TOP NEWS

• U.S. braces for record surge in jobless claims amid coronavirus fallout
  The number of Americans filing claims for unemployment benefits likely raced to as high as a record 4 million last week as strict measures to contain the coronavirus pandemic ground the country to a sudden halt, unleashing a wave of layoffs.

• After Senate vote, massive U.S. coronavirus bill moves to the House
  The U.S. Senate's unanimous passage of a $2 trillion coronavirus relief bill sent the unprecedented economic legislation to the House of Representatives, whose Democratic leaders hope to pass it on Friday.

• U.S. Senate offers $58 billion aid to airlines as they struggle to stay airborne
  The U.S. Senate offered struggling airlines unprecedented aid worth $58 billion that will helping cover their staff wages, as carriers around the world seek state support and turn passenger planes into cargo liners in their desperate bid for revenues.

• Capital One got CFTC waiver after oil price plunge increased swap exposure - sources
  U.S. lender Capital One Financial got a waiver from the Commodity Futures Trading Commission (CFTC) after plunging oil prices increased the bank's derivatives exposure above a key regulatory threshold, according to two sources with knowledge of the matter.

• U.S. corporate crisis bailouts may prove bonanza for insider trading, new study warns
  White-collar crime prosecutors and defense attorneys are likely to be busy following a massive economic stimulus package from the U.S. Congress aimed at mitigating the fallout from the coronavirus, according to a new academic study of insider trading.

BEFORE THE BELL

Wall Street futures slipped as investors braced for what is expected to be one of the worst U.S. jobless claims reports in history, underlining the economic damage from the coronavirus pandemic. European shares fell on fears of a global recession and Japan’s Nikkei tumbled as a rise in domestic coronavirus cases stoked worries of tougher restrictions. The dollar fell against the Japanese yen and euro, while spot gold was little changed. Oil prices were in the red over demand worries. The final reading of U.S. fourth-quarter GDP and advance goods trade balance numbers for February are also due on the economic schedule.

STOCKS TO WATCH

Results

• Micron Technology Inc (MU). The chipmaker forecast current-quarter revenue above analysts' estimates on Wednesday and said the shift to work-from-home globally due to the coronavirus outbreak is fueling demand for notebooks and data center services. Notebooks that support work-from-home and virtual learning are increasingly in demand, Chief Executive Officer Sanjay Mehrotra said on a post-earnings call with analysts. The Idaho-based company forecast third-quarter revenue in the range of $4.6 billion to $5.2 billion, the midpoint of which was above analysts' estimates of $4.87 billion.

• Partner Communications Company Ltd (PTNR). The Israeli mobile phone operator reported a 63% drop in fourth quarter profit and warned of a negative impact ahead due to the coronavirus outbreak. Partner said it earned 7 million shekels in the quarter, down from 19 million a year earlier. Revenue was up 2% to 834 million shekels. "Regarding the coronavirus crisis, from the beginning of March 2020 the crisis began to have a harmful effect on our business, revenues and results from operations," said CFO Tamir Amar.

In Other News

• AG Mortgage Investment Trust Inc. (MITT) & Royal Bank of Canada (RY). An AG Mortgage Investment Trust unit on Wednesday sought to prevent Royal Bank of Canada (RBC) from auctioning off nearly $11 million of its commercial mortgage-backed securities the lender is a counterparty to, according to a court filing. RBC issued margin calls to AG on Monday. AG said in the filing. Such an auction would "likely precipitate a chain reaction of other banks being pressured to foreclose on other (mortgage real estate investment trusts’) pledged securities, all at prices informed by the fire sale that Defendants seek to hold," AG said in the filing.

• Amazon.com Inc (AMZN). The company said on Wednesday it temporarily would not require sellers in its marketplace to repay loans it had made to them, as merchants confront the prospect of declining sales during the coronavirus pandemic. The world's largest online retailer notified sellers that its program known as Amazon Lending would pause repayments beginning Thursday until April 30. Interest would not accrue during that period, it said. The program has offered sums between $1,000 and $750,000 to merchants looking for capital to acquire inventory, expand their product lines and advertise on Amazon.

