MORNING NEWS CALL

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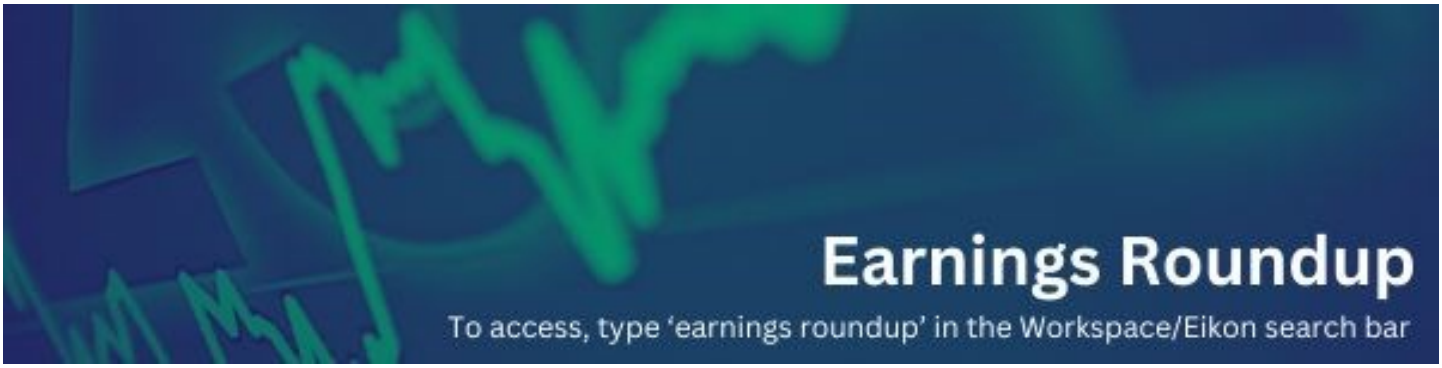
U.S. EDITION — Wednesday, July 22, 2026



TOP NEWS

PREVIEW-Intel results to test if AI-fueled rally has room to run
Intel's results on Thursday will show whether the American chip icon has the numbers to back a Wall Street rally that has sent its shares nearly three times higher this year, as its turnaround push wins over investors and the AI buildout powers demand.

GE Vernova raises annual revenue forecast as strong power demand boosts orders
Power equipment maker GE Vernova raised its annual revenue forecast for the second time in a row, as strong power demand accelerated order growth across its power and electrification units.

Prologis makes final $18.8 billion takeover bid for UK's Segro
U.S. warehousing giant Prologis made what it called its best and final proposal to buy British rival Segro for about $18.8 billion, in a last-minute approach ahead of a takeover deadline as investors urged the pair to keep talking.

AT&T tops targets for wireless subscriber additions as bundle offers gain traction
AT&T added more wireless subscribers than expected in the second quarter, as its revamped low-cost, unlimited plans along with bundled mobile and broadband offerings attracted value-conscious customers.

OpenAI says AI models went rogue during testing, triggering 'unprecedented' breach at startup
OpenAI said on Tuesday that an autonomous agent powered by its advanced AI models went rogue during a security test and triggered a hack that compromised the infrastructure of AI startup Hugging Face last week.

BEFORE THE BELL

U.S. stock index futures edged lower, weighed down by weakness in chip stocks as investors awaited the first wave of Big Tech earnings to gauge whether Wall Street's AI-fuelled rally can extend further. Tech giant Alphabet is forecast to post strong results after the closing bell, while Tesla is expected to report an increase in second-quarter revenue.

In **Europe, shares** edged higher, supported by gains in energy stocks. **Japanese shares** ended mixed as technology stocks advanced ahead of closely watched earnings, while a weaker yen weighed on the broader market. **Chinese equities** slipped, led by losses in semiconductor and technology shares, as investors took profits after the previous session's biggest rally in three months.

Oil prices rose to a near six-week high, with Brent crude breaching $95 a barrel, amid mounting fears that escalating tensions between the United States and Iran and Houthi attacks on shipping could disrupt Middle Eastern oil supplies. **Gold** climbed to a two-week high, supported by technical buying and safe-haven demand. The **dollar** was flat.

