MARKET RECAP at 4 pm ET

Wall Street was subdued after a U.S. inflation reading came in hotter than expected. Most **Treasury yields** rose and the **dollar** advanced, while **gold** prices fell, after economic data slightly pushed up expectations for a rate hike from the Federal Reserve. **Oil** fell as investors monitored latest discussions about reopening the Strait of Hormuz.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	53,463.88	-113.52	-0.21	54,744.33	45,057.28
Nasdaq	26,130.20	-21.10	-0.08	27,190.21	20,690.25
S&P 500	7,675.72	-1.56	-0.02	7,816.70	6,316.91
Toronto	36,813.65	-143.98	-0.39	36,991.67	28,138.70
FTSE	10,878.12	-8.04	-0.07	10,989.45	9,670.46
Eurofirst	2,621.97	-1.25	-0.05	2,652.27	2,231.14
Nikkei	66,262.16	405.73	0.62	72,831.73	50,558.91
Hang Seng	25,652.97	141.87	0.56	28,056.10	22,518.00

TREASURIES	Yield	Price
10-year	4.6525	-4 /32
2-year	4.2135	-1 /32
5-year	4.3690	-3 /32
30-year	5.1723	1 /32

FOREX	Last	% Chng
Euro/Dollar	1.1652	-0.19
Dollar/Yen	159.35	0.12
Sterling/Dollar	1.3592	-0.42
Dollar/CAD	1.3877	0.30
USD/CNH (Offshore)	6.7227	0.09

COMMODITIES ($)	Price	Chng	% Chng
Front Month Crude /barrel	81.97	-0.39	-0.47
Spot gold (NY/oz)	4593.83	-62.76	-1.35
Copper U.S. (front month/lb)	6.59	-0.1200	-1.79
CRB Index Total Return	515.77	2.34	0.46

S&P 500	Price	$ Chng	% Chng
GAINERS			
Arista Networks Inc	202.48	11.54	6.04
Lumentum Holdings Inc.	937.69	52.13	5.89
C.H. Robinson Worldwide, Inc.	151.68	8.02	5.58
LOSERS			
Moderna Inc	148.82	-10.01	-6.30
GoDaddy Inc.	95.59	-4.20	-4.21
Reddit, Inc.	155.87	-6.58	-4.05

Coming Up

A view of a Dollar General store in Mount Rainier, Maryland, June 1, 2021. REUTERS/Erin Scott

Discount store operator **Dollar General** is expected to post a rise in second-quarter revenue, helped by steady demand for its groceries and other essentials. Investors will look out for comments on consumer sentiment, the impact of retail shrink trends, inventory levels as well as input costs, and annual forecasts.

Best Buy is expected to post an increase in second-quarter revenue, helped by resilient demand for consumer electronics as shoppers continue to prioritize essential technology purchases despite cautious spending. Investors will look for comments on consumer demand, the impact of tariffs and the retailer's annual forecast.

Old Navy parent **Gap** is expected to post a slight decline in second-quarter revenue amid pressured consumer spending. Investors will look out for comments on consumer sentiment, impact on input costs and supply chain from the Middle East conflict as well as

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Initial jobless claims	0830	208,000	206,000
Jobless claims 4-week average	0830	--	204,000
Continued jobless claims	0830	1.790 mln	1.799 mln
Advance goods trade balance for July	0830	-100.5 bln	-101.41 bln
Wholesale inventories advance for July	0830	--	0.2%
Retail inventories ex-auto advance for July	0830	--	-0.4%
KC Fed Manufacturing for Aug	1100	--	17
KC Fed Composite Index for Aug	1100	--	9

annual forecasts.

Discount retailer **Dollar Tree** is expected to post a rise in second-quarter revenue, helped by steady demand for essentials at its stores. Investors will look for comments on consumer sentiment, impact of input costs and shrink trends, as well as annual forecasts.

Ulta Beauty is expected to post a rise in second-quarter sales on strong beauty product demand. Investors will focus on the company's annual outlook, comments on current consumer demand trends, beauty industry strength, expansion plans and margins.

On the U.S. economic front, attention will be on the Labor Department's weekly jobless claims data, which is expected to show **initial claims** rising by 2,000 to a seasonally adjusted 208,000 in the week ended August 22. Separately, advance data on the goods trade balance is projected to show the **trade deficit** narrowing to approximately $100.5 billion in July.

