

Market Recap at 4 PM ET

Stocks closed lower as **longer-dated Treasury yields** resumed their uptrend ahead of key inflation and labor market data this week that could shape the Fed's interest rate path. **Oil** prices declined as investors focused on signs of recovering crude exports from the Middle East. The **dollar** rose, while **gold** prices rebounded from a seven-week trough.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	51,349.92	-131.59	-0.26	54,744.33	45,057.28
Nasdaq	26,797.54	-22.84	-0.09	27,288.79	20,690.25
S&P 500	7,670.84	-12.85	-0.17	7,816.70	6,316.91
Toronto	35,460.27	-29.59	-0.08	37,069.11	29,530.92
FTSE	10,636.71	-48.17	-0.45	10,989.45	9,670.46
Eurofirst	2,548.52	-1.94	-0.08	2,652.27	2,231.14
Nikkei	65,481.27	-396.35	-0.60	72,831.73	50,558.91
Hang Seng	24,523.57	-118.94	-0.48	28,056.10	22,518.00

S&P 500	Price	$ Chng	% Chng
GAINERS			
Carnival Corporation Ltd	25.15	3.01	13.57
Royal Caribbean Cruises Ltd.	260.11	17.52	7.22
Lumentum Holdings Inc.	971.29	49.97	5.42
LOSERS			
Fair Isaac Corporation	612.41	-228.48	-27.17
lululemon athletica inc.	96.67	-3.91	-3.89
Steel Dynamics Inc	221.76	-8.63	-3.75

TREASURIES	Yield	Price
10-year	5.2531	-3/32
2-year	4.8910	2/32
5-year	5.0626	1/32
30-year	5.5874	-11/32

FOREX	Last	% Chng
Euro/Dollar	1.1339	-0.27
Dollar/Yen	157.33	-0.01
Sterling/Dollar	1.3230	-0.17
Dollar/CAD	1.4186	0.11

COMMODITIES ($)	Price	Chng	% Chng
Front Month Crude /bbl	89.23	-3.37	-3.64
Spot gold (NY/oz)	4175.05	60.78	1.48
Copper US (front month/lb)	6.59	0.0230	0.35
CRB Index Total Return	527.72	-6.10	-1.14

COMING UP

From the US economic front, the Commerce Department's Bureau of Economic Analysis is expected to feature the **personal consumption expenditures (PCE) price index** for August, with the headline PCE price index seen rising 0.4%, following a 0.2% increase in July. On an **annual** basis, the PCE price index is forecast to have risen 3.7% in August, unchanged from the prior period. The **core PCE price index** likely increased 0.3% in August after a 0.2% gain in July, while annually it is expected to have risen 3.3%, matching the pace recorded earlier. In a separate report, the final reading of second-quarter **gross domestic product** is expected to show the economy grew at an annualized rate of 1.5%, matching the earlier estimate. The bureau is also expected to report that **personal income** rose 0.4% in August, matching the 0.4% gain in July, while consumption on an adjusted basis likely climbed 0.8% after a 0.2% rise previously. On the labor front, the ADP National Employment Report is expected to show **private payrolls** grew by 70,000 jobs in September, following an increase of 38,000 jobs in August. The Commerce Department's Census Bureau will report the **advance goods trade balance** for August, with the deficit seen

narrowing to $115 billion from $118.94 billion in July.

Micron Technology is expected to report fourth-quarter results, with analysts expecting sales to more than double, buoyed by relentless demand for its high-bandwidth memory chips that power complex AI workloads in data centers.

Federal Reserve Bank of Richmond President **Thomas Barkin** is expected to give welcome and opening remarks before the "2026 Investing in Rural America Conference: The Strength of Rural Places" hosted by the Federal Reserve Bank of Richmond in Asheville, North Carolina. Federal Reserve Board Governor **Lisa Cook** is set to speak on "Rural Economy" at the same conference in Asheville. Federal Reserve Bank of Chicago President **Austan Goolsbee** is expected to give remarks before the "Why Consumers and Economists See Different Economies" event, a collaboration between the Chicago Fed and research organization NORC at the University of Chicago. Federal Reserve Bank of Minneapolis President **Neel Kashkari** is due to participate in a fireside chat before the Council on Foreign Relations C. Peter McColough Series on International Economics event in New York.



