MARKET RECAP at 4 pm ET

Stocks ended higher, supported by Moderna shares, while **longer-dated yields** fell after the U.S. Treasury doubled buyback sizes for 10- to 30-year debt. **Gold** prices surged as the sliding yields weighed on the **dollar**. **Oil** gained on concerns over escalating Middle East tensions after the UAE suspended financial and economic transactions with Iran.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	53,463.05	119.65	0.22	54,744.33	45,057.28
Nasdaq	26,331.09	41.38	0.16	27,190.21	20,690.25
S&P 500	7,708.09	16.33	0.21	7,816.70	6,316.91
Toronto	36,401.79	33.86	0.09	36,844.73	27,802.11
FTSE	10,743.35	15.31	0.14	10,989.45	9,670.46
Eurofirst	2,603.90	-2.45	-0.09	2,652.27	2,231.14
Nikkei	65,326.42	-2134.31	-3.16	72,831.73	50,558.91
Hang Seng	25,495.07	23.92	0.09	28,056.10	22,518.00

TREASURIES	Yield	Price
10-year	4.6367	18 /32
2-year	4.1623	1 /32
5-year	4.3337	5 /32
30-year	5.1848	48 /32

FOREX	Last	% Chng
Euro/Dollar	1.1677	0.89
Dollar/Yen	158.11	-0.95
Sterling/Dollar	1.3608	0.58
Dollar/CAD	1.3810	-0.62
USD/CNH (Offshore)	6.7302	-0.23

COMMODITIES ($)	Price	Chng	% Chng
Front Month Crude /barrel	85.42	0.48	0.57
Spot gold (NY/oz)	4507.97	174.64	4.03
Copper U.S. (front month/lb)	6.49	0.0050	0.08
CRB Index Total Return	513.51	4.42	0.87

S&P 500	Price	$ Chng	% Chng
GAINERS			
Moderna Inc	171.09	108.13	171.74
Estee Lauder Companies Inc	98.89	14.62	17.35
Merck & Co Inc	152.01	16.84	12.46
LOSERS			
Steel Dynamics Inc	230.21	-19.60	-7.85
Seagate Technology Holdings PLC	833.02	-70.67	-7.82
Dell Technologies Inc	433.46	-35.19	-7.51

Coming Up

A Walmart store is shown in Oceanside, California, May 15, 2025. REUTERS/Mike Blake

Walmart is expected to post a rise in second-quarter comparable sales, helped by resilient demand for everyday essentials at its stores and ecommerce platform in the United States. Investors will watch out for comments on the consumer sentiment, as well as the retail bellwether's expectations for the back half of the year. Investors will also closely watch for growth in its higher-margin advertising and marketplace businesses.

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Initial Jobless Claims	0830	210,000	209,000
Jobless Claims 4-week Average	0830	--	199,000
Continued Jobless Claims	0830	1.790 mln	1.777 mln
Philly Fed Business Index for Aug	0830	25.0	41.4
Philly Fed 6M Index for Aug	0830	--	34.40
Philly Fed Capex Index for Aug	0830	--	30.10
Philly Fed Employment for Aug	0830	--	10.00
Philly Fed Prices Paid for Aug	0830	--	53.90
Philly Fed New Orders for Aug	0830	--	37.00
Leading Index Change MM for July	1000	0.1%	-0.2%

THE DAY AHEAD

On the economic front, the U.S. Labor Department is expected to report **initial jobless claims** rose by 1,000 to hit 210,000 for the week ended August 15. **Continued claims** likely totaled 1.79 million for the week ended August 8, compared to 1.777 million in the week earlier. Additionally, **Philadelphia Business Index** is projected at 25 in August, down from 41.4 in July.

Federal Reserve Bank of St. Louis President **Alberto Musalem** will participate in a live interview on CNBC's "Squawk on the Street".

Discount apparel retailer **Ross Stores** is expected to report a rise in second-quarter revenue due to strong demand, as pressured consumer spending prompts them to seek cheaper options. Investors will look out for comments on demand, traffic and annual forecasts.

In Latin America, **Argentina**'s **trade balance** and **economic activity** are due for release. The country is expected to post a surplus of $1.85 billion for July, down from $2.194 billion in June. Economic activity likely rose 1.9% in June, up from 0.2% rise in May.

