

# THE DAY AHEAD

## MARKET RECAP at 4 pm ET

**Wall Street** ended higher, while **Treasury yields** fell after solid retail sales data boosted expectations that the Fed is close to easing interest rates. The **dollar** was little changed, while **gold** prices climbed. **Oil** prices declined on concerns over China's slowing economy impacting demand.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	40,954.48	742.76	1.85	40,351.10	37,122.95
Nasdaq	18,509.34	36.77	0.20	18,671.07	14,477.57
S&P 500	5,667.20	35.98	0.64	5,666.94	4,682.11
Toronto	22,995.39	243.71	1.07	22,818.42	18,692.06
FTSE	8,164.90	-18.06	-0.22	8,474.41	7,404.08
Eurofirst	2,052.08	-6.09	-0.30	2,084.19	1,839.45
Nikkei	41,275.08	84.40	0.20	42,426.77	32,693.18
Hang Seng	17,727.98	-287.96	-1.60	19,706.12	14,794.16

TREASURIES	Yield	Price
10-year	4.1653	17 /32
2-year	4.4277	2 /32
5-year	4.0843	7 /32
30-year	4.3766	42 /32

FOREX	Last	% Chng
Euro/Dollar	1.0901	0.06
Dollar/Yen	158.36	0.22
Sterling/Dollar	1.2972	0.05
Dollar/CAD	1.3670	-0.09
USD/CNH (Offshore)	7.2875	0.19

COMMODITIES (\$)	Price	Chng	% Chng
Front Month Crude /barrel	80.83	-1.08	-1.32
Spot gold (NY/oz)	2468.46	46.39	1.92
Copper U.S. (front month/lb)	4.45	-0.0760	-1.68
CRB Index Total Return	336.21	-3.00	-0.89

S&P 500	Price	\$ Chng	% Chng
<b>GAINERS</b>			
Solaredge Technologies Inc	30.20	3.41	12.73
Molina Healthcare Inc	307.36	23.38	8.23
Warner Bros Discovery Inc	7.98	0.56	7.55
<b>LOSERS</b>			
Charles Schwab Corp	67.42	-7.65	-10.19
Raymond James Financial Inc	113.51	-7.60	-6.28
Constellation Energy Corp	204.88	-8.00	-3.76

## Coming Up

The Commerce Department's Census Bureau is expected to say **housing starts** likely rose to a seasonally adjusted annual rate of 1.300 million units in June, up from 1.277 million units in May. **Building permits**, meanwhile, is expected to have fallen to a rate of 1.395 units in June from 1.399 units in the previous month. Another report from the Fed is expected to show **industrial production** inched up 0.3% in June, compared with a 0.9% rise in May. **Capacity utilization** for the industrial sector is likely to come in at 78.4% in June, compared to 78.7% in May. Separately, the **Federal Reserve** is scheduled to issue the **Beige Book**.

Federal Reserve Bank of Richmond President **Thomas Barkin** is set to give informal remarks on the economy before the Greater Prince George's Business Roundtable. Also, Federal Reserve Board Governor **Christopher Waller** is scheduled to speak on the economic outlook before hybrid event hosted by the Federal Reserve Bank of Kansas City.



**Johnson & Johnson** will report second-quarter results before markets open. Investors will look out for performance across the Medtech unit and the demand for top-selling drugs such as psoriasis drug Stelara. Any updates on annual outlook would also be looked out for.

**United Airlines** is expected to report a profit for the second quarter. However, the focus will be on the industry's pricing power after Southwest and American Airlines flagged discounting pressure.

**Elevance Health** will report second-quarter results before markets open. Investors will closely focus on medical

## KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Building permits number for June	0830	1.395 mln	1.399 mln
Building permits change mm for June	0830	--	-2.8%
Housing starts number for June	0830	1.300 mln	1.277 mln
Housing starts change mm for June	0830	--	-5.5%
Industrial production mm for June	0915	0.3%	0.9%
Capacity utilization SA for June	0915	78.4%	78.7%
Manufacturing output mm for June	0915	0.2%	0.9%
Industrial production yoy for June	0915	--	0.39%



costs for the insurer and comments around the demand trends for medical services. Color on the U.S. government's quality rates for medical insurers will also be of interest.



