

Financial Daily Dose 2.18.2020 | Top Story: Apple Cuts Revenue Expectations and HSBC Axes Jobs as Coronavirus Infects Business Outlook

Apple announced that the coronavirus outbreak that's brought Chinese manufacturing to a near-standstill and continues to spread around the world will affect its quarterly sales expectations. The news makes Apple "one of the first companies to publicly disclose the extent of the chain effect from China and the virus on the business world" – NYTimes and WSJ and Bloomberg

HSBC will cut upwards of 35,000 jobs in the next three years as the London-based bank struggles to "revive a business that has come to depend increasingly on China for growth." That strategy has been hampered by various headwinds, including recent political strife in Hong Kong, but to be sure, the coronavirus isn't helping anything – NYTimes and WSJ and Bloomberg

Pier 1 Imports has officially filed for bankruptcy and is pursuing a sale of the company. The news comes just weeks after the home goods retailer revealed that it was closing more than half of its stores – NYTimes and WSJ and Bloomberg and MarketWatch

The country's largest milk cooperative—the Dairy Farmers of America—will buy up 44 of bankrupt milk company Dean Foods' facilities "as well as the real estate, inventory and equipment necessary to operate them." The deal is subject to approval by the bankruptcy judge overseeing Dean's case as well as federal regulators weighing the antitrust implications of any such deal – NYTimes and WSJ

And the buying continues. France's Alstom conglomerate is snapping up Bombardier Inc.'s train unit "in a deal valued at \$8.2 billion, including debt" that creates "what would be a new, European-focused train giant big enough to take on China." The train exchange occurs just a week after Bombardier sold its interest in a commercial-jet joint-venture with Airbus SE, leaving the Canadian firm with only its business-jet operations – WSJ and MarketWatch and Bloomberg

Zuck's getting the headlines he presumably wants—that he's on record calling for EU regulators to force internet platforms like Facebook with more liability for the content shared by their users—but many European officials are less impressed by this middle-ground approach (by contrast to Facebook, newspapers "shoulder full liability for the con-

tent they publish”) – WSJ and MarketWatch

By contrast, Jeff Bezos’ play for good press this week took the less-debatable form of \$10 billion pledge to fight climate change—the “biggest philanthropic move to date for the world’s richest man” – WSJ and Bloomberg and MarketWatch and NYTimes

What’s old is new again at DuPont, which is reinstating former CEO Edward Breen—an “architect of the megamerger and spinoff that left a smaller industrial-materials maker struggling to generate sales growth”—to the top job less than a year after a new leadership team took the helm – WSJ and MarketWatch

Meet Maze, the [presumably Catholic] ransomware ring that incorporates a heavy dose of shame into the standard playbook of hacking, stealing, encrypting, and extorting – Law360

Streetwise suggests we’re fast approaching the end of the bond-market-as-volatility-backstop era after a pretty glorious 2-decade run as “a form of free insurance for investors” – WSJ

A federal jury in the Eastern District of Missouri has delivered a \$265 million verdict against Bayer’s Monsanto unit and BASF over claims that their dicamba weedkiller caused the “decimation of a large Missouri peach farm” due to the neighboring cotton farm’s use of the herbicide – Law360

Our latest installment of “let’s blame the millennials,”—an exercise seemingly tailor-made for boomers tired of getting saddled with the current state of world affairs—suggests that the generation’s tilt toward aggressive saving “could leave central bankers with less room to cut interest rates, which they have long done to boost growth in times of economic trouble.” In other words, blame the next recession and subsequent fallout on the 24-39 year-olds with their hearts set on early retirement. Sure. Why not – NYTimes

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