optimism about the signing of a U.S.-China Phase 1 trade deal, as well as upcoming fourth-quarter earnings reports. **Treasuries** fell. The **dollar** held steady in the wake of a heavy week of U.S. economic data. **Gold** prices fell on dampened demand for safe-haven bullion. **Oil** fell as investors shifted focus to high U.S. fuel stockpiles.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	28905.9	82.13	0.28	29009.07	23765.24
Nasdaq	9273.93	95.07	1.04	9235.20	8943.50
S&P 500	3288.06	22.71	0.70	3282.99	3214.64
Toronto	17293.42	58.93	0.34	17255.51	14880.98
FTSE	7617.60	29.75	0.39	7631.96	7524.96
Eurofirst	1635.65	-2.92	-0.18	1647.90	1614.20
Hang Seng	28954.94	316.74	1.11	28883.30	27857.73

TREASURIES	Yield	Price
10-year	1.8423	-5 /32
2-year	1.5863	-1 /32
5-year	1.6462	-2 /32
30-year	2.2986	-10 /32

FOREX	Last	% Chng
Euro/Dollar	1.1132	0.11
Dollar/Yen	109.93	0.43
Sterling/Dollar	1.2990	-0.53
Dollar/CAD	1.3057	0.05
TR/HKEX RMB	93.46	0.29

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	58.07	-0.97	-1.64
Spot gold (NY/oz)	1548.35	-13.68	-0.88
Copper U.S. (front month/lb)	0.0286	0.0004	1.42
CRB Index Total Return	193.80	-1.16	-0.60

S&P 500	Price	\$ Chng	% Chng
GAINERS			
Albemarle Corp	75.83	3.73	5.17
Freeport-McMoRan Inc	13.54	0.64	4.96
L Brands Inc	20.20	0.79	4.07
LOSERS			
Abiomed Inc	168.10	-20.96	-11.09
Illumina Inc	323.15	-12.38	-3.69
Anthem Inc	296.71	-11.03	-3.58

Coming Up



Signs of JP Morgan Chase Bank, Citibank and Wells Fargo & Co. bank are seen in this combination photo from Reuters files. REUTERS

JPMorgan Chase & Co's fourth-quarter results will be closely watched by investors looking to gauge the health of the U.S. economy. The bank is expected to report a rise in quarterly profit. Investors will keep a close eye on the bank's net interest income in a lower interest rate environment.

Separately, **Citigroup Inc's** executives are likely to provide their outlook for

2020, when the company reports its fourth-quarter earnings. Analysts and investors will be looking for progress on strategic initiatives to cut costs and grow consumer deposits, as well as management commentary about their expectations for 2020. Meanwhile, **Wells Fargo & Co's** fourth-quarter results will be the first since Chief Executive Officer Charlie Scharf took charge of the lender.

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
NFIB Business Optimism Index for Dec	0600	--	104.7
Core CPI mm, SA for Dec	0830	0.2%	0.2%
Core CPI yy, NSA for Dec	0830	2.3%	2.3%
CPI Index, NSA for Dec	0830	257.167	257.208
Core CPI Index, SA for Dec	0830	--	265.62
CPI mm, SA for Dec	0830	0.3%	0.3%
CPI yy, NSA for Dec	0830	2.3%	2.1%
Real weekly earnings mm for Dec	0830	--	0%
CPI mm NSA for Dec	0830	--	-0.05%
CPI Index SA for Dec	0830	--	257.94
Cleveland fed CPI for Dec	1100	--	0.2%



A file photo shows an employee working near a Boeing 737 Max aircraft at Boeing's 737 Max production facility in Renton, Washington, U.S. December 16, 2019. REUTERS/Lindsey Wasson

Boeing Co is set to lose the world's biggest planemaker crown to rival Airbus after being at the helm since 2012, when the U.S. planemaker reports its 2019 deliveries. The figures are expected to plummet in the wake of

the 737 MAX grounding following two deadly accidents.

The U.S. Labor Department is expected to release the **consumer price index**, which is likely to remain

unchanged at 0.3% in December. The **core CPI** is also likely to remain unchanged at 0.2% in December.

