TOP NEWS
• Biden cements victory by winning Arizona, but Trump still refuses to concede
President-elect Joe Biden cemented his U.S. electoral victory by capturing the battleground state of Arizona late on Thursday, but the official transition to his administration remains stalled as President Donald Trump refuses to accept defeat.

• World's top intensive care body advises against remdesivir for sickest COVID patients
Antiviral remdesivir should not be used as a routine treatment for COVID-19 patients in critical care wards, the head of one of the world's top bodies representing intensive care doctors said, in a blow to the drug developed by Gilead.

• Chicago and Detroit told to hunker down as pandemic surges
Chicago's mayor issued a month-long stay-at-home advisory on Thursday, and Detroit's public schools called a halt to in-person instruction to curb the spread of the coronavirus as more than a dozen U.S. states reported a doubling of new COVID-19 cases in the last two weeks.

• Zuckerberg defends not suspending ex-Trump aide Bannon from Facebook -recording
Facebook Chief Executive Mark Zuckerberg told an all-staff meeting on Thursday that former Trump White House adviser Steve Bannon had not violated enough of the company's policies to justify his suspension when he urged the beheading of two senior U.S. officials, according to a recording heard by Reuters.

• Internet can't be Wild West, EU's Breton tells Google CEO Pichai
Europe's industry chief Thierry Breton has warned Alphabet CEO Sundar Pichai that he plans to rein in U.S. tech giants via a raft of new rules to curb the excesses of a "Wild West" internet.

BEFORE THE BELL
Wall Street futures were higher as president-elect Joe Biden was projected to win the battleground state of Arizona, though investors remained cautious as many U.S. states imposed restrictions to curb the rising coronavirus cases. European shares were mixed, while Japan's Nikkei snapped its eight-day winning streak. The dollar index slipped as worries about the economic fallout from the pandemic tempered initial enthusiasm about a possible vaccine, while gold prices were up. Oil was in the red amid concerns over future fuel demand.

STOCKS TO WATCH
Results
• Cisco Systems Inc (CSCO). The telecom equipment maker on Thursday reported a smaller-than-expected drop
in first-quarter revenue as more people working from home during the COVID-19 pandemic drove demand for its teleconferencing tools, networking equipment and cybersecurity products. Shares of the telecom equipment maker, which also said Scott Herren will succeed Kelly Kramer as chief financial officer starting Dec. 18, surged in extended trading. The company's revenue fell 9% to $11.93 billion in the quarter ended Oct. 24. The fall was slowed by the strength in its services segment, helping it beat analysts' estimates of $11.85 billion. Excluding items, Cisco earned 76 cents per share while analysts expected profit of 70 cents per share.

- **Mitsubishi UFJ Financial Group Inc (MUFG) & Sumitomo Mitsui Financial Group Inc (SMFG).** Japan's two biggest banks both reported first-half profits that tumbled by more than a third on a surge in costs from bad debts, highlighting the impact of the COVID-19 pandemic on the world's third-largest economy. Despite the downturn, top lender MUFG raised its full-year forecast, while SMFG stuck to its outlook, suggesting some confidence about the months ahead. MUFG, which owns 24% of Morgan Stanley, said its net profit in April-September came in at 408 billion yen, compared with 607 billion yen a year earlier. Credit costs saw a 14-fold jump from the same period a year earlier. Still, it raised its profit forecast for the year to end-March to 600 billion yen from 550 billion yen, compared with the 618.9 billion yen average of 11 analyst estimates, according to Refinitiv data. Second-ranked SMFG reported a 38% drop in half-year profit to 270 billion yen, from 432 billion yen a year earlier. It said bad loan costs more than trebled.

- **Palantir Technologies Inc (PLTR).** The data analytics firm beat market expectations in its first quarter as a public company and raised its 2020 revenue forecast on Thursday, as it shored up large government and aerospace contracts. Palantir said on Thursday it won 15 new deals in the third quarter, including those from the U.S. Army and National Institutes of Health, as well as a $300 million contract renewal with one of the world's largest aerospace companies. The company raised its 2020 revenue forecast to about $1.07 billion, from $1.05 billion to $1.06 billion. It also said it expects annual adjusted operating income to be between $130 million and $136 million. Revenue rose 52% to $289.4 million in the quarter ended Sept. 30, exceeding analysts' estimates of $279.4 million. On an adjusted basis, the company earned 9 cents per share, beating expectations of 7 cents per share.

