MARKET RECAP at 4 pm ET

Wall Street ended lower as rising **Treasury yields** weighed on risk appetite, while disappointing results from retail giant Walmart and a rally in **oil prices** added to market pressure. The **dollar** edged higher against a basket of major currencies, while **gold** held steady as investors assessed the inflation outlook.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	52,759.21	-703.84	-1.32	54,744.33	45,057.28
Nasdaq	26,067.17	-263.93	-1.00	27,190.21	20,690.25
S&P 500	7,641.16	-66.82	-0.87	7,816.70	6,316.91
Toronto	36,365.42	-36.37	-0.10	36,844.73	27,802.11
FTSE	10,748.16	4.81	0.04	10,989.45	9,670.46
Eurofirst	2,600.94	-2.96	-0.11	2,652.27	2,231.14
Nikkei	66,216.79	890.37	1.36	72,831.73	50,558.91
Hang Seng	25,698.49	203.42	0.80	28,056.10	22,518.00

TREASURIES	Yield	Price
10-year	4.7021	-13 /32
2-year	4.1854	0 /32
5-year	4.3869	-5 /32
30-year	5.2476	-26 /32

FOREX	Last	% Chng
Euro/Dollar	1.1676	-0.01
Dollar/Yen	159.11	0.6
Sterling/Dollar	1.3625	0.16
Dollar/CAD	1.3789	-0.12
USD/CNH (Offshore)	6.7257	-0.08

COMMODITIES ($)	Price	Chng	% Chng
Front Month Crude /barrel	87.83	2.00	2.70
Spot gold (NY/oz)	4522.97	1.88	0.04
Copper U.S. (front month/lb)	6.46	-0.0275	-0.40
CRB Index Total Return	517.71	4.20	0.82

S&P 500	Price	$ Chng	% Chng
GAINERS			
Nordson Corporation	334.89	24.97	8.06
Coinbase Global Inc	172.46	12.26	7.65
Deere & Co	621.97	41.34	7.12
LOSERS			
Moderna Inc	132.86	-41.52	-23.81
Walmart Inc	103.90	-10.40	-9.10
Intuitive Surgical Inc	374.93	-22.79	-5.73

Coming Up

A robot constructs a solan panel inside the QCells North America factory in Cartersville, Georgia, June 8. REUTERS/Alyssa Pointer

On the U.S. economic monitor, the **S&P Global flash manufacturing PMI** reading for August is expected at 53.9, matching the July reading. The **flash services PMI** is forecast at 54, a slight dip from 54.6 in the previous month. The **flash composite data** will also be released.

Adobe will ask a California federal court to dismiss a trademark lawsuit from the British visual-effects software company Foundry Visionmongers that alleges Adobe's "Foundry" generative AI tools infringe its trademarks. Adobe argues that its products are unlikely to confuse consumers.

In Latin America, June **retail sales** data in **Mexico** and **Argentina** are scheduled for release. **Sales** in **Mexico** are projected to rise 3.1% annually and 0.1% on a month-on-month basis.

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
S&P Global Manufacturing PMI Flash for Aug	0945	53.9	53.9
S&P Global Services PMI Flash for Aug	0945	54.0	54.6
S&P Global Composite PMI Flash for Aug	0945	--	54.5

Market Monitor

The **three main equity indexes** closed lower as rising Treasury yields dented risk appetite, disappointing results from retail bellwether Walmart soured investors on the consumer sector and rallying oil prices fanned inflation worries. Another negative, said Mona Mahajan, head of investment strategy at Edward Jones, was U.S. crude oil trading above $87, touching its highest level since late July. She also pointed to upward pressure on bond yields as a further weight on stocks. The **Dow Jones Industrial Average** fell 1.32% to 52,759.21, the **S&P 500** lost 0.87% to 7,641.16 and the **Nasdaq Composite** declined 1% to 26,067.17.