Federal Reserve Bank of New York President **John Williams** is expected to moderate a discussion on "Behavioral Science and Organizational Culture" before the "Working Together: An Interdisciplinary Approach to Organisational Culture" event organized by the Banking Standards Board, Federal Reserve Bank of New York, and London School of Economics in London. Meanwhile, Federal Reserve Bank of Kansas City President **Esther George** is likely to speak on the economic and monetary policy outlook before The Central Exchange.

Delta Air Lines Inc is expected to report a 5.6% rise in fourth-quarter revenue, driven by continued strength in U.S. air travel demand. The company, which does not own the grounded Boeing 737 MAX, has pointed to a marginal benefit versus its U.S. peers that have had to cancel flights as a result of the prolonged grounding.

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Citigroup	Q4	BMO	\$1.83	\$1.84	\$1.61	\$17,888.93
Delta Air Lines	Q4	BMO	\$1.45	\$1.40	\$1.30	\$11,345.50
First Republic Bank	Q4	BMO	\$1.27	\$1.27	\$1.29	\$857.80
IHS Markit	Q4	BMO	\$0.61	\$0.61	\$0.57	\$1,121.12
JPMorgan Chase & Co	Q4	BMO	\$2.35	\$2.35	\$1.98	\$27,962.85
Wells Fargo & Co	Q4	BMO	\$1.13	\$1.12	\$1.09	\$20,137.26

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

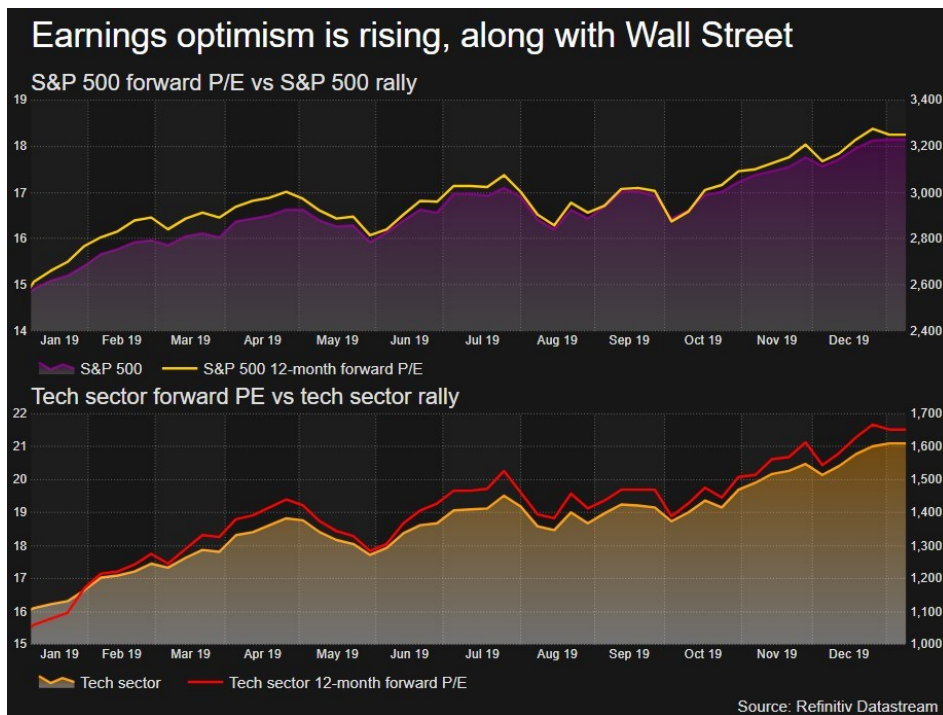
I/B/E/S EPS and revenue estimates, and StarMine Smart Estimates, provided by Refinitiv.

Market Monitor

Apple and other tech favorites propelled **Wall Street** to record highs, fueled by optimism about the signing of a preliminary U.S.-China trade deal, as well as upcoming fourth-quarter earnings reports. Apple, Facebook, Netflix, Microsoft and Amazon.com, which have powered the longest bull run in U.S. equities, were among the top contributors to intraday record highs hit by the S&P 500 and Nasdaq.

