MORNING NEWS CALL

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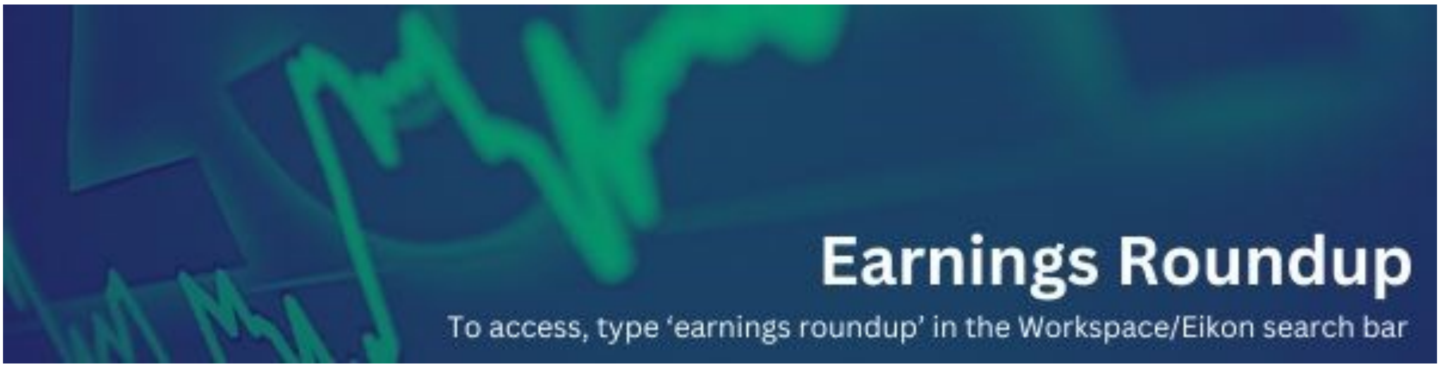
U.S. EDITION Wednesday, July 15, 2026



TOP NEWS

• **EXCLUSIVE-Stripe, Advent offer to buy PayPal for more than $53 billion, sources say**
Payments company Stripe and private equity firm Advent International have made a joint offer to acquire PayPal Holdings for $60.50 per share, in a deal that would value the payments company at more than $53 billion, two people said.

• **BlackRock assets hit record $15 trillion on boost from buoyant markets, ETF inflows**
BlackRock beat Wall Street estimates for second-quarter profit as a stock market rally lifted the value of client assets and investors poured money into its exchange-traded funds, sending its shares up in premarket trading.

• **J&J quarterly earnings beat Wall Street estimates on strength of medicines unit**
Johnson & Johnson beat Wall Street estimates for second-quarter sales and profit, as strong growth from immunology drug Tremfya and cancer blockbuster Darzalex more than offset erosion from older products and a drop in sales for heart pumps it picked up in its 2022 acquisition of Abiomed.

• **PREVIEW-Netflix's next growth chapter hinges on keeping viewers hooked**
Netflix is under pressure to reassure investors about its growth strategy when it reports second-quarter results on Thursday, as its user engagement has faltered amid growing competition from traditional media players, YouTube and mobile viewing.

• **Google urges EU top court to back ruling scrapping $1.7 billion antitrust fine**
Alphabet unit Google urged Europe's top court to dismiss EU antitrust regulators' appeal against a lower court ruling that scrapped a $1.7 billion fine, saying the regulators' arguments were flawed.

BEFORE THE BELL

Wall Street futures were slightly higher, with investors assessing a fresh batch of earnings from top companies while awaiting the producer inflation data due later in the day. PayPal shares jumped in premarket trading after reports of a $53 billion takeover offer.

Major U.S. banks kicked off the second-quarter earnings season on Tuesday, delivering results that exceeded expectations, driven by robust trading activity and a resurgence in deal-making. The earnings season is gathering pace at a crucial point for equities. The **S&P 500** has climbed more than 10% this year and, as of Tuesday's close, stood less than 1% below its record closing high from early June, leaving the rally vulnerable to any disappointment in corporate results.

