TOP NEWS

• CVS Health first-quarter profit beats on COVID-19 stockpiling
CVS Health posted first-quarter profit above Wall Street estimates, as its pharmacy benefits management business and its drugstores benefited from customers stockpiling medicines due to COVID-19 lockdowns.

• AstraZeneca diabetes drug gets U.S. nod to treat heart failure
AstraZeneca's diabetes drug Farxiga has become the first in its class to win U.S. approval as a treatment for heart failure, opening up a major new market opportunity outside of the medicine's established field.

• GM investors want to know how much more coronavirus pain remains
Investors want to know what kind of economic hit General Motors expects from the coronavirus pandemic as it moves forward, whether it needs to raise further cash and when North American vehicle production will resume when it reports first-quarter results later in the day.

• Bunge lowers 2020 outlook after first-quarter loss
Bunge lowered its full-year outlook, as its edible oils business takes a demand hit from the coronavirus outbreak and its sugar and bioenergy joint venture suffers a steep crash in Brazilian ethanol prices.

• China says tariffs should not be used as a weapon after U.S. threats
China said tariffs should not be used as a weapon after U.S. President Donald Trump threatened to impose more of them in retaliation for China's handling of the novel coronavirus.

BEFORE THE BELL

U.S. stock index futures rose, as easing of coronavirus-driven restrictions by many countries improved investor appetite for riskier assets. A jump in healthcare stocks lifted most European indexes. China shares ended higher as trading resumed after a week-long holiday. In currencies, the euro resumed its fall, after a court decision challenging German participation in the euro zone's stimulus programme. The dollar rose against a basket of major currencies. Hopes for a recovery in demand pushed oil prices higher and gold prices eased. ADP national employment will be on tap for the day, along with after market earnings from MetLife, T-Mobile US and PayPal.

STOCKS TO WATCH

Results

• Activision Blizzard Inc (ATVI). Millions of people stuck indoors turned to video games such as Activision Blizzard's "Call of Duty" to shake off lockdown boredom in the past two months, encouraging the company to raise its revenue forecast for the year. Activision raised its 2020 adjusted revenue forecast to $6.9 billion from $6.73 billion, marginally above analysts' estimate of $6.86 billion. It also forecast full-year adjusted earnings of $2.62 per share, beating the average estimate of $2.48. The company's quarterly net income rose to $505 million, or 65 cents per share, from $447 million, or 58 cents per share, a year earlier. Excluding items, the company earned 76 cents per share. Analysts had expected 38 cents per share.

• Beyond Meat Inc (BYND). The company beat quarterly profit and revenue estimates on Tuesday, benefiting from rising demand for its plant-based products at supermarkets and grocery chains and amid weak sales from restaurants due to COVID-19 lockdowns. The company's quarterly net sales more than doubled to $97.1 million, beating expectations of $88.3 million. Net income was $1.8 million, or 3 cents per common share, in the three months ended March 28, compared with a net loss of $6.6 million, or 95 cents per common share, a year earlier. Analysts on average were expecting a loss of 7 cents per share.

• Bunge Ltd (BG). The agricultural commodities trader lowered its full-year outlook, as its edible oils business takes a demand hit from the coronavirus outbreak and its sugar and bioenergy joint venture suffers a steep crash in Brazilian ethanol prices. The company swung to a loss in the first quarter amid the pandemic, which has roiled markets and global supply chains, but its results do not yet reflect the more recent oil price crash and its related impact on ethanol pricing. Bunge said adjusted loss attributable in the three months ended March 31, was $181 million, compared with a profit of $59 million a year earlier. On a per-share basis, the company incurred an adjusted loss of $1.34 against a profit of $0.36 a year earlier.

• CVS Health Corp (CVS). The company posted first-quarter profit above Wall Street estimates, as its pharmacy benefits management business and its drugstores benefited from customers stockpiling medicines due to COVID-19 lockdowns. Sales at CV's retail unit rose 77% to $22.75 billion, helped by strength in its pharmacies as well as its front-end stores that sell over the counter consumer health products. Excluding items, CVS earned $1.91 per share, beating estimates of $1.63 per share. Sales rose 8.3% to $66.76 billion, beating estimates of $64.10 billion. The company maintained its 2020 adjusted profit forecast. Net income rose to $2.01 billion, or $1.53 per share, in the quarter ended March 31, from $1.42 billion, or $1.09 per share, a year earlier.