Hormel Foods is expected to post its first-quarter revenue. Investors will be looking out for comments regarding consumer sentiment amid an uncertain economy and rising focus on weight loss drugs. They will also seek details on the impact of input costs, an update on the divestiture of the whole-bird turkey business as well as annual forecasts.

Workday is projected to report a 12.3% increase in second-quarter revenue, fueled by robust demand for its cloud-based software offerings, amid concerns over AI-driven software industry disruption and a Reuters report about a potential acquisition by Silver Lake.

REUTERS/Dado Ruvic

Analysts expect a roughly 35% rise in **Marvell Technology**'s second-quarter revenue, helped by strong demand for its custom chips and interconnect solutions used in advanced AI data centers.

In Latin America, investors will be watching for **Mexico**'s July **trade balance** report from the national statistics agency. In **Brazil**, the statistics agency IBGE is due to release July **unemployment data**.

LIVECHAT-REUTERS GLOBAL MARKETS FORUM

GMF Lens with Dirk Willer, Citi's Global Head of Macro and Asset Allocation Strategy, to discuss the intersection of Japan's yen intervention and the U.S. Treasury's stepped-up bond buybacks, along with how policymakers attempt to contain long-end term premia. We examine the implications for global duration and whether intervention can stabilize the yen without addressing Japan's underlying fiscal and monetary dynamics. To join the conversation, **click here**

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Autodesk	Q2	AMC	$3.13	$3.12	$2.62	$2,011.96
Best Buy	Q2	BMO	$1.44	$1.38	$1.28	$9,592.82
Dollar General	Q2	BMO	$2.02	$2.01	$1.86	$11,196.60
Dollar Tree	Q2	BMO	$1.14	$1.14	$0.57	$4,859.28
Hormel Foods	Q3	BMO	$0.35	$0.35	$0.35	$3,039.33
Marvell Technology	Q2	AMC	$0.93	$0.92	$0.67	$2,711.40
Ulta Beauty	Q2	AMC	$6.24	$6.18	$5.79	$2,955.53
Workday	Q2	AMC	$2.63	$2.61	$2.21	$2,635.96

**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

Wall Street's main indexes closed nearly flat to slightly lower after a U.S. inflation reading came in hotter than expected. "There is no crisis, it is more about expectations or guidance we are going to get from the Fed and what the Treasury is trying to do. That blends to some uncertainty and basically increases the risk premium," said Greg Tuorto, head of U.S. small and midcap cap investing at Goldman Sachs Asset Management. "But on the other side, on the positive side, the underlying economic environment is really good. Earnings for the companies that we own and some of the larger cap companies are standout," he said. The **Dow Jones Industrial Average** fell 0.21% to 53,464.59, the **S&P 500** inched down 0.02% to 7,675.82 and the **Nasdaq Composite** edged lower 0.08% to 26,130.20.

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

Most **Treasury yields** rose after data showed annual inflation held steady in July instead of easing as economists had expected. Traders also monitored developments in the Iran conflict and continued to weigh the Treasury's plans to expand debt buybacks. “Core-PCE was consistent with the Fed's characterization of the July inflation data as somewhat encouraging, but sufficient to keep the risk of a September 16 rate hike in play as Jackson Hole approaches,” said Vail Hartman, U.S. rates strategist at BMO Capital Markets. The **benchmark 10-year notes** declined 3/32, yielding 4.6505%. The **two-year notes** inched down 1/32 to yield 4.2135% and **30-year bonds** rose 2/32 with a yield of 5.1713%. Separately, the Treasury Department sold $70 billion in **five-year notes** at a high yield of 4.393%. The bid-to-cover ratio was 2.37.

The **dollar** advanced after a batch of U.S. economic data, including a reading on inflation, that slightly pushed up expectations for a rate hike from the Federal Reserve ahead of the Jackson Hole symposium of central bankers this week. "Overall, because the headline was warm enough to prevent a dovish victory, those details weren't really strong enough to hand the hawks a clear win, so I wouldn't chase the rally at all," said George Vessey, lead FX and macro strategist at Convera in London. "But I wouldn't fade it aggressively either, we've got loads of competing narratives driving FX at the moment, particularly the dollar, haven't we, so it's hard to have a strong conviction in either direction right now." The **dollar index** rose 0.25% to 99.17. The **euro** was down 0.19% at $1.1652. Against the **Japanese yen**, the **dollar** rose 0.11% to 159.34 yen.

Oil prices fell after a choppy session, as investors monitored talks between Iran and Oman on the Strait of Hormuz and a smaller-than-expected rise in U.S. crude stocks. "The market has moved from pricing a high probability of prolonged disruption and renewed escalation towards pricing partial reopening, negotiated shipping arrangements and a lower risk of renewed military confrontation," said Saxo Bank head of commodity strategy Ole Hansen. "A credible agreement that rapidly restores Hormuz traffic could remove another layer of geopolitical premium." **Brent crude futures** were down 1.28% to $87.45 a barrel. **West Texas Intermediate crude futures** slipped 0.49% to $81.96 a barrel.

Gold prices extended losses after U.S. inflation data came largely in line with expectations, increasing bets on a Federal Reserve interest-rate hike next month, while investors also awaited remarks from Chairman Kevin Warsh this week. "Gold's price action up to today's data was just some profit taking ... PCE data came in largely in line with expectations, so we're consolidating within yesterday's range at this point," said Peter Grant, vice president and senior metals strategist at Zaner Metals. **Spot gold** fell 1.34% to $4,594.21 per ounce, after prices had climbed to their highest since May 14 on Tuesday. **U.S. gold futures** slipped 1% to $4,647.50 an ounce.

Top News

Meta agrees to pay $18 billion to settle US lawsuits over children's social media addiction

Meta Platforms will pay up to $18 billion over the next decade and strictly limit how teenagers use Facebook and Instagram, under an agreement with nearly all U.S. states to resolve claims it designed those social media platforms to addict children. The settlements end a federal trial over allegations Meta's products harmed children and the company misled the public about their safety. Four of the states — California, Colorado, Kentucky and New Jersey — were expected to seek close to $200 billion in civil penalties. While Meta will not undergo a fundamental overhaul, the accords represent a sweeping effort to define how it serves young users. “The focus of this case was to protect our kids," Colorado Attorney General Phil Weiser said in a statement. "The relief we are getting in this settlement is very meaningful and well beyond what any court has ordered or is likely to order."

Lawyers from the California attorney general's office pose for a photo as they leave the courthouse after Meta Platforms agreed to pay a maximum of $16.68 billion and make major changes to Facebook and Instagram to resolve claims by states across the U.S. that the company designed those platforms to addict children, misled consumers about their safety and improperly collected children's personal data, in Oakland, California, August 26. REUTERS/Manuel Orbegozo

EXCLUSIVE-China's Moonshot in talks with Microsoft, Amazon, Google over K3 revenue sharing, sources say

China's Moonshot AI is negotiating revenue-sharing agreements with Microsoft, Amazon and Alphabet's Google that would allow the U.S. cloud giants to host its blockbuster Kimi K3 model, three people familiar with the talks said. Any deal could mark the first big revenue-sharing pact between a Chinese AI firm and a major U.S. cloud company. The discussions highlight how China's leading AI models are gaining traction in the U.S., despite national security concerns in Washington that have led to bans on exports of AI chips to China. IPO-bound Moonshot is seeking up to a 30% share of revenue generated from K3-related services on Microsoft's Azure, Amazon Web Services and Google Cloud, according to the sources who declined to be identified because the discussions are private. Separately, Bill Gates is looking to meet with Chinese President Xi Jinping later this year, eager to propose global efforts to mitigate the growing risks posed by artificial intelligence. To read more, **click here**

Apple to launch next iPhone on September 9 in first major event under new CEO Ternus

Apple is set to host its next launch event on September 9, where the company is expected to unveil its newest iPhone series and potentially its long-awaited foldable phone. The first foldable iPhone is expected to be a crucial landmark for Apple, with analysts saying that the high-end devices would be the main driver of higher selling prices and margin growth for the company. The launch would also mark incoming Apple CEO John Ternus's first major event. Ternus, Apple's longtime hardware chief, is set to take the helm at the company on September 1, as Tim Cook transitions to the role of executive chairman. Analysts expect Apple to launch a foldable iPhone with a screen similar in size to an iPad mini. Apple is expected to ship more than 17 million foldable iPhones by 2027, according to research firm IDC.

