

# MORNING NEWS CALL

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Canada Edition

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## TOP NEWS

### • Ceasefire talks begin four days after Russian invasion of Ukraine

Talks between Russian and Ukrainian officials began on the Belarusian border, Moscow said, as Russia's diplomatic and economic isolation deepens four days after invading Ukraine, the biggest assault on a European state since World War Two.

### • TD to buy U.S. bank First Horizon in \$13 billion deal

TD Bank Group will buy First Horizon in an all-cash deal valued at \$13.4 billion, the companies said, to expand its footprint in the United States.

### • Western firms head for the exit in Russia as sanctions tighten

Energy giant BP, global bank HSBC and the world's biggest aircraft leasing firm AerCap joined a growing list of Western firms looking to exit Russia, as Western sanctions tightened the screws on Moscow over its invasion of Ukraine.

### • Major Canadian cable operators block Russian state-owned broadcaster RT

Rogers Communications and BCE's Bell on Sunday said they would drop Russian state-owned broadcaster RT from their channel line-up in response to Russia's invasion of Ukraine.

### • Trans Mountain can proceed with work on key pipeline terminals - regulator

The Canada Energy Regulator said Trans Mountain does not need certain authorizations to proceed with work on two key terminals that are part of its delayed pipeline expansion project.

## BEFORE THE BELL

**Futures for Canada's main stock index** and **Wall Street's major indexes** slumped along with **European shares**, while **oil** prices jumped, after Western nations imposed tough new sanctions on Russia for its invasion of Ukraine. Meanwhile, **Chinese A-shares** closed higher, boosted by gains in raw materials and energy firms; and **Japanese shares** reversed course to end higher. In currencies, the Russia's **rouble** plunged, the **euro** slid versus the **U.S. dollar**, and the safe-haven **Swiss franc** and **Japanese Yen** were in demand. **Palladium** prices climbed, while **gold** firmed on strong safe-haven demand.

## STOCKS TO WATCH

### *Deals of the Day*

• **First Horizon Corp & Toronto-Dominion Bank:** TD Bank Group will buy First Horizon in an all-cash deal valued at \$13.4 billion, the companies said, to expand its footprint in the United States. Toronto Dominion's offer of \$25 per share represents a premium of nearly 37% to First Horizon's last close. TD said it expects to incur total merger

and integration costs of \$1.3 billion primarily in the first two years following close. After the deal closes, expected towards in the first quarter of TD's 2023 fiscal year, Bryan Jordan, president and chief executive officer of First Horizon, will join TD as vice chair, TD Bank Group.

### **In Other News**

• **BCE Inc, Rogers Communications Inc, Shaw Communications Inc & TELUS Corp:** Major Canadian cable operators have said they would drop Russian state-owned broadcaster RT from their channel line-up in response to Russia's invasion of Ukraine. Rogers Communications and BCE's Bell said on Sunday that RT would no longer be available on their systems. TELUS also tweeted that Telus Optik TV was joining the move. Shaw Communications removed RT effective from Monday, saying users who subscribed to RT as a pick and pay service would receive a credit in the next billing cycle. Alphabet's Google on Saturday barred RT and other channels from receiving money for ads on their websites, apps and YouTube videos, similar to a move by Facebook owner Meta Platforms, after Russia's invasion of Ukraine.

• **Brookfield Business Partners LP:** The company and its partners have agreed to buy a 60% stake in Magnati, the payments business of First Abu Dhabi Bank, valuing the business up to \$1.15 billion. FAB will retain a 40% stake in Magnati after the transaction is completed and will continue its partnership through its long-term relationship agreement, it said. Proceeds from the sale will be used to support FAB's growth and transformation plans, it said.

### **COLUMN**

#### **BP abandoning Russia shows disruption to commodities will be profound: Russell**

BP's decision to abandon its stake in oil giant Rosneft is the first high-profile example of the self-sanctioning by companies of their business links to Russia, a process likely to have major short- and long-term implications for energy markets.

### **ANALYSTS' RECOMMENDATION**

• **Advantage Energy Ltd:** TD Securities raises target price to C\$10.5 from C\$10, after the company reported fourth-quarter results that were in line with estimates, while noting that its shares had been underperforming against its peers.

