TOP NEWS

- **Coronavirus hits politicians, sports and showbiz stars as it spreads across globe**
  Canadian Prime Minister Justin Trudeau's wife, Australia's minister for home affairs and a Chelsea soccer player are among new cases of the coronavirus that has infected almost 135,000 people and killed more than 4,900 worldwide.

- **Travel industry under siege as coronavirus contagion grows**
  The fallout from the coronavirus spread across the Pacific, with Australian travel firms issuing profit warnings and Japanese carriers cutting capacity, while U.S. airlines rushed to cut flights to Europe in the wake of new travel restrictions.

- **Outspoken Tesla chief Elon Musk faces $1 billion trial, test of temperament**
  Elon Musk is expected to defend a $2.2 billion deal in court next week criticized by shareholders as benefiting Musk at the expense of Tesla, and the outcome may depend as much on the chief executive's temperament as on the facts of the case.

- **Fed's economic forecasts to give window into extent of coronavirus fears**
  U.S. Federal Reserve policymakers have already begun responding to the coronavirus with an emergency interest rate cut and a reopening of their crisis tool kit, all without a clear idea of what damage is being done outside of plummeting financial markets.

- **Pentagon seeks to reconsider parts of $10 billion cloud contract awarded to Microsoft**
  The U.S. Department of Defense is seeking court permission to reconsider certain aspects of its decision to award a $10 billion cloud computing contract to Microsoft, court filings showed on Thursday.

BEFORE THE BELL

Wall Street futures were trading in the green, after major U.S. stock indexes tanked in the previous session as new travel restrictions to curb the coronavirus spread sparked investors. European stock markets were higher on hopes that governments will step up spending. In Asia, Japan's Nikkei tumbled as investors opted out of stocks and real estate funds on fears the pandemic will bring a global recession and cancel the Tokyo Olympics. The dollar rose as investors rushed to buy the currency. Oil prices were up, and spot gold edged higher. U.S. import and export prices numbers are expected later in the day.

STOCKS TO WATCH

**Results**

- **Broadcom Inc (AVGO).** The company withdrew its revenue forecast for 2020 on Thursday, joining a host of chipmakers that have either cut or pulled their sales outlook due to demand and supply disruptions caused by the coronavirus outbreak. The chipmaker said it expects second-quarter revenue of $5.7 billion, plus or minus $150 million, below analysts' average estimate of $5.94 billion. Chief Executive Officer Hock Tan downplayed reports about one of its wireless chip units coming up for sale. "We have come to the conclusion that continuing to invest in and operate our wireless assets will create the most value for our business and for our shareholders," Tan said on a conference call with analysts.

- **Gap Inc (GPS).** The company leaned on its turnaround plan to forecast 2020 profit above market expectations on Thursday, but flagged a $100 million sales hit in Asia and Europe from the coronavirus, which has also started impacting its home market. Excluding the hit from the outbreak, Gap forecast earnings of between $1.80 per share and $1.92 per share for fiscal 2020.

- **Oracle Corp (ORCL).** Growth in cloud business helped the company top quarterly profit and revenue on Thursday and it said the coronavirus will have "minimal impact" on the fourth-quarter revenue, which is usually skewed toward software licenses rather than hardware. Total revenue rose nearly 2% to $9.8 billion, beating analysts' average estimate of $9.75 billion. On an adjusted basis, the Redwood, California-based company earned 97 cents per share, a cent above expectations.

- **Slack Technologies Inc (WORK).** The workplace communication platform forecast a soft revenue outlook for the first quarter on Thursday, on a day major U.S. stock indexes went into a tailspin amid coronavirus fears. For the first quarter, Slack expects revenue of $185 million to $188 million, lower than analysts' average estimate of $188.4 million. The company said it expects billings of $970 million to $1 billion for fiscal 2021, lower than analysts' average estimate of $1.02 billion.

