

# THE DAY AHEAD

## MARKET RECAP at 4 pm ET

**Stocks** slipped after the United States slapped tariffs on metal imports, which drew retaliatory moves from Mexico and Canada, and **long-dated treasury yields** fell. The **euro** gained against the **dollar** as a coalition pushed to form a government in Italy. **Gold** prices dropped. **U.S. oil** prices traded lower.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	24416.19	-251.59	-1.02	26616.71	23344.52
Nasdaq	7442.12	-20.34	-0.27	7637.27	6630.67
S&P 500	2705.32	-18.69	-0.69	2872.87	2532.69
Toronto	16061.50	12.84	0.08	16421.42	14785.78
FTSE	7678.20	-11.37	-0.15	7903.50	6866.94
Eurofirst	1498.60	-10.19	-0.68	1587.95	1415.80
Nikkei	22201.82	183.30	0.83	24129.34	20347.49
Hang Seng	30468.56	411.77	1.37	33484.08	29129.26

TREASURIES	Yield	Price
10-year	2.8531	-3 /32
2-year	2.4274	-1 /32
5-year	2.6878	-2 /32
30-year	3.0159	1 /32

FOREX	Last	% Chng
Euro/Dollar	1.1686	0.21
Dollar/Yen	108.79	-0.10
Sterling/Dollar	1.3292	0.02
Dollar/CAD	1.2965	0.71
TR/HKEX RMB	97.97	-0.12

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	66.99	-1.22	-1.79
Spot gold (NY/oz)	1299.43	-1.60	-0.12
Copper U.S. (front month/lb)	0.0306	0.0000	-0.25

S&P 500	Price	\$ Chng	% Chng
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GAINERS	Price	\$ Chng	% Chng
General Motors Co	42.70	4.87	12.87
Corning Inc	27.17	0.82	3.11
PVH Corp	160.00	4.50	2.89
TripAdvisor Inc	52.14	1.39	2.74

LOSERS	Price	\$ Chng	% Chng
Dollar Tree Inc	82.59	-13.76	-14.28
Dollar General Corp	87.47	-9.05	-9.38
Micron Technology Inc	57.59	-4.98	-7.96
Michael Kors Holdings Ltd	57.39	-3.02	-5.00

## Coming Up



REUTERS/MRick Wilking

The next snapshot of the U.S. jobs market is likely to show more hiring in May. The **unemployment rate** is expected to reach 3.9 percent, matching the near 18-year low hit in April. **Manufacturing payrolls** likely rose by 20,000 in May, compared to a slightly higher 24,000 figure in April. **Average earnings** are expected to have risen 0.2 percent on a monthly basis, and 2.7 percent annualized. Meanwhile, the Institute **for Supply Management** releases its manufacturing index for May which is likely to show a higher reading of 58.1 compared with a 57.3 reading in April. Separately, the Commerce Dept. will issue **construction spending** data for April which likely rose 0.8 percent compared with a 1.7 percent dip in March. Also, **total**

**vehicle sales** in May is expected to be 17.10 million units, down from 17.15 million units in April.

Apparel retailer **Abercrombie & Fitch Co** is scheduled to report first-quarter earnings, which is likely to be boosted again by its Hollister line of surfwear, while Wall Street will also be interested in the turnaround progress of its namesake brand.

Minneapolis Fed President **Neel Kashkari** is expected to participate in a panel discussion on "collaborative strategies to build tomorrow's workforce" in Minneapolis. Dallas Fed chief **Robert Kaplan** speaks at the 61st Annual Southwestern Graduate School of Banking Keynote Banquet.

### LIVECHAT-WEEKAHEAD

Reuters EMEA markets editor **Mike Dolan** discusses the upcoming week's main market inflection points. (0600 ET/1000 GMT) To join the Global Markets Forum, [click here](#)

## KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Non-farm payrolls for May	0830	188,000	164,000
Private payrolls for May	0830	183,000	168,000
Manufacturing payrolls for May	0830	20,000	24,000
Government payrolls for May	0830	--	-4,000
Unemployment rate for May	0830	3.9 pct	3.9 pct
Average earnings mm for May	0830	0.2 pct	0.1 pct
Average earnings yy for May	0830	2.7 pct	2.6 pct
Average workweek hours for May	0830	34.5 hrs	34.5 hrs
Labor force participation for May	0830	--	62.8 pct
U6 underemployment for May	0830	--	7.8 pct
Markit Manufacturing PMI Final for May	0945	--	56.6
Construction spending mm for Apr	1000	0.8 pct	-1.7 pct
ISM Manufacturing PMI for May	1000	58.4	57.3
ISM Manufacturing Prices Paid for May	1000	78.2	79.3
ISM Manufacturing Employment Index for May	1000	54.5	54.2
ISM Manufacturing New Orders Index for May	1000	--	61.2



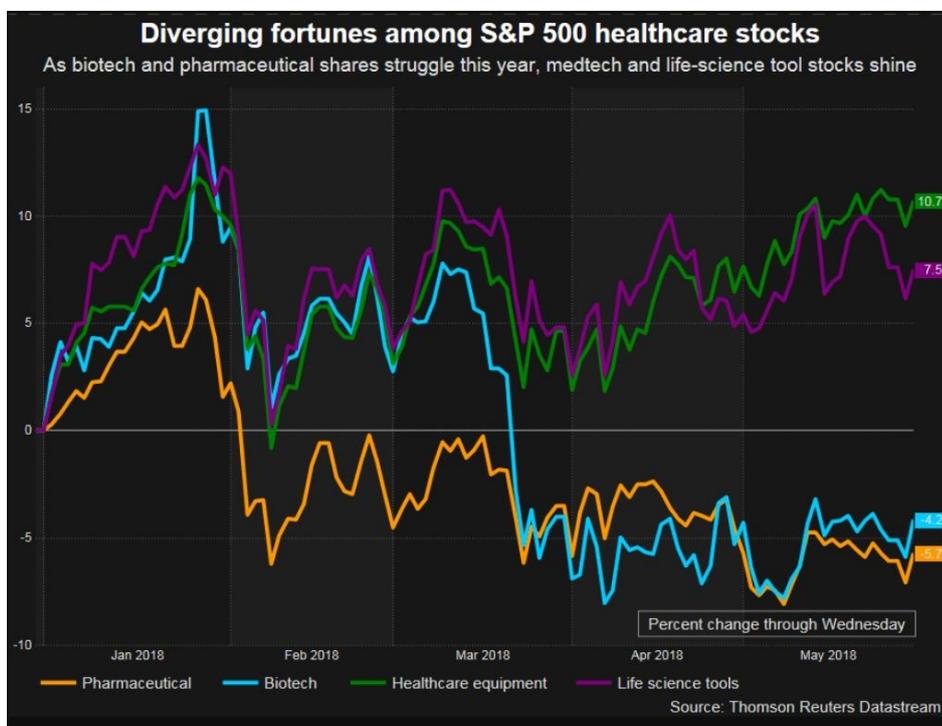
# Market Monitor

**Stocks** fell after the United States moved to impose tariffs on metal imports from Canada, Mexico and the European Union, prompting retaliatory measures from some of its trading partners. The **S&P**

**Composite 1500 Steel index** fell 0.11 percent. AK Steel was down 1.31 percent. "The market is worried about retaliation, they are looking for what would come from the EU side," said Zhiwei Ren, managing director and portfolio manager at Penn Mutual Asset Management in Horsham, Pennsylvania. "But this is another negotiation tactic on the U.S. side and they want to use tariffs as a bargaining tool for other negotiations." The **Dow Jones Industrial Average** was down 1.02 percent, at 24,416.33, the **S&P 500** was down 0.69 percent, at 2,705.32 and the **Nasdaq Composite** was down 0.27 percent, at 7,442.12.

**Treasury yields** on the long end of the curve fell after the United States slapped tariffs on steel and aluminum imports from the European Union, Canada and Mexico, rekindling fears of a trade war. Canadian Prime Minister Justin Trudeau said his government will announce retaliatory measures against U.S. tariffs. "This will keep a cap on yields in the Treasuries market and keep the curve flattener trade in vogue," said Sean Simko, head of global fixed income management at SEI in Oaks, Pennsylvania. "The news on trade war has been circulated for the last six months. We have positioned accordingly since the beginning of the year. We are looking as safe-haven assets as a back-up," Simko added. **Benchmark 10-year Treasury note** was down 3/32, to yield 2.85 percent. **U.S. 30-year bonds** were flat to yield 3.02 percent.

