



MARKET RECAP at 4 pm ET

The **Dow** ended at a record high and the **S&P 500** closed up, boosted by a strong weekly jobless claims report. **Treasury yields** fell in choppy trading, as investors looked ahead to non-farm payrolls report. A weaker **dollar** pushed **gold** prices higher. **Oil** prices dropped due to demand worries as COVID-19 infections in India and elsewhere rose.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	34546.56	316.22	0.92	34331.20	22789.62
Nasdaq	13632.84	50.42	0.37	14211.57	12397.05
S&P 500	4201.60	34.01	0.82	4218.78	3662.71
Toronto	19290.98	-19.76	-0.10	19439.82	14187.47
FTSE	7076.17	36.87	0.52	7047.75	6397.24
Eurofirst	1698.17	-2.09	-0.12	1707.07	1521.71
Nikkei	29331.37	518.74	1.80	30714.52	27002.18
Hang Seng	28637.46	219.48	0.77	31183.36	27079.24

TREASURIES	Yield	Price
10-year	1.5696	4 /32
2-year	0.1546	0 /32
5-year	0.7997	1 /32
30-year	2.2448	9 /32

FOREX	Last	% Chng
Euro/Dollar	1.2059	0.45
Dollar/Yen	109.04	-0.13
Sterling/Dollar	1.3894	-0.06
Dollar/CAD	1.2160	-0.85
TR/HKEX RMB	97.12	0.00

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	64.82	-0.81	-1.23
Spot gold (NY/oz)	1813.98	27.53	1.54
Copper U.S. (front month/lb)	0.0462	0.0009	1.87
CRB Index Total Return	218.13	1.19	0.55

S&P 500	Price	\$ Chng	% Chng
GAINERS			
Iron Mountain Inc	41.70	2.97	7.67
Kellogg Co	67.53	4.46	7.08
Lumen Technologies Inc	13.42	0.65	5.09
LOSERS			
ETSY Inc	157.68	-26.89	-14.57
Albemarle Corp	152.84	-14.31	-8.56
Penn National Gaming Inc	83.93	-7.48	-8.18

Coming Up



A file photo shows a "We're Hiring" sign advertising jobs at the entrance of a restaurant in Miami, May 18, 2020. REUTERS/Marco Bello

A monthly jobs report from the Labor Department will give a crucial glimpse into the health of the labor market as the country seeks to broaden its economic reopening. **Non-farm payrolls** are expected to have increased by 978,000 jobs in April, after a 916,000 jump in March - the

largest increase since last August. The **unemployment rate** for the same month is expected to have slipped slightly to 5.8% from 6% in March. A report from the Commerce Department will likely show **wholesale inventories** in March rose 1.4%, the same rate at which they rose in February.

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Non-farm payrolls for Apr	0830	978,000	916,000
Private payrolls for Apr	0830	893,000	780,000
Manufacturing payrolls for Apr	0830	55,000	53,000
Government payrolls for Apr	0830	--	136,000
Unemployment rate for Apr	0830	5.8%	6.0%
Average earnings mm for Apr	0830	0.0%	-0.1%
Average earnings yy for Apr	0830	-0.4%	4.2%
Average workweek hours for Apr	0830	34.9 hrs	34.9 hrs
Labor force partic for Apr	0830	--	61.5%
U6 underemployment for Apr	0830	--	10.7%
Wholesale inventory, R mm for Mar	1000	1.4%	1.4%
Wholesale sales mm for Mar	1000	1.0%	-0.8%
Consumer credit for Mar	1500	\$20 bln	\$27.58 bln



A file photo shows a screen displaying the logo of Cigna Corp on the floor at the New York Stock Exchange in New York, July 16, 2019. REUTERS/Brendan McDermid

U.S. health insurer **Cigna Corp** is set to report first-quarter earnings. Investors will watch for updates on the company's full-year profit target. The focus will also be on COVID-19 testing and treatment costs recorded in the quarter and the company's comments on demand for non-urgent healthcare services that were put off due to the pandemic last year.