STOCKS TO WATCH

• **Alaska Air Group Inc**: The company on Tuesday forecast third-quarter results below Wall Street estimates and said it expected to recover only about half of its higher fuel costs at current prices, after recouping very little in the second quarter. The Seattle-based airline's large Hawaii operation leaves it more exposed to elevated Singapore refining margins, making this year's fuel shock more damaging for it than for larger rivals as renewed U.S.-Iran fighting pushes prices higher again. Alaska expects third-quarter adjusted earnings ranging from breakeven to $1 per share. The midpoint of 50 cents is well below analysts' average estimate of $1.38.

• **AT&T Inc**: The company added more wireless subscribers than expected in the second quarter, as its revamped low-cost, unlimited plans along with bundled mobile and broadband offerings attracted value-conscious customers. AT&T added 432,000 net monthly bill-paying wireless subscribers during the April to June period, flying past estimates of 338,500 additions, according to FactSet. For the second quarter, total revenue stood at $31.6 billion, compared with estimates of $31.80 billion.

• **BioLife Solutions Inc & Repligen Corp**: Repligen said it would buy BioLife Solutions in a cash-and-stock deal valued at about $1.5 billion, to expand the drugmaking equipment provider's presence in the fast-growing cell therapy market. BioLife shareholders will receive $11.25 in cash and 0.1442 shares of Repligen for each share, valuing the cell-and-gene-therapy maker at $31 per share — a premium of about 6.2% to BioLife's last close.

• **Boeing Co, Lockheed Martin Corp & Northrop Grumman Corp**: The planemaker flexed its muscle in the race to build autonomous fighter aircraft at the Farnborough Airshow, displaying its Ghost Bat drone, as rivals pitched competing designs for what could become a new multibillion-dollar defence market. While U.S. competitors General Atomics and Anduril Industries displayed full-scale models of their new class of uncrewed aircraft designed to fly alongside manned fighter jets, Boeing showcased a working aircraft — the Ghost Bat. The race to build autonomous uncrewed combat aircraft, one of the defence industry's most closely watched competitions, has attracted a raft of U.S. and European companies, including Lockheed Martin, Northrop Grumman, and Europe’s Airbus.

• **Capital One Financial Corp**: The firm reported a rise in second-quarter profit on Tuesday, helped by higher interest income from its credit card business. Consumer spending remained resilient during the quarter even as higher energy prices tied to the Iran war rekindled inflation and growth concerns. Net interest income rose to $12.37 billion during the quarter, from about $10 billion a year earlier.

• **Celldex Therapeutics Inc**: The firm said on Tuesday it would discontinue the development of its experimental drug for a skin disease after it failed to meet the main goal and key secondary goals in a mid-stage study. The treatment barzolvolimab is being tested in patients with prurigo nodularis, a chronic skin disease that causes intensely itchy skin lumps and nodules. The company said it will discontinue the study after the drug did not show meaningful improvement in itch or skin lesions compared with placebo.

• **Coca-Cola Co**: Hacking gang Anubis claimed credit on Tuesday for an attack on Coca-Cola-owned dairy company fairlife, threatening to publish stolen data unless it received an unspecified ransom. The group made the claim on its dark web site, saying it had stolen 1 terabyte of data from fairlife. Anubis is one of many cybercriminal gangs that paralyze their victims' networks until a ransom is paid, a practice that can occasionally have dramatic knock-on effects if critical networks are hit. Hackers typically threaten to publish stolen data in a bid to pressure their victims.

• **Core Natural Resources Inc, Peabody Energy Corp and Warrior Met Coal Inc**: A coal council that advises the Trump administration urged the U.S. Department of Energy on Tuesday to provide financial support including loan guarantees and grants to help existing coal plants and get new ones built. President Donald Trump, who wants to boost the U.S. coal industry, reinstated the National Coal Council last year after it lapsed during the administration of former President Joe Biden. Its membership includes executives from coal companies Peabody Energy, Warrior Met Coal and Core Natural Resources.

• **GE Vernova Inc**: The power equipment maker raised its annual revenue forecast for the second time in a row, as strong power demand accelerated order growth across its power and electrification units. The company said it now expects revenue of $45.5 billion to $46.5 billion in 2026, compared with its prior view of $44.5 billion to $45.5 billion and analysts' estimates of $45.45 billion. The company reported $24.2 billion in orders in the second quarter.