The **greenback** strengthened against the Canadian dollar and the Mexican peso following news the United States will impose tariffs on aluminum and steel imports from both neighboring countries, as well as from the European Union. The announcement ends months of uncertainty about potential exemptions and reignited



[Click on the chart for a full size image](#)

fears of a global trade war. "On balance adjusted trade measures are usually... negative for the USD because it is seen as lying on a continuum with a preference for a weaker currency," said Daniel Katzive, head of FX strategy North America at BNP Paribas in New York. The dollar shed 0.11 percent to 108.78 **yen**. The **dollar index** was down 0.16 percent at 94.0.

**U.S. oil** fell, despite a larger-than-expected decline in U.S. crude inventories, while global benchmark Brent was little changed, pushing the spread between the two to its widest in more than three years. U.S. crude stockpiles fell 3.6 million barrels last week, the Energy Information Administration said, exceeding expectations for a decline of 525,000 barrels. Gasoline and diesel stocks rose, but the crude drawdown was a salve for recent losses in U.S. futures. Brent crude losses were more limited, as the prospect that the Organization of the Petroleum Exporting Countries will bring its supply-cut deal to a close by the end of the year

has had a greater effect on the U.S. benchmark due to ongoing worries about U.S. infrastructure constraints. **Brent crude futures for August** was down 0.04 percent to \$77.69 a barrel, while **U.S. West Texas Intermediate July crude** fell 1.70 percent, lower at \$67.05 a barrel.

**Gold** prices were down even though the U.S. dollar rally lost steam, as safe haven bids for bullion declined after political tensions in Italy eased, which also lifted the euro. "The situation in Italy is fading. We're not seeing much of a safe haven bid for gold," said Chris Gaffney, president of world markets at EverBank. Italy's two anti-establishment parties renewed attempts to form a government and avoid snap elections that investors fear would serve as a quasi-referendum on Rome's membership of the euro zone. **Spot gold** was down 0.16 percent at \$1,299.01 ounce. **U.S. gold futures for June delivery** were down 0.21 percent, at \$1,303.80 per ounce.

# Top News

## U.S. hits allies with tariffs as trade war fears rise

The United States said it will impose tariffs on aluminum and steel imports from Canada, Mexico and the European Union, reigniting investor fears of a global trade war as Washington's allies took steps to retaliate against U.S. goods. The move, announced by U.S. Commerce Secretary Wilbur Ross in a telephone briefing on Thursday, angered top U.S. allies and suggested a hardening of the Trump administration's approach to trade negotiations. A 25 percent tariff on steel imports and 10 percent tariff on aluminum will be imposed on imports from the EU, Canada and Mexico starting at midnight, Ross told reporters. "We look forward to continued negotiations, both with Canada and Mexico on the one hand, and with the European Commission on the other hand, because there are other issues that we also need to get resolved," he said. U.S. President Donald Trump announced the tariffs in March as part of an effort to protect U.S. industry and workers from what he described as unfair international competition. Temporary exemptions were granted to a number of nations and permanent ones to several countries including Australia, Argentina and South Korea. The tariffs, which have prompted several challenges at the WTO, are aimed at allowing the U.S. steel and aluminum industries to increase their capacity utilization rates above 80 percent for the first time in years. They could also deal a heavy blow to non-U.S. producers.

## SoftBank joins GM in self-driving car push

SoftBank Group will invest \$2.25 billion in General Motors' autonomous vehicle unit Cruise, the companies said, a deal that validates the venerable Detroit automaker's leadership in self-driving cars and sent GM shares up more than 10 percent. The move by SoftBank's \$100-billion Vision Fund is one of the largest investments to date in self-driving technology by one of the highest-profile global technology investors. It gives GM

funds for wide-scale deployment of self-driving cars, which GM aims to roll out next year. The partnership values Cruise at \$11.5 billion, a triumph for GM, which was criticized for overpaying an estimated \$1 billion for the startup two years ago. The GM share jump on Thursday was the stock's largest one-day gain since the company re-listed after its 2009 bankruptcy. Self-driving cars are expected to revolutionize the way people use vehicles and fundamentally change the business model of building and selling them. GM and Alphabet's Waymo are often cited as the two top contenders. Alphabet, which plans to launch a robo taxi service later this year, underscored its own ambitions, announcing a deal to buy up to 62,000 minivans from Fiat Chrysler Automobiles for its self-driving fleet. Shares of GM rose 12.87 percent to \$42.70.