Auto parts maker **Lear Corp** is expected to report higher first-quarter revenue, helped by a rebound in automobile production. Investors will look for comment on the impact from global semiconductor shortage.

Federal Reserve Bank of Richmond President **Thomas Barkin** speaks on the economic outlook before a virtual West Virginia Chamber event.

Inflation in Brazil, as measured by the **IGP-DI price index**, is expected to rise 1.8% in April, compared to a 2.17% gain in the previous month. Brazilian **retail sales** are expected to tumble 7% in March, after rising 0.6% in February.

Data from the Mexico national statistics agency will likely show **consumer prices** jumped 6.01% in the year through April, after rising 4.67% in the year through March. **Headline inflation** is expected to rise 0.25% according to non-seasonally adjusted figures. The core index, which strips out some volatile food and energy prices, is forecast rising 0.33%.

PROMOTION
LIVECHAT - REUTERS GLOBAL MARKET FORUM

The Reuters Global Markets Forum brings a line-up of guests to talk about the Paris Agreement climate targets, green energy, digital transformation and sustainability, with perspectives from industry leaders, policymakers and corporates. **Lupin Rahman**, global head of EM sovereign credit on PIMCO's portfolio management team and lead of the asset manager's ESG integration, joins the forum. (0830 ET/1230 GMT). To join the discussion, [click here](#)

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Ventas	Q1	BMO	\$0.02	\$0.03	\$1.26	\$899.64

*Includes companies on S&P 500 index. **Estimates may be updated or revised; release times based on company guidance or past practice.

I/B/E/S EPS and revenue estimates, and StarMine Smart Estimates, provided by Refinitiv.

Market Monitor

The **Dow Jones Industrial Average** closed at a record high, bolstered by an upbeat weekly jobless claims report, while shares of vaccine makers dipped after U.S. President Joe Biden backed plans to waive patents on COVID-19 shots. Lifted by Apple, the **S&P 500** rose after a Labor Department report showed initial claims for state unemployment benefits totaled a seasonally adjusted 498,000 for the week ended May 1, compared with 590,000 in the prior week.

Pharmaceutical companies dropped after the White House said Biden made the decision to back a proposed waiver for COVID-19 vaccine intellectual property rights. Shares of **Pfizer** and **Moderna** ended 0.99% and 1.44% lower respectively. The **Dow Jones Industrial Average** rose 0.92% to end at 34,545.10 points, while the **S&P 500** gained 0.82% to 4,201.56. The **Nasdaq Composite** climbed 0.37% to 13,632.84.

Treasury yields fell in a choppy session, moving within narrow ranges, as investors largely shrugged off better-than-expected initial jobless claims data and instead looked ahead to Friday's key non-farm payrolls report. U.S. payrolls will likely confirm the economy's solid path to recovery from the pandemic, analysts said. Economists expect 978,000 new U.S. jobs for April, according to a Reuters poll. Analysts said whisper numbers suggested that Friday's report could show a rise of more than one million jobs. "I'd say positions are being squared or shorts covered, which is counter to the bearish narrative," said Steve Feiss, managing director, fixed income, at broker-dealer Etico Partners. "Inflation remains a near-term risk but so far, the word 'transitory' remains a key hope and a single 1 million jobs non-farm payrolls print is only just beginning," he added. The



A file photo shows a trader exiting the New York Stock Exchange after the trading day in New York, March 1. REUTERS/Brendan McDermid

benchmark **10-year notes** rose 5/32 to yield 1.5679%. The **30-year bonds** were 10/32 higher, yielding 2.2440%.

The **dollar** dipped as global market risk appetite improved and traders looked forward to the April jobs report due on Friday for direction. "The outlook for the dollar by many right now that it's going to be in the house of pain for quite some time," because for the most part, the markets are convinced that the Fed has Treasury yields under control, said Edward Moya, senior market analyst at FX broker OANDA in New York. The **dollar index** was down 0.46% to 90.89. The **euro** rose 0.47% to \$1.2062.