Federal Reserve Bank of Richmond President Thomas Barkin attends a conversation with the Economic Club of Washington DC in Washington, D.C., April 9, 2025. REUTERS/Kevin Mohatt

Conagra Brands is expected to report a decline in first-quarter revenue, as budget-conscious customers shift to cheaper private-label brands, hurting demand. Investors will look for comments regarding consumer spending, tariff impact, pricing, product strategies and annual forecasts.

Data center infrastructure company **Accelevation** is expected to go public in New York.

In **Brazil**, the Treasury is expected to report the **primary budget balance** for August swung to a deficit of 15.7 billion reais from a surplus of 1.4 billion reais in July, while the **nominal** budget balance likely widened to a deficit of 110.15 billion reais from 97.6 billion reais previously. The **gross debt-to-GDP ratio** is seen rising to 83.0% in August from 82.5% in July, and the **net debt-to-GDP ratio** is forecast to have edged up to 69.5% from 69.1%. Statistics agency IBGE will release **producer prices** for August, following a 0.83% decline. Separately, the central bank is due to publish **foreign exchange flows** for the week ended September 25, after an outflow of $1.091 billion in the prior week. In **Chile**, statistics agency INE is expected to report the **jobless rate** held at 9.5% in August, unchanged from the previous month, while **manufacturing output** for August figures are also due. In **Mexico**, the **fiscal balance** for August is due, after a shortfall of 171.53 billion pesos previously.

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KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
ADP national employment for Sept	0815	70,000	38,000
Personal income MM for Aug	0830	0.4%	0.4%
Personal consumption real MM for Aug	0830	--	0%
Consumption, adjusted MM for Aug	0830	0.8%	0.2%
Core PCE price index MM for Aug	0830	0.3%	0.2%
Core PCE price index YY for Aug	0830	3.3%	3.3%
PCE price index MM for Aug	0830	0.4%	0.2%
PCE price index YY for Aug	0830	3.7%	3.7%
PCE prc exl food, energy & hsg for Aug	0830	--	0.2%
PCE svs price exl energy & hsg for Aug	0830	--	0.3%
Core PCE prices final for Q2	0830	3.6%	3.6%
PCE prices final for Q2	0830	--	5.3%
PCE ex food, eng & hsg (f) for Q2	0830	--	3.4%
PCE svs exl eng & hsg (f) for Q2	0830	--	3.7%
Corporate profits revised for Q2	0830	--	8.2%
GDP final for Q2	0830	1.5%	1.5%
GDP sales final for Q2	0830	2.3%	2.2%
GDP cons spending final for Q2	0830	--	3.4%
GDP deflator final for Q2	0830	6.4%	6.4%
Advance goods trade balance for Aug	0830	-$115.00 bln	-$118.94 bln
Wholesale inventories advance for Aug	0830	--	1.3%
Retail inventories ex-auto advance for Aug	0830	--	0.8%
Chicago PMI for Sep	0945	51.2	47.1
Dallas Fed PCE for Aug	1000	--	2.2%

KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates*	Year Ago	Rev Estimates (mln)
FactSet Research Systems	Q4	BMO	$4.34	$4.33	$4.05	$629.83
Jabil	Q4	BMO	$4.09	$4.07	$3.29	$9,711.67
Micron Technology	Q4	AMC	$32.11	$31.61	$3.03	$51,069.38

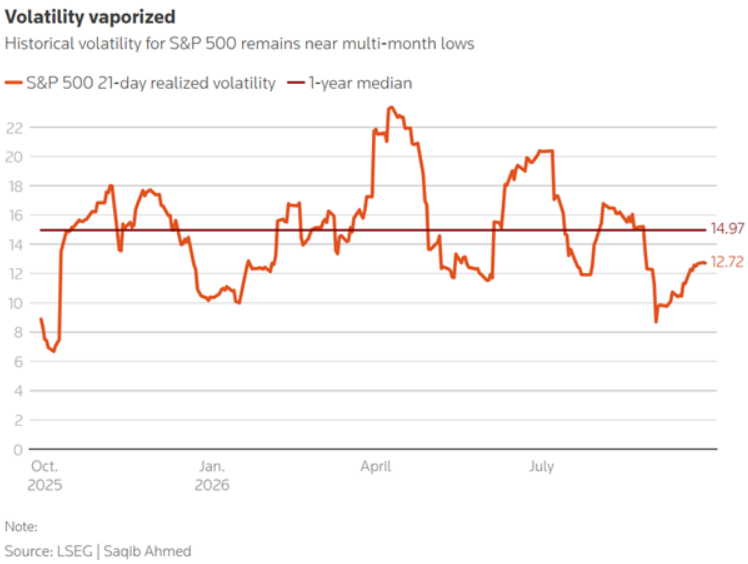
**Includes companies on S&P 500 index. **Estimates may be updated or revised; release times based on company guidance or past practice.*

All analysts' estimates are according to LSEG IBES data.

