

Tuesday, November 2, 2021

TOP NEWS TODAY

News and Insight from Dow Jones and The Wall Street Journal.

THE NUMBERS

		Change
DJIA	36,052.63	138.79
S&P 500	4,630.65	16.98
NASDAQ	15,649.60	53.69
EUR/US	\$1.1583	-\$0.0023
Gold	\$1,789.30	-\$6.50
NYMEX Crude	\$83.51	-\$0.54
US 10-Year Note	1.55	-0.01

Powered by Dow Jones Research, FactSet, Eurostat.

MARKET WRAPS

STOCKS: U.S. stocks rose and the Dow Jones Industrial Average closed above 36000 for the first time ever, as optimism reigned ahead of the Federal Reserve's policy meeting.

TREASURYS: Treasury yields fell sharply, with the yield on the two-year Treasury dropping by the most since March 2020, as traders repositioned portfolios ahead of the Federal Reserve policy statement.

FOREX: The U.S. dollar ticked up ahead of the Federal Reserve's policy statement, as traders hedged their bets on the likelihood of a shift in interest-rate projections.

COMMODITIES: Oil futures ticked down in New York, but lingered near recent multiyear highs. Natural gas futures rose by 6.9%, recouping a chunk of their recent losses.

HEADLINES

Lyft Reports Higher Revenue as Ridership Returns

Lyft Inc. said revenue climbed in the latest quarter, as consumers continue to pay higher prices due to the shortage of drivers and the increase in rider demand.

The San Francisco company's revenue increased 73% to \$864 million from the year-earlier period, as its ridership inched closer to pre-pandemic levels. The company reported 18.9 million active riders in the quarter, up from 12.5 million a year earlier. Lyft had 22.9 million active riders at the end of 2019.

Riders have returned quicker than drivers have, leading to soaring prices for Lyft and rival Uber Technologies Inc. rides in recent months.

[Read More #](#)



Facebook to Shut Down Facial Recognition in Photos, Videos

Facebook said it is shutting down its facial-recognition system in the coming weeks—scrapping a feature that has developed into a central element of photo-sharing online, but raised concerns among privacy advocates and regulators.

People who have opted into the service will no longer be automatically recognized in video and photo content, according to Jerome Pesenti, vice president of artificial intelligence at Meta Platforms Inc., formerly Facebook Inc. He said the social-media platform would also delete individual facial recognition templates for over one billion people.

“We need to weigh the positive use cases for facial recognition against growing societal concerns, especially as regulators have yet to provide clear rules,” he said in a post on Meta's website.

[Read More #](#)



Justice Department Sues to Block Penguin Random House's Acquisition of Simon & Schuster

WASHINGTON—The Justice Department filed a lawsuit Tuesday that seeks to block a major publishing industry

deal in which Penguin Random House proposed to acquire rival Simon & Schuster for nearly \$2.18 billion, the latest in a series of aggressive antitrust cases brought under the Biden administration.



The department, in a lawsuit filed in a Washington, D.C. federal court, alleged the deal would let Penguin Random House—already the world’s largest consumer book publisher as measured by revenue—exert outsize influence over which books are published in the U.S. and how much authors are paid.

“If the world’s largest book publisher is permitted to acquire one of its biggest rivals, it will have unprecedented control over this important industry,” Attorney General Merrick Garland said in a statement. “American authors and consumers will pay the price of this anticompetitive merger—lower advances for authors and ultimately fewer books and less variety for consumers.”

[Read More #](#)

Pfizer Ups Covid-19 Vaccine Forecast as Sales More Than Double

Pfizer Inc. raised its forecast for sales of its Covid-19 vaccine this year to about \$36 billion, a roughly 7% boost that reflects the preference many governments have for the shot over rivals.



The New York-based drugmaker said its sales projection for the vaccine it developed with partner BioNTech SE takes into account expected deliveries of about 2.3 billion vaccine doses this year. The companies have grown their capabilities for manufacturing doses and are working with other firms overseas to produce doses.

The vaccine remains in global demand in countries that are receiving initial supplies and others that have begun booster campaigns, as well as those that have yet to receive any supplies at all. The U.S. has authorized additional shots of the vaccine for many high-risk adults and last week cleared use of the vaccine for children as young as 5 years old.

