
## MARKET RECAP at 4 pm ET

**Wall Street's main indexes** closed higher, as technology stocks recovered from a selloff ahead of Nvidia's results. **Treasury yields** fell as **oil** prices dropped while traders continued to weigh the implications of Treasury buybacks. The **dollar** edged lower as investors assessed expanded U.S. sanctions on Iran. **Gold** prices rose.

| STOCKS | Close | Chng | % Chng | Yr-high | Yr-low |
|---|---|---|---|---|---|
| DJIA | 53,577.17 | 160.01 | 0.30 | 54,744.33 | 45,057.28 |
| Nasdaq | 26,151.30 | 171.11 | 0.66 | 27,190.21 | 20,690.25 |
| S&P 500 | 7,677.20 | 24.34 | 0.32 | 7,816.70 | 6,316.91 |
| Toronto | 36,957.63 | 243.51 | 0.66 | 36,844.73 | 28,138.70 |
| FTSE | 10,886.16 | 31.84 | 0.29 | 10,989.45 | 9,670.46 |
| Eurofirst | 2,623.22 | 7.74 | 0.30 | 2,652.27 | 2,231.14 |
| Nikkei | 65,856.43 | 328.34 | 0.50 | 72,831.73 | 50,558.91 |
| Hang Seng | 25,511.10 | -6.23 | -0.02 | 28,056.10 | 22,518.00 |

| TREASURIES | Yield | Price |
|---|---|---|
| 10-year | 4.6288 | 19 /32 |
| 2-year | 4.1826 | 3 /32 |
| 5-year | 4.3370 | 10 /32 |
| 30-year | 5.1630 | 33 /32 |

| FOREX | Last | % Chng |
|---|---|---|
| Euro/Dollar | 1.1675 | 0.11 |
| Dollar/Yen | 159.11 | 0.02 |
| Sterling/Dollar | 1.3649 | 0.14 |
| Dollar/CAD | 1.3830 | -0.09 |
| USD/CNH (Offshore) | 6.7169 | -0.05 |

| COMMODITIES ($) | Price | Chng | % Chng |
|---|---|---|---|
| Front Month Crude /barrel | 81.59 | -3.42 | -4.02 |
| Spot gold (NY/oz) | 4665.05 | 13.78 | 0.30 |
| Copper U.S. (front month/lb) | 6.70 | 0.1020 | 1.55 |
| CRB Index Total Return | 513.43 | -3.82 | -0.74 |

| S&P 500 | Price | $ Chng | % Chng |
|---|---|---|---|
| **GAINERS** | | | |
| Moderna Inc | 159.27 | 20.38 | 14.67 |
| Super Micro Computer Inc | 37.98 | 2.81 | 7.98 |
| Robinhood Markets, Inc. | 111.82 | 8.20 | 7.91 |
| **LOSERS** | | | |
| Albemarle Corp | 132.67 | -8.84 | -6.25 |
| EMCOR Group Inc | 731.54 | -33.36 | -4.36 |
| Target Corp | 162.93 | -6.96 | -4.10 |

# Coming Up

**Nvidia** reports its second-quarter results. Analysts expect Nvidia to report a 96.5% rise in second-quarter sales, driven by a more than two-fold increase in data-center revenue as spending on AI infrastructure rages on. Investors will be watching for the chip firm's third-quarter outlook, the status of its Vera Rubin ramp and the latest updates on its business in China.


*REUTERS/Manami Yamada*

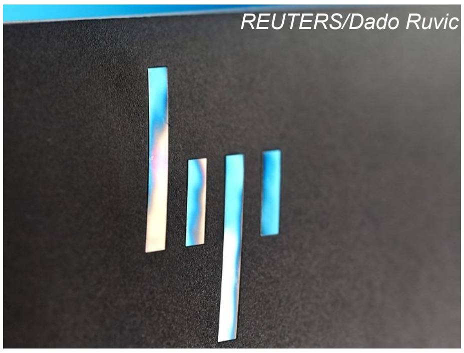
On the U.S. economic front, the Commerce Department's Bureau of Economic Analysis will release July Personal Consumption Expenditures (PCE) Price Index data, the Federal Reserve's preferred inflation measure, along with its second estimate of second-quarter GDP. **Headline PCE**

