

The Week Ahead

Monday

Trading is thin as some markets are closed for Columbus Day, Canadians are celebrating thanksgiving, and Japanese markets are also closed.

Tuesday

BMO EC: Alcoa (AA)

Wednesday

06:00 OPEC Monthly Oil Market Report

08:00 Fed Vice Chair Dudley speaks in Albany

14:00 Fed releases minutes from September meeting

Thursday

BMO EC: Delta Air Lines (DAL)

Friday

BMO EC: Citigroup (C), JP Morgan (JPM), Wells Fargo (WFC)

13:30 Fed Chair Yellen scheduled to speak at a conference in Boston

It'll be a pretty quiet week for economic data releases. The main focus for this week will be the development between the DOJ and Deutsche Bank, the informal OPEC & non-OPEC meeting in Istanbul, US political developments, and US earnings season. Yellen is also scheduled to speak Friday; although a move in the November meeting is largely off the table, markets are anticipating her thoughts on recent NFP numbers.

Deutsche Bank pared earlier pre-market losses. The stock fell 3% in pre-market trading on the report that no settlement was struck between the DOJ and Deutsche Bank executives. It is now at Friday's close in pre-market trading.

Russia has signaled willingness to freeze in cooperation with OPEC countries. Still, there is much to work out between OPEC itself before non-OPEC members agree definitively to a freeze/cut. Iraq's oil minister Al-Luaibi has called for increasing oil and natural gas production over the weekend, and there are concerns over Libya's intention to expand production that may undo much of the cuts agreed upon in Algiers.

Mexican peso is about 1.4% stronger since the weekend, reflecting the leaked Trump comments and the second presidential debate. This all points to a falling probability of a Trump victory; FiveThirtyEight has his odds at 18.4% now. Some media outlets are however suggesting that Trump came out the victor, although early polls suggest that 57% thought Clinton won and 34% thought Trump did (compared to 62% and 27% after the first debate, respectively).

Earnings season is upon us. Most expect Q3 to be the sixth consecutive quarter that EPS will fall on a YoY basis. Note that many companies have lowered guidance; history suggests that they lower it more than necessary to later beat expectations.

TWTR shares down 12% pre-market, as institutional investors of Salesforce are strongly against the proposed deal to buy Twitter for cash and stock. GOOG, AAPL, and DIS have also reportedly walked away from a potential deal.