Apple was up 2.14%, **Facebook** ended 1.77% higher, **Netflix** gained 3%, **Microsoft** rose 1.2% and **Amazon.com** ended 0.43% higher. Google-owner **Alphabet** rose 0.77%, bringing its market capitalization to \$993 billion. "People are optimistic about earnings and they're also relieved that the Iran situation last week didn't end up being worse than it was, and people are happy that China and the U.S. are coming together to sign the Phase 1 trade deal. There's a lot to be optimistic about," said Jake Dollarhide, chief executive officer of Longbow Asset Management in Tulsa, Oklahoma. Investors are awaiting earnings from big banks JPMorgan, Citigroup and Wells Fargo, which kick off the fourth-quarter reporting season from Tuesday. The **Dow Jones Industrial Average** was up 0.28% at 28,905.9, while the **S&P 500** gained 0.7% to 3,288.06. The **Nasdaq Composite** added 1.04% to 9,273.93.

Treasury yields climbed as investors shifted their focus from Middle East tensions to the expected signing of a trade deal between the United States and China. "The market has found at least a short-term comfort area," said Justin Lederer, a Cantor Fitzgerald Treasury analyst. The **benchmark 10-year notes** were down 5/32 to yield 1.84%, while the **two-year notes** were 1/32 lower, yielding 1.59%. The **30-year bonds** fell 10/32 to yield 2.30%.



The **dollar index** held steady before a heavy week of economic data, while sterling was the weakest performer after tepid growth increased the likelihood that the Bank of England will cut interest rates this month. The pound slipped after data showed Britain's economy grew at its weakest annual pace in more than seven years in November. The **dollar index** was up 0.01% at 97.37. **Sterling** dropped 0.52% against the dollar to \$1.2991.

Oil prices fell as Middle East tensions eased and investors turned their focus to lackluster seasonal demand following last week's bearish U.S. report showing a large fuel stockbuilds. Thin U.S. refinery margins for petroleum products have sapped crude prices, particularly as winter demand for heating oil has disappointed suppliers and gasoline margins have weakened, analysts said. "It's hard for crude oil to go higher if refiners

continue to lose money or at best break even on gasoline," said Tom Kloza, global head of energy analysis at the Oil Price Information Service. **Brent crude** was 1.15% lower at \$64.23 per barrel, while **U.S. crude** was down 1.63% to \$58.08 a barrel.

Gold prices fell as risk-on sentiment, bolstered by the upcoming signing of a preliminary U.S.-China deal and signs of de-escalation in the Middle East, dampened demand for safe-haven bullion. "You remove the risk of geopolitical tensions rising and you don't quite need gold to beef up your portfolio," said Bart Melek, head of commodity strategies at TD Securities. **Spot gold** fell 0.87% to \$1,548.47 per ounce. **U.S. gold futures** were down 0.7% to \$1,549.20 an ounce. "Gold will remain vulnerable to spikes but could trend lower in the interim, with a break of \$1,540 potentially triggering a move back towards \$1,520," OANDA analyst Craig Erlam said in a note.

Top News

As businesses hold back, U.S. consumers seen boosting big banks' profits

Consumer lending is expected to propel profits for big U.S. banks when they unveil fourth-quarter results this week, though stress in corporate lending and uneven capital markets may cast a shadow over results. Overall, U.S. consumer-loan balances at the 25 largest banks reached \$1.19 trillion the last week of December, up 13% from a year earlier, according to Federal Reserve data. The biggest annual increase came from cards, where outstanding debt rose 16%. The banks held another \$1.46 trillion in residential mortgage loans. That spells good news for quarterly profits at JPMorgan Chase and Citigroup, which have been working to grow their card businesses in recent years. The Fed's decision to lower rates in 2019 boosted mortgage activity, which will help major home lenders like Wells Fargo. Those three banks are scheduled to report results on Tuesday. "The consumer-lending business is going to be very profitable for the banks," RBC Capital Markets analyst Gerard Cassidy said in an interview.

