

# THE DAY AHEAD

## MARKET RECAP at 4 pm ET

The **Nasdaq** hit an all-time high, boosted by a rally in Tesla shares and data showing a record peak for U.S. factory activity in June. **Treasury yields** rose, on statement from Fed Chair Jerome Powell that rising inflation is likely temporary. The **dollar** steadied, while **gold** was slightly lower. **Oil** prices climbed to highest in over two years, after data showed U.S. crude inventories declined.

STOCKS	Close	Chng	%Chng	Yr-high	Yr-low
DJIA	33873.19	-71.34	-0.21	35091.56	24971.03
Nasdaq	14271.73	18.47	0.13	14269.77	12397.05
S&P 500	4241.84	-4.60	-0.11	4257.16	3662.71
Toronto	20164.39	-36.26	-0.18	20295.18	15144.42
FTSE	7074.06	-15.95	-0.22	7217.54	6397.24
Eurofirst	1748.45	-12.71	-0.72	1776.51	1521.71
Nikkei	28874.89	-9.24	-0.03	30714.52	27002.18
Hang Seng	28817.07	507.31	1.79	31183.36	27079.24

TREASURIES	Yield	Price
10-year	1.4903	-6 /32
2-year	0.2681	-1 /32
5-year	0.8846	-4 /32
30-year	2.1083	-3 /32

FOREX	Last	% Chng
Euro/Dollar	1.1925	-0.11
Dollar/Yen	110.97	0.30
Sterling/Dollar	1.3957	0.07
Dollar/CAD	1.2309	0.03
TR/HKEX RMB	97.74	0.18

COMMODITIES (\$)	Price	Chng	% chng
Front Month Crude /barrel	73.22	0.37	0.51
Spot gold (NY/oz)	1775.52	-3.00	-0.17
Copper U.S. (front month/lb)	0.0433	0.0010	2.13
CRB Index Total Return	222.37	1.45	0.66

S&P 500	Price	\$ Chng	% Chng
<b>GAINERS</b>			
Tesla Inc	656.57	32.86	5.27
Twitter Inc	66.46	2.68	4.20
Under Armour Inc	21.08	0.78	3.84
<b>LOSERS</b>			
Nov Inc	15.03	-1.23	-7.56
Comcast Corp	55.48	-2.15	-3.73
Henry Schein Inc	74.47	-1.95	-2.55

## Coming Up

The U.S. Commerce Department is scheduled to release **gross domestic product (GDP)** data for first quarter and it is likely to have increased at an annualized rate of 6.4%, the same level as the last quarter. The department is also scheduled to release **durable goods** data for May and it is likely to have risen 2.8% in May after declining 1.3% in April. The Labor Department is scheduled to release **initial claims for state unemployment benefits** data for the week ended June 19 and they are likely to have risen to 380,000, after rising 412,000 in the previous week. **Continued jobless claims** for the week ended June 12, likely dropped to 3.470 million.



Federal Reserve Bank of Richmond President **Thomas Barkin** (pictured) is scheduled to speak before virtual Raleigh Chamber of Commerce Partners Forum. Federal Reserve Bank of Philadelphia President **Patrick Harker** and Federal Reserve Bank of

## KEY ECONOMIC EVENTS

Events	ET	Poll	Prior
Corporate profits revised for Q1	0830	--	-0.8%
Durable goods for May	0830	2.8%	-1.3%
Durables ex-transport for May	0830	0.8%	1.0%
Durables ex-defense mm for May	0830	--	0.0%
Nondefense cap ex-air for May	0830	0.6%	2.2%
GDP final for Q1	0830	6.4%	6.4%
GDP sales final for Q1	0830	9.5%	9.4%
GDP cons spending final for Q1	0830	--	11.3%
GDP deflator final for Q1	0830	4.3%	4.3%
Core PCE prices final for Q1	0830	2.5%	2.5%
PCE prices final for Q1	0830	3.7%	3.7%
Advance goods trade balance for May	0830	--	-\$85.73 bln
Wholesale inventories advance for May	0830	--	0.8%
Retail inventories ex-auto advance for May	0830	--	0.6%
Initial jobless claims	0830	3,80,000	4,12,000
Jobless claims 4-week average	0830	--	3,95,000
Continued jobless claims	0830	3,470 mln	3,518 mln
KC Fed Manufacturing for Jun	1100	--	32
KC Fed Composite Index for Jun	1100	--	26