**Kinder Morgan** is expected to report a rise in second-quarter profit after the markets close. Investors will look out

for commentary on LNG demand outlook and the potential increase in natural gas demand for electric generation associated with artificial intelligence operations, cryptocurrency mining and data centers.

**Crown Castle** is expected to report a fall in revenue in the second quarter, as telecom sector clients dial back on spending.

**Citizens Financial** is expected to see a drop in second-quarter profit due to weaker net interest income.

Asset and wealth manager **Northern Trust** is set to report its second-quarter results. The firm is expected to see a jump in profit thanks to higher fee

income.

**Synchrony Financial** is set to report a fall in second-quarter profit, as the consumer banking firm is required to set aside more in rainy day funds to cover for potential credit defaults.

In Latin America, **Brazil's** inflation, as measured by the **IGP-10 price index**, rose 0.82% in July, compared to a 0.83% gain in June.

## LIVECHAT - REUTERS GLOBAL MARKETS FORUM

Metals in Spotlight with **Andy Home**, Reuters senior commodities columnist specializing in metals markets. (1200 ET/1000 GMT) To join the conversation at, [email us here](#)

## KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Citizens Financial Group	Q2	BMO	\$0.78	\$0.79	\$0.92	\$1,946.79
Crown Castle	Q2	AMC	\$0.51	\$0.54	\$1.05	\$1,614.36
Discover Financial Services	Q2	AMC	\$3.08	\$3.07	\$3.54	\$4,175.54
Elevance Health	Q2	BMO	\$10.02	\$10.01	\$9.04	\$43,054.26
Equifax	Q2	AMC	\$1.73	\$1.73	\$1.71	\$1,423.06
Johnson & Johnson	Q2	BMO	\$2.70	\$2.70	\$2.80	\$22,306.46
Kinder Morgan	Q2	AMC	\$0.26	\$0.26	\$0.24	\$4,123.47
Northern Trust	Q2	BMO	\$1.94	\$1.90	\$1.56	\$2,062.05
Prologis	Q2	BMO	\$0.59	\$0.59	\$1.31	\$1,874.95
Steel Dynamics	Q2	AMC	\$2.67	\$2.67	\$4.81	\$4,434.05
Synchrony Financial	Q2	06:00	\$1.33	\$1.35	\$1.32	\$4,334.13
United Airlines Holdings	Q2	AMC	\$3.93	\$3.95	\$5.03	\$15,096.10
US Bancorp	Q2	BMO	\$0.94	\$0.94	\$1.12	\$6,794.95

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

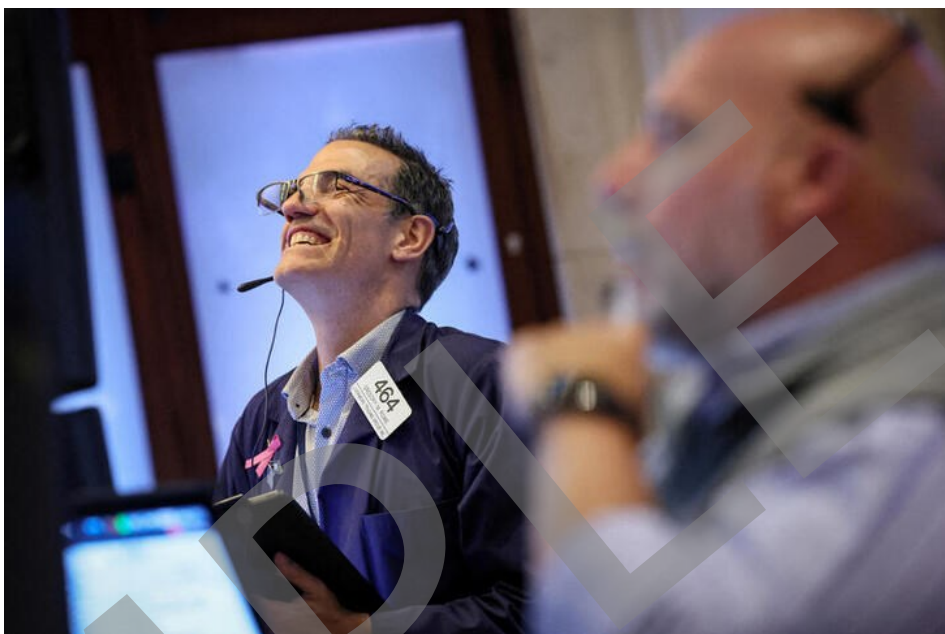
All analysts' estimates are according to LSEG IBES data.

