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US stocks end lower to snap 3-day winning streak on coronavirus outbreak in New York

4:05 pm: US stocks fall on COVID-19 concerns

US stocks ended lower to snap a 3-day winning streak as anxiety over a coronavirus (COVID-19) outbreak in New York spooked investors.

Following an explosive session on Monday, the Dow Jones Industrial Average fell 0.48%, or 132 points, to 27,451. The S&P 500 dropped 0.48% to 3,335 and the tech-heavy Nasdaq declined 0.29% to 11,085.

Stocks dropped after Mayor Bill de Blasio said the city's daily positive rate of coronavirus tests is back above 3% for the first time in months.

12:30 pm: Dow gives back 200 by midday

The DJIA was down some 205 points, 0.75%, to 27,378.5 just after noon ET, despite teetering around the flatline at the open. The Nasdaq lost 28 points, 0.3%, to 11,086, and the S&P 500 fell 21 points, 0.6%, to 3,330.3.

The Tuesday session is a bit of letdown from Monday's gains, perhaps due to uncertainty brought on by the looming presidential debate between Donald Trump and Joe Biden.

"Like their European counterparts, US stocks have handed back some of yesterday's gains," CMC Markets EK analyst David Madden wrote Wednesday. "It has been a quiet day in terms of corporate earnings and volatility is likely to remain low in the session as the first presidential debate between Mr. Trump and Mr. Biden will take place after the market is closed. Opinion polls have pointed favourably to Joe Biden but it is hard to dislodge an incumbent. The allegations that Mr. Trump paid almost zero taxes in the years ahead of election victory in 2016 is likely to be brought up by Mr Biden."

Also driving uncertainty is the coronavirus pandemic, deaths from which recently topped 1 million globally, according to media reports.

Airlines stocks have suffered across the board.

JetBlue Airways Corporation (NASDAQ:JBLU), American Airlines Group Inc (NASDAQ:AAL) and United Airlines Holdings Inc (NASDAQ:UAL) were all down more than 3%, per CNBC, while Delta Air Lines (NYSE:DAL) and Southwest Airlines Co (NYSE:LUV) each lost more than 2%.

10:30 am: Proactive North America headlines:

Melkior Resources Inc (CVE:MKR) unveils landmark C\$110M option/joint venture deal with major Kirkland Lake Gold for Timmins project

Steppe Gold Ltd (TSE:STGO) secures initial debt funding of around US\$10.5M for its expansion project at ATO mine

Benchmark Metals Inc (CVE:BNCH) (OTCQB:BNCHF) assembles heavy-weight development team as it advances Lawyers project towards PEA

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Auryn Resources Inc (TSE:AUG) (NYSEAMERICAN:AUG) unveils 12 prospective drill targets at its Committee Bay gold project in Nunavut

NexTech AR Solutions Corp (OTCQB:NEXCF) (CSE:NTAR) acquires music industry AR app AirShow

Acasti Pharma Inc (NASDAQ:ACST) (CVE:ACST) initiates review process to evaluate strategic alternatives to boost shareholder value

The Valens Company Inc (CVE:VLNS) (OTCQX:VLNCF) launches high-potency THC-infused beverage Summit 10 under white label deal with A1 Cannabis Company

Lexaria Bioscience Corp (OTCQB:LXRP) (CSE:LXX) gets ethics board nod for human trial of DehydraTECH drug delivery system; launches rodent trial with COVID-19 drugs

Algernon Pharmaceuticals Inc (CSE:AGN) (OTCQB:AGNPF) enrolls 100 patients for its Phase 2b/3 human study of Ifenprodil to treat COVID-19

First Mining Gold Corp (TSE:FF) (OTCQX:FFMGF) hails partner drilling at Pickle Crow which continues to enlarge areas of known mineralization

9.45am: Wall Street mixed

Shortly after the opening bell on Tuesday, the main Wall Street indices painted a decidedly mixed picture as investor sentiment wobbled ahead of the US presidential election debate and ongoing stimulus wrangling in Washington DC.

In the first minutes of trading, the Dow Jones Industrial Average fell 0.12% to 27,548, while the S&P 500 was relatively flat at 3,351 and the Nasdaq climbed 0.11% to 11,129.

Trader's moods seem to also have been impacted by new US trading data, which showed that the country's trade deficit in goods widened by 3.5% in August as exports struggled to bounce back from disruptions caused by the pandemic.

The figure is likely to be assessed in line with other key macro-economic data such as US GDP tomorrow and the non-farm payrolls report on Friday.

7.48am: Wall Street set for modest open

As time ticks down to tonight's potentially crucial US presidential debate, investors on Wall Street appear to be prepared to hope for the best.

Spread betting quotes suggest the Dow Jones Industrial Average will open a modest 26 points firmer at 27,610 while the S&P 500 is expected to start 6 points to the good at 3,357.

The tech-heavy NASDAQ Composite is looking a bit more hale and hearty, with a 277 point gain to 11,395 in prospect.

The show-down between two aging gunslingers is not the only political show in town, of course, following yesterday's proposal by the Democratic Party of a US\$2.4tn stimulus package for the US economy.

"Yesterday, we heard more positive tones from Democratic House Speaker Nancy Pelosi, who said that she has spoken with US Treasury Mnuchin on another relief package and that she expects talks to continue. With the Democrats lowering their demands, she argues that it is the White House and the Republicans' turn to follow suit by accepting a larger stimulus package," reported Danske Bank.

"While an agreement still seems at least somewhat down the road (the White House and Pelosi are still around USD1,000bn apart), risk sentiment got a boost yesterday afternoon from Pelosi's comments. As we argued in

yesterday's morning comment, if the two parties can agree on more fiscal stimulus, it may be the trigger for shifting the recent risk headwind to tailwind," the Nordic investment bank said.

Also on the agenda today are speeches by Federal Reserve policy-makers, Messrs Williams, Harker, and Quarles.

Palantir, the data analytics company, is set to float today and is expected to be valued at around US\$20 billion.

"For the day ahead, I'll be watching out for the Palantir IPO, Micron Technologies earnings, and the first presidential debate between Donald Trump and Joe Biden," revealed LCG's Jasper Lawler.

"Really Palantir (ticker PLTR) will be a direct listing not a proper IPO. The listing is expected to value Peter Thiel's company at over US\$20 billion but as is often the case with tech companies when raising money - it is still unprofitable," Lawler noted.

Four things to watch for on Tuesday:

- A lot of attention will be on the political arena on Tuesday as Donald Trump and Joe Biden square off for the first of three televised presidential candidate debates at around 9pm EDT. Topics are slated to include the record of both candidates in government as well as the Supreme Court, coronavirus and race relations
- Other political news that may draw the eye will be negotiations over the latest Democrat stimulus package in the final days before Congress leaves Washington DC at the end of the week to return after November's election
- The CB consumer confidence index for September is expected to show an increase to 89.5 from 84.8 in August, indicating that US consumers are more upbeat about their prospects for the economy despite the ongoing pandemic
- Other macro news will include the US advance goods trade deficit for August, which is expected to show a slight narrowing to US\$78.9 billion from US\$79.3 billion in July

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