

MORNING NEWS CALL

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Canada Edition

Wednesday, September 25, 2024

TOP NEWS

• Bank of Canada says it's reasonable to expect more rate cuts

Given the continued progress the Bank of Canada has made in bringing inflation back down to the 2% target, it is reasonable to expect more rate cuts, Governor Tiff Macklem said on Tuesday.

• CIBC fined \$1.25 million by CFTC for swap reporting delays

Canadian Imperial Bank of Commerce will have to pay a penalty of \$1.25 million to the Commodity Futures Trading Commission for failing to report swap transactions in a timely manner on multiple occasions, the agency said on Tuesday.

• OECD sees global growth stabilising at 3.2% this year

Global growth is in the process of stabilising as the drag from central bank rate hikes fades and falling inflation boosts households' incomes, the OECD said, marginally raising its outlook for this year.

• Union says striking Boeing workers not interested in latest contract offer

The union representing thousands of striking Boeing U.S. factory workers said late on Tuesday a survey showed members were overwhelmingly against the planemaker's latest pay proposal, which it described as its "best and final".

• Southwest Air's lackluster profit fuels pressure to revamp business model

Southwest Airlines, is facing a campaign by an activist investor to overhaul a business model it says is outdated, putting pressure on CEO Robert Jordan and leaving the airline scrambling to modernize, analysts say.

BEFORE THE BELL

Futures tied to Canada's main stock index fell as energy sector came under pressure following a decline in oil prices. **Wall Street futures** slipped as investors awaited more clues on the health of the economy and the outlook for interest rate cuts. Separately, **European stocks** declined, whereas in Asia, **Chinese markets** continued their rally for a second consecutive day, and Japan's **Nikkei** ended higher amid volatile trading. The **U.S. dollar** faced pressure as China's substantial stimulus measures on Tuesday raised expectations of another significant U.S. rate cut in November. Meanwhile, **gold** prices held steady.

STOCKS TO WATCH

• **Canadian Imperial Bank of Commerce:** The bank will have to pay a penalty of \$1.25 million to the Commodity Futures Trading Commission for failing to report swap transactions in a timely manner on multiple occasions, the agency said on Tuesday. "Timely swaps reporting is a critical component of the swaps reporting regulatory regime, and it is essential to the overall effectiveness of the swaps reporting system," said Ian McGinley, Director of the Division of Enforcement at CFTC. "We respect the decisions of the SEC and CFTC on these matters. Throughout this process, CIBC offered its full cooperation to both regulators and took immediate steps to implement remedies internally," a spokesperson for the bank said in an emailed statement to Reuters.

COLUMN

Miners, investors see scope in energy transition but struggle with choices: Russell

Mining investment conferences have a great track record of pointing to the next growth area for commodities, as they bring together early stage investors and junior miners seeking to get projects off the ground.

ANALYSTS' RECOMMENDATION

- **Cineplex Inc:** Canaccord Genuity cuts target price to C\$11.5 from C\$12, following Competition Tribunal's decision to penalize the company for deceptive marketing.
- **Primaris Real Estate Investment Trust:** Scotiabank raises target price to C\$17.25 from C\$16.75, saying that the company's financial guidance is comparatively favorable to both historical performance and peers.
- **TC Energy Corp :** Scotiabank cuts target price to C\$61 from C\$62, stating that the company's lower-growth Liquids business was a drag to consolidated growth metrics.

COMPANIES REPORTING RESULTS**September 26:****BlackBerry Ltd:** Expected Q2 loss of 3 cents per share

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

PICTURE OF THE DAY



A transit agent rides a motorcycle as a wildfire burns, in Quito, Ecuador, September 24. REUTERS/Karen Toro

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