Anthropic to rent AI computing power from Nscale for $45 billion, source says

Anthropic will spend $45 billion to rent AI cloud computing power from Nscale's West Virginia data center campus, a person familiar with the matter said, as the AI startup gears up for a major IPO. Anthropic has been aggressively expanding its computing power to meet demand growth it expects for products like AI coding tool, Claude Code. Nscale, a cloud infrastructure provider, will deploy Nvidia's new Vera Rubin chips to support Anthropic's computing needs, the person said. Anthropic has been spending enormous amounts on GPUs and other computing capacity as well as model training, inference and hiring. In July, Advanced Micro Devices announced plans to sell Anthropic tens of billions of dollars' worth of AI servers while investing up to $5 billion in the Claude developer.

Boston Scientific hit by cyberattack, global operations affected

Boston Scientific said that a cybersecurity incident had disrupted global operations, including some information systems used to process and ship customer orders. The medical device maker said it detected the incident on August 25 and had activated incident-response procedures, working with third-party cybersecurity specialists to investigate and contain the threat. The incident is the latest in a series of cyberattacks to hit the healthcare sector, with medical device makers Abbott Laboratories, Stryker and Medtronic, health insurer Clover Health, drugmaker Novo Nordisk and drug-delivery equipment supplier West Pharmaceutical Services among those recently hit. The attack is expected to continue affecting parts of the company's business while recovery efforts are underway, Boston Scientific said.

Abercrombie raises full-year forecasts on robust apparel demand, shares jump

Abercrombie & Fitch raised its full-year sales and profit forecasts as resilient demand for its apparel brands, led by its namesake Abercrombie label, lifted the retailer's shares. The New Albany, Ohio-based company entered the crucial back-to-school shopping season with momentum at Hollister, its teen-focused brand, which has historically benefited from seasonal spending. That back-to-school momentum at Hollister continued to build as the company exited the second quarter, Chief Executive Fran Horowitz said on a post-earnings conference call. The company now expects full-year net sales to grow 5%, compared with its earlier forecast of 3% to 5%. The retailer raised its annual earnings per share forecast to $13.10 to $13.60, from $10.20 to $11.00 per share, after receiving tariff refunds under the International Emergency Economic Powers Act for the fiscal year. Shares of the company ended 37.95% higher at $150.23.

Revolution's lifesaving pancreatic cancer drug wins speedy FDA approval

The U.S. FDA has approved Revolution Medicines' groundbreaking pancreatic cancer drug after it was shown to double the survival rate of patients with advanced disease in a large trial, offering new hope to those with the deadly cancer. The once-daily pill, to be called Rasonque, was approved for metastatic pancreatic cancer in patients who have received prior treatment or cannot receive combination chemotherapy. Revolution said the drug is now available in the U.S. at a price of $39,800 for a 30-day supply, with eligible commercially insured patients potentially paying as little as $0 with co-pay assistance. Meanwhile, Bristol Myers Squibb has ended its partnership with cell therapy startup Cellares that aimed to expand the manufacturing of its personalized blood cancer therapy, a company spokesperson told Reuters on Tuesday. To read more, **click here**

Kohl's sales fall as retailer cites 'persistent financial pressures' on shoppers

Kohl's missed Wall Street estimates for second-quarter sales as muted spending on women's clothing and skincare products offset gains from the department-store chain's push to revitalize the business. Despite growth in categories including home goods and youth apparel, CEO Michael Bender said that "we know there is more work to be done" to attract cash-strapped shoppers. "We are operating in a challenging macroeconomic environment where our customers are experiencing persistent financial pressures from inflation in their everyday expenses like gas and food," Bender said in a post-earnings call. "We're bringing value everywhere we can." The retailer reported quarterly revenue of $3.32 billion, compared with analysts' estimate of $3.35 billion, according to data compiled by LSEG. Its comparable sales fell 0.9% after dropping 4.2% a year ago. The company's quarterly gross margin grew 305 basis points from last year to 43%, helped by tariff refunds.

Asset manager Victory Capital strikes $7 billion deal for First Eagle Investments

Victory Capital said it will acquire privately held First Eagle Investments from buyout firm Genstar Capital in a cash-and-stock deal valued at about $7 billion, as it moves closer to its target of managing $1 trillion in assets. The deal underscores accelerating consolidation in the asset management industry as boardrooms increasingly push for a larger and global presence to attract investor cash. "This transaction enriches Victory Capital's talent pool, gives us additional scale to invest even more in our overall platform, and amplifies our distribution depth and breadth in the U.S., as well as outside the U.S. through our strategic partnership with Amundi," Victory CEO David Brown said in a statement. The First Eagle deal comes months after Victory abandoned a bidding war with Nelson Peltz's Trian Fund Management and General Catalyst to buy asset manager Janus Henderson.

