

MORNING NEWS CALL

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Canada Edition

Tuesday, May 9, 2023



Earnings Roundup

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TOP NEWS

- **China expels Canadian diplomat in retaliatory move**

China expelled a Canadian diplomat in Shanghai in a tit-for-tat move after Ottawa told a Toronto-based Chinese diplomat to leave, escalating tense relations amid concerns about Chinese influence in Canada.

- **Biden, McCarthy start debt ceiling talks as clock ticks to default**

U.S. President Joe Biden and top Republican lawmakers will declare their positions face to face on raising the \$31.4 trillion U.S. debt ceiling, with an unprecedented default looming in three weeks if Congress does not act.

- **Suncor Energy's quarterly profit beats estimates on strong demand**

Canada's Suncor Energy reported a better-than-expected first-quarter profit on Monday, helped by steady demand for energy amid crimped global supplies.

- **PacWest, Western Alliance lead slide in regional bank stocks**

Shares of regional lenders PacWest Bancorp and Western Alliance resumed their slide in premarket trading as investors feared the ongoing banking crisis could deepen.

- **Drugmakers set strategy for legal fight against US pricing regulation**

Some of the world's biggest drugmakers are laying legal groundwork to fight the U.S. plan to negotiate drug prices for its Medicare health coverage, including the argument that a ban against speaking about these talks violates constitutional rights, according to six industry sources.

BEFORE THE BELL

Futures tracking Canada's resources-dominated main stock index fell as **oil** prices slumped due to a wary market in the days leading up to U.S. inflation figures for April. **U.S. stock index futures** slipped on disappointing forecasts from PayPal and Skyworks. **European shares** were trading lower after a string of downbeat corporate updates soured sentiment. Meanwhile, upbeat earnings from the steelmakers boosted **Japanese shares**, sending the benchmark **Nikkei** gauge to the highest close in 16 months. **Gold** prices gained and the **U.S. dollar** edged up.

STOCKS TO WATCH

- **Suncor Energy Inc:** The Canadian refiner reported a better-than-expected first-quarter profit on Monday, helped by steady demand for energy amid crimped global supplies. On an adjusted basis, the company earned C\$1.36 per share, compared with analysts' estimates of C\$1.32 per share. Suncor, however, reported a fall in total upstream production to 742,100 barrels of oil equivalent per day (boepd) in the first quarter, lower than 766,100 boepd a year earlier due to unplanned maintenance during the quarter. Its refinery utilization averaged 76% and the crude throughput was 367,700 barrels per day (bpd), compared with 436,500 bpd last year.

COLUMN**China's imports of major commodities lose steam in April: Russell**

China's imports of major commodities lost momentum in April as the strong start to the year faded amid uncertainty about the strength and composition of the recovery in the world's second-biggest economy.

ANALYSTS' RECOMMENDATION

- **Ensign Energy Services Inc:** CIBC cuts target price to C\$4.25 from C\$5, after the company reported an EBITDA miss in its first-quarter results due to lower-than-expected U.S. drilling activity.
- **Ero Copper Corp:** CIBC raises target price to C\$27 from C\$23.5, as the company beat first-quarter estimates and reaffirmed its 2023 guidance.
- **Galiano Gold Inc:** Berenberg raises target price to C\$1.00 from C\$0.90, after the company beat market expectations for its first quarter operating and financial results.
- **Westshore Terminals Investment Corp:** CIBC raises target price to C\$29 from C\$28, based on the company's better-than-expected first-quarter results and increased volume/pricing guidance.