European shares were subdued as caution over escalating tensions in the Middle East overshadowed strong corporate earnings. However, Japan's **Nikkei** rose, as chip-related shares rallied after Wall Street's solid overnight finish and chip equipment maker ASML's strong outlook.

Oil extended gains as President Donald Trump reimposed a naval blockade on all Iranian ports and Iran's Islamic Revolutionary Guard Corps threatened to close "all other export corridors that benefit the U.S. and its allies".

The **dollar** was steady after falling in the previous session, as softer-than-expected U.S. inflation data curbed bets for a near-term rate hike from the Federal Reserve. **Gold** was in negative territory.

STOCKS TO WATCH

• **Alphabet Inc**: Google urged Europe's top court to dismiss EU antitrust regulators' appeal against a lower court ruling that scrapped a $1.7 billion fine, saying the regulators' arguments were flawed. The dispute reached the Court of Justice of the European Union after regulators appealed a 2024 General Court ruling that annulled the fine imposed on Google in 2019. The lower court cited errors in the European Commission's assessment of the case. The Commission, the EU's competition watchdog, said Google used restrictive clauses in contracts with publishers that prevented rivals from placing search advertisements on the publishers' websites, reinforcing Google's dominance in online search advertising.

• **Apple Inc**: China's cyberspace regulator said that Apple's on-device generative AI service "Apple Intelligence" has been registered for use on iPhones in the country. Apple's intelligence services will incorporate capabilities from Baidu and Alibaba's AI models, according to a source, who declined to be named. Alibaba said in a statement to Reuters that Qwen will be integrated into Apple Intelligence experiences within iOS, iPadOS, macOS, and visionOS for users in China.

• **BlackRock Inc**: The world's largest asset manager reported a 20% jump in second-quarter profit, as a stock market rally lifted the value of client assets. BlackRock's profit was $1.91 billion, or $12.19 per share, in the three months ended June 30, compared with $1.59 billion, or $10.19 per share, a year earlier. Assets managed by the New York-based firm rose to $15.34 trillion in the quarter, up from $12.53 trillion a year earlier and $13.89 trillion in the first quarter.

• **CoreWeave Inc**: The AI cloud computing company is exploring the use of financial derivatives as a potential hedge against a future drop in memory and storage chip prices, according to a person familiar with the matter. The unusual move underscores how deeply the AI boom has entangled cloud providers with the volatile chip market. To lock in supply amid soaring demand, thanks to a surge in AI infrastructure construction, cloud operators including CoreWeave have signed long-term agreements with memory and storage makers such as Micron and SanDisk.

• **Elevance Health Inc**: The firm raised its annual profit forecast after beating second-quarter earnings estimates, as it looks to keep medical costs in check. In April, the company said it has greater clarity on medical costs for the rest of the year as it leans on its efforts to keep them under control. "Our second quarter results exceeded our outlook," Chief Executive Officer Gail Boudreaux said. The health insurer forecast annual adjusted profit to be at least $27 per share, compared with at least $26.75 per share projected earlier.

• **Eli Lilly and Co**: Potential signs of frailty in older adults taking Eli Lilly’s GLP-1 obesity drug Zepbound may signal relatively high risks for adverse outcomes, according to a large study that underscores concerns about how best to monitor seniors as U.S. Medicare expands access to GLP-1 therapies. The new study from U.S. data analytics firm nference focused on Zepbound because previous analyses linked tirzepatide with more weight and muscle loss than semaglutide, said Venky Soundararajan, senior author of the report that was released on Monday as a preprint and has been submitted for peer review.

