

THE DAY AHEAD

MARKET RECAP at 4 pm ET

Wall Street tumbled as weak results from Goldman Sachs weighed on financial stocks and tech shares continued their sell-off to start the year as **Treasury yields** rose to milestones. The **dollar** gained, while **gold** fell. **Oil** prices climbed as possible supply disruption after attacks in the Middle East added to an already tight supply outlook.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	35383.30	-533.17	-1.48	36952.65	29856.30
Nasdaq	14506.90	-386.86	-2.60	15852.14	14530.23
S&P 500	4577.34	-85.51	-1.83	4818.62	4582.24
Toronto	21274.57	-262.88	-1.22	21796.16	17297.75
FTSE	7563.55	-47.68	-0.63	7616.06	7384.54
Eurofirst	1870.30	-16.27	-0.86	1921.56	1857.07
Nikkei	28257.25	-76.27	-0.27	29388.16	27889.21
Hang Seng	24112.78	-105.25	-0.43	24561.48	22709.60

TREASURIES	Yield	Price
10-year	1.8771	-30 /32
2-year	1.0465	-5 /32
5-year	1.6578	-17 /32
30-year	2.1991	-57 /32

FOREX	Last	% Chng
Euro/Dollar	1.1323	-0.74
Dollar/Yen	114.62	0.02
Sterling/Dollar	1.3593	-0.38
Dollar/CAD	1.2511	-0.06
TR/HKEX RMB	102.38	0.09

COMMODITIES (\$)	Price	Chng	% Chng
Front Month Crude /barrel	85.86	2.04	2.43
Spot gold (NY/oz)	1813.42	-5.57	-0.31
Copper U.S. (front month/lb)	0.0438	-0.0004	-0.78
CRB Index Total Return	262.65	1.74	0.67

S&P 500	Price	\$ Chng	% Chng
GAINERS			
Activision Blizzard Inc	82.31	16.92	25.88
Citrix Systems Inc	101.00	5.20	5.43
CF Industries Holdings Inc	68.27	1.83	2.75
LOSERS			
Moderna Inc	186.61	-18.12	-8.85
Applied Materials Inc	152.36	-14.64	-8.77
KLA Corp	412.98	-32.02	-7.20

Coming Up



A file photo of Bank of America logo pictured in the Manhattan borough of New York City, New York, January 30, 2019. REUTERS/Carlo Allegri

Bank of America Corp reports fourth-quarter and full-year earnings. Investors will look for commentary on the economic outlook, consumer spending patterns and the investment banking pipeline.

Morgan Stanley publishes fourth-quarter earnings. Investors will be looking for commentary on the outlook of the bank's trading and investment banking businesses and progress on the integration of recently acquired Eaton Vance and E*Trade.

The Commerce Department is expected to show **housing starts** likely slipped to a seasonally adjusted annual rate of 1.650 million units in December from 1.679 million units in November. **Permits for future homebuilding** likely dropped to a rate of 1.701 million units in December from 1.717 million units in November.

U.S. health insurer **UnitedHealth Group Inc** is set to report fourth-quarter and full-year 2021 financial earnings. Investors will watch out for

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Building permits number for Dec	0830	1.701 mln	1.717 mln
Building permits change mm for Dec	0830	--	3.9%
Housing starts number for Dec	0830	1.650 mln	1.679 mln
Housing starts change mm for Dec	0830	--	11.8%

THE DAY AHEAD

the industry bellwether's comments on costs related to elective healthcare procedures during the Omicron surge. The focus will also be on the company's profit expectations for 2022.

Procter & Gamble Co is expected to post a rise in second-quarter revenue boosted by demand for its home and health care brands. Investors will watch for comments from the company on demand potentially getting stronger, as the rapid spread of the Omicron coronavirus variant causes a return to early pandemic shopping habits.

United Airlines Holdings Inc is expected to report a quarterly loss when it reports its fourth-quarter earnings. However, the focus will be on

how the company is dealing with the Omicron variant's impact on its operations and if rising COVID-19 cases have changed its outlook for business and international travel.