A trader works on the floor of the New York Stock Exchange in New York City, August 19. REUTERS/Jeenah Moon

Treasury yields erased some of the prior day's declines, returning to their upward trend despite fresh assurances from Treasury Secretary Bessent of liquidity support for long-dated notes and bonds, which followed the Treasury Department's Wednesday announcement of increased buybacks. The rise pointed to persistent pressure on long-term borrowing costs for the world's largest economy, with U.S. sovereign debt now surpassing $40 trillion for the first time. Michael Lorizio, head of U.S. rates and mortgage trading at Manulife Investment Management, said that while Bessent's media appearance had not really moved markets, Thursday's upward movement in yields was likely more due to higher oil prices, which in turn can make investors anticipate upward pressure on inflation and increasing hawkishness among Federal Reserve policymakers. The **30-year bonds** declined 27/32, yielding 5.2498% and **benchmark 10-year notes** fell 13/32 to yield 4.7041%. **Two-year notes** were flat with a yield of 4.1854%. Separately, the Treasury Department sold $9 billion in **30-year indexed bonds** at a high yield of 2.973%. The bid-to-cover ratio was 3.06.

The **dollar** rebounded from earlier losses to post a modest gain as traders evaluated whether U.S. Treasury Department efforts to hold down longer -term Treasury yields will be successful. The announcement triggered a sharp selloff in the U.S. currency as traders worried that market concerns about the U.S. fiscal picture will be shifted to the dollar, boosting gold and bitcoin in what some call the "debasement trade." Markets pushed back against the Treasury's move, with yields renewing their climb higher, said Sarah Ying, head of FX strategy at CIBC Capital Markets. "This is (Treasury Secretary Scott) Bessent testing the market and the market fighting back," Ying said. The **euro** inched down 0.01% to $1.1676 after earlier touching $1.171, the highest since May 14. Against the **Japanese yen**, the **dollar** rose 0.6% to 159.11 yen. The **dollar index** edged up 0.05% to 98.88.

Oil prices rose after U.S. President Donald Trump warned of retaliation against nations supporting Iran, his latest attempt to resolve a war that has stranded millions of barrels of Middle Eastern oil. "Tensions in the Middle East remain high, leaving room for further supply disruptions," said Giovanni Staunovo, an analyst with UBS. "Lower oil exports from the Middle East are once again tightening the oil market." **Brent crude futures** were up 2.06% at $93.51 a barrel and **U.S. WTI crude futures** rose 2.70% to $87.83 per barrel.

Gold prices recouped some earlier losses to trade largely steady, as prospects of lower long-term real rates offset persisting risks of higher inflation underlined by rising oil prices. "Gold has come under routine profit-taking pressure following the previous session's strong gains," said Jim Wyckoff, a market analyst at American Gold Exchange. The somewhat hawkish U.S. Federal Reserve minutes and higher oil prices, which have revived inflation concerns, also undermined the metal, he added. **Spot gold** edged up 0.04% to $4,522.90 per ounce. **U.S. gold futures** were 0.84% higher at $4,583.70 an ounce.