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Market Monitor

Stocks ended the session slightly lower, as government bond yields continued their ascent ahead of inflation and labor market data, while investors assessed comments from Federal Reserve officials for the path of interest rates. "PCE tomorrow is going to be big, so we'll see where that takes us," said Tim Ghriskey, senior portfolio strategist at Ingalls & Snyder in New York. "The amount of negativity from consumers here, especially with higher rates, higher gas prices, they're getting squeezed — the consumers getting squeezed here, and we might start seeing (stocks sell off), at least in the consumer names." The **Dow Jones Industrial Average** fell 0.26% to 51,349.92, while the **S&P 500** declined 0.17% to 7,670.84. The **Nasdaq Composite** lost 0.09% to 26,797.54.



Click on the chart for a detailed and interactive graphic

Longer-dated Treasury yields were up in a choppy session as oil prices took a step back and expectations for Federal Reserve interest rate increases steadied as investors waited for a key inflation reading and September's job market report. Along with oil prices, Tom di Galoma, managing director at Mischler Financial, said that fixed-income investors were also watching the European bond market, where a selloff paused on Tuesday, although yields stayed close to their highest in years as robust growth and elevated energy costs are expected to push global interest rates higher. "Investors are looking at this and saying we've got some very decent levels to buy paper. There's enough things that are going on with AI and with stocks and geopolitical issues that accounts will be paid off by buying dips," di Galoma said, adding that investors are waiting on a lot of economic data and Fed speakers. **30-year bonds** declined 11/32 to yield 5.586%. **Benchmark 10-year notes** lost 2/32, yielding 5.251%. The **two-year notes** rose 2/32, with a yield of 4.889%.

The **dollar** rose against major currencies as investors positioned for economic data that could offer clues on the Federal Reserve's interest-rate path, with Treasury yields hovering near multi-year highs. "At this point, we're just going data point to data point," said Eugene Epstein, head of trading and structured products at Moneycorp. "We have a number of Fed speakers today and we're looking at jobs and inflation data to find out whether or not the current Fed board is justified in the hawkishness that they've been implying." Investors are awaiting August's Personal Consumption Expenditures (PCE) index on Wednesday, which is closely watched by the Fed, followed by September's nonfarm payrolls report on Friday. The **dollar index** climbed 0.21% to 101.41. The **euro** was down 0.27% at $1.1339. Against the **Japanese yen**, the dollar eased 0.03% to 157.31 yen.

Oil prices declined as investors focused on signs of recovering crude exports from the Middle East, although prices headed for monthly gains on lingering concern about supply disruptions during the US-Israeli war on Iran. Crude futures were "under pressure this morning on news that the Saudi's East/West pipeline flows have moved up. ... US/Iran negotiations are also continuing and while seemingly far apart, both are looking for an off-ramp, and as more oil flows through the Middle East, the less bargaining power Iran will have," said Dennis Kissler, senior vice president of trading at BOK Financial. Saudi Arabia resumed oil tanker loadings from its Red Sea port of Yanbu after restarting operations on the East-West Pipeline, according to trade sources and shipping data, improving the outlook for oil exports from the Middle East. **Brent crude futures** fell 2.67% to $102.47 a barrel. **US West Texas Intermediate futures** shed 3.65% to $89.22 per barrel.

Gold rose, recovering from a more than seven-week low hit in the previous session, but remained below its 100-day moving average as concerns about inflation reinforced expectations of tighter monetary policy by the Federal Reserve. "Today's move is just a correction from yesterday's losses. I still think there's some fairly significant headwinds for gold out there," said Peter Grant, vice president and senior metals strategist at Zaner Metals. "The heightened expectations for more Fed rate hikes are keeping the dollar up, yields remain elevated. I think the upside might be somewhat limited today and market's going to stay focused on the PCE inflation data tomorrow and the jobs data on Friday," Grant said. **Spot gold** gained 1.47% to $4,174.92 an ounce. **US gold futures** added 0.93% to 4,207.30 an ounce.

