

Market Recap at 4 PM ET

Wall Street advanced as a global bond selloff reversed course, pulling **Treasury yields** back from multi-decade highs. The **dollar** strengthened. **Gold** prices edged higher as investors awaited key US jobs data due later this week. **Oil** prices jumped after China suspended oil product exports.

STOCKS	Close	Chng	% Chng	Yr-high	Yr-low
DJIA	50,926.56	20.51	0.04	54,744.33	45,057.28
Nasdaq	26,871.60	10.53	0.04	27,288.79	20,690.25
S&P 500	7,666.45	14.91	0.19	7,816.70	6,316.91
Toronto	35,154.76	-81.11	-0.23	37,069.11	29,530.92
FTSE	10,428.27	-177.73	-1.68	10,989.45	9,670.46
Eurofirst	2,503.71	-30.79	-1.21	2,652.27	2,231.14
Nikkei	68,956.72	2203.00	3.30	72,831.73	50,558.91
Hang Seng	24,613.27	89.70	0.37	28,056.10	22,518.00

S&P 500	Price	$ Chng	% Chng
GAINERS			
Accenture PLC	213.66	30.29	16.52
Fair Isaac Corporation	670.81	78.34	13.22
Synopsys, Inc.	491.74	56.80	13.06
LOSERS			
Paramount Skydance Corp	9.42	-0.92	-8.86
McCormick & Co Incorporated	44.34	-2.06	-4.44
Danaher Corporation	211.85	-9.70	-4.38

TREASURIES	Yield	Price
10-year	5.2407	13/32
2-year	4.7851	6/32
5-year	5.0089	11/32
30-year	5.6091	13/32

FOREX	Last	% Chng
Euro/Dollar	1.1241	-0.77
Dollar/Yen	158.12	0.46
Sterling/Dollar	1.3194	-0.54
Dollar/CAD	1.4226	-0.01

COMMODITIES ($)	Price	Chng	% Chng
Front Month Crude /bbl	93.33	2.91	3.22
Spot gold (NY/oz)	4176.31	20.32	0.49
Copper US (front month/lb)	6.52	-0.0370	-0.56
CRB Index Total Return	531.16	2.34	0.44

Coming Up

The US Labor Department's Bureau of Labor Statistics is expected to release the closely watched monthly employment report, with **non-farm payrolls** likely rising by 90,000 jobs in September after an increase of 162,000 jobs in August. The **unemployment rate** is forecast to have held steady at 4.1% in September. In the same report, **private payrolls** are expected to have added 85,000 jobs in September, down from 127,000 jobs in August, while **manufacturing payrolls** likely grew by 10,000 jobs after rising 16,000 jobs the month before. On the wages front, **average earnings** are seen rising 0.3% in September, while **annual earnings** likely increased 3.2% in September, picking up from the 3.1% rise in August. The **average workweek** is expected to edge down to 34.3 hours in September from 34.4 hours in August. Separately, the Commerce Department's Census Bureau is set to report **factory orders** likely rose 0.1% in August after a 0.9% gain in July.

THE DAY AHEAD

Tesla is expected to report an increase in third-quarter deliveries from the second quarter, though sales are seen coming in lower than the same period a year earlier.

Federal Reserve Bank of Dallas President **Lorie Logan** is set to give welcome remarks before the Fifth Annual Workshop on the Macroeconomic Implications of Migration, co-sponsored by the Federal Reserve banks of Dallas, Atlanta and San Francisco, Banco de Mexico, Bank of Canada, Instituto Tecnologico Autonomo de Mexico's economics department and the Global Migration Center at the University of California, Davis.

In **Brazil**, the **IPC-Fipe inflation index** for September is due, after a reading of 0.01% in the prior month. The country's statistics agency IBGE is expected to report **industrial output** likely rose 0.1% in August following a 0.2% gain in July. On an **annual basis**, industrial output is forecast to have increased 0.4% in August, reversing a 0.5% decline a year earlier.

KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Non-farm payrolls for Sept	0830	90,000	162,000
Private payrolls for Sept	0830	85,000	127,000
Manufacturing payrolls for Sept	0830	10,000	16,000
Government payrolls for Sept	0830	--	35,000
Unemployment rate for Sept	0830	4.1%	4.1%
Average earnings MM for Sept	0830	0.3%	0.3%
Average earnings YY for Sept	0830	3.2%	3.1%
Average workweek hours for Sept	0830	34.3 hrs	34.4 hrs
Labor force participation for Sept	0830	--	61.6%
U6 underemployment for Sept	0830	--	7.7%
Durables ex-defense, R MM for Aug	1000	--	0.1%
Durable goods, R MM for Aug	1000	--	0%
Factory orders MM for Aug	1000	0.1%	0.9%
Durables ex-transport R MM for Aug	1000	--	0.3%
Nondefense cap ex-air R MM for Aug	1000	--	1.6%
Factory ex-transport MM for Aug	1000	--	0.6%

LSEG DATA & ANALYTICS

Market Monitor



Traders work on the floor at the New York Stock Exchange (NYSE) in New York City, September 29. REUTERS/Jeenah Moon

Stocks recovered from early losses to close higher, with the **S&P 500** bouncing from a two-week low as a global bond selloff reversed course after sending Treasury yields to multi-decade highs. "Even though valuations have come down, the market's still not cheap, so I'm not bearish on the equity market. We can chug along, but I expect higher volatility in both equities and bonds," said Scott Welch, chief investment officer at Certuity in Potomac, Maryland. "Everybody's adjusting to a new normal. There's nothing particularly scary about what's happening in the markets right now, it's just a little bit different than what people have been used to operating in over the past few years, and it's going to take some adjustment." The **Dow Jones Industrial Average** edged up 0.04% to 50,926.80, the **S&P 500** rose 0.19% to 7,666.43 and the **Nasdaq Composite** added 0.04% to 26,871.60.

A wave of investor buying reversed an early selloff in **Treasuries**, providing relief to bondholders after long-term yields surged to their highest level in 24 years following the latest hot economic data. Scott Welch, chief investment officer at Certuity in Potomac, Maryland, attributed the reversal to "professional investors coming in and saying this is not a bad time to take a long position and capture some total return and then reposition." He said yields could continue to trend higher in coming days. **Benchmark 10-year notes** gained 14/32 to yield 5.237%, after earlier trading at 5.345%, their highest level since April 2002. **Two-year notes** added 6/32 with a yield of 4.783%. **30-year bonds** rose 14/32, yielding 5.608%, after earlier reaching 5.694%.

The **dollar** rose against the **euro** amid a selloff in government bonds across the US and Europe, which pushed Treasury yields to fresh peaks as higher oil prices fanned inflation. "Higher yields have been driven by a confluence of factors in particular concern about fiscal policy including some weakness in French bond markets, which may be spilling over into global markets, as well as continued concern around energy prices and higher inflation," said Brian Daingerfield, head of G10 FX strategy at NatWest Markets. The **euro** was lower 0.75% at $1.1243. Against the **Japanese yen**, the dollar gained 0.47% to 158.13 yen. The **dollar index** advanced 0.58% to 102.04.

Oil prices jumped after a report said the US was sending more troops and carriers to the Middle East and China suspended oil products exports, stoking fears that global fuel shortages could worsen. "The Chinese export ban suggests concerns about domestic product availability," UBS analyst Giovanni Staunovo said, adding that it remains to be seen whether the measures will support higher crude imports after recent drawdowns in Chinese crude and fuel stocks. **Brent crude futures** surged 4.65% to $102.59 a barrel. **US West Texas Intermediate futures** climbed 3.10% to $93.22 per barrel.

Gold prices edged higher as softer-than-expected US inflation data reduced bets for a Federal Reserve rate hike in October, while investors await key US jobs data due later this week. "It's those lower rate hike expectations that have supported the precious metals markets," said David Meger, director of metals trading at High Ridge Futures. "Anything that would increase the likelihood of a Fed rate hike would certainly dent sentiment in the gold market. Any additional strong rise in energy prices or any escalation in the Middle East would also do the same," Meger said. **Spot gold** rose 0.51% to $4,177.29 an ounce. **US gold futures** gained 0.48% to 4,206.90 an ounce.