Oil prices fell, reversing early gains under pressure from rising COVID-19 infections in India and elsewhere although prices retained some support from a report a day earlier that U.S.

crude inventories fell more sharply than expected. "When Saudi Arabia cut their crude selling price, it was a stark reminder that there are still pockets of danger of COVID that could impact demand," said Phil Flynn, a senior analyst at Price Futures Group in Chicago. **Brent crude** futures fell by 1.10% to \$68.20 a barrel. **West Texas Intermediate U.S. crude** futures slipped 1.23% to \$64.82 a barrel.

Gold jumped with a weaker dollar and easing Treasury yields propelling it over the key \$1,800 psychological level. "Gold is starting to move on rising inflationary pressures... Gold could get to over \$1,850 within the next month," said ED&F Man Capital Markets analyst Edward Meir. **Spot gold** rose 1.57% to \$1,814.46 per ounce. **U.S. gold futures** was 1.70% higher at \$1,814.70 per ounce.

Top News

Moderna sees no impact on COVID-19 vaccine from potential patent waiver

Moderna said it believes countries around the globe would continue buying its COVID-19 vaccine for years even if patents on the shots are waived, noting that rivals would face significant hurdles in scaling up manufacturing. Moderna noted the lack of companies able to rapidly scale up complex manufacturing of a similar vaccine to meet surging global demand. "They will have to go run a clinical trial, get the data, get the product approved and scale manufacturing. This does not happen in 6 or 12 or 18 months," Moderna Chief Executive Stephane Bancel said. Moderna raised its 2021 sales forecast for its COVID-19 shot by 4.3% to \$19.2 billion. Moderna expects vaccine output could increase to 3 billion doses in 2022 to meet demand from nations looking to stock up supplies and sign up deals for "booster" doses. Separately, drugmakers said U.S. President Joe Biden's support for waiving patents of COVID-19 vaccines could disrupt a fragile supply chain and that rich countries should instead share more generously with the developing world. To read more, [click here](#)

Regeneron's COVID-19 therapy helps boost quarterly profit

Regeneron reported a better-than-expected quarterly profit and said it expects demand for its COVID-19 antibody therapy to hold up even as vaccination efforts across the United States intensify. Regeneron said its therapy brought in U.S. sales of \$262 million in the first quarter, ahead of estimates of \$255 million, according to brokerage Piper Sandler. Despite high rates of vaccination, it's estimated that tens of millions will remain unvaccinated in the U.S. alone," Regeneron Chief Executive Officer Leonard Schleifer said. The drugmaker said it expects a decision from the U.S. health regulator on the authorization of

the lower 1.2 g dose over the next several weeks. Given the success of the lower dose based on trial data, REGEN-COV's sales will remain strong even during the second half of 2021, after Regeneron's supply contract with the United States is filled in the second quarter, Cowen analyst Yaron Werber said. Regeneron beat estimates for first-quarter profit, helped in part by a recovery in demand for its physician-administered eye drug Eylea. Separately, Pfizer and its German partner BioNTech said they would donate doses of their COVID-19 vaccine to help vaccinate athletes and their delegations participating in the Tokyo Olympic and Paralympic Games. To read more, [click here](#)

ViacomCBS beats quarterly revenue estimates on streaming, advertising boost

ViacomCBS beat Wall Street quarterly revenue estimates, driven by strong streaming revenue and advertising growth following the March launch of its rebranded Paramount+ service. The company has 36 million global streaming subscribers after adding 6 million in the first quarter. Streaming revenue rose 65% year-on-year.