## Sears to close 72 more stores, sales fell

Sears Holdings, the one-time American retail giant, said it plans to shutter another 72 locations to stem losses in the face of deepening financial distress and reported a nearly 12 percent drop in quarterly comparable-store sales. The department store operator has been trying to transform its business as foot traffic at brick-and-mortar stores declines and online shopping gains popularity. Its chief executive, billionaire Eddie Lampert, has said the company should sell its well-

known appliance brand Kenmore, home improvement businesses and real estate, and that his hedge fund ESL Investments Inc would bid for them. Such a deal would infuse the debt-laden company, which also runs Kmart discount stores, with at least \$500 million cash, helping it remain in business. The net loss attributable to the company was \$424 million, or \$3.93 per share, in its fiscal first quarter, compared with a profit of \$245 million, or \$2.29 per share, a year earlier. The results from the year-ago quarter included a \$492 million benefit related to the sale of Craftsman. Revenue fell 31.2 percent to \$2.89 billion in the reported quarter, partly because of store closures. Sears shares were down 12.46 percent at \$2.81.

## Facebook says all directors elected, shareholder proposals rejected

All eight of Facebook's director nominees were elected at its annual meeting and all six shareholder proposals urging reforms, including to its voting structure and content oversight, were rejected, company executives said. They did not immediately give vote tallies at the annual meeting in Menlo Park, California, which was webcast. That left unclear to what extent outside investors cast ballots in favor of the company and Chief Executive Mark Zuckerberg, who with other insiders controls about 60 percent of votes at the world's largest social media network.



A man walks in front of a Sears store in Mississauga, Ontario, Canada, October 6, 2017. REUTERS/Mark Blinch

Facebook has been under scrutiny from regulators and shareholders about its internal controls and oversight after it failed to protect the data of some 87 million users that was shared with now-defunct political data firm Cambridge Analytica. Zuckerberg at the meeting outlined changes it plans in response such as verifying the identity of advertising and increasing security spending.

**Dollar Tree, Dollar General same-store sales disappoint**

Two of America's biggest dollar store chains missed Wall Street estimates for same-store sales as higher household income encouraged customers to shop more at big box retailers and an unusually cold spring weather crimped demand for seasonal products. Tax refunds, a booming stock market and one-time bonuses have put more money into wallets this year, spurring customers to move to big box chains that offer more choices and have slashed prices, said Neil Saunders, managing director of consultancy GlobalData Retail. This hit same-store sales at the 8,000 odd Family Dollar stores, which fell 1.1 percent, compared with analysts' expectation of a 1.45 percent rise. Dollar Tree and Dollar General also posted earnings per share for the first quarter that missed estimates, hurt in part by higher freight costs. Dollar Tree cut its annual profit forecast to between \$4.80 and \$5.10 per share, while Dollar General expects earnings of \$5.95-\$6.15 per share. Analysts on average had expected full-year earnings of \$5.66 and \$6.08 for Dollar Tree and Dollar General, respectively. Excluding items, Dollar General earned \$1.36 per share, falling short of analysts' expectation of \$1.40. Dollar Tree earned \$1.19 per share, missing the estimate of \$1.23.

**Goldman Sachs vice president charged with insider trading**

Federal prosecutors charged a vice president at Goldman Sachs Group with making more than \$130,000 through illegal trades using inside information about companies advised by the investment bank. Prosecutors said Woojae Jung, a 37-year old South Korean citizen, used confidential information about

upcoming transactions he learned through his work for the bank, to trade in companies such as W.R. Grace & Co and Foresight Energy LP, according to a criminal complaint filed in Manhattan federal court. Goldman Sachs could not immediately be reached for comment. A lawyer for Jung could not immediately be identified. Prosecutors said Jung engaged in those trades through a brokerage account in the name of a friend living in South Korea.