- **Walt Disney Co (DIS).** The company's rapidly growing streaming video business and a partial recovery at its theme parks gave investors fresh hope on Thursday that the entertainment company had made it through the worst of the coronavirus pandemic. Overall revenue fell 23% to $14.71 billion in the quarter, above analysts' average estimate of about $14.2 billion. Disney's adjusted loss per share, excluding one-time items, of 20 cents, also beat Wall Street expectations of a more drastic 70 cents per share loss. One year after it launched the Disney+ online subscription to compete with Netflix, Disney said the service had signed up 73.7 million subscribers. Hulu had 36.6 million customers and ESPN+ had 10.3 million. For the just-ended quarter, the streaming division lost $580 million, less than the $1.0 billion that analysts expected. At the media networks segment, the resumption of major sports helped boost ESPN. The unit reported $1.9 billion in operating income, up 5% from a year earlier. Movie studio profit slumped 61% to $419 million, as the company delayed major films until 2021 and many theaters remained closed. Disney said it will forgo its semi-annual dividend for the second half of fiscal 2020 to finance its streaming business.

**In Other News**

- **Alibaba Group Holding Ltd (BABA) & JD.Com Inc (JD).** China's internet watchdog has drafted rules for the first time to regulate the country's livestreaming marketing industry, stepping up scrutiny on e-commerce marketplaces belonging to the likes of tech giant Alibaba and JD.Com. The Cyberspace Administration of China (CAC) said in a statement on Friday that under the planned rules, livestreamers will need to provide their real name identification and social credit codes to the internet platforms they use. The platforms will in turn have to submit regular reports to local authorities. They will also need to regularly monitor their content and stop any illegal advertising, while the livestreamers will need to be over 16 years old unless they obtain a guardian's consent.

- **Alphabet Inc (GOOGL).** Europe's industry chief Thierry Breton has warned the company's CEO Sundar Pichai that he plans to rein in U.S. tech giants via a raft of new rules to curb the excesses of a "Wild West" internet. Breton issued the warning in a video-conference call with Pichai late on Thursday, according to a statement from the European Commission. Breton will announce new draft rules known as the Digital Services Act and the Digital Markets Act together with European Competition Commissioner Margrethe Vestager on Dec. 2. "The Internet cannot remain a 'Wild West': we need clear and transparent rules, a predictable environment and balanced rights and obligations," Breton told Pichai. "Everything that is allowed offline should be authorised online; and everything that is forbidden offline should be banned online," he said. Breton told Pichai that he would increase the EU's power to curb unfair behaviour by gatekeeping platforms, so that the Internet doesn't just benefit a handful of companies but also Europe's small- and medium-sized enterprises and entrepreneurs.

- **American Airlines Group Inc (AAL).** The airline said on Thursday it would offer its customers a mobile app from...
Nov. 18 to show COVID-19 testing and documentation requirements for their destination. The app, VeriFLY, by software firm Daon, allows real-time verification of COVID-19 related credentials, such as diagnostic lab test results, and aims to streamline the check-in and verification process at the airport. "Piloting this new solution is a direct response to our customers' increasing desire to explore more international travel opportunities," President Robert Isom said in a statement.

- **Enbridge Inc (ENB).** Minnesota regulators on Thursday approved key permits for the company’s Line 3 crude pipeline replacement project, paving the way for federal permits from the U.S. Army Corps of Engineers after years of delays. The Minnesota Pollution Control Agency (MPCA) announced approvals for the Line 3 project, including the contested 401 Water Quality Certification, and the Minnesota Department of Natural Resources released the final eight permits for the project. Line 3, built in the 1960s, ships crude from a Canadian oil hub in Edmonton, Alberta, to U.S. Midwest refiners. It currently carries less oil than it was designed for because of age and corrosion. Replacing it would allow Enbridge to roughly double its capacity to 760,000 barrels per day.