Atlanta President **Raphael Bostic** are scheduled to speak on "Rebuilding Sustainably and Equitably" before virtual "Official Monetary and Financial Institutions Forum: Fed Week" event co-sponsored by OMFIF and the Federal Reserve Bank of Philadelphia. Federal Reserve Bank of New York President **John Williams** is scheduled to participate in a virtual moderated discussion hosted by the College of Staten Island about Staten Island's economy, what President Williams has learned in conversations with local stakeholders, and broader economic trends. Federal Reserve Bank of St. Louis President **James Bullard** is expected to give a presentation on the U.S. economy and monetary policy before the Clayton Chamber of Commerce Power Hour Virtual Speaker Series. Federal Reserve Bank of Dallas President **Robert Kaplan** is expected to participate in a moderated question-and-answer session before virtual Headliners Club of Austin event. Federal Reserve Bank of Richmond President **Thomas Barkin** is scheduled to speak before virtual Richmond Risk Management Association 2021 Economic Update event.



**FedEx Corp** is expected to post fourth-quarter earnings. The company is under pressure to show stockholders how it will keep growing profits after the pandemic surge in package delivery flattens.

**Accenture Plc** is expected to post third-quarter earnings. It is likely to post a rise in revenue for the quarter as businesses revamped spending and used its digital services to move operations to the cloud.

**Nike Inc** is expected to post fourth-quarter earnings. Focus will be on Nike's performance in China, where consumers called for boycotts over a controversy related to forced labor in Xinjiang. In its home market, North America, the company is expected to

see a rise in sales as consumers flush with stimulus money splurge on sneakers and apparel. Forecast for the new fiscal year will also be watched.

**Carnival Corp** is expected to post second-quarter earnings. It is likely to post a huge quarterly loss as it grappled with voyage cancellations in the quarter. Investors will look out for comments on current booking trends on the back of resumption of U.S. passenger cruise operations.

**Mexico's** central bank is scheduled to keep **interest rate** unchanged at 4%. The country's statistics agency is scheduled to release data on **unemployment** for May.

## PROMOTION

### LIVECHAT-REUTERS GLOBAL MARKETS FORUM

**Corey Stewart**, Senior Energy Analyst at Refinitiv, discusses the outlook for oil markets and production, how U.S. shale players are adapting to the energy transition, and energy transition programs in Latin America and the Caribbean. (1000 ET/1400 GMT) To join the conversation, [click here](#)

## KEY RESULTS

Company Name*	Quarter	ET	Smart Estimates	EPS Estimates**	Year Ago	Rev Estimates (mln)
Accenture PLC	Q3	BMO	\$2.25	\$2.24	\$1.90	\$12,801.41
Carnival	Q2	BMO	-\$1.62	-\$1.60	-\$3.30	\$193.37
Darden Restaurants	Q4	BMO	\$1.87	\$1.79	-\$1.24	\$2,190.05
FedEx	Q4	AMC	\$5.11	\$4.99	\$2.53	\$21,512.24
Nike	Q4	AMC	\$0.52	\$0.51	-\$0.51	\$11,009.35

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

/B/E/S EPS and revenue estimates, and StarMine Smart Estimates, provided by Refinitiv.

# Market Monitor

The **Nasdaq** climbed to a record-high close, fueled by a rally in Tesla, with investors cheering data that showed a record peak for U.S. factory activity in June. The "high level of today's surveys will provide some confirmation for the Fed that the time to begin taking its foot off the accelerator is not far away," said Jai Malhi, global market strategist at J.P. Morgan Asset Management. **Tesla** jumped 5.27% after the electric vehicle maker said it had opened a solar-powered charging station with on-site power storage in the Tibetan capital Lhasa, its first such facility in China. The **Dow Jones Industrial Average** was down 0.21% at 33,873.19 points, while the **S&P 500** lost 0.11% to 4,241.84. The **Nasdaq Composite** added 0.13% to 14,271.73.