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Deere & Co	Q3	BMO	$4.71	$4.70	$4.93	$10,730.42
Ross Stores	Q2	AMC	$1.97	$1.94	$1.56	$6,180.40
Walmart	Q2	07:00	$0.74	$0.74	$0.68	$186,768.59

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

All analysts' estimates are according to LSEG IBES data.

Market Monitor

The main **stock market indexes** closed modestly higher, as easing government bond yields boosted risk appetite while a dramatic rally in shares of vaccine-maker Moderna drove gains in the healthcare sector. Investors barely reacted to minutes from the U.S. Federal Reserve's July meeting, which showed deepening concern about inflation with "several" policymakers ready to raise interest rates. "The risk-on trade is trying to hang on to the lifeline that Treasury Secretary Bessent sent," said Carol Schleif, chief market strategist at BMO Private Wealth, noting that riskier assets including high-profile technology stocks had sold off in recent days as bond yields rose. The **Dow Jones Industrial Average** rose 0.22% to 53,463.11, the **S&P 500** gained 0.21% to 7,708.25 and the **Nasdaq Composite** added 0.16%, to 26,331.09.

Traders work on the floor of the New York Stock Exchange in New York City, August 19. REUTERS/Jeenah Moon

Yields on **long-dated Treasuries** held onto earlier declines with the increased demand following an announcement that the Treasury Department would double the size of liquidity support buyback operations for longer-dated notes and bonds. The easing pressure on U.S. borrowing costs came as longer-dated euro zone bonds also retreated from multi-year highs hit during a global selloff on fears for governments' deteriorating fiscal situations, supply shocks and inflation fears. Thomas Simons, chief U.S. economist at Jefferies, said Wednesday's news was unusual because it did not come as part of the Treasury Department's most recent quarterly refunding announcements. "Which suggests that at any time in the future they could make more changes," he said. The Treasury Department sold $18 billion in **20-year bonds** at a high yield of 5.204%. The bid-to-cover ratio was 2.53. **Benchmark 10-year notes** rose 18/32 to yield 4.6367% and **30-year bonds** surged 1-16/32, yielding 5.1848%. **Two-year notes** edged up 1/32 with a yield of 4.1644%.

The **dollar** weakened against major currencies after the U.S. Treasury Department announced it plans to double liquidity support buyback operations for longer-dated bonds. The announcement suggests an expansionary monetary policy and the availability of more dollars in the market, which is causing the U.S. currency to depreciate, said Juan Perez, director of trading at Monex USA. "It makes sense for the dollar to depreciate since this is on top of other themes that have been negative for the dollar including a Federal Reserve that is not going to be communicative and no progress on the Middle East tensions," Perez said. The **dollar index** was down 0.85% at 99.81. The **euro** rose 0.89% to $1.1677. Against the **Japanese yen**, the **dollar** fell 0.95% to 158.10 yen.

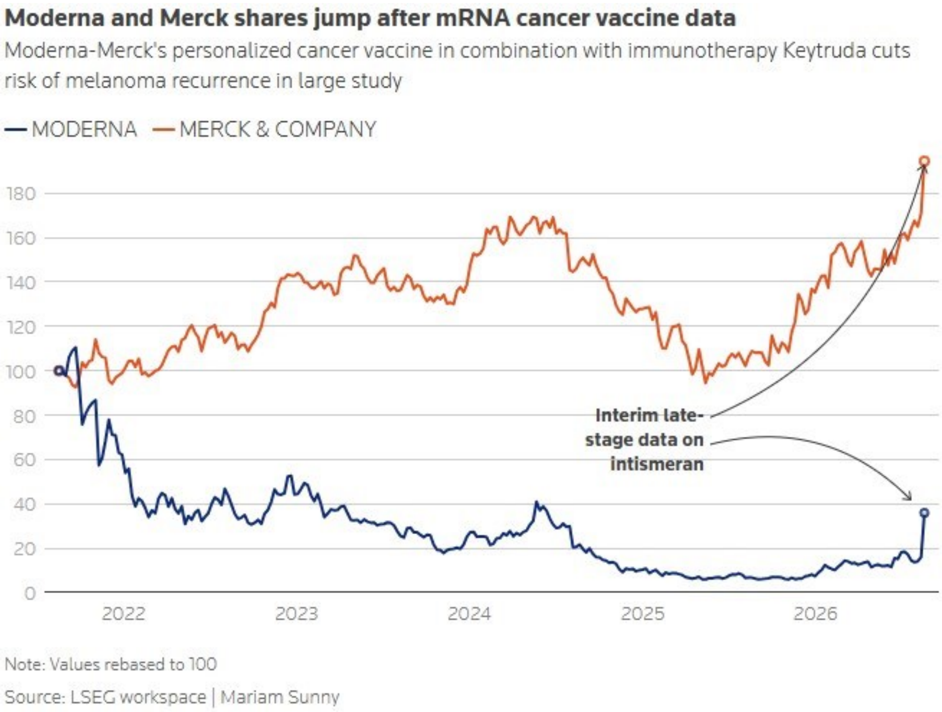
Crude oil prices rose as investors worried about escalating tensions in the Middle East after the United Arab Emirates decided to suspend all financial and economic transactions with Iran, and as ship traffic through the Strait of Hormuz remained slow. "Crude futures remain supported by the geopolitical tensions that remain in the Middle East, now with the UAE stating they have cut off all financial ties to Iran due to the latest missile attacks," said Dennis Kissler, senior vice president of trading at BOK Financial. **Brent crude futures** rose 0.37% to $91.36 a barrel, and **U.S. WTI crude futures** added 0.57% to $85.42 per barrel.

