

THE DAY AHEAD

MARKET RECAP at 4 pm ET

U.S. stocks snapped their three-day rally on worries over the ongoing trade war between U.S. and China and as Apple shares fell following a disappointing forecast. The **dollar** rose against the **yen** and **euro**, while **gold** edged down. Strong U.S. job growth boosted **Treasury yields**. **Oil** prices dropped on oversupply concerns after the U.S. said it would temporarily spare eight jurisdictions from Iran-related sanctions.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	25270.15	-110.59	-0.44	26951.81	23242.75
Nasdaq	7356.99	-77.06	-1.04	8133.30	6630.67
S&P 500	2723.00	-17.37	-0.63	2940.91	2532.69
Toronto	15119.28	-30.87	-0.20	16586.46	14639.70
FTSE	7094.12	-20.54	-0.29	7903.50	6851.59
Eurofirst	1429.62	2.65	0.19	1587.95	1370.70
Nikkei	22243.66	556.01	2.56	24448.07	20347.49
Hang Seng	26486.35	1070.35	4.21	33484.08	24540.63

TREASURIES	Yield	Price
10-year	3.2159	-19 /32
2-year	2.9115	-4 /32
5-year	3.0382	-10 /32
30-year	3.4585	-40 /32

FOREX	Last	% Chng
Euro/Dollar	1.1394	-0.11
Dollar/Yen	113.17	0.42
Sterling/Dollar	1.2966	-0.33
Dollar/CAD	1.3096	0.08
TR/HKEX RMB	93.41	0.11

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	62.86	-0.83	-1.30
Spot gold (NY/oz)	1232.45	-0.35	0.03
Copper U.S. (front month/lb)	0.0280	0.0008	2.98
Reuters/CRB Index Total Return	198.50	0.69	0.35

S&P 500	Price	\$ Chng	% Chng
GAINERS			
Verisign Inc	165.02	24.22	17.20
Newell Brands Inc	18.95	2.40	14.50
Starbucks Corp	64.32	5.69	9.70
Willis Towers Watson PLC	152.39	9.29	6.49
LOSERS			
Fortinet Inc	72.56	-11.13	-13.30
Kraft Heinz Co	50.73	-5.47	-9.73
Synchrony Financial	26.43	-2.80	-9.58
Stericycle Inc	47.31	-3.47	-6.83

Coming Up - On Monday



REUTERS/Andrew Kelly

Marriott International Inc is expected to post a rise in profit in its third-quarter earnings, driven by robust global travel demand on the back of improving economic growth. However, there are concerns about slowdown in the hotel industry due to growing international trade worries. Investors will look for comments on the company's financial forecast.

Mylan NV is expected to report a fall in third-quarter revenue, hurt by continued

low prices of generic drugs in the U.S. Investors will look out for comments on Mylan's copycat drug to GlaxoSmithKline's blockbuster Advair, updates on its review of potential strategic alternatives and on shortages of its EpiPen emergency injections.

The Institute for Supply Management (ISM) will release its **non-manufacturing activity index** which is likely to have fallen to 59.5 points last month from 61.6 in September.

LIVECHAT - MIDTERM FOCUS

Will the democrats sweep the house or will the republicans retain control of Congress, we will find out with **Katie Glueck**, political reporter at McClatchy. (0830 ET/1330 GMT) To join the Global Markets Forum, [click here](#)

Coming Up - Week Ahead

Walt Disney Co is expected to post a rise in its fourth quarter profit on Thursday. Investors would be looking for comments related to its deal with Fox. Meanwhile, **Twenty First Century Fox Inc** is scheduled to report a rise in first-quarter profit on Wednesday, as the Rupert

Murdoch-controlled media company collected higher fees from cable distributors.

U.S. Federal Reserve policymakers hold their penultimate meeting of 2018, with no changes to policy or economic forecasts

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Markit Composite Final PMI for Oct	0945	--	54.8
Markit Services PMI Final for Oct	0945	--	54.7
Employment Trends for Oct	1000	--	110.8
ISM N-Manufacturing PMI for Oct	1000	59.3	61.6
ISM N-Manufacturing Business Activity for Oct	1000	64.5	65.2
ISM N-Manufacturing Employment Index for Oct	1000	--	62.4
ISM N-Manufacturing New Orders Index for Oct	1000	--	61.6
ISM N-Manufacturing Price Paid Index for Oct	1000	--	64.2



expected when their decision is announced on Thursday. They are expected to indicate that **U.S. interest rates** will rise by another 25 basis points in December, the Fed's fourth increase this year, despite Trump's complaints that rate hikes have already gone too far.