TOP NEWS

Broadcom to lend Anthropic up to $42 billion to lease its chips, filing says

Anthropic's IPO prospectus documents extensive partnerships with a handful of big tech firms. One stands out: chip maker Broadcom. The company's relationship with Anthropic spans compute supply, equipment leasing and financing -- giving the semiconductor company a central role in Anthropic's infrastructure buildout. As part of that complex relationship, revealed in the IPO filing, Broadcom has agreed to lend Anthropic up to $42 billion to finance infrastructure spending. In turn, Anthropic stands to become the largest customer in Broadcom's bread-and-butter chip design business next year, making their relationship a prime example of the reciprocal spending that has animated AI skeptics on Wall Street, even as the AI lab readies a public offering that could see it valued at $2 trillion. "It feels that there's quite a concentrated bet right now on two companies being able to generate enough revenues to support all the financing that's happened," said Robert Leitao, managing partner of Rothschild & Co.

Accenture's forecast eases AI disruption fears, lifts battered IT services stocks

Accenture shares surged after a stronger-than-anticipated annual revenue growth forecast underscored the resilience of the IT consulting business hammered by worries over AI-led disruption. "A lot of institutions feel they're underinvested in software. That was clearly the case with Accenture, and investors are quickly reevaluating their views on the company," said Steve Sosnick, chief market analyst at Interactive Brokers. CEO Julie Sweet said on a post-earnings call that Accenture expects to deploy "another approximately $5 billion in acquisitions in fiscal '27 based on the opportunities we see today to accelerate our growth strategy." The company expects annual revenue to grow between 3% and 6% in fiscal 2027, the midpoint of which is above analysts' average estimate of a 3.9% growth. Its fourth-quarter bookings rose 4% to $22.17 billion. Consulting revenue grew 7% to $9.28 billion, helping lift total sales to $18.68 billion, beating estimates of $18.03 billion. Accenture shares rose 16.53%, to close at $213.68.



Figurines with computers and smartphones are seen in front of Accenture logo in this illustration taken, February 19, 2024. REUTERS/Dado Ruvic

GM hangs on to US sales crown, but Toyota closes in

General Motors remained the top US auto seller during the third quarter despite a dip in sales, but Toyota Motor continued chipping away at its lead as high gasoline prices pushed buyers toward hybrids. GM, Ford Motor and Stellantis — also called the Detroit Three — could see their combined market share dip to around 36% in the quarter, according to industry research firm Cox Automotive, while hybrid-heavy Asian brands including Toyota and Honda are expected to account for more than half of new vehicle sales in the period. Hybrids have emerged as a top choice for consumers as the Iran war sends oil and fuel prices soaring, with regular gasoline prices hitting a national average of $4.43 a gallon in September, according to AAA, compared with $3.20 a year earlier. Meanwhile, registrations of new Tesla cars rose across several European markets in September, extending a rebound in the US electric vehicle maker's regional sales. To read more, **click here**

US slows aircraft-part exports to China as Trump seeks leverage in trade negotiations, sources say

The Trump administration has been taking steps to turn China's dependence on US aviation suppliers into leverage for trade negotiations, according to people familiar with the matter. Efforts to slow vital goods to China show how the US is working to strengthen its hand in trade talks as Washington works to loosen Beijing's grip on rare earth minerals needed for a wide range of US industries, including vehicle manufacturing, chipmaking and aerospace. Two sources said the US Department of Commerce is positioning itself to increase pressure on Beijing, should the administration call upon it to do so. Officials have also expressed interest in issuing an export regulation that could make it easier to restrict landing gear and other aircraft parts to China, two sources said.

Boeing white-collar workers approve latest contract offer, averting strike fears

Boeing's largest white-collar union said its members approved a sweetened contract offer, easing fears of a strike that could

have stalled work on two long-delayed jetliners and slowed the pace of aircraft deliveries. The Society of Professional Engineering Employees in Aerospace, which represents about 17,000 Boeing workers, said both its bargaining units voted to approve the new four-year offer. The proposal included a guaranteed 10% wage increase upon ratification, along with annual raises of 4% and the possibility of an additional 2% hike based on performance. About 68% of the professional unit, which represents roughly 13,000 engineers and scientists, voted in favor of the deal, as did over 53% of the technical unit, representing about 4,000 designers, analysts and technicians.