[Read More #](#)

DuPont Revamp to Harness Electric Vehicles, 5G Growth

DuPont de Nemours Inc. announced planned deals that executives said aim to position the 200-year-old industrial company to capture growth from electric vehicles and high-speed telecommunications networks.

The Delaware-based company announced Tuesday a deal to buy electronics materials maker Rogers Corp. for \$5.2 billion, while planning to sell much of its materials and mobility business. The moves would orient DuPont's business around faster-growing, higher-profit markets that are more resilient in economic downturns, said Ed Breen, DuPont's chief executive.



"The timing could not be better to enter these markets," said Mr. Breen, speaking on a conference call. "The world is making significant investments in 5G infrastructure, in energy, in hybrid and electric vehicles."

[Read More #](#)

World Leaders Vow to Cut Methane Emissions

Global leaders at the Glasgow climate summit pledged Tuesday to sharply curtail methane emissions, with President Biden saying the U.S. would tighten regulations on oil and natural-gas production to reduce leaks of the potent greenhouse gas.



The effort spotlighted growing concerns about the environmental harms of by methane, a byproduct of drilling, livestock and landfills that traps roughly 85 times more heat than carbon dioxide.

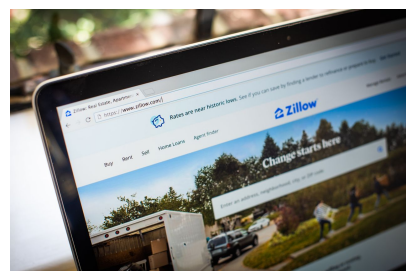
"One of the most important things we can do in this decisive decade...is to reduce our methane emissions as quickly as possible," Mr. Biden said at a summit event marking progress on the Global Methane Pledge, an initiative led by the U.S. and the European Union to cut methane emissions by 30% globally by 2030.

[Read More #](#)

Zillow Quits Home-Flipping Business, Cites Inability to Forecast Prices

Real-estate firm Zillow Group is exiting the home-flipping business, saying on Tuesday that its algorithmic model to buy and sell homes rapidly doesn't work as planned.

The firm's termination of its tech-enabled home-flipping business, known as "iBuying," follows Zillow's Oct. 18



announcement that it was halting all new home purchases for the rest of the year. At the time, Zillow pointed to labor and supply shortages for its inability to renovate and flip houses fast enough.

But Chief Executive Rich Barton said Tuesday that Zillow had failed to accurately predict the pace of home-price appreciation, marking an end to a venture the company once said could generate \$20 billion a year.

[Read More #](#)

Biden Picks Wall Street Critic Saule Omarova to Oversee Large Banks

WASHINGTON—The Biden administration formally nominated Saule Omarova, a law professor and critic of big banks, to serve as a top banking regulator, a setback for Wall Street and other firms that had pushed to scuttle her nomination.



The move Tuesday comes about a month after the administration said it intended to nominate the Cornell University law professor to serve as the Comptroller of the Currency, a powerful regulator charged with overseeing large national banks.

Mr. Biden's Sept. 23 announcement sparked a campaign by small and large banks to block her consideration before her paperwork was formally submitted to the Senate, with industry lobbyists characterizing Ms. Omarova as hostile to their business.

[Read More #](#)

Democrats Reach Deal on Prescription Drug Pricing, Schumer Says

WASHINGTON—Democrats reached an agreement on provisions designed to lower the price of some prescription drugs, Senate Majority Leader Chuck Schumer (D., N.Y.) said, appearing to resolve one of the final issues in the party's negotiations over their \$1.85 trillion social policy and climate bill.



The agreement would empower Medicare to negotiate the price of some drugs, impose a discount on drugs whose prices rise faster than the rate of inflation and cap out-of-pocket costs for seniors at \$2,000 annually.