Gary Gensler, chair of the **U.S. Securities and Exchange Commission (SEC)**, is expected to

speak to a Washington-based Exchequer Club on 2022 priorities.

Kinder Morgan Inc is expected to post a jump in fourth-quarter adjusted profit sequentially, as higher demand for natural gas will help boost the U.S. pipeline operator's shipped volumes. Investors and analysts will look for comments on KMI'S energy transition businesses and demand outlook.

LIVECHAT - REUTERS GLOBAL MARKETS FORUM

Reuters equities correspondents in London and New York examine how a busy corporate earnings week is playing out on bourses on both sides of the Atlantic. (1000 ET/1500 GMT) To join the conversation, [click here](#)

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Bank of America	Q4	BMO	\$0.77	\$0.76	\$0.59	\$22,231.68
Citizens Financial Group	Q4	BMO	\$1.14	\$1.13	\$0.99	\$1,658.25
Comerica	Q4	BMO	\$1.59	\$1.58	\$1.49	\$734.00
Discover Financial Services	Q4	AMC	\$3.75	\$3.67	\$2.59	\$3,000.29
Fastenal Co	Q4	07:00	\$0.38	\$0.38	\$0.34	\$1,506.52
Kinder Morgan	Q4	AMC	\$0.26	\$0.26	\$0.27	\$3,580.41
Morgan Stanley	Q4	BMO	\$1.93	\$1.91	\$1.92	\$14,589.99
Procter & Gamble	Q2	BMO	\$1.63	\$1.65	\$1.64	\$20,334.97
Prologis	Q4	BMO	\$0.63	\$0.60	\$0.38	\$1,053.65
State Street	Q4	07:30	\$1.86	\$1.88	\$1.69	\$3,006.99
United Airlines	Q4	AMC	-\$2.00	-\$2.08	-\$7.00	\$7,988.10
UnitedHealth Group	Q4	BMO	\$4.30	\$4.31	\$2.52	\$72,748.36
US Bancorp	Q4	BMO	\$1.10	\$1.10	\$0.95	\$5,753.47