EXCLUSIVE-US produce supplier Taylor Farms frequently fails to disclose workplace injury tallies, records show

Taylor Farms, the produce company at the center of a U.S. cyclospora outbreak, frequently failed to submit federally required workplace injury logs in recent years, including for at least four facilities where workers suffered fatal or otherwise serious injuries, a Reuters review of federal records found. Over the past five years, five to seven Taylor Farms facilities filed the annual report within the following year, with some showing injury rates above industry averages, while others recording below-average rates. From 2021 to 2025, at least 17 facilities required such filings based on the number of employees and nature of the work, according to a review of intermittent U.S. Occupational Safety and Health Administration inspection filings. The figures indicate an overall reporting rate well below the industry average of 78%, based on Reuters calculations of 2023 census numbers and the latest OSHA data.

A drone view of mud covered properties following a flash flood at Trishuli in Nuwakot district, Nepal, August 26. REUTERS/Navesh Chitrakar

Insight and Analysis

SPECIAL REPORT-Mark Zuckerberg had a bold plan to replace Meta staff with AI. Here’s how it imploded.
In January, Meta CEO Mark Zuckerberg and his top lieutenants gathered for their annual leadership retreat at his Hawaii compound. There they hatched a radical plan to reimagine work at the compnay in the age of AI. Code-named Project OT – short for Organization Transformation – the plan envisioned an “AI native” future for the owner of Facebook and Instagram. AI would take over much of the daily work performed by thousands of human employees. Virtual workers would be overseen inside Meta by smaller, “talent-dense” cadres of human staffers, according to one internal planning document reviewed by Reuters and three people familiar with the project.

Momentum, leveraged trading keep software stocks on roller coaster
U.S. software shares have been on a roller coaster and more wild rides likely lie ahead, thanks to AI-driven uncertainty and the rise of trading strategies that investors say are accentuating the swings in popular technology sectors. After hitting a record high on October 28, the S&P 500 software and services index lost more than 33% of its value by April 10, with selling accelerating following a January product release by Anthropic that some portfolio managers worried would make many of these firms' products obsolete. The index then bounced 33% during a mostly solid first -quarter earnings season, before selling off again and then partly recovering once more during a healthy second-quarter earnings season.

BREAKINGVIEWS-Meta’s AI dream reels on more than lab-rat revolt
Technological revolutions don’t come cheap, whether in terms of money or affected workers. Silicon Valley is built on the idea that they are nonetheless inevitable. Little wonder, then, that tech giants like Meta Platforms are leading the charge on a spending spree to conjure ever-stronger artificial intelligence. Yet boss Mark Zuckerberg’s attempts to capitalize on the technology through mass firings and reorganizations have hit constant, painful snags, Reuters reported. Global AI investment will exceed $1 trillion this year, estimates Goldman Sachs. This is, in large part, a gamble that sophisticated models can automate more and more labor. Its employee count is indeed shrinking as revenue per worker rises.

CANADA

Coming Up

Earnings from domestic banks continue to remain in focus. **Royal Bank of Canada** is expected to show growth in third-quarter profit, boosted by strong performance in its capital markets and wealth management segments. RBC was the only Canadian bank among the banks that underwrote SpaceX's historic IPO.

Meanwhile, **TD Bank** is expected to report profit growth in the third quarter, supported by higher net interest margins in its retail banking business in the U.S. and Canada.

Also, **Canadian Imperial Bank of Commerce** is anticipated to post higher third-quarter profit, driven by robust performance in its capital markets division.

From the economic diary, Statistics Canada is expected to show the **current account** deficit narrowed to C$2 billion in the second quarter from a C$7.18 billion deficit in the first quarter.

REUTERS/Carlos Osorio

MARKET MONITOR

Canada's main stock index slipped as investors assessed quarterly results from National Bank of Canada alongside ongoing trade tensions with the U.S.

The **S&P/TSX Composite Index** fell 0.39% to 36,813.65 points.

The **U.S. dollar** gained 0.30% against its **Canadian counterpart** to C$1.3877.