# Market Monitor

The **Dow Jones Industrial Average** reached an all-time closing high after U.S. retail sales data supported the narrative that the Federal Reserve is approaching its easing cycle, reining in inflation while avoiding a recession. "This rotation underscores the likelihood of interest rate cuts as early as September," said Greg Bassuk, CEO at AXS Investments in New York. "Small cap companies are among the best-positioned to benefit from rate cuts, and today we're seeing this trifecta of strong earnings, a resilient economy and high confidence of a rate cut in September." The **S&P 500** gained 0.64% to end at 5,667.20, while the **Nasdaq Composite** gained 0.20% to 18,509.34. The **Dow Jones Industrial Average** rose 1.85% to 40,954.48.

**Treasury yields** fell on expectations that the Federal Reserve is getting closer to cutting interest rates. "The Fed has seen a lot more encouraging data, both on the labor market and inflation side, which has allowed the market to price in a somewhat more aggressive Fed easing cycle," said Zachary Griffiths, senior investment grade strategist at CreditSights in Charlotte, North Carolina. The **benchmark 10-year notes** were up 17/32 to yield 4.1653%. The **two-year notes** added 2/32 with a yield of 4.4277%. The **30-year bonds** gained 1-9/32, yielding 4.3758%.

The **dollar** was little changed after a reading of retail sales proved to be firmer than expected but was still soft enough to keep expectations intact for a rate cut from the Federal Reserve this year. "It isn't so much the overall number, but it's the ex-autos number, which was up considerably more than



Traders work on the floor at the New York Stock Exchange in New York City, June 14. REUTERS/Brendan McDermid

expected," said Joseph Trevisani, senior analyst at FX Street in New York. The **dollar index** was up 0.03% at 104.22. Against the **Japanese yen**, the dollar added 0.22% to 158.36 yen. The **euro** gained 0.06% to \$1.0901.

**Oil** prices declined over 1% on worries of a slowing Chinese economy crimping demand, though declines were stemmed by a growing consensus the Federal Reserve could begin cutting its key interest rate as soon as September. "Weaker economic data continues to flow from China as continued government support programs have been disappointing, with many of China's refineries cutting back on weaker fuel demand," said Dennis Kissler, senior vice president of trading at BOK Financial. **Brent crude futures** were

down 1.26% to \$83.78 per barrel. **U.S. West Texas Intermediate crude futures** fell 1.31% to \$80.84 a barrel.

**Gold** prices jumped as investors flocked to the safe-haven asset after comments from Federal Reserve officials cemented expectations of a U.S. interest rate cut in September. "Gold surges to new all-time highs despite stronger-than-expected core retail sales data, encouraged by Powell indicating yesterday that the Fed was growing more confident that inflation was back on its way to target," said Tai Wong, a New York-based independent metals trader. **Spot gold** gained 1.92% to \$2,468.49 per ounce. **U.S. gold futures** was up 1.76% at \$2,471.70 per ounce.



# Top News

## **Morgan Stanley profit surges on investment banking, trading, while wealth lags**

Morgan Stanley's second-quarter profit beat expectations, driven by a surge in investment banking and trading revenues that overcame muted results in wealth management. Morgan Stanley's CEO Ted Pick expressed confidence in its dealmaking prospects. He said the bank is on track to reaching its goal of a 30% pre-tax margin in the wealth business, a key performance target. Institutional securities revenue grew 23% in the quarter to \$7 billion, buoyed by investment banking revenue, which soared 51% to \$1.62 billion. Revenue growth in wealth management slowed to 2% in the second quarter, compared with a 16% jump a year earlier. Net new assets came in at \$36.4 billion, below last year's \$89.5 billion. Net income rose to \$3.1 billion, or \$1.82 per share, in the three months ended June 30, from \$2.2 billion, or \$1.24 per share, a year earlier. Morgan Stanley said it would raise its quarterly dividend to \$0.925 per share, up 7.5 cents.