- **Facebook Inc (FB).** Chief Executive Mark Zuckerberg told an all-staff meeting on Thursday that former Trump White House adviser Steve Bannon had not violated enough of the company's policies to justify his suspension when he urged the beheading of two senior U.S. officials, according to a recording heard by Reuters. Zuckerberg acknowledged criticism of Facebook by President-elect Joe Biden but said the company shared some of the Biden team's same concerns about social media. He urged employees not to jump to conclusions about how the new administration might approach regulation of social media companies. Bannon suggested in a video posted on Nov. 5 that FBI Director Christopher Wray and government infectious diseases expert Anthony Fauci should be beheaded, saying they had been disloyal to U.S. President Donald Trump, who last week lost his re-election bid to Biden.

- **Ford Motor Co (F).** California Air Resources Board Chair Mary Nichols, who sources say could be the next federal environment chief, said on Thursday her state's agreement with major automakers for fuel efficiency requirements could serve as a "good template" for federal standards through 2025. The Trump administration in March finalized a rollback of U.S. Corporate Average Fuel Economy (CAFE) standards to require 1.5% annual increases in efficiency through 2026, well below the 5% yearly boosts in Obama administration rules it discarded. California and other states have filed suit to challenge the rollback. Automakers including Ford, Honda and Volkswagen struck a compromise deal with the state that falls between the Trump administration and Obama-era requirements. Nichols said California's framework deal with automakers on emissions, announced in July 2019 and finalized in August 2020, "is a good template and then we should be moving on to the next generation of regulation."

- **Gilead Sciences Inc (GILD).** Antiviral remdesivir should not be used as a routine treatment for COVID-19 patients in critical care wards, the head of one of the world's top bodies representing intensive care doctors said, in a blow to the drug developed by the drugmaker. In light of the new interim data from the WHO's Solidarity trial "remdesivir is now classified as a drug you should not use routinely in COVID-19 patients," the President of the European Society of Intensive Care Medicine (ESICM), Jozef Kesecioglu, said in an interview with Reuters. Kesecioglu said the recommendation would be discussed in a scientific paper on COVID therapies that ESICM is preparing with the Society of Critical Care Medicine, another intensive care body, expected to be published by January. Gilead said in an emailed statement: "We are confident that doctors on the front lines recognise the clinical benefit of Veklury based on robust evidence from multiple randomized, controlled studies."

- **Goldman Sachs Group Inc (GS).** Instacart has picked the bank to lead its initial public offering (IPO), which could come early next year and value the U.S. grocery delivery app at around $30 billion, people familiar with the matter said on Thursday. Instacart was valued at $17.7 billion last month, when it raised $200 million in a private fundraising round. Were the IPO to push Instacart's valuation to close to $30 billion, it would underscore the rapid growth of its business as more consumers turn to it to shop for groceries during the COVID-19 pandemic. The sources requested anonymity because the IPO preparations are confidential. Instacart and Goldman Sachs declined to comment. Instacart's investors include venture capital firms Sequoia Capital, Andreessen Horowitz and D1 Capital Partners, according to PitchBook data.

- **Pfizer Inc (PFE).** Israel signed a deal with the company to receive 8 million doses of the drugmaker's potential COVID-19 vaccine, Prime Minister Benjamin Netanyahu said, enough to cover close to half of Israel's population. The agreement still requires approval by the U.S. Food and Drug Administration (FDA) and Israel's health ministry, Israeli Health Minister Yuli Edelstein said. Pfizer is expected to apply for approval this month, he added. In televised remarks, Netanyahu said the agreement marked "a great day for Israel" and added: "The goal is for the vaccine supply to start in January and increase in the months thereafter".

- **Tesla Inc (TSLA).** Indonesian President Joko Widodo said he will send a high-level team next week to meet with
top executives of the automaker as the Southeast Asian country aims to become the world's biggest producer of electric vehicle batteries. The president, known by his popular name Jokowi, told Reuters in an interview the trip will be part of Indonesia's promotion of its new, so-called "Omnibus" Job Creation law, which simplifies doing business in Indonesia. "Next week we will send a large team to America and Japan, to promote the Omnibus," Jokowi said. Led by Coordinating Minister of Maritime Affairs and Investment Luhut Pandjaitan, the team is set to meet with Tesla executives, he said. "It's very important because we have a great plan to make Indonesia the biggest producer of lithium batteries and we have the biggest nickel (reserves)," Jokowi said. Separately, Tesla Chief Executive Officer Elon Musk questioned the accuracy of COVID-19 tests on Thursday after claiming that results showed he tested positive twice and then negative twice all on the same day.