**Ten-year Treasury yields** inched higher but remained below 1.5% in muted trading, one day after Federal Reserve Chairman Jerome Powell reaffirmed in congressional testimony the central bank's view that rising inflation will likely be temporary. Fed Governor Michelle Bowman and Atlanta Federal Reserve Bank President Raphael Bostic echoed the central bank's sentiment that high inflation will be temporary as the economy settles back to normal after the coronavirus pandemic, though above-average inflation may last longer than originally thought. The Fed's reverse repurchase window took in a record \$813.6 billion in cash from 73 counterparties, a sign investors see few attractive options available in a low-yield environment. The Treasury Department sold \$61 billion in **5-year notes** at a high yield of 0.904%. The bid-to-cover ratio was 2.36. The benchmark **10-year notes** fell 6/32 to yield 1.4903%, while **2-year notes** edged 1/32 lower, yielding 0.2681%. **30-year bonds** were down 3/32 to yield 2.1083%.



A Wall Street sign is pictured outside the New York Stock Exchange in the Manhattan borough of New York City, New York, U.S., April 16, 2021. REUTERS/Carlo Allegri

The **dollar** was higher as two Federal Reserve officials said that a period of high inflation in the United States could last longer than anticipated, a day after Fed Chair Jerome Powell played down rising price pressures. Atlanta Fed President Raphael Bostic said with growth surging to an estimated 7% this year and inflation well above the Fed's 2% target, he now expects interest rates will need to rise in late 2022. Both Bostic and Fed Governor Michelle Bowman said that while they largely agree recent price increases will prove temporary, they also feel it may take longer than anticipated for them to fade. The **dollar index** gained 0.12% to 91.86. The **euro** fell 0.11% to \$1.1925.

**Oil** prices rose, with Brent climbing above \$76 a barrel to its highest since late 2018, after data showed U.S. crude inventories declined as travel picks up. U.S. crude inventories fell by 7.6 million barrels last week to 459.1 million barrels, the U.S. Energy Information Administration said, a

much steeper drawdown than the 3.9 million barrels that analysts had expected in a Reuters poll. Stockpiles at Cushing, Oklahoma, the delivery point for U.S. crude futures, fell by 1.8 million barrels to the lowest since March 2020. Gasoline demand also edged higher last week. **Brent crude** rose 0.67% to \$75.31 a barrel. Its session high, \$76.02 after the EIA data, was the highest since October 2018. **U.S. crude** rose 0.51%, to \$73.22 per barrel after hitting \$74.25, also the highest since October 2018.

**Gold** prices were lower, a day after the precious metal was lifted by soothing words from Federal Reserve Chair Jerome Powell who said inflation would not be the only determinant of interest rate decisions and the central bank would not rush into hiking interest rates. **Spot gold** fell 0.17% to \$1,775.44 per ounce and **U.S. gold futures** were down 0.16% at \$1,774.60 an ounce.

# Top News

## U.S. House panel approves higher merger fees and bigger enforcement budgets

The U.S. House of Representatives Judiciary Committee voted to approve a bill to increase the budgets of antitrust enforcers and increase fees on the biggest mergers as the panel considered six antitrust bills, many aimed at reining in Big Tech. After more than three hours of discussion, the committee voted 29-12 to approve a measure to sharply increase the budgets of the Justice Department's Antitrust Division and Federal Trade Commission, which enforce antitrust law. It would also increase the filing fees for the biggest mergers. The measure has already passed the Senate. The panel also voted 34-7 to approve a bill that would ensure that antitrust cases brought by state attorneys general remain in the court they select. The committee then began discussion of a bill that would require platforms to allow users to transfer their data elsewhere. Of the remaining bills, two bills address the issue of giant companies, such as Amazon and Google, creating a platform for other businesses and then competing against those same businesses. Separately, German and French antitrust watchdogs and their counterparts in the other 25 EU countries argued for a bigger role in enforcing proposed tough new rules reining in Google, Facebook, Apple and Amazon. To read more, [click here](#)