## **BofA profit beats expectation on robust investment banking, trading**

Bank of America's second-quarter profit dropped as higher deposit costs pushed its interest income lower, but the results beat analysts' estimates, boosted by investment banking and trading. BofA forecast better-than-expected net interest income (NII) for the fourth quarter. BofA's investment banking fees jumped 29% to \$1.6 billion in the second quarter, echoing results at peers. Underwriting income in the second quarter this year jumped 32%, while fees from syndication surged 77%. The second biggest U.S. lender earned \$6.9 billion, or 83 cents per share, in the quarter ended June 30, 7% lower than a year earlier, but above expectations of 80 cents per share. Its wealth and investment management unit also fetched 6% higher revenue and saw 10% growth in

client balances to a record of more than \$4 trillion. BofA's NII fell 3% to \$13.7 billion in the second quarter. Separately, Charles Schwab's second-quarter profit fell 2% as the brokerage paid out more interest on client deposits and its own borrowings. To read more, [click here](#)

## **FTC seeking details on Amazon deal with AI startup Adept, source says**

The U.S. Federal Trade Commission has asked Amazon.com to provide more details on its deal to hire top executives and researchers from artificial intelligence startup Adept, a person familiar with the matter told Reuters. The request reflects the FTC's growing concern about how AI deals have been put together and follows a broader review of partnerships between Big Tech and prominent AI startups. The informal inquiry into Amazon, which has not previously been reported, centers on last month's announcement that Adept Chief Executive David Luan and others were leaving to join Amazon, which would also license some of the startup's

technology. Such inquiries do not necessarily result in an official investigation or enforcement action.

## **UnitedHealth expects bigger hit to profit from tech unit hack**

UnitedHealth forecast a bigger hit to annual earnings from a February hack at its tech unit, but maintained its full-year profit forecast. The company beat Wall Street estimates for second-quarter profit and signaled that it would resume share buybacks after pausing them due to the hack. The company said it expects a 30-cent per share higher hit to full-year adjusted profit from the disruptions caused by the hack, mainly due to a loan program to assist providers affected by the hack, and notification costs. UnitedHealth reiterated its full-year adjusted profit forecast for between \$27.50 and \$28.00 per share. UnitedHealth posted adjusted quarterly profit per share of \$6.80, topping analysts' expectations, helped by growth in its healthcare services unit. Revenue from its Optum services unit increased about 12% to \$62.9 billion in the second quarter.



A Bank of America branch is pictured in New York, May 7, 2009. REUTERS/Shannon Stapleton

## **Google deal for 'hot market' cyber firm Wiz would bolster cloud security**

If Alphabet's Google is successful in its effort to buy cloud security company Wiz, it would bolster its cloud security offerings for large organisations, a hotspot for hackers, and help it take on cloud rivals Amazon.com and Microsoft, experts said. Alphabet is in advanced talks to acquire Wiz, a person familiar with the matter said on Sunday, in an up to \$23 billion deal that would be Google's most expensive acquisition and provide it with cybersecurity products that defend against ransomware gangs wreaking havoc on large enterprises. "There is a hot market for cloud security," said Jerome Seguera, a senior intelligence analyst at the cybersecurity firm MalwareBytes, adding that Wiz gives customers "great visibility into their assets in a straightforward way." Separately, Google won a ruling in California federal court on Monday dismissing a proposed class action claiming it too tightly restricted how customers use its digital-mapping products, causing them to pay higher prices. To read more, [click here](#)

## **PNC Financial's second-quarter profit rises on higher fee income**

PNC Financial reported an increase in second-quarter profit as higher fees from underwriting and advising on deals helped the bank offset a decline in interest income. Capital markets and advisory revenue at PNC climbed 28% to \$272 million in the quarter, while asset management and brokerage revenue rose 5% to \$364 million. The company's net interest income fell 6% to \$3.30 billion. PNC's net interest margin decreased 19 basis points to 2.60%. Average loans in the quarter fell 1% to \$319.9 billion, while average deposits declined 2% to \$417.2 billion. PNC forecast NII to be up between 1% and 2% in the third quarter, when compared with the second quarter. PNC's net income attributable to common shareholders rose to \$1.36 billion, or \$3.39 per share, for the three months ended June 30, compared with \$1.35 billion, or \$3.36 per share, a year

earlier. Separately, State Street reported a rise in client assets under management which helped the custodian bank rake in more fees from the service. To read more, [click here](#)