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

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

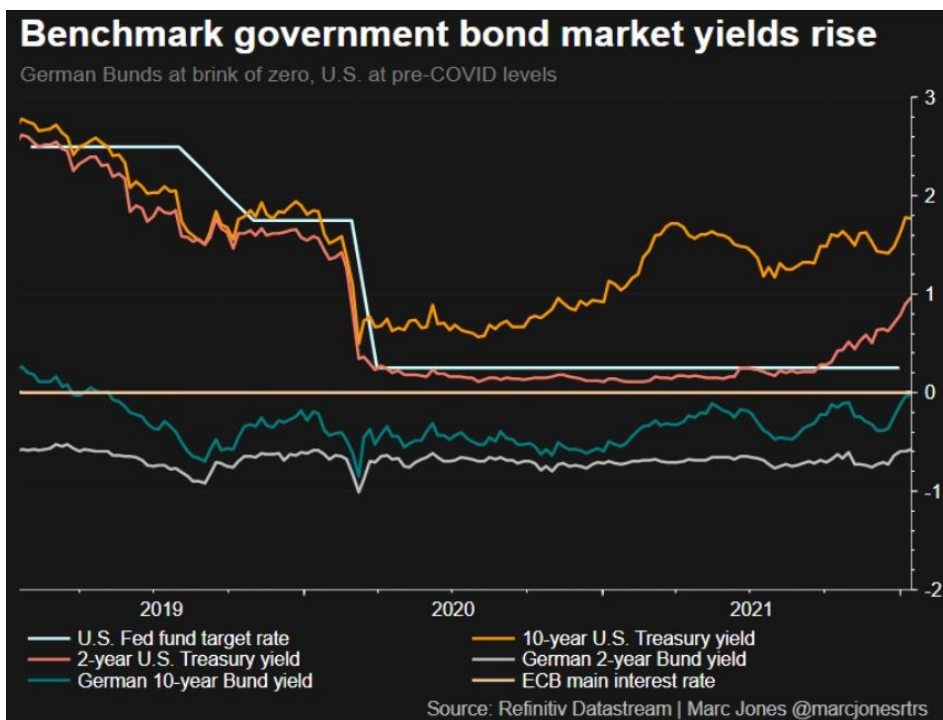
Market Monitor

Wall Street's main indexes fell sharply as weak results from Goldman Sachs weighed on financial stocks and tech shares continued their sell-off to start the year as U.S. Treasury yields rose to milestones. "The hot inflation prints have spooked the market that the Fed is going to move and so we are seeing this rise in yields," said Mona Mahajan, senior investment strategist at Edward Jones. "It's not only the rise in yields but the rapid rise in yields ... that really does cause some indigestion in the market, but particularly in growth, higher valuation, more speculative asset classes," Mahajan said.

Financials sector fell 2.27% to 663.67, while the **technology sector** was down 2.48% at 2,837.87. The **Dow Jones Industrial Average** fell 1.48% to 35,383.30, the **S&P 500** lost 1.83% to 4,577.34 and the **Nasdaq Composite** dropped 2.60% to 14,506.90.

Benchmark Treasury yields jumped and **2-year yields** breached 1% as traders prepared for the Federal Reserve to be more aggressive in tackling unabated inflation. "Even over the course of the first two weeks of January, the second week of Fed speak in terms of the tone and the seniority of the officials that sounded more hawkish than they did in December grew quickly," said Jim Vogel, an interest rate strategist at FHN Financial in Memphis, Tennessee. The **10-year notes** fell 30/32 to yield 1.8771%. The **2-year notes** were down 5/32 to yield 1.0465%. The **30-year bonds** fell 1-26/32, yielding 2.1999%.

The **dollar** posted its best daily gain in two weeks following a jump in benchmark U.S. Treasury yields, while the **yen** steadied after initially sliding as the Bank of Japan said it would stick to its ultra-loose monetary policy. "The Federal Reserve will have to become



more hawkish with their rate statement in January's meeting following the progress made in the labour market in December and the rise in inflation to a near 40-year high," Simon Harvey, senior FX market analyst at Monex Europe, said in a research note. "We expect this to provide a floor under the dollar, which has been under pressure over past weeks as the market starts to settle on a more balanced outlook for Fed normalisation." The **dollar** firmed against a basket of currencies, hitting a one-week peak of 95.832, and was last up 0.54% at 95.77. The **euro** was down 0.74% at \$1.1323. Against the **Japanese yen**, the dollar was up 0.02% at 114.62 yen.

Oil prices climbed to their highest since 2014 as possible supply disruption after attacks in the Middle East added to an already tight supply outlook. "The damage to the UAE oil facilities in Abu Dhabi is not significant in itself, but it raises the question of even more

supply disruptions in the region in 2022," said Rystad Energy's senior oil markets analyst Louise Dickson.

Brent crude futures rose 1.70% to \$87.95 a barrel, earlier hitting \$88.13, its highest since October 2014. **U.S. West Texas Intermediate (WTI) crude futures** rose 2.46% to \$85.88 a barrel.

Gold prices fell as the dollar and U.S. Treasury yields strengthened with investors turning their attention to next week's Federal Reserve policy meeting for more signals on its rate hike timeline. "If the Fed hikes rates next week, gold could see a selloff below \$1,800. But, it'll be a temporary low because the market will know the Fed is in a bad position if it hikes rates before March," said Bob Haberkorn, senior market strategist at RJO Futures. **Spot gold** was down 0.31% at \$1,813.29 per ounce, while **U.S. gold futures** were 0.14% lower at \$1,813.90 an ounce.

Top News

Microsoft to gobble up Activision in \$69 billion metaverse bet

Microsoft is buying "Call of Duty" maker Activision Blizzard for \$68.7 billion in the biggest gaming industry deal in history as global technology giants stake their claims to a virtual future. The deal announced by Microsoft, its biggest-ever and set to be the largest all-cash acquisition on record, will bolster its firepower in the booming videogaming market where it takes on leaders Tencent and Sony. It also represents the American multinational's bet on the "metaverse," virtual online worlds where people can work, play and socialize, as many of its biggest competitors are already doing. Microsoft, one of the biggest companies in the world largely thanks to corporate software such as its Azure cloud computing platform and Outlook franchise, is offering \$95 per share - a 45% premium to Activision's Friday close.

