

MORNING NEWS CALL

Powered by Reuters

Canada Edition

Friday, April 22, 2022



Earnings Roundup

To access, type 'earnings roundup' in the Refinitiv Eikon search bar

TOP NEWS

- **Bank of Canada not ruling out larger rate increases to fight inflation**

The Bank of Canada could consider a larger rate increase than the half-point move it made last week, as the central bank grapples with reining in inflation which is at a 31-year high, Governor Tiff Macklem said on Thursday.

- **Schlumberger reports higher profit as drilling activity increases**

Schlumberger reported a higher first-quarter profit, as rising oil prices boosted the demand for oilfield services and equipment needed to drill and raise production.

- **WHO backs Pfizer's oral COVID therapy for high-risk patients**

The World Health Organization (WHO) on Thursday endorsed the use of Pfizer's oral COVID-19 antiviral treatment in high-risk patients after an analysis of trial data by the U.N. agency showed the therapy dramatically cut the risk of hospitalisation.

- **ANALYSIS-Some investors tiptoe back into Treasuries, as hawkish Fed clouds outlook**

Expectations that a hawkish Federal Reserve will cause an economic slowdown are pushing some investors to increase exposure to long-term Treasuries, as policymakers continue signaling they are ready to ramp up their fight against inflation.

- **AmEx profit tops estimates on strong travel, entertainment spending**

American Express beat Wall Street estimates for first-quarter profit, driven by strong spending from its card holders globally as consumer appetite for travel and entertainment reached pre-pandemic levels.

BEFORE THE BELL

Futures for **Canada's main stock index** inched lower with the benchmark index headed for its fourth consecutive weekly loss, weighed down by weakness in **crude** and **bullion** prices. **Futures for Wall Street's major indexes** fell as investors fretted about rate hikes in the United States and the euro zone. **European shares** were lower, while software giant SAP and luxury goods company Kering dragged tech and retail stocks respectively to the biggest declines, after glum first-quarter results. **Japanese shares** closed lower for the first time in four sessions. The **euro** edged lower after European Central Bank officials made mixed comments, while expectations of a 50 basis points (bps) rate hike from the Federal Reserve supported the **U.S. dollar**. Canada's retail sales and producer prices data are due later in the day.

ANALYSIS**Musk tears up buyout playbook with \$46.5 billion Twitter financing**

It is the biggest acquisition financing ever put forward for one person. Elon Musk is doing it his way. More than two-thirds of the \$46.5 billion financing package that Musk unveiled on Thursday in support of his bid for Twitter would come from his assets, with the remainder coming from bank loans secured against the social media platform's assets.

ANALYSTS' RECOMMENDATION

- **Cogeco Inc:** CIBC raises rating to outperformer from neutral, saying that the shares are attractively valued.
- **Flowr Corp:** Atb Capital Markets cuts target price to C\$0.08 from C\$0.10, citing no international sales from the third-quarter onwards and reduced net sales in Canada.
- **Metro Inc:** CIBC raises target price to C\$73 from C\$68, following a solid Q2 results that were modestly ahead of forecasts.
- **Shaw Communications Inc:** CIBC revises rating to tender from outperformer, citing the acquisition price offered by Rogers Communications, and supported by Shaw's board of directors.

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

0830 (approx.) **Producer prices mm** for March: Prior 3.1%

0830 (approx.) **Producer prices yy** for March: Prior 16.4%

0830 (approx.) **Raw materials prices mm** for March: Prior 6.0%

0830 (approx.) **Raw materials prices yy** for March: Prior 29.8%

0830 (approx.) **Retail sales mm** for February: Expected -0.4%; Prior 3.2%

0830 (approx.) **Retail sales ex-autos mm** for February: Expected 0%; Prior 2.5%

COMPANIES REPORTING RESULTS***April 22 & April 25:***

No major companies are scheduled to report.

CORPORATE EVENTS

No major events are scheduled for the day.

EX-DIVIDENDS

Keyera Corp: Amount C\$0.16

Pembina Pipeline Corp: Amount C\$0.21

Royal Bank of Canada: Amount C\$1.20

(All analysts' estimates are according to I/B/E/S Refinitiv data)

PICTURE OF THE DAY



A man walks downstairs outside a residential building damaged during Ukraine-Russia conflict in the southern port city of Mariupol, Ukraine, April 21. REUTERS/Alexander Ermochenko

The Financial and Risk business of Thomson Reuters is now Refinitiv.

(Compiled by Kumar Satyam and Priyanka Das in Bengaluru)

To subscribe for The Morning Newscall newsletter [click here](#)

For questions or comments about this report, contact:
morning.newscall@thomsonreuters.com

To launch a Co-branded Morning News Call from your firm, contact:
morning.newscall@thomsonreuters.com

© 2022 Refinitiv. All rights reserved.

Refinitiv
3 Times Square, New York, NY 10036

Please visit: [Refinitiv](#) for more information.

[Privacy statement](#)