## **Health advocates target Philip Morris' US launch of heated tobacco**

Health campaigners have written to U.S. regulators accusing Philip Morris International of misrepresenting past regulatory decisions, seeking to disrupt the launch of its flagship heated tobacco device IQOS in the United States. The company has spent billions of dollars developing the product, which investors see as key to driving future growth. But it needs permission from the U.S. Food and Drug Administration to sell it in the world's second largest tobacco market by revenue. Six anti-tobacco and health groups, including the Campaign for Tobacco-Free Kids, the American Academy of Pediatrics and the American Lung Association, wrote to the FDA to oppose IQOS-related applications PMI has submitted to the agency. The campaign groups allege that PMI violated the FDA's orders by suggesting IQOS offered lower risks than cigarettes.

## **Starboard pushes for changes at Tinder-parent Match after building 6.6% stake**

Starboard Value has built a 6.6% stake in Match Group and is urging the dating app operator to explore a sale if it is unable to revitalize its business, the activist investor said. Starboard is the third investor after Elliott Investment Management and Anson Funds Management to push for changes this year at Match, which has struggled with

a post-pandemic slowdown in growth and delays in new features for key apps such as Tinder. Match has not capitalized on its "enviable market position" and should cut costs and be more aggressive with share buybacks, Starboard's managing member Jeffrey Smith said in a letter late on Monday. Match's payers, unique users from whom the company earns direct revenue, have declined for six straight quarters.

## **Microsoft's hiring of former Inflection AI staff prompts UK probe**

Britain's competition regulator has started a formal investigation into Microsoft's hiring of some former staff of Inflection AI and its partnership with the startup, it said. In March, the tech giant hired Mustafa Suleyman, co-founder of Google DeepMind, as head of its newly-created AI unit. It also hired a number of employees from Inflection, which he set up in 2022. This allowed it access to Inflection's AI models, and enabled the startup to reimburse its investors, who include former Google CEO Eric Schmidt and Bill Gates. The CMA has until Sept. 11 to decide whether or not it would refer the deal for a more in-depth investigation.

## **United Airlines flight attendants to vote on strike authorization**

United Airlines flight attendants will vote whether to authorize a strike if agreement on a new employment contract cannot be reached, their union said. The Association of Flight Attendants-CWA (AFA), which represents 28,000 flight attendants at the Chicago-based carrier, said the vote will open on Aug. 1 and close on Aug. 28. The last contract became eligible for an amendment in August 2021. "United flight attendants can't afford to wait for improvements," said Ken Diaz, president of AFA's United chapter. "We deserve an industry-leading contract, and we are ready to show United management that we will do whatever it takes." Even if the flight attendants authorize a strike, they cannot walk off the job until the National Mediation Board (NMB) grants them permission.





A displaced Palestinian man reacts at a UN school used as a shelter, following an Israeli strike, amid Israel-Hamas conflict, in Nuseirat in the central Gaza Strip, July 16. REUTERS/Ramadan Abed

## Insight and Analysis

### **BREAKINGVIEWS-Inflation teaches five lessons for the next crisis**

After inflation soared beyond 9% following the pandemic and Russia's invasion of Ukraine, it's tumbling back toward the 2% level targeted by the U.S. Federal Reserve and its peers in Britain and Europe. For monetary authorities, this is as good it gets. But before Fed Chair Jerome Powell, European Central Bank boss Christine Lagarde and Bank of England Governor Andrew Bailey close the book on this treacherous period, they would be well-served to acknowledge the amount of luck that was involved and learn what they could do better when the next crisis rolls around.

### **GRAPHIC-G7 government debt: the next market hot spot?**

Huge debt piles among the world's biggest economies are starting to unnerve financial markets again, as elections cloud the fiscal outlook. A debt crisis is not the base case, but investors are alert to the risk of looser purse strings sparking market stress. The U.S. Congressional Budget Office reckons public debt will rise from 97% to 122% of output by 2034 - more than twice the average since 1994. While U.S. Treasuries are buffered by their safe-haven status, the yield curve is near its widest since January, reflecting the pressure facing longer-term borrowing costs.