Goldman profit hit by weaker trading, rising expenses; shares tumble

Shares in Goldman Sachs fell as much as 8% after Wall Street's premier investment bank missed quarterly profit expectations, hampered by weaker trading revenues and rising expenses. With its capital markets focus, Goldman had been one of the main beneficiaries of market volatility since March 2020, enabling its fixed income and equities traders to enjoy their best period since the 2007-09 financial crisis. However, revenue from global markets fell 7% in the fourth quarter to nearly \$4 billion, owing to declines in both equities and fixed income trading revenues compared with a year ago. Aside from the trading slowdown, Goldman was also handicapped by a 23% rise in operating expenses, mainly reflecting higher compensation and benefits costs. Goldman's profit fell to \$3.8 billion in the quarter \$4.4 billion a



Microsoft logo is seen on a smartphone placed on displayed Activision Blizzard's games characters in this illustration taken January 18. REUTERS/Dado Ruvic

year earlier. Earnings per share fell to \$10.81 from \$12.08 a year earlier. Analysts on average had expected a profit of \$11.76 per share, according to Refinitiv data. The company's shares closed down 7.04% at \$354.13.

AT&T, Verizon will delay some 5G deployment amid aviation standoff

AT&T and Verizon Communications agreed to temporarily defer turning on some wireless towers near key airports to avert a significant disruption to U.S. flights. President Joe Biden hailed the agreement saying it "will avoid potentially devastating disruptions to passenger travel, cargo operations, and our economic recovery, while allowing more than 90% of wireless tower deployment to occur as scheduled." The carriers and the administration have agreed to work together to quickly address the issues and create a process to allow the remaining towers to be deployed, sources briefed on the matter said. The Federal Aviation Administration has warned that 5G wireless interference

could affect sensitive airplane instruments such as radio altimeters and significantly hamper low-visibility operations.

U.S. examining Alibaba's cloud unit for national security risks – sources

The Biden administration is reviewing e-commerce giant Alibaba's cloud business to determine whether it poses a risk to U.S. national security, according to three people briefed on the matter, as the government ramps up scrutiny of Chinese technology companies' dealings with U.S. firms. The focus of the probe is on how the company stores U.S. clients' data, including personal information and intellectual property, and whether the Chinese government could gain access to it, the people said. The potential for Beijing to disrupt access by U.S. users to their information stored on Alibaba cloud is also a concern, one of the people said. U.S. regulators could ultimately choose to force the company to take measures to reduce the risks posed by the cloud business or prohibit

Americans at home and abroad from using the service altogether. Separately, Canadian e-commerce giant Shopify said it has partnered with China's JD.com to let merchants in the United States sell to JD's customers in China. To read more, [click here](#)

PREVIEW-Netflix earnings to set the pace for 2022 streaming wars

Netflix will be the first major streaming service to report earnings this week, offering investors a sign of whether companies have started to pull in enough new customers to justify big spending on online programming in 2022. The dominant streaming service reports fourth-quarter results on Thursday. Wall Street will watch for how many customers Netflix picked up overseas as the pace of streaming growth levels off from torrid pandemic gains of 2020. In 2022, Netflix's growth is expected to stabilize, analysts say, putting it on track to return to subscriber gains logged before the pandemic. The company has new seasons of global phenomenon "Squid Game" and Emmy winner "The Crown" in the works, plus a large slate of movies. But the streaming pioneer is confronting stiffer competition in the U.S. and abroad from new entrants, price promotions and heavy spending on exclusive content.

Tesla investors urge judge to order Musk repay \$13 billion for SolarCity deal

Tesla shareholders urged a judge to find Elon Musk coerced the company's board into a 2016 deal for SolarCity and asked that the chief executive be ordered to pay the electric vehicle company one of the largest judgments ever of \$13 billion. "This case has always been about whether the acquisition of SolarCity was a rescue from financial distress, a bailout, orchestrated by Elon Musk," Randy Baron, an attorney for shareholders, told the Zoom hearing. The lawsuit by union pension funds and asset managers alleges that Musk strong-armed the Tesla board into approving the deal for the cash-strapped SolarCity, in which

Musk was the top shareholder. Musk has countered that the deal was part of a decade-old master plan to create a vertically integrated company that would transform energy generation and consumption with SolarCity's roof panels and Tesla's cars and batteries.

