



Basis Points – October 8, 2019

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Above the Fold

Hong Kong Unrest Continues

Chaos continues more than a month after the government withdrew the bill that sparked the Anti-Extradition Law Amendment Bill Movement. Protests continue to wreak havoc on the Asian megatropolis, stifling businesses and grinding the bustling transit system to a halt as stations were lit aflame or flooded. The demonstrations continue to grow more violent and police are being forced to use increasingly tough tactics to stem the chaos. Over the weekend, tens of thousands of protestors defied an emergency law banning masks at public gatherings. The violence is the worst seen in the country in 50 years and the deployment of China's People's Armed Police is the next step if local law enforcement cannot contain the unrest. Many fear that escalation is coming and a bloody outcome is probable.

Investors will also look to the east (and west) for progress in high-level tariff negotiation between the U.S. and China set for October 10-11. Expectations are tempered as Chinese officials are expressing reluctance to construct a broad agreement.

Three Things

1. *No Libra for PayPal* – PayPal became the first major partner to pull out of Facebook's new cryptocurrency-based payments network. Ironically, Libra is the brainchild of former PayPal president David Marcus. Facebook likely isn't too worried as Libra still has roughly 1,500 supporting entities interested in the new venture.
2. *Parts in Short Supply at General Motors* – United Automobile Workers (UAW) employees entered their fourth week on strike the longest since 1970 with no end

employees entered their fourth week on strike, the longest since 1978, with no end in sight. Nervous customers are rushing to dealers to complete service work and order parts before supplies dwindle. Even some basic part necessities like oil and air filters are getting hard to source, and the situation has been made worse by increased demand.

3. *Is Microsoft Feeling Phone-y?* – After discontinuing its Windows phone some years ago, the Seattle-based software giant announced its new Surface Duo Phone set for release ahead of the 2020 holiday season (yes, you'll have to wait a year before release). The Surface Duo will be Android-powered and boast two side-by-side 5.6 inch displays, similar to its Neo tablet.

Did You Know?

TSA Tips

After fighting to get through often long and sometimes arduous security checkpoints at airports across the nation, the last thing most of us think about is a tip for the TSA staff who typically offer a no-frills, mechanical experience — but that's exactly what many travelers do, albeit inadvertently.

In 2018, U.S. travelers left nearly \$1 million in loose change at airports across the nation, up from \$867,812 in 2016. All that found money is deposited into a special fund for the agency and helps pay for various TSA upgrade costs. Travelers left the most money at John F. Kennedy International, Los Angeles International and Miami International with \$73,393, \$71,749 and \$50,505, respectively, abandoned in the ambiguous gray bins that pass through the X-ray machines.

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