- **Ulta Beauty Inc (ULTA).** The cosmetics retailer beat market estimates for quarterly comparable sales on Thursday, as shoppers spent more at its stores during the holiday season. Ulta Beauty forecasts fiscal 2020 profit per share between $12.55 and $12.75, well below Wall Street expectations of $13.06 per share, while comparable sales outlook fell largely below estimates. Net income rose to $222.7 million, or $3.89 per share, for the fourth quarter ended Feb. 1, from $214.7 million, or $3.61 per share, a year earlier.

In Other News

- **Amazon.com Inc (AMZN).** The company on Thursday said it was recommending that employees globally work from home this month if they are able to do so, while warehouses and other facilities stayed operational so packages could keep shipping to customers. The policy, an update to an earlier advisory that employees in just a handful of regions work remotely, reflects urgency at the world's largest online retailer to curb the spread of the coronavirus among staff and the public. At the same time, it underscores ongoing risk to warehouse and delivery staff whose physical presence is necessary for Amazon's e-commerce business to function.

- **Apple Inc (AAPL).** Apple is reopening all 42 of its branded stores in China, a company spokesman said, more than a month after...
they were shut in the wake of the coronavirus outbreak. The iPhone maker's Chinese website listed the opening time for all stores, which varies from 10:00 am to 11:00 am local time. The website had previously carried an advisory saying not all stores were open.

• AT&T Inc (T) & Comcast Holdings Corp (CCZ). AT&T said on Thursday it is waiving data overage fees for all home internet users who are not currently on unlimited data plans, citing the coronavirus outbreak, while Comcast said it was raising data speeds on the internet service it offers low-income people. Millions more Americans are expected to work from home as employers ask people who can telecommute to skip going to the office. Federal Communications Commission Chairman Ajit Pai was holding calls with industry leaders and groups on Thursday about the impact of coronavirus on networks and consumers, people briefed on the matter said.

• Capital One Financial Corp (COF), JPMorgan Chase & Co (JPM) & Citigroup Inc (C). Banks are talking up their online and mobile banking capabilities to customers as more Americans look to avoid public places amid the coronavirus outbreak. "We strongly encourage you to use Capital One’s digital tools and other resources for self-service banking and 24/7 account access," Capital One Financial wrote to customers in an email adding that representatives were always available. Other large U.S. retail banks like JPMorgan and Citigroup have sent similar reminders to customers about their digital banking capabilities this month.

• Eli Lilly and Co (LLY). The drug manufacturing company and privately-held AbCellera Biologics on Thursday announced they would co-develop antibody products for the treatment and prevention of COVID-19, a flu-like disease caused by the fast-spreading coronavirus. "Our goal with AbCellera is to be testing potential new therapies in patients within the next four months," Lilly's Chief Scientific Officer Daniel Skovronsky said. AbCellera and Lilly will equally share initial development costs towards a product, the companies said.

• Facebook Inc (FB) & Twitter Inc (TWTR). The social media companies said on Thursday they had taken down a network of Russian-linked fake accounts operated out of Ghana and Nigeria which targeted the United States. Facebook told reporters that the network, which it removed from Facebook and Instagram for engaging in foreign interference, was in the early stages of building audiences and was operated by local nationals, some willingly and some unwillingly, on behalf of individuals in Russia. Twitter characterized the accounts, many of which were created in July 2019, as "attempting to sow discord by engaging in conversations about social issues, like race and civil rights."

• Fiat Chrysler Automobiles NV (FCAU). Nearly 55 years after the debut of the original Ford Bronco — and 24 years after the demise of the last one — Ford is dusting off one of its treasured nameplates this spring in hopes of reviving a decades-old rivalry with Fiat Chrysler Automobile's popular Jeep brand. Leading the charge is a trim new mid-size Bronco sport utility vehicle, based on the Ranger pickup. Ford insiders have hinted there are more Bronco models to follow, including a smaller, car-based Bronco Sport later this year, with rumors of a Bronco pickup and a high-performance Bronco Raptor said to be under consideration.

• HSBC Holdings PLC (HSBC). The company told all staff in Britain to avoid travelling between its offices, practice social distancing measures and work from home where possible as it tries to battle the spread of coronavirus. External clients should not be invited into HSBC offices, Emma Bunnell, chair of the bank's UK major incident group, told staff in an internal message seen by Reuters. The bank said the measures, which do not apply to staff in its branch network, also include split-site plans which means sending staff to back-up offices.