New Boeing chief executive: planemaker can be 'much better'

Boeing's new chief executive, David Calhoun, assumed the job as the U.S. planemaker battles to recover from two fatal crashes of 737 MAX planes that killed 346 people in five months and led to the model's worldwide grounding in March. Calhoun, 62, a longtime Boeing director named chairman in October after the board stripped Dennis Muilenburg of the title, was named chief executive on Dec. 23 following the board's firing of Muilenburg amid growing concerns about the company's relationship with regulators and its handling of the MAX. Calhoun told employees in an email he sees "opportunities to be better. Much better. That includes engaging one another and our stakeholders with



A file photo shows a man walking past a Citibank ATM in Los Angeles, California, March 10, 2015. REUTERS/Lucy Nicholson

greater transparency, holding ourselves accountable to the highest standards of safety and quality, and incorporating outside-in perspective on what we do and how we do it."

Ford's China vehicle sales drop 26% in third straight year of decline

Ford's China vehicle sales fell for a third consecutive year, by 26.1%, as it battles a prolonged overall sales decline in its second-biggest market that has hit demand for its mass-market Ford brand and sports utility vehicles. The U.S. automaker delivered 146,473 vehicles in China in the fourth quarter, down 14.7% year-on-year, Ford said in a statement. In total, it sold 567,854 vehicles over 2019. Anning Chen, president and chief executive of Ford Greater China, said that while 2019 was a "challenging" year for the automaker, it saw its market share in the high-to-premium segment stabilise and its sales decline in the value segment start to narrow in the second-half of the year. "The pressure from the external environment and downward trend of the industry volume will continue in 2020, and we will put more efforts into strengthening our product

lineup with more customer-centric products and customer experiences to mitigate the external pressure and improve dealers' profitability."

New Wells Fargo CEO brings Wall Street swagger to storied bank

Charles Scharf will make his public debut as Wells Fargo's chief executive during the bank's quarterly earnings call on Tuesday, and those who have worked with him in the past say he is likely to strike a much different chord than his predecessors. For years, Wells CEOs spoke with Midwestern lilts and have sprinkled their public events with folksy anecdotes. John Stumpf, who ran the San Francisco-based bank from 2007 to 2016, spoke publicly about being raised on a Minnesota farm with 10 siblings, and once recounted his own experience being upside down on a mortgage during the foreclosure crisis in 2010. Tim Sloan, who took over the reins as the bank's fake accounts scandal unraveled, once brought his family, including grandchildren, on stage at a shareholder meeting in Iowa. But Scharf is not known for such pleasantries, several analysts who

have worked with him said. "He's not polite necessarily," said MoffettNathanson analyst Lisa Ellis, who covers Visa. "He has a straight-between-the-eyes kind of delivery," said Argus Research analyst Stephen Biggar, who has followed Scharf at each of his companies so far.

Lululemon raises profit, sales forecast on upbeat holiday demand

Lululemon raised its quarterly sales and profit outlook, as the Canadian apparel maker's efforts to ramp up its online presence and broaden its range helped drive sales during the all-important holiday period. "View these (Lululemon's) results as industry leading and reflect the strength of product innovation, technology initiatives, marketing efforts and management execution," MKM Partners analyst Roxanne Meyer said, raising the price target by \$6 to \$264. Meyer added that the higher fourth-quarter forecast implies that Lululemon had attracted new customers in the holiday season and reflects e-commerce sales growth in the low-30% range. Lululemon now expects profit per share for the quarter ending Feb. 2 to be between \$2.22 and \$2.25, up from its prior range of \$2.10 to \$2.13. The company also raised its net revenue forecast to between \$1.37 billion and \$1.38 billion, compared with its previous estimate of \$1.32 billion to \$1.33 billion.

Netflix lands a leading 24 Oscar nominations in quest for best picture trophy

Streaming video service Netflix will have another chance to snatch the movie industry's top prize from Hollywood's traditional film studios at next month's Academy Awards. Two Netflix movies, Mafia epic "The Irishman" and divorce drama "Marriage Story," scored nominations for the coveted best picture trophy that will be awarded on Feb. 9. Netflix received 24 nominations overall, more than any other movie distributor. The Silicon Valley giant will battle for Oscar glory against century-old Hollywood studios, including Comcast's Universal Pictures,

AT&T's Warner Bros. and Sony's Columbia Pictures. Warner Bros.' dark comic-book origin story "Joker" led all nominees with 11 total nods.