Activist investor, takeover talk heap pressure on Kohl's

Kohl's has been approached by a potential buyer, sources said, as the department store came under fresh pressure from an activist hedge fund to explore strategic options if it does not find a way to boost its stock price. Acacia Research, which is backed by activist investment firm Starboard Value, has held talks with Kohl's in the last few days to lay the groundwork for a bid, Reuters reported earlier, citing two people familiar with the discussions. Macellum Advisors said that Kohl's should explore strategic options, including a sale, adding it planned to nominate directors to the retailer's board, confirming a Reuters report from December. The approach from Acacia and push by Macellum create fresh upheaval for a company that only last year reached a deal with a group of activists, including Macellum, to refresh its board, and then faced calls from another activist, Engine Capital, to sell itself.

Exxon vows to have net-zero carbon emissions from operations by 2050

Exxon Mobil pledged to cut to zero its net carbon emissions from its global operations by 2050, a step in the direction of rivals minimizing their carbon footprints. Exxon's 2050 plan, first mulled last year, covers emissions from its oil, gas, and chemical production and from the power those operations consume, so-called scope 1 and 2 targets. It made no commitment for emissions from consumers using those products. "We are developing comprehensive roadmaps to reduce greenhouse gas emissions from our operated assets around the world," Exxon Chief Executive Officer Darren Woods said in a statement. Separately, Continental Resources named Doug

Lawler, the former top boss of Chesapeake Energy, as its chief operating officer and executive vice president from next month. To read more, [click here](#)

Ericsson sues Apple again over 5G patent licensing

Sweden's Ericsson has filed another set of patent infringement lawsuits against Apple in the latest salvo between the two companies over royalty payment for use of 5G wireless patents in iPhones. Both companies have already sued each other in the United States as negotiations failed over the renewal of a seven-year licensing contract for telecoms patents first struck in 2015. "Ericsson has refused to negotiate fair terms for renewing our patent licensing agreement, and instead has been suing Apple around the world to extort excessive royalties ... we are asking the court to help determine a fair price," an Apple spokesman said. "Since the prior agreement has expired, and we have been unable to reach agreement on the terms and scope of a new licence, Apple is now using our technology without a licence," an Ericsson spokesman said.

UK regulator fines Mastercard, others for prepaid cards cartel

Britain's payments regulator fined five payments companies including Mastercard a total of 33 million pounds for cartel behaviour involving prepaid cards issued to vulnerable people on welfare benefits. Mastercard received the largest fine of 31.56 million pounds. The other companies fined were allpay, Advanced Payment Solution, Prepaid Financial Services and Sulion. The Payment Systems Regulator (PSR) said the firms broke competition law by agreeing not to compete or poach each other's customers on pre-paid cards offered by local authorities to distribute welfare payments to vulnerable people. The cartel meant recipients of the cards - who included the homeless, victims of domestic abuse and asylum seekers - could have missed out on cheaper or better-quality products, the regulator said.





A view of snow covered Hamilton after a snowstorm in Ontario, Canada, January 17. REUTERS/Carlos Osorio

Insight and Analysis

With Omicron, global economy spots chance to push past COVID-19

Governments worldwide are easing quarantine rules, reviewing coronavirus curbs and dialling back pandemic-era emergency support as they bid to launch their economies back into some version of normality. The moves, motivated by the lower severity of the Omicron variant and the need to keep workers in work and the global recovery on track, have generated a whiff of optimism that has lifted oil and stock prices. Health experts say the variant's rapid spread may yet herald a turning point in the pandemic.

