

# MORNING NEWS CALL

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Canada Edition

Thursday, June 6, 2024

## TOP NEWS

### • **Lululemon tops quarterly estimates on solid China demand; to buy back more shares**

Lululemon Athletica beat Wall Street expectations for first-quarter profit and revenue on Wednesday, as a strong China business helped buffer a slowdown in consumer spending on pricey tank tops and leggings in its key North America market.

### • **Meta faces call in EU not to use personal data for AI models**

A Meta plan to use personal data to train its artificial intelligence (AI) models without seeking consent came under fire from advocacy group NOYB on Thursday, which called on privacy enforcers across Europe to stop such use.

### • **Boeing's Starliner capsule set for docking with space station**

Boeing's Starliner capsule faces a crucial test on Thursday when it is expected to dock with the International Space Station (ISS) on the spacecraft's first trip to orbit carrying astronauts, as the aerospace giant looks to sharpen its competition with Elon Musk's SpaceX.

### • **Peru authorizes Barrick to explore mining at southern border**

Peru's government has authorized miner Barrick Gold to carry out mining explorations in the country's southern border area, the prime minister announced on Wednesday.

### • **Newmont CEO sees copper demand boom driving mining deals**

The mining industry is ripe for further consolidation driven by demand for metals such as copper needed in the energy transition and challenges accessing capital, the boss of the world's biggest gold miner Newmont said.

## BEFORE THE BELL

**Futures for Canada's main stock index** were little changed after a rally in the previous session following the Bank of Canada's 25 basis point rate cut, while gains in **precious** and **base metal** prices boosted investor sentiment. **The S&P 500 and the Dow futures** were subdued as investors awaited data to assess the strength of the U.S. labor market. While, **Nasdaq futures** inched higher, as gains in Nvidia boosted optimism around the tech sector. **European shares** saw an uptick, while investors were geared up for the ECB's pivotal rate decision scheduled for later in the day. In the Asian equities, **Hong Kong shares** ended higher and the **Nikkei** closed on a positive note. The **euro** strengthened slightly ahead of the ECB policy meeting. **Oil** prices were stable as expectations rate cut offset higher U.S. inventories.

## STOCKS TO WATCH

• **Barrick Gold Corp:** Peru's government has authorized the miner to carry out mining explorations in the country's southern border area, the prime minister announced on Wednesday. Peru's constitution requires foreign private investment within 50 kilometers (31 miles) of the country's border to be approved by the cabinet of ministers. "The expansion of our mining portfolio is essential, given that this activity is one that drives the economic reactivation process," Prime Minister Gustavo Adrianzen said in a press conference.

• **Bitfarms Ltd:** Riot Platforms said on Wednesday it has acquired ownership of 12% stake in rival Bitfarms. The company bought around 1.5 million shares in Bitfarms on Wednesday at the price of about \$2.45 per purchased share, it said in a statement. Riot said, prior to this acquisition it beneficially owned about 11.63% of shares in Bitfarms.

• **Parkland Corp:** The Canadian fuel distributor said on Wednesday it would sell its Canadian commercial propane business to Avenir Energy for about C\$115 million (\$84.00 million) in cash amid a push by investors for a strategic review of the company. Parkland would also exclusively supply fuel to Avenir for 10 years as part of the agreement, the company added. "This transaction is a big step toward achieving our target of C\$500 million from the divestment of non-core assets by the end of 2025," said Ian White, president of Parkland Canada.

**FOCUS****How Devon Energy missed out on the US oil and gas mega-deal wave**

U.S. oil and gas producer Devon Energy has lost bids to acquire at least three of its peers in the last 12 months because its shares were spurned as acquisition currency, according to people familiar with the negotiations.

**ANALYSTS' RECOMMENDATION**

- **North West Company Inc:** CIBC raises target price to C\$44 from C\$43, citing the company's in-line first quarter earnings, along with better food sales.
- **Stingray Group Inc:** CIBC raises target price to C\$10.5 from C\$10, following the company's strong fourth-quarter earnings and better management commentary.

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

0800 **Leading index mm** for May: Prior 0.19%  
0830 **Trade balance** for April: -C\$1.40 bln; Prior -C\$2.28 bln  
0830 **Exports** for April: Prior C\$62.56 bln  
0830 **Imports** for April: Prior C\$64.84 bln  
1000 **Ivey PMI** for May: Prior 65.7  
1000 **Ivey PMI SA** for May: Prior 63.0

**COMPANIES REPORTING RESULTS****June 6:**

**Saputo Inc:** Expected Q4 earnings of 36 Canadian cents per share

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

0800 **Restaurant Brands International Inc:** Annual Shareholders Meeting  
0800 **Transcontinental Inc:** Q2 earnings conference call  
1600 **OceanaGold Corp:** Annual Shareholders Meeting

**EX-DIVIDENDS**

**Canadian Western Bank:** Amount C\$0.35  
**Maple Leaf Foods Inc:** Amount C\$0.22

*(All analysts' estimates are according to LSEG IBES data)*

## PICTURE OF THE DAY



*Young Israelis are silhouetted as people participate in the annual Jerusalem Day march, amid the ongoing conflict in Gaza between Israel and Hamas, near Damascus Gate in Jerusalem, June 5. REUTERS/Ronen Zvulun*

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