Amazon to ramp up counterfeit reporting to law enforcement

Amazon.com is planning to give more data on counterfeit goods to law enforcement in a further crackdown on fakes listed on its e-commerce sites, a person familiar with the program told Reuters. The move comes as Amazon faces public scrutiny over how it polices counterfeits and allegedly unsafe products on its platform. Fakes have long frustrated top labels like Apple and Nike, discouraging some from selling via Amazon at all. In the past, the world's largest online retailer has informed authorities of counterfeit peddlers when it thought it had enough information for police to pursue a culprit. Now, the company plans to disclose merchant information to European and U.S. federal authorities every time it confirms a counterfeit was sold to customers, increasing the frequency and volume of reporting to law enforcement, according to the person, who spoke on condition of anonymity. Separately, India ordered an investigation of Amazon.com and Walmart's Flipkart over alleged violations of competition law in the latest setback for U.S. e-commerce giants operating in the country. To read more, [click here](#)

Biogen to buy early-stage potential Alzheimer's, Parkinson's treatment from Pfizer

Biogen said it has agreed to buy an early-stage experimental treatment from Pfizer that it aims to test in patients with Alzheimer's and Parkinson's disease. Under the deal, Pfizer will get \$75 million upfront and will be eligible for \$635 million in potential milestone payments. Biogen said it plans to develop the early-stage candidate for treating Sundowning associated with Alzheimer's and Irregular Sleep Wake Rhythm Disorder (ISWRD) for patients suffering from Parkinson's disease. The company aims to start a study in the fourth

quarter. "This asset is highly complementary to our existing pipeline of potential disease-modifying therapies in Alzheimer's and Parkinson's diseases," Biogen's Chief Medical Officer Alfred Sandrock Jr. said.

Veru's experimental drug reduces hot flashes in men in mid-stage study

Veru said a higher dose of its experimental drug reduced hot flashes in men with advanced prostate cancer after six weeks of treatment, in a mid-stage study. The drug, zuclomiphene citrate, is a synthetic estrogen that aims to reduce the frequency of hot flashes, an unintended effect of androgen deprivation therapy which is a commonly used treatment for prostate cancer. There are currently no FDA-approved treatments on the market for hot flashes in men. Veru expects to begin a late-stage trial for the drug in the first half of 2020, pending discussions with the U.S. Food and Drug Administration, Chief Executive Officer Mitchell Steiner told Reuters.

Boeing suppliers Hexcel and Woodward to merge in \$6.4 billion deal

Hexcel, a composites technology company, and aircraft and industrial parts maker Woodward said on Sunday they would combine in an all-stock merger of equals to create an integrated systems provider for the aerospace and industrial sectors. The deal between the two U.S.-based companies is valued at about \$6.43 billion based on Woodford's Friday close of \$121.96, and values Hexcel at \$76.23 per share, a premium of 4.5% from Hexcel's last close, according to Reuters calculations. The combined company, which would form one of the world's biggest aerospace and defense suppliers, will be named Woodward Hexcel and is expected to generate net revenues of about \$5.3 billion and EBITDA of \$1.1 billion for each company's fiscal-year 2019.



Residents look at the erupting Taal Volcano in Tagaytay City, Philippines, January 13. REUTERS/Eloisa Lopez

Insight and Analysis

The real price of Occidental's 'costless' oil hedge

In just 12 days, Occidental Petroleum pulled off one of the biggest hedges against falling oil prices ever placed by a U.S. energy company. It characterised the transaction as "costless" but a Reuters review of regulatory filings, market data and interviews shows that's not the whole story. The aim of the complex financial maneuver, the company said, was to help preserve Occidental's generous dividend to shareholders as it sought to take over rival Anadarko Petroleum for \$38 billion last summer in the biggest industry deal for years. However, to secure the hedge swiftly and discreetly and to avoid paying its bankers a fee for arranging it, the company took a bigger potential hit to future revenues with only limited protection against falling oil prices, according to a source with direct knowledge of the transaction.

WeWork debacle has unicorn investors seeking cover

In the months since office-sharing startup WeWork's botched public debut, mid- and late-stage investors in big start-ups have been pushing for more safeguards in case their firms fail to go public or sell shares at a lower valuation than pre-IPO financing rounds. Fundraising terms are rarely made public, but more than a dozen Silicon Valley-based lawyers, entrepreneurs and venture-capital investors told Reuters that since WeWork's canceled public offering and other ill-fated IPOs, investors have been securing protections of their original investments in "unicorns" - private companies valued at \$1 billion or more. Tougher terms are the price to pay for ensuring late-stage funding and sustaining the pipeline of initial public offerings, but also can be detrimental for founders, employees and early-stage investors, which in turn could make M&A deals challenging.

