

Investor.Coffee (10.15.2024): Optimism Builds as Markets Focus on Key Data and Earnings

written by Tracy Hughes | October 15, 2024

Good morning, **Investor.News** readers! Grab your favorite cup of coffee, and let's dive into today's market action as we gear up for another trading day.

Pre-open, U.S. stock futures are edging lower after yesterday's gains, driven by cautious sentiment ahead of key inflation data. Investors are bracing for the release of September's CPI report, with expectations that inflation ticked up slightly after a few months of cooling. In Canada, markets are poised for a lower open with crude prices dropping, adding pressure to energy stocks. Meanwhile, Europe turned lower today after hitting a short-lived high, with mining and energy sectors seeing the most losses. Over in Asia, Japanese stocks surged, breaking the 40,000 mark, as a weaker yen boosted export-related shares.

In the currency market, the U.S. dollar remains strong, holding steady near a two-month high against major currencies. Oil prices took a hit, down about 3% on news that Israel may avoid targeting Iranian oil sites. Gold remains mostly unchanged, with investors balancing profit-taking and speculation on further rate cuts from the Federal Reserve.

Economic Indicators to Watch Today

All eyes are on the U.S. CPI report due out this morning. Analysts expect inflation to rise 0.2% year-on-year, which could influence the Fed's next move on interest rates. In Canada, we'll also be keeping tabs on wholesale trade data, with

economists predicting a decline after last month's slight gain.

Europe/Asia Update

In Europe, investors are digesting some mixed news, including Ericsson's [report](#) of better-than-expected sales due to strong demand for 5G equipment in North America. However, Deutsche Bank shares took a hit after the sale of a significant block of shares. Over in Asia, Chinese stocks continue to struggle, with investors still waiting on concrete stimulus measures from the government.

Investor News Updates

Aclara Resources Inc. (TSX: ARA) has [completed](#) a conceptual engineering study for its rare earths separation project, positioning it to become the first vertically integrated heavy rare earth producer outside of Asia.

American Rare Earths Limited (ASX: ARR | OTCQX: ARRF) has [increased](#) its stake in **Godolphin Resources Limited (ASX: GRL)** to 19.9%, with a strategic focus on Godolphin's **Narraburra Rare Earths Project**.

Arizona Sonoran Copper Company Inc. (TSX: ASCU | OTCQX: ASCUF) has [appointed](#) **M3 Engineering** to lead the Pre-Feasibility Study for its Cactus Project, advancing copper development in Arizona.

Bank of America Corp (NYSE: BAC) reported a drop in third-quarter profit, with net interest income (NII) down 3% to \$14 billion and net income falling to \$6.9 billion, as higher credit loss provisions weighed on results.

Boeing Co (NYSE: BA) filed to raise up to \$25 billion through a variety of securities and secured a \$10 billion credit agreement. The company is also preparing for worker layoffs amid

labor unrest.

Coty Inc (NYSE: COTY) projected slower sales growth for Q1, citing a U.S. market slowdown. The company is accelerating cost-reduction efforts to offset weaker demand.

Crane NXT Co (NYSE: CXT) agreed to acquire **De La Rue plc's (LSE: DLAR)** authentication business for \$391.3 million, helping De La Rue address its financial challenges.

Deutsche Bank AG (ETR: DBK) saw shares decline after a large block sale of 16 million shares, despite recent gains in its stock value this year.

Frontier Communications Parent Inc (NASDAQ: FYBR) faces shareholder pushback on its planned \$9.6 billion acquisition by **Verizon Communications Inc (NYSE: VZ)**, with investors expressing concerns over the deal's valuation.

HSBC Holdings plc (LSE: HSBA | NYSE: HSBC) is reviewing costs and operational controls at its China digital wealth unit, **Pinnacle**, which could result in layoffs as part of its strategy reassessment.

Intesa Sanpaolo S.p.A. (BIT: ISP) is under investigation after an employee accessed customer data without permission, leading to concerns over internal controls.

Johnson & Johnson (NYSE: JNJ) raised its profit forecast for 2024, driven by strong sales of oncology drugs, particularly Darzalex, which saw a 20.7% year-on-year growth.

Phillips 66 (NYSE: PSX) announced it will sell its 49% stake in **Coop Mineraloel AG** for \$1.24 billion, furthering its efforts to streamline operations and deliver on its \$3 billion divestiture goal.

Telefonaktiebolaget LM Ericsson (STO: ERIC) reported a strong Q3 performance, with core earnings doubling, driven by a 50% increase in North American 5G sales.

TotalEnergies SE (EPA: TTE) warned of a sharp drop in Q3 downstream earnings, citing a 65% decline in European refining margins due to global economic slowdown and new refinery capacity.

UnitedHealth Group Inc (NYSE: UNH) reported higher-than-expected medical costs, leading to a surge in its medical loss ratio, although its Q3 profit of \$7.15 per share beat estimates.

Walgreens Boots Alliance Inc (NASDAQ: WBA) plans to [close](#) 1,200 stores over the next three years as part of a turnaround strategy under new CEO Tim Wentworth.

Wolfspeed Inc (NYSE: WOLF) is set to [receive](#) \$750 million in U.S. government grants for its new North Carolina silicon carbide wafer facility, with additional financing commitments from investment firms.

Market Wrap-Up

As we approach the opening bell, here's where the major markets stand:

- **S&P 500 Futures:** Slightly up, but cautious at +5.5 points.
- **Oil:** Down 3%, with Brent crude dropping to \$75.15 per barrel as fears ease over supply disruptions.
- **Gold:** Sitting at \$2,644, with minor fluctuations as traders weigh inflation data.

That wraps up today's **Investor.Coffee**. Stay tuned this week as earnings season heats up, and remember to keep an eye on

inflation figures—they could be the catalyst for our next market move. **Investor.Coffee** is published Monday through Thursday on **Investor.News**, providing quick, insightful updates for investors across the globe.

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