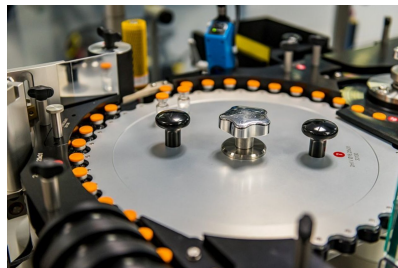
Sen. Ron Wyden (D., Ore.), chairman of the Senate Finance Committee, said government price negotiations would begin with 10 drugs in 2023. The rebate on drug prices rising faster

than inflation would apply to drugs in both the Medicare and the commercial markets and begin in 2022.

[Read More #](#)

CDC Advisers Discussing Pfizer-BioNTech Covid-19 Vaccine for Young Children

Experts advising the Centers for Disease Control and Prevention were meeting Tuesday to consider whether to broadly recommend the use of the Covid-19 vaccine from Pfizer Inc. and BioNTech SE in children ages 5 to 11 years.



The U.S. Food and Drug Administration on Friday authorized use of the Pfizer-BioNTech vaccine in children 5 to 11, the first it has cleared for that age group. The shots, given in two doses three weeks apart, contain one-third the dosage of the vaccine authorized for people 12 years and older.

The FDA said clinical trials of Pfizer's vaccine showed that it was 90.7% effective at preventing Covid-19 in children 5 to 11 years and that it was generally safe.

[Read More #](#)

Deere Workers Cast Ballots on New Contract Offer

Deere & Co. workers were voting Tuesday on whether to accept a new contract, which could end the first strike at the tractor and construction-equipment maker in 35 years.



Deere production workers represented by the United Auto Workers union are voting on a six-year contract proposal that would deliver bigger raises and bonuses compared with an earlier offer by the company, which workers rejected last month. Voting by workers at Deere plants in Waterloo, Dubuque and Des Moines, Iowa, and Moline and Milan, Ill., is scheduled to last into the afternoon or early evening, depending on the location.

The vote comes after Deere production workers on Oct. 10 rejected an earlier tentative agreement, saying the raises and other improvements to benefits were inadequate at a time when Deere's farm- and construction-equipment sales are booming and other employers are boosting pay significantly to attract workers. More than 10,000 union workers at the Moline-based company walked out on Oct. 14 at 14 plants, most of them in the Midwest.

[Read More #](#)

Avis Stock Surges On Strong Results, Brightening Rental-Car Outlook

Avis Budget Group's stock rose sharply Tuesday, following strong quarterly results and a bullish outlook on the recovering rental-car market.

Avis also said it was executing on plans to add more electric vehicles to its global rental fleet and will announce those plans when they are ready.

In midday trading, the rental-car firm's stock was up 86% to \$319 a share, driven in part by third quarter results that beat analysts' expectations and included a record adjusted pretax profit of \$1 billion. Earlier in the day, shares traded as high as \$545 a share.

[Read More #](#)



Nike Files to Sell Digital Sneakers, as It Seeks Downloadable Kicks

Nike Inc. might soon sell you sneakers that can't be worn.

The company filed trademark applications last week that indicate it wants to sell digital versions of its sneakers, clothing and other goods stamped with its swoosh logo in virtual worlds, such as videogames or other online platforms.

People are already paying a lot for digital designs and artwork, including digital sneaker designs that sold for thousands of dollars. Celebrities such as Martha Stewart are hoping to cash in, too, selling nonfungible tokens, or NFTs, which are digital collectibles authenticated using blockchain technology.

[Read More #](#)



Yahoo Pulls Out of China, Ending Tumultuous Two-Decade Relationship

Yahoo Inc. said it was pulling out of China, citing an increasingly challenging business and legal environment, the latest foreign company to be caught up in Beijing's toughening rules for businesses.

Yahoo said it had ceased to offer its services from Nov. 1, becoming the second well-known U.S. technology firm to downsize China operations in less than a month following the closure of Microsoft Corp.'s LinkedIn social-networking site.



“In recognition of the increasingly challenging business and legal environment in China, Yahoo’s suite of services will no longer be accessible from mainland China as of November 1,” a Yahoo spokesman said.

[Read More #](#)

TALKING POINTS

Fed's Transitory Inflation Call Looks Shaky

By Nick Timiraos

Federal Reserve Chairman Jerome Powell used the bulk of a widely anticipated speech in late August to explain why he was still confident that this year’s inflation surge would prove temporary. His remarks haven’t aged well.