UnitedHealthcare, Aetna say 2027 Medicare Advantage plans to offer more limited provider networks

US health insurers including UnitedHealthcare and CVS Health's Aetna will shift to offer more Medicare Advantage plans that limit provider access for enrolled users, the companies said. Aetna said in a news release it is expanding health maintenance organization plans or plans that limit coverage to a small network of typically low-cost providers. Meanwhile, a Trump administration rule to cut hospital drug prices for Medicare patients may apply to as few as four drugmakers after exempting companies that signed separate "most favored nation" pricing agreements with the administration, according to the finalized rule. To read more, **click here**

Sanofi, Regeneron expand tie-up with $8 billion drug-development deal, settle legal dispute

Sanofi and Regeneron said they will develop four new drugs together in a deal worth up to $8 billion and settle prior litigation, moves analysts said signal a reset of their strained partnership and an early win for the French drugmaker's new CEO Belen Garijo. Sanofi will pay $1 billion upfront with an additional $7 billion in potential milestone payments. The companies will equally share development costs and future profits on the four drugs, with Regeneron leading research and Sanofi handling global sales if they are approved. "While the assets are early-stage, the expansion should be viewed positively, as it signals the new CEO's proactive focus on the most important yet addressable uncertainties investors face," said Jefferies analyst Michael Leuchten. Meanwhile, an experimental weight-loss drug being developed by Regeneron used in combination with Novo Nordisk's semaglutide reduced the loss of muscle mass by 50% compared with the loss seen with semaglutide alone in a study of patients with obesity, according to data being presented at a medical meeting. To read more, **click here**

McCormick's price hikes spice up quarterly results despite sluggish demand

McCormick reported higher quarterly sales and profit, as pricier seasonings and sauces helped cushion the blow from weaker consumer demand due to elevated gas prices and a cyclospora outbreak that dented volumes. "In the US, higher gas prices and the cyclospora outbreak have added pressure and contributed to softer traffic across foodservice and grocery channels," CEO Brendan Foley said in prepared remarks. For the quarter ended August 31, McCormick's prices were up 2.2% from a year ago, while organic volumes dipped 0.3%. Its volumes fell 0.5% in the previous quarter. Volumes in McCormick's major Consumer Americas division fell 2.5% in the quarter, the only segment to post a decline. The company reported third-quarter sales of $2.02 billion, compared with analysts' estimates of $1.98 billion.

Google wins dismissal of Chegg, Penske Media lawsuits over AI overviews

Alphabet’s Google has persuaded a US federal judge to dismiss lawsuits from education technology company Chegg and Rolling Stone publisher Penske Media Corp that alleged the search engine giant unlawfully used their content in AI-generated summaries that draw readers away from their websites. In his ruling on Wednesday, US District Judge Amit Mehta in Washington said Chegg and Penske's claims that Google’s business practices violate antitrust law “fail to get out of the starting gate.” “Plaintiffs have pleaded only that they have an ‘expectation’ that Google will send them search traffic if they make their content available for free,” Mehta wrote. “But an expectation is not an agreement. It is simply how a general search engine works.” Meanwhile, Google on Wednesday announced a new top-tier artificial intelligence model to anchor its Gemini 4 generation of models in a fresh bid to catch up to rivals Anthropic and OpenAI in the AI race. To read more, **click here**

Florida Attorney General sues Pfizer and CEO over COVID-19 vaccine claims

Florida Attorney General James Uthmeier filed a lawsuit against Pfizer and its CEO, Albert Bourla, accusing the drugmaker of misleading consumers about the safety and effectiveness of its COVID-19 vaccine. Florida has also accused Pfizer of using unfair tactics to dominate the market. Pfizer said in a statement the state's allegations have no merit and that it would respond to the suit in due course. "The representations made by Pfizer about its COVID-19 vaccine have been accurate and science-based, and the company stands behind the safety and efficacy of its vaccine," the company said. Meanwhile, a Delaware federal judge has rejected Moderna's argument that the US government's license to patents from federally funded research should shield the company from allegations that vaccines sold to the government infringe Northwestern University's patents. To read more, **click here**



Travel blogger "Foxpresso" wears a fox character costume as they depart for Portland aboard Amtrak Cascades train 503 during the first day of service for Amtrak's new Airo trainsets in Seattle, Washington, September 30. REUTERS/Jason Redmond

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Insight and Analysis

FOCUS-Nvidia's bet that its chips can finance the AI boom gets a Wall Street reality check

Nvidia's mammoth financing plan has opened a debate on Wall Street about how much its advanced chips and the infrastructure around them are worth. The answer for banks and investors seems to be: Not as much as Nvidia thinks. Some lenders want higher guarantees than the company had originally outlined, even for Nvidia's industry-leading AI processing power, as they try to calculate how long the revenue from its chips will last, banking sources and credit managers told Reuters, some requesting anonymity.