### **PREVIEW-US steelmakers brace for tepid quarterly profit, further price declines**

Top U.S. steelmakers are expected to post a decline in second-quarter earnings and could face additional pressure from a further retreat in steel prices heading into a slow summer season, according to analysts. Nucor, Steel Dynamics and U.S. Steel have highlighted a fall in profitability in their steel-making operations on lower realized pricing, in June. Steel prices fell because of a supply glut fueled by domestic production and imports, prompting distributors to refrain from purchasing more material in excess of their inventory.

# CANADA

## Market Monitor

Canada's main stock index rose after domestic annual inflation eased more than expected in June, boosting hopes for another rate cut by the Bank of Canada.

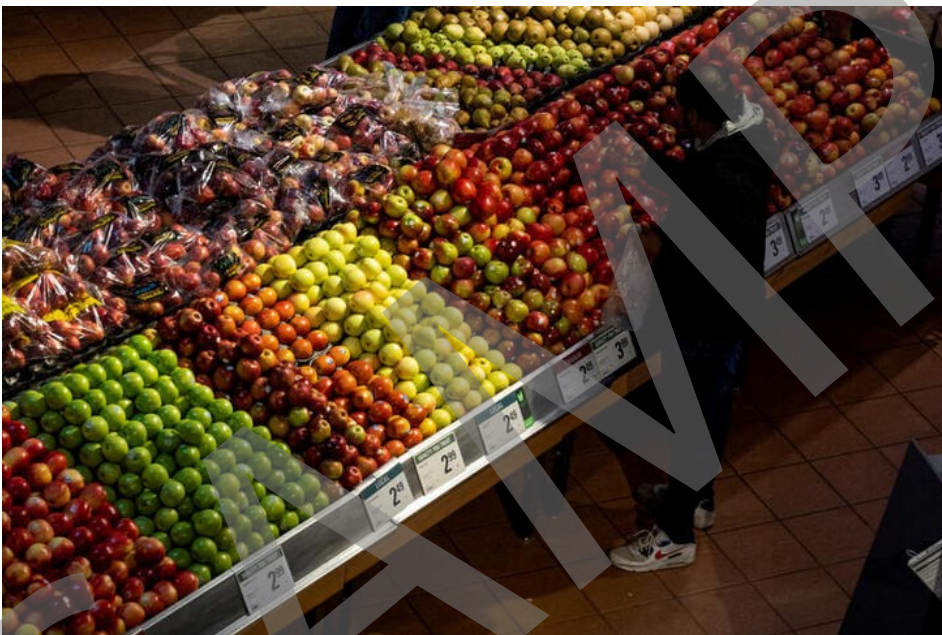
The **S&P/TSX composite index** ended up 1.07% at 22,995.39.

"As inflation continues to fall, you will see interest rates cut perhaps as many as two more times before the end of the year," said Allan Small, senior investment advisor at Allan Small Financial Group with iA Private Wealth.

The **U.S. dollar** fell 0.08% against the **loonie** at C\$1.3671.

TSE's S&P/TSX composite	Price	C\$ Chng	% Chng
<b>GAINERS</b>			
Lithium Americas Corp	4.37	0.43	10.91
Shopify Inc	95.32	7.50	8.54
NovaGold Resources Inc	6.20	0.42	7.27
Canfor Corp	14.85	0.79	5.62
<b>LOSERS</b>			
Capstone Copper Corp	9.86	-0.51	-4.92
First Quantum Minerals Ltd	17.73	-0.64	-3.48
Topaz Energy Corp	24.79	-0.69	-2.71
Labrador Iron Ore Royalty Corp	29.90	-0.78	-2.54

## Top News



A man checks an apple while shopping at a grocery store in Toronto, Ontario, November 22, 2022. REUTERS/Carlos Osorio

### Canada's cooling June inflation makes rate cut next week increasingly likely

Canada's slower-than-expected rise in consumer prices in June has firmed up expectations that yet another rate cut by the Bank of Canada is coming next week, extending some more relief to home owners and indebted businesses. The annual inflation rate cooled a tick more than expected to 2.7% in June and the BoC's closely

tracked core inflation measures were also marginally down, data showed. Analysts polled by Reuters had forecast the inflation rate would come down to 2.8% from 2.9% in May. Financial markets advanced their bets for a rate cut at the central bank's July 24 rate announcement to almost 93% from 82% before the data was released. Month-over-month, the consumer price index was down 0.1%, compared with a forecast for no

change. Separately, the seasonally adjusted annualized rate of housing starts fell to 241,672 units from a revised 264,929 units in May, the Canadian Mortgage and Housing Corporation said.