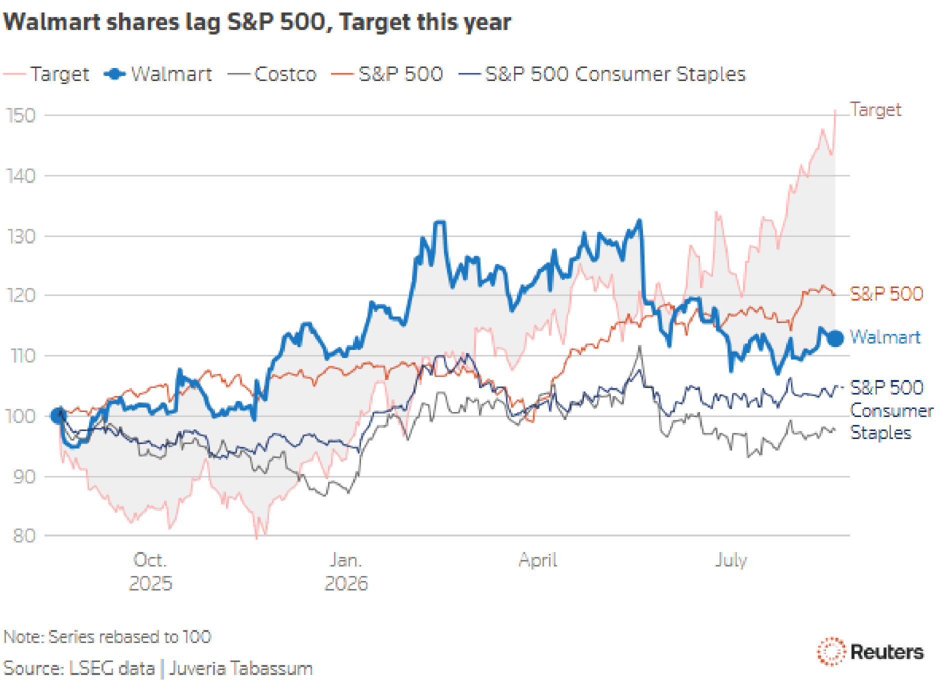
Top News

Walmart sales growth slowdown tests consumer resilience, shares slide

Walmart reported its slowest quarterly comparable sales growth in six years and warned shoppers were likely being squeezed by high gasoline prices, stoking concerns that pressure on U.S. consumers is mounting. The retailer raised its annual sales and profit forecasts and said aggressive price cuts would boost demand later this year, but investors were unconvinced. "When fuel prices increase and get above $4, perhaps there's a psychological impact to that ... consumers are making trade-offs," CFO John David Rainey said on a call with analysts. Store traffic growth slowed to 1.5% in the latest three months from 3% in the first quarter. Comparable sales grew just 2.6%, short of analysts' expectations of a 3.8% increase. Walmart now expects fiscal 2027 net sales to grow between 4% and 5%, up from its earlier target of growth between 3.5% and 4.5%. It expects annual adjusted earnings per share of between $2.80 and $2.87. Shares of the retailer ended 9.15% lower at $103.84.

Gains in AI company stakes juice second-quarter earnings for S&P 500

S&P 500 companies are winding up a banner quarterly earnings season, fueled in large part by surging profits at AI-related companies. The S&P 500 is on track for a 52% surge in aggregate second-quarter earnings from the year before, helped by a 74% profit jump in the technology sector. The figures include big mark-to-market boosts at Alphabet and Amazon, both of which recognized large gains in the period on investments in AI highfliers such as Anthropic. Excluding those gains, the latest estimate for S&P 500 second-quarter profit growth would be 33%, according to Tajinder Dhillon, head of earnings research at LSEG. "Mark-to-market gains can turn into losses just as fast," Savita Subramanian, equity and quant strategist at BofA Securities, wrote in a recent client note. "We are not arguing mark-to-market gains are bad, though we remain cautious that increasing earnings dependence on (largely) uncontrollable factors reduces visibility."



Click on the chart for a detailed and interactive graphic

Deere raises 2026 profit view as AI construction boom lifts quarterly income, shares jump

Deere, the world's largest farm equipment manufacturer, raised its full-year net income forecast and posted its first rise in quarterly profit in three years on the back of an AI-driven construction boom and tariff refunds. Deere's construction and forestry segment emerged as its fastest-growing business and quarterly net sales in the segment rose 18% from a year earlier. The company also recorded a tariff refund of $110 million during the quarter, but expects net tariff costs of about $750 million in 2026 and about $1 billion in 2027, according to finance chief Brent Norwood. Deere's profit per share came in at $5.10 for the quarter, up from $4.75 per share a year earlier and above analysts' estimates of $4.70 per share. Deere shares ended 7.07% higher at $621.70.

Crypto shares climb after Treasury's doubled buybacks boost risk assets

Cryptocurrency-related stocks surged, a day after the U.S. Treasury Department said it would support more long-duration bonds, boosting risk assets, and as U.S. President Donald Trump urged Congress to pass legislation establishing clear rules for digital assets. The Treasury's move to double buyback sizes for long-duration debt came after a major bond selloff pushed the 30-year Treasury yield to its highest level since 2007. Higher yields are typically a negative for risk assets like cryptocurrencies because they increase the returns on safer investments. "The rally (in crypto) was then fueled by a wave of short-covering, following weeks of extremely narrow trading," Alex Kuptsikevich, chief market analyst at brokerage

FxPro, said in a research note. "Trump's comments (on Wednesday) are incrementally positive because they suggest the White House is putting more direct pressure on Congress to get the legislation done," said U.S. Tiger Securities analyst Bo Pei.

