

Investor.Coffee (11.13.2023): Moody's downgrade on U.S. Credit Rating Outlook "Negative", Japanese wholesale inflation slows

written by Tracy Weslosky | November 13, 2023

Pre-Open Market Overview, Canada

Canadian markets are showing a downtrend, aligning with Wall Street futures which are slightly down after Moody's downgraded the U.S. credit rating outlook to "negative." European shares experienced a boost, primarily in the healthcare sector, while Japan's Nikkei index remained unchanged. Oil prices have seen a minor increase due to concerns over reduced demand in the U.S. and China, coupled with mixed signals from the Federal Reserve. Meanwhile, gold prices have risen marginally, and the U.S. dollar remains relatively stable against other major currencies.

Tax Selling Deadlines

For Canadian tax filers, December 27, 2023, marks the deadline for tax-loss selling. I mention this as we have a [CMI Masterclass on Critical Minerals and Flow Through](#) that I am hosting next Monday, November 20th at 7PM EST that I urge you to attend. Use the promo code CMI3 and you can secure a complimentary pass. I am writing the news release today. Transactions post this date will be counted for the 2024 tax year. The U.S. deadline, as per the IRS, is December 29.

European Stock Futures

Euro STOXX 50 futures rose by 7 points to 4,215, FTSE futures gained 6 points reaching 7,378, and German DAX futures increased by 5 points to 15,297 as of 0530 GMT.

Asian Market Trends

Asian stocks saw an upward trend, taking cues from Wall Street's Friday rally, despite Moody's downgrade of the U.S. credit outlook. Oil prices, however, receded after the initial rally, influenced by concerns over diminishing demand in the U.S. and China.

U.S. Market and Economic News

U.S. markets have witnessed two consecutive weeks of gains. Key factors that could impact this trend include Moody's recent downgrade of the U.S. credit outlook and the upcoming consumer price index release. Retail earnings reports from major U.S. companies are also anticipated.

Company-Specific News

- **Alphabet Inc. (NASDAQ: GOOGL):** Google is in discussions to invest in Character.AI, with negotiations ongoing regarding the terms.
- **Exxon Mobil Corporation (NYSE: XOM):** Exxon plans to start [lithium production](#) in Arkansas by 2026. Also, Exxon has reached a settlement with Iraq over the West Qurna 1 oilfield.
- **Ford Motor Company (NYSE: F):** UAW workers at Ford's Kentucky plants have [mixed opinions](#) on the new labor agreement, with production workers voting against it.
- **Livent Corporation (NYSE: LTHM):** Livent is set to meet Allkem investors [regarding a merger](#) that would create a significant lithium producer.

- Streaming Giants (Netflix, Disney, Warner Bros Discovery): They have agreed to pay significant bonuses as part of a labor deal with the SAG-AFTRA actors union.
- **NVIDIA Corporation (NASDAQ: NVDA)**: The U.S. restrictions on China are prompting Nvidia to innovate to meet market needs.
- **Tesla Inc. (NASDAQ: TSLA)**: EG Group [plans to buy](#) Tesla ultra-fast charging units to expand its EV charging network in Europe.

Economic Data Release

- The Federal budget for October is expected to show a deficit of -\$30.00 billion, compared to the previous -\$171.00 billion.

Europe/Asia Political and Health Updates

- UK Interior Minister Suella Braverman was dismissed amid allegations of political bias against London police.
- Former UK PM David Cameron surprisingly returned as foreign minister.
- U.S. Senator Tim Scott withdrew from the 2024 Republican presidential nomination race.
- Japanese wholesale inflation slowed, indicating easing price pressures.
- **Bayerische Motoren Werke AG (BMW) (OTC: BMWYY)** is [investigating](#) operations at a Moroccan cobalt mine following reports of legal breaches.