## FDA to add warning about rare heart inflammation to Pfizer, Moderna vaccines

The U.S. Food and Drug Administration said it will add a warning about rare cases of heart inflammation in adolescents and young adults to fact sheets for the Pfizer/BioNTech and Moderna COVID-19 vaccines. U.S. Centers for Disease Control and Prevention (CDC) advisory groups, meeting to discuss reported cases of the heart condition after vaccination,



The logos of Amazon, Apple, Facebook and Google are seen in a combination photo from Reuters files. REUTERS/File Photos

found the risk in adolescents and young adults is likely linked to the vaccines, but that the benefits of the shots appeared to clearly outweigh the risk. The U.S. Department of Health And Human Services, joined by leading U.S. doctors groups and public health officials, put out a statement underscoring that the vaccines are safe and effective and that the heart side effect is "extremely rare." "Based on the available data, a warning statement in the factsheets for both healthcare providers and vaccine recipients and caregivers would be warranted," FDA official Doran Fink said at the advisory committee meeting.

## Tesla opens solar charging station in Tibet, its first in China

Tesla has opened a solar-powered charging station with on-site power storage in the Tibetan capital Lhasa, the company said in a Weibo post, its first such facility in China. Tesla does not have a showroom in Tibet, a remote and long-impoverished region. In its post, the company cited the ample sunlight in the mountainous area

as behind the move. China is Tesla's second-biggest market, but the charging site is its first in the country with dedicated solar power and on-site power storage. China's power grid is predominantly fueled by coal. The carmaker moved into the solar business in 2016 with its \$2.6 billion purchase of California-based SolarCity, and has said it is keen to develop its energy business. The company's solar services include Solar Roof, a power generating system meant to look like normal roof tiles, and Powerwall, which can store power generated by solar panels.

## French court sets date in Apple case over App Store developer contracts

A French court has set Sept. 17 as the date for hearing a case brought by the finance ministry against Apple over allegedly abusive contractual terms imposed by the tech giant for selling software on its App Store. The case, judged by Paris' commercial court, is unlikely to lead to a significant fine if Apple is found guilty, based on previous similar cases. But the court

could compel the iPhone maker to change some of its App Store contractual terms. The case echoes a complaint by "Fortnite" creator Epic Games, which is engaged in multiple lawsuits across the world against Apple since a dispute over app payment commissions surfaced last year. France's leading startup lobby France Digitale has joined the case, according to a court document seen by Reuters. Further hearings could follow and no date has been yet set for the court's decision.

**Southwest CEO Gary Kelly to hand reins to insider Robert Jordan**

Southwest Airlines aid long-time Chief Executive Officer Gary Kelly will step down next year and be succeeded by insider Robert Jordan as the company pushes past the coronavirus pandemic that hammered travel demand. Kelly, 66, became the CEO in 2004, has led Southwest through some of the airline industry's most turbulent times over its 50-year history. Jordan, 60, joined the airline in 1988, and has served in roles including director of revenue accounting and corporate controller, among others. He will take charge effective Feb. 1, 2022. "There's a lot to step into," Jordan said, adding that his first areas of focus will be ensuring a stable transition and getting out with team members. Southwest did not consider any external candidates for the job, Kelly said. "We'll continue to stabilize the company coming out of this pandemic and be ready for what I hope will be a really strong 2022 with a lot of momentum," he said.

**Duke Energy CEO sees hurdles for Biden's decarbonization timeline**

U.S. President Joe Biden's target to decarbonize the nation's power industry by 2035 will only be achievable if clean energy technologies like advanced nuclear and carbon capture rapidly become commercially viable, according the chief executive of leading U.S. utility company Duke Energy. Duke plans to reach 50%

decarbonization within its own system by 2030, CEO Lynn Good said. But progress beyond that is likely to become complicated, she added. "When we get beyond, let's say, 70% and we're trying to get to 80% or 90% to 100%, we begin looking for a technology that does not exist at commercial scale today," Good said during an interview at the Reuters Events: Global Energy Transition conference. She said Duke was in discussions with the Biden administration and urging it to fund research and development to speed clean energy technology deployment.