## KEY ECONOMIC EVENTS

| Events | ET | Poll | Prior |
|---|---|---|---|
| Personal income MM for July | 0830 | 0.2% | 0.2% |
| Personal consumption real MM for July | 0830 | -- | 0.4% |
| Consumption, adjusted MM for July | 0830 | 0.1% | 0.3% |
| Core PCE price index MM for July | 0830 | 0.2% | 0.1% |
| Core PCE price index YY for July | 0830 | 3.3% | 3.3% |
| PCE price index MM for July | 0830 | 0.1% | -0.1% |
| PCE price index YY for July | 0830 | 3.6% | 3.7% |
| PCE price excluding food, energy & housing for July | 0830 | -- | 0.1% |
| PCE services price excluding energy & housing for July | 0830 | -- | 0.1% |
| Corporate profits preliminary for Q2 | 0830 | -- | 0.5% |
| Durable goods for July | 0830 | 0.5% | 0.5% |
| Durables ex-transport for July | 0830 | 0.6% | 0.7% |
| Durables ex-defense mm for July | 0830 | -- | 0.5% |
| Nondefense cap ex-air for July | 0830 | 0.6% | 1.2% |
| GDP 2nd estimate for Q2 | 0830 | 1.5% | 1.5% |
| GDP sales preliminary for Q2 | 0830 | 2.2% | 2.2% |
| GDP cons spending preliminary for Q2 | 0830 | -- | 3.2% |
| GDP deflator preliminary for Q2 | 0830 | 6.2% | 6.3% |
| Core PCE prices preliminary for Q2 | 0830 | 3.4% | 3.4% |
| PCE prices preliminary for Q2 | 0830 | 5.1% | 5.1% |
| PCE excluding food, energy & housing (p) for Q2 | 0830 | -- | 3.2% |
| PCE services price excluding energy & housing (p) for Q2 | 0830 | -- | 3.4% |
| Dallas Fed PCE for July | 1000 | -- | 1.4% |

**inflation** is expected to rise 0.1% in July, while the **core** measure, which **excludes food and energy**, is projected to increase 0.2%, leaving the annual rate unchanged at 3.3%. Separately, the Commerce Department's Census Bureau is expected to report that **durable goods** orders increased 0.5% in July. **Excluding transportation equipment, orders** are forecast to have risen 0.6%, compared with a 0.7% gain in June. The second estimate of second-quarter **GDP** growth is expected to confirm an annualized expansion rate of 1.5%. The data release will also include figures on **personal income** and **spending**, as well as **preliminary corporate profits**. Personal income is projected to have increased 0.2% in July.

Enterprise software giant **Salesforce** is set to release its second-quarter earnings, with analysts projecting a 10.6% revenue increase driven by growing demand for its AI-powered autonomous agents, amid fears of disruption from the technology.


REUTERS/Dado Ruvic

**HP** is expected to report slowing revenue growth in the third quarter. This indicates weak demand, as price increases due to the memory chip crisis have prompted some customers to tighten their budgets. Investors will be looking for commentary on AI PCs and how HP is navigating these price increases while competing with rivals like China's Lenovo Group and U.S. PC maker Dell Technologies.

**Kohl's** is expected to post a decline in second-quarter revenue, hurt by cautious consumer spending amid macroeconomic uncertainty. Investors will look for comments related to turnaround, consumer sentiment, impact of Middle East conflict and tariff refunds as well as annual forecasts.

Federal Reserve Bank of Richmond President **Thomas Barkin** participates in panel before the Greensboro Chamber of Commerce "State of Our Community" event, in Greensboro, N.C.

**Abercrombie & Fitch** is expected to post an increase in second-quarter revenue, helped by resilient demand for its fashion brands despite weak consumer sentiment. Investors will look for comments on consumer demand, back-to-school sales, international growth and the retailer's annual forecasts.

In Latin America, **Brazil** is scheduled to release its August **IPCA-15 mid-month** inflation data. The closely watched gauge is expected to decline 0.31% in August after rising 0.06% in July. On an annual basis, inflation is forecast to ease to 4.34% from 4.52% in the previous month.