• Microsoft Corp (MSFT). The U.S. Department of Defense (DoD) is seeking court permission to reconsider certain aspects of its decision to award a $10 billion cloud computing contract to Microsoft, court filings showed on Thursday. Lawyers for the U.S. government have asked a federal judge to grant the Pentagon "120 days to reconsider certain aspects of the challenged agency decision," the DoD said in a filing to the U.S. Court of Federal Claims late on Thursday. "DoD does not intend to conduct discussions with offerors or to accept proposal revisions with respect to any aspect of the solicitation other than price scenario," according to the filing.

• Novartis AG (NVS). The Swiss drugmaker has found alternate transport options for its cell therapy Kymriah to address potential disruptions from European travel restrictions ordered by U.S. President Donald Trump this week in response to the coronavirus epidemic. "While we have used passenger aircraft to transport our CAR-T therapies, we have secured alternate options to mitigate potential interruption of supply at this time," Novartis said in a statement. "We are confident that our existing manufacturing supply chain is sufficient to cover our production and distribution needs. We continue to watch the situation closely."

• Tesla Inc (TSLA). Elon Musk is expected to defend a $2.2 billion deal in court next week criticized by shareholders as benefiting Musk at the expense of Tesla, and the chief executive's temperament as on the facts of the case. It remains to be seen which Musk will show up on Monday at a Delaware court, the nation's leader on corporate issues, when he squares off against union pension funds and asset managers who claim they were misled about the benefits of Tesla buying SolarCity in 2016 for $2.2 billion. Getting it wrong could cost Musk more than $1 billion.

• Toyota Motor Corp (TM). The Japanese automaker said that production at its vehicle plant in Guangzhou, China, would return to normal on Monday, after a month-long output suspension due to the coronavirus outbreak. The company's plant in southeast China will resume its second shift, returning to production levels from before the outbreak accelerated last month. The plant, which produces the Camry sedan and the Yaris compact hatchback models, resumed its first shift earlier this month.

• Walgreens Boots Alliance Inc (WBA) & Kroger Co (KR). Walgreens Boots Alliance and Kroger on Thursday placed purchase limits on certain products to stabilize inventory, as customers stock up on essentials amid a global coronavirus outbreak. While Kroger placed a limit on the number of cold, flu and sanitary products per order, a spokeswoman for Walgreens said it was limiting disinfectant wipes and cleaners, face masks, hand sanitizers, thermometers and gloves to four each per customer. Deerfield, Illinois-based Walgreens also said it is waiving delivery fees for all eligible prescription drugs during the outbreak and would offer free delivery on any purchase on Walgreens.com until further notice.

• Walt Disney World Resort in Florida and Disneyland Paris Resort, beginning at the close of business on Sunday, March 15, through the end of the month. The company said on Thursday. "We are proceeding with the closure of our theme parks in California and Florida and its resort in Paris from this weekend through the end of the month due to the global outbreak of coronavirus, it said on Thursday. Disney Cruise Line will suspend departures starting Saturday through the end of the month, the company said. "We are proceeding with the closure of our theme parks at Walt Disney World Resort in Florida and Disneyland Paris Resort, beginning at the close of business on Sunday, March 15, through the end of the month," the company said in a statement.

INSIGHT
Clamor grows for Trump to cut China tariffs in coronavirus response
As President Donald Trump scrambles for new ways to cushion the economic blow from the fast spreading coronavirus, industry groups, lawmakers and even some government officials are reviving a previous request: cut tariffs on Chinese and other imported goods.
ANALYSTS’ RECOMMENDATION

- **Broadcom Inc** (AVGO). Rosenblatt cuts target price to $350 from $370, citing headwinds such as a downward cycle in the semiconductor industry, high customer concentration and risk from COVID-19.
- **CSX Corp** (CSX). RBC cuts target price to $67 from $74, expecting COVID-19 impact during the remainder of the quarter.
- **FedEx Corp** (FDX). JPMorgan cuts target price to $115 from $147, reflecting FY21 earnings forecast, which declines on increasing risk tied to uncertain economic growth and higher incentive compensation.