"We're clearly seeing the benefit of putting the full power of ViacomCBS behind Paramount+," said ViacomCBS President and Chief Executive Officer Bob Bakish. Revenue rose 14% to \$7.41 billion in the quarter, beating estimates of \$7.31 billion. Net earnings attributable rose to \$899 million, or \$1.42 per share, from \$501 million, or 81 cents per share, a year earlier. Excluding items, the company posted a profit of \$1.52, topping estimates of \$1.22.

Resilient demand for snacks helps Kellogg raise annual forecasts

Kellogg raised its annual forecasts after posting better-than-expected revenue and profit, signaling that the pandemic-induced surge in demand for its cereals and snacks has not weakened even as the U.S. economy reopens. Sales grew 10% in Europe and about 2% in North America, its biggest market. It also expects adjusted full-year profit per share on a currency-neutral basis to rise by about 1% to 2%, compared to its previous projection of about 1% rise. "We're expecting growth in emerging markets to sustain, maybe not at the double-digit rates that we saw in quarter 1," Chief Financial Officer Amit



A file photo shows the logo of ViacomCBS at the company's headquarters in New York, December 5, 2019. REUTERS/Kate Munsch

Banati told investors. Net sales rose to \$3.58 billion in the quarter ended April 3 from \$3.41 billion a year earlier. Analysts were expecting sales of \$3.38 billion. Excluding items, Kellogg earned \$1.11 per share, beating analysts' average estimate of 96 cents per share.

Norwegian Cruise says 2022 first half bookings ahead of pre-pandemic levels

Norwegian Cruise Line Holdings said its plans for resuming mid-summer U.S. sailings could be in jeopardy, a day after the U.S. Centers for Disease Control and Prevention (CDC) laid out new technical instructions for the cruise industry. The health agency issued requirements for starting simulated trips and applying for a COVID-19 conditional sailing certificate to begin sailing with restricted passenger voyages. The new guidance also includes CDC cruise ship inspections during simulated and restricted passenger voyages. "Our team is working through the new guidance, but at first glance, however, it appears the path forward is a bit rockier and a bit steeper than originally expected," Norwegian Cruise Chief Executive Officer Frank Del Rio said. Norwegian Cruise also said bookings for the first half of 2022 was ahead of pre-pandemic levels even as its revenue slumped more than 99% to \$3.1 million in the first quarter.

Coach owner Tapestry bets on summer shopping comeback as sales rebound

Tapestry returned to quarterly sales growth and forecast full-year numbers above analysts' estimates as the Coach handbag maker benefits from a strong rebound in demand for luxury goods in North America and China. "We've seen vaccination efforts progressing, resulting in increasing consumer confidence... and improving in-store traffic trends," Tapestry Chief Executive Officer Joanne Crevoiserat said. Tapestry said sales in North America returned to pre-pandemic levels, while revenue from Mainland China soared about 175% compared to a year ago and was 40% above 2019.

The New York-based company forecast full-year sales to rise by a mid-teens percent, above analysts' estimate of a 10% rise. Tapestry's third-quarter net sales rose 19% to \$1.27 billion beating analysts' expectations of \$1.22 billion, while its adjusted profit of 51 cents per share, was above estimates of 31 cents.



IBM unveils 2-nanometer chip technology for faster computing

For decades, each generation of computer chips got faster and more power-efficient because their most basic building blocks, called transistors, got smaller. The pace of those improvements has slowed, but International Business Machines said that silicon has at least one more generational advance in store. IBM introduced what it says is the world's first 2-nanometer chipmaking technology. The technology could be as much as 45% faster than the mainstream 7-nanometer chips in many of today's laptops and phones and up to 75% more power efficient, the company said. The technology likely will take several years to come to market.