Gold surged after a surprise liquidity support announcement by the U.S. Treasury knocked down bond yields and the dollar. "This was totally unexpected. Very bullish for gold due to lower yields on longer-dated Treasuries and as it may help to bring the dollar lower," said Robert Gottlieb, an industry expert and former head of precious metals at Koch Supply and Trading. TD Securities said in a note the U.S. Treasury's announcement that it is increasing the size of liquidity support buyback operations has given metals a "jolt of life." **Spot gold** soared 4.06% to $4,509.09 per ounce. **U.S. gold futures** gained 3.34% to $4,568.10 an ounce.

Top News

Moderna vaccine cuts recurrence and spread of high-risk melanoma, raising new treatment hope

Moderna said that a personalized mRNA cancer vaccine reduced the risk of recurrence and spread of melanoma in a late-stage trial, a major success in a new field of cancer treatment that sent the drugmaker's shares surging. Moderna developed the vaccine with Merck and tested it together with immunotherapy drug Keytruda, a widely used treatment for melanoma. Thousands of patients who have undergone surgery to remove high-risk melanoma tumors could benefit as soon as next year if regulators approve the vaccine, Moderna President Stephen Hoge said in an interview. This is the first positive late-stage trial result for an mRNA cancer vaccine, and the first such study to show that adding a treatment to Keytruda worked better than that therapy alone. Shares of the company surged 169.86% to end at $169.82.



Click on the chart to get a detailed and interactive graphic

Target lifts annual forecasts again as Fiddelke's turnaround takes root

Target raised its annual sales forecast for a second time this year as efforts to cut prices and freshen merchandise yielded results, while its quarterly profit received a nearly $1 billion boost from tariff refunds. Quarterly comparable sales grew 3.8% and beat estimates of 2.5% growth in its earnings report, which Morningstar analyst Brett Husslein had flagged as a key test on whether Target can consistently execute on price, product mix and store experience. The sales growth was powered by a 3.6% rise in traffic and an 8.7% jump in digital comparable sales, as shoppers opted for same-day delivery. The turnaround "will take some time", Fiddelke said on a call with analysts, noting some categories such as apparel and home grew only a bit. Target's second-quarter gross margin rate expanded about 100 basis points to 33.7%. Excluding items and a tariff benefit of $1.65 per share, Target's quarterly profit of $2.46 beat estimates of $2.33.

Ex-Meta executive says Zuckerberg put growth before child safety

A former engineering director at Meta Platforms testified that CEO Mark Zuckerberg fostered a culture that treated child safety as secondary to growth and engagement on Facebook and Instagram. Arturo Bejar, a vocal Meta critic who worked at the company from 2009 to 2015 and as an independent contractor from 2019 to 2021, said Zuckerberg was closely involved in much decision-making, and the company's top-down culture ensured that product design changes would occur only if he ordered them. Bejar helped run surveys of teenagers' experiences as part of a team examining well-being on Instagram between 2019 and 2021. In Wednesday's testimony, Bejar said Meta used metrics such as meaningful social interactions and daily active users to reward employees, prioritizing user engagement — and profit — over safety.