FOCUS-Cadence Design Systems aims to cash in on new custom-chip era

Microchip design software maker Cadence Design Systems is betting on growth from automakers and other chip users strapped by global supply shortages who face mounting competition from rivals such as Tesla and Apple that design their own chips. Cadence and rivals Synopsys and Siemens EDA are at the center of a microchip industry shift as cloud computing providers, software makers and others who traditionally have bought semiconductors from a few big companies now want to draw up their chips own in-house.

Inside OPEC, views are growing that oil's rally could be prolonged

Oil's rally may extend further in the next few months due to recovering demand and limited capacity in OPEC+ to add supply and prices could break \$100 a barrel, OPEC officials have told Reuters. Oil last traded at \$100 a barrel in 2014, after averaging \$110 a barrel over the previous two years. Rising shale output and competition among the world's top oil producers in 2014 heralded a period of lower prices that appears to have come to an end as the global economy emerges from the pandemic. Brent crude is trading at around \$87 a barrel, a seven-year high, after a 50% gain in 2021.



CANADA

Market Monitor

Canada's main stock index fell, hurt by a sell-off in technology stocks triggered by higher U.S. Treasury yields following the biggest jump in oil prices in seven years.

The Toronto Stock Exchange's S&P/TSX composite index ended down 1.22% at 21,274.57.

Toronto-listed technology stocks fell 3.27% to 186.44.

The U.S. dollar was 0.06% lower against its Canadian counterpart at C\$1.2511.



TSE's S&P/TSX composite	Price	C\$ Chng	% Chng
GAINERS			
Ivanhoe Mines Ltd	12.08	0.43	3.69
MTY Food Group Inc	57.69	1.72	3.07
Ero Copper Corp	16.49	0.43	2.68
LOSERS			
Lightspeed POS Inc	42.10	-3.69	-8.06
Denison Mines Corp	1.56	-0.13	-7.69
Canopy Growth Corp	9.71	-0.80	-7.61

COMING UP

Statistics Canada is expected to report inflation data. The country's headline inflation likely increased at an annual rate of 4.8% in December compared to 4.7% in November. Canadian wholesale trade data is also expected to be released.

Canadian miner Barrick Gold Corp is expected to post a sequentially higher gold output in its preliminary fourth-quarter report, helped by higher demand and prices for the precious metal. Investors and analysts will watch for estimates on mining costs and full-year production ahead of the complete fourth-quarter and full-year results next month.

Top News

Even as Omicron slams Canada, bets on January rate hike rise

Canadian restrictions to tackle COVID-19 will likely come at a cost of slower economic growth at the start of the year than in the United States, but that has not stopped investors from raising bets the Bank of Canada will hike interest rates next week. With hospital capacity stretched, Canadian provincial governments have rolled out restrictions that are tighter than in the United States and many other countries to slow the spread of the Omicron variant of the coronavirus. As a result, economists at some of the large Canadian banks expect little or no GDP growth in Canada in the first quarter compared to estimates of about 4% to 5% before the emergence of the variant. "I see much more risk to the Canadian numbers than the U.S. numbers, simply because we are seeing much more important restrictions in Canada," said Doug Porter, chief economist at BMO Capital Markets. But economists also say that



A file photo of a sign pictured outside the Bank of Canada building in Ottawa, Ontario, May 23, 2017. REUTERS/Chris Wattie

activity is likely to rebound quickly when restrictions are lifted.

Operational problems hit Canada's Suncor again, lowering oil production

Operational problems at two Suncor Energy Canadian oil sands sites last

month resulted in lower crude production, the company said, marking its latest such issue. Suncor also confirmed the death of a worker on Jan. 6 at its Base plant, which police had reported earlier. Suncor said a heavy haul truck rear-ended a second truck at the mine, resulting in the death

of a driver. The incident is the fourth fatality at a Suncor facility since late 2020, Scotiabank analyst Jason Bouvier said. The incidents at Syncrude and Firebag cut oil production by 195,000 barrels per day (bpd) in the second half of December, Suncor said. The company said its full-year production was 732,000 bpd, down 1% from its guidance range. The sites have returned to normal output. Production guidance for 2022 is unaffected.