Gas producer EQT Corp to buy private driller Alta Resources for \$3 billion

EQT said it will buy Appalachian basin rival Alta Resources for \$2.93 billion in cash and stock, expanding its position in the gas-rich shale plays of the U.S. northeast. Dealmaking in the oil and gas space has been heating up as crude prices have jumped on a vaccine-led recovery in travel demand. Natural gas, in particular, hit record highs earlier in February when a winter storm swept parts of the United States. The company also said that the deal, which

adds around a billion cubic feet equivalent gas production to its portfolio, is expected to add to its free cash flow by \$2 billion through 2026. EQT expects the cash flow boost, as much as \$400 million annually, to help pay down debt and cut leverage to a near-term target of below two times earnings.

Gases firm Linde boosted by healthcare, ramps up oxygen production

Linde, the world's largest industrial gases company, hiked its 2021 earnings outlook, as a strong performance in its healthcare business helped it beat first quarter forecasts. The U.S.-German company, which supplies gases such as oxygen, nitrogen and hydrogen to factories and hospitals, now expects adjusted earnings per share to rise 17-19% year-on-year - compared with its previous forecast for 11-13% growth. Higher prices and growing demand in the healthcare sector - where Linde supplies equipment and medical gases including oxygen for COVID-19 patients - helped its sales in Europe, the Middle East and Africa jump 10% in the first quarter. Linde's overall earnings per share for January-March rose 32% to \$2.49, beating analysts' average estimate of \$2.26 and its own guidance.

Texas federal judge hears arguments for date of Google trial

A lawyer for 14 states led by Texas that have accused Google of breaking antitrust law asked a federal judge to schedule a trial for the spring of 2022, while the search and advertising giant has asked for a trial in the fall of 2023. In a pre-trial, Mark Lanier, arguing for Texas and the other states, said the burden was on them to prove the case against Google and that they could be ready quickly. "We're able to put focused people on this to make this their reason for living," Lanier told the judge. Speaking for Google, Paul Yetter said it had recently received 1.1 terabytes of data comprising more than a million documents from the states regarding the lawsuit and that it needed time to get up to speed.



Eryko, a six month old asylum-seeking migrant from Romania, learns how to walk with the help of his brother Antonio, 16, and father Elvis, as they await with others to be transported to a U.S. border patrol processing facility after crossing the Rio Grande river into the United States from Mexico on a raft in La Joya, Texas, May 5. REUTERS/Adrees Latif

Insight and Analysis

How Biden plans to add \$600 billion to the U.S. 'care economy'

Joe Biden's \$4 trillion plan to rebuild the U.S. economy aims a flood of cash at something millions of women in America do for low pay or no pay at all: taking care of other people. Biden's "American Jobs Plan" would boost an existing government program with \$400 billion more over a decade, to give more elderly and disabled people basic care they need, while his "American Families Plan" creates free universal 'pre-Kindergarten' and adds other childcare to the tune of \$200 billion. The infrastructure plan calls for Congress to add some \$40 billion each year to Medicaid for people with low incomes.

Facebook confronts human rights dilemma on political speech

Facebook oversight board's extension of former U.S. President Donald Trump's banishment from the social network failed to settle how it will balance political leaders' freedom of speech and its responsibility to make sure hateful rhetoric does not incite violence. The 20-person board, which includes legal scholars, activists and a former prime minister, upheld Trump's suspension from Facebook for the time being but said the firm needed to do far more to prepare for volatile political situations. The policies on these issues have huge importance not just in the U.S. but in countries including India, Brazil, Myanmar and the Philippines.

COLUMN-Shifting sands of COVID-19 vaccine supply race give U.S. new advantage

In early March, U.S. President Joe Biden and the leaders of India, Japan and Australia chose to put COVID-19 vaccines at the centre of their strategy to limit China's growing influence in Asia. Their plan to use 1 billion largely Indian-manufactured vaccines as a geopolitical tool was swiftly overtaken by events though U.S. officials have said it is still on track. Having started the year by describing itself as a "vac superpower" and "pharmacy of the world", India has now halted exports and is seeking vaccines from elsewhere as the COVID-19 pandemic overwhelms its hospitals.