## KEY RESULTS

| Company Name* | Quarter | ET | Smart Estimates | EPS Estimates** | Year Ago | Rev Estimates (mln) |
|---|---|---|---|---|---|---|
| Agilent Technologies | Q3 | AMC | $1.48 | $1.49 | $1.37 | $1,841.38 |
| CrowdStrike Holdings | Q2 | AMC | $0.29 | $0.29 | $0.23 | $1,440.03 |
| HP | Q3 | AMC | $0.69 | $0.69 | $0.75 | $14,342.90 |
| NVIDIA Corporation | Q2 | AMC | $2.12 | $2.10 | $1.05 | $92,179.31 |
| Salesforce | Q2 | AMC | $3.30 | $3.27 | $2.91 | $11,320.25 |
| Synopsys | Q3 | AMC | $3.67 | $3.67 | $3.39 | $2,437.67 |
| The J. M. Smucker Company | Q1 | BMO | $2.24 | $2.22 | $1.90 | $2,131.07 |
| Veeva Systems | Q2 | AMC | $2.23 | $2.22 | $1.99 | $905.28 |
| Williams-Sonoma | Q2 | BMO | $2.13 | $2.08 | $2.00 | $1,921.48 |

**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


*Traders work on the floor at the New York Stock Exchange (NYSE) in New York City, August 24. REUTERS/Brendan McDermid*

**Wall Street's main indexes** closed higher, as technology stocks recovered from a selloff ahead of AI heavyweight Nvidia's results, while investors found some relief in drops in oil prices and bond yields. "There's a lot of push and pull — in the bond market, geopolitics, oil," said Joe Quinlan, head of market strategy for Merrill and Bank of America Private Bank. "But we're pretty constructive on the outlook (for the) next 12, 18 months on the U.S. economy; therefore, we are constructive on the markets as well." The **Dow Jones Industrial Average** was up 0.30% at 53,577.17, the **S&P 500** gained 0.32% to 7,677.20 and the **Nasdaq Composite** climbed 0.66% to 26,151.30.

**Treasury yields** fell as oil prices dropped to a one-week low and traders continued to weigh the implications of Treasury Secretary Scott Bessent's decision to expand Treasury buybacks. “There continues to be this very heated rhetoric and escalation, but oil is still trading in a narrow range considering all that has happened in the last couple of months,” said Will Compernolle, macro strategist at FHN Financial. “It might just be that investors in energy markets have become desensitized to how the conflict is fluctuating.” “There's very little evidence that Treasuries are oversold right now. And I think because those fundamentals are there to have yields at present levels, I don't think the Treasury can fight against it,” said Compernolle. The **30-year bonds** rose 31/32, yielding 5.1661% and benchmark **10-year notes** gained 19/32 to yield 4.6288%. Separately, the Treasury Department sold $78 billion in **two-year notes** at a high yield of 4.204%. The bid-to-cover ratio was 2.60.

The **dollar** was slightly lower, as investors weighed Washington's expanded sanctions against Iran and renewed efforts to ease pressure on longer-dated Treasury yields. "The fundamentals seem to move against the dollar — whether it's Bessent, whether it's that the other central banks expect to raise rates more than the Fed — so the fundamentals are negative. But the dollar is overstretched, the momentum indicators are oversold for the dollar," said Marc Chandler, chief market strategist at Bannockburn Capital Markets in New York. "So to me, that's the tension that you've got: dollar oversold technicals and bearish fundamentals." The **dollar index** fell 0.09% to 98.91. The **euro** was up 0.11% at $1.1675. Against the **Japanese yen**, the **dollar** rose 0.03% to 159.12 yen.

**Oil** prices fell as traders shrugged off the latest U.S. sanctions campaign against Iran, viewing economic pressure as posing less risk to oil supplies than a military escalation. The shift from military conflict to economic pressure in the U.S.-Israeli war with Iran has reduced some of the oil market's anxiety, said Saxo Bank head of commodity strategy Ole Hansen, adding the U.S. sanctions announcement was not as forceful as some traders had expected. **Brent crude futures** were down 4.65% at $87.88 a barrel and U.S. **WTI crude futures** fell 3.89% to $81.70 per barrel.

**Gold** prices rose after scaling a more than three-month high earlier in the session, ahead of the release of U.S. Federal Reserve's preferred gauge of inflation this week. "I think this is just a drop in momentum. If anything, you can probably attribute this to gold moving to a strong resistance level at $4,700 or so," said Bart Melek, global head of commodity strategy at TD Securities. **Spot gold** was up 0.32% at $4,665.94 per ounce. **U.S. gold futures** gained 0.50% to $4,721.50 per ounce.