TSE's S&P/TSX composite	Price	C$ Chng	% Chng
GAINERS			
TransAlta Corp	17.55	0.62	3.66
Aritzia Inc.	135.51	4.58	3.50
Stantec Inc.	104.69	3.09	3.04
LOSERS			
Southern Cross Gold Consolidated Ltd	12.36	-0.62	-4.78
NGEx Minerals Ltd.	28.81	-1.43	-4.73
NovaGold Resources Inc	12.89	-0.60	-4.45

Top News

ANALYSIS-Carney faces ticking clock on Canadian support for tough tactics with Trump

Prime Minister Mark Carney has the support of most Canadians after breaking off trade talks with the U.S., but widespread approval of his pushback against U.S. President Donald Trump could disappear within months as the consequences of the trade war sink in. Carney's negotiating position could also weaken if Republicans retain power in Congress after November U.S. midterm elections and reinforce American protectionism under Trump. Carney is one of the few global leaders to retaliate against U.S. tariffs, despite Canada's dependence on U.S. buyers for about 70% of its exports. On Tuesday, his government announced dollar-for-dollarcounter-tariffs on $20 billion of U.S. goods, as well as a C$7.5 billion package of economic support measures. “Carney's leverage will start to diminish if this escalating trade war starts to show up in palpable increases in unemployment, factory shutdowns and declining income,” said Julian Karaguesian, a former adviser at


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

Canada's Finance Ministry and economics professor at McGill University. "Canada cannot win an economic war of attrition with the U.S." Furthermore, U.S. President Donald Trump said that it was "time to teach Canada you can't do this anymore," just days after trade talks between the neighboring countries broke down. To read more, **click here**

Automakers thought Canada was getting a trade deal. Then tariffs doubled.
Just last week, automakers were hoping summer U.S.-Canada trade talks would deliver relief from Washington's 25% tariffs that have raised the cost of shipping vehicles and parts across the border. Instead, their problem got twice as bad on Monday, when U.S. President Donald Trump declared a 50% levy on vehicles, auto parts and trucks from Canada, effective on January 1. "We cannot end up in a place come January next year where Canada — a major market for U.S.-made vehicles and parts and whose vehicle exports contain significant U.S. content — is being treated like China," one industry executive told Reuters. The planned 50% tariffs on Canada would rival the levies currently in place on some gasoline-fueled cars imported from China. The trade deal that fell apart would have cut the top-line tariff rate on Canadian cars and light-duty trucks from 25% to 15%.

The Art Deco facade of the original Toronto Stock Exchange building is seen on Bay Street in Toronto, Ontario, January 23, 2019. REUTERS/Chris Helgren

POLL-TSX's record-setting rally to stall but return in 2027
Canada's main stock index will retreat slightly from Tuesday's lifetime high through the rest of 2026 as investors weigh lofty bank valuations and escalating trade tensions, before it hits a record high in 2027, a Reuters poll suggested. The median prediction of 20 equity strategists and portfolio managers in the August 12-26 poll was for the S&P/TSX Composite Index to dip 1.0% to 36,600 by the end of 2026, which is still marginally better than the 35,300 expected in a May poll. At end-2027 the index was forecast to reach 40,000, an 8.2% gain, versus the previous prediction of 38,000. The index hit a record high on Tuesday, lifting its advance since the start of the year to around 16%.

National Bank of Canada beats profit estimates on capital markets, wealth management strength
National Bank of Canada beat analysts' estimates for quarterly profit, driven by robust performances in its capital markets and wealth management segments. Net income at its capital markets segment rose 32% from a year ago to C$442 million in the quarter, while its wealth management unit's profit grew 21% to C$296 million. Its personal and commercial banking business also saw a 14% rise in earnings to C$370 million, as loan loss provisions, or the money banks set aside for potentially souring loans, fell. On an adjusted basis, National Bank of Canada's net interest income, the difference between what banks make on loans and pay out on deposits, was C$1.25 billion in the third quarter, compared with C$1.17 billion in the year-ago period.

Enbridge to buy Salt Creek Midstream crude gathering assets for $600 million
Pipeline operator Enbridge said it would acquire Salt Creek Midstream's crude oil gathering business for $600 million in cash, expanding its presence in the crude-rich Permian Basin. Enbridge said the acquisition will provide a direct link between Permian crude production and its Ingleside Energy Center, North America's largest crude export terminal. The deal includes full ownership of the Orla and Wink North gathering systems and a 50% stake in the Delaware Crossing system, adding about 500 miles of crude oil gathering infrastructure in the heart of the Delaware Basin.