• **Ford Motor Co** & **Tesla Inc**: Motorists' misuse of driver-assistance technology and drivers being distracted by in-vehicle features, rather than mechanical problems, are the biggest risks for road safety, according to a survey of transport specialists. The survey reflects industry concerns about human error as some governments weigh tougher regulations for automated driving systems. In the U.S., concerns have grown over features offered by automakers, including Ford's BlueCruise system and Tesla's Full Self-Driving, which is seeking approval for a Europe-wide rollout.

• **Goldman Sachs Group Inc**: Senior counsel Kathryn Ruemmler will face tough questioning from members of Congress over her links to Jeffrey Epstein, as lawmakers probe the late convicted sex offender's ties with the political and business elites. Ruemmler will appear before the House Committee on Oversight and Government Reform as part of its investigation into Epstein and his associate Ghislaine Maxwell. Ruemmler stepped down from Goldman Sachs as chief legal officer and general counsel at the end of June, pending a replacement, after documents published by the U.S. Justice Department showed she had extensive communications with Epstein and had also accepted gifts from him.

• **Intel Corp**: The chipmaker has decided to use a high-end machine from ASML to manufacture some of its flagship Panther Lake laptop chips, ASML said on Tuesday, a move that will help the chipmaker learn to use the tool more effectively. Following experiments that began in 2024, Intel has begun to use ASML's next-generation high numerical aperture (High NA) extreme ultraviolet (EUV) machines, which print circuit patterns on to microchips, to help produce a portion of its Panther Lake processors, ASML said. Intel is using the High NA tool for specific layers of the chip, which will help Intel and ASML collect data and optimize the equipment.

• **Johnson & Johnson**: The company beat Wall Street estimates for second-quarter sales and profit, as strong growth from immunology drug Tremfya and cancer blockbuster Darzalex more than offset erosion from older products and a drop in sales for heart pumps it picked up in its 2022 acquisition of Abiomed. The healthcare conglomerate reported second-quarter sales of $25.31 billion, up 6.6% from a year earlier and above analysts' average estimate of about $25.05 billion, according to LSEG data. Adjusted earnings were $2.90 per share, up 4.7% from a year ago and topping analyst expectations of $2.85. It now expects sales of about $101.1 billion at the midpoint, from $100.8 billion previously. The company also raised its adjusted earnings per share forecast to $11.68 at the midpoint, from $11.55 previously.

• **JPMorgan Chase & Co**: The lender has launched an expansion of its corporate banking business in Europe, the Middle East and Africa as it seeks to grow income and claim market share from regional and domestic lenders, James Roddy, head of global corporate banking at the U.S. lender, told Reuters. JPMorgan will hire 30 senior bankers before the end of the year in the region to support the firm's initiative to facilitate $1.5 trillion in financing for industries critical to national security, including up to $10 billion of its own money, Roddy said.

• **Lionsgate Studios Corp**: The entertainment company behind the "Hunger Games" and "John Wick" franchises is exploring a sale and has attracted takeover interest from France's Bollore Group, as consolidation accelerates across the media industry, three people familiar with the matter said. The company, which has a market value of about $3.8 billion, has been working with an investment bank to evaluate inbound approaches, the sources said, requesting anonymity because the discussions are confidential.

• **Paramount Skydance Corp** & **Warner Bros Discovery Inc**: The Writers Guild of America sued on Tuesday to block Paramount's $110 billion acquisition of Warner Bros Discovery , saying the deal would jeopardize writers' livelihoods and threaten the health of U.S. entertainment. The case is another blow to Paramount's bid to become a bigger rival to Netflix and Disney, a day after California and 11 other states sued to block the deal. Paramount, which argued the combination would increase opportunities for writers, must now deal with a double dose of legal work. The Writers Guild said in its lawsuit filed in San Francisco federal court that the deal would reduce the number of buyers in Hollywood for films and TV shows, harming its members.

