

MORNING NEWS CALL

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Canada Edition

Wednesday, August 7, 2024



Earnings Roundup

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TOP NEWS

- **Shopify beats quarterly revenue estimates on AI boost, shares soar**

Shopify beat analysts' estimates for second-quarter revenue and forecast an upbeat current quarter as its e-commerce services attracted more merchants following the launch of AI-enabled tools, sending its U.S. shares up before the bell.

- **Air Canada profit falls as excess capacity hurts prices**

Air Canada reported a lower second-quarter profit, as excess capacity in certain markets and stiff competition on international routes hurt its pricing power.

- **Suncor Energy tops quarterly profit estimates on higher production**

Canada's Suncor Energy beat analysts' estimates for second-quarter profit on Tuesday, helped by higher oil prices and a rise in oil sands production.

- **Walt Disney earnings beat market estimates; profit slips at parks**

Walt Disney reported quarterly earnings that exceeded Wall Street expectations, buoyed by the success of animated Pixar film "Inside Out 2", which helped overcome a profit decline at theme parks.

- **Samsung's 8-layer HBM3E chips clear Nvidia's tests for use, sources say**

A version of Samsung Electronics' fifth-generation high bandwidth memory (HBM) chips, or HBM3E, has passed Nvidia's tests for use in its artificial intelligence (AI) processors, three sources briefed on the results said.

BEFORE THE BELL

Futures for Canada's main stock index bounced back from the previous session's lows, supported by a bump in **oil** and **gold** prices. **Wall Street futures** jumped as risk appetite returned after a sharp selloff, with cautious comments on interest-rate hikes from a key Bank of Japan policymaker boosting sentiment. **European shares** also advanced on strong corporate earnings, although gains were tempered as Novo Nordisk missed Q2 profit estimates. In Asian equity markets, **Chinese stocks** edged up as the country's trade data showed robust growth in imports, while weaker-than-expected export data capped gains. **Japanese shares** extended gains in a rollercoaster week of double-digit losses and gains. Meanwhile, the **yen** weakened as the BOJ's cautious approach eased fears of further currency appreciation.

STOCKS TO WATCH

Results

- **Air Canada:** The airlines reported a lower second-quarter profit, as excess capacity in certain markets and stiff

competition on international routes hurt its pricing power. Air Canada is yet to finalize a new contract with the union representing its pilots, which might come with additional cost pressures for Canada's largest airline. The carrier's profit fell to C\$410 million or C\$1.04 per share, from C\$838 million, or C\$2.34 per share, a year earlier. The Canadian carrier's operating revenue rose 2% to C\$5.52 billion in the quarter ended June 30.

- **Shopify Inc:** The company beat analysts' estimates for quarterly revenue, as the Canadian company's artificial intelligence-powered tools helped pull in more merchants to its e-commerce services, sending its U.S. shares up in premarket trading. The company, which helps small and medium businesses build an online store and also sell, has been rolling out AI-enabled features and in June increased the availability of such tools, including the Sidekick assistant and image-generation feature. Early in June, Shopify launched its biggest shopping event this year, the Shop Week, which included cash backs and offers from over a thousand brands. The company reported second-quarter revenue of \$2.05 billion, compared with analysts' average estimate of \$2.01 billion.

- **Suncor Energy Inc:** Canada's second-biggest oil producer beat analysts' estimates for second-quarter profit on Tuesday, helped by higher oil prices and a rise in oil sands production. Suncor said total upstream production was up at 770,600 barrels per day (bpd) in the quarter, compared with 741,900 bpd a year earlier, helped by record quarterly production at its Firebag asset, which was later shut in July due to wildfire threats. Suncor also benefited from the acquisition of additional interests in the Fort Hills project from French energy firm TotalEnergies last year. Its adjusted profit was at C\$1.27 per share for the quarter ended June 30, compared with analysts' average estimate of C\$1.08.

In Other News

- **First Quantum Minerals Ltd:** The company will reduce working hours at its suspended copper mine in Panama as of next week, a leader of the mine's main labor union, UTRAMIPA, said on Tuesday. The work schedule at Cobre Panama will shift as of Aug. 15, including overtime and Sundays getting cut, said union representative Michael Camacho. The UTRAMIPA union, which represents more than 500 workers, said in a statement it opposed the reduced schedule, noting the changes were announced without warning and without explanation from management.

FOCUS

Amazon Prime Video plots Hollywood expansion

When Mike Hopkins was approached about leading Amazon Prime Video, his view of the streaming service matched one held widely in Hollywood -- it was nothing more than a perk for subscribers of the online retailer's two-day delivery service.

ANALYSTS' RECOMMENDATION

- **Enbridge Inc:** JPMorgan raises target price to C\$57 from C\$56, reflecting the company's strong second-quarter performance and positive outlook on mainline volumes and expansion initiatives.

- **Pet Valu Holdings Ltd:** ATB Capital Markets cuts target price to C\$40 from C\$41, following the company's second-quarter results based on a downward revision in full-year guidance due to softer same-store sales growth and macro pressures.