Micron unveils $10 billion AI memory research lab in Boise
Micron Technology said it plans to spend $10 billion on its newly established research lab at Boise, Idaho, over the next decade to advance memory technologies, develop compute systems and support future chip manufacturing. Large memory chipmakers such as Micron, Samsung Electronics and SK Hynix have been benefiting from a surge in demand from the rapid expansion of AI infrastructure. Micron Research Labs will bring together customers, academia, government and the broader semiconductor ecosystem to pursue breakthroughs, the company said. The latest investment builds on the more than $250 billion that Micron had separately committed to manufacturing and R&D across the United States. The lab will be connected to Micron's research and technology footprint across the U.S., Europe, Japan, India, Singapore and Taiwan.

Nvidia to ship AI chip for China by year-end, The Information reports
Nvidia plans to start shipping small volumes of an AI chip designed for Chinese customers by year-end, The Information reported, citing two employees. Several Chinese customers have already ordered the chip, a version of Nvidia's language processing unit, which uses technology licensed from Groq and works alongside Nvidia's graphics processors to speed up AI chatbot responses, the report said. The chip complies with U.S. export controls, The Information reported, though it remains unclear whether Beijing will approve sales. While the chip giant dominates the market for training AI systems, it faces much more competition in the inference market. Several major Chinese firms, including AI heavyweights such as Baidu, already produce their own inference chips.

Trump administration to back US minerals projects with $500 million in grants
The U.S. Department of Energy is awarding $500 million in grants to seven companies building domestic lithium, cobalt and other mineral and battery projects, the latest in a string of investments aimed at bolstering American mining and processing, according to a document seen by Reuters. The funding comes weeks after President Donald Trump outlined a goal to make the U.S. the "minerals superpower of the world" and curb reliance on market leader China. The administration has used loans, grants, government investments and other tools to encourage new mining and processing projects, while seeking to build a more secure domestic supply chain for minerals considered essential to the economy and national security. The Energy Department received hundreds of applications for this third round of funding from its Battery Materials Processing and Battery Manufacturing programs.

Prudential's asset management arm strikes deal for $3 billion of GreenSky loans
PGIM has struck an agreement to buy roughly $3 billion of loans from home improvement lender GreenSky, the asset management arm of Prudential Financial said. The three-year agreement comes as PGIM focuses on scaling its asset-backed financing platform, a segment from where traditional banks have pulled back. PGIM, which manages $1.5 trillion in assets across public and private asset classes, will buy the loans through a so-called forward flow agreement with GreenSky, where investors agree to purchase the loans before they are originated. "Home improvement lending continues to stand out as a compelling segment within consumer credit. Additionally, the aging housing stock is driving increased demand for critical home infrastructure and improvements," said Oliver Nisenson, head of private asset-based finance at PGIM.

Carlyle-backed YipitData explores $2.5 billion-plus sale, sources say
YipitData, a data analytics provider backed by investors including Carlyle Group, is exploring a sale that could value the company at more than $2.5 billion, people familiar with the matter said. The move comes at a time of heightened investor interest in businesses with proprietary datasets, both due to their ability to train artificial intelligence models with unique insights, but also because difficult-to-replicate data assets can continue to generate revenue even as AI undermines other technology usage. New York-based YipitData, which counts Walmart, Lowe's and Ulta Beauty among its customers, is working with investment bankers at Goldman Sachs on the sale process, the sources said, speaking on condition of anonymity. Deliberations with potential strategic buyers and private equity firms are at an early stage, added the sources, who cautioned there is no certainty a deal will be struck.