TOP NEWS

Trump says tech firms will make communities 'happy' about data centers

US President Donald Trump said tech companies will work to make communities "happy" about the construction of data centers, as the industry faces growing local opposition to the facilities' expansion. Data centers are "going to do things for the community that will be really financially beneficial," he told reporters. Executives in the White House meeting included Anthropic's Dario Amodei, Meta's Mark Zuckerberg, Google's Sundar Pichai, Nvidia's Jensen Huang and Palantir's Alex Karp. From the Trump administration, tech adviser Michael Kratsios and Commerce Secretary Howard Lutnick attended, as did US House Speaker Mike Johnson. Trump at the launch event said he does not want to work with Chinese President Xi Jinping on governing AI technology, adding that doing so would make it harder for US companies to build better AI products than their Chinese counterparts.



US President Donald Trump shows a signed Executive Order related to a new AI-powered government website, America.gov, during the website's National Design Studio launch event at the Mellon Auditorium in Washington, D.C., September 29. REUTERS/Jonathan Ernst

AI researchers warn companies rushing self-improving systems despite safety risks

Current and former OpenAI and Google DeepMind researchers warn companies are doing too little to protect the world against the potentially disastrous fallout of building self-improving AI systems that could outpace humans' ability to control them. In video testimonials collected by AI safety nonprofit Palisade Research and shared exclusively with Reuters, employees said their concerns about existential risk were sincere, not marketing. They also said AI labs celebrated employees building new models more than those who urge caution. Neel Nanda, a research scientist at DeepMind, said he believed there was at least a 10% chance that AI could lead to human extinction, which he described as "ridiculously high." "We should be taking very careful steps in AI development but instead what's happening is that frontier labs are racing each other, kind of blindfolded," Juan Felipe Ceron Uribe, an AI alignment research engineer at OpenAI, said.

Anthropic's IPO prospectus shows sweeping AI vision, surging costs

Anthropic is making a massive bet that AI will transform the global economy more profoundly than industrialization, electricity and the internet, according to its IPO prospectus seen by Reuters. But the cost to get there will be staggering. Anthropic reported a net loss of $42 billion in 2025, and plans to spend $518 billion on cloud, computing and infrastructure obligations in coming years, according to the prospectus. Revenue grew 12-fold in 2025 to nearly $4.6 billion, even as the company lost more than $8 billion on an operating basis, excluding write-downs of various liabilities mostly tied to previous fundraising. Meanwhile, Anthropic could face legal claims from customers and users over the actions of rogue artificial intelligence agents, though the legal framework is uncertain, the company said in the prospectus. To read more, **click here**

Oura becomes latest US IPO hopeful to delay listing as market jitters deepen

Smart ring maker Oura postponed its US initial public offering, the latest high-profile IPO hopeful to shelve its plans as volatile markets dampen investor appetite for new listings. "We aim to deliver an extraordinary IPO for our employees and investors and we have the luxury of choosing our moment. In the meantime, we will execute against the opportunities ahead," Oura CEO Tom Hale said in a statement. "What is now clear is we are in a very different IPO market to the one we envisaged just a few weeks ago," said Samuel Kerr, global head of equity capital markets at Mergermarket. "Even strong businesses with spectacular economics will face greater scrutiny." "Higher rates are clearly making investors more selective, particularly on growth valuations. Still, I wouldn't say the IPO window is closed, especially with Anthropic still pushing ahead with what could be one of the largest IPOs ever," IPOX Research Associate Lukas Muehlbauer said.

