

Financial Daily Dose 7.9.2020 | Top Story: United Airlines Warns of Layoffs Affecting 40% of Its Workforce This Fall

United Airlines is preparing to furlough as many as 36,000 workers—"nearly 40 percent of its global work force"—if the travel industry remains weak as summer turns into fall. The October 1 cuts would coincide with the end of the government's \$25 billion stimulus program for passenger airlines, which "came with restrictions against substantial staffing cuts through Sept. 30" – NYTimes and WSJ

Still, on the whole, new jobless claims are likely to continue their recent trend of leveling off when the numbers for last week come in today. A still staggering 1-2 million Americans are losing their jobs weekly (and have since May), but as compared to the peak of 6.9 million jobs lost in mid-March, those figures give the appearance of improvement – WSJ

Preppies everywhere, take courage. Brooks Brothers, the 202-year-old country-club and boardroom mainstay, has filed for bankruptcy protection—the latest retailer unable to survive the Covid-prompted change in retail habits and the general casualization of the American workplace – NYTimes and WSJ and MarketWatch and Marketplace

The ugly side of the recent Robinhood amateur trading boom in recent months is increasingly rearing its head, as average Americans attracted to the app's no-fee or minimums policy, its gamifying of trading, and the use of "behavioral nudges and push notifications" have traded the "riskiest products . . . at the fastest pace" – NYTimes

China's dealing with its own overheated trading wave itself, and thanks to the prevalence of individual traders there, the "budding equity mania" there could in "many ways be more consequential" than the U.S.'s Robinhood fixation – Bloomberg

So the dynamic to watch in the coming months is how that trend will play with what appears to be a remarkable economic comeback from China after a Covid-induced lull – Bloomberg

Federal prosecutors are investigating whether troubled German payment company Wirecard "played a critical role in an alleged \$100 million bank-fraud conspiracy connected to an online marijuana marketplace," a new headache for the company already reeling from an unexplained \$2.1

billion hole in its balance sheet – WSJ

Following a disastrous 49% drop in overall revenue in Q2, Bed Bath & Beyond has announced plans to permanently shutter nearly 200 stores, a “bet that the home-goods chain can ride out the coronavirus pandemic by shrinking its bricks-and-mortar footprint” – WSJ and MarketWatch

America’s biggest banks are shying away from the Fed’s new Main Street Lending Program, at least when it comes to lending to new customers. That lack of enthusiasm is throwing a wrench in the Fed’s unprecedented initiative to support midsize businesses – NYTimes

Big Mouse is taking a Big Risk in making a Big Reopening in the midst of a raging pandemic just outside its Orlando gates – NYTimes and WSJ and MarketWatch and Marketplace

The CFTC has filed its “first enforcement action over conduct tied to the COVID-19 crisis,” targeting a Florida-based forex “‘master trader’ who told clients his trading profits were bolstered by the pandemic” – Law360

Because why not escape the natural disaster we’re living through by visiting a recreation of one from nearly 2000 years ago? If destruction tourism is your thing, work your way through the EU’s American travel ban and head to Paris’ Grand Palais and its new Pompeii exhibit – Mashable

Stay safe,
MDR