Lowe's second-quarter profit beats on resilient home repair demand

Lowe's beat second-quarter profit and margin estimates, helped by enduring demand for home repairs after winter, though cautious consumer spending forced the home-improvement retailer to lower annual targets. The stock gained along with homebuilders such as D.R. Horton DHI.N, on hopes of lower mortgage rates and a recovery in the housing market. Demand generated by contractors helped Lowe's, like rival Home Depot, offset softness in large, do-it-yourself remodeling projects that require loans. Lowe's, which earlier expected its comparable sales this year to remain flat or grow up to 2%, now sees no annual growth. The retailer posted earnings per share of $4.27 for the quarter ended July 31. Gross margins of $8.58 billion also topped estimates of $8.54 billion.

TJ Maxx, Marshalls 'self-inflicted' slowdown clouds TJX earnings beat

TJX Companies reported a slowdown at its TJ Maxx and Marshalls discount apparel chains in the second quarter, overshadowing strong growth in its home goods business and fueling concerns about a pullback in U.S. consumer spending. While the off-price retailer is still drawing in bargain-hunting shoppers, its core apparel-focused Marmaxx division is facing headwinds ahead of the crucial back-to-school and holiday seasons. CEO Ernie Herrman acknowledged on a post-earnings call that the company "could have executed our store mix better" at TJ Maxx and Marshalls, with certain products, including basic and "impulse-driven" items, missing from shelves. But sales trends are improving in the current quarter, he added. The weaker-than-expected U.S. apparel results clouded TJX's earnings beat. The company also raised its annual profit forecast and maintained its comparable store sales growth target of 3% to 4%.

Marvell gives Google option to buy $12.2 billion stake in custom AI chip deal

Marvell Technology will help develop Google's in-demand custom chips and has offered the search giant the right to buy a potential $12.2 billion stake, the latest deal in which Big Tech is investing in the suppliers powering its AI build-out. Shares of the chipmaker jumped as the deal marked a major vote of confidence from a top cloud-computing provider and could bring roughly $120 billion in revenue through fiscal 2033, if Google hits the targets its stake option depends on. The Marvell-Google deal covers a broad range of technologies used with TPUs, including processors that run AI models, manage data storage and move information across networks. It gives Google a warrant to buy up to 58.97 million Marvell shares at $206.58 apiece. That is worth $12.18 billion if fully exercised and will make Google the fifth-largest investor of Marvell. "This is a big win for Marvell," said Morningstar analyst William Kerwin.

Trump to host crypto executives as SEC considers regulations

President Donald Trump will host cryptocurrency executives at the White House as U.S. financial regulators this week prepare to advance their framework for certain digital assets. Trump, who has earned more than $1.4 billion from his family's crypto ventures, is scheduled to make remarks with technology leaders at the White House in the afternoon, according to his official schedule. Representatives for the White House did not immediately return a request for comment. Crypto executives and representatives from industry trade groups are expected to attend the event, according to two people familiar with the matter. U.S. Commodity Futures Trading Commission Chair Mike Selig, U.S. Securities and Exchange Commission Chair Paul Atkins and crypto advisor Patrick Witt are also expected to attend, according to media reports. The CFTC is scheduled to discuss crypto regulation, among other issues, at an industry gathering on Thursday.

Estee Lauder bets on fragrances and skincare to deliver strong annual profit

Estee Lauder forecast annual profit above many Wall Street estimates on Wednesday, betting its CEO's turnaround strategy would deliver sustained demand for luxury fragrances and strong performance in major growth market China. Shares of the Clinique and M.A.C owner, whose merger talks with Jean Paul Gaultier-owner Puig PUIGb.MC collapsed in May, rose about 18% in early trading after it also exceeded quarterly results expectations. Resilient spending by affluent and younger customers has boosted demand for the cosmetics maker's luxury fragrances and skincare products, such as Le Labo and Balmain Beauty. The company wants the same momentum for its makeup and hair care categories, for which net sales were respectively flat and declining. To sustain its gains, Estee is accelerating premium product launches.

Analog Devices' quarterly forecast tops estimates on AI-fueled chip demand

Analog Devices forecast fourth-quarter revenue and profit above Wall Street estimates, betting on continued demand for its power-management chips used across data centers and industrial applications as AI investments ramp up. The company stands to benefit from surging investment in AI-driven computing, which has boosted demand for chips that regulate power and move vast amounts of data. Its components are widely used in data centers, factory automation equipment and modern vehicles. The company reported third-quarter revenue of $4.02 billion, up 40% from a year earlier. CEO Vincent Roche said the company benefited from broad-based demand in the third quarter, and that investments in innovation, customer relationships and manufacturing capabilities position it to capitalize on opportunities in the AI era.