**EA buys 'Golf Clash' creator Playdemic for \$1.4 billion**

Electronic Arts said it had bought Playdemic, the mobile games studio responsible for "Golf Clash", for \$1.4 billion in cash, in a bid to bolster its mobile gaming portfolio. The company is buying Playdemic from Warner Bros Games, a unit of WarnerMedia that is being hived off from AT&T. The deal will help expand its mobile gaming titles across fast-growing genres, including lifestyle, casual, sports, and mid-core games, EA said.

**U.S. senator presses Amazon, Google on Matter smart-home effort**

Amazon.com and Google need to offer more details about how their smart-home devices and virtual assistants will support competition and user privacy, U.S. Senator Amy Klobuchar wrote to the companies on Tuesday. In a letter, the chair of the Senate Judiciary Committee's antitrust subcommittee said testimony last week by attorneys from the companies left her with concerns about their dominance of the fast-growing field. She asked the companies which of their products will support - and which will not - a recently revamped industry alliance known as Matter. The group, which includes Apple, Ikea and others, aims to allow home-automation gadgets such as internet-connected lights and speakers from various companies to sync with

one another. "For what period of time do you commit to support the Matter interoperability project, and who at your companies is responsible for determining whether to extend the length of your commitment to Matter?" Klobuchar wrote to Amazon and Google.

**Alfi shares tumble from record, 'meme stock' Torchlight also sinks**

Shares of retail darlings Alfi and Torchlight Energy were both down more than 20%, highlighting the wild ride facing investors in so-called meme stocks in a year that has thrown the spotlight on retail traders. Analysts and social media users had pointed to an article on Benzinga.com, which quoted the company's CEO and said Alfi would buy back \$2 million of its shares, as part of the reason for Tuesday's move. Alfi confirmed this, announcing board approval for repurchases of up to \$2 million. The stock pared some losses after the news before losing ground again. Another retail darling, Torchlight Energy tumbled, after a 29% slide in the previous day's session after it upsized its stock offering to \$250 million. Shares of Alfi ended down 26.27% at \$12.01 and Torchlight Energy ended 29.71% lower at \$4.92.

**Software startup Sprinklr shares fall in NYSE debut, valued at \$3.7 billion**

Shares of Sprinklr fell in their U.S. stock market debut, valuing the software startup at about \$3.7 billion. The New York-based company, backed by private equity firm Hellman & Friedman, raised \$266 million in its downsized initial public offering on Tuesday. Shares opened at \$14.60, compared with Sprinklr's IPO price of \$16 per share at which it offered roughly 16.63 million shares. Of the shares offered, existing shareholders, including Hellman & Friedman, Battery Ventures and ICONIQ Strategic Partners, have agreed to purchase about 3.13 million shares. The company's shares ended 10.94% higher at \$17.75.



Pope Francis greets a person dressed as Spider-Man after the general audience, amid the coronavirus disease (COVID-19) pandemic, at the Vatican, June 23. REUTERS/Remo Casilli

## Insight and Analysis

### **FOCUS-Boeing faces rocky path to gaining approval for 737 MAX return in China**

Trade power tensions, regulatory hurdles and attempts by the West to counter Chinese competition are delaying a return of the 737 MAX in China, frustrating Boeing Co as a potential rival demonstrates its growing influence. Six months after the West lifted an almost two-year flight ban on the MAX, there is no clear end in sight for the crisis surrounding Boeing's fastest-selling jet in China - the first nation to ground it in 2019 after two deadly crashes in five months.

### **FOCUS-Manufacturers have an answer to higher costs: Pass them on**

In 2018, Whirlpool Corp swung to a loss after a tariff-fueled rally in U.S. steel prices drove up its raw-materials costs. This year, it is paying \$1 billion for steel and other materials, but the West Michigan appliance maker is on track to post its highest profit in decades. The difference? Booming demand, spurred by nearly \$6 trillion in pandemic stimulus from Washington - more than the country's World War Two budget - and consumers flush with savings.