OpenAI's annualized recurring revenue nears $70 billion, source says

OpenAI's annualized recurring revenue is approaching $70 billion, driven by a more than twofold increase in enterprise sales since July, a source familiar with the matter told Reuters. The startup's annualized revenue run rate has risen by more than 70%

since the beginning of the third quarter in July, the source said. "Oracle's fate is largely tied to the success of OpenAI, which represents around half of its compute backlog," said Gil Luria, managing director at equity research firm D.A. Davidson. "OpenAI accelerating growth is a very good sign for Oracle, as it reinforces OpenAI's ability to live up to its expectations for compute capacity." Meanwhile, OpenAI unveiled always-on agents called Dots that chase user goals across apps on their own, deepening its push into the lucrative enterprise market and pitting it against Meta in the race to sell AI that can work autonomously. To read more, **click here**

Apple's Ternus eyes engineering-led overhaul, Bloomberg News reports

Apple's new chief executive officer, John Ternus, is weighing a broad overhaul of the iPhone maker aimed at sharpening its engineering focus, introducing products more frequently and creating a leaner organization, Bloomberg News reported. The early ideas under consideration include moving away from Apple's traditional spring and fall product-release cycle and eliminating some middle-management roles to narrow the gap between engineers and top executives, the report said. Ternus has signaled internally that Apple needs to introduce products more quickly and become more experimental to remain competitive in the artificial intelligence era. The company also made significant cuts in teams working on the Siri digital assistant, the Vision Pro headset and AI-related software engineering, some of which were tied to employee performance, the report said.

Google challenges EU orders to open up to AI, search-engine rivals

Alphabet's Google has challenged two EU orders to help AI rivals such as OpenAI access its services and search engine competitors to access its search data, saying these would undermine privacy safeguards and cause irreversible harm to European users. "We're appealing decisions that will force us to share people's private search history without sufficient anonymization and weaken vital security protections on Android," Google's senior director of competition, Oliver Bethell, said in a statement. "People use Search for their most personal questions — from medical worries to close relationships — and mandating we share these personal queries without adequate safeguards would cause irreversible harm to user privacy," he said. Meanwhile, Netlist said that it has filed a new complaint at a U.S. trade tribunal seeking to block imports of Micron memory chips used in Google, Nvidia and Broadcom products for AI computing. To read more, **click here**

Amazon, GoodRx target US prescription subscribers as health insurance coverage slips

Amazon.com, GoodRx and other companies offering online subscriptions that charge a flat fee for prescription drugs and other health services are reaping the benefits of Americans looking to combat rising costs and dwindling health insurance options. The prescription plans cost from $5 per month at Amazon to $14.99 at GoodRx and include free access to select generic drugs. Analysts said these monthly fee-based services can help consumers save money even when they have health insurance. Meanwhile, Eli Lilly said its oral obesity drug, Foundayo, offers greater weight loss and better blood sugar control than a higher dose of Novo Nordisk's Ozempic pill in adults with type 2 diabetes, citing data from existing studies. To read more, **click here**

Carnival raises annual profit forecast on strong demand

Cruise operator Carnival raised its annual profit forecast and pointed to record 2027 bookings, signaling sustained demand despite geopolitical uncertainty and sending its shares up. The company now expects 2026 adjusted earnings of about $2.24 per share, up from $2.22 previously. Carnival said it was already about half booked for 2027, with both occupancy and pricing at record levels, while bookings for 2028 were off to "an excellent start." Carnival reported revenue of $8.44 billion for the quarter ended August 31, compared with analysts' average estimate of $8.30 billion. On an adjusted basis, it posted a quarterly profit of $1.43 per share, compared with analysts' average estimate of $1.36. Shares of Carnival rose 13.60%, to close at $25.15.

Alaska Air bets on premium travel to boost profit as fuel costs bite

Alaska Air is making its biggest push yet into premium travel, adding lie-flat seats, premium-economy cabins and new airport lounges to earn more from travelers willing to pay for comfort while high jet fuel prices squeeze profits. In an interview, President and Chief Financial Officer Shane Tackett told Reuters the investments could eventually add $3 to $4 to Alaska's earnings per share and lift its margins by 2 to 3 percentage points within a couple of years. Tackett said Alaska's estimate assumes "a pretty steady rate of demand" for premium seats and the prices it expects to charge. Alaska's business is configured to perform strongly at prices of about $3.25 a gallon or lower, he added. The carrier estimates earnings of $5 to $6 a share in 2027 with fuel at $3.25 and more than $10 at $2.50. Tackett did not reaffirm the 2027 timetable for Alaska's $10-a-share earnings target. "Whether that happens in 2027, or a bit later, it will be highly dependent" on fuel prices and the broader economy, Tackett said.