Hershey targets the health-conscious with savoury Halloween snacks

Halloween trick-or-treating could be less sugary than usual this year as consumers look for healthier snacks and candy companies such as Hershey, the United States' biggest chocolate-maker, adapt their product offerings. Fuelled by GLP-1 weight-loss drugs and a growing focus on health, eating habits are changing, leading the makers of sweet and salty snacks to adjust their portfolios to offer more protein, smaller-sized products and fewer calories. In the run-up to Halloween, Hershey has added more salty snacks such as popcorn, cheese puffs and pretzels to its trick-or-treat offering, which its research has found U.S. consumers begin stocking up on months in advance. “Certainly, the Lesser Evil brand and our salty snacks brands broadly, Skinny Pop and Pirate's Booty, having a greater presence in Halloween is in response to the (healthy eating) dynamic," Dan Mohnshine, Hershey's vice president for demand creation, strategy and innovation, told Reuters.

A firefighter battles a wildfire in Deliblatska Pescara, Serbia, August 18. REUTERS/Marko Djurica

Insight and Analysis

REUTERS OPEN INTEREST-Don't blame US bond market indigestion on AI debt binge: McGeever

As U.S. hyperscalers ramp up borrowing to fund their trillion-dollar AI buildout, corporate debt issuance is smashing records. Could this massive increase in private-sector bond supply "crowd out" demand for Treasuries, putting additional pressure on Uncle Sam? The timing is certainly lousy for Washington. This flood of private-sector debt is coming just as market doubts are deepening around new Federal Reserve Chair Kevin Warsh's inflation-fighting credentials and the federal fiscal outlook. Given the unnerving signals out of Washington, fixed-income investors who aren't required to hold sovereign debt, particularly those needing long-term assets to match liabilities, may be increasingly open to high-quality corporate alternatives – of which there are now plenty.

Demand from US data-center boom radiates out through factory supply chains

Generac is best known for making backyard generators that rumble to life after power failures. But artificial intelligence is its new frontier. The company is spending $250 million by the end of next year to equip multiple factories to make beefed-up versions of its generators for data centers. The order backlog for those machines already stands at $1.6 billion, and the company expects to add about 1,000 workers. Other winners in the race to build new data centers include manufacturers of cooling systems, electrical transformers, and construction machinery. And demand quickly filters out to all those companies' suppliers. Makers of everything from wire cables and pipes to cement and the massive prefab metal walls used on the buildings are feeling a tailwind from AI.

ABC says intimidation by Trump's FCC forced programming changes

ABC is accusing U.S. President Donald Trump's administration of employing pressure tactics that have forced the television network to make programming compromises such as refraining from booking political candidates on its popular daytime talk show, "The View," for fear of retaliation. The network and its parent company Disney sued the Federal Communications Commission in an effort to block the agency's unusual early review of broadcast licenses for eight Disney-owned local TV stations. They argue that the administration is unlawfully seeking to punish the network over its broadcast content and force changes in its programming. In a Reuters interview, FCC Chair Brendan Carr denied that the agency was infringing on Disney's free speech rights or responding to Trump's dislike of specific content.

CANADA

Market Monitor

Canada's main stock index ended higher as investors cheered the pausing of new U.S. tariffs on Canadian goods, while gains in mining shares offered additional support.

The **S&P/TSX Composite Index** was up 0.09% at 36,401.79 points, after three straight days of declines. **Miners** climbed 6.97%, leading gains on the main index. Meanwhile, **financial stocks** fell 2.70%.


REUTERS/Mark Blinch

The **Canadian dollar** strengthened 0.63% against its **U.S. counterpart** to C$1.3809.