COMPANIES REPORTING RESULTS**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
Xenon Pharmaceuticals Inc: Expected Q1 loss of 62 cents per share

May 10:

Athabasca Oil Corp: Expected Q1 earnings of 2 Canadian cents per share
Ballard Power Systems Inc: Expected Q1 loss of 10 cents per share
Boralex Inc: Expected Q1 earnings of 42 Canadian cents per share
Boyd Group Services Inc: Expected Q1 earnings of 84 cents per share
CCL Industries Inc: Expected Q1 earnings of 84 Canadian cents per share
Endeavour Silver Corp: Expected Q1 earnings of 3 cents per share
Filo Mining Corp: Expected Q1 loss of 16 Canadian cents per share
Home Capital Group Inc: Expected Q1 earnings of C\$1.10 per share
iA Financial Corporation Inc: Expected Q1 earnings of C\$2.18 per share
Intact Financial Corp: Expected Q1 earnings of C\$2.96 per share
Linamar Corp: Expected Q1 earnings of C\$1.75 per share
Lundin Gold Inc: Expected Q1 earnings of 28 cents per share
Manulife Financial Corp: Expected Q1 earnings of 80 Canadian cents per share
Nutrien Ltd: Expected Q1 earnings of \$1.51 per share
Nuvei Corp: Expected Q1 earnings of 44 cents per share
Osisko Gold Royalties Ltd: Expected Q1 earnings of 13 Canadian cents per share
Pan American Silver Corp: Expected Q1 earnings of 3 cents per share
Parex Resources Inc: Expected Q1 earnings of 91 cents per share
Ritchie Bros Auctioneers Inc: Expected Q1 earnings of 48 cents per share
Sandstorm Gold Ltd: Expected Q1 earnings of 3 cents per share

Savaria Corp: Expected Q1 earnings of 16 Canadian cents per share
Stantec Inc: Expected Q1 earnings of 72 Canadian cents per share
Stelco Holdings Inc: Expected Q1 earnings of 47 Canadian cents per share
Stella-Jones Inc: Expected Q1 earnings of 78 Canadian cents per share
Sunopta Inc: Expected Q1 loss of 1 cent per share
Torex Gold Resources Inc: Expected Q1 earnings of 43 cents per share
Wesdome Gold Mines Ltd: Expected Q1 earnings of 3 Canadian cents per share
WSP Global Inc: Expected Q1 earnings of C\$1.32 per share

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

0800 **Ag Growth International Inc:** Q1 earnings conference call
 0830 **Cronos Group Inc:** Q1 earnings conference call
 0830 **Galaxy Digital Holdings Ltd:** Q1 earnings conference call
 0830 **Hudbay Minerals Inc:** Q1 earnings conference call
 0830 **Pet Valu Holdings Ltd:** Q1 earnings conference call
 0830 **Snc-Lavalin Group Inc:** Q1 earnings conference call
 0900 **Russel Metals Inc:** Q1 earnings conference call
 0930 **Altius Minerals Corp:** Q1 earnings conference call
 0930 **Suncor Energy Inc:** Q1 earnings conference call
 1000 **Finning International Inc:** Q1 earnings conference call
 1000 **Keyera Corp:** Q1 earnings conference call
 1000 **Russel Metals Inc:** Annual Shareholders Meeting
 1100 **Centerra Gold Inc:** Annual Shareholders Meeting
 1100 **George Weston Ltd:** Annual Shareholders Meeting
 1130 **Ero Copper Corp:** Q1 earnings conference call
 1200 **Keyera Corp:** Annual Shareholders Meeting
 1230 **Suncor Energy Inc:** Annual Shareholders Meeting
 1400 **Pet Valu Holdings Ltd:** Annual Shareholders Meeting
 1600 **Innergex Renewable Energy Inc:** Annual Shareholders Meeting
 1600 **New Gold Inc:** Annual Shareholders Meeting
 1600 **Superior Plus Corp:** Annual Shareholders Meeting
 1700 **Finning International Inc:** Annual Shareholders Meeting
 1700 **Nuvista Energy Ltd:** Annual Shareholders Meeting
 1900 **Element Fleet Management Corp:** Q1 earnings conference call

EX-DIVIDENDS

Metro Inc: Amount C\$0.30
Waste Connections Inc: Amount \$0.25

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

PICTURE OF THE DAY



Explosions light up the sky after the Israeli military said in a statement that it has struck Islamic Jihad targets, in Gaza, May 9. REUTERS/Mohammed Salem

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