### TC Energy says its \$15 billion claim for Keystone XL project thrown out by US tribunal

Canada's TC Energy said a free trade arbitration tribunal had tossed out its claim to recover more than \$15 billion from the U.S. government for the cancellation of its Keystone XL project. The pipeline operator had submitted a formal request for arbitration under the North American Free Trade Agreement in 2021. U.S. President Joe Biden had canceled the pipeline's permit a year after the NAFTA was terminated in July 2020. The pact was then replaced by the United States-Mexico-Canada Agreement. TC Energy said the tribunal determined it did not have the authority to decide if the revocation of the Presidential Permit violated the obligations outlined under the NAFTA. "This ruling does not align with our expectations and views of the plain interpretation of the protections NAFTA and the USMCA were designed to offer," TC Energy said.





The International Monetary Fund logo is seen outside the headquarters building in Washington, September 4, 2018. REUTERS/Yuri Gripas

## **Canada's economy appears to have achieved soft landing, says IMF**

Canada's economy appears to have achieved a soft landing, the IMF said, essentially referring to a scenario where interest rates are high enough to bring inflation down to the central bank's target without causing a recession. Canada's economy has been posting positive growth this year, although economists say it is lackluster, and the rate of inflation has consistently stayed in the bank's target range of 1% to 3%, albeit hovering at the upper end. "Inflation has come down almost to target, while a recession has been avoided, with GDP growth cushioned by surging immigration even as per capita income has shrunk," the IMF said in its Article IV report. The Fund revised Canada's GDP growth up by 0.1% in 2024 and 2025 to 1.3% and

2.4%, respectively, compared with its April forecast. Inflation would settle around 2.5% this year and would ease down to 2% by next year, it estimated.

## **Miner Barrick's quarterly gold and copper output edges higher**

Canadian miner Barrick Gold's second-quarter gold output edged up by almost 0.9% from the previous three months, helped by higher production at Turquoise Ridge in Nevada and expansion at its Porgera mine in Papua New Guinea, it said. The company's total preliminary output was 948,000 ounces of gold for the quarter to June 30, up from 940,000 ounces in the first quarter. Barrick expects all-in sustaining costs per ounce of gold, an industry metric that reflects total expenses, to rise about 1% to 3% from the previous quarter's \$1,474 per

ounce, but expects a drop in the second half as production ramps up. The miner said its quarterly copper production also rose, increasing to 43,000 metric tons from 40,000 tons in the first quarter, helped by higher grades and recoveries at Lumwana in Zambia after a planned maintenance shutdown in the previous quarter.

## **China's Zijin Mining to take 9.9% stake in Canada's Montage Gold**

Canadian miner Montage Gold said Chinese mining firm Zijin Mining Group would take a 9.9% strategic stake in the company through its brokered private placement. Zijin Mining will purchase 32.7 million shares out of nearly 97.1 million common shares of the Vancouver, Canada-based company at C\$1.75 per share, coming to nearly C\$57.3 million upon completion of the offering by Aug. 12. The deal comes as Canada seeks to tighten its Investment Canada Act, under which deals involving a foreign company are reviewed to safeguard national security. Montage said it believes the investment does not require approval from the Canadian government because Zijin will own less than 10% of Montage upon closing of the transaction, gold is not listed as a critical mineral by the Canadian government, and Montage's assets are outside of Canada. Gold does not feature in the country's critical minerals list. As part of the deal, the Lundin Family Trust also agreed to increase its stake in Montage from 17.7% to 19.9%. Proceeds from the offering will be used for development expenditures and exploration at Montage's Kone Project in Ivory Coast.