CANADA

Coming Up

A report from **Statistics Canada** will likely show the country lost 175,000 jobs in April, after adding 303,100 jobs in March. **Unemployment rate** for the same period is expected to rise 7.8%, from 7.5% in March.

Air Canada, which recently received a C\$5.9 billion government aid package to soften the blow of the COVID-19 pandemic, reports first-quarter earnings. Investors will be looking for an update on summer and fall travel after a third wave of the virus in Canada weighed on travel.

Canada's **Cenovus Energy Inc** is expected to swing to a profit in the first

quarter, compared with a loss sequentially, as eased COVID-19 restrictions helped oil demand recover from last year's downturn. Investors will look for management's comments on demand outlook.

Enbridge Inc is expected to report a sequential rise in first-quarter profit as the global vaccine race and the resultant rise in demand boost energy prices. Investors will be on the lookout for more comments on Enbridge' push into new frontiers of the energy transition and its Line 5 oil pipeline which is in a legal battle with the state of Michigan.

MARKET MONITOR

Canada's **main stock index** closed lower as oil prices dropped.

The **Toronto Stock Exchange's S&P/TSX composite index** was down 0.10% at 19,290.98.

The **U.S. dollar** was 0.85% lower against the **Canadian dollar** at C\$1.2160.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
GAINERS			
Endeavour Silver Corp	7.60	0.69	9.99
ARC Resources Ltd	8.92	0.70	8.52
SSR Mining Inc	21.31	1.60	8.12
LOSERS			
Lithium Americas Corp	14.99	-1.50	-9.10
Trillium Therapeutics Inc	11.29	-0.95	-7.76
AcuityAds Holdings Inc	12.12	-1.00	-7.62

Top News

Bombardier bets on higher revenue as vaccine rollout boosts outlook for business travel

Bombardier said it expects improved revenue this year from business aircraft activities over 2020 as the vaccination rollout in the United States, the world's largest market for corporate aircraft, boosts traffic. Chief Executive Éric Martel told analysts that aircraft pricing would be in line with what was expected or even slightly better. A rebound in U.S. business aviation traffic to pre-pandemic levels is expected to bolster higher-margin aftermarket services as planes fly more. Montreal-based Bombardier reported a 43% increase in quarterly adjusted profit and used less free cash, helped by a recovery in business aviation, as rising COVID-19 vaccinations encourage travel. The company pre-flagged earnings on Monday while disclosing it was seeking bondholders' consent to amend terms on eight bond issues. The move followed claims by a bondholder that



A file photo shows Bombardier's logo on the building of the company's service centre at Biggin Hill, Britain, March 5, 2018. REUTERS/Peter Nicholls

recent sales of non-core assets breached the terms of certain notes. Martel told reporters "we feel pretty good about the preliminary discussions" with the bondholders, adding the results of the vote will come out next Tuesday. Free cash flow usage, a metric closely watched by investors, improved by \$357 million year-over-year, Bombardier said.

Bombardier's adjusted earnings before interest, taxes, depreciation and amortization (EBITDA) jumped 43% to \$123 million in the first quarter, from a year earlier. Business jet revenue increased by 18% to \$1.3 billion in the quarter. It expects to deliver between 110 and 120 business aircraft in 2021 after full-year deliveries fell 20% to 114 jets in 2020.



Canadian home prices, sales to moderate but remain high, agency says

Canada's home sales and price growth will moderate over the coming years from the unsustainable levels of 2020, but remain elevated, with housing starts expected to stabilize by the end of 2023, the national housing agency said. While the pace of price growth is expected to ease as mortgage rates increase and buyers face already high prices, home prices could climb 14.4% on average in 2021, the Canada Mortgage and Housing Corporation (CMHC) forecast in its spring market outlook. Its report does not forecast any annual price declines in the 2021-2023 period. "Economic conditions are expected to return to pre-pandemic levels by the end of 2023 ... This includes the pace of home sales and prices, which we expect to see moderate from 2020 highs over the same period," Bob Dugan, chief economist at the CMHC, said in a statement. Dugan warned that significant risks that could impact the forecast include the path of the COVID-19 pandemic, a faster-than-expected increase in mortgage rates, and a reversal of the urban exodus that has driven up prices outside large cities. The CMHC said last May that it expected housing starts, sales and prices to plunge amid the pandemic, with prices not expected to recover to pre-pandemic levels until 2022.