D.E. Shaw owns more than $1 billion stake in Sysco, sources say
D.E. Shaw owns a stake exceeding $1 billion in Sysco, two sources familiar with the matter said, hours after the world's biggest food distributor said it will refresh its board to help speed up growth. New York-headquartered D.E. Shaw, one of the world's biggest hedge funds, has been invested in Sysco for a decade, but the size of its current stake in the Houston-headquartered company, which is valued at $40 billion, has not been previously reported. Sysco will add two directors with experience in technology, e-commerce and food service distribution to the board next month. The company is pushing to speed up its use of AI to improve operational performance and boost its share price. Industry analysts have said AI can help food distribution companies by predicting demand, automating order processing and streamlining logistics.

Members of the police evacuation unit assist residents during an evacuation from the frontline village of Lysogirka, amid Russia's attack on Ukraine, in Zaporizhzhia region, Ukraine, August 20. REUTERS/Stringer

Insight and Analysis

Target's grocery bet is paying off. Now it must get shoppers beyond the snack aisle

Target's bet on groceries helped drive its fastest growth in that business in three years, but a lasting turnaround hinges on whether it can persuade shoppers who come for milk and snacks to buy higher-margin goods elsewhere in the store. Food and beverage sales grew 7% in the quarter ended August 1, building on gains in the prior period after many quarters of tepid growth, as new CEO Michael Fiddelke pushes to make grocery a bigger draw. But food carries lower margins than apparel, home goods and other discretionary merchandise, meaning the strategy ultimately must translate into broader spending, investors and analysts said. "It's mission-critical," said Sarah Henry, managing director at Target shareholder Logan Capital Management.

REUTERS OPEN INTEREST-Fed minutes show September rate hike still on the table: McGeever

The likelihood of the Federal Reserve raising interest rates next month has diminished following a set of soft inflation and employment data. But the minutes of policymakers' last meeting suggest a hike cannot be ruled out. The center of gravity on the central bank's rate-setting FOMC has shifted in a more hawkish direction, as evidenced by the three votes to raise rates in July. That was the biggest single, one-way dissenting "bloc vote" on the fed funds rate since September 2016. There was an 8-4 split as recently as April, though one of those dissents was for a rate cut, and three were against the easing bias in the statement. The language of the minutes suggests more than three officials could be voting to raise rates at the September 15-16 meeting.

FOCUS-Green giant: How Taylor Farms became a top salad supplier before US diarrhea outbreak

Taylor Farms, the produce supplier at the center of the massive U.S. cyclosporiasis outbreak, changed the way that America eats after launching branded, prepackaged and washed chopped salads more than a decade ago. With flavors ranging from Asiago Kale to Broccoli Crunch, the products are ubiquitous in Walmart, Kroger, Costco and other grocery stores, establishing Taylor Farms as North America's leading salad producer. Now, the company is changing the way America eats again, except this time it has driven consumers away from fresh produce after iceberg lettuce that Taylor Farms processed in central Mexico was tied to the U.S. outbreak of illness caused by the cyclospora parasite.

CANADA

Market Monitor

Canada's main stock index ended lower, mirroring a downbeat mood across global markets as investors questioned whether the U.S. Treasury's intervention would be enough to calm the bond market.

The **S&P/TSX Composite Index** closed 0.10% lower at 36,365.42. **Healthcare** stocks and **consumer discretionary** shares shed 1.44% and 0.67%, respectively, while **Energy** shares added 1.37%.


REUTERS/Mark Blinch

The **Canadian dollar** was 0.12% higher against the **greenback** at C$1.3790.