• **PayPal Holdings Inc**: Payments company Stripe and private equity firm Advent International have made a joint offer to acquire PayPal Holdings for $60.50 per share, in a deal that would value the payments company at more than $53 billion, two people said. The offer, submitted earlier this month, is backed by about $50 billion in committed financing from banks, said one of the people. The offer represents around a 28% premium to PayPal's closing share price on Tuesday. Under the proposal, Stripe and Advent would jointly own PayPal, with each holding an equal stake, rather than breaking up the company, the people said. There is no certainty the approach will result in a transaction, they added.

ANALYSIS

SpaceX's slide risks turning blockbuster IPO into confidence test

SpaceX's slip close to its initial public offering price risks turning a marquee stock-market debut into a confidence test, potentially unsettling retail investors and complicating decisions for other companies weighing high-profile listings.

ANALYSTS' RECOMMENDATION

• **Bank of America Corp**: KBW raises target price to $70 from $67, saying the confidence in the bank's story is increasing with a second consecutive quarter of meaningfully positive fundamental trends.

• **Citigroup Inc**: Jefferies cuts target price to $165 from $180, reflecting higher expense assumptions and lower ROTCE expectations.

• **Goldman Sachs Group Inc**: Jefferies raises target price to $1,299 from $1,202, saying the bank's record equities revenues, all-time-high prime balances, accelerating large-cap M&A and a five-year-high backlog provide strong support for continued earnings momentum.

• **HCA Healthcare Inc**: Jefferies cuts target price to $450 from $525 to reflect reduced earnings.

• **JPMorgan Chase & Co**: Jefferies raises target price to $350 from $340 after the bank delivered a solid quarter and raised its FY26 core NII guidance while also lifting its expense guidance on stronger revenue expectations

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

0830 **NY Fed Manufacturing** for July: Expected 8.80; Prior 5.70
0830 **PPI Machine Manufacturing** for June: Prior 197.4
0830 **PPI final demand YY** for June: Expected 6.2%; Prior 6.5%
0830 **PPI final demand MM** for June: Expected 0.0%; Prior 1.1%
0830 **PPI ex-food/energy YY** for June: Expected 5.2%; Prior 4.9%
0830 **PPI ex-food/energy MM** for June: Expected 0.4%; Prior 0.4%
0830 **PPI ex-food/energy/transport YY** for June: Prior 5.1%
0830 **PPI ex-food/energy/transport MM** for June: Prior 0.8%

COMPANIES REPORTING RESULTS

Cintas Corp: Expected Q4 earnings of $1.24 per share
J B Hunt Transport Services Inc: Expected Q2 earnings of $1.73 per share
Morgan Stanley: Expected Q2 earnings of $2.94 per share
United Airlines Holdings Inc: Expected Q2 earnings of $1.88 per share