• Devon Energy Corp (DVN). Oil and gas producer posted a bigger quarterly loss on Tuesday as it took an asset writedown of $2.8 billion and said it expects to cut 10,000 barrels of a day in the second quarter as oil prices crater. The company also cut its 2020 production forecast to between 300,000 to 319,000 barrels of oil equivalent per day (boepd) from 328,000 to 339,000 boepd. Net loss attributable to the company rose to $1.82 billion, or $4.82 per share, in the first quarter, from $317 million, or 74 cents per share, a
year earlier. Total production rose to 348,000 boepd from 313,000 boepd a year earlier, led by output from the Delaware Basin.

**Electronic Arts Inc** (EA). The video game publisher forecast full-year adjusted revenue above Wall Street estimates on Tuesday, riding on the broader surge in videogame sales as people shelter at home due to the COVID-19 pandemic. Revenue from live services in the quarter were $382 million, up about 17% from a year ago, the company said. The company forecast full-year adjusted revenue of $5.55 billion, beating analysts' average estimate of $5.37 billion. On an adjusted basis, the company's quarterly revenue fell to $1.21 billion from $1.36 billion, but edged past analysts' estimates of $1.19 billion. Net income jumped to $418 million, or $1.43 per share, in the fourth quarter ended March 31, from $209 million, or 69 cents per share, a year ago.

**General Motors Co** (GM). Investors want to know what kind of economic hit the company expects from the coronavirus pandemic as it moves forward, whether it needs to raise further cash and when North American vehicle production will resume when it reports first-quarter results later in the day. The Detroit automaker has slashed costs and made other moves during the COVID-19 outbreak, including suspending its dividend and share buybacks, closing its Maven car-sharing unit, delaying work on some product programs, reducing marketing budgets and cutting white-collar workers' salaries. It also added $16 billion to its cash position by drawing down credit lines. GM also has suspended its 2020 profit outlook given the uncertainty.

**Mattel Inc** (MAT). The company will have a new line of “Baby Yoda” toys ready to hit shelves in time for Christmas, the company said on Tuesday, even as it predicted a steep drop in second-quarter sales due to the coronavirus lockdowns. The company forecast a bigger decline in second-quarter sales than the 14% drop it reported for the first three months of the year. Mattel reported first-quarter net sales of $594.1 million, missing analysts' estimates of $652.7 million, as toy sales were forecast to be affected by government lockdowns to contain the spread of the virus. Excluding items, Mattel lost 10 cents per share in the first quarter, a penny more than what analysts had expected. Mattel said it had $1.6 billion credit line and enough cash on hand to weather through the crisis.

**Occidental Petroleum Corp** (OXY). The company on Tuesday swung to a first quarter loss on writedowns and charges, and the troubled U.S. oil producer cut its budget for the third time since March in response to a historic oil-price crash. The company cut its 2020 project budget for a third time, to about $2.5 billion, from the original roughly $5.3 billion plan. It identified an additional $1.2 billion in cost savings for this year, beyond the $1.9 billion it said in March, and said it would file for bankruptcy if oil prices stay below $20 per barrel. The company reported a net loss of $2.8 billion, compared with a profit of $631 million in the year-ago period. Occidental beat Wall Street estimates for adjusted earnings. Analysts expected an adjusted loss of 63 cents, but the company reported a loss of 52 cents.

**Pinterest Inc** (PINS). The company on Tuesday said advertisers were slowing spending on the image sharing company due to the COVID-19 pandemic and reported a bigger-than-expected first-quarter loss as costs surged from new user additions. The company had withdrawn its full-year outlook last month, citing growing uncertainty due to the impact of the pandemic on the economic environment and its effect on advertiser demand. The company reported a net loss of $272.4 million, or 68 cents per share, for the quarter ended March 31, compared with a profit of $631 million, or 84 cents per share, in the year-ago period. Occidental beat Wall Street estimates for adjusted earnings. Analysts expected an adjusted loss of 63 cents, but the company reported a loss of 52 cents.