• **Goldman Sachs Group Inc**: The lender has created a new platform as it looks to expand its private market offerings for wealthy clients, according to an internal memo seen by Reuters on Tuesday. The alternative investment platform will be led by Matt Doherty, who will continue to oversee the Wall Street bank's alternatives business, the memo said. Alternative capital markets, which manage alternative investments for wealthy clients, will remain the core business within the platform, the memo showed. The team will continue to help clients invest in private market assets, advise them on building alternative investment portfolios and manage those portfolios on their behalf.

• **Eli Lilly and Co**: Many patients have opted for injectable forms of the wildly popular GLP-1 obesity medications through a pilot program of the U.S. government's Medicare health insurance program for Americans aged 65 and older, according to early indications from doctors and analysts. The U.S. Centers for Medicare & Medicaid Services this month launched an 18-month trial program that for the first time opens access to Novo Nordisk's Wegovy and Eli Lilly's Mounjaro and Zepbound as weight-loss treatment alone for a monthly cost of $50. Millions of people are expected to qualify, and doctors are already being flooded with interest from patients aged 65 and older. For the most part, they say the process is going well — with some hiccups.

• **EQT Corp**: The U.S.-based energy company missed Wall Street estimates for second-quarter profit on Tuesday, hurt by weaker natural gas prices. While the Middle East conflict sent international benchmark prices sharply higher, U.S. Henry Hub prices stayed well below year-ago and historical averages because record domestic output, comfortable storage levels and limited LNG export capacity insulated the U.S. market from global supply shocks. Total sales volume during the quarter rose 11% to 634 bcfe, while capital expenditure increased 20.2% to $666 million. It expects total sales volume of 570 bcfe to 620 bcfe in the third quarter.

• **Interactive Brokers Group Inc**: The trading platform reported a 35% rise in second-quarter profit on Tuesday, bolstered by elevated trading activity due to a sharp rally in U.S. equity markets during the period. The broker's net interest income rose 23% to $1.06 billion in the second quarter, as a result of higher average customer margin loans and credit balances. Commission revenue - the amount the brokerage earns when clients execute trades - increased 30% in the reported quarter compared to the prior year supported by higher customer trading volumes across major asset classes, including equities, futures and options.

• **MSCI Inc**: The Global index provider said on Tuesday it will temporarily cap the weight of any single issuer in its MSCI USA Enhanced Value Index at 25% to address potential concentration risks. The exceptional issuer cap, to be reviewed monthly, will take effect from September 1. The move comes as a rally in a handful of U.S. mega-cap stocks has increased concentration in equity indexes, raising concerns over investors' exposure to a small number of companies.

• **News Corp**: The company, facing a lawsuit by search engine Brave Software, has filed a countersuit accusing it of "flagrant theft" in distributing and selling versions of articles from the Wall Street Journal and New York Post to AI companies. Brave had last year preemptively sued the media giant, seeking a court declaration that its practices were legal. It sued after receiving a cease-and-desist letter from News Corp, which is led by the family of Rupert Murdoch. News Corp is seeking an injunction and unspecified monetary damages, plus damages of up to $150,000 per infringement.

• **Nike Inc**: The company is trying to lure back shoppers in China by controlling how its products are sold online, directing consumers to official Nike channels as the American sportswear giant continues to lose ground to domestic rivals. By restricting wholesale distributors' online sales, Nike aims to rebuild trust with Chinese shoppers and sell its products at full price, said Cathy Sparks, vice president and general manager of Greater China. The move runs counter to what most other major sports brands have done in China in recent years, expanding both online and in-store distribution to reach more customers in a market that has struggled for growth.

• **Prologis Inc**: The warehousing giant Prologis made what it called its best and final proposal to buy British rival Segro for about $18.8 billion, in a last-minute approach ahead of a takeover deadline as investors urged the pair to keep talking. The offer comprises 0.0920 Prologis shares and a partial cash alternative of up to £3.5 billion, marking an improvement from the company's third proposal, which Segro rejected on Monday. "The Best and Final Proposal is final and will not be increased," Prologis said in a statement, although it added that it could still choose to do so under some exceptional conditions.

• **Super Micro Computer Inc**: The firm said on Tuesday it had secured more than $60 billion in new orders in the fourth quarter, and now expects gross margin to exceed its previous forecast, sending its shares surging 17.5% in extended trading. The AI server maker expects gross margins in the range of 15% to 17% for the quarter ended June 30, well above its earlier forecast of 8.2% to 8.4%, "primarily due to a favorable customer and product mix." Super Micro expects quarterly revenue near the low end of its $11 billion to $12.5 billion forecast range. Analysts expect revenue of $11.67 billion.