An artillerist of the 100th Separate Mechanized Brigade of the Ukrainian Armed Forces fires a 2S22 Bohdana self-propelled howitzer towards Russian troops, amid Russia's attack on Ukraine, on a front line in Donetsk region, Ukraine, September 29. REUTERS/Anatolii Stepanov

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Insight and Analysis

Inside McDonald's push to have AI price your Big Mac

McDonald's is increasingly using artificial intelligence to guide menu prices across the U.S. and some global markets, a plan that aims to boost headquarters' profit but risks alienating customers and attracting antitrust scrutiny. One pricing factor supercharged by AI: an estimate of how much each store's patrons are willing to pay. The details of how that pricing system works, its extensive use of AI, the company's regulatory concerns and the tensions with its franchisees haven't been previously reported. For this story, Reuters reviewed screenshots of the company pricing engine taken in August and interviewed nine sources with first-hand knowledge of the burger chain's strategy.

REUTERS OPEN INTEREST-Are AI credit cracks a warning, or a 'buy' signal?: McGeever

"Hyperion" and "Beignet" are two words many investors may not be familiar with. But they could soon become symbolic of the excesses of the borrowing and spending binge driving the record-breaking US artificial intelligence build-out. "Hyperion" is the name of Meta Platforms' AI data center facility under construction in Richland Parish, Louisiana. It is the Facebook owner's largest data center project with 5 gigawatts of compute capacity and has absorbed more than $50 billion in investment.

REUTERS OPEN INTEREST-'G force' driving world markets may need Fed and bond brake: Mike Dolan

As the final quarter of another tumultuous year approaches, markets face a stark reality: economic growth and earnings are running hot, leaving the Federal Reserve and other central banks to hike rates aggressively or risk letting inflation become entrenched. For bond investors, there's little comfort either way. What's clear is that, for the remainder of 2026, there's little or nothing to substantially change the picture of hot growth and earnings — infused by the ongoing business investment boom in AI infrastructure that most expect to run at least through the end of the decade.

Canada

Market Monitor

Canada's main stock index fell as losses in energy sector offset gains in technology and materials stocks, while investors assessed domestic economic data.

The **Toronto Stock Exchange's S&P/TSX Composite Index** edged 0.08% lower to 35,460.27 points.

The **energy sector** lost 1.26% to close at 435.45 points.

Technology shares were up 1.72% at 332.65 points. **Materials sector** gained 0.61% to 835.14 points.

TSE's S&P/TSX Composite	Close	$ Chng	% Chng
GAINERS			
Badger Infrastructure Solutions Ltd	94.60	3.52	3.86
Montage Gold Corp.	19.56	0.65	3.44
Northland Power Inc (Ontario)	22.62	0.68	3.10
LOSERS			
WSP Global Inc	171.55	-10.16	-5.59
MDA Space Ltd.	42.15	-1.79	-4.07
Enerflex Ltd.	32.15	-1.32	-3.94

"AI is definitely been what's driving the US economy, at least primarily. (But), Canada is a bit insulated from that to some degree," said Shiraz Ahmed, founder and CEO of Sartorial Wealth. "We narrowly missed a recession recently, and the growth data suggests the economy remains on a fragile footing," said Ahmed.

The **US dollar** rose 0.11% to C$1.4187 against the **Canadian dollar**.

Top News

Canada's economic growth unchanged in July, August likely to expand 0.2%

Canada's economic growth was flat in July, data showed, in line with expectations and signaling a slower start to the third quarter after a solid growth in the prior three months. This was after three straight months of positive growth and comes right before a new set of tariffs from the United States hit Canada in August. Both the goods-producing industries and services-producing industries were largely unchanged in July, Statistics Canada said. The good-producing sectors contribute roughly a quarter of the gross domestic product. Among the goods-producing industries, the manufacturing sector decreased by 0.9% in July, posting its first decrease in four months. This was primary led by a decline in activity at petroleum refineries which was down 6.2% in July. An advanced estimate from Statistics Canada showed that the economy was likely to post a rebound in August with a monthly growth rate of 0.2%.

Faced with US ban, Canadian booze makers see yet more hurdles at home

As a US ban on many Canadian alcohol imports takes effect, John Cote had hoped to boost domestic sales of his Black Fox artisanal whisky and gin by tapping a wave of "buy Canadian" sentiment during the trade war with the United States. But it won't be easy for him to ship bottles from his Saskatchewan distillery to shelves across the nation. Cote and other brewers, distillers and winemakers say they will struggle to make up for lost US revenues by turning to the Canadian market due to a patchwork of regulations that complicate sales across provincial borders. Many provinces have monopolies on alcohol sales, and they seem reluctant to accept outside products that would compete with local producers, making it hard to win space in shops, they told Reuters. "Everybody says 'We should support Canadian products'. But from governments, it's just talk," said Cote. He said he had sold some whisky at a recent event in Ontario, but lost money on every bottle due to bureaucratic costs and a three-week delay getting permission.