**U.S. agency backs halting tighter fuel economy standards after 2020**

Automakers would no longer have to boost fuel economy for their U.S. fleets after 2020, and California would not be able to set stricter standards than the federal government under a proposal submitted to the White House by the Transportation Department, two sources said. Sources confirmed details of a document that was posted on a government website confirming that the department submitted the proposal to the Office of Management and Budget for review. Sources briefed on the matter said the proposal could be unveiled as early as next week. The sources said the proposed rule, to be made available for public comment, will include a series of alternatives but the preferred alternative will be to freeze requirements at 2020 levels through 2026.

**Apple cuts smartphone power chip orders from Dialog Semiconductor**

Dialog Semiconductor said Apple now planned to source the main power management chips (PMICs) for one of its three new iPhone models from two suppliers instead of just from the German chipmaker. That means that Apple will order 30 percent fewer of the chips from Dialog this year than it had initially expected, Dialog said in a statement. Dialog's stock has lost more than half of its value over the past year on investor concerns that Apple is working on its own battery-saving chips for iPhones.

**Trump to Disney CEO after 'Roseanne' scrapped: Where is my apology?**

U.S. President Donald Trump sought an apology from an executive behind ABC's cancellation of the sitcom "Roseanne" over

a racist tweet by its star, citing critical coverage in the network's news reporting on him. Trump, who often complains about critical media coverage, did not mention the tweet by Roseanne Barr on Tuesday that compared black Obama administration adviser Valerie Jarrett to an ape. The posting led ABC, which is owned by Walt Disney, to cancel its hit revival of her show. Jarrett said Disney Chief Executive Bob Iger called her before ABC announced the show's cancellation. Trump on Wednesday night tweeted that Iger never apologized to him for "the HORRIBLE statements made and said about me on ABC." He targeted the executive again on Twitter: "Iger, where is my call of apology? You and ABC have offended millions of people, and they demand a response. How is Brian Ross doing? He tanked the market with an ABC lie, yet no apology. Double Standard!"



**American Eagle sales beat estimates, lingerie line 'on fire'**

American Eagle Outfitters reported record-high first-quarter comparable sales, helped again by strong demand for its Aerie line of lingerie. The Pittsburgh-based company's comparable sales rose 9 percent in the quarter ended May 5, beating analysts' average estimate of a 5.8 percent increase. The company forecast earnings per share of 27 to 29 cents for the second quarter, higher than analyst estimates of 25 cents. American Eagle's Aerie brand of lingerie has become extremely popular in recent years, especially with young adults, and has been successful in taking market share from L Brands' Victoria's Secret. Net income rose to \$39.9 million, or 22 cents per share, in the quarter, from \$25.2 million, or 14 cents per share, a year earlier. Net revenue rose 8 percent to \$823 million.



*U.S. Secretary of State Mike Pompeo speaks during a news conference following a meeting with North Korea's envoy Kim Yong Chol in New York, U.S., May 31, 2018. REUTERS/Brendan McDermid*

## Insight and Analysis

### **COLUMN-Why U.S. retirees are waiting longer to claim Social Security**

Fewer Americans are asking Social Security to "show me the money" as soon as possible. The share of workers claiming Social Security retirement benefits at the earliest possible date has plunged in recent years. That probably reflects growing public awareness of the higher annual benefits available through delayed claiming. But it may also be driven by the dramatic shift by employers away from traditional pension retirement coverage, and toward 401(k) savings plans. Retiring workers can claim Social Security anytime from age 62 to 70.

### **Rising oil prices bring hope to gloomy Canada sector**

Years of low oil prices and high costs spurred a stampede by multinational majors out of Canada's oil sands last year, leaving the remaining crude producers struggling to weather painful drops in profit. Environmentalists derided the "tar sands" as too dirty for investment, and analysts said the region's high production costs made little sense in a world of \$50-a-barrel oil. But this month, global benchmark prices rebounded to \$80 per barrel, cheering oil executives in the Canadian energy capital of Calgary, Alberta, who are shifting from survival mode to cautious expansion to capitalize on healthier cash flow expected this year.