COMING UP

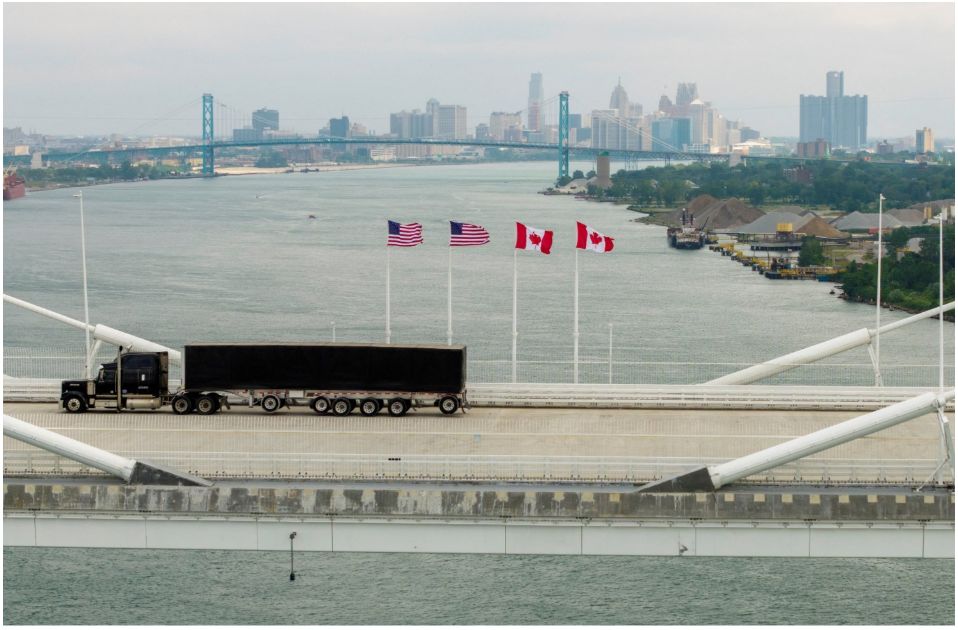
Statistics Canada will release **producer prices** and **new housing price** index for July, and **business barometer** for August is also expected.

TSE's S&P/TSX composite	Price	C$ Chng	% Chng
GAINERS			
NovaGold Resources Inc	11.67	1.36	13.19
Endeavour Silver Corp	15.15	1.73	12.89
First Majestic Silver Corp	28.79	3.10	12.07
LOSERS			
Enerflex Ltd.	28.45	-1.75	-5.79
MDA Space Ltd.	44.72	-2.59	-5.47
5N Plus Inc.	27.80	-1.52	-5.18

Top News

Canadian negotiators head home to finalize trade deal with US, avert tariffs

Canadian trade negotiators were flying back to Ottawa to work on finalizing a trade agreement with the U.S. after President Donald Trump said he had a deal with Canada that would stave off the threat of new U.S. tariffs. Trump had threatened to impose 50% tariffs on some Canadian goods starting early Wednesday but extended the deadline by three days late on Tuesday, citing progress. Canadian negotiators have been meeting their U.S. counterparts in Washington daily. "We feel confident that we've reached an agreement that will not only continue to protect American workers, American jobs, American supply chains but really strengthen the North American economy," U.S. Trade Representative Jamieson Greer told reporters after meeting his Canadian counterparts. Prime Minister Mark Carney said on X that Canada already had the best terms with the U.S. due to its continental trade deal. "We are now moving towards an agreement that reinforces that Canadian advantage, including by securing the best terms in each of Canada's most important strategic sectors and providing greater certainty about our future trading relationship," Carney added.