Economic data released over the past two months have cast doubt on parts of Mr. Powell’s thesis, which helps to explain why he has acknowledged less conviction that inflation will quickly return to the Fed’s 2% goal as supply-chain kinks work themselves out.

In particular, recent data have pointed to some broadening in price pressures, a pickup in wage growth and a continued run of higher prices for certain goods that have already seen acute inflation this year.

“It is increasingly clear that the Fed...is facing multiple, overlapping predominantly supply shocks, most of which are still largely pandemic-driven and ought in principle not to extend into the medium term,” said Krishna Guha, vice chairman of Evercore ISI. “But [they] add up to a more complex as well as more extended phase of high inflation.”

Mr. Powell has clearly telegraphed that officials at their two-day meeting ending Wednesday will sign off on plans to steadily reduce their \$120-billion-a-month bond-buying stimulus this month, with an eye toward phasing the purchases out by next June. With that settled, investors have turned their attention to when the central bank might raise interest rates from near zero.

The Fed chief has been seeking a middle ground that assures investors he is closely monitoring inflation risks while not appearing so worried that he leads investors to anticipate a quick pivot toward tighter money. The expectation that inflation-adjusted interest rates will remain low has buoyed global asset prices, and the Fed could trigger new economic or financial stress by shifting abruptly.

“I do think it’s time to taper, and I don’t think it’s time to raise rates,” Mr. Powell said at a virtual discussion last month.

Brisk demand for goods, disrupted supply chains, temporary shortages and a rebound in travel have pushed 12-month inflation to its highest readings in decades. Core inflation, which excludes volatile food and energy prices, rose 3.6% in September from a year earlier, according to the Fed's preferred gauge.

When Mr. Powell spoke at the Kansas City Fed's virtual conference on Aug. 27, he spelled out a five-part dashboard that the central bank was closely monitoring and that, he said, explained why officials could be confident that inflation would decelerate without tightening monetary policy.

First, Mr. Powell pointed to the absence so far of broad-based inflation pressures. Since then, inflation data have suggested some broadening. For example, the Dallas Fed produces an alternate measure called a "trimmed mean" inflation rate that excludes the most volatile categories to get an underlying inflation trend. That 12-month measure had been running near 2% all year, but it ticked up in September to 2.3%.

Second, Mr. Powell highlighted the prospect for prices in the higher-inflation items such as used cars to moderate. Since then, prices for used cars have turned higher, along with energy and some other commodities, weakening the prospect for immediate relief on this front.

Third, Mr. Powell said that wage growth showed incomes rising at a pace consistent with the Fed's 2% inflation goal. The Labor Department reported Friday that the employment-cost index, a measure of worker compensation that includes both wages and benefits, rose 1.3% in the third quarter from the second, the fastest pace since at least 2001.

"One by one, the metrics Powell cited in that speech are signaling more intense inflation pressures," said Tim Duy, chief U.S. economist at SGH Macro Advisors.

To be sure, wage increases for now appear to be concentrated among low-wage earners, meaning there isn't overwhelming evidence to undercut this prong of the Fed's transitory-inflation argument. But altogether, recent data point at least to a period in which price increases persist into early 2022, which could complicate Fed officials' thinking around when and how fast to raise interest rates.

That will put even more scrutiny on the fourth pillar of Mr. Powell's inflation watch-list: inflation expectations. Officials are scrutinizing market- and survey-based measures for signs that businesses and consumers are expecting high inflation to continue, or what they refer to as the "un-anchoring" of inflation expectations.

The risk "is that even if the transitory story is ultimately right, it could face a crunch point...when these tests too come under stress," said Mr. Guha.



Bond Investors Challenge Wall Street Greenwashing

Bond fund manager James Rich's job is to find sustainable investments for his customers. Lately, he is reject

Mr. Rich is part of a budding backlash among investors who are increasingly wary of "greenwashing" in bond roughly \$200 million sustainable investing portfolio he runs at Aegon Asset Management over doubts about Management Inc. jettisoned the bond in the first quarter, according to financial filings by Transamerica.