### **From game-changer to back-up - J&J's COVID vaccine struggles in Europe**

At the height of Europe's vaccine supply crisis in March, Johnson & Johnson's (J&J) single-dose COVID-19 vaccine was touted as a game-changer. But two months into its rollout, the shot has the lowest uptake of all four approved vaccines. Supply problems, safety concerns, improved deliveries of rival vaccines and countries' inoculation strategies have all played a part in holding back usage.

# CANADA

## Market Monitor

The **Toronto Stock Exchange's S&P/TSX composite index** was lower as data showed domestic retail sales plunged in April and May, while energy stocks advanced on stronger crude prices. The index closed down 0.18% at 20,164.39.

The **energy sector** climbed 0.39% to 140.82. The **materials sector** fell 0.11% to 317.79.

**Empire Company Ltd** fell 5.55%, after the conglomerate warned that it expects the pandemic to continue affecting the company during 2022, including its same-store sales.

The **U.S. dollar** was 0.04% higher against its **Canadian counterpart** at C\$1.2310.

TSE's S&P/TSX composite	Price	C\$ chng	% chng
<b>GAINERS</b>			
Ivanhoe Mines Ltd	8.52	0.44	5.45
Lithium Americas Corp	18.25	0.88	5.07
Winpak Ltd	43.18	2.02	4.91
<b>LOSERS</b>			
Equinox Gold Corp	8.86	-0.60	-6.34
Empire Company Ltd	39.81	-2.34	-5.55
Granite Real Estate Investment Trust	82.19	-2.70	-3.18

### COMING UP



REUTERS/Mike Blake

**BlackBerry Ltd** is expected to post a fall in first-quarter revenue as the company struggles to grow its software and services business due to the economic implications of the COVID-19 pandemic. Investors will look for BlackBerry's forecast of its enterprise software services segment, its largest business and overall business outlook given the company is still transitioning into a software and services provider.

## Top News

### Canadian retail sales slide in April, May as COVID-19 shutdown bites

Canadian retail sales plunged in April and May, as shops and other businesses were shuttered amid a third wave of COVID-19 infections, Statistics Canada data showed. Retail trade fell 5.7% in April, the sharpest decline in a year, missing analyst forecasts of a 5.0% drop. In a preliminary estimate, Statscan said May retail sales likely fell by 3.2% as store closures dragged on. "April showers brought no May flowers for Canadian retailers this year," Royce Mendes, senior economist at CIBC Capital Markets, said in a note. Statscan said that 5.0% of retailers were closed at some point in April. The average length of the closure was one day, it said, citing respondent feedback. Sales decreased in nine of the 11 subsectors, while core sales, which exclude gasoline stations and motor vehicles, were down 7.6% in April. Clothing and accessory store



REUTERS/Chris Helgren

A file photo of shoppers wearing mandatory masks passing a Victoria's Secret store, at Eaton Centre mall in downtown Toronto, Ontario, Canada, November 21, 2020.

sales fell 28.6%, with sales at building material and garden equipment stores falling for the first time in nine months,

by 10.4%. "These results continue to suggest that the Bank of Canada is too optimistic on the growth outlook for the

second quarter, even if there is a solid rebound occurring now in June," Mendes said. The central bank said in April that it expects Canada's economy to grow 6.5% in 2021 and signaled interest rates could begin to rise in the second half of 2022.

## **Canada's M&A boom fuels hiring spree, higher pay**

Record-breaking dealmaking in Canada is encouraging investment banks to beef up staffing, but the increased demand for bankers is forcing some to pay up in unique ways to attract new hires. Canadian mergers and acquisitions year to date surged to a record \$206.5 billion and IPOs hit an all-time high of \$5.6 billion, according to Refinitiv, after the pandemic crushed dealmaking in the first three quarters of 2020. HSBC, JPMorgan Chase & Co and National Bank of Canada are expanding their M&A teams. "It continues to be an active market with lots of active discussions with clients going on as well, and so that has absolutely spurred on a need to fortify the ranks within the teams," said Scott Lampard, head of global banking for HSBC Bank Canada. HSBC plans to boost overall investment banking headcount by 20%-25%, mainly at the analyst level to support pitching and executing deals, Lampard said. With the pace of transaction expected to continue at pace, banks are paying more to hire and retain existing teams, offering a range of new services, like sending in a consultant to create the ideal home office, recruiters say. "We've been doing this for nearly 20 years and we've never seen a market like this," said Bill Vlaad, CEO at recruitment firm Vlaad and Company. "Everybody is scrambling," "Many of the banks have increased base salaries quite dramatically, mostly in 2021," he said, adding salaries had increased 20%-40% across M&A roles. To poach talent, banks are adding signing bonuses, extra vacation days, healthcare increases, special programs for mental wellness and home office perks, all tailored to individual requests, Vlaad said.