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

1000 Ivey PMI for July: Prior 62.4

1000 Ivey PMI SA for July: Prior 62.5

COMPANIES REPORTING RESULTS

August 7:

Air Canada: Expected Q2 earnings of 92 Canadian cents per share

Brookfield Asset Management Ltd: Expected Q2 earnings of 35 cents per share

Equinox Gold Corp: Expected Q2 loss of 2 cents per share

Fortuna Mining Corp: Expected Q2 earnings of 15 cents per share

IGM Financial Inc: Expected Q2 earnings of 94 Canadian cents per share

Innergex Renewable Energy Inc: Expected Q2 loss of break even per share

Manulife Financial Corp: Expected Q2 earnings of 88 Canadian cents per share

Nexgen Energy Ltd: Expected Q2 loss of 4 Canadian cents per share

Nutrien Ltd: Expected Q2 earnings of \$2.21 per share

Pan American Silver Corp: Expected Q2 earnings of 15 cents per share
Pason Systems Inc: Expected Q2 earnings of 20 Canadian cents per share
Shopify Inc: Expected Q2 earnings of 20 cents per share
SilverCrest Metals Inc: Expected Q2 earnings of 15 cents per share
Sprott Inc: Expected Q2 earnings of 42 cents per share
Stantec Inc: Expected Q2 earnings of C\$1.12 per share
Stelco Holdings Inc: Expected Q2 earnings of 80 Canadian cents per share
Stella-Jones Inc: Expected Q2 earnings of C\$1.91 per share
Torex Gold Resources Inc: Expected Q2 earnings of 48 cents per share
Wheaton Precious Metals Corp: Expected Q2 earnings of 30 cents per share

August 8:

Altus Group Ltd: Expected Q2 earnings of 57 Canadian cents per share
ATS Corp: Expected Q1 earnings of 53 Canadian cents per share
B2Gold Corp: Expected Q2 earnings of 7 cents per share
Boyd Group Services Inc: Expected Q2 earnings of 66 cents per share
Brookfield Corp: Expected Q2 earnings of 78 cents per share
Canadian Tire Corporation Ltd: Expected Q2 earnings of C\$2.43 per share
CCL Industries Inc: Expected Q2 earnings of C\$1.03 per share
CES Energy Solutions Corp: Expected Q2 earnings of 15 Canadian cents per share
CI Financial Corp: Expected Q2 earnings of 86 Canadian cents per share
Denison Mines Corp: Expected Q2 loss of 2 Canadian cents per share
Exchange Income Corp: Expected Q2 earnings of 85 Canadian cents per share
goeasy Ltd: Expected Q2 earnings of C\$4.03 per share
IAMGOLD Corp: Expected Q2 earnings of 9 cents per share
Jamieson Wellness Inc: Expected Q2 earnings of 32 Canadian cents per share
Keyera Corp: Expected Q2 earnings of 54 Canadian cents per share
Linamar Corp: Expected Q2 earnings of C\$2.97 per share
Lundin Gold Inc: Expected Q2 earnings of 42 cents per share
Maple Leaf Foods Inc: Expected Q2 earnings of 19 Canadian cents per share
Mattr Corp: Expected Q2 earnings of 31 Canadian cents per share
MDA Space Ltd: Expected Q2 earnings of 10 Canadian cents per share
Nuvista Energy Ltd: Expected Q2 earnings of 42 Canadian cents per share
Pembina Pipeline Corp: Expected Q2 earnings of 75 Canadian cents per share
Power Corporation of Canada: Expected Q2 earnings of C\$1.13 per share
Premium Brands Holdings Corp: Expected Q2 earnings of C\$1.31 per share
Primo Water Corp: Expected Q2 earnings of 25 cents per share
Quebecor Inc: Expected Q2 earnings of 83 Canadian cents per share
Restaurant Brands International Inc: Expected Q2 earnings of 86 cents per share
Saputo Inc: Expected Q1 earnings of 37 Canadian cents per share
Sleep Country Canada Holdings Inc: Expected Q2 earnings of 36 Canadian cents per share

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

0800 **Air Canada:** Q2 earnings conference call
 0830 **Great-West Lifeco Inc:** Q2 earnings conference call
 0930 **Suncor Energy Inc:** Q2 earnings conference call
 1000 **Finning International Inc:** Q2 earnings conference call
 1000 **Osisko Gold Royalties Ltd:** Q2 earnings conference call
 1000 **Sprott Inc:** Q2 earnings conference call
 1000 **Stella-Jones Inc:** Q2 earnings conference call
 1100 **iA Financial Corporation Inc:** Q2 earnings conference call

EX-DIVIDENDS

Waste Connections Inc: Amount \$0.28

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

PICTURE OF THE DAY



The sunsets over Sobeys Stadium during first round play in Toronto, Ontario, August 6. USA TODAY Sports/John E. Sokolowski

(Compiled by Dhanya Hegade and Shreya Sabharwal in Bengaluru)

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