• AMC Entertainment Holdings Inc (AMC). The theater operator has placed its chief executive and all of its corporate employees on furlough to preserve cash during the coronavirus outbreak, a company spokesman said on Wednesday. "This leaves AMC with no preserve, and substantial fixed costs that continue," AMC spokesman Ryan Noonan said. The step was "absolutely necessary to preserve cash and to ensure that AMC can reopen our doors once this health crisis has dissipated," Noonan said.

• Capital One Financial Corp (COF). The U.S. lender got a waiver from the Commodity Futures Trading Commission (CFTC) after plunging oil prices increased the bank's derivatives exposure above a key regulatory threshold, according to two sources with knowledge of the matter. On Friday, the CFTC said it would temporarily exempt a U.S. bank from a requirement to register as a "Major Swap Participant" even though its growing energy swaps exposure would technically require it to do so by the end of the next
quarter. Capital One’s waiver lasts until Sept. 30, but if energy prices remain low or the bank’s exposure remains above the threshold, it will register as a swap participant or make business adjustments, the CFTC said on Friday.

• Eni SpA (E). The Italian energy group will cut its capital spending by a quarter this year, and more next, as it moves to mitigate the impact from falling commodity prices because of the coronavirus emergency. In a statement on Wednesday, the state-controlled energy major said it would cut its planned capex by about 2 billion euros this year and by around 2.5 billion to 3.0 billion euros in 2021. “We are taking these actions in order to defend our robust balance sheet and the dividend while maintaining the highest standards of safety at work,” Chief Executive Claudio Descalzi said.

• Group 1 Automotive Inc (GPI). The Auto dealership said on Wednesday its overall U.S. vehicle sales in March were down 50% to 70% from normal levels and that its chief executive officer would take a 50% pay cut, as the coronavirus outbreak rolls the auto industry. The company said it would furlough 2,800 employees, or about 90% of its workforce, in the UK and 3,000 employees in the United States due to the massive decrease in business activities.

• McDonald’s Corp (MCD). The company said on Wednesday it would temporarily remove some items from its U.S. menu as it focuses on simplifying operations in the face of the fast-spreading coronavirus outbreak. “To simplify operations in our kitchens and for our crew ... we are working with our franchisees and local restaurants to focus on serving our most popular choices and will begin temporarily removing some items from the menu over the next few weeks,” said Bill Garrett, senior vice president of operations for McDonald’s USA in a statement to Reuters.

• Morgan Stanley (MS). The company said in a recorded message on Wednesday that its online trading platform and website tools for wealth management clients were down. The shutdown, which was reported earlier by CNBC, was a technical issue and not related to a high volume of customer activity or the fact that many of the bank’s employees are currently working from home due to the coronavirus pandemic, according to a source familiar with the matter.

• Rio Tinto PLC (RIO). The company said it had found several cases where Australia’s biggest mining industry body advocated for thermal coal in contravention of 2015 Paris climate goals, as it released a review of its membership in industry groups. Rio Tinto laid out its expectations for the industry associations that it funds last April to ensure that their policy on climate change and energy advocacy was consistent with the miner’s own, as well as the Paris Agreement which aims to limit global warming to "well below" 2 degrees Celsius.

• Tesla Inc (TSLA). The company will reopen its New York factory "as soon as humanly possible" to manufacture ventilators for coronavirus patients, Chief Executive Officer Elon Musk said on Twitter on Wednesday. Governments across the globe have appealed to automakers and aerospace companies to help procure or make ventilators and other medical equipment. Tesla had bought hospital ventilators in China and shipped them to the United States, Musk had said on Tuesday.