# Top News

**[PREVIEW-Nvidia faces growth test as Rubin debut meets AI financing scrutiny]**

Nvidia's results on Wednesday will test whether the company's latest Rubin chips can drive another period of explosive growth, with some investors questioning the sustainability of the AI spending boom. The chipmaker has been the biggest beneficiary of the race to build AI infrastructure. Recently, though, its stock has come under pressure as the company has pumped billions of dollars back into the AI ecosystem, stoking fears about its role in so-called circular deals that could artificially inflate demand and distort broader economic signals. On average, analysts expect its second-quarter revenue to nearly double from a year earlier to $92.18 billion — the quickest pace of growth in seven quarters — driven by an over twofold increase in data center sales, according to data compiled by LSEG. Investors, however, are increasingly focused on how quickly Nvidia can transition customers from its Blackwell chips to its next-generation Vera Rubin processors, with shipments expected to begin this autumn. Meanwhile, options traders are pricing in a $280 billion swing in Nvidia's market value after the company reports second-quarter earnings, as investors seek fresh insight into the demand driving the technology sector. To read more, **click here**

**Instagram head Adam Mosseri begins testimony to Meta child social media addiction trial**

Instagram's chief executive, Adam Mosseri, is expected to take the witness stand in a trial over whether Meta Platforms designed Instagram and Facebook to addict children without proper regard for their safety. Mosseri, the head of Instagram since 2018, is a central witness in the lawsuit by 29 U.S. states, in what experts call the biggest legal test yet of social media's effects on young users. Four of the states — California, Colorado, Kentucky and New Jersey — have accused Meta of designing the platforms to hook young users, fueling anxiety, depression and even suicide, while misleading consumers about their safety. All 29 states say Meta violated federal law by improperly collecting and using personal data of children under 13 while they used its platforms.

**Apple launches faster Mac mini, Mac Studio to tap AI boom**

Apple unveiled a more powerful Mac mini aimed at consumers looking to host AI agents remotely, marking what is likely the final product launch of Tim Cook's tenure as CEO. The new mini, unveiled alongside a beefed-up Mac Studio, starts at $899 and comes with either Apple's new M6 chip or the M5 Pro. It is $100 more expensive than its predecessor. Both devices have become popular with consumers looking to run autonomous AI agents such as OpenClaw locally, with high demand depleting inventories at several Apple stores. It highlights mounting cost pressures as memory chip prices climb on strong demand from AI data centers, which prompted Apple to raise prices on some Mac and iPad models in June.

**EXCLUSIVE-The AI founders who walked away from Bezos-backed Prometheus to model the universe**

A research duo, once pitched to lead the Jeff Bezos-backed Project Prometheus, unveiled what they've built on their own: an AI model that can take in and produce information so vast that a lone computer might not handle it. Their company, Accelerated Understanding Inc, says it has developed a different type of AI model that in tests handled 5 trillion pieces of data in a single prompt. That is some 5 million times the size of what Anthropic and Google's flagship models can typically consume. Separately, Alphabet's Google expanded its Gemini Enterprise artificial intelligence platform with new tools for lawyers and


*Instagram CEO Adam Mosseri is seen on Capitol Hill in Washington, D.C., December 8, 2021. REUTERS/Elizabeth Frantz* law firms, accelerating a race among technology companies to meet legal sector demand for AI. To read more, **click here**

**Dick's Sporting cuts forecasts as weak sneaker demand trips Foot Locker, shares plunge**

Dick's Sporting Goods cut its full-year forecasts and signaled that bloated inventory and heavy discounting in the legacy footwear market were weighing on its recently acquired Foot Locker business. The company also missed second-quarter estimates and reversed expectations for annual comparable sales growth at Foot Locker. "Not only were there fewer launches in the second quarter, but those launches performed below both industry and our expectations," Executive Chairman Ed Stack said, signaling a more cautious view of the rest of the year. The company projected annual sales of $21.9 billion to $22.2 billion, compared with its earlier forecast of $22.1 billion to $22.4 billion. It cut its annual earnings per share target to $11 to $12 on an adjusted basis. Shares of the company ended 29.83% lower at $125.84.