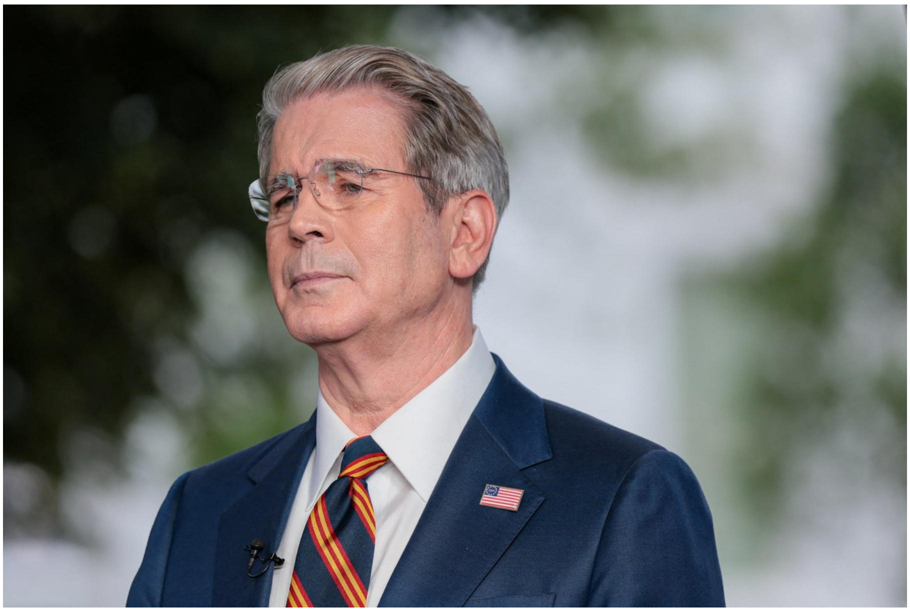


A drone view shows a vehicle crossing the Gordie Howe International Bridge, connecting Windsor, Ontario and Detroit, Michigan, in Windsor, Ontario, July 28. REUTERS/Carlos Osorio

RBC appoints former Ontario minister Caroline Mulroney as vice chair

Royal Bank of Canada said it had appointed former Ontario minister Caroline Mulroney as vice chair, effective September 14. Mulroney, who will report to Capital Markets CEO Derek Neldner, is the daughter of former Prime Minister of Canada Brian Mulroney. Mulroney will be responsible for building client relationships to grow RBC's activities across business segments and regions, Neldner said in a memo. She will connect clients with RBC's units across capital markets, commercial banking and wealth management, and advise the bank on the implications of evolving government policy, regulatory issues and public-sector developments.

WEALTH NEWS



U.S. Treasury Secretary Scott Bessent attends a media interview at the White House in Washington, D.C., July 30. REUTERS/Kylie Cooper

BOND BUYBACK

US Treasury Secretary Bessent doubles US long-bond buybacks in the face of surging yields

The U.S. Treasury announced a doubling of buyback sizes for 10- to 30-year Treasury debt securities to at least $4 billion per operation, staunching at least temporarily a weeks-long upward march in yields that had unnerved global investors. The increase from previously planned $2 billion buybacks will apply to the 10-year to 20-year sector and the 20-year to 30-year sector and will be effective September 9 through November 4, the department said in a statement. The move was announced a day after a major bond selloff pushed the 30-year Treasury yield to its highest level since 2007 amid worries of an imminent escalation in the U.S.-Israeli war with Iran and rising concerns over a deteriorating U.S. fiscal picture as total public debt outstanding nears the $40 trillion mark.

INFLATION CONCERN

Fed policymakers' inflation concerns increased at July meeting, minutes show

Concern about inflation deepened at the Federal Reserve's meeting last month, with "several" policymakers ready to raise interest rates and "many" saying a hike in borrowing costs would be needed if inflation does not decline to the U.S. central bank's 2% target, the minutes of the session showed.

PRODUCTIVITY

Boston Fed paper says strong productivity blunted tariff inflation impact

Robust U.S. productivity levels appear to have blunted the full inflationary impact of President Donald Trump's large-scale trade tariffs, new research from the Federal Reserve Bank of Boston said.

DEBT ISSUANCE

Alphabet raises $3.9 billion in inaugural Australian dollar bond

Alphabet has raised $3.89 billion via its inaugural Australian dollar debt issuance, according to a term sheet seen by Reuters, adding to the hectic pace of fundraising by global technology companies.

TRADING DEBUT

Lyntris valued at $1.8 billion after shares fall in New York debut

Lyntris' shares fell in the defense contractor's New York debut on Wednesday, valuing the company at $1.78 billion and signaling investor caution toward new listings. Shares of the company ended 16.29% lower at $14.65.

M&A

Payments firm Stripe to buy marketplace OpenRouter in AI push

Payments firm Stripe said it has agreed to buy OpenRouter, which helps businesses route and optimize token usage, at an undisclosed value, its latest bet on the fast-growing AI industry.

LAWSUIT

US appeals court revives Signature Bank collapse lawsuit despite FDIC objection

A U.S. appeals court revived an investor lawsuit over the 2023 collapse of Signature Bank, saying the Federal Deposit Insurance Corp (FDIC) seizure of the lender did not take away shareholders' right to sue.

A man rides on a DaxAI Robot Qiji X1 All-Terrain Intelligent Mount-Quadruped Cyber Horse as a demonstration during the 2026 World Robot Conference, in Beijing, China, August 19. REUTERS/Tingshu Wang

The Day Ahead - North America is compiled by Anjana J Nair and Priyada K S in Bengaluru.

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