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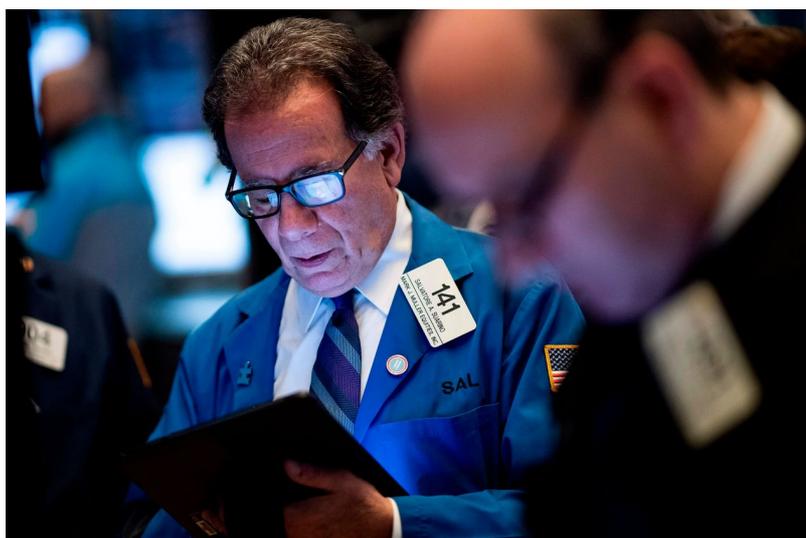
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U.S. MARKETS

U.S. Stock Futures Edge Up as Investors Look to Company Earnings

Morgan Stanley climbs in premarket trading after fourth-quarter profit tops investors' expectations



Traders work on the floor at the New York Stock Exchange. PHOTO: JOHANNES EISELE/AGENCE FRANCE-PRESSE/GETTY IMAGES

By *Caitlin Ostroff*

Updated Jan. 16, 2020 7:53 am ET

U.S. stock futures ticked higher Thursday, heading for a record open, as investors shifted focus to corporate earnings for cues on the health of the economy after an initial U.S.-China trade deal was sealed.

Futures tied to the Dow Jones Industrial Average edged up 0.3%, a day after the gauge finished above 29000 for the first time. The pan-continental Stoxx Europe 600 index was mostly flat, while China's Shanghai Composite Index ended the day down 0.5%.

The first week of the U.S. corporate earnings season continued with Morgan Stanley and PPG Industries [PPG 0.62%▲](#) reporting results. Shares of Morgan Stanley rose 1.9% in premarket trading after the investment bank's fourth-quarter profit and revenue beat expectations. Paint maker PPG Industries fell 4.8% after it warned of uncertain conditions for 2020 and missed expectations.

Following the signing of the phase-one trade deal, investors will be looking for a recovery in corporate earnings recover in future quarters, said Christopher Iggo, chief investment officer for core investments at AXA Investment Management.

“We’re trading at quite rich valuations,” Mr. Iggo said. “You need those earnings to come through to justify the current valuations.”

Investors are also angling their expectations for interest rates to remain low globally, and potentially come down further in some markets, according to Peter Garnry, head of equity strategy at Saxo Bank.

“A large part of the equity market right now has their weight in growth stocks” such as technology, Mr. Garney said. “The more interest rates go down, the more these stocks will go up.”

Among European equities, Pearson fell over 6% in London trading. The education company reported that operating profit for this year is expected to remain near the bottom of the guidance, according to Nicholas Hyett, an equity analyst at Hargreaves Lansdown.

The U.S. Commerce Department will also provide fresh figures indicating how retailers fared during the holiday shopping season with December sales numbers. Monthly retail-sales data can be volatile, but the broader trend suggests momentum is slowing.

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