**United CEO expects gradual fare increases in 2027 as demand stays strong**

United Airlines CEO Scott Kirby said he expects airfares to rise gradually in the first half of 2027, though by less than this year, as travel demand remains strong. "I think you're going to still see gradual increases in fares. Not as big a jump as happened this year," Kirby told reporters. Kirby said United has yet to see a slowdown in demand and expects that strength to help it recover higher fuel costs in the fourth quarter of 2026. Kirby, however, said airfares remain about 13% below pre-pandemic levels after adjusting for inflation and are moving back toward what he described as more normal levels. Separately, United Airlines said it expects enough Airbus A321XLR deliveries to support its European expansion next summer, as the carrier pushes into smaller markets and sees travel to the region staying strong into the autumn months. To read more, **click here**

**EXCLUSIVE-SLB gains access to Venezuela's coveted oilfield data through contract, sources say**

A contract that SLB and Venezuela's state-run PDVSA signed last week has granted the U.S. oil services and technology company access to oilfield data from the country with the world's largest crude reserves, three sources close to the negotiations said. The deal will allow SLB to organize and upgrade PDVSA's vast but outdated databases following years of neglect and a recent cyberattack, according to the sources. From reservoir characterization to real-time crude production, the contract between PDVSA and SLB will involve data management and provide essential services. The companies have not disclosed the reach of the contract, but the sources said SLB will be able to use new technology, including artificial intelligence, to expand, modernize and make Venezuela's oil data reliable again.

**SpaceX to build $100 billion Starship rocket complex in Louisiana**

SpaceX unveiled plans to build a Starship rocket launch complex in southern Louisiana, a $100 billion effort poised to transform coastal wetlands into a critical base for the company's AI satellite launch ambitions. The 125,000-acre (50,585-hectare) site on Pecan Island, which SpaceX named Starbase, Louisiana, will expand the company's Starship launch operations beyond South Texas and Florida. It will eventually launch thousands of Starship flights a year, SpaceX President Gwynne Shotwell said. Construction will begin next year with the first Starship launch in 2029, SpaceX said in a statement. Shotwell detailed the plans near the proposed site in Louisiana's Vermilion Parish at an event with Governor Jeff Landry and other senior state officials. SpaceX said the Louisiana site will add more than 3,000 jobs to the region.

**Bristol Myers ends blood cancer drug deal with cell therapy maker Cellares**

Bristol Myers Squibb has ended its partnership with cell therapy startup Cellares to expand the manufacturing of its personalized blood cancer therapy, a company spokesperson told Reuters. Bristol Myers determined that Cellares' cell therapy manufacturing platform, Cell Shuttle, could not meet the requirements to make its CAR-T therapy, Breyanzi, at commercial scale, the spokesperson said. Cellares did not immediately respond to a Reuters request for comment. The development underscores the challenges of manufacturing CAR-T therapies, a personalized form of cancer treatment that has transformed care for some blood cancer patients but remains difficult and expensive to produce. Breyanzi, first approved by the U.S. FDA in 2021, is used to treat lymphoma and other blood cancers. It generated $1.36 billion in sales in 2025.

**McKesson strikes $2.25 billion Precision Medicine deal in clinical research bets**

McKesson said it would buy privately held Precision Medicine Group in a deal valued at about $2.25 billion, as part of a years-long effort to strengthen its higher-growth businesses. The U.S. drug distributor has been reshaping its portfolio by exiting non-core assets and streamlining its operations while investing in businesses such as oncology and specialty care to drive long-term growth. "Precision Medicine Group brings complementary capabilities that will enhance our clinical research and commercialization services, strengthen clinical trial execution, and broaden our clinical service offerings," McKesson CEO Brian Tyler said in a statement. Leerink Partners analyst Michael Cherny said the acquisition fits with McKesson's current portfolio and is not a "bet-the-farm" transaction, given its value is equivalent to just over 2% of the company's market capitalization.

*A family strolls along the waterfront at sunset during hot weather in Nafplion, Greece, August 24. REUTERS/Louisa Gouliamaki*

# Insight and Analysis

**US leveraged single-stock ETF boom may be cooling**
Red-hot demand for high-risk leveraged and inverse single-stock ETFs may be starting to cool. The increasingly volatile bull market has fueled investor interest in finding ways to double the hoped-for gains in the market's most popular and volatile stocks. As these speculative plays have multiplied — accounting for as much as half of all new launches in June alone — market analysts are questioning the trend's durability. A rule of thumb in the ETF industry is that to survive and thrive, according to analysts like Sotiroff and Cerulli Associates, a new fund needs to attract between $50 million and $100 million in assets over the first year or two of its life.

**REUTERS OPEN INTEREST-The US fiscal hole has an AI problem at its core: Mike Dolan**
Washington has a multitrillion-dollar fiscal problem. U.S. Treasury Secretary Scott Bessent's answer, so far, is to look for loose change down the back of the sofa. His tentative nod to fiscal tightening last week has done little to reassure markets facing the highest U.S. government borrowing costs in decades — not least because the deficit's structural drivers, from mandatory social spending to falling corporate-tax revenues and a planned defense-spending boost, remain untouched. Now the artificial intelligence investment boom — and its uncertain payoff — sits at the center of both the short-term fiscal squeeze and market unease.

**GRAPHIC-Six months into Iran war, almost half of global oil flows from war zones**
Almost half the world's oil comes from countries affected by conflict in 2026, Reuters calculations show, underscoring that current disruptions have eclipsed previous energy crises. Six months ago, U.S. and Israeli attacks on Iran triggered what has become the largest oil supply crisis on record. At the same time, the Russia-Ukraine war has forced production and refining cuts, including in nearby Kazakhstan this year. Together, countries affected by those conflicts produced about 45 million barrels per day of oil based on 2025 output, accounting for more than 43% of global supply, according to Reuters calculations using IEA data.

# CANADA

## Market Monitor

Canada's **main stock index** ended higher, helped by **technology stocks**, while investors assessed strong quarterly bank earnings and ongoing trade tensions with the U.S.

The **S&P/TSX Composite Index** rose 0.66% to 36,957.63 points.

**Technology shares** gained 1.24% to 321.64. Additionally, the broader **financial index** climbed 1.79% to 752.56.

"Investors might be looking closer into the tariffs and looking at Canadian manufacturing, how that's going to be impacted by the trade," said Michael Dehal, a senior portfolio manager at Dehal Investment Partners at Raymond James.

In forex markets, the **greenback** fell 0.09% against the **Canadian dollar** to C$1.3829.

*REUTERS/Chris Helgren*

### COMING UP

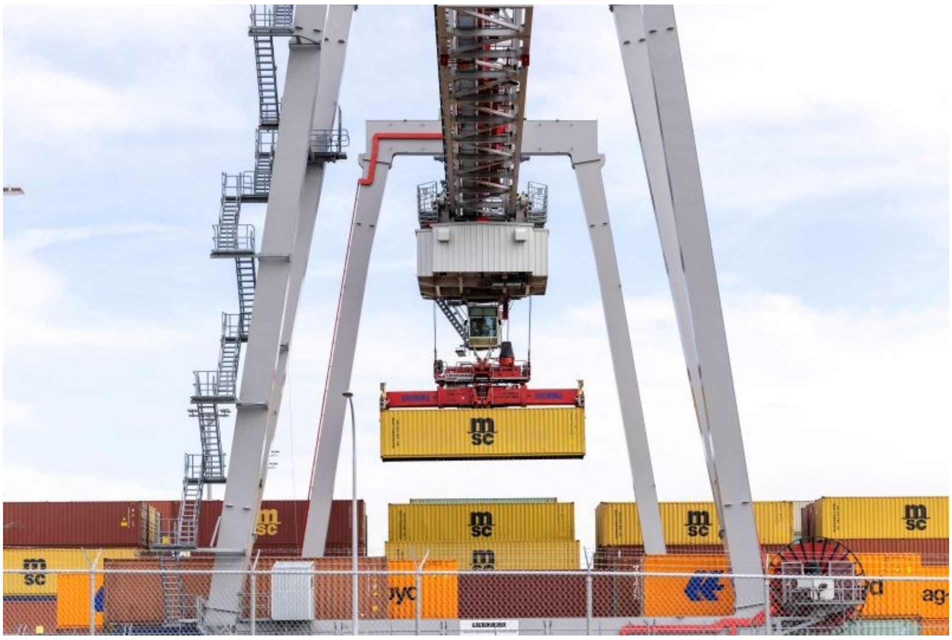
Among bank earnings, **National Bank of Canada** is expected to report an increase in third-quarter profit, driven by stronger interest income.