Stretched tech stocks leave some investors seeking off-ramp

As the bull market in U.S. stocks hits new highs, some investors are searching for ways to pare their exposure to the small group of technology and communications stocks that has fueled market gains for years. The market's most crowded individual stocks are Microsoft, Amazon, Facebook, Visa and Mastercard, according to a recent analysis by research firm Bernstein incorporating factors such as institutional ownership and price momentum. Just four stocks - Apple, Microsoft, Facebook and Amazon - generated more than 20% of the S&P 500's total return last year, according to data from S&P Dow Jones Indices. Fund managers in a Bank of America Merrill Lynch report in December tagged technology stocks as the market's "most crowded" trade.

CANADA

Market Monitor

The Toronto Stock Exchange's **S&P/TSX composite index** ended 0.34% higher at 17,293.42. The **energy sector** dropped 0.83% to 145.52 as oil prices ended lower. **Technology shares** rose 1.25% to 126.64 and were the best performing sector, with online

services provider Shopify leading gains after Credit Suisse raised its target price for the stock. **Shopify** ended 2.54% up.

The **U.S. dollar** was 0.06% higher against its **Canadian counterpart** at C\$1.3058.

COMING UP

Canadian oil and gas company **Encana Corp** has scheduled a special meeting of shareholders to vote on its proposal to move its head office to the United States and rename the company. The move needs to be approved by two-thirds of the votes cast.

TSE's S&P/TSX composite

	Price	C\$ chng	% chng
GAINERS			
Hexo Corp	1.98	0.24	13.79
Canopy Growth Corp	30.12	3.31	12.35
Cronos Group Inc	9.80	0.92	10.36
LOSERS			
Corus Entertainment Inc	5.49	-0.44	-7.42
Centerra Gold Inc	9.58	-0.61	-5.99
Alacer Gold Corp	6.27	-0.39	-5.86

Top News



A file photo shows a cyclist riding past the Bank of Canada building, Ontario, Canada, July 11, 2018. REUTERS/Chris Wattie

Bank of Canada Q4 survey says business sentiment 'broadly positive,' labor market tightening
Canada's labor market is expected to tighten over the next year outside of the energy-dependent Prairie provinces, a Bank of Canada survey

said, with some businesses now planning to add staff to meet supply and production demands. Results of the central bank's quarterly business survey revealed business sentiment is "broadly positive" while expectations for future sales growth "remain

positive." The survey found business concerns around trade tensions had declined somewhat, with foreign demand, particularly from the United States, still lifting export prospects. Of the companies surveyed, 39% said labor shortages were more intense while 14% said labor shortages were less intense. In the previous survey the balance was 34% to 12%. Firms reported shortages of specialized labor, like skilled trades and engineering, as well as in lower-skilled jobs. Hiring plans, the Bank's survey found, "are widespread across most sectors" with those plans primarily concentrated among firms in Quebec and British Columbia, where the labor shortages are most acute. The survey also found firms see "some signs that energy sector activity may have bottomed-out as production limits are gradually removed and some progress is made on pipeline capacity." Of the companies surveyed, 43% expected sales to grow at a faster rate than in the past 12 months, while 32% predicted a lesser rate of sales growth. In the previous survey, the balance was 48% to 25%.

Maple Leaf CEO flays U.S. government after Iran plane crash

Maple Leaf Foods Chief Executive Officer Michael McCain criticized the U.S. government for escalating tensions in the Middle East, after an Iranian missile accidentally shot down a Ukrainian airliner killing 176 people onboard, including an employee's family. "A MLF colleague of mine lost his wife and family this week to a needless, irresponsible series of events in Iran. U.S. government leaders unconstrained by checks/balances, concocted an ill-conceived plan to divert focus from political woes," McCain said in a tweet posted on the company's Twitter account on Sunday. "The world knows Iran is a dangerous state, but the world found a path to contain it; not perfect but by most accounts it was the right direction," he added in a series of tweets. The CEO of the packaged meat producer said the tweets were his "personal reflections". Meanwhile, Iran has signaled that Canada's Transportation Safety Board would play a more active role than international rules require in the investigation of the Iranian military's shooting down of a Ukrainian airliner last week, TSB head Kathy Fox said. To read more, [click here](#)