## **Trans Mountain allowed to resume tree clearing for oil pipeline project**

The Canada Energy Regulator (CER) this week lifted a stop work order on Trans Mountain Corporation that restricted tree clearing and mowing across the oil pipeline project to protect the environment and migratory birds. The order issued on June 3 required Trans Mountain to investigate and find the root cause of two incidents related to contractor oversight issues in May. "The CER has now lifted the Order and Trans Mountain is proceeding with the implementation of the action plan prior to restarting clearing work," Trans Mountain said in a statement dated June 21. Other construction activity continued across the C\$12.6 billion TMX project, which will nearly triple capacity of the pipeline to ship 890,000 barrels per day of crude and refined products when completed late 2022. Trans Mountain operates Canada's only pipeline system transporting crude oil and refined products to the West Coast. The pipeline runs from Edmonton in Alberta to the coast of British Columbia. Environmental activists and some indigenous groups oppose the project, which has been beset by years of regulatory delay and cost overruns.

## **Bitcoin Fund breaks new ground in Middle East with debut on Nasdaq Dubai**

The Bitcoin Fund debuted on the Nasdaq Dubai, becoming the Middle East's first listed cryptocurrency fund. The fund, which was listed by Canadian digital asset management firm 3iQ on the Toronto Stock Exchange last year, has roughly \$1.5 billion in assets under management

and plans to double that next year. "With the listing of the Bitcoin Fund, it's going to give people access in the region to this fund on the Dubai exchange in the hours that the Dubai exchange trades at," Frederick Pye, the chief executive officer of 3iQ, told Reuters. The listing will help satisfy demand for investment diversification in the region, as well as environmental, social and governance (ESG) needs, such as for pension funds and family offices, Pye said. "Today's secondary listing of existing units from Canada was met with very strong demand, which has validated the need for an additional offering to satisfy the demand from regional investors," said Zachary Cefaratti, CEO of Dalma Capital, declining to say when that could be.

## **AIB agrees to life and pensions joint-venture with Canada Life**

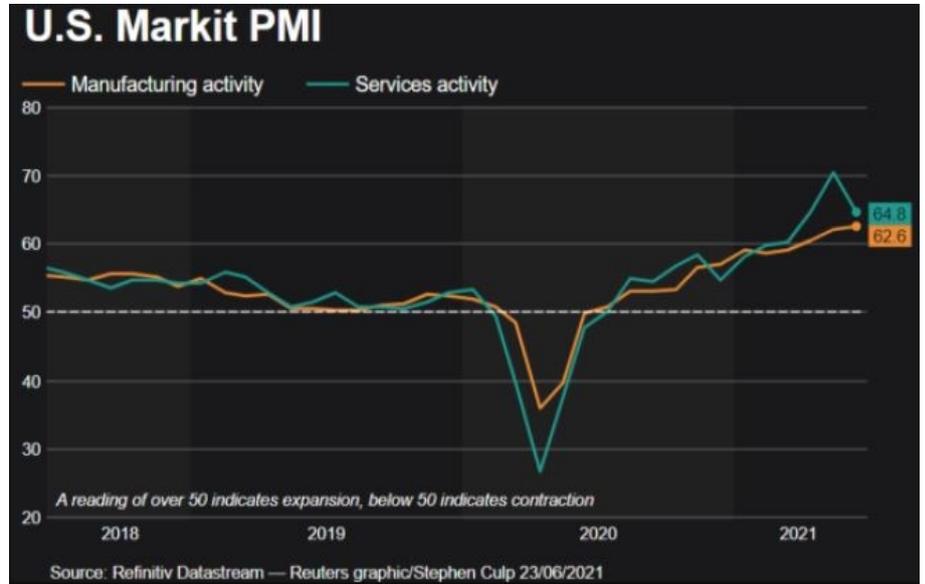
Allied Irish Banks said it would form a joint venture with Canada Life as it seeks to plug gaps in its life, savings and wealth products. The joint venture will be equally owned by Canada Life, a subsidiary of Great-West Lifeco. "The move to create this joint venture is aligned with AIB's stated ambition to complete its customer product suite and diversify income," AIB said in a statement. "Through this strategic initiative AIB intends to offer customers a range of life protection, pensions, savings and investment options enhanced by integrated digital solutions with continued access to our qualified financial advisors." The Irish lender highlighted Canada Life's "deep experience" of the Irish bancassurance market through Irish Life Assurance, which is also a subsidiary of Great-West Lifeco. AIB currently operates under a tied agency distribution agreement with Irish Life, and will enter into a new distribution agreement with the new joint venture company. AIB expects its equity investment in the joint venture will be around 90 million euros, equating to around 10bps of CET1.