Canadian institutions should not fear using liquidity facility, says Bank of Canada

The Bank of Canada urged financial institutions to use its Standing Liquidity Facility for overnight liquidity when needed without worrying that it might be seen as a sign of stress. In a joint statement with the Office of the Superintendent of Financial Institutions, Canada's banking regulator, the BoC said SLF advances were considered normal. The statement was released at the same time as remarks by Deputy Governor Toni Gravelle on the bank's efforts to strengthen repo market operations. "We view an institution's use of the SLF for overnight liquidity as a normal part of day-to-day liquidity management, not as an exceptional event or a sign of stress," Gravelle told a Bloomberg conference in New York. The SLF is the BoC's standing lending facility for participants in Canada's high-value payment system, Lynx. It provides financial institutions who are a part of the central bank's payment system with fully secured intraday and overnight credit.

Canada should strengthen prosecution of sophisticated financial crime, global watchdog says

Canada should strengthen its investigation and prosecution of sophisticated money laundering cases, the Financial Action Task Force said. The report, following an evaluation that began in November, said that despite strong investigative capacity, Canada struggles to prosecute professional money laundering, particularly in standalone cases. "The country should improve (its) effectiveness of risk-based supervision and ensure it prioritises investigation and prosecution of complex money laundering cases in line with its risk profile," the report said. "Canada faces material money laundering risks driven by major profit-generating crimes." Some C$45 billion to C$113 billion ($32 billion to $80 billion) is laundered in Canada annually, according to government data. Money laundering in Canada is mainly linked to proceeds from drug trafficking, fraud, commercial trade fraud and tax crimes, often involving organized crime groups and professional money laundering intermediaries, the FATF said. The review coincided with new indictments against former Canadian Olympic snowboarder and alleged cocaine kingpin Ryan Wedding.

Shell-led LNG Canada greenlights Phase 2 expansion, doubling export capacity

Shell and its partners gave the green light to a LNG Canada Phase 2 expansion in Kitimat, British Columbia, a multi-billion-dollar bet that will double the facility's production capacity to 28 million tonnes per annum (mtpa) and put Canada on a trajectory to become one of the world's largest LNG exporters. The expansion will add two additional liquefaction trains, increasing LNG Canada's total export capacity from 14 mtpa to roughly 28 mtpa. Shell, which holds a 40% stake in the joint venture, said it expects to receive nearly 6 mtpa of additional LNG from the expansion, with commercial operations targeted for the early 2030s. A decision on the project was expected as early as October, Reuters had exclusively reported earlier this month.

TC Energy advances Coastal GasLink after LNG Canada decision

TC Energy said its Coastal GasLink Phase 2 project will proceed after LNG Canada and its joint venture partners made a positive final investment decision on the LNG Canada expansion project. The company said Coastal GasLink (CGL) Phase 2 will nearly double the pipeline's capacity through the addition of new compressor stations and upgrades along its existing 670-km route linking Dawson Creek and the LNG Canada export facility in Kitimat, British Columbia. Tight global markets, outages among major producers and strong long-term demand growth from countries seeking to replace coal with cleaner-burning natural gas are driving interest in new LNG projects and more diversified sources of supply. TC Energy operates a 58,100-mile network of pipelines, supplying more than 30% of the clean-burning natural gas consumed daily across North America.

Canada energy regulator approves Trans Mountain tolls settlement

The Canada Energy Regulator on Monday approved Trans Mountain's negotiated tolls settlement, finding the tolls just and reasonable and setting a new framework for tariffs and transportation services on the pipeline system. The decision allows up to 90% of the pipeline's capacity to be contracted to shippers, up from 80%, the regulator said. The regulator said Trans Mountain can still ensure other shippers have meaningful access to available pipeline capacity. The settlement resolves an 18-month dispute over tolls charged on the expanded pipeline, which began operations in 2024 after a C$34 billion expansion. The expanded 890,000-barrels-per-day pipeline is Canada's only east-west oil pipeline and gives producers direct access to China and other Asian markets.