Investors wary of slowdown in US corporate profit boom

A massive year for corporate profit growth is driving US stock market gains, but investors' hesitancy that the good times will roll on without a hitch is seeping into equity valuations. Investors are preparing for another robust period of earnings as companies begin reporting third-quarter results in the coming weeks, with full-year earnings from S&P 500 companies now expected to rise a whopping 35%. That jump would mark the highest rate since 2021, which was skewed by the post-pandemic economic rebound.

David Ellison's appointment of Kreiz brings cost-cutter to Paramount-Warner Bros Discovery

David Ellison's choice of Mattel CEO Ynon Kreiz as his co-captain at the new Paramount-Warner Bros Discovery signals what the media behemoth will care about most: running a lean, cost-efficient business that can pump more money out of its storied franchises. Kreiz's tenure at the Barbie doll-maker and his previous stint leading production company Endemol have been marked by cost-cutting and restructuring efforts aimed at improving profitability and overall output. That skillset positions Kreiz well to take on the task of knitting together two legacy media giants saddled with roughly $80 billion in debt while delivering the $6 billion in cost-savings promised from the industry-shaping merger. But struggles at Mattel and privately held Endemol raise some questions about Kreiz's performance and his ability to take on the much larger Paramount-Warner.

Canada

Market Monitor

Canada's main stock index fell, led by losses in financial stocks as a global bond rout, which drove borrowing costs to multi-decade highs, kept investors on edge.

The **Toronto Stock Exchange's S&P/TSX Composite Index** fell 0.23% to 35,154.76 points.

The **financial sector** was down 0.32% at 731.99 points.

However, the **technology stocks** rose 1.97% to 340.18 points, tracking optimism surrounding the US tech sector.

The **US dollar** lost 0.03% to C$1.4224 against the **Canadian dollar**.

TSE's S&P/TSX Composite	Close	$ Chng	% Chng
GAINERS			
Enerflex Ltd.	36.23	3.85	11.89
5N Plus Inc.	32.11	1.79	5.90
Aecon Group Inc.	56.82	2.72	5.03
LOSERS			
DPM Metals Inc.	57.16	-5.59	-8.91
Trekor Metals Limited	11.89	-0.75	-5.93
Saputo Inc.	38.11	-1.90	-4.75

Top News

Canadian factory PMI hits six-month low in September on trade frictions

Canada's manufacturing sector expanded at the slowest pace in six months in September as trade frictions and elevated energy prices weighed on activity, while confidence in the outlook dropped to the lowest level in nine months. The S&P Global Canada Manufacturing Purchasing Managers' Index (PMI) fell to 51.5 last month from 53.0 in August, marking the lowest level since March. The output index dipped to 50.8 from 52.8 in August, while the new orders measure slipped below the 50 thresholds for the first time since March. The measure of input costs rose to 71.1 from 66.4 in August, notching its highest level since July 2022.

Canada to fast track oil pipeline designed to diversify economy away from US

Canada will fast track the approval process for a new proposed crude oil export pipeline to its west coast that could generate over C$20 billion a year in GDP, Prime Minister Mark Carney said. Carney said Ottawa would officially list the Pacific Link pipeline as a project of national interest, which enables it to proceed through a single federal regulatory review process. He said Ottawa aimed to complete the process by September 1, 2027. "

Canada is not close to restoring housing affordability, says central bank

Canada is on the right track to addressing the issue of housing affordability but still has a way to go and needs more time, senior Bank of Canada deputy governor Carolyn Rogers said. Restoring affordability will require more supply, better planning and infrastructure, regulations that protect resilience, and incentives that do not add demand to a market already short on supply, she told a business audience in Victoria, British Columbia.