Auto parts maker Magna's results beat as China leads recovery

Canadian auto parts maker Magna International beat estimates for quarterly profit and revenue driven by strong demand for car structures in China, which is leading the sector's recovery from the COVID-19 crisis. While light vehicle production surged 87% in China, it was flat in North America and increased 5% in Europe, the company's two largest markets. Automotive production slowed in early 2020 because of hard lockdowns caused by the pandemic but has come roaring back, especially in China, as consumers look to travel in private vehicles rather than take public



A file photo shows a real estate for sale sign in front of a home in Vancouver, British Columbia, Canada, September 22, 2016. REUTERS/Ben Nelms

transport. But the recovery is being threatened by a global chip shortage that has hit auto production in North America and Europe, forcing car makers to shut factories and incur billion of dollars in costs. Magna marginally raised its full-year revenue forecast to \$40.2 billion-\$41.8 billion, from its prior expectation of revenue between \$40.0 billion to \$41.6 billion. Adjusted earnings of \$1.86 per share was above analysts' expectation of \$1.57. Total sales rose 17.5% to \$10.18 billion, beating estimates of \$9.53 billion.

Manulife shares slide after first-quarter profit drops on steepening yield curve

Manulife Financial shares dropped by the most since June after Canada's biggest life insurer posted a large drop in reported net income the previous day driven by the negative impact of a steepening yield curve. The 80-basis-point steepening in the yield curve was "unusual," and the most since the company instituted its hedging program in 2012, CFO Phil Witherington said on an analyst call. But this could be reversed if interest rates rise, he said. "If the steepening of the yield curve reverses, and rates at shorter end increase, giving rise to a flattening, the direct market impact charges we've seen in the first quarter would reverse," he said. Manulife, which took a C\$150 million restructuring charge in the first quarter, said this will result in savings of C\$150 million in 2021 and C\$200

million in 2022. The company also said it is concerned about achieving its assumed near-term returns in its office portfolio, amid uncertainties about employees' return to workplaces, but is nevertheless confident about its long-term prospects, Chief Investment Officer Scott Hartz said. Manulife shares dropped 3.38% to C\$26.27

Canadian Natural Resources profit tops estimates on oil price boost

Canadian Natural Resources reported a better-than-expected quarterly profit, buoyed by higher oil prices as COVID-19 vaccine rollouts lifted demand. Crude prices have staged a steady recovery this year from pandemic-driven lows in 2020, and Canadian producers also benefited from the provincial government of Alberta lifting mandatory output cuts late last year. The company, which operates in the Canadian provinces of Alberta, northeastern British Columbia and Saskatchewan, said average realized crude prices jumped nearly 30% to C\$52.68 per barrel from the prior quarter. The company said it now expects to generate between C\$5.7 billion and C\$6.2 billion in free cash flow in 2021, up from a prior forecast of C\$4.9 billion to C\$5.4 billion. On an adjusted basis, it earned a profit of C\$1.03 per share, in the quarter ended March 31, while analysts on average expected a profit of 84 Canadian cents per share. Revenue of C\$6.61 billion also topped estimates of C\$6.01 billion.