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

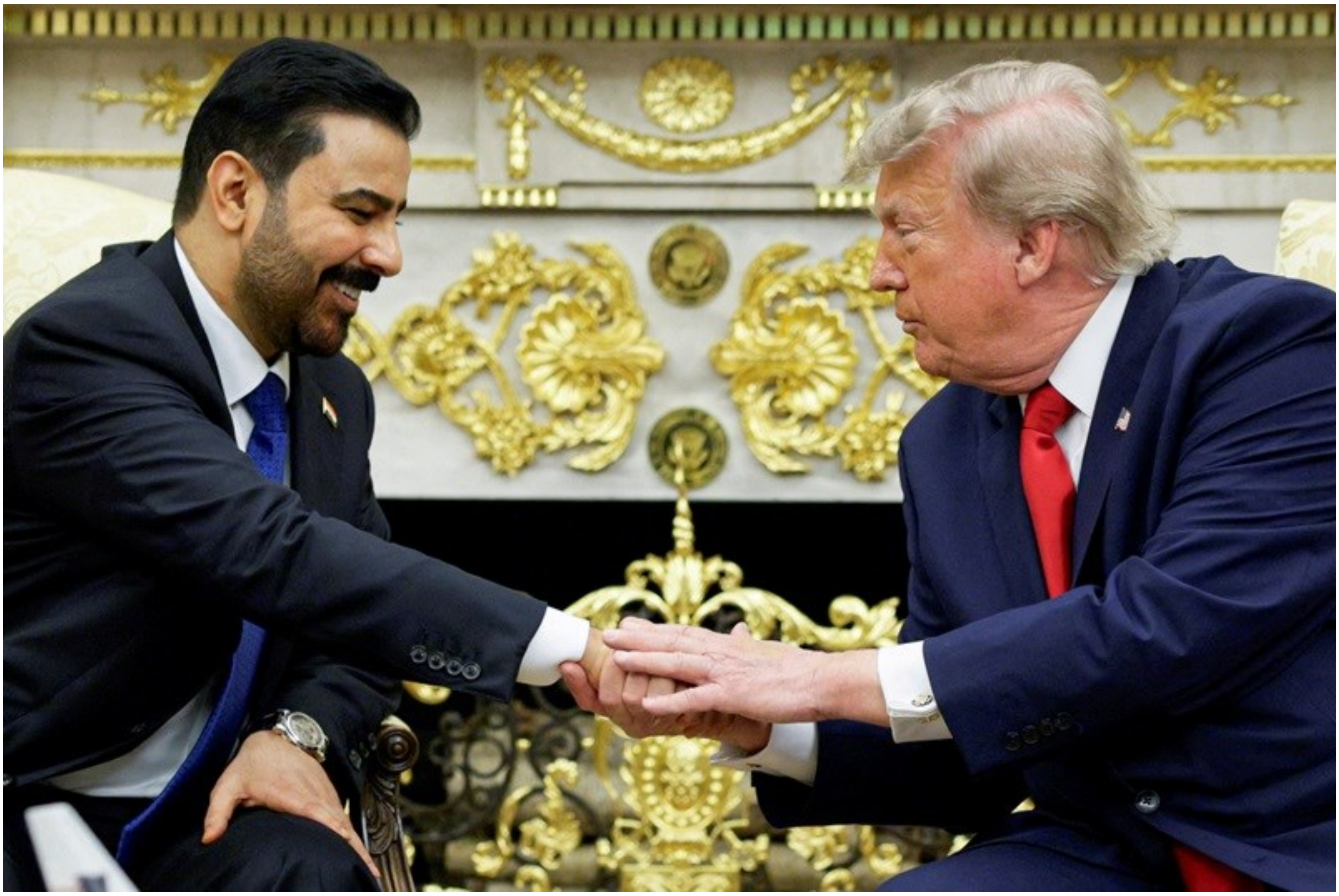
0800 **M&T Bank Corp**: Q2 earnings conference call
0830 **Elevance Health Inc**: Q2 earnings conference call
0830 **Morgan Stanley**: Q2 earnings conference call
0830 **Johnson & Johnson**: Q2 earnings conference call
1000 **PNC Financial Services Group Inc**: Q2 earnings conference call
1000 **Cintas Corp**: Q4 earnings conference call
1100 **Bank of New York Mellon Corp**: Q2 earnings conference call
1700 **J B Hunt Transport Services Inc**: Q2 earnings conference call

EX-DIVIDENDS

Abbott Laboratories: Amount $0.63
Abbvie Inc: Amount $1.73
EMCOR Group Inc: Amount $0.4
Freeport-McMoRan Inc: Amount $0.075
Mid-America Apartment Communities Inc: Amount $1.53

(All analysts' estimates are according to LSEG IBES data)

PICTURE OF THE DAY



U.S. President Donald Trump shakes hands with Iraqi Prime Minister Ali al-Zaidi as they participate in a bilateral meeting in the Oval Office at the White House in Washington, D.C., July 14. REUTERS/Evan Vucci

(Compiled by Ananya Roy and Benny Thomas in Bengaluru)

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