Michael Kors Holdings Ltd, which in September agreed to buy Italian luxury designer Versace, is expected to report a rise in second-quarter sales on Wednesday boosted by Jimmy Choo, however expenditure on the expansion and marketing of the stiletto maker may take a toll on its profit. Separately, **Ralph Lauren Corp** will report second-quarter results on Tuesday and is expected to return to same-store sales growth, after at least 6 quarters of declines as the company ramps up expenditure on marketing to attract younger consumers and sell them more products at full price.

Eli Lilly and Co is expected to post a higher third quarter profit on Tuesday, helped by sales of its diabetes drugs. Investors will focus on comments about newer drugs such as its migraine drug Emgality, progress on its pipeline drugs and the company's acquisition strategy. **CVS Health Corp**, which is buying health insurer Aetna Inc, is scheduled to report quarterly earnings on the same day. Investors will focus on comments on the pending deal, which won antitrust approval last month, and performance of CVS' pharmacy benefits business.

Qualcomm Inc is expected to report a rise in revenue and profit in its fourth-quarter results on Wednesday, helped by demand for its Snapdragon and WiFi chips from smart phone customers in China.

Bombardier Inc is expected to report improved third quarter margins on Thursday, as the plane and train maker aims to break even on cash flow in 2018 after years of heavy spending.

Economic data on Friday is likely to show **U.S. producer prices** rose 0.2 percent in October. Economists polled by Reuters also forecast the producer prices to have risen 2.6 percent on a year-on-year basis. Separately, the Commerce Department



A shopper enters the Michael Kors store in the SoHo section of New York City, U.S., May 31, 2016.

will release the **wholesale inventories data** for September on the same day, which is likely to show an increase of 0.3 percent.

Papa John's International Inc is expected to report a fall in third-quarter comparable restaurant sales on Tuesday, as negative publicity around a public spat with its founder continues to haunt the company despite its rebranding efforts. Investors will be on the look out for any comments on the pizza chain's potential sale.

Dish Network Corp is expected to report a rise in third-quarter profit on Wednesday as helped by an increase in its pay-TV subscriptions.

On Tuesday, **Thomson Reuters Corp** is scheduled to report third-quarter results having completed the sale of a 55 percent stake in its financial & risk business to private equity firm Blackstone last month. Investors will be looking for comment on the company's plans to grow its remaining businesses and its acquisition plans.

On Friday, Federal Reserve Bank of New York President **John Williams** will give opening remarks before the Investing in America's Workforce Book Launch in New York and Federal Reserve Bank of

Philadelphia President **Patrick Harker** is also scheduled to speak on "Workforce Investment by Sector" at the same event. Separately, on the same day Federal Reserve Vice Chair for Supervision **Randal Quarles** will speak on "Stress Testing" before Brookings Institution event: "The Future of Financial Regulation," in Washington.

GoDaddy Inc is expected to report a rise in third-quarter revenue on Tuesday, helped by its highly profitable web hosting business.

Manulife Financial Corp is expected to face questions about a pending court case in Saskatchewan, which was cited last month in a research report by short-seller Muddy Waters, when it reports third-quarter earnings on Wednesday.

Canadian building permits data for September is scheduled to be released on Tuesday. The value of building permits increased by 0.4 percent in August from July. Meanwhile, **Canadian housing starts** data will be released on Thursday.

Dropbox Inc is expected to report a rise in third-quarter revenue on Thursday, with the company earning more from a higher number of paying subscribers.

Coty Inc is likely to report a fall in first-quarter profit on Wednesday, hurt by weak demand for products in the consumer beauty segment. Investors will look out for updates on the new cost savings programme, CoverGirl and other strategies to strengthen Coty's diversified portfolio.

Square Inc is expected to swing to profit in the third-quarter on Wednesday, on an adjusted basis, helped by growth in transaction volumes, and its subscription and services business. Investors will also keep an eye out for comments on the development of its Cash App, and its cryptocurrency service.

LendingClub Corp is expected to report a slight dip in adjusted profit in the third quarter on Tuesday, mostly on rising expenses. Investors will look for any comments on how rising interest rates are affecting its loan originations.

Prudential Financial Inc will report its third-quarter results after market close on Wednesday. The results will mark the last

full quarter under Prudential Financial CEO John Strangfeld, who has led the insurance and investing company for 11 years and will retire on November 30.

OnDeck Capital Inc is expected to report a rise in third-quarter profit on Tuesday helped by higher interest rates.



Roku Inc is expected to report a rise in third-quarter revenue on Wednesday, helped by higher number of subscribers for its ad-supported video streaming platform.

