

The LeBlanc Report

Week of July 12th, 2021

Market Overview: July 5th – July 9th, 2021

Market Recap

Wall Street ended lower, on a broad sell-off fueled by uncertainties surrounding the pace of the U.S. economic recovery. **Treasuries** continued to rise. The **dollar** fell against the **euro**. **Oil** prices rose, after data showed bigger-than-expected drop in U.S. inventories. **Spot gold** was slightly down.

Coming Up In U.S.

- The U.S. Commerce Department is scheduled to release **wholesale inventories data** for May. It is expected to have risen 1.1%, the same level as in April.

U.S. Top News

- **U.S. banks to see big jump in second-quarter profits before results return to normal**

With feared pandemic loan losses failing to materialize, most big U.S. banks are expected to report a stunning rebound in quarterly profits next week even as trading income slumps and lending revenue stalls on low interest rates and weak demand.

- **Morgan Stanley says some corporate client info was stolen in data breach**

Morgan Stanley has disclosed that personal data of some of its corporate clients was stolen in a data breach in January involving a third-party vendor, in which hackers accessed information, including social security numbers of some clients.

- **U.S. states allege Google 'unlawfully' preserves Play Store monopoly**

Thirty-seven U.S. state and district attorneys general sued Alphabet's Google on Wednesday, alleging that it bought off competitors and used restrictive contracts to unlawfully maintain a monopoly for its app store on Android phones.

- **China's powerful internet regulator flexes muscles with Didi probe**

China's internet watchdog, which stunned investors with an investigation into Didi Global two days after the ride-hailing giant's New York stock market debut, has come to the forefront of Beijing's sweeping efforts to rein in its tech sector and enforce tightening data security efforts.

- **Michael Avenatti gets 2-1/2 years prison for Nike extortion scheme**

Michael Avenatti, the brash lawyer who shot to fame representing porn actress Stormy Daniels in lawsuits against Donald Trump before a swirl of criminal charges ended his legal career, was sentenced to 2-1/2 years in prison for trying to extort Nike.

Coming Up In Canada

- Statistics Canada is expected to release the country's **employment data**. It is likely to have gained 195,000 jobs in June after a loss of 68,000 jobs in May. The unemployment rate is expected to have inched down to 7.7% in June, from 8.2% in May.

Canada Top News

- **Canada's Star Diamond objects to Rio Tinto push for joint venture meeting**

Junior miner Star Diamond Corp said it objected to Rio Tinto's "predatory and coercive" actions after the global miner called a meeting for a joint venture the Canadian company says does not yet exist.

- **Canadian grain handler Richardson to buy U.S. durum processor Italgrani**

Canadian grain handler Richardson International Limited said that it has agreed to buy Italgrani USA, North America's largest durum miller, as it increases its food-processing operations.

- **Canadian budget carrier Flair to launch U.S. routes in October**

Canadian budget carrier Flair Airlines said it will launch cross-border service to six sunny U.S. destinations starting Oct. 31, betting travel demand will return as Ottawa gradually eases restrictions designed to curb the spread of novel coronavirus.

- **Japanese oil producer eyes Canada divestment as M&A picks up**

Japanese state-backed oil producer Japan Petroleum Exploration (Japex) is seeking a buyer for its 75% stake in the Hangingstone oil sands facility in Canada, two sources with direct knowledge of the matter told Reuters.

Insight and Analysis

- **A fine mess: Weak inflation prompts a global central bank reset**

It is an article of faith among central bankers that the decisions they make about how much money to create and what interest rate to charge for it will determine the rate of inflation - at least over moderate lengths of time.

- **Falling U.S. bond yields may signal death knell for 'reflation' stock trade**

Stock investors are watching the dramatic moves in the Treasury market for clues on the fate of one of this year's most successful plays - the so-called reflation trade that helped power shares of economically sensitive companies higher after nearly a decade of underperformance.

- **Post-Fed taper tantrum? Not this time, market strategists say**

Global markets won't have a violent "taper-tantrum" like they did in 2013 even as though U.S. Federal Reserve is expected to discuss tapering of asset purchases at its annual gathering at Jackson Hole in August, three strategists at asset management firms said.¹

Please contact LeBlanc Group at leblanc.group@cgf.com or by phone at 604.661.7839 to learn more. You can visit our website by following the link <http://www.leblancgroup.ca/>.

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¹ July 2021. Refinitiv: The Day Ahead.

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