

# MORNING NEWS CALL

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Canada Edition

Tuesday, July 23, 2024

## TOP NEWS

### • **Coca-Cola raises annual sales, profit forecasts on steady demand**

Coca-Cola raised its annual organic sales and profit forecast, signaling strong demand for the beverage giant's sodas, energy drinks and juices in its U.S. and international markets.

### • **GM beats second-quarter expectations, raises forecast again**

General Motors reported second-quarter profit and revenue that beat Wall Street's expectations, and raised its annual profit forecast for a second time this year, buoyed by strong pricing and demand for gas-powered trucks.

### • **UPS misses quarterly estimates on high labor costs, weak small-package demand**

United Parcel Service missed Wall Street estimates for second-quarter earnings, hurt by subdued package delivery demand and higher costs from its Teamsters labor contract.

### • **GE Aerospace lifts 2024 profit view on strong demand for engine parts, services**

GE Aerospace raised its annual profit forecast on strong demand for its aftermarket services, including jet-engine parts, as a shortage of new planes prompted airlines to keep older ones in the air.

### • **Cybersecurity firm Wiz calls off \$23 billion deal with Google, memo says**

Israeli cybersecurity startup Wiz has ended talks with Google-parent Alphabet on a reported \$23 billion deal in which it would have become the U.S. tech giant's largest-ever acquisition, according to a Wiz memo seen by Reuters.

## BEFORE THE BELL

**Futures** linked to **Canada's main stock index** were subdued as a decline in **crude** prices offset the gains in **gold**, while investors kept a tab on the Bank of Canada's monetary policy meeting due on Wednesday. **U.S. stock index futures** slipped as investors awaited earnings reports from major tech companies due later in the day, which will be analyzed to determine if the market's recent record highs can be maintained. **European shares** edged higher, with a rally in technology-related shares offsetting losses in miners. **Japan's Nikkei** ended marginally lower, extending its losing run to a fifth consecutive session, as caution over a strengthening yen overshadowed gains in chip stocks. The **U.S. dollar** held steady against a basket of currencies.

## FOCUS

### **Neuralink's value jump leaves some Musk employees itching to cash out**

Some of the staff at Elon Musk's Neuralink are making preparations to sell the brain implant company's stock in the wake of its valuation jumping following its first human trial, according to people familiar with the matter.

## ANALYSTS' RECOMMENDATION

• **Air Canada:** ATB Capital Markets cuts target price to C\$28 from C\$33 after the company cut its full-year core profit forecast.

• **Sleep Country Canada Holdings Inc:** RBC raises target price to C\$35 from C\$30 following the announcement of acquisition of the company by a subsidiary of Fairfax Financial Holdings.

**COMPANIES REPORTING RESULTS****July 23:**

**Canadian National Railway Co:** Expected Q2 earnings of C\$1.93 per share

**First Quantum Minerals Ltd:** Expected Q2 loss of 4 cents per share

**July 24:**

**Athabasca Oil Corp:** Expected Q2 earnings of 17 Canadian cents per share

**Celestica Inc:** Expected Q2 earnings of 81 cents per share

**Rogers Communications Inc:** Expected Q2 earnings of C\$1.16 per share

**Teck Resources Ltd:** Expected Q2 earnings of 70 Canadian cents per share

**Waste Connections Inc:** Expected Q2 earnings of \$1.17 per share

**West Fraser Timber Co Ltd:** Expected Q2 earnings of \$1.62 per share

**Whitecap Resources Inc (Pre-merger):** Expected Q2 earnings of 38 Canadian cents per share

**Whitecap Resources Inc:** Expected 0 earnings of 38 Canadian cents per share

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

1630 **Canadian National Railway Co:** Q2 earnings conference call

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

## PICTURE OF THE DAY



*An air tanker flies low over a wildfire burning on the edge of the Cariboo region city of Williams Lake, British Columbia, July 21. Spencer Stratton Photography/Handout via REUTERS*

(Compiled by Ananya Roy and Dhanya Hegade in Bengaluru)

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