| TSE's S&P/TSX composite | Price | C$ Chng | % Chng |
|---|---|---|---|
| **GAINERS** | | | |
| Energy Fuels Inc. | 22.09 | 1.47 | 7.13 |
| The Bank of Nova Scotia | 128.73 | 8.44 | 7.02 |
| Southern Cross Gold Consolidated Ltd | 12.98 | 0.79 | 6.48 |
| Seabridge Gold Inc. | 48.40 | 2.54 | 5.54 |
| Denison Mines Corp | 5.13 | 0.24 | 4.91 |
| **LOSERS** | | | |
| Imperial Oil Ltd | 181.84 | -7.97 | -4.20 |
| Thomson Reuters Corp | 144.24 | -5.97 | -3.97 |
| Cenovus Energy Incorporation | 42.80 | -1.77 | -3.97 |
| Bird Construction Inc. | 65.87 | -2.70 | -3.94 |
| BRP Inc. | 85.09 | -3.16 | -3.58 |

## Top News

**Canada slaps retaliatory tariffs on US goods worth $20 billion as trade war intensifies**

Canada hit back with retaliatory tariffs on about $20 billion worth of U.S. annual imports and rolled out aid for businesses and workers, matching Washington's latest duties dollar-for-dollar. The counter-tariffs on U.S. goods take effect on September 8 and impose duties of 15%, 25% and 50% across around 700 products imported from south of the border, a government statement said. U.S. President Donald Trump's new 50% tariffs on $20 billion of Canadian imports took effect on Saturday after talks between the two countries collapsed. The new tit-for-tat tariffs mark a new low in relations between the longtime allies, and Trump earlier threatened to rename Lake Ontario, which straddles both countries, "Lake America." "Our dollar-for-dollar, rate for rate counter-tariffs as well as a multi-billion dollar support package will protect workers, farmers, families, and businesses," Canada's Finance Minister François-Philippe Champagne said. The White House and the U.S. Trade Representative did not immediately respond to a request for comment. Canada levied the 50% tariffs on steel, aluminum, furniture and clothing, set the 25% tariffs on cheese, appliances and some seafood, and placed the 15% tariffs on electronics



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

*Prime Minister Mark Carney walks to speak with the news media after he suspended trade negotiations with the United States, in Ottawa, Ontario, August 22. REUTERS/Chris Tanouye*

and tools, a Canadian government official told reporters.

**REUTERS OPEN INTEREST-World braces as Trump's Canada tariff stand-off escalates: McGeever**

The resurgent trade spat between U.S. President Donald Trump and Canadian Prime Minister Mark Carney comes at a delicate juncture for both North American countries - and the global economy. Missteps between the neighboring G7 nations could have wide-ranging economic impacts. The Trump administration imposed 50% tariffs on an array of Canadian goods on Saturday after bilateral talks collapsed on Friday. These levies might appear modest on the surface, applying to only 5.5% of Canada's exports to America, goods worth around $20 billion. All else being equal, this will raise the U.S. effective tariff rate on Canadian exports to 6.9% from 5.1%, according to Oxford Economics. Ultimately, this is small stuff. But the potential for escalation and damaging spillover is large. Canada is America's second-largest single trading partner – coming in ahead of China - with total trade between the two hitting $715 billion last year, according to the U.S. Census Bureau.Canada also hoovered up more U.S. goods and services than any other country last year. Both sides already appear to be digging in.