COLUMN
Will Biden have a 'strong dollar' mantra?: Mike Dolan
U.S. President-elect Joe Biden has been warned not to tinker with the dollar's standing in world markets given the parlous state of the country's finances - but his new Treasury chief may be equally advised against talking up the currency too much.

ANALYSTS' RECOMMENDATION
• Athira Pharma Inc (ATHA). Jefferies raises price target to $35 from $30, noting the FDA's increasing flexibility in approving Alzheimer's drugs, which comes at an opportune time as the company begins its phase two and phase three studies for its own treatment.

• Cisco Systems Inc (CSCO). RBC raises price target to $49 from $48, noting the company's steady market leading position and favorable valuation as it reported first-quarter results that were above estimates while also improving on outlook.

• Farfetch Ltd (FTCH). JPMorgan raises price target to $62 from $48, after the company reported its best quarter as a public company yet in the third quarter, while demand trends are expected to remain elevated through the upcoming quarter.

• Intel Corp (INTC). Atlantic Equities cuts price target to $36 from $42, following the launch of AMD's Zen 3 CPUs, which reverses product leadership in both the multi and single core performance segments, while the likelihood of a transition to a fabless model in the near term is low.

• T-Mobile U.S. Inc (TMUS). RBC raises price target to $120 from $110, citing third-quarter results that exceeded revenue, EBITDA and subscriber growth estimates, while the company's management raises its outlook for the second half of the year across the board.

ECONOMIC EVENTS (All timings in U.S. Eastern Time)
0830 (approx.) PPI final demand yy for Oct: Expected 0.4%; Prior 0.4%
0830 (approx.) PPI final demand mm for Oct: Expected 0.2%; Prior 0.4%
0830 (approx.) PPI exfood/energy yy for Oct: Expected 1.2%; Prior 1.2%
0830 (approx.) PPI exfood/energy mm for Oct: Expected 0.2%; Prior 0.4%
0830 (approx.) PPI ex food/energy/transport yy for Oct: Prior 0.7%
0830 (approx.) PPI ex food/energy/transport mm for Oct: Prior 0.4%
1000 U Mich Sentiment Preliminary for Nov: Expected 82.0; Prior 81.8
1000 U Mich Conditions Preliminary for Nov: Expected 87.5; Prior 85.9
1000 U Mich Expectations Preliminary for Nov: Expected 78.6; Prior 79.2
1000 (approx.) U Mich 1 year inflation preliminary for Nov: Prior 2.6%
1000 (approx.) U Mich 5-year inflation preliminary for Nov: Prior 2.4%

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

CORPORATE EVENTS (All timings in U.S. Eastern Time)
0800 Li Auto Inc (LI). Q3 earnings conference call
0830 Draftkings Inc (DKNG). Q3 earnings conference call
EXDIVIDENDS

AGCO Corp (AGCO). Amount $0.16
American Campus Communities Inc (ACC). Amount $0.47
Amerisourcebergen Corp (ABC). Amount $0.44
Amgen Inc (AMGN). Amount $1.60
Bio-Techne Corp (TECH). Amount $0.32
BOK Financial Corp (BOKF). Amount $0.52
Booz Allen Hamilton Holding Corp (BAH). Amount $0.31
CF Industries Holdings Inc (CF). Amount $0.30
Chemed Corp (CHE). Amount $0.34
Church & Dwight Co Inc (CHD). Amount $0.24
CNA Financial Corp (CNA). Amount $0.37
Duke Realty Corp (DRE). Amount $0.25
Exelon Corp (EXC). Amount $0.38
Gaming and Leisure Properties Inc (GLPI). Amount $0.12
International Paper Co (IP). Amount $0.51
Jabil Inc (JBL). Amount $0.08
KKR & Co Inc (KKR). Amount $0.13
KLA Corp (KLAC). Amount $0.90
Oshkosh Corp (OSK). Amount $0.33
Reynolds Consumer Products Inc (REYN). Amount $0.22
Rockwell Automation Inc (ROK). Amount $1.07
Southern Co (SO). Amount $0.64
Ubiquiti Inc (UI). Amount $0.40
Woodward Inc (WWD). Amount $0.08

(All analysts’ estimates are according to I/B/E/S Refinitiv data)
Dusk falls over the White House following a rain storm in Washington, November 12. REUTERS/Tom Brenner