**Prudential Financial Inc** (PRU). The company missed quarterly profit estimates on Tuesday, as market volatility due to the COVID-19 pandemic hurt the U.S. life insurer's investment returns and weaker underwriting weighed on insurance units. "Market turbulence related to the pandemic adversely impacted our first quarter financial results," Chief Executive Officer Charles Lowrey said. Adjusted operating income at its annuity segment fell 21% to $373 million. An annuity is a long-term insurance contract which allows customers to generate a steady income during retirement. After-tax adjusted operating income fell to $539 million, or $2.49 per share, down 63% from a year earlier and short of the 89 cents expected by analysts. Net income from continuing operations dropped 91% to $475 million. Overall revenue for the quarter rose 21% to $18 billion, just ahead of analyst forecasts of $17.8 billion.

In Other News

**AbbVie Inc** (ABBV) & **Allergan plc** (AGN). AbbVie has won U.S. antitrust approval to buy the Botox maker, a blockbuster $63 billion deal when it was announced last year, the companies said on Tuesday. AbbVie, which has been under pressure to diversify its portfolio, said in June 2019 that it would acquire Allergan in a deal that gives AbbVie control over the lucrative wrinkle treatment Botox and buys time to seek new growth before its arthritis treatment Humira loses U.S. patent protection in 2023.

**Blackstone Group Inc** (BX). Private equity firms CVC Capital Partners and Blackstone are in separate talks about investments in Italy's Serie A soccer league, the Financial Times reported on Tuesday. CVC is in talks to buy a 20% stake for $2.17 billion, valuing the league at 10 billion euros, the newspaper reported, citing two people briefed on the discussions, which began at the end of last...
year. Blackstone is separately considering lending to clubs to help cover their costs during the shutdown of fixtures, the report added, citing people familiar with the proposal.

- **Capital One Financial Corp** (COF). The company told staff on Tuesday the bank's offices in the United States, Canada and the UK will remain closed to all non-essential staff due to the coronavirus outbreak through at least September 7. In an internal memo seen by Reuters, Chief Executive Richard Fairbank emphasized that Capital One is an essential business and has remained open since taking moves to have bank staff work remotely in March.

- **Gilead Sciences Inc** (GILD). The company said on Tuesday it was in discussions with chemical and drug manufacturers to produce its experimental COVID-19 drug remdesivir for Europe, Asia and the developing world through at least 2022. Gilead last week received the U.S. Food and Drug Administration's emergency use authorization for using remdesivir as a treatment against COVID-19, after the drugmaker provided data showing the drug had helped COVID-19 patients.

- **HSBC Holdings PLC** (HSBC). The company has filed a court application to place oil trader Zenrock Commodities Trading Pte Ltd under judicial management over non-payment of dues and other issues, four people familiar with the matter said. Zenrock is the latest Singapore-based commodities trading firm whose finances have come under scrutiny as the collapse in global oil prices amid a slump in consumption due to the coronavirus pandemic ripples through the sector.

- **Philip Morris International Inc** (PM). More than 60 workers at a factory run by the Indonesian unit of the U.S. tobacco giant have tested positive for the coronavirus after operations were suspended when two staff died from COVID-19, a provincial government official said. PT Hanjaya Mandala Sampoerna TbK, one of Indonesia's largest cigarette companies, halted operations at its factory in the East Java city of Surabaya on April 26 after the two deaths, with subsequent testing revealing a coronavirus cluster. Joni Wahyuadi of the East Java COVID-19 taskforce said 61 workers had tested positive for the coronavirus. "All have been isolated and contract tracing has been handled by the city government," Wahyuadi told Reuters.

- **Twitter Inc** (TWTR). The company said it would tackle the spread of damaging conspiracy theories linking mobile phone technology with the coronavirus with a prompt to direct people searching for 5G to British government-verified information. Twitter said the search prompt would inform users that the government had seen no link between 5G and COVID-19, and include a link to a government website with credible, factual and verified information in relation to 5G.

- **Tyson Foods Inc** (TSN). The company will resume limited production at its largest U.S. pork plant this week, the company said late on Tuesday, a week after President Donald Trump ordered companies to keep meat-processing plants open to protect the supply chain. The company closed two pork processing plants, including the Iowa plant, to contain the spread of the coronavirus, further tightening meat supplies after other major slaughterhouse shutdowns.