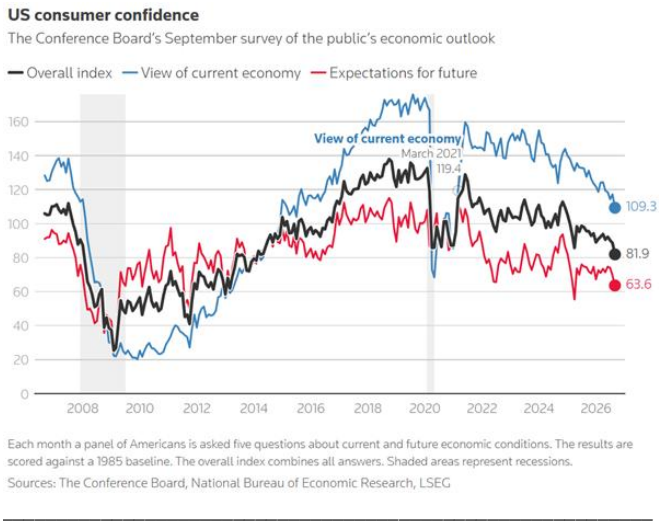
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Wealth News

ECONOMIC SNAPSHOT

US consumer confidence near 12-1/2-year low amid labor market fears

US consumer confidence plunged to a near 12-1/2-year low in September, with households expecting a deterioration in business and labor market conditions over the next six months amid the Middle East conflict and rising interest rates. The Conference Board said its consumer confidence index plummeted 6.7 points this month to 81.9, the lowest level since April 2014. Economists polled by Reuters had forecast the index at 89.2. The deterioration in confidence was across political party affiliation, age and income groups. A separate report from the Labor Department's Bureau of Labor Statistics showed job openings had dropped by 256,000 to 7.079 million by the last day of August. Economists had forecast 7.225 million open positions. There were 1.01 job openings for every unemployed person, down from 1.06 in July. This ratio peaked around 2.0 in 2022. The affordability challenge facing Americans was underscored by a third report from the Federal Housing Finance Agency showing single-family house prices increased 0.3% in July after being unchanged in June. Prices advanced 2.6% in the 12 months through July, after rising 2.3% in June.



SUCCESSION PLAN

Waldron long seen as next Goldman CEO. The question is when

John Waldron has long been seen as successor to Goldman Sachs CEO David Solomon. The question was when the transition would happen.

POLICY OUTLOOK

Fed's Barr says more rate hikes likely to be needed to curb inflation

Federal Reserve Governor Michael Barr made a renewed case for further interest rate hikes, noting that high energy prices and a surge in AI-related investment have meant "we have been knocked off course" on progress toward the US central bank's 2% inflation goal. Separately, St. Louis Federal Reserve President Alberto Musalem said that too big a pullback in the US central bank's communications could lead to higher and more volatile interest rates and inflation if the public and businesses are left to guess how it would react to different economic developments. To read more, **click here**

EXCLUSIVE

Anthropic leaders to control AI lab via 'Founder LLC' to promote public good over market forces

Anthropic has long positioned itself as the virtuous AI company. An early look at its IPO filing shows how it is creating a new "Founder LLC" vehicle aimed at serving the common good, while insulating its leaders from market forces.

GRAPHIC

Battered bond market braces for a new era of interest rates

The world's biggest sovereign bond markets are heading for their worst month in years as soaring energy costs fan inflation and the AI boom lifts economic growth, leaving investors positioning for an era where interest rates stay higher for longer.

LOGISTICS PLATFORM

Blackstone to launch investment platform for Nordics warehouses

Blackstone said it was launching a new logistics investment platform for the Nordics, giving investors a more direct route to put money into a high-growth sector.

MOVES

Exxon veteran Liam Mallon joins TMC board ahead of seabed mining push

The Metals Company said it has appointed former ExxonMobil upstream chief Liam Mallon to its board as the company advances plans to begin commercial recovery of polymetallic nodules in international waters under a U.S. seabed mining framework.



People take pictures at a light installation during the Shanghai International Light Festival in Shanghai, China, September 28. REUTERS/Go Nakamura

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For questions or comments about this report, email us at: ***TheDay.Ahead@thomsonreuters.com.***

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