

MORNING NEWS CALL

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Canada Edition

Tuesday, June 25, 2024

TOP NEWS

• Canadian insurer Manulife sets cash target ahead of Asia investor day

Manulife Financial said on Monday it expects to generate more than C\$22 billion of cash by 2027, as the Canadian insurer laid out a plan ahead of its investor day in Asia for cash generation in a higher interest-rate environment.

• Exxon, Suncor units lose bid to escape Boulder, Colorado's climate case

ExxonMobil and subsidiaries of Suncor Energy have lost their bids to dismiss a lawsuit by Boulder, Colorado, alleging the energy companies contributed to climate change by concealing from the public the dangers of unchecked fossil fuel use.

• Riot Platforms seeks three board seats at Bitfarms after thwarted takeover bid

Bitcoin miner Riot Platforms is seeking three board seats at rival Bitfarms, a long-sought acquisition target that has rebuffed its \$950 million buyout offer and adopted a poison pill to fend off any attempt at a hostile takeover.

• Microsoft hit with EU antitrust charge over Teams app

Microsoft faces a hefty antitrust fine after the European Commission accused it of illegally linking its chat and video app Teams with its Office product.

• Canada's OTPPP intends to sell its 18.5% stake in Brazil mall operator Multiplan

Brazilian mall operator Multiplan has learned that Canada's Ontario Teachers' Pension Plan (OTPP) intends to sell its stake in the company, the Brazilian firm said in a securities filing on Monday.

BEFORE THE BELL

Futures linked to Canadian stocks were subdued, hurt by a decline in **crude** prices, while investors turned cautious ahead of the domestic inflation data that could further solidify expectations from the Bank of Canada to cut interest rates further. **Nasdaq futures** gained as Nvidia and other AI-linked stocks firmed after a bruising selloff, while investors would keenly analyze comments from Fed's Bowman and Cook, this year's voting committee members, for further cues on the monetary policy path. **European shares** declined as Airbus tumbled after a profit warning and dragged down aerospace-related stocks. Among Asian equities, **Japan's Nikkei** rose to its highest close in more than two months, as investors shifted focus to value stocks from semiconductor, while a weaker **yen** also lent support to export-related shares. The **U.S. dollar** eased slightly, while **gold** prices remained muted.

STOCKS TO WATCH

• **Bitfarms Ltd:** Bitcoin miner Riot Platforms is seeking three board seats at rival Bitfarms, a long-sought acquisition target that has rebuffed its \$950 million buyout offer and adopted a poison pill to fend off any attempt at a hostile takeover. Riot, the biggest shareholder in Bitfarms with a nearly 15% stake, withdrew the offer but said it was "ready to engage" with the company's reconstituted board about a potential transaction. Riot has called for a special meeting of Bitfarms' shareholders to vote on its three director nominees - John Delaney, Amy Freedman and Ralph Goehring.

• **Manulife Financial Corp:** Manulife Financial said on Monday it expects to generate more than C\$22 billion of cash by 2027, as the Canadian insurer laid out a plan ahead of its investor day in Asia for cash generation in a higher interest-rate environment. The insurer, which has increasingly focused on Asia for growth, is organising the two-day event on Tuesday in Hong Kong and Jakarta, the second time it has done so in the region. Manulife introduced the cumulative remittances target as it focuses on cash generation and has completed reinsurance deals to unlock millions of dollars.

• **Suncor Energy Inc:** ExxonMobil and subsidiaries of Suncor Energy have lost their bids to dismiss a lawsuit by Boulder, Colorado, alleging the energy companies contributed to climate change by concealing from the public the dangers of unchecked fossil fuel use. Boulder County District Court Judge Robert Gunning on Friday largely rejected the companies contention that Colorado's courts lacked jurisdiction over them and that federal law trumped the state-law claims asserted by the city and its surrounding county. Gunning disagreed with arguments by Exxon and the Suncor subsidiaries that federal law including the Clean Air Act preempted their state-law claims to the extent they were seeking to regulate emissions and global oil production.

SPECIAL REPORT

Apple supplier Foxconn rejects married women from India iPhone jobs

Apple supplier Foxconn has systematically excluded married women from jobs at its main India iPhone assembly plant, on the grounds they have more family responsibilities than their unmarried counterparts. While Indian law doesn't bar companies from discriminating in hiring based on marital status, Apple's and Foxconn's policies prohibit such practice in their supply chains.

ANALYSTS' RECOMMENDATION

• **Victoria Gold Corp:** CIBC cuts target price to C\$4 from C\$10, after the company announced that the heap leach pad at its Eagle Gold Mine in Yukon experienced a failure and the operation has been temporarily suspended.

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

0830 **CPI inflation mm** for May: Expected 0.3%; Prior 0.5%

0830 **CPI inflation yy** for May: Expected 2.6%; Prior 2.7%

0830 **CPI BoC core yy** for May: Prior 1.6%

0830 **CPI BoC core mm** for May: Prior 0.2%

0830 **CPI mm SA** for May: Prior 0.2%

0830 **Core CPI mm SA** for May: Prior 0.0%

0830 **CPI median** for May: Expected 2.6%; Prior 2.6%

0830 **CPI trim** for May: Expected 2.8%; Prior 2.9%

0830 **CPI common** for May: Prior 2.6%

0830 **CPI NSA** for May: Prior 160.6

0830 **CPI yy SA** for May: Prior 2.69%

COMPANIES REPORTING RESULTS

June 25:

Alimentation Couche-Tard Inc: Expected Q4 earnings of 50 cents per share

June 26:

BlackBerry Ltd: Expected Q1 loss of 4 cents per share

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

1300 **BlackBerry Ltd:** Annual Shareholders Meeting

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

PICTURE OF THE DAY



Canada's Prime Minister Justin Trudeau takes a selfie with a woman while visiting the Lokia elderly residence in Trois-Rivieres, Quebec, June 24. REUTERS/Mathieu Belanger

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