REUTERS/Chris Wattie

Scotiabank investors see Citi's Mexican unit as good fit, CEO downplays interest

Bank of Nova Scotia (Scotiabank) shareholders are urging Canada's No. 3 lender to seriously examine the Mexican consumer banking unit being sold by Citigroup, arguing it would benefit from scaling up in the fast-growing Latin American country. Markets view Scotiabank as a logical bidder even though Chief Executive Officer Brian Porter downplayed appetite for big deals just a day before Citi announced the sale of Citibanamex, the third biggest retail bank in Mexico. "It's another opportunity to expand outside of Canada, which I'm in favour of," said Allan Small of Allan Small Financial Group with iA Private Wealth. "If the assets are made available at the right price, I would not be surprised to see Scotiabank bid for them," Small added.

Canadian natural disasters caused insured losses of C\$2.1 billion in 2021

Severe weather events in Canada caused insured losses of C\$2.1 billion last year, making 2021 the sixth-costliest since 1983, the Insurance Bureau of Canada (IBC) said in a statement. Floods in British Columbia in November, where heavy rains caused mudslides and stranded thousands of people, caused the highest amount of insured damage, at C\$515 million. That was followed by a hailstorm in Calgary that caused flash flooding and dangerous driving conditions, at C\$500 million. "In today's world of extreme weather events, the new normal for yearly insured catastrophic losses in Canada has become C\$2 billion, most of it due to water-related damage," Craig Stewart, vice-president, federal affairs, for the IBC, said in the statement, adding that this compares with an average of C\$422 million a year between 1983 and 2008.

Canada's Saskatchewan province gets lift from record helium activity

Canada's farm and mining province Saskatchewan is seeing record activity in exploration for helium, as global demand rises like a hot air balloon for the gas used to manufacture semiconductors and conduct medical tests. Saskatchewan produces only 1% of the world's helium, dwarfed by Qatar and the United States. The provincial government hopes to lift output to 10% of world supply by 2030, and last year unveiled new incentives and credits. Producers have made a promising start. Saskatchewan issued 126 permits and 72 leases for helium production in 2021, breaking previous records, according to government data obtained by Reuters. Royal Helium is one of several small companies that hope to take advantage of

Saskatchewan's incentives. "Finding this new helium fairway in Saskatchewan and having the support of the provincial government to the extent that we do, is making this all possible," CEO Andrew Davidson said, adding that Royal aims to start production from 10 wells by year-end.

Enbridge to build natgas pipe to Glenfarne's Texas LNG export plant

U.S. energy company Glenfarne Group said Enbridge has agreed to expand the Canadian energy firms Valley Crossing natural gas pipeline to deliver fuel to the Texas LNG export plant Glenfarne is developing in Brownsville. Under the agreement, Enbridge will add a 10-mile (16.1 kilometer) lateral to the Valley Crossing pipe in Texas to deliver about 0.72 billion cubic feet per day (bcfd) of gas to Texas LNG for at least 20 years. Glenfarne said it plans to make a final investment decision (FID) to build Texas LNG in 2022 that should enable the project to produce first LNG in 2026.

Canada ends contract with Malaysia's Supermax over labour allegations

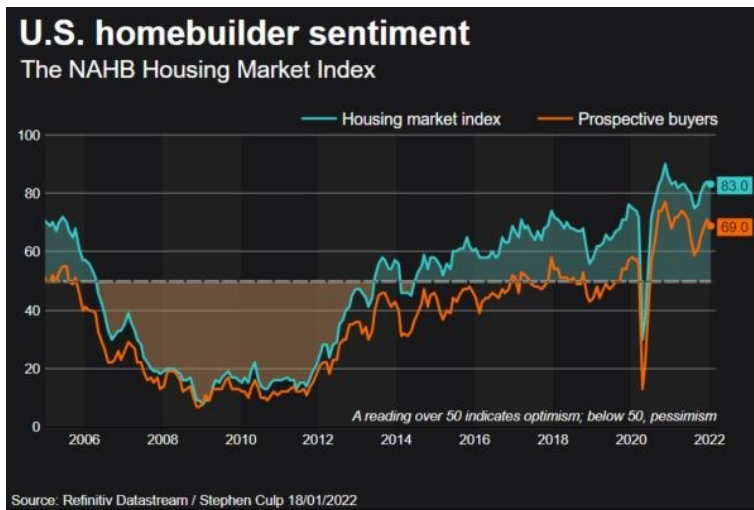
Canada has terminated its sourcing contract with Malaysian glove maker Supermax following allegations about forced labour, the country's public services and procurement department said. Canada had paused imports of Supermax gloves in November, saying it would determine its next steps after receiving an audit report over the firm's labour practices. "Based on the seriousness of the allegations and expected timelines for the final audit results, the Government of Canada has decided, and Supermax Healthcare Canada has agreed, to terminate by mutual consent the two existing contracts for the supply of nitrile gloves," the department told Reuters in an emailed statement.