Marathon Oil Corp is expected to report a third-quarter profit on Wednesday,

compared to a year-ago loss, helped by higher production and oil prices. Investors will look for any alterations to its spending this year and watch out for how the company has handled costs and expenses for this quarter.

Skyworks Solutions Inc is expected to report a rise in fourth-quarter revenue and profit on Thursday, helped by demand for its radio frequency chips from smartphone makers.

BRF SA is expected to report third-quarter results on Thursday. It will be the second set of results after a management shake-up earlier in the year and another opportunity to reverse hefty losses linked to trade embargoes and allegations of involvement in a food sector corruption probe.

Livent Corp reports its first-quarter results since launching an initial public offering in October on Tuesday.

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Booking Holdings	Q3	16:00	\$38.82	\$38.21	\$35.22	\$4,799.15
FMC	Q3	AMC	\$0.92	\$0.92	\$0.70	\$1,003.96
International Flavors & Fragrances	Q3	AMC	\$1.52	\$1.54	\$1.47	\$895.83
Loews	Q3	BMO	\$0.98	\$0.98	\$0.53	--
Marriott International	Q3	AMC	\$1.31	\$1.31	\$1.10	\$5,366.03
Mosaic	Q3	AMC	\$0.65	\$0.65	\$0.43	\$2,864.70
Mylan NV	Q3	AMC	\$1.18	\$1.19	\$1.10	\$2,909.43
Occidental Petroleum	Q3	AMC	\$1.54	\$1.54	\$0.18	\$4,575.84
PG&E	Q3	BMO	\$1.16	\$1.13	\$1.12	\$4,728.81
SBA Communications	Q3	16:01	\$0.24	\$0.25	\$0.41	\$459.21
Sysco	Q1	BMO	\$0.92	\$0.92	\$0.74	\$15,397.14
WestRock	Q4	BMO	\$1.24	\$1.24	\$0.87	\$4,280.22

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

EPS and Revenue estimates are according to Thomson Reuters I/B/E/S. Smart Estimates are according to Thomson Reuters StarMine.

Market Monitor

Stocks snapped a three-day rally as Apple shares dropped following a disappointing forecast and the White House dampened optimism over U.S.-China trade talks. Stocks extended losses following the news, with the trade-sensitive **industrial sector** falling 0.28 percent to 595.96. "That tells you tariffs are still a factor, and from the reaction we saw there, that tells me it's heavier weighting in the investment decision than what people were anticipating before," said Michael Matousek, head trader at U.S. Global Investors Inc in San Antonio. **Apple** tumbled 7.35 percent. That dragged down shares of its U.S. suppliers, mostly chipmakers, and pushed the **S&P technology sector** 1.89 percent lower to 1,206.99. The **Dow Jones Industrial Average** fell 0.44 percent, to 25,270.15, the **S&P 500** lost 0.63 percent, to 2,723 and the **Nasdaq Composite** dropped 1.04 percent, to 7,356.99. For the week, the **S&P** rose 2.41 percent, the **Dow** added 2.35 percent and the **Nasdaq** gained 2.65 percent.

Treasury yields rose after a strong payrolls report showed job growth rebounded sharply in October, pointing to further labor market tightening that could encourage the Federal Reserve to raise interest rates again in December. "The economic data continue to be strong enough to keep the Fed in tightening mode. We look for a December rate hike and about two more next year," said Kathy Jones, chief fixed income strategist at the Schwab Center for Financial Research. The Fed is not expected to raise rates at its policy meeting next week, but analysts believe October's strong labor market data could spur the U.S. central bank to signal an increase in December. The Fed raised borrowing costs in September for the third time this year. Worries that the United States and China would not reach a trade agreement earlier had driven down yields. **U.S. 10-year notes** were down 19/32, yielding 3.22 percent. **30-year bonds** were down 1-9/32 to yield 3.46 percent.



A file photo of U.S. flags hanging outside of the New York Stock Exchange in New York, September 1, 2015.

The **dollar** rose against the **yen** and the **euro** in a choppy session, as worries that a trade deal between the United States and China may not be imminent curtailed risk appetite and boosted safe-haven demand for the greenback. Risk sentiment deteriorated after the Kudlow remarks and that later drove more safe-haven demand for the dollar, Juan Perez, senior currency trader with Tempus, Inc in Washington, said. The **dollar** was 0.42 percent higher against the yen at 113.17 yen, while the **euro** was down 0.11 percent against the greenback at \$1.1395. The **dollar index** was up 0.19 percent at 96.46.