- **Western Union Co** (WU). The world's largest money transfer firm, expects the second quarter to be its weakest in 2020 in terms of revenue and profit margins and is confident of improvement as COVID-19-related lockdowns ease, its chief financial officer said on Tuesday. The firm generated revenue of $1.2 billion in the first quarter, a fall of 11% compared with the prior-year period, on a reported basis. The firm, which has operations in more than 200 countries, in March withdrew its full-year financial outlook amid the coronavirus pandemic. Agrawal said the firm was not reinstating its 2020 outlook as the environment remains uncertain.

- **Wells Fargo & Co** (WFC). U.S. agencies are probing Wells Fargo's handling of the Paycheck Protection Program (PPP) for coronavirus relief, the country's fourth largest lender said on Tuesday. The San Francisco-based bank has received "formal and informal inquiries from federal and state governmental agencies regarding its offering of PPP loans," it said in a regulatory filing without elaborating. Wells Fargo faced a string of federal investigations for most of the last three years after a sales practices scandal erupted in 2016. It wrapped up the last major probe into the issue in February, in a $3 billion settlement with the Department of Justice and Securities and Exchange Commission.

- **Yum China Holdings Inc** (YUMC). The company is betting that Chinese consumers will still choose to dine-in in the aftermath of the coronavirus crisis and plans to open more Pizza Hut and KFC outlets in China's smaller cities in the coming months, its chief executive said. Joey Wat, CEO of the fast food giant, said that while the virus had driven up the takeaway rate at its businesses, it continues to see expansion opportunities especially in fourth- and fifth-tier cities where there are less Western dining options and fewer competitors.

**FOCUS**

As U.S. auto supply chain revs up, worker safety fears linger in Mexico

Workers at a Lear Corp autoparts plant in northern Mexico that saw the worst known coronavirus outbreak of any factory in the Americas are now bracing to be sent back to work. They just don't know when, and some worry it still may not be safe just weeks after the pandemic struck factories in the industrial city of Ciudad Juarez, just across the U.S. border from El Paso, Texas. For many, it's an agonizing bind after the outbreak at Lear's Rio Bravo plant that Lear said has killed 18 employees.

**ANALYSTS' RECOMMENDATION**

- **CVS Health Corp** (CVS). Jefferies cuts price target to $66 from $73, to reflect COVID-19 related disruption.
- **DuPont de Nemours Inc** (DD). Keybanc raises target price to $57 from $50, believing management's view of Q2 sales highlights the strength of the company's portfolio.
- **Regeneron Pharmaceuticals Inc** (REGN). Canaccord Genuity raises price target to $630 from $575, citing the company’s strong Q1 earnings despite COVID-19.
- **Sysco Corp** (SYK). Jefferies cuts price target to $65 from $66, stating the company's Q3 missed badly and Q4 will likely be worse-than-expected.
- **Wayfair Inc** (W). Piper Sandler raises price target to $220 from $140, following a significantly positive Q1 earnings call, in which the company is now guiding for sustainable positive EBITDA.

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

0815 (approx.) ADP national employment for Apr: Expected -20,050,000; Prior -27,000
COMPANIES REPORTING RESULTS