ANALYSIS
Coronavirus-stricken U.S. companies pop poison pills
More U.S. companies are rushing to adopt so-called poison pills, dusting off a nearly 40-year-old takeover defense tool to ward off hostile bidders and activist shareholders eager to exploit the coronavirus-induced market sell-off.

ANALYSTS’ RECOMMENDATION
• 3M Co (MMM). Jefferies cuts target price to $145 from $159, saying demand headwinds in auto-related products, oral care and electronics will offset strong demand in respiratory, personal safety, and consumer cleaning products.

• Huntsman Corp (HUN). RBC cuts target price to $16 from $24, saying the company’s now-greater exposure to autos, appliances, and other discretionary items could see weaker demand as uncertainty increases.

• Perrigo Company Plc (PRGO). Jefferies cuts target price to $51 from $55, citing countrywide quarantines in many EU countries and the company’s management noting dampened consumption from the hygiene and healthy lifestyle segments.

ECONOMIC EVENTS (All timings in U.S. Eastern Time)
0830 GDP final for Q4: Expected 2.1%; Prior 2.1%
0830 GDP sales final for Q4: Prior 3.1%
0830 GDP consumer spending final for Q4: Prior 1.7%
0830 GDP deflator final for Q4: Expected 1.3%; Prior 1.3%
0830 Core PCE prices final for Q4: Expected 1.2%; Prior 1.2%
0830 PCE prices final for Q: Prior 1.3%
0830 Advance goods trade balance for Feb: Prior -$65.9 bln
0830 Wholesale inventories advance for Feb: Prior -0.4%
0830 Retail inventories ex-auto advance for Feb: Prior 0.3%
0830 Initial jobless claims: Expected 1,000,000; Prior 281,000
0830 Jobless claims 4-week average: Prior 232,250
0830 Continued jobless claims: Prior 1.701 mln
1100 KC Fed Manufacturing for Mar: Prior 8
1100 KC Fed Composite index for Mar: Prior 5

COMPANIES REPORTING RESULTS
No major S&P 500 companies are scheduled to report.

CORPORATE EVENTS (All timings in U.S. Eastern Time)
0800 New Frontier Health Corp (NFH). Q4 earnings conference call
1030 Worthington Industries Inc (WOR). Q3 earnings conference call
1030 HB Fuller Co (FUL). Q1 earnings conference call
1100 FactSet Research Systems Inc (FDS). Q2 earnings conference call
1630 IGM Biosciences Inc (IGMS). Q4 earnings conference call
1700 KB Home (KBH). Q1 earnings conference call
1700 Science Applications International Corp (SAIC). Q4 earnings conference call
1700 Progress Software Corp (PRGS). Q1 earnings conference call

EXDIVIDENDS
Agree Realty Corp (ADC). Amount $0.58
Covanta Holding Corp (CVA). Amount $0.25
CyrusOne Inc (CONE). Amount $0.50
Danaher Corp (DHR). Amount $0.18
Dentsply Sirona Inc (XRAY). Amount $0.10
Equity LifeStyle Properties Inc (ELS). Amount $0.34
First Midwest Bancorp Inc (FMBI). Amount $0.14
Flowserve Corp (FLS). Amount $0.20
ICF International Inc (ICFI). Amount $0.14
ProAssurance Corp (PRA). Amount $0.31
Ralph Lauren Corp (RL). Amount $0.68
Regal Beloit Corp (RBC). Amount $0.30
TerraForm Power Inc (TERP). Amount $0.20
Terreno Realty Corp (TRNO). Amount $0.27
Valmont Industries Inc (VMI). Amount $0.45
World Fuel Services Corp (INT). Amount $0.10
Zimmer Biomet Holdings Inc (ZBH). Amount $0.24

(All analysts’ estimates are according to I/B/E/S Refinitiv data)
The Santa Monica pier and beaches on the Pacific Ocean are empty after California issued a stay-at-home order due to coronavirus disease (COVID-19) in Santa Monica, California, March 25. REUTERS/Lucy Nicholson