Oil prices fell as investors worried about oversupply after the United States said it will temporarily spare eight jurisdictions from Iran-related sanctions. "It seems as though all the worries about tightening supplies due to the loss of Iranian barrels in the market have dried up," said Gene McGillian, director of market research at Tradition Energy in Stamford, Connecticut. "On top of that, concerns regarding reduced global demand has also helped ... the market continues to search for a

bottom." The U.S. believes that global oil supplies will exceed demand next year making it easier for countries to cut Iranian oil imports to zero, a senior U.S. official said. **Brent crude futures** fell 0.37 percent to \$72.62 a barrel. **U.S. crude** declined 1.30 percent to \$62.86 per barrel.

Gold edged down as the U.S. dollar regained some ground on the back of strong American jobs data. "Strong data helped the dollar, which put some pressure on gold. The fact that the data is strong despite storm-related disruptions, suggests the economy is humming along strongly and that the Fed will continue to hike interest rates," said Tai Wong, head of metals trading at BMO. "Given the fact that we had a very strong rally yesterday, we are going to struggle towards the \$1,240-\$1,245 highs off this move unless we get a sustained downward movement on the dollar," Wong said. **Spot gold** was down 0.03 percent at \$1,232.45 per ounce. **U.S. gold futures** were down 0.32 percent, at \$1,234.60 per ounce.

Top News

Apple loses \$1 trillion status after soft holiday forecast

Shares in Apple fell, cutting its market value back to less than \$1 trillion after it forecast softer-than-expected sales for the holiday quarter and fueled nerves over iPhone sales by saying it would no longer release the figures. The dip in Apple's shares put Amazon and Microsoft back in the mix in the race among the United States' big tech players to be the world's most valuable company. The company blamed weakness in emerging markets and foreign exchange costs for a disappointing forecast for sales in the run-up to Christmas that are crucial to results for consumer electronics producers. Eight brokerages cut their price targets for Apple, but only one - Bank of America Merrill Lynch - cut its rating on the stock, to neutral from buy. "Time for investors to adjust to the new disclosures," analysts from the brokerage said. "Although the long term opportunity is significant, we expect near term pressure on shares." Shares of Apple ended 7.35 percent lower at \$205.89.

Exxon, Chevron earnings soar on rising U.S. crude prices, output

Earnings for the two largest U.S. oil companies jumped on higher crude prices and the nation's shale boom, joining big oil rivals in posting sharply higher quarterly profit. Exxon Mobil posted a 57-percent increase on prices there were up 44 percent over a year ago helped by a lower tax rate while Chevron's earnings doubled on surging output from the Permian Basin of West Texas and New Mexico. Results for most of the world's top oil companies are returning to levels not seen in four years, driven by strong demand for oil and years of cost-cutting. Exxon executives said the company plans to continue to prioritize spending on new projects and shareholder dividends over stock repurchases, something that investors have been calling for it to restart. Exxon halted buybacks except to offset dilution in 2016. Chevron said it benefited from running 20 drilling rigs in the Permian basin during the quarter and new well designs that have

boosted output. It produced 338,000 barrels of oil equivalent per day during the quarter from the field and forecast sustained Permian growth this quarter. Exxon reported earnings of \$6.24 billion, or \$1.46 per share, while analysts had forecast a per share profit of \$1.23. Chevron reported earnings of \$4.05 billion, or \$2.11 per share, compared with analysts' estimate for \$2.06 per share, according to IBES data from Refinitiv.

SEC subpoenas Tesla on Model 3 production estimates

Tesla said it received a subpoena from the U.S. Securities and Exchange Commission regarding Model 3 production forecasts the electric-car maker made in 2017. Tesla has repeatedly missed its own production deadlines for the crucial Model 3 sedan, and is being investigated by multiple government agencies for misleading investors about its business. The company said in a filing that no government agency in ongoing investigations has concluded that any wrongdoing occurred. The Federal Bureau of Investigation is also