**Canadian lenders BMO, Scotiabank beat profit estimates, brush aside tariff worries**

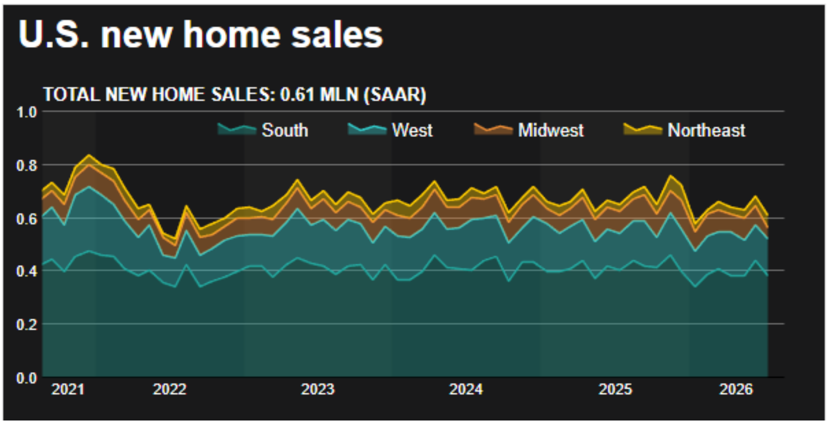
Canadian lenders Bank of Montreal and Bank of Nova Scotia beat quarterly profit estimates, driven by strength in their capital markets and domestic businesses, as bank CEOs brushed aside the impact of U.S. President Donald Trump's new tariffs. Banks lend to several Canadian businesses, including in sectors hit by tariffs, but CEOs said they were monitoring the impact on their clients and working with them on liquidity investment decisions, supply chain adjustments and market diversification. "We have to recognize that whatever impact this might have has a very high chance of being mitigated in many ways. ... Clients have adjusted very well and have proven that they can adjust very well," BMO's CEO Darryl White said. "Is it manageable? Of course it is, and in fact, there may be some opportunities in the challenge that we've got in front of us," White told analysts about recent tariffs. At Scotiabank, which operates in the U.S., Mexico and some South American countries, income from the global banking and markets unit grew 37%, driven by record underwriting and advisory fees. Net income rose 8% at its international business and 12% in Canada. BMO said adjusted net income at its capital markets segment rose 45% in the third quarter ended July 31, reflecting higher fee income and lower loan loss provisions. Adjusted net income at its U.S. banking business rose 11%, and Canadian personal and commercial banking grew 15%.

# WEALTH NEWS

## ECONOMIC HEALTH

**New US single-family home sales slide in July, confidence dips in August**

Sales of new U.S. single-family homes tumbled in July as high mortgage rates weighed on the market and continued to sideline potential home buyers, while consumer confidence slid to a seven-month low on darkening outlooks for the job market and inflation. New home sales dropped 10.5% to a seasonally adjusted annualized rate of 607,000 units last month - the lowest since January - from June's upwardly revised pace, the Commerce Department's Census Bureau said. New home sales account for a small share of U.S. home sales and tend to be volatile on a month-to-month basis.




*Click on the chart for a detailed graphic*

## FED RATES

**US rates need to rise soon absent evidence of ongoing drop in inflation, Fed's Collins says**

The U.S. Federal Reserve will need to raise interest rates soon unless coming data show a continued decline in inflation that remains too high and which has become a "pervasive" concern for businesses and households, Boston Fed President Susan Collins said.

## EXPLAINER

**Why the bond market may be resetting expectations about the US**

U.S. debt hasn't been further downgraded, breakeven rates on inflation-protected bonds haven't spiked, and the cost of insuring against a federal default hasn't skyrocketed, signs that most investors still see U.S. bonds as a largely risk-free bet even if they have been demanding higher interest rates.

## FISCAL DOMINANCE

**Jackson Hole's big question: who pays the government's bill?**

Rising borrowing costs for heavily indebted governments and growing strains in sovereign bond markets are forcing investors to confront a question once considered unthinkable: will central banks ultimately be called on to help pay the bill?

## TREASURY BUYBACKS

**US Treasury buybacks a 'mistake' costing credibility, says Druckenmiller**

Billionaire investor Stanley Druckenmiller said the U.S. is eroding the Treasury market's credibility and missing a debt reform window with buybacks that have caught bonds by surprise.

## MOVES

**JPMorgan hiring Citigroup's McDow to run east coast tech investment bank, memo says**

JPMorgan Chase is hiring Dan McDow from Citigroup to head its east coast technology investment banking business, according to a memo seen by Reuters.

## SPAC DEAL

**Defense firm Ursa Major to go public through $2.3 billion SPAC deal**

Aerospace and defense company Ursa Major will go public in the U.S. through a $2.3 billion deal with blank-check firm Bleichroeder Acquisition Corp. III, the companies said, helping it expand capabilities in high-demand weapons technologies including hypersonic engines.

*A llama withstands the cold as snow falls, amid low temperatures across several regions of the country, in La Cumbre, on the outskirts of La Paz, Bolivia, August 24. REUTERS/Claudia Morales*

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