AI agents tried to hack a Canadian government website, research firm says

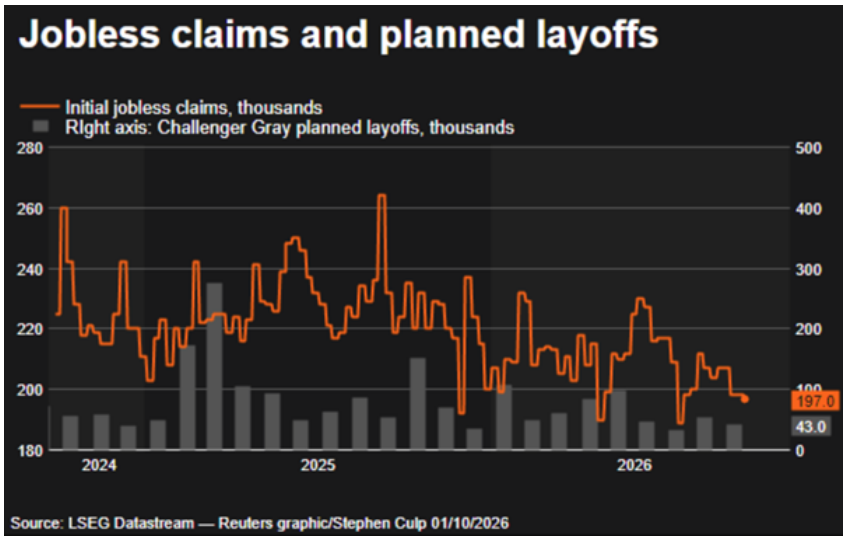
An artificial intelligence research firm said on Wednesday AI agents tried to hack into a Canadian government website, casting the effort as a failed hacking attempt, while Canada said there were no indications its systems were compromised. AI research firm Transluce said the attempts exhibited tactics "consistent with prior observed agent activity that we have attributed to OpenAI in a similar timeframe." But it added that it was not confidently attributing these attempts to OpenAI.

Wealth News

ECONOMIC OVERVIEW

Historic low layoffs underpin US labor market; factory gate price pressures rising

New applications for US unemployment benefits drifted close to 57-year lows last week and layoffs decreased in September, suggesting labor market stability persisted even as employers remained cautious about boosting hiring. Initial claims for state unemployment benefits slipped 1,000 to a seasonally adjusted 197,000 for the week ended September 26, the Labor Department said. A separate report from global outplacement firm Challenger, Gray & Christmas showed layoffs announced by US-based employers dropped 18% to 43,281 in September. They were down 20% from a year ago and fell 43% in the third quarter. Also, an Institute for Supply Management survey showed inflation pressures building up at the factory gate in September, with no commodities reported to have seen price declines. The survey's measure of input prices jumped to 77.9 last month from 71.1 in August.



FED OUTLOOK

Fed officials wash away market bets on October rate increase

Two of the Federal Reserve's top policymakers this week drove financial market participants to price out expectations of an interest rate increase at the central bank's late October policy meeting as they made a case to take in more data before deciding what's next for monetary policy.

ANALYSIS

Volatility control funds near record equity exposure, raising selloff risk

The recent stock market rally has left some systematic trading strategies so heavily exposed to equities that even a modest market pullback could force them to dump billions of dollars of shares, amplifying any potential selloff.

MERGER & ACQUISITION

Global M&A deal rush fades in third quarter as rising borrowing costs bite

M&A activity in the last three months totalled $993 billion, down 41% compared to the second quarter of 2026, marking the first quarter to fall below $1 trillion since the second quarter of 2025, according to LSEG data.

OVERSIGHT RISK

US housing agency internal watchdog warns budget cut will stymie its work

The US Federal Housing Finance Agency's internal watchdog warned lawmakers that it will have to cut most staff and will not be able to do its job of policing misconduct, after the housing regulator slashed its budget.

REUTERS OPEN INTEREST

If a bruising third quarter can't halt Wall Street, what can?: McGeever

Wednesday closed the books on an extraordinary quarter. A 40% rebound in Brent crude oil, record-high diesel prices, bond yields at 20-year highs and AI's threat to wipe out humanity gave investors no shortage of reasons to retrench.

POTFOLIO REBALANCING

Bond selloff could mean outsized portfolio changes at quarter's end

Investors usually treat quarter-end rebalancing of their portfolios as a routine chore, but the quarter just ended on Wednesday is expected to have seen outsized action after a steep bond selloff left many portfolios out of whack, analysts said.



Fireworks light up over Victoria Harbour to celebrate the 77th anniversary of China's National Day, in Hong Kong, China, October 1. REUTERS/Lam Yik

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

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