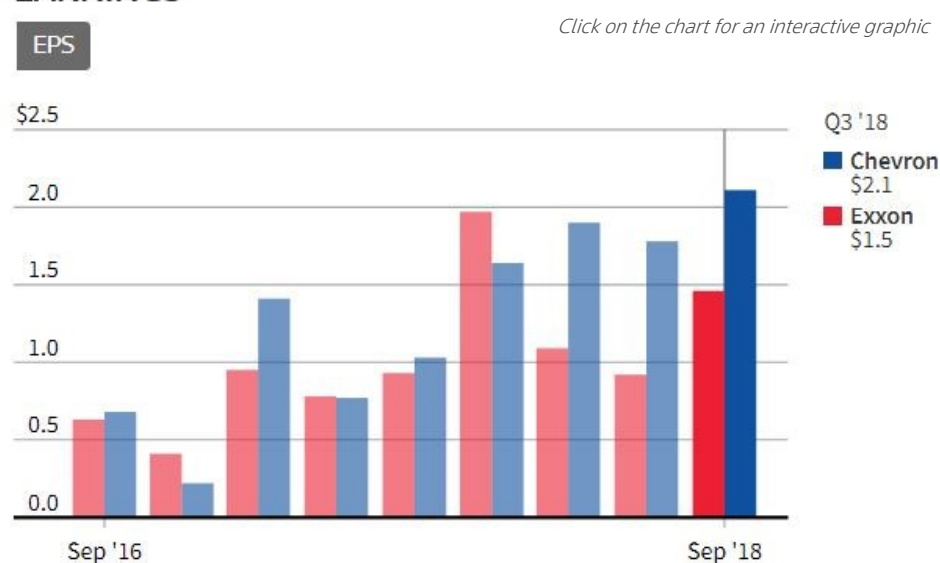
examining whether Tesla misstated information about Model 3 production going back to early 2017, according to reports. Earlier today, Tesla said it was developing plans to start producing about 3,000 Model 3 vehicles per week in Shanghai in the initial phase of its Gigafactory 3 to reduce the impact of tariffs.

Alibaba cuts sales forecast on economic uncertainty, trade fears

Alibaba Group Holding lowered its full-year sales forecast due to concerns about the economic impact of a U.S.-China trade spat, which the company expects will dent revenue ahead of its top sale season. The company said it will cut its full-year revenue forecast to between 375 billion and 383 billion yuan, a 4-6 percent drop, while sales growth in its core commerce business for the September quarter slowed to its lowest rate since 2016. In a call with analysts, executives said big ticket purchases could be affected by economic uncertainty and that they will delay efforts to make more money on some aspects of

Exxon and Chevron earnings

EARNINGS



Source: Thomson Reuters Datastream; company filings
 By Jiachuan Wu and Stephen Culp | REUTERS GRAPHICS

its marketplaces in an effort to retain businesses on its platform. The decision to take in less income from its platforms comes ahead of Singles' Day, Alibaba's annual mega-sale event, which peaks on Nov. 11 and last year netted the company over \$25 billion in sales. Despite the weak forecast, net income attributable to ordinary shareholders rose 13 percent to 20.03 billion yuan, or 6.78 yuan per share, above analyst estimates.



REUTERS/Kim Kyung-Hoon

Boeing eyes services M&A, small or big, in tussle with Airbus

Boeing is looking for future deals "small or big" now that it has absorbed parts distributor KLX Inc, an executive told Reuters, as the world's largest planemaker tries to beat out rival Airbus in the highly profitable market for aircraft parts and services. Boeing last month closed the KLX acquisition for \$4.25 billion, including about \$1 billion of net debt, its largest deal since merging with McDonnell Douglas in 1997. Now it expects further purchases to help it triple the revenue of its year-old Global Services division to \$50 billion in a decade, the unit's chief executive Stan Deal told Reuters in an interview. Deal declined to specify a price range or geography for its next targets, but said any bolt-on acquisitions would expand beyond the "technology or breadth inside of Boeing." This could mean deals in areas such as avionics services, which is in increasing demand as airplanes become more equipped with complex electronic systems.

AbbVie sees hit to Humira sales from European competition

AbbVie lowered its forecast for overseas sales of its top-selling medicine, Humira, due to larger-than-expected pricing cuts because of new competition in Europe. "We've seen discounting at ranges from as

low as 10 percent to as high as around 80 percent," Chief Executive Officer Richard Gonzalez said on a conference call with analysts. "The discounting has been on the higher end of the planning scenarios that we had laid out." Outside the United States, the company expects Humira sales to drop around 26 to 27 percent next year, above its previous forecast of 18 to 20 percent. It projected international sales of the drug for rheumatoid arthritis and other autoimmune disorders to approach \$6.3 billion in 2018. Total Humira sales for the quarter rose 9 percent to \$5.12 billion. AbbVie also raised its 2018 adjusted earnings forecast to between \$7.90 and \$7.92 per share from a prior range of \$7.76 to \$7.86. Analysts had forecast \$7.88 per share. Excluding items, AbbVie earned \$2.14 per share, topping analysts' average forecast by 12 cents, according to data from Refinitiv IBES.