### **FOCUS-L3's growth strategy guided by credit rating risk**

For L3 Technologies, it's not a case of if but when the maker of everything from airport scanners to night vision equipment for the military will get bigger through acquisitions. The path that recently minted Chairman and CEO Chris Kubasik takes to deliver that growth to investors, however, is the big question. Bankers and industry executives are watching closely to see if L3 risks its investment grade credit rating with a major deal that could dwarf its acquisitions in the past. Kubasik, who took the helm at the sensor and communications company in January was named chairman earlier this month, is not shy about being on the prowl.

# CANADA

## Market Monitor

**Canada's main stock index** was little changed on Thursday after news of U.S. tariffs on aluminum and steel imports from Canada, Mexico and the European Union.

The **Toronto Stock Exchange's S&P/TSX composite index** was up 0.08 percent, at 16,061.50.

The **U.S. dollar** rose 0.72 percent against the **Canadian dollar** to C\$1.2966.

TSE's S&P/TSX composite	Price	\$ chng	% chng
<b>GAINERS</b>			
Canada Goose Holdings Inc	54.68	3.41	6.65
BRP Inc	60.40	3.33	5.83
<b>LOSERS</b>			
Sierra Wireless Inc	21.31	-1.55	-6.78
Superior Plus Corp	12.37	-0.80	-6.07

## COMING UP

Markit's seasonally adjusted **manufacturing PMI** data for May is expected on Canada's economic calendar. April's reading came in at 55.5.

**G7 finance ministers** and **central bank governors** are scheduled to meet on the theme of "Investing in growth that works for everyone" in Whistler, British Columbia, Canada. The Minister of International Development and La Francophonie **Marie-Claude Bibeau**, and Minister of Finance **Bill Morneau**, along with Governor of the Bank of Canada Stephen Poloz are expected to co-host the meeting.

## Top News

### Canada economic growth cools in Q1 on slower exports, housing

Canada's economy grew at its slowest pace in nearly two years in the first quarter amid cooler exports and a weaker housing sector, though growth was still seen as strong enough for the central bank to raise interest rates again before long. Gross domestic product grew at an annualized rate of 1.3 percent in the first three months of 2018, Statistics Canada said, short of expectations for 1.8 percent and slower than the fourth-quarter's unrevised 1.7 percent. Still, the first quarter matched the Bank of Canada's forecast, which economists said could keep the central bank on track to raise interest rates again in July. Economic growth of 0.3 percent in March also suggested there was momentum heading into the second quarter.

### Luxury retailer Canada Goose to open stores in Beijing, Hong Kong

Canada Goose Holdings will open its first stores in Beijing and Hong Kong, reaching directly to customers who have been buying its luxury coats online and at department stores. The company will partner with ImagineX Group, the Hong Kong-based retail and brand management company, to run the stores, which are



expected to open this fall, it said in a statement. It will also partner with Alibaba Group Holding's giant online marketplace Tmall to expand its e-commerce operations, following a pilot project it started early this year, and establish a regional head office in Shanghai, it said. Apparel companies H&M, Inditex's Zara and Gap are already on Tmall. Canada Goose has been moving to boost margins by expanding its direct-to-consumer business, manufacturing more of its coats itself and launching new product lines including knitwear.

### Canada's Superior Plus to buy NGL Energy's retail propane unit

Superior Plus said it would buy NGL Energy Partners' retail propane unit for \$900 million in cash to boost its presence in the United States. NGL Propane sells

propane and distillates to over 316,000 residential, commercial and industrial customers in the U.S. Northeast, Southeast and Upper Midwest under regional brands, including Osterman Propane, Downeast Energy and Eastern Propane. Superior said the deal would help save about \$20 million to \$25 million within the first two years of its closure, which is expected in the third quarter, and immediately add to its adjusted cash flow.

### Malaysia's Petronas buys 25 percent stake in LNG Canada project

Malaysia's state-owned oil and gas company Petroliaam Nasional said it is buying a 25 percent stake in a Canadian liquefied natural gas export project, nearly a year after cancelling its own planned terminal. The company, known as Petronas, scrapped plans to build a \$36 billion LNG export terminal in British Columbia last year over concerns of a glut in the market that led to depressed fuel prices. But surprisingly strong demand from China, South Korea and India has erased those concerns, and market sentiment has recovered.