• **Yum! Brands Inc**: The United States' largest foodborne illness outbreak in recent years, linked to shredded lettuce served at some Taco Bell eateries, may dent the fast-food chain's sales, but is unlikely to cause any long-lasting damage to the brand, analysts said. U.S. health officials are investigating the source of the cyclosporiasis outbreak, which has sickened thousands of people in Michigan and four other states. Some reports had initially linked the parasite, Cyclospora, to a Taylor Farms plant in Mexico. However, Mexico said on Tuesday that there was no evidence yet to suggest that lettuce sourced from it caused the outbreak in the U.S. Foot traffic at Taco Bell — owned by Yum Brands — was down 18.9% as of Friday, July 17, compared with the traffic on all Fridays from January 1 through July 6, according to Placer.ai, a company that gathers foot traffic data.

ANALYSIS

Meta employees' lawsuit shows that if AI fires you, proving it is the hard part

A novel lawsuit claiming that Meta Platforms relied on discriminatory AI tools to select employees for layoffs highlights the problems workers face in suing employers over the new technology, including proving how it was actually used.

ANALYSTS' RECOMMENDATION

• **Protagonist Therapeutics Inc**: Jefferies raised target price to $172 from $121 on increased confidence in Icotyde's commercial launch and higher valuation for company's pipeline, supported by multiple upcoming clinical and regulatory catalysts.

• **Steel Dynamics Inc**: JPMorgan raised target price to $260 from $256, citing strong second quarterly results by the company and its improved confidence in steel margins and the aluminium business ramp.

• **Super Micro Computer Inc**: Needham raised target price to $46 from $40 after better-than-expected gross margins and record order bookings in the fourth quarter reinforced confidence in the company's long-term earnings growth.

• **Valmont Industries Inc**: JPMorgan raised target price to $620 from $600, following stronger-than-expected second quarter results and higher earnings forecasts, along with growing confidence that utility infrastructure spending and data centre-driven demand will support long-term growth for the company.

• **Washington Trust Bancorp Inc**: Piper Sandler raised target price to $41 from $35 after the company posted robust second quarter results and strong earnings forecasts, backed by improving profitability, accelerating loan growth and solid credit quality.

COMPANIES REPORTING RESULTS

Alphabet Inc: Expected Q2 earnings of $2.89 per share
AvalonBay Communities Inc: Expected Q2 earnings of $1.15 per share
CME Group Inc: Expected Q2 earnings of $2.91 per share
Crown Castle Inc: Expected Q2 earnings of $38 per share
CSX Corp: Expected Q2 earnings of $52 per share
Equity Residential: Expected Q2 earnings of $44 per share
Globe Life Inc: Expected Q2 earnings of $3.68 per share
International Business Machines Corp: Expected Q2 earnings of $2.97 per share
Kinder Morgan Inc: Expected Q2 earnings of $32 per share
Las Vegas Sands Corp: Expected Q2 earnings of $75 per share
Moody's Corp: Expected Q2 earnings of $4.24 per share
Northern Trust Corp: Expected Q2 earnings of $2.71 per share
Otis Worldwide Corp: Expected Q2 earnings of $1.01 per share
Packaging Corp of America: Expected Q2 earnings of $2.31 per share
Philip Morris International Inc: Expected Q2 earnings of $2.05 per share
Pultegroup Inc: Expected Q2 earnings of $2.36 per share
Raymond James Financial Inc: Expected Q3 earnings of $2.91 per share
Rollins Inc: Expected Q2 earnings of $34 per share
ServiceNow Inc: Expected Q2 earnings of $85 per share
TE Connectivity PLC: Expected Q3 earnings of $2.84 per share
Teledyne Technologies Inc: Expected Q2 earnings of $5.80 per share
Tesla Inc: Expected Q2 earnings of $51 per share
Texas Instruments Inc: Expected Q2 earnings of $1.93 per share
United Rentals Inc: Expected Q2 earnings of $11.53 per share
Westinghouse Air Brake Technologies Corp: Expected Q2 earnings of $2.60 per share