Broadcom makes \$1 billion patent claim against Volkswagen -Der Spiegel

Broadcom has made a patent claim for more than \$1 billion against Volkswagen and is threatening to seek a judicial ban on the production of several car models, German magazine Der Spiegel said. "Volkswagen has examined the claim and taken necessary action to protect its legal interests," a Volkswagen spokesman said. Spiegel magazine, which first reported the conflict, said it concerned the use of 18 patents on Broadcom semiconductors which Volkswagen uses for navigation and entertainment system in some of its cars. Lawsuits against Volkswagen have been brought before patent courts in the German cities of Mannheim and Muenster, Spiegel said, adding that Broadcom threatened to seek a provisional ban on the production of the relevant Volkswagen models, as well as some models of its Audi and Porsche brands.

Cboe's quarterly revenue misses expectations

Cboe Global Markets Inc's quarterly revenue fell short of market expectations, due to a fall in trading volumes of futures and options. Exchange operators, which initially reaped the benefits of increased volatility from the U.S.-China tariff war, are now facing the heat as prolonged periods of volatility drive skittish investors away from the market. Futures trading volumes

fell 28 percent, while index options volumes fell 14 percent. This led to lower transaction fees, which fell 3 percent to \$411.8 million. Cboe's quarterly net revenue rose just 0.3 percent to \$270.5 million missing analysts' estimate of \$271.47 million. The company, however, managed to beat profit estimates after its income tax provision fell by a third and it kept a tight lid on expenses. That helped net income allocated to common stockholders rise 42 percent to \$85 million, or 76 cents per share. On an adjusted basis, Cboe earned \$1.06 per share, beating market expectations of \$1.02 per share, according to IBES data from Refinitiv.

Google's top Washington lobbyist stepping down

Google's top lobbyist in Washington is stepping aside as the U.S. technology company faces criticism on Capitol Hill on issues including privacy protections and its investment plans in China, the Alphabet unit said. Former U.S. Representative Susan Molinari, who has run Google's Washington office and its Americas Policy team for nearly seven years, will move to a new job as senior advisor in January, the company said in a statement. Google is seeking a new head of Americas policy, it added. "I am comfortable in making the transition," said Molinari, 60, who had served as vice chair of the House Republican Conference before resigning from Congress in 1997 to become a Saturday morning news anchor on CBS. She added in a statement that she had been "looking for the right time to step back."

Uber seeks OK to resume self-driving tests in Pennsylvania

Uber said it has asked Pennsylvania for permission to resume self-driving car testing on public roads and has improved the autonomous vehicle software, more than seven months after the company suspended testing after a deadly crash in Arizona. The company disclosed in a report to the U.S. National Highway Traffic Safety Administration that it will resume testing with two employees in the front seat, will enable an automatic braking system at all times and more strictly monitor safety employees.



Fisherman Cyril Delley gives fishes to the gulls on Lac de Neuchatel near Portalban, Switzerland, November 1. REUTERS/Denis Balibouse

Insight and Analysis

Trump's latest tariffs undercut his first trade salvo in solar

In January, President Donald Trump fired the opening shot of his trade war, slapping tariffs on solar panel imports to boost U.S. manufacturing of a product long dominated by cheap foreign competition. But other duties his administration has imposed since then are making the solar panel components more expensive - dampening the domestic panel manufacturing sector's initial hopes for expansion. The conflicting impacts of his tariffs illustrate the pitfalls the administration faces in using broad protections for economic development - because tariffs meant to help one industry often undermine those shielding another.

COLUMN-Oil market passes cyclical peak: John Kemp

The recovery in oil prices since the downturn of 2014/15 looks a lot like the upward adjustments that followed the slumps of 2008/09 and 1997/98, which could provide clues about what happens next. The oil market is strongly cyclical, and although no two cycles are the same, they often show similar characteristics ("Cyclical behaviour of oil prices", Reuters, June 4, 2018). Spot prices and calendar spreads exhibit cyclical movements that correlate closely with the market, alternating between periods of under- and over-supply. Brent's six-month calendar spread seems to have reached a major cyclical peak in April 2018, up from a post-slump trough in January 2015, before trending downwards.

Trump supporters' election test: a movement or a moment

In rally after rally, President Donald Trump exhorts throngs of red-hatted supporters to treat next week's congressional elections as a referendum on Trumpism and the grass-roots movement that swept him to power. "You're voting for me in 2018," Trump told a raucous crowd in a late September appearance for Republican candidates in Missouri. "You're voting for me." The plea speaks to the challenge facing the president and his supporters: With Democrats threatening to take over the House of Representatives and key governors' offices, the success of his legislative agenda over the next two years hinges on whether he can energize his backers around candidates who are not named Trump.

CANADA

Market Monitor

The **Toronto Stock Exchange's S&P/TSX composite index** ended down 0.20 percent, at 15,119.28.

Imperial Oil ended 1.28 percent higher.

