

Financial Daily Dose 7.11.2019 | Top Story: Fed Chair Primes Markets for July Rate Cut

The big takeaway from Day 1 of Fed Chair Powell's Congressional testimony is that a July rate cut is still definitely on the table, despite last week's strong US jobs numbers. As the Times puts it, "That the Fed is considering a rate cut a moment when the United States economy is strong and job market gains are solid underscores Mr. Powell and his colleagues' concerns about the future of a record economic expansion" – NYTimes and WSJ and Bloomberg

Powell's testimony helped send stocks northward, with the S&P briefly crossing the 3,000 mark for the first time – NYTimes and WSJ and Bloomberg

And the Fed's June meeting minutes added more support to Powell's take – NYTimes and WSJ

The DOJ revealed this week that it's opened a probe into Deutsche Bank's possible role in violating foreign corruption or AML laws in the work it did for the 1MDB fund. The 1MDB scandal, involving the loss of more than \$4.5 billion from the Malaysian fund, has already led to the downfall of former Malaysian PM Najib Razak and has meant huge headaches for Goldman Sachs – WSJ and Bloomberg and NYTimes

And because when it pours it's a deluge, right? Here's the inside scoop on Deutsche Bank/Jeffrey Epstein ties for you, too – Bloomberg

In what threatens to be an early salvo in yet another front of the global trade war, the White House announced on Wednesday that it will "investigate whether a French plan to impose a tax on big American technology companies amounts to an unfair trade practice that could be punished with retaliatory tariffs." Any guesses how that inquiry's going to shake out? – NYTimes and WSJ and Bloomberg

As we discussed yesterday, the US has opened the door to some Huawei dealings for American companies as a way of opening the door to trade talks with China. China's purported equivalent move was supposed to be the purchase of American farm products. "Purported," of course, because China "has denied making any explicit commitment to buy American farm products during" the June discussions between the White House and President Xi. So about that door opening . . . – NYTimes

The SEC has cleared a path for the first Reg A+ digital coin offering, approving Blockstack's sale of bitcoin-like tokens to the public as early as today and potentially offering a "new fundraising template" for young cryptocurrency businesses – WSJ and Law360

Meanwhile, lost a bit in the rate-cut news yesterday, Fed Chair Powell expressed concern about a range of "serious questions" thus-far unanswered about Facebook's Libra crypto plans – Law360 and NYTimes

US officials have accused San Diego-based investment fund owner Donald Blakstad of masterminding an insider-trading ring that made "more than \$6 million from illegal tips about Illumina Inc." – Bloomberg and Law360

Dust off those passports. Unesco has added 29 new sites (from ancient to quite modern) to its World Heritage List. Better get cracking – NYTimes

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