# WEALTH NEWS

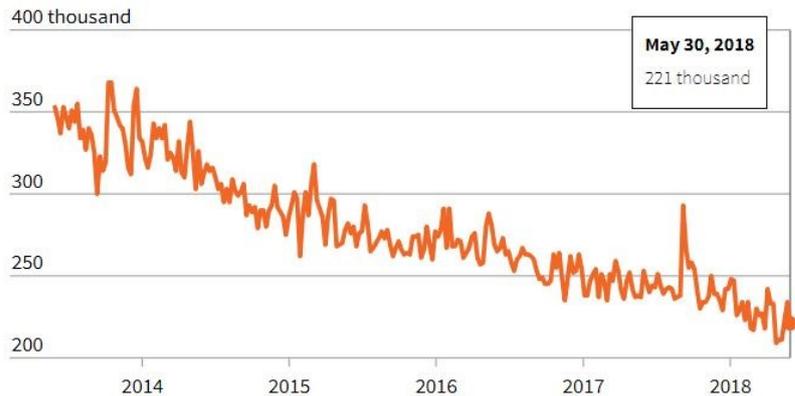
## LABOR MARKET TIGHTENING

### U.S. consumer spending accelerates; job market strengthening

U.S. consumer spending posted its biggest gain in five months in April, a further sign that economic growth was regaining momentum early in the second quarter, while inflation continued to rise steadily. Consumer spending jumped 0.6 percent last month, the Commerce Department said. That was the largest rise since November and followed a 0.5 percent increase in March. Meanwhile, in a separate report, the Labor Department said initial claims for state unemployment benefits dropped 13,000 to a seasonally adjusted 221,000 for the week ended May 26. Economists polled by Reuters had forecast claims falling to 228,000 in the latest week. The labor market is viewed as being close to or at full employment. The jobless rate is near a 17-1/2-year low of 3.9 percent, within striking distance of the Fed's forecast of 3.8 percent by the end of this year.

## Weekly U.S. jobless claims

### INITIAL CLAIMS



Source: Thomson Reuters Datastream

By Jiachuan Wu and Stephen Culp | REUTERS GRAPHICS

*Click on the chart for an interactive graphic*

## POLL

### Wall Street set to resume gains, rise 6 percent from here

Expectations for solid economic and earnings growth will help U.S. stocks find slightly firmer footing in the second half of the year, according to a Reuters poll of strategists who expect the market to gain about 6 percent between now and year-end.

## U.S. BUYOUT LEVERAGE

### Leverage nears pre-crisis heights as regulators soften their stance

Leverage levels for buyouts are close to pre-credit crisis levels as banks are more willing to underwrite highly leveraged deals following the Office of the Comptroller of the Currency's softened stance towards lending risk.

## DEUTSCHE BANK ASSESMENT

### Deutsche Bank's U.S. ops deemed "troubled" by Fed a year ago - WSJ

The United States Federal Reserve last year designated Deutsche Bank AG's U.S. operations to be in "troubled condition", The Wall Street Journal reported, citing people familiar with the matter.

## U.S. BIOFUEL WAIVERS

### U.S. EPA grants refiners biofuel credits to remedy Obama-era waiver denials

The U.S. Environmental Protection Agency has awarded tens of millions of dollars worth of biofuel blending credits for this year to refiners HollyFrontier and Sinclair Oil after they argued the agency had wrongly denied them waivers from the country's biofuels law as far back as 2014, according to two sources and public filings.

## STUDY SUCCESS LIFTS SHARES

### Madrigal Pharma more than doubles after liver drug study success

Madrigal Pharmaceuticals's shares more than doubled after mid-stage trial data showed its lead drug reduced liver fat in patients with fatty liver disease, placing it ahead of larger rivals to tap into a potential market worth \$30 billion.

## COMMODITY PRICES TO LIFT TSX

### Canada's TSX to get late-cycle boost, grind out record high

Canada's main stock index will notch a record high by year-end as higher commodity prices and rising interest rates boost cyclical stocks, a Reuters poll found, offsetting investor worries about domestic economic imbalances.



## KEY RESULTS

No major companies are scheduled to report results



Paul Hamrick concentrates as he spells a word during the Scripps National Spelling Bee at National Harbor in Oxon Hill, Maryland, U.S., May 31, 2018. REUTERS/Aaron P. Bernstein

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