Albemarle Corp (ALB). Expected Q1 earnings of 83 cents per share
American Water Works Company Inc (AWK). Expected Q1 earnings of 65 cents per share
Ameriprise Financial Inc (AMP). Expected Q1 earnings of $3.94 per share
ANSYS Inc (ANSS). Expected Q1 earnings of 80 cents per share
Atmos Energy Corp (ATO). Expected Q2 earnings of $1.92 per share
AvalonBay Communities Inc (AVB). Expected Q1 earnings of $1.19 per share
Centurylink Inc (CTL). Expected Q1 earnings of 35 cents per share
CF Industries Holdings Inc (CF). Expected Q1 earnings of 25 cents per share
Equinix Inc (EQIX). Expected Q1 earnings of $1.81 per share
Eversource Energy (ES). Expected Q1 earnings of $1.01 per share
Extra Space Storage Inc (EXR). Expected Q1 earnings of 76 cents per share
FLIR Systems Inc (FLIR). Expected Q1 earnings of 42 cents per share
Fortinet Inc (FTNT). Expected Q1 earnings of 51 cents per share
Fox Corp (FOXA). Expected Q3 earnings of 71 cents per share
General Motors Co (GM). Expected Q1 earnings of 30 cents per share
Genuine Parts Co (GPC). Expected Q1 earnings of $1.07 per share
Jacobs Engineering Group Inc (J). Expected Q2 earnings of $1.30 per share
Lincoln National Corp (LNC). Expected Q1 earnings of $2.17 per share
MetLife Inc (MET). Expected Q1 earnings of $1.44 per share
Mid-America Apartment Communities Inc (MAA). Expected Q1 earnings of 59 cents per share
PayPal Holdings Inc (PYPL). Expected Q1 earnings of 75 cents per share
Pioneer Natural Resources Co (PXD). Expected Q1 earnings of $1.12 per share
T-Mobile US Inc (TMUS). Expected Q1 earnings of $1.02 per share
UDR Inc (UDR). Expected Q1 earnings of 03 cents per share
Vulcan Materials Co (VMC). Expected Q1 earnings of 43 cents per share
Waste Management Inc (WM). Expected Q1 earnings of 90 cents per share
Welltower Inc (WELL). Expected Q1 earnings of 37 cents per share
Wynn Resorts Ltd (WYNN). Expected Q1 loss of 72 cents per share