“Setting 2030 carbon reduction targets and creating a \$2.5 trillion effort to support sustainability are clear ex

Sales of green bonds have boomed to around \$250 billion annually from about \$50 billion in 2015, according environmental projects that has most industries falling short of targets needed to sufficiently slow climate cha

The bonds are also popular because they boost the appeal of corporations that issue them with environment 2021, according to Bloomberg. Money managers scramble to buy them for environmental, social and govern bonds at a lower interest rate than conventional debt.

Still, financial regulators in the U.S. and Europe are scrutinizing the investment industry for signs of misleadi loopholes for borrowers or are being issued by companies with questionable environmental track records.

“Increasingly we are seeing investors really focus on how the use of proceeds from the bonds aligns with iss Americas at Bank of America Corp.

Voluntary principles for green bonds, hammered out by banks and investors, designate them as financing fo transition to renewable energy and sustainable buildings, along with loans to clients making similar changes.

While those uses conform with ESG investment principles, Mr. Rich questioned whether the bank’s overall r failed to adequately answer his questions, he said. He also saw few signs the bank was reducing lending to

“JPMorgan is the biggest financier of the energy industry in the world,” Mr. Rich said. “That doesn’t scream s

The bank pledged to facilitate financing valued at \$2.5 trillion to address environmental issues over the next had about \$40 billion of lending exposure to oil-and-gas companies last year and is keeping coal miner Peak

Some investors avoid green bonds that permit borrowers to fund investments that are part of their normal co eco-friendly projects, a practice that is permitted under green bond principles.

Boston-based money manager Income Research + Management passed on a \$450 million sustainability bor refinancing, said Kristoff Nelson, the firm’s co-head of credit research. Nevertheless, other investors snapped said.

Utilities frequently issue green bonds to fund renewable energy and grid modernization projects that are star for all these deals.”

“We are not looking to simply take credit for work already done,” said a spokesman for Edison International, with short-term bank loans before refinancing them in bond markets and its sustainability financing framewo

Fund managers at Aegon and Income Research + Management continue to buy green bonds but say they fe

Bank of America sold the retailer’s first \$2 billion green bond to investors in September. The company had a emissions by 2040. JPMorgan has set a net-zero target, which includes carbon offsets, by 2050.

Organizers of COP26, the international meeting that began Sunday to coordinate emission reduction, asked Kathleen McLaughlin, the store chain’s chief sustainability officer.

“If you look at the science, as a society we have to pick up the pace,” she said.

While BNP Asset Management tries to avoid green bonds that fund fossil fuel projects, verifying can be diffic recently sold green bonds of a European company that refused to detail how it had used the money from a c

“We’d like to see the market strengthened on reporting,” said Christa Clapp, a senior adviser at Cicero, whic

Cicero gave its lowest governance rating in June to a green bond issued by French waste services company ultimately used. Paprec's "reporting scheme constitutes a weakness as level of detail and transparency is la

Paprec discloses how all green bonds proceeds will be used at issuance, said Chief Financial Officer Charle projects as well to finance already disclosed acquisitions, and the environmental impact of the newly purcha:

Write to Matt Wirz at matthieu.wirz@wsj.com

[Read Full Article on NewsPlus](#)

Expected Major Events For Wednesday

- 00:01/UK: 4Q CBI SME Trends Survey
- 06:00/RUS: Oct Russian Services PMI
- 07:00/UK: Oct Nationwide House Price Index
- 09:00/ITA: Sep Unemployment
- 09:30/UK: Oct CIPS / Markit Services PMI
- 09:30/UK: Oct UK Official Reserves
- 09:30/UK: Oct Narrow money (Notes & Coin) and reserve balances
- 11:00/US: 10/29 MBA Weekly Mortgage Applications Survey
- 12:15/US: Oct ADP National Employment Report
- 12:15/CAN: Oct Official International Reserves
- 13:45/US: Oct US Services PMI
- 14:00/US: Sep Metropolitan Area Employment & Unemployment
- 14:00/US: Sep Manufacturers' Shipments, Inventories & Orders (M3)
- 14:00/US: Oct ISM Report On Business Services PMI
- 14:30/US: 10/29 EIA Weekly Petroleum Status Report
- 18:00/US: U.S. interest rate decision

All times in GMT. Powered by Kantar Media and Dow Jones.