# WEALTH NEWS

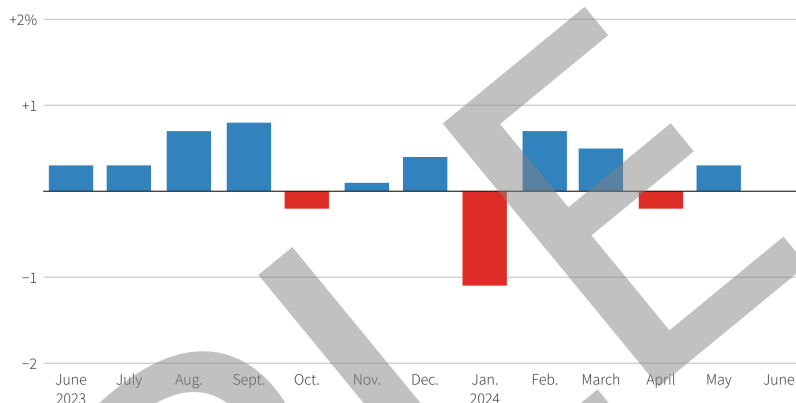
## US ECONOMY

### US retail sales report showcases consumer economic resilience

The unchanged reading in retail sales in June followed an upwardly revised 0.3% gain in May, the Commerce Department's Census Bureau said. Retail sales increased 2.3% on a year-on-year basis in June. Retail sales excluding automobiles, gasoline, building materials and food services surged 0.9% last month after rising by an unrevised 0.4% in May. A separate report from the Census Bureau showed business inventories rose 0.5% in May after climbing 0.3% in April. Meanwhile, a report from the Labour department showed, the flat reading in import prices followed a 0.2% drop in May. In the 12 months through June, import prices increased 1.6%. The report also showed that export prices fell 0.5% in June after declining 0.7% in May.

## Monthly change in US retail sales

Retail sales growth was flat in June.



Published July 16, 2024 at 12:43 PM GMT  
Sources: U.S. Census Bureau, LSEG

## IMF OUTLOOK

### IMF sees steady global growth, warns of slowing disinflation momentum

The global economy is set for modest growth over the next two years amid cooling activity in the U.S., a bottoming-out in Europe and stronger consumption and exports for China, but risks to the path abound, the International Monetary Fund said.

## FED SPEAKS

### Fed's Kugler says recent data indicates inflation headed to 2% target

Recent data suggests inflation will continue to decline to the U.S. central bank's 2% target, Federal Reserve Governor Adriana Kugler said, citing the faster drop in price pressures in recent months, moderation in wages, and an emerging balance between businesses' demand for workers and the number of people looking for jobs.

## FED RATE CUTS

### No rush for US Fed to cut rates, IMF's chief economist says

Cooling inflation data is allowing the Federal Reserve to begin a "very reasonable" shift toward easing rates, but a still-strong U.S. labor market means that there's no rush to make decisions, International Monetary Fund chief economist Pierre-Olivier Gourinchas told Reuters.

## BANK PROFITS

### Equity traders fuel US bank profits as stock markets rally

A buoyant U.S. economy, interest rate bets and rising geopolitical uncertainty have helped to fuel activity across trading desks, executives said as the banks reported second quarter earnings this week.

## GLOBAL FUND SURVEY

### Investors are optimistic but wary of geopolitics, BofA says

Expectations U.S. interest rates will fall, preventing a hard landing for the economy, has kept investors bullish, although geopolitics pose the biggest risk to that scenario, the Bank of America's global fund manager survey showed.

## US LISTING

### Cold storage REIT Lineage aims up to \$19.2 billion valuation in blockbuster US IPO

Cold storage real estate investment trust Lineage said it was targeting a valuation of up to \$19.16 billion in its U.S. initial public offering, in what would be this year's biggest listing.



*Shi'ite Muslims gather ahead of Ashura, the holiest day on the Shi'ite Muslim calendar, in Najaf, Iraq, July 15. REUTERS/Alaa al-Marjani*

*The Day Ahead - North America is compiled by Sreshtha Uniyal and Shreya Sabharwal in Bengaluru.*

*For questions or comments about this report, email us at: [TheDay.Ahead@thomsonreuters.com](mailto:TheDay.Ahead@thomsonreuters.com).*

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