COMING UP

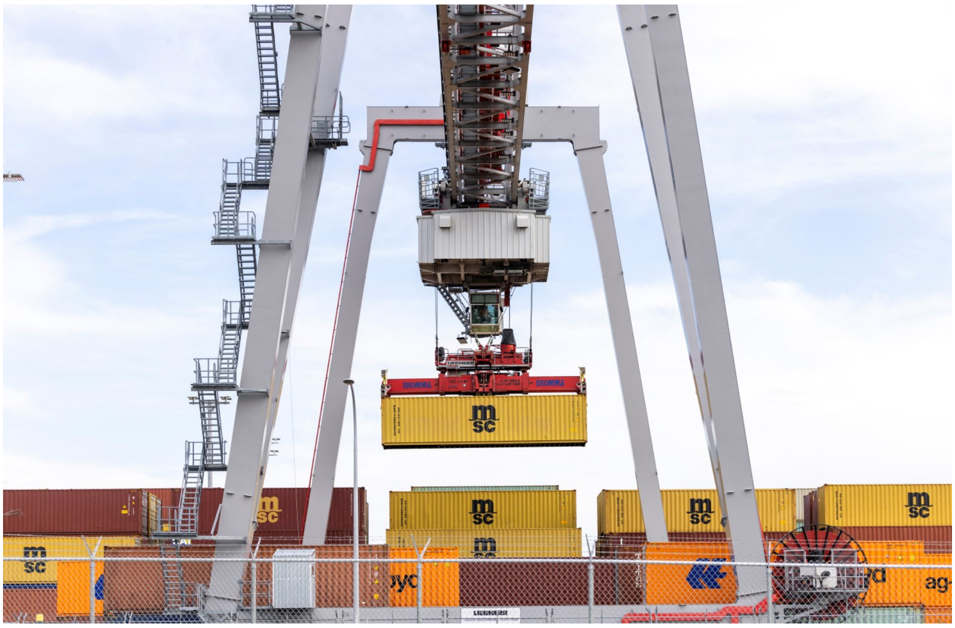
Statistics Canada is set to report the country's **retail sales** data for June, expected to have risen 0.4%, down from 1% in May. **Excluding automobiles**, sales gained 0.4%, after rising 1.2% in the previous month.

TSE's S&P/TSX composite	Price	C$ Chng	% Chng
GAINERS			
Ero Copper Corp.	49.61	2.56	5.44
Kinross Gold Corp	43.38	2.14	5.18
Sprott Inc	174.11	7.33	4.40
LOSERS			
Energy Fuels Inc.	19.21	-1.31	-6.38
Aritzia Inc.	130.47	-7.59	-5.50
CAE Inc	34.47	-1.44	-4.01

Top News

Canada says trade deal with US is 'very close', more work needed

Canada and the United States are "very close" to agreeing a trade deal that could help reduce months of tariffs and counter duties but more work remains to be done, a top Canadian official said. Dominic LeBlanc, the minister responsible for trade with the U.S., was speaking after he met U.S. Trade Representative Jamieson Greer in Washington. The two sides are trying to meet a deadline set by U.S. President Donald Trump, who says he will impose a new 50% tariff on about $20 billion worth of Canadian goods at 12:01 a.m. EDT (0401 GMT) on Saturday. "We're very close. We continue to make progress and we're going to stay here and do the work that's necessary," LeBlanc told reporters.



A crane operator lifts a shipping container at the Port of Montreal in Montreal, Quebec, April 14, 2025. REUTERS/Carlos Osorio

BMO reorganizes international capital markets business, memo shows

Bank of Montreal will reorganize its international capital markets business under a single leadership structure, with Asia head Chris Taves set to retire next year, according to a memo seen by Reuters. Richard Couzens will become head of international capital markets, expanding his role as head of BMO Europe, Middle East and Africa (EMEA) effective November 1, Alan Tannenbaum, the CEO of the bank's capital markets business, said in the memo. Taves will step down on January 31, 2027, the memo said. He joined the bank in 2009 and was appointed head of Asia for BMO Capital Markets in January 2024. He will work with Couzens in the first quarter of 2027 to support the Asia team, along with Asia head of global markets, Glenn Anson, and China head, Lisa Xia, the memo added. BMO did not immediately comment on the appointment. Canadian banks have focused on capital markets abroad to diversify their business amid trade tensions between the United States and

Canada. Canadian Prime Minister Mark Carney's international visits and business-friendly policies have also boosted investor sentiment.