Expected Earnings For Wednesday

Air Industries Group (AIRI) is expected to report for 3Q.

Ares Commercial Real Estate (ACRE) is expected to report \$0.31 for 3Q.

BGC Partners (BGCP) is expected to report \$0.05 for 3Q.

Belden (BDC) is expected to report \$0.93 for 3Q.

BlackRock TCP Capital Corp (TCPC) is expected to report \$0.32 for 3Q.

BorgWarner Inc (BWA) is expected to report \$0.65 for 3Q.

Brinker International (EAT) is expected to report \$0.78 for 1Q.

Broadridge Financial Solutions Inc (BR) is expected to report \$0.61 for 1Q.

CDW Corp (CDW) is expected to report \$1.86 for 3Q.

CSW Industrials Inc (CSWI) is expected to report \$1.47 for 2Q.

Camping World Holdings Inc (CWH) is expected to report \$1.73 for 3Q.

Cenovus Energy Inc (CVE,CVE.T) is expected to report \$0.45 for 3Q.

Charles River Laboratories International Inc (CRL) is expected to report \$1.95 for 3Q.

Dorian LPG Ltd (LPG) is expected to report \$0.09 for 2Q.

Entergy Corp (ETR) is expected to report \$2.43 for 3Q.

Everi Holdings Inc (EVRI) is expected to report \$0.03 for 3Q.

Horizon Therapeutics PLC (HZNP) is expected to report \$1.18 for 3Q.

Humana Inc (HUM) is expected to report \$4.53 for 3Q.

Jones Lang LaSalle Inc (JLL) is expected to report \$3.49 for 3Q.

Karyopharm Therapeutics Inc (KPTI) is expected to report \$-0.67 for 3Q.

LSI Industries (LYTS) is expected to report \$0.13 for 1Q.

Lumber Liquidators (LL) is expected to report \$0.30 for 3Q.

MGP Ingredients (MGPI) is expected to report \$0.40 for 3Q.

National Energy Services Reunited Corp (NESR) is expected to report \$0.07 for 3Q.

New Fortress Energy LLC (NFE) is expected to report \$0.31 for 3Q.

NiSource Inc (NI) is expected to report \$0.10 for 3Q.

Owens & Minor Inc (OMI) is expected to report \$0.58 for 3Q.

PROG Holdings Inc (PRG) is expected to report for 3Q.

Pacira Pharmaceuticals (PCRX) is expected to report \$0.40 for 3Q.

Pitney-Bowes Inc (PBI) is expected to report \$0.07 for 3Q.

R.R. Donnelley & Sons Co (RRD) is expected to report \$0.24 for 3Q.

SiteOne Landscape Supply (SITE) is expected to report \$1.18 for 3Q.

Stagwell Inc (STGW) is expected to report for 3Q.

Steve Madden (SHOO) is expected to report \$0.76 for 3Q.

Superior Industries (SUP) is expected to report \$-0.33 for 3Q.

Superior Uniform Group Inc (SGC) is expected to report \$0.51 for 3Q.

Syneos Health Inc (SYNH) is expected to report \$0.63 for 3Q.

Tupperware Brands Corp (TUP) is expected to report \$0.73 for 3Q.

United Therapeutics Corp (UTHR) is expected to report \$3.59 for 3Q.

Wingstop Inc (WING) is expected to report \$0.36 for 3Q.

Powered by Kantar Media and Dow Jones.

Contact Us

Replies to this message are routed to an unmonitored email us at service@dowjones.com. You may also c

Dow Jones & Company, Inc.
1211 Avenue of the Americas
New York, NY 10036

Copyright © Dow Jones & Company, Inc.

This newsletter is made available as a complimentary Dow Jones NewsPlus paying subscribers. No further permission from Dow Jones. This newsletter is intended for accuracy cannot be guaranteed. Dow Jones is not a no circumstances shall any of the information provided recommendation or investment advice of any kind.



Copyright © 2021 Dow Jones & Company, Inc.

[Unsubscribe](#) | [Web Version](#) | [Privacy Policy](#)

Not for redistribution

[Newsplus](#) login required for full access