WEALTH NEWS

ECONOMIC MONITOR

U.S. home builder sentiment dips; New York state factory activity plummets

Confidence among U.S. single-family homebuilders slipped in January after four straight monthly increases, and builders called for a new softwood lumber agreement with Canada to ease shortages and lower prices, a survey showed. The National Association of Home Builders/Wells Fargo Housing Market index dipped one point to 83 this month. A reading above 50 indicates that more builders view conditions as good than poor. A separate report from the New York Federal Reserve showed its "Empire State" index of current business conditions plunged 32.6 points to a reading of -0.7 this month. This was the first negative reading since June 2020.



U.S. SPENDING BILL

How the White House hopes to save Biden's Build Back Better bill

The White House is seeking to "reset" talks on its \$1.75 trillion spending bill, aiming to salvage climate change measures but pare down or cut items like the child tax credit and paid family leave to appeal to U.S. Senator Joe Manchin and other Democrats as soon as this week, said two people working on the plan.

U.S. MONEY MARKETS

Nimble cash investment needed to reap advantage of Fed tightening

For companies and other money market investors looking to increase returns from almost zero, opportunities should arise this year as the Federal Reserve begins unwinding its extraordinary pandemic-era stimulus.

GLOBAL OIL DEMAND

OPEC sees well supported oil market in 2022, despite Omicron

OPEC stuck to its forecast for robust growth in world oil demand in 2022 despite the Omicron coronavirus variant and expected interest rate hikes, predicting the oil market would remain well supported through the year.

FINK'S LETTER TO SHAREHOLDERS

BlackRock's Fink defends as 'not woke' push for values as well as profits

Larry Fink, chief executive of the world's biggest asset manager BlackRock, has defended its focus on the interests of society as well as on profits in the face of criticism from many sides.

GRAPHIC

'Sustainable' firms raise record amount of equity in 2021

Companies in "sustainable" sectors including renewable energy raised a record amount of equity in 2021, Refinitiv Eikon data showed, boosted by surging demand for investments addressing social and environmental problems.

PRIVATE EQUITY FUND

Jefferies gives up on buyout fund manager investing business -sources

Jefferies Financial Group is abandoning an effort to raise a \$1 billion fund to buy stakes in private equity fund managers, giving up on a niche and lucrative corner of asset management, people familiar with the matter said.

ON THE RADAR

Events	ET	Poll	Prior
Thu: Initial jobless claims	0830	220,000	230,000
Jobless claims 4-week average	0830	--	210,750
Continued jobless claims	0830	1.580 mln	1.559 mln
Philly Fed Business Index for Jan	0830	20	15.4
Philly Fed 6M Index for Jan	0830	--	19.00
Philly Fed Capex Index for Jan	0830	--	20.00
Philly Fed Employment for Jan	0830	--	33.90
Philly Fed Prices Paid for Jan	0830	--	66.10
Philly Fed New Orders for Jan	0830	--	13.70
Existing home sales for Dec	1000	6.44 mln	6.46 mln
Existing home sales percentage change for Dec	1000	--	1.9%
Fri: Leading index change mm for Dec	1000	0.8%	1.1%

The Financial and Risk business of Thomson Reuters is now Refinitiv.

The Day Ahead - North America is compiled by Samritha Arunasalam and Nidhi C Sai in Bengaluru.

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

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