# WEALTH NEWS

## ECONOMIC DATA

### U.S. new home sales tumble to one-year low as prices soar

Sales of new U.S. single-family homes fell to a one-year low in May as the median price of newly built houses soared amid expensive raw materials, including framing lumber. New home sales dropped 5.9% to a seasonally adjusted annual rate of 769,000 units last month, the lowest level since May 2020. The median new house price jumped 18.1% from a year earlier to \$374,400 in May. Separately, data firm IHS Markit said its flash U.S. manufacturing PMI rose to a reading of 62.6 this month. IHS Markit's flash services sector PMI dropped to 64.8 from a reading of 70.4 in May. Meanwhile, the Commerce Department said the current account deficit rose 11.8% to \$195.7 billion last quarter.



## FEDERAL HOUSING FINANCE AGENCY

### Biden to oust housing finance chief after U.S. Supreme Court ruling

The U.S. Supreme Court made it easier for President Joe Biden to remove the head of the federal housing finance agency - a move the White House said he intends to make right away - while also nixing separate claims brought by shareholders of mortgage finance companies Fannie Mae and Freddie Mac.

## FED COMMENTS

### Fed officials say "temporary" inflation surge may last longer than thought

A period of high inflation in the United States may last longer than anticipated, two U.S. Federal Reserve officials said, prompting one to pull forward his views on when the central bank should start raising interest rates.

## NEW SEC RULES

### U.S. SEC chair provides more detail on new disclosure rules, Treasury market reform

The U.S. Securities and Exchange Commission (SEC) may require public companies to publish data on a whole range of new areas, including greenhouse gas emissions, workforce turnover and diversity, as its new chairman looks to enhance the SEC's disclosure regime.

## WARREN BUFFETT DONATIONS

### Warren Buffett resigns from Gates Foundation, has donated half his fortune

The billionaire investor Warren Buffett said he is resigning as a trustee of the Bill and Melinda Gates Foundation, and has donated half his wealth to philanthropy since pledging 15 years ago to give away his fortune from running Berkshire Hathaway.

## SPAC DEAL

### Self-driving truck tech firm Embark to go public via \$5.2 billion SPAC deal

Embark Trucks said it will merge with a blank-check firm, in a deal that will give the private equity firm Tiger Global Management backed self-driving truck technology developer a market capitalization of \$5.2 billion.

## CRYPTOCURRENCIES SURVEY

### Crypto is 'rat poison', a third of mainstream investment firms tell JPM

Only 10% of institutional investment firms surveyed by JPMorgan trade cryptocurrencies, with nearly half labelling the emerging asset class as "rat poison" or predicting it would be a temporary fad.



A Palestinian demonstrator carries a tire amid preparations for a night protest against Israeli settlements in Beita in the Israeli-occupied West Bank, June 22. REUTERS/Mohamad Torokman

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