Sleep Country Canada closed down 13.25 percent, after its third quarter revenue and profit fall below expectations. **Alamos Gold** ended 8.14 percent lower, after the company's quarterly results miss analysts' estimates.

The **U.S. dollar** was up 0.09 percent against its **Canadian counterpart** at C\$1.3098.



COMING UP - ON MONDAY

Barrick Gold Corp shareholders vote on the company's \$6.1 billion all-stock, no-premium agreement to acquire Africa's Randgold Resources and create the world's largest gold miner. Meanwhile, on Wednesday **Randgold** shareholders will vote on the transaction, which is expected to close in the first quarter of 2019, if approved.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
Interfor Corp	17.82	2.26	14.52
Western Forest Products Inc	2.12	0.26	13.71
Maxar Technologies Ltd	21.30	2.27	11.93
LOSERS			
Sleep Country Canada Holdings	23.83	-3.64	-13.25
Artis Real Estate Investment Trust	10.06	-1.38	-12.06
Dorel Industries Inc	20.24	-1.96	-8.83

Top News

Canada adds jobs on a surge in full-time hiring, rates seen rising

The Canadian economy added jobs in October with a surge in full-time hiring, and the unemployment rate dipped to a 40-year low, underpinning expectations that the Bank of Canada would keep raising interest rates. Statistics Canada said that 11,200 jobs were created and the unemployment rate fell to 5.8 percent for the first time since July. Analysts said the central bank - which has raised interest rates five times in the last 15 months in response to a strengthening economy - would continue to tighten policy. The average year-over-year wage growth of permanent employees - a figure closely watched by the Bank of Canada - fell to just 1.9 percent, the lowest since the 1.7 percent recorded in August 2017. "We are still in an environment where the path is towards higher rates. But nothing here suggests the Bank of Canada is behind the curve," said Andrew Kelvin, senior rates strategist at TD Securities. Separately, Statscan said the September trade deficit shrank to C\$416 million as imports fell at a

faster pace than exports. It said August imports had been almost C\$1 billion higher than initially reported due to late arrival of data. To read more, [click here](#)

Enbridge's profit beats as it moves more oil on Mainline system

Enbridge topped analysts' estimates for quarterly profit, as the company transported more oil on its Mainline system that runs from western Canada to the United States. The company said it moved 2.58 million barrels per day (bpd) of crude oil on its Mainline system during the quarter, up from 2.49 million bpd a year earlier. Enbridge has aggressively sold assets this year, exceeding an announced target to reduce its high debt load following its \$28-billion acquisition of Spectra Energy Corp. However, the company reported a net loss attributable to common shareholders of C\$90 million, or 5 Canadian cents per share, compared with a profit of C\$765 million, or 47 Canadian cents per share, a year ago. The loss was due to some charges, including a non-cash charge of C\$1.02 billion,

Enbridge said in a statement. On an adjusted basis, the company earned 55 Canadian Cents per share. Analysts, on average, had expected earnings of 51 Canadian cents per share, according to IBES data from Refinitiv.

Imperial Oil profit beats on record output from Kearn oil sands

Imperial Oil's quarterly profit more than doubled to easily beat analysts' estimates, benefiting from a record production at Kearn oil sands in Northern Alberta, its largest project. Output at Kearn jumped 34 percent to 244,000 barrels per day in the third quarter, after struggling to hit full capacity since 2016. Total production beat the brokerage's estimate of 367,000 boe/d, sending the shares of the company higher. The company reported a net profit of C\$749 million, or 94 Canadian cents per share, from C\$371 million, or 44 Canadian cents per share, a year earlier. Excluding one-time items, the company earned 98 Canadian cents per share, beating average analysts' estimate of 85 Canadian cents per share, according to data from Refinitiv.

