

MORNING NEWS CALL

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Canada Edition

Monday, May 8, 2023



Earnings Roundup

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TOP NEWS

- **Biden, McCarthy aim to break US debt-ceiling standoff as default crisis looms**

President Joe Biden and top Republicans and Democrats from Congress are set to sit down this week to try to resolve a three-month standoff over the \$31.4 trillion U.S. debt ceiling and avoid a crippling default before the end of May.

- **AltaGas appoints Enbridge CFO as new top boss**

AltaGas named Enbridge's Vern Yu as the company's next president and CEO, effective July 1, 2023.

- **U.S. regional banks' shares climb after tumultuous week**

Shares of U.S. regional banks gained sharply in premarket trading on Monday, as investors tiptoe back into the sector after the failure of First Republic Bank last week triggered another round of widespread sell-off.

- **Tyson Foods cuts 2023 sales forecast as demand slows**

Tyson Foods trimmed its full-year revenue forecast, in a sign that price hikes and stubbornly high inflation are discouraging consumers from spending on its products.

- **KKR posts 26% drop in Q1 earnings, beating expectations**

KKR said its after-tax distributable earnings fell 26% year-on-year in the first quarter due to a sharp drop in asset sales from its private equity portfolio and lower transaction fees.

BEFORE THE BELL

Futures for Canada's resources-heavy main stock index rose, tracking strength in crude prices. **U.S. stock index futures** edged higher ahead of key inflation data expected in the week that would offer more cues on the Federal Reserve's monetary policy path. **European shares** rose, with energy and bank stocks leading the way. In Asian equities, **Japanese shares** ended lower as investors sold stocks as the **yen** strengthened against the dollar and concerns over the U.S. banking sector persisted. **Gold** prices ticked up as the **U.S. dollar** eased.

STOCKS TO WATCH

AltaGas Ltd & Enbridge Inc: AltaGas named Enbridge's Vern Yu as the company's next president and CEO, effective July 1, 2023. Yu will succeed Randy Crawford, who has been AltaGas CEO since 2018. Yu is joining AltaGas after a three-decade stint with pipeline operator Enbridge, where he most recently served as executive vice president of corporate development, chief financial officer and as president of its New Energy Technologies segment.

PREVIEW**U.S. electric-vehicle startups set for another quarter of steep cash burn**

U.S. electric-vehicle startups are expected to report another quarter of dwindling cash reserves next week, piling pressure on a group of companies that are struggling to ramp up production and have few options for funding in a turbulent economy.

ANALYSTS' RECOMMENDATION

- **Altus Group Ltd:** Scotiabank cuts target price to C\$59 from C\$69, after the company reported weaker-than-expected first-quarter results in its Altus Analytics business as bookings were down and recurring revenue was flat.
- **Andlauer Healthcare Group Inc:** Scotiabank cuts target price to C\$52 from C\$55, after the company's first-quarter results missed expectations due to the normalization in U.S. truckload premium pricing.
- **George Weston Ltd:** Scotiabank raises target price to C\$183 from C\$181, following the recent results and estimate update from the company's two operating segments; Loblaw and Choice Properties.
- **Transalta Renewables Inc:** ATB Capital Markets cuts target price to C\$14 from C\$15.5, as the company's first-quarter results missed market expectations and cited near-term cash tax headwinds.

COMPANIES REPORTING RESULTS**May 8:**

Ag Growth International Inc: Expected Q1 earnings of 63 Canadian cents per share

Altius Minerals Corp: Expected Q1 earnings of 14 Canadian cents per share

Ero Copper Corp: Expected Q1 earnings of 20 cents per share

Finning International Inc: Expected Q1 earnings of 70 Canadian cents per share

Hudbay Minerals Inc: Expected Q1 earnings of 3 cents per share

Russel Metals Inc: Expected Q1 earnings of 94 Canadian cents per share

Suncor Energy Inc: Expected Q1 earnings of C\$1.32 per share

May 9:

B2Gold Corp: Expected Q1 earnings of 7 cents per share

Cronos Group Inc: Expected Q1 loss of 4 cents per share

Element Fleet Management Corp: Expected Q1 earnings of 27 Canadian cents per share

Exchange Income Corp: Expected Q1 earnings of 35 Canadian cents per share

Galaxy Digital Holdings Ltd: Expected Q1 earnings of 58 cents per share

George Weston Ltd: Expected Q1 earnings of C\$2.30 per share

goeasy Ltd: Expected Q1 earnings of C\$3.03 per share

Great-West Lifeco Inc: Expected Q1 earnings of 88 Canadian cents per share

Innergex Renewable Energy Inc: Expected Q1 loss of 4 Canadian cents per share

Keyera Corp: Expected Q1 earnings of 54 Canadian cents per share

Kinross Gold Corp: Expected Q1 earnings of 4 cents per share

Northland Power Inc: Expected Q1 earnings of 50 Canadian cents per share

Pet Valu Holdings Ltd: Expected Q1 earnings of 34 Canadian cents per share

SNC-Lavalin Group Inc: Expected Q1 earnings of 27 Canadian cents per share

Superior Plus Corp: Expected Q1 earnings of 53 Canadian cents per share

Tricon Residential Inc: Expected Q1 earnings of 8 cents per share

Triple Flag Precious Metals Corp: Expected Q1 earnings of 11 cents per share

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

0800 **Topicus.com Inc:** Annual Shareholders Meeting

0900 **Constellation Software Inc:** Annual Shareholders Meeting

1400 **Ritchie Bros Auctioneers Inc:** Annual Shareholders Meeting

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

PICTURE OF THE DAY



Lionel Richie performs on stage during the Coronation Concert on May 7, in Windsor, Britain. Chris Jackson/Pool via REUTERS

(Compiled by Sandhra Sam and Shreya Sabharwal in Bengaluru)

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