Canada's WSP presses ahead with Arcadis takeover bid

Canada's WSP Global said it would press ahead with plans to acquire Arcadis, despite having two unsolicited approaches rebuffed by the Dutch engineering and consulting group. WSP said it would prepare an offer memorandum and submit it to the Dutch financial markets regulator for review by Oct. 15, although it did not disclose whether it planned to increase its latest offer. Arcadis rejected an improved proposal of 51.5 euros per share in July, after Reuters reported earlier that month that WSP was working on a possible bid. The offer valued Arcadis at about 5.4 billion euros, including debt, according to Reuters calculations. Prior to receiving the unsolicited bids, Arcadis' executive and supervisory boards had "formally interacted" with WSP at the Canadian company's request, an Arcadis spokesperson told Reuters. The spokesperson reiterated that both proposals fundamentally undervalued the company and were not in the interests of "shareholders, employees, clients and other stakeholders". Arcadis' boards have a "strong conviction" in the company's standalone strategy and medium-term targets, the spokesperson added. WSP said that Arcadis' boards had yet to engage with it regarding a potential transaction.

Canada July producer prices up 0.6% on energy, precious metals

Producer prices in Canada was up 0.6% in July from June on higher prices for energy and petroleum products, as well as primary non-ferrous metal products, Statistics Canada said. This followed an unrevised 1.4% decrease in June. Raw materials prices were down 2.2% in July, and were up 18.1% on the year.

WEALTH NEWS

BOND REPURCHASE

Treasury's Bessent says upsized bond buybacks could increase further

U.S. Treasury Secretary Scott Bessent said he may increase again the volume of Treasury bonds the government will repurchase, a day after surprising the market with plans to double them. "We're going to increase the size of the buyback," Bessent said in a CNBC interview. "I would note that it could be more than the $4 billion per issue." The Treasury on Wednesday announced that it would double the size of buybacks on longer-dated securities over the next quarter to at least $4 billion, a move that stanched this week's rise in 30-year bond yields to 19-year highs. Bessent told CNBC that his objective was to support liquidity in an area of the market that is thinly traded, especially in August, while having to compete with a lot of corporate issuance at higher yields, including for artificial intelligence infrastructure.

The US Department of the Treasury Building in Washington, D.C., July 11. REUTERS/ Daniel Heuer

BALANCE SHEET

Treasury's upsized buybacks may complicate Fed's monetary policy work

Federal Reserve Chairman Kevin Warsh has promised that the U.S. central bank will deliver price stability, but Treasury Secretary Scott Bessent's decision on Wednesday to double buybacks of longer-dated U.S. debt may complicate any effort to do so.

REUTERS OPEN INTEREST

US relies on tactics, not strategy, to calm angry bonds: Mike Dolan

The U.S. Treasury can buy back bonds, soothe a rattled market and perhaps ease political pressure before the midterms. But unless it addresses mounting debt, stubborn inflation and doubts about the Federal Reserve's direction, the relief will be fleeting — and could come at the dollar's expense.

FEDSPEAK

Fed's Daly tells Bloomberg she's focused on mandates amid Treasury actions

Federal Reserve Bank of San Francisco President Mary Daly said she’s not ready to judge how the Treasury Department's moves to manage debt issuance will affect the central bank’s work, as she flagged the importance of getting inflation back to 2%.

ECONOMIC DATA

US unemployment claims dipped last week, showing stability in job market

The number of Americans filing claims for unemployment benefits slipped last week, suggesting that the labor market remains stable despite a surprise drop in employment in July and leaving the Federal Reserve in position to keep its focus on containing inflation.

INSIDER TRADING

EXCLUSIVE-More than 150 Polymarket wallets may have traded on military secrets, research finds

More than 150 wallets on Polymarket International may have traded on inside U.S. military information, attracting copycat bets and raising concerns that the market could broadcast signals exploitable by foreign adversaries, according to research published.

FUNDING

Satellite maker Muon Space valued at $1.5 billion, source says

Satellite-constellation developer Muon Space has raised $250 million in a Series C funding round as it looks to expand manufacturing capacity amid rising demand for space-based infrastructure.

A staff member dressed up in a costume walks with VBot robots on a dog leash during the 2026 World Robot Conference, in Beijing, China, August 19. REUTERS/Tingshu Wang

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