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

0800 Alexion Pharmaceuticals Inc (ALXN). Q1 earnings conference call
0800 Assurant Inc (AIZ). Q1 earnings conference call
0800 Axalta Coating Systems Ltd (AXTA). Q1 earnings conference call
0800 Bunge Ltd (BG). Q1 earnings conference call
0800 Charles River Laboratories International Inc (CRL). Annual Shareholders Meeting
0800 CVS Health Corp (CVS). Q1 earnings conference call
0800 Discovery Inc (DISCA). Q1 earnings conference call
0800 Essential Utilities Inc (WTRG). Annual Shareholders Meeting
0800 Global Payments Inc (GPN). Q1 earnings conference call
0800 GSX Techedu Inc (GSX). Q1 earnings conference call
0800 New York Times Co (NYT). Q1 earnings conference call
0830 Alnylam Pharmaceuticals Inc (ALNY). Q1 earnings conference call
0830 CDW Corp (CDW). Q1 earnings conference call
0830 Match Group Inc (MTCH). Q1 earnings conference call
0830 Repligen Corp (RGEN). Q1 earnings conference call
0830 Verisk Analytics Inc (VRSK). Q1 earnings conference call
0830 Zoetis Inc (ZTS). Q1 earnings conference call
0900 Allstate Corp (ALL). Q1 earnings conference call
0900 American Electric Power Company Inc (AEP). Q1 earnings conference call
0900 Brown & Brown Inc (BRO). Annual Shareholders Meeting
0900 FLIR Systems Inc (FLIR). Q1 earnings conference call
0900 FMC Corp (FMC). Q1 earnings conference call
0900 General Dynamics Corp (GD). Annual Shareholders Meeting
0900 IAA Inc (IAA). Q1 earnings conference call
0900 NiSource Inc (NIS). Q1 earnings conference call
0900 PepsiCo Inc (PEP). Annual Shareholders Meeting
0900 Philip Morris International Inc (PM). Annual Shareholders Meeting
0900 Reinsurance Group of America Inc (RGA). Q1 earnings conference call
0900 Scotts Miracle-Gro Co (SMG). Q2 earnings conference call
0900 Warner Bros. Entertainment Inc (WBA). Q1 earnings conference call
0930 Dominion Energy Inc (D). Annual Shareholders Meeting
0930 Progressive Corp (PGR). Q1 earnings conference call
1000 Aptargroup Inc (ATR). Annual Shareholders Meeting
1000 Carlisle Companies Inc (CSL). Annual Shareholders Meeting
1000 CSX Corp (CSX). Annual Shareholders Meeting
1000 General Motors Co (GM). Q1 earnings conference call
1000 IDEXX Laboratories Inc (IDXX). Annual Shareholders Meeting
1000 International Flavors & Fragrances Inc (IFF). Annual Shareholders Meeting
1000 KKR & Co Inc (KKR). Q1 earnings conference call
1000 LPL Financial Holdings Inc (LPLA). Annual Shareholders Meeting
1000 Owl Rock Capital Corp (ORCC). Q1 earnings conference call
1000 Phillips 66 (PSX). Annual Shareholders Meeting
1000 Voya Financial Inc (VOYA). Q1 earnings conference call
1000 Waste Management Inc (WM). Q1 earnings conference call
1030 Eversource Energy (ES). Annual Shareholders Meeting
1100 Amstek Inc (AME). Annual Shareholders Meeting
1100 CME Group Inc (CME). Annual Shareholders Meeting
1100 Equity Residential (EQR). Q1 earnings conference call
1100 Genuine Parts Co (GPC). Q1 earnings conference call
1100 Occidental Petroleum Corp (OXY). Q1 earnings conference call
1100 Prudential Financial Inc (PRU). Q1 earnings conference call
1100 LPL Financial Holdings Inc (LPLA). Annual Shareholders Meeting
1100 Vulcan Materials Co (VMC). Q1 earnings conference call
1130 Encompass Health Corp (EHC). Annual Shareholders Meeting
1130 Ionis Pharmaceuticals Inc (IONS). Q1 earnings conference call
1200 Alnylam Pharmaceuticals Inc (ALNY). Annual Shareholders Meeting
1200 Ares Management Corp (ARES). Q1 earnings conference call
1200 Healthpeak Properties Inc (PEAK). Q1 earnings conference call
1300 Gilead Sciences Inc (GILD). Annual Shareholders Meeting
1300 MGM Growth Properties LLC (MGP). Annual Shareholders Meeting
1400 Skyworks Solutions Inc (SWKS). Annual Shareholders Meeting
1430 WEC Energy Group Inc (WEC). Annual Shareholders Meeting
1630 Aspen Technology Inc (AZPN). Q3 earnings conference call
1630 Bruker Corp (BRKR). Q1 earnings conference call
1630 Fortinet Inc (FTNT). Q1 earnings conference call
1630 Fox Corp (FOX). Q3 earnings conference call
1630 Global Blood Therapeutics Inc (GBT). Q1 earnings conference call
1630 HubSpot Inc (HUBS). Q1 earnings conference call
1645 Jacobs Engineering Group Inc (J). Q2 earnings conference call
1700 Alteryx Inc (AYX). Q1 earnings conference call
1700 Bio-Rad Laboratories Inc (BIO). Q1 earnings conference call
1700 Bright Horizons Family Solutions Inc (BFAM). Q1 earnings conference call
1700 CenturyLink Inc (CTL). Q1 earnings conference call
1700 Ceridian HCM Holding Inc (CDAY). Q1 earnings conference call
1700 Etsy Inc (ETSY). Q1 earnings conference call
1700 Exact Sciences Corp (EXAS). Q1 earnings conference call
1700 GoDaddy Inc (GDDY). Q1 earnings conference call
1700 Immunomedics Inc (IMMU). Q1 earnings conference call
1700 MGM Resorts International (MGM). Annual Shareholders Meeting
1700 PayPal Holdings Inc (PYPL). Q1 earnings conference call
1700 Peloton Interactive Inc (PTON). Q3 earnings conference call
1700 Qualidel Corp (QDEL). Q1 earnings conference call
1700 RealPage Inc (RP). Q1 earnings conference call
1700 RingCentral Inc (RNG). Q1 earnings conference call
1700 Square Inc (SQ). Q1 earnings conference call
1700 Trimble Inc (TRMB). Q1 earnings conference call
1700 Twilio Inc (TWLO). Q1 earnings conference call
1700 Zynga Inc (ZNGA). Q1 earnings conference call
1730 Carvana Co (CVNA). Q1 earnings conference call
1730 Equinix Inc (EQIX). Q1 earnings conference call

EXDIVIDENDS
Entergy Corp (ETR). Amount $0.93
FirstEnergy Corp (FE). Amount $0.39
Intel Corp (INTC). Amount $0.33

(All analysts’ estimates are according to I/B/E/S Refinitiv data)
Skywriting planes spell out messages of thanks to first responders and healthcare workers over Manhattan during the outbreak of the coronavirus disease (COVID-19) in New York City, New York, U.S., May 5. REUTERS/Mike Segar