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Bloomberg

Good afternoon. Here's what you need to know to end your day.

- The Fed came through with a cut, but that might be it for a while.
- Facebook and Apple exceeded earnings expectations.
- A jug of wine, a loaf of bread—and manga.

**The Fed slashed interest rates** for the third time this year, but signaled policy may stay on hold for the time being. The FOMC dropped its pledge to "act as appropriate to sustain the expansion," while adding a promise to monitor data as officials assess their next move. Two members voted against the 25 basis point cut, preferring no change. Traders trimmed bets of more easing this year.

- **"Monetary policy** is in a good place," Fed Chairman Jerome Powell told a news conference following the decision. "We see the current stance of policy as likely to remain appropriate as long as incoming information about the economy remains broadly consistent with our outlook."
- **Meanwhile, the Treasury** expressed continued interest in issuing a 50-year bond, for the first time, as part of efforts to expand its investor base as the budget deficit widens to \$1 trillion. The department said it's also weighing a 20-year bond and an inaugural floating-rate note with a one-year maturity linked to SOFR.
- **America's GDP increased** at a 1.9% annualized rate in the third quarter, topping expectations for 1.6% growth as resilient consumers helped the economy expand. Still, that's down from 2% in the second quarter and is the lowest since the end of 2018.



**Facebook's sales rose** a better-than-projected 29%, weathering a period rife with regulatory challenges and criticism by boosting ad revenue and

adding about 35 million new users. It also said Susan Desmond-Hellmann, its lead independent director, is stepping down from the board. Earlier, the company agreed to pay 500,000 pounds (\$644,000) to end a U.K. privacy probe in the wake of the Cambridge Analytica scandal.

- **Apple's projection** for holiday revenue beat estimates, signaling solid demand for the latest iPhones, new services like Apple TV+ and wearables. "We're very optimistic about what the holiday quarter has in store," CEO Tim Cook said. Fourth-quarter earnings and sales also topped expectations.
- **Starbucks jumped in late trading** after posting strong sales gains in China and the U.S. The coffee chain forecast comparable sales will be up between 3% and 4% globally and announced it would boost its dividend.
- **But pizza and beer** may be losing their charm. Yum! Brands slid on third-quarter sales that trailed estimates as the company's Pizza Hut chain struggled. And Molson Coors posted disappointing numbers and disclosed plans to cut as many as 500 jobs and close an office in Denver, where it moved in just a few years ago.
- **General Electric rose nearly 12%** after boosting its 2019 cash-flow forecast for the second straight quarter. The industrial businesses will generate as much as \$2 billion in free cash this year, GE said after previously forecasting no more than \$1 billion. Third-quarter adjusted earnings of 15 cents a share also beat expectations.

## What Else is Happening

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**Twitter will ban political advertising** from its platform, effective Nov. 22, CEO Jack Dorsey said in a tweet. The company plans to publish a new political ads policy outlining the change in a few weeks. The move comes as rival Facebook faces pressure from its employees to stop letting politicians lie in ads.

**Kamala Harris is hemorrhaging cash.** As the 2020 presidential candidate drops in the polls, she plans to cut staff in her Baltimore headquarters and slash pay for advisers in an effort to keep her campaign afloat. Campaign manager Juan Rodriguez outlined the restructuring in a memo, citing an "incredibly competitive resources environment" and a need to reduce spending to maximize prospects in Iowa.

**Chile canceled next month's APEC summit** in Santiago where Donald Trump and Xi Jinping were expected to sign a preliminary trade deal. President Sebastian Pinera also called off the COP25 climate change conference set for December, highlighting his government's trouble after almost two weeks of deadly protests. The announcement seemed to catch the White House off guard, though a spokesman said Trump still plans to sign a partial trade deal with Xi at about the same time in November.

**At least 10 large wildfires** are burning across California, including one that erupted Wednesday morning in Ventura County that's threatening the Ronald Reagan Presidential Library. About 365,000 PG&E customers remained without electricity from the company's last two blackouts through the late morning. The state now faces "a heightened credit challenge" as the frequency of wildfires increases and the traditional fire season lengthens, according to Moody's. The good news is that winds are expected to ebb this weekend.



*Smoke rises behind the Marine One on display at the Ronald Reagan Presidential Library. Photographer: Patrick T. Fallon/Bloomberg*

## **Opinion**

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**The Fed needs to do more** than just head off a recession, Karl Smith writes for Bloomberg Opinion. Part of its mandate is to ensure that as many Americans as possible have jobs. There's little sign of full employment, and market-based measures of inflation expectations are falling. It should continue cutting rates to ensure inflation rises above 2%, and stays there for two or three quarters.

**The NCAA probably hopes** to draw the line at allowing college athletes to earn money on their name, image and likeness, Bloomberg Opinion's Joe Nocera writes. But it's more likely that this marks the beginning, not the end, of payments for players. Once some athletes begin to reap endorsement money, players without endorsement deals are going to want some form of compensation.

## **Businessweek Today**

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**Three decades ago, drones** were available to only the most technologically developed state military organizations. Today they're

everywhere, being used by weaker states, small military forces and many non-state actors. Because armies no longer have the monopoly, others can now impose their will on the global stage, said Raphael Marcus from the department of war studies at King's College London. And it's already leading to greater instability, as demonstrated by the attack on the Saudi Abqaiq oil processing facility.

**Life on Africa's Zambezi River is hard.** The climate crisis is making it deadly. Take Victoria Falls, known locally as Mosi oa Tunya—or "The Smoke That Thunders." The world's biggest sheet of falling water is 1.2 miles wide and drops 328 feet into a chasm. At the peak of its flow, it churns up a mist that can be seen 30 miles away. But this year, with the water at its lowest level in more than two decades, there's little smoke and no thunder. That's just one effect on impoverished African coastal or riverine communities.



## **What Everybody's Talking About**

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**Trump plans to take a break** from the impeachment fight in Washington to watch another brawl in New York City. The president is tentatively set to attend a mixed martial arts bout on Saturday night at Madison Square Garden, according to people familiar. The event, which comes just days after Trump was booed while attending the World Series, will be headlined by a contest between welterweights Jorge Masvidal and Nate Diaz.

**Jeffrey Epstein's autopsy** is more consistent with strangulation than suicide, a forensic pathologist hired by the disgraced financier's brother told Fox & Friends. "The evidence points toward homicide rather than suicide," said Dr. Michael Baden, a former New York City medical examiner. He pointed to fractures in the hyoid bone that are "very unusual for suicide." The findings were disputed by the city's chief medical examiner, who reiterated that Epstein hanged himself.

## **By the Way**

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**Pop the corks:** The *Drops of God* manga series has finally been translated into English. The tale of two half-brothers who compete to inherit their father's vast wine collection by identifying 13 rare wines from his notes has already sold hundreds of millions of copies in Japan, South

Korea, and Taiwan. Amazon's ComiXology Originals and partner Kodansha have just released the first 11 of 44 volumes. The rest will arrive next year along with an online wine club.



Source: *Drops of God Wine Salon*

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