Brookfield Renewable offers to buy TerraForm, valuing it at \$4 billion

Brookfield Renewable Partners said it would acquire the remaining 38% stake in TerraForm Power it does not already own, in a deal that values the electricity utility at \$3.93 billion, as it looks to boost its power portfolio. Brookfield Renewable said the all-stock offer represents an exchange ratio of 0.36 BRP units for each TerraForm class A share, valuing TerraForm at \$17.31 per share, an 11% premium to the stock's last close. TerraForm said it has



A file photo shows the Canadian flag flying at half-mast on the Peace Tower, to honour victims of Flight PS752 from Tehran to Kyiv that crashed shortly after takeoff, on Parliament Hill in Ottawa, Ontario, Canada January 8, 2020. REUTERS/Blair Gable

formed a special committee of non-executive, independent directors to review the unsolicited proposal it received on Saturday. "There can be no assurance that a definitive proposal relating to the proposed transaction will be made, that any such proposal will be recommended or accepted by the committee," TerraForm said in a separate statement. The transaction is expected to be immediately accretive for Brookfield Renewable unitholders, and further expand the company's portfolio in North America and Western Europe, said Brookfield Renewable.

Acasti's krill oil-derived drug fails late-stage study, shares tumble

Acasti said its krill oil-derived drug had failed to beat placebo by a large margin in reducing a type of fat found in blood that increases the risk of heart diseases, sending its shares spiraling down. The company said the drug, CaPre, derived from shrimp-like crustaceans called krill, showed a 36.7% median reduction in triglyceride levels after 26 weeks of treatment,

compared with an average of 28% reduction among those on placebo. Though the difference at 26 weeks was in favor of CaPre, due to an unexpectedly large positive placebo response, CaPre's response did not meet statistical significance in the late-stage study, Acasti said. An outcome from the investigation is expected by the end of February. Acasti's shares ended 64.91% lower at C\$1.

Canada's Cott to buy U.S. peer Primo Water for \$549.4 million

Canada's Cott said it would buy U.S.-based bottled water provider Primo Water for \$549.4 million in cash and stock, as it seeks to strengthen its position in the North American market. Cott has offered each Primo shareholder \$14 in cash, stock or a combination of both, which implies a premium of 26.2% to Primo's last close. "As Primo and Cott have been strategic partners for six years, we expect a smooth transition and integration," Cott's Chief Executive Officer Tom Harrington said.

WEALTH NEWS

EARNINGS PREVIEW

Pressure for 2020 as U.S. companies report end of weak profit year

As major U.S. corporations prepare to close the books on a lackluster year of profit growth, they may need to shore up confidence that 2020 will show significant improvement to keep the stock market's rally going. Wall Street surged to record highs last week, partly reflecting growing hopes for a resolution to U.S. President Donald Trump's tariff war with China. Investors are anxious to find out whether that will bolster the case for a pickup in earnings growth after the S&P 500's 29% gain in 2019 occurred despite anemic profit growth in the first three quarters. Fourth-quarter S&P 500 earnings are expected to have declined 0.6% year-over-year, which would mark the second straight quarterly decline, or a profit recession, the last of which occurred in 2015-2016. Yet, earnings are seen climbing about 10% in 2020, and strategists say that growth is needed to sustain Wall Street's rally.



A file photo shows traders working on the floor at the New York Stock Exchange in New York, U.S., January 10, 2020. REUTERS/Brendan McDermid

TRADE DEAL

Phase 1 trade deal stops bleeding, doesn't end U.S.-China dispute - U.S. Chamber

The Phase 1 trade deal to be signed this week by China and the United States "stops the bleeding" but does not end the trade war, a senior U.S. Chamber of Commerce official said, warning that significant challenges remain.

FED OUTLOOK

Fed on hold, but will financial risks matter?

U.S. Federal Reserve officials may be in broad agreement that interest rates are unlikely to change soon, but they differed on how concerned they are about developing financial risks in assessing when a rate hike might be appropriate.