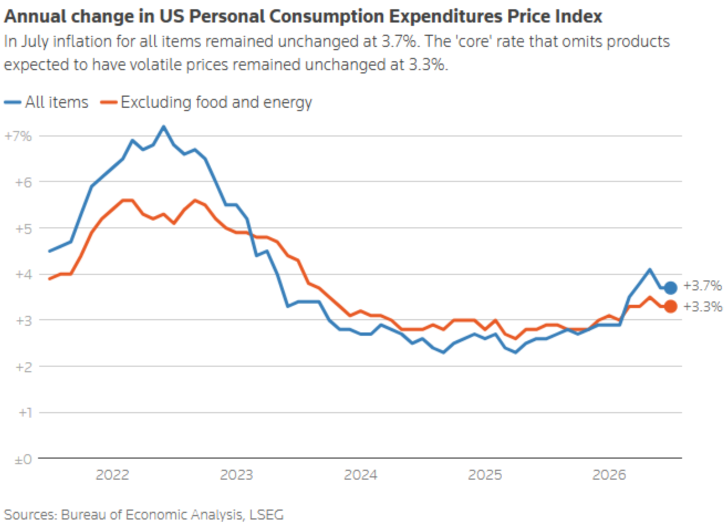
Couche-Tard launches tender offer for all shares of Poland's Zabka
Canada's Alimentation Couche-Tard said it was launching a voluntary tender offer for all shares of Polish convenience store chain Zabka at 32 zlotys each, in line with its earlier plans. The offer, which is set to run from Thursday until September 25, is 2.3% higher than Zabka's last closing price on the Warsaw bourse and values the company at roughly $8.8 billion. Zabka shares rose 0.7% to 31.50 zlotys in early trading, below the offer price which mBank analyst Janusz Pieta said was "a little too low", although he noted that speculation that Poland might increase its corporate income tax could encourage some shareholders to sell.

WEALTH NEWS

ECONOMIC INDICATOR

US inflation remains elevated as GDP growth outlook brightens

Annual U.S. inflation held steady in July well above the Federal Reserve's 2% target for the 65th straight month, and the unexpected pause in the decline from a recent war-induced peak is likely to intensify the central bank's debate over whether interest rates should be lifted or held steady. The Personal Consumption Expenditures Price Index increased 3.7% in the 12 months through July the Commerce Department's Bureau of Economic Analysis said. The month-over-month figure also was higher than expected at 0.2% in July after falling 0.1% in June, which had been the weakest reading since April 2020. The BEA also left unchanged its estimate of annualized gross domestic product growth for the second quarter at 1.5% but revised up consumer spending to 3.4% from the originally reported 3.2%, an indication that the individual consumption had held up through the first half of the year.



Click on the chart for a detailed and interactive graphic

FED RATES

Fed seen a bit more likely to hike after inflation data

The case for a Federal Reserve interest-rate hike gained a little steam after a government report showed inflation in July was a touch stronger than economists had expected.

JACKSON HOLE SYMPOSIUM

Anxious investors hope for clarity on Warsh's Fed plan at Jackson Hole

Investors this week will watch the annual Jackson Hole symposium for clues on how policymakers plan to navigate a landscape in which higher Treasury yields could do some of the tightening work for them.

FED TEAM

As Cook case smolders, Trump has other paths to shape Fed policy team

U.S. President Donald Trump's efforts to oust Federal Reserve officials to clear room for his own appointees have been stalled so far by the courts and political pushback in the Senate, but he may still have as many as four opportunities to try to beef up his influence over the central bank's policy committee.

REUTERS POLL

S&P 500 to end 2026 slightly above current levels on profit optimism

The S&P 500 benchmark U.S. stock index will add to this year's already robust gains and end 2026 about 3% above current levels, reflecting optimism earnings will stay strong and U.S.-Iran tensions will ease, according to a Reuters poll.

ACQUISITION

Vanguard strikes deal for fintech platform Altruist

Vanguard Group said it would acquire fintech platform Altruist, giving the asset manager greater access to independent financial advisers and expanding its wealth-management capabilities.

EXCLUSIVE

Puck in advanced talks for investment by RedBird Capital Partners at $250 million valuation

Puck is in advanced talks for an investment from RedBird Capital Partners, in a move which will help fund the growth of the newsletter startup, the company confirmed in a statement to Reuters.

Mourners pay their respects to Dolly Parton after the announcement of her passing, at the Dolly Parton Statue in downtown Sevierville, Tennessee, August 26. REUTERS/Megan Varner

The Day Ahead - North America is compiled by Ashitha Salus and Priyada K S in Bengaluru.

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