

MORNING NEWS CALL

Powered by Reuters

U.S. Edition

Wednesday, October 6, 2021

TOP NEWS

• U.S. Senate Democrats plan debt-limit vote after Biden hints filibuster could go

Senate Democrats are set to try again to extend the U.S. government's borrowing authority to head off a catastrophic default, after President Joe Biden suggested they could change the chamber's rules to bypass a Republican roadblock.

• Nvidia offers EU concessions over \$54 billion Arm deal

Nvidia has offered concessions in a bid to secure EU antitrust approval for its \$54 billion acquisition of British chip designer Arm, a European Commission filing showed.

• If Facebook is the problem, is a social media regulator the fix?

Facebook whistleblower Frances Haugen told Congress on Tuesday that one option for making social media less harmful would be to create a dedicated regulatory agency to oversee companies like Facebook, and could have former tech workers on staff.

• Tesla faces investor test after big jury award over racism

A contract worker has won a \$137 million jury award over workplace racism against Tesla, raising pressure on the electric vehicle maker whose shareholders will vote on Thursday on a proposal to review how it addresses similar complaints for full-time employees.

• California lawmakers aim to ban offshore drilling after spill

Democratic members of Congress from California seized on the oil spill off the state's coast to promote federal legislation to ban all offshore oil drilling, as investigators searched for what caused the pipeline to burst.

BEFORE THE BELL

U.S. stock index futures fell as soaring oil prices fed into fears of higher inflation, while a stalemate continued in the U.S. Congress over the government debt ceiling. **Gold** fell as **Treasury yields** and the **dollar** gained in the run-up to Friday's U.S. labour market report that could influence the Federal Reserve's tapering schedule. **Oil** fell as the market unwound earlier record gains due to an American Petroleum Institute (API) report showing rising crude inventories in the United States.

STOCKS TO WATCH

• **Alphabet Inc:** Google cut fuel use and traffic delays by 10% to 20% at four locations in Israel by using artificial intelligence to optimize signal lights and it next plans to test the software in Rio de Janeiro, the company said. The early-phase research project is among new software initiatives inside Google to combat climate change. Some employees as well as advocacy groups have called on the company, the world's third-most valuable, to more urgently use its influence to combat the crisis. Separately, defence company Thales and Google said they are partnering to offer state-vetted cloud computing services for the storage of some of France's most sensitive data.

• **Merck & Co Inc:** The company announced a supply and purchase agreement that will provide Singapore with access to its experimental oral COVID-19 antiviral drug, the latest Asian country to try to snap up supplies. Molnupiravir is designed to introduce errors into the genetic code of the virus and would be the first oral antiviral medication for COVID-19. Merck is seeking approval by the United States Food and Drug Administration for the pill. Separately, South Korea has secured 20,000 courses of the antiviral pill, Prime Minister Kim Boo-kyum said, joining other Asian nations rushing to snap up supplies. Merck also announced a supply and purchase agreement with Australia, while Thailand, Taiwan and Malaysia said they are in talks to buy it.

• **Netflix Inc:** A South Korean woman who was deluged with thousands of prank calls and text messages after her phone number was highlighted as a key plot point in Netflix's hit show "Squid Game" may soon get some relief. Netflix and local production company Siren Pictures said they would edit scenes to remove the phone number, which appears on a mysterious invitation card given to potential players of a series of deadly children's games. The nine-part thriller depicting cash-strapped contestants playing to the death in a bid to win \$38.31 million became an international hit when it premiered on the streaming service last month.

• **Nvidia Corp:** The company has offered concessions in a bid to secure EU antitrust approval for its \$54 billion acquisition of British chip designer Arm, a European Commission filing showed. The EU competition enforcer, which did not provide details of the concessions in line with its policy, set an Oct. 27 deadline for its decision. It will now seek feedback from rivals and customers before deciding whether to accept the concessions, demand more or open a four-month long investigation. Nvidia has said it would maintain Arm as a neutral technology supplier as it aims to allay concerns from customers such as Qualcomm, Samsung and Apple.

SPECIAL REPORT

How AT&T helped build far-right One America News

As it lauded former President Donald Trump and spread his unfounded claims of election fraud, One America News Network saw its viewership jump. Reuters has uncovered how America's telecom giant nurtured the news channel now at the center of a bitter national divide over politics and truth.

ANALYSTS' RECOMMENDATION

• **Bicycle Therapeutics PLC:** Jefferies raises price target to \$52 from \$42, highlighting the company's market entry in the treatment of endometrial cancer, ovarian cancer and breast cancer by 2025.

• **Devon Energy Corp:** Wells Fargo raises price target to \$42 from \$39, after analysts estimated higher profits ahead of the company's third-quarter earnings report, mainly driven by strong commodity price realizations.

• **Monday.com Ltd:** Canaccord Genuity raises price target to \$350 from \$330, following the company's virtual customer conference which reaffirmed management's commitment to capture share in the market.

• **Sunpower Corp:** Evercore ISI raises price target to \$28 from \$27, after the company announced the acquisition of a large regional residential solar installer named Blue Raven Solar while also increasing capital expenditure estimates for 2022.

• **Texas Roadhouse Inc:** RBC cuts price target to \$94 from \$95, reflecting on the risks of the ongoing challenging cost environment during the pandemic, which leaves little room for incremental pricing.

ECONOMIC EVENTS (All timings in U.S. Eastern Time)

0815 (approx.) **ADP national employment** for Sep: Expected 428,000; Prior 374,000

1300 **Overall Comprehensive Risk** for Q4: Prior 8.05

COMPANIES REPORTING RESULTS

Constellation Brands Inc: Expected Q2 earnings of \$2.77 per share

CORPORATE EVENTS (All timings in U.S. Eastern Time)

0800 **Acuity Brands Inc:** Q4 earnings conference call
1000 **RPM International Inc:** Q1 earnings conference call
1030 **Constellation Brands Inc:** Q2 earnings conference call
1300 **C3Ai Inc:** Annual Shareholders Meeting
1300 **Nike Inc:** Annual Shareholders Meeting
1700 **Levi Strauss & Co:** Q3 earnings conference call
1730 **IDT Corp:** Q4 earnings conference call

EX-DIVIDENDS

ABM Industries Inc: Amount \$0.19
Campbell Soup Co: Amount \$0.37
Covanta Holding Corp: Amount \$0.08
Ingles Markets Inc: Amount \$0.16
Preferred Bank: Amount \$0.38
Progressive Corp: Amount \$0.10
Simpson Manufacturing Co Inc: Amount \$0.25

(All analysts' estimates are according to I/B/E/S Refinitiv data)

PICTURE OF THE DAY



U.S. President Joe Biden looks down before delivering remarks on infrastructure investments at the International Union of Operating Engineers Local 324 training facility in Howell, Michigan, October 5. REUTERS/Jonathan Ernst

The Financial and Risk business of Thomson Reuters is now Refinitiv.

(Compiled by Anvesh Reddy and Haneyl Jacob in Bengaluru)

To subscribe for The Morning Newscall newsletter [click here](#)

For questions or comments about this report, contact:
morning.newscall@thomsonreuters.com

To launch a Co-branded Morning News Call from your firm, contact:
morning.newscall@thomsonreuters.com

© 2021 Refinitiv. All rights reserved.

Refinitiv
3 Times Square, New York, NY 10036

Please visit: [Refinitiv](#) for more information.

[Privacy statement](#)