

# The LeBlanc Report

Week of January 25<sup>th</sup>, 2021

## Market Overview: January 18<sup>th</sup> – January 22<sup>nd</sup>, 2021

### Market Recap

The **S&P 500** and **Nasdaq** edged up to record highs on optimism over a massive stimulus package under the Biden administration to support the economy. **Longer-dated Treasury yields** were higher, and the yield curve steepened on lower weekly jobless claims, while the **dollar index** slipped. **Spot gold** prices fell on profit taking. **Oil** prices were down after data showed a surprise rise in U.S. crude inventories.

### Coming Up In U.S.

- **IHS Markit's manufacturing and services PMI** data for January are due. They are likely to show readings of 56.5 and 53.6, respectively, following a reading of 57.1 and 54.8 in December. **Existing home sales**, which account for the bulk of U.S. home sales, is scheduled for release. It is likely to drop 2.0% to 6.55 million units in December, following a 2.5% fall to 6.69 million units in November.
- Top oilfield services provider **Schlumberger NV** is expected to post lower fourth-quarter profit as slump in oil demand and prices due to the COVID-19 pandemic cut demand for services. Investors will look for comments on North American business and resumption in drilling activity as crude prices have rebounded from last year's low.

### U.S. Top News

- **Pfizer-BioNTech agree to supply WHO co-led COVID-19 vaccine scheme -sources**

Pfizer and BioNTech have agreed to supply their COVID-19 vaccine to the World Health Organization co-led COVAX vaccine access scheme, two sources familiar with the deal said, the latest in a series of shots to be included in the project aimed at lower-income countries.

- **Google judge says U.S. states must begin turning over documents next month**

The federal judge who is hearing both the U.S. Justice Department and state antitrust cases against Google said that he wanted the states to begin turning documents over to the search and advertising giant on Feb. 4 as part of preparation for trial.

- **Baker Hughes says energy downturn to bottom out this year**

Baker Hughes posted better-than-expected results in its fourth quarter and joined a chorus of energy companies saying the industry's worst downturn in decades would turn a corner this year.

- **Facebook's oversight board to decide if Trump should stay suspended**

Facebook said it was referring its decision to indefinitely suspend the accounts of former U.S. President Donald Trump to its independent oversight board.

- **Big U.S. oil drillers have federal permits to mute effect of any Biden ban**

U.S. President Joe Biden's promised ban on new oil and gas drilling on federal lands would take years to shut off production from top shale drillers because they already have stockpiled permits, according to Reuters interviews with executives.

### Coming Up In Canada

- Canada's **retail sales** data for November is scheduled for release. It is likely to increase 0.1%, after a 0.4% rise in October. **Excluding motor vehicles and parts dealers**, the **retail sales** for November is likely to rise 0.3%.

### Canada Top News

- **TC Energy cuts jobs as Keystone pipeline nixed, but markets start to move on**

TC Energy will eliminate more than 1,000 construction jobs in coming weeks and halt work on the Keystone XL oil pipeline after U.S. President Joe Biden revoked the project's presidential permit, the company said in an email to employees.

- **Canadian pension funds hunt for pandemic real estate bargains**

Canadian pension funds are seeking to boost their real estate investments, betting the slumping property market will recover as the COVID-19 pandemic recedes and office workers and city dwellers return to downtown properties.

- **Canada sheds 28,800 jobs in December -ADP**

Canadian employment fell by 28,800 in December, driven by a decline in the manufacturing and professional business services sectors, a report from payroll services provider ADP showed.

### Insight and Analysis

- **Can Biden transform the U.S. energy system?**

U.S. presidential transitions have all the elements of a great news story: people, drama, timeliness, conflict and consequences. But energy systems are mostly shaped by slower moving, impersonal, structural forces.

- **Jack Ma's reappearance fails to soothe all investor concerns about regulatory crackdown**

Billionaire Jack Ma's 50-second video reappearance has done little to resolve Alibaba Group's troubled relationship with regulators that is making some investors hesitate about owning the Chinese e-commerce giant's stock.

- **Canadian health officials take different tack to vaccinate wary care home workers**

Health officials in the Canadian province of Ontario thought large, central clinics would be the most efficient way to get staff at long-term care homes vaccinated quickly, protecting elderly residents most at risk of severe COVID-19 and death<sup>1</sup>.

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<sup>1</sup> January 2021. Refinitiv. The Day Ahead.

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