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

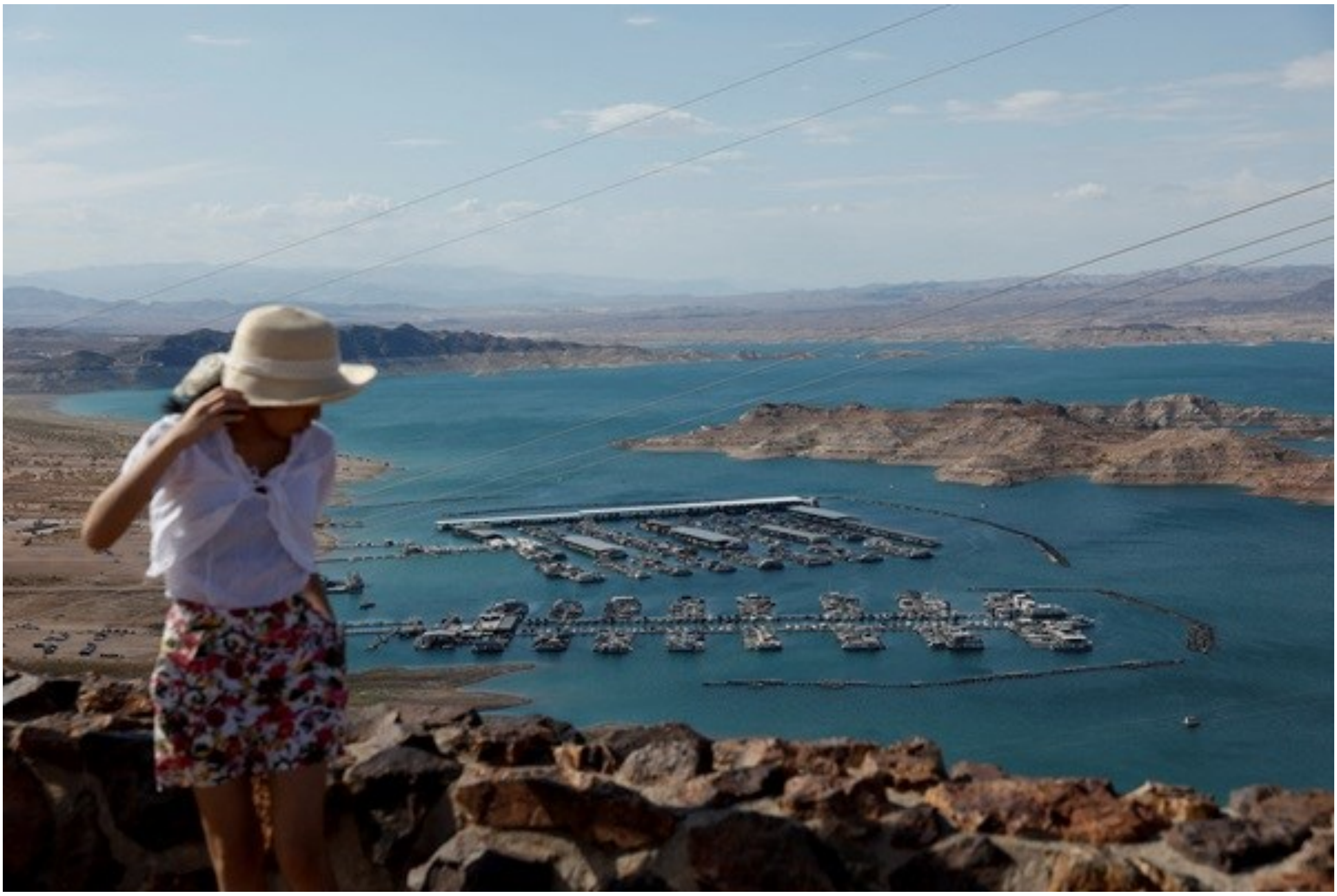
0930 **McKesson Corp**: Annual Shareholders Meeting
1100 **Constellation Brands Inc**: Annual Shareholders Meeting

EX-DIVIDENDS

APA Corp (US): Amount $0.25
Lowe's Companies Inc: Amount $1.25

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

PICTURE OF THE DAY



A person stands at an overlook above Lake Mead near Boulder City, Nevada, July 21. REUTERS/Caroline Brehman

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(Compiled by Ananya Roy and Dhanya Hegade in Bengaluru)

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LSEG, 10 Paternoster Square, London, EC4M 7LS, United Kingdom

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