CITIBANK CORPORATE BANKING

Citi's corporate banking arm aims to pick up steam as market cools down

When Citigroup combined businesses that cater to big companies in 2018, management wanted dealmakers, traders and traditional corporate bankers to combine forces and propel Citi toward the top of Wall Street market-share rankings. The third-largest U.S. bank has made some progress.

ARAMCO IPO FEES

Banks lobby Aramco for incentive fee after slim IPO pickings

Global banks who worked on Saudi Aramco's record initial public offering are pushing for an additional "incentive fee", three sources familiar with the matter said, as they try to boost relatively low earnings from the deal.

BOEING'S 2019 PERFORMANCE IN CHARTS

GRAPHIC-Boeing's worst year in decades

Boeing's new Chief Executive Officer David Calhoun started work on Monday, inheriting a company that is reeling from the effects of two fatal crashes which led to the grounding of the 737 MAX last March.

SUSTAINABLE FINANCE

'Green is good.' Is Wall Street's new motto sustainable?

If you have gone to Goldman Sachs Group's internet home page since mid-December, it would be reasonable to wonder if you had stumbled into some kind of parallel universe. Visitors are met with a background of lush greenery, along with a banner headline: "Our Commitment to Sustainable Finance."



ON THE RADAR

Events	ET	Poll	Prior
Wed: NY Fed Manufacturing for Jan	0830	3.5	3.5
PPI final demand yy for Dec	0830	1.3%	1.1%
PPI final demand mm for Dec	0830	0.2%	0%
PPI ex-food/energy yy for Dec	0830	1.3%	1.3%
PPI ex-food/energy mm for Dec	0830	0.2%	-0.2%
PPI ex-food/energy/transport yy for Dec	0830	--	1.3%
PPI ex-food/energy/transport mm for Dec	0830	--	0%
Thu: Import prices mm for Dec	0830	0.3%	0.2%
Export prices mm for Dec	0830	0.2%	0.2%
Import prices yy for Dec	0830	--	-1.3%
Initial jobless claims	0830	217,000	214,000
Jobless claims 4-week average	0830	--	224,000
Continued jobless claims	0830	1.720 mln	1.803 mln
Philly Fed Business Index for Jan	0830	3.8	0.3
Philly Fed 6M Index for Jan	0830	--	35.2
Philly Fed Capex Index for Jan	0830	--	27.6
Philly Fed Employment for Jan	0830	--	17.8
Philly Fed Prices Paid for Jan	0830	--	19
Philly Fed New Orders for Jan	0830	--	9.4
Retail sales ex-autos mm for Dec	0830	0.5%	0.1%
Retail sales mm for Dec	0830	0.3%	0.2%
Retail ex gas/autos for Dec	0830	--	0%
Retail control for Dec	0830	0.4%	0.1%
Retail sales YoY for Dec	0830	--	3.35%
Business inventories mm for Nov	1000	-0.1%	0.2%
Retail inventories ex-auto rev for Nov	1000	--	-0.2%
NAHB Housing Market Index for Jan	1000	75	76
Fri: Building permits: number for Dec	0830	1.468 mln	1.474 mln
Build permits: change mm for Dec	0830	--	0.9%
Housing starts number for Dec	0830	1.376 mln	1.365 mln
House starts mm: change for Dec	0830	--	3.2%
Industrial production mm for Dec	0915	-0.2%	1.1%
Capacity utilization SA for Dec	0915	77.1%	77.3%
Manufacturing output mm for Dec	0915	-0.2%	1.1%
Industrial production YoY for Dec	0915	--	-0.75%
JOLTS job openings for Nov	1000	7.233	7.267 mln
U Mich Sentiment Preliminary for Jan	1000	99.3	99.3
U Mich Conditions Preliminary for Jan	1000	115.0	115.5
U Mich Expectations Preliminary for Jan	1000	89.0	88.9
U Mich 1 year inflation preliminary for Jan	1000	--	2.3%
U Mich 5-year inflation preliminary for Jan	1000	--	2.2%



U.S. soldiers are seen at the site where an Iranian missile hit at Ain al-Asad air base in Anbar province, Iraq January 13. REUTERS/John Davison

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