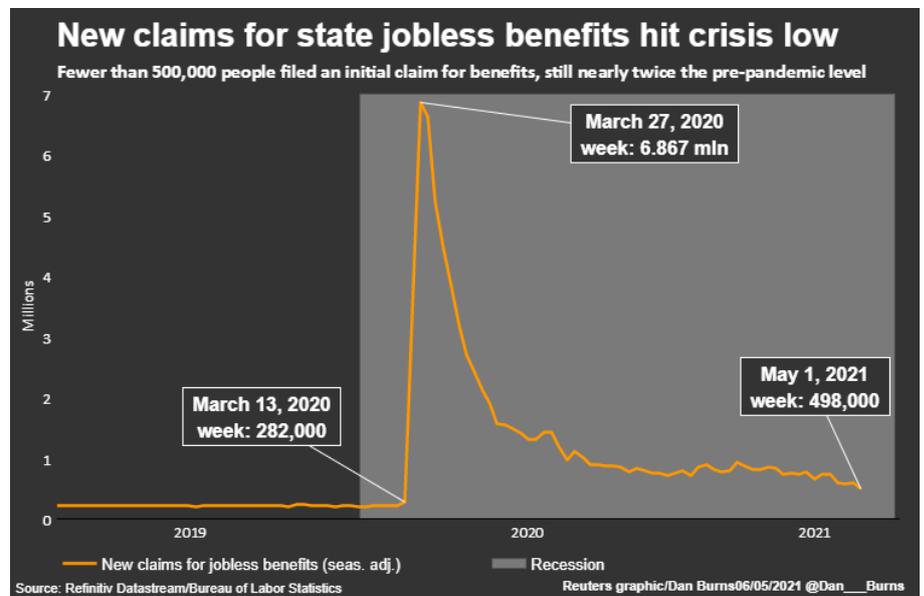


WEALTH NEWS

JOBS MARKET

U.S. weekly jobless claims drop below 500,000; layoffs lowest since 2000

The number of Americans filing new claims for unemployment benefits fell below 500,000 last week for the first since the COVID-19 pandemic started more than a year ago, signaling the labor market recovery had entered a new phase amid a booming economy. That was reinforced by other data showing U.S.-based employers in April announced the fewest job cuts in nearly 21 years. The reports added to other upbeat employment data in suggesting that the economy enjoyed another blockbuster month of job growth in April. But the labor market is not out of the woods yet, with about 16.2 million people still collecting unemployment checks.



TRADING RULES

U.S. SEC chair tells Congress he plans new rules on climate risk, trading

The new chair of the U.S. securities regulator told lawmakers the agency is considering new trading rules as it looks to address problems highlighted by this year's GameStop saga and the meltdown of private fund Archegos Capital.

FAKE OPPOSITION

U.S. broadband industry accused in 'fake' net neutrality comments

The broadband industry in 2017 funded a campaign that generated millions of fake comments to create the impression of grassroots opposition to net neutrality rules while the U.S. Federal Communications Commission considered repealing the policy, New York state's attorney general said.

AUTOMATION

North American companies buying more robots to keep up with demand

North American companies boosted spending on industrial robots in the first quarter as they scrambled to keep up with surging demand in the wake of the COVID-19 pandemic.

IPO WATCH

U.S. remittance processor Remitly hires advisers for IPO -sources

Remitly has hired investment banks to prepare for an initial public offering in New York this year that could value the U.S. remittance payments processor at around \$5 billion, people familiar with the matter said.

GOING PRIVATE

Home decor chain At Home Group to go private in \$2.8 billion deal

U.S. retail chain At Home Group said private equity firm Hellman & Friedman will take the company private in a deal valued at \$2.8 billion, at a time when demand for home decor and home-furnishing products is booming.

NO DELISTING

Nasdaq withdraws listing ban on Luokung after U.S. judge's decision

Nasdaq has withdrawn a decision to delist the shares of Luokung Technology, the Chinese mapping technology company said, after a U.S. judge suspended an imminent investment ban imposed under the former Trump administration.



A police armored vehicle is pictured during a protest against poverty and police violence in Bogota, Colombia, May 5. REUTERS/Nathalia Angarita

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The Day Ahead - North America is compiled by Archak Sengupta and Siddharth Athreya V in Bengaluru.

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