

MORNING NEWS CALL

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Canada Edition

Thursday, August 8, 2024



Earnings Roundup

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TOP NEWS

- **Canada to fund health study on how oil sands impact Indigenous communities**

Canada will fund an Indigenous-led study into how oil sands development impacts the health of local communities, the government said on Wednesday, following a tailings water leak from an Imperial Oil site that heightened pollution concerns.

- **Eli Lilly raises annual profit forecast as Zepbound quarterly sales cross \$1 billion**

Eli Lilly raised its annual profit forecast and sales of its popular weight-loss drug Zepbound crossed \$1 billion for the first time in a quarter.

- **Burger King parent beats revenue estimates on resilient fast-food demand**

Restaurant Brands International beat Wall Street expectations for second-quarter revenue, as its Tim Hortons and Burger King outlets enjoyed steady demand despite a wider slowdown in the U.S. fast-food sector.

- **Insurer Manulife's second-quarter profit rises on strong Asia growth**

Canada's Manulife Financial reported better than expected quarterly profit on Wednesday, powered by a 40% rise in earnings from Asia, a region the insurer is betting on for growth.

- **Nutrien beats quarterly profit estimates, names insider Thompson as CFO**

Fertilizer maker Nutrien on Wednesday surpassed second-quarter profit estimates, helped by higher potash sales in offshore markets, and named insider Mark Thompson as its finance chief.

BEFORE THE BELL

Futures for Canada's main stock index inched higher, supported by an uptick in **gold** prices and positive corporate earnings. **U.S. stock index futures** were little changed as investors exercised caution before the release of weekly jobless claims data, while megacap and growth stocks swung between gains and losses in premarket trading. Comments from Richmond Fed President Thomas Barkin, who will be speaking later in the day, will also be closely monitored for any clues on the U.S. central bank's next move. **European shares** fell, led by declines in the tech sector. In **Japan, equities** faced renewed pressure as domestic chip stocks followed Wall Street's overnight losses and the Bank of Japan's minutes revealed a hawkish slant among the board. The **U.S. dollar** and **Treasury yields** retreated. **Oil** prices held steady after two sessions of gains.

STOCKS TO WATCH

- **Manulife Financial Corp:** The company reported better than expected quarterly profit on Wednesday, powered by a 40% rise in earnings from Asia, a region the insurer is betting on for growth. The Asia business, which includes operations in 12 markets and over 100 bank partnerships, is among the biggest income generators for the

insurer. Core earnings rose to C\$1.74 billion, or 91 Canadian cents per share, in the three months ended June 30, from C\$1.64 billion, or 83 Canadian cents per share, a year earlier. Analysts were expecting 88 Canadian cents per share.

- **Nutrien Ltd:** The fertilizer maker on Wednesday surpassed second-quarter profit estimates, helped by higher potash sales in offshore markets, and named insider Mark Thompson as its finance chief. Nutrien expects 2024 potash sales volumes to be between 13.2 million tonnes and 13.8 million tonnes, from its previous range of 13 million tonnes to 13.8 million tonnes. Nutrien lowered its 2024 adjusted core profit forecast for retail sales due to weakness in Brazil, where high inventory levels and tepid demand dented its margins for most of last year. Adjusted earnings of \$2.34 per share in the second quarter beat estimates of \$2.21.
- **Restaurant Brands International Inc:** The restaurant chain beat Wall Street expectations for second-quarter revenue, as its Tim Hortons and Burger King outlets enjoyed steady demand despite a wider slowdown in the U.S. fast-food sector. Average foot traffic per location at Burger King was up 4.3% in the quarter, compared with a 1% rise a year ago, according to data from Placer.ai. The company reported second-quarter revenue of \$2.08 billion, compared with analysts' average estimate of \$2.02 billion.

ANALYSIS

Investors feel the pinch of thriftier consumers on company profits

Investors in large consumer-goods companies are having to up their stock-picking game, as a post-pandemic spending splurge dries up and increasingly price-sensitive shoppers start to erode corporate pricing power.

ANALYSTS' RECOMMENDATION

- **Air Canada:** JPMorgan cuts target price to C\$36 from C\$41, following reduced guidance for the upcoming quarters and ongoing cost pressures impacting profitability.
- **Finning International Inc:** RBC raises target price to C\$50 from C\$49, following stronger-than-expected second-quarter results and an encouraging outlook.

COMPANIES REPORTING RESULTS

August 8:

- Altus Group Ltd:** Expected Q2 earnings of 57 Canadian cents per share
- ATS Corp:** Expected Q1 earnings of 52 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\$2.42 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
- Interfor Corp:** Expected Q2 loss of 68 Canadian 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\$1.30 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

August 9:

Algonquin Power & Utilities Corp: Expected Q2 earnings of 8 cents per share

Atkinsrealis Group Inc: Expected Q2 earnings of 50 Canadian cents per share

Constellation Software Inc: Expected Q2 earnings of \$19.39 per share

Emera Inc: Expected Q2 earnings of 58 Canadian cents per share

Filo Corp: Expected Q2 loss of 23 Canadian cents per share

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

0800 **Restaurant Brands International Inc:** Q2 earnings conference call

0800 **SilverCrest Metals Inc:** Q2 earnings conference call

0800 **Stantec Inc:** Q2 earnings conference call

0800 **Torex Gold Resources Inc:** Q2 earnings conference call

0800 **Wheaton Precious Metals Corp:** Q2 earnings conference call

0830 **Pason Systems Inc:** Q2 earnings conference call

0830 **Premium Brands Holdings Corp:** Q2 earnings conference call

0830 **Primo Water Corp:** Q2 earnings conference call

0830 **Quebecor Inc:** Q2 earnings conference call

0900 **Maple Leaf Foods Inc:** Q2 earnings conference call

0900 **MDA Space Ltd:** Q2 earnings conference call

0900 **Nexgen Energy Ltd:** Q2 earnings conference call

0900 **Nutrien Ltd:** Q2 earnings conference call

0900 **Onex Corp:** Q2 earnings conference call

0900 **Pan American Silver Corp:** Q2 earnings conference call

1000 **Jamieson Wellness Inc:** Q2 earnings conference call

1000 **Keyera Corp:** Q2 earnings conference call

1000 **Linamar Corp:** Q2 earnings conference call

1000 **Manulife Financial Corp:** Q2 earnings conference call

1030 **Innergex Renewable Energy Inc:** Q2 earnings conference call

1100 **CI Financial Corp:** Q2 earnings conference call

1100 **Fortuna Mining Corp:** Q2 earnings conference call

1100 **IGM Financial Inc:** Q2 earnings conference call

1200 **Canadian Tire Corporation Ltd:** Q2 earnings conference call

1700 **Altus Group Ltd:** Q2 earnings conference call

1700 **ATS Corp:** Q1 earnings conference call

1700 **Boyd Group Services Inc:** Q2 earnings conference call

EX-DIVIDENDS

Canadian Utilities Ltd: Amount C\$0.45

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

PICTURE OF THE DAY



Panda bear Xin Bao eats in the Panda Ridge enclosure at San Diego Zoo in San Diego, California, U.S., August 7. REUTERS/Mario Anzuoni

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