WEALTH NEWS

JOBS AND WAGE RISE

U.S. job growth soars; annual wage gain largest since 2009

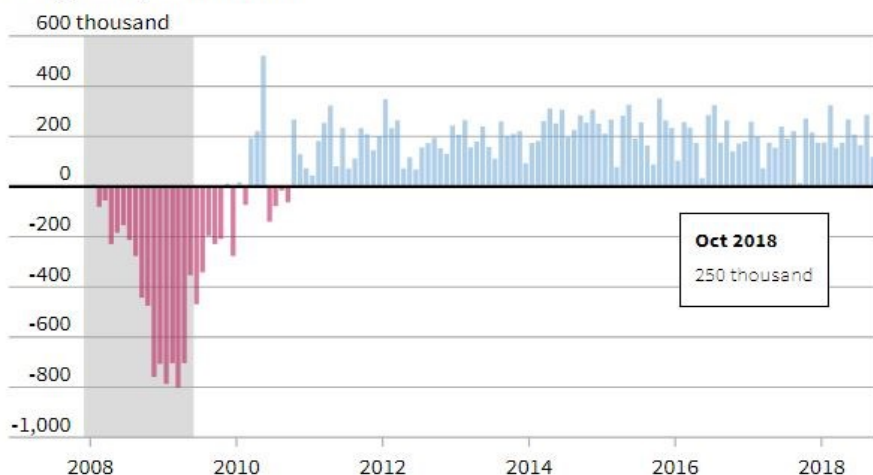
U.S. job growth rebounded sharply in October and wages recorded their largest annual gain in 9-1/2 years, pointing to further labor market tightening that could encourage the Federal Reserve to raise interest rates again in December. Nonfarm payrolls increased by 250,000 jobs last month as employment in the leisure and hospitality sector bounced back after being held down by Hurricane Florence, which drenched North and South Carolina in mid-September. Average hourly earnings rose five cents, or 0.2 percent, in October after advancing 0.3 percent in September. That boosted the annual increase in wages to 3.1 percent, the biggest gain since April 2009, from 2.8 percent in September. Separately, the Commerce Department said the trade gap increased 1.3 percent to \$54.0 billion in September, widening for a fourth straight month.

U.S. Employment

Click on the chart for an interactive graphic

NONFARM PAYROLLS

Change from previous month



Source: Thomson Reuters Datastream
By Matthew Weber | REUTERS GRAPHICS

TRADE TALKS

Trump predicts U.S. will reach a trade deal with China

U.S. President Donald Trump said that a lot of progress had been made with China on trade, and he predicted the world's two largest economies would reach a very good deal.

SANCTIONS

U.S. allows eight importers to keep buying Iran oil for now

The United States said it will temporarily allow eight importers to keep buying Iranian oil when it reimposes sanctions on Monday to try to force Iran to curb its nuclear, missile and regional activities.

ANALYSIS

Economy glides, but fading "Trump bump" may cast shadow over 2020 race

President Donald Trump's bet that tax cuts and a gush of government spending would smooth the path to a second term may falter as cracks begin to appear in a decade-old recovery.

WALL STREET WEEK AHEAD

Forget gridlock, Republican win may be better for stocks

U.S. President Donald Trump has warned that his favorite measure of success, the stock market, is imperiled if voters favor Democrats in next week's congressional elections.

CONSUMER GOODS PRICING

Consumer companies try price hikes as U.S. wages climb

Consumer goods companies, emboldened by a strong U.S. economy, are rolling out price increases on everyday products and groceries after several years of haggling with big retailers that needed cheaper products to attract customers.

BANKS STRESS TEST

Britain's Barclays, Lloyds shock in EU bank stress test

Britain's Barclays and Lloyds were the surprise laggards in a European Union bank health check, alongside Banco BPM, one of the Italian banks which had been expected to struggle.



ON THE RADAR

Events	ET	Poll	Prior
Tue: JOLTS job openings for Sep	1000	--	7.136 mln
Wed: Consumer credit for Sep	1500	17.00 bln	20.08 bln
Thu: Initial jobless claims	0830	215,000	214,000
Jobless claims 4-week average	0830	--	213,750
Continued jobless claims	0830	1.635 mln	1.631 mln
Fed funds target rate for Nov 08	1400	--	2-2.25 pct
Fed int on excess reserves for Nov 08	1400	--	2.2 pct
Fri: PPI final demand yy for Oct	0830	2.6 pct	2.6 pct
PPI final demand mm for Oct	0830	0.2 pct	0.2 pct
PPI exfood/energy yy for Oct	0830	2.3 pct	2.5 pct
PPI exfood/energy mm for Oct	0830	0.2 pct	0.2 pct
PPI ex food/energy/transport yy for Oct	0830	--	2.9 pct
PPI ex food/energy/transport mm for Oct	0830	--	0.4 pct
U Mich Sentiment Preliminary for Nov	1000	98	98.6
U Mich Conditions Preliminary for Nov	1000	114	113.1
U Mich Expectations Preliminary for Nov	1000	90	89.3
U mich 1year inflation preliminary for Nov	1000	--	2.9 pct
U mich 5-year inflation preliminary for Nov	1000	--	2.4 pct
Wholesale inventory, R mm for Sep	1000	0.3 pct	0.3 pct
Wholesale sales mm for Sep	1000	0.6 pct	0.8 pct

The Day Ahead - North America is compiled by Priyanka Das and Samrhitha Arunasalam in Bengaluru.

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