• **George Weston Ltd:** RBC raises target price to C\$165 from C\$162, following the sale of the company's Weston Foods unit which will encourage management to restore profitability and leverage the balance sheet.

• **Pembina Pipeline Corp:** CIBC raises target price to C\$45 from C\$44, as the company reported fourth-quarter results that beat analysts' expectations, while investors also await the reactivation of previously deferred growth projects.

• **Transalta Renewables Inc:** CIBC cuts target price to C\$19 from C\$19.5, after the company's results capped a strong year while forecasts for 2022 remain solid given better momentum in Alberta and solid growth outlook.

### **ECONOMIC EVENTS (All timings in U.S. Eastern Time)**

0830 (approx.) **Current Account** for Q4: Prior C\$1.37 bln

0830 (approx.) **Producer prices mm** for Jan: Prior 0.7%

0830 (approx.) **Producer prices yy** for Jan: Prior 16.1%

0830 (approx.) **Raw materials prices mm** for Jan: Prior -2.9%

0830 (approx.) **Raw materials prices yy** for Jan: Prior 29.0%

### **COMPANIES REPORTING RESULTS**

#### **February 28:**

**Africa Oil Corp:** Expected Q4 earnings of 7 cents per share

**Algoma Central Corp:** Expected Q4 earnings of 62 Canadian cents per share

**Aurinia Pharmaceuticals Inc:** Expected Q4 loss of 27 cents per share

**Spin Master Corp:** Expected Q4 earnings of 22 cents per share

**Valens Company Inc:** Expected Q4 loss of 12 Canadian cents per share

**Valeo Pharma Inc:** Expected Q4 loss of 7 Canadian cents per share

**March 1:****Aecon Group Inc:** Expected Q4 earnings of 47 Canadian cents per share**Bank of Montreal:** Expected Q1 earnings of C\$3.28 per share**Bank of Nova Scotia:** Expected Q1 earnings of C\$2.05 per share**Canfor Corp:** Expected Q4 earnings of C\$1.45 per share**Canfor Pulp Products Inc:** Expected Q4 loss of 27 Canadian cents per share**Cronos Group Inc:** Expected Q4 loss of 12 cents per share**ECN Capital Corp:** Expected Q4 earnings of 4 cents per share**Element Fleet Management Corp:** Expected Q4 earnings of 19 Canadian cents per share**First National Financial Corp:** Expected Q4 earnings of 82 Canadian cents per share**Green Thumb Industries Inc:** Expected Q4 earnings of 7 cents per share**Kinaxis Inc:** Expected Q4 earnings of 17 cents per share**Lowell Farms Inc:** Expected Q4 loss of 3 cents per share**Neoleukin Therapeutics Inc:** Expected Q4 loss of 30 cents per share**Parex Resources Inc:** Expected Q4 earnings of 94 cents per share**Village Farms International Inc:** Expected Q4 earnings of 1 cent per share**Xenon Pharmaceuticals Inc:** Expected Q4 loss of 37 cents per share**CORPORATE EVENTS (All timings in U.S. Eastern Time)**0930 **Colabor Group Inc:** Q4 earnings conference call1000 **Vision Lithium Inc:** Annual Shareholders Meeting1300 **Capstone Mining Corp:** Shareholders Meeting1300 **Platinum Group Metals Ltd:** Annual Shareholders Meeting1400 **Numinus Wellness Inc:** Annual Shareholders Meeting1400 **Allegiant Gold Ltd:** Annual Shareholders Meeting1400 **Amerigo Resources Ltd:** Q4 earnings conference call**EX-DIVIDENDS****Dye & Durham Ltd:** Amount C\$0.01**TransAlta Corp:** Amount C\$0.05*(All analysts' estimates are according to I/B/E/S Refinitiv data.)*

## PICTURE OF THE DAY



*The American Falls and Bridal Veil Falls are lit in the colours of the Ukrainian flag, following the Russian invasion in Ukraine, as seen from Niagara Falls, Ontario, Canada, February 27. REUTERS/Nick Iwanyshyn*

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(Compiled by Haneyl Jacob and Sourav Bose in Bengaluru)

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