ECONOMIC EVENTS (All timings in U.S. Eastern Time)

- **0830** Import prices mm for Feb: Expected -0.8%; Prior 0.0%
- **0830** Export prices mm for Feb: Expected -0.4%; Prior 0.7%
- **0830** Import prices yy for Feb: Prior 0.3%
- **1000** U Mich Sentiment Preliminary for Mar: Expected 95.0; Prior 101.0
- **1000** U Mich Conditions Preliminary for Mar: Expected 112.0; Prior 114.8
- **1000** U Mich Expectations Preliminary for Mar: Expected 88.2; Prior 92.1
- **1000** (approx.) U Mich 1 year inflation preliminary for Mar: Prior 2.4%
- **1000** (approx.) U Mich 5 year inflation preliminary for Mar: Prior 2.3%

COMPANIES REPORTING RESULTS

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

CORPORATE EVENTS (All timings in U.S. Eastern Time)

- **0830** Jabil Inc (JBL). Q2 earnings conference call

EX-DIVIDENDS

- American International Group Inc (AIG). Amount $0.32
- Anthem Inc (ANTM). Amount $0.95
- Ares Capital Corp (ARCC). Amount $0.40
- Atrion Corp (ATRI). Amount $1.55
- Centerstate Bank Corp (CSFL). Amount $0.14
- Coca-Cola Co (KO). Amount $0.41
- Community Bank System Inc (CBU). Amount $0.41
- Conmed Corp (CNMD). Amount $0.20
- Core-Mark Holding Company Inc (CORE). Amount $0.12
- DTE Energy Co (DTE). Amount $1.01
- Eastman Chemical Co (EMN). Amount $0.66
- Extra Space Storage Inc (EXR). Amount $0.90
- FGL Holdings Inc (FG). Amount $0.01
- First Citizens BancShares Inc (Delaware) (FCNCA). Amount $0.40
- First Financial Bankshares Inc (FFIN). Amount $0.12
- Hamilton Lane Inc (HLNE). Amount $0.27
- Hess Corp (HES). Amount $0.25
- Iron Mountain Inc (IRM). Amount $0.61
- ITT Inc (ITT). Amount $0.16
- KBR Inc (KBR). Amount $0.10
- Lamar Advertising Co (LAMR). Amount $1.00
- Leidos Holdings Inc (LDOS). Amount $0.34
- Merck & Co Inc (MRK). Amount $0.61
- NewMarket Corp (NEU). Amount $1.90
- Prologis Inc (PLD). Amount $0.58
- Prosperity Bancshares Inc (PB). Amount $0.46
- PS Business Parks Inc (PSB). Amount $1.05
- Public Storage (PSA). Amount $2.00
- Retail Opportunity Investments Corp (ROIC). Amount $0.20
- Reynolds Consumer Products Inc (REYN). Amount $0.15
- Simmons First National Corp (SFNC). Amount $0.17
- State Auto Financial Corp (STFC). Amount $0.10
- T. Rowe Price Group Inc (TROW). Amount $0.90
- Taubman Centers Inc (TCO). Amount $0.67
- Thermo Fisher Scientific Inc (TMO). Amount $0.22
- UGI Corp (UGI). Amount $0.32
- United Community Banks Inc (UCBI). Amount $0.18
- UnitedHealth Group Inc (UNH). Amount $1.08
- Urban Edge Properties (UE). Amount $0.22
- ViacomCBS Inc (VIAC). Amount $0.24
- White Mountains Insurance Group Ltd (WTM). Amount $1.00
- Wyndham Destinations Inc (WYND). Amount $0.50

(All analysts’ estimates are according to I/B/E/S Refinitiv data)
People look out at the iconic Space Needle, as greater Seattle battles one of the biggest U.S. cases of the coronavirus COVID-19, in Seattle, Washington, U.S. March 12. REUTERS/Jason Redmond