

MORNING NEWS CALL

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Canada Edition

Thursday, October 24, 2024



TOP NEWS

• **Canada's Rogers misses estimates for quarterly subscriber additions**

Canada's Rogers Communications missed market expectations for third-quarter wireless subscriber additions, hit by cautious spending on its mobile plans and stiff competition in the telecom space.

• **Teck Resources reports Q3 profit beat, cuts FY copper production forecast**

Canadian miner Teck Resources beat third-quarter profit estimates, helped by higher copper production volumes at its Chile mine and on strong prices of the red metal.

• **Canadian homeowners consider switch to variable rate mortgages after big rate cut**

More Canadian homeowners are considering switching to variable rate from fixed rate mortgages after an unusually large interest rate cut by the central bank on Wednesday, mortgage brokers said.

• **Boeing shares fall after workers reject latest offer**

Boeing shares fell in U.S. pre-market trading after workers voted to extend a nearly six-week-old strike, throwing fresh uncertainty over the company's efforts to stabilize finances and restore its battered image.

• **Tesla allays investor fears with crucial EV growth forecast, shares jump**

Tesla's stock jumped before the bell, a day after it forecast surging car sales growth, reassuring investors that CEO Elon Musk was still looking to expand the core business of selling electric vehicles.

BEFORE THE BELL

Futures tied to **Canada's main stock index** were up, aided by higher crude and metal prices, after the Bank of Canada lowered its key policy rates by 50 basis points the previous day. **Futures** tracking the **S&P 500** and the **Nasdaq 100** also rose as an upbeat forecast from Tesla kicked off megacap earnings. **European shares** climbed, as a raft of earnings including those of Unilever and Evolution improved the mood, while markets assessed stalling manufacturing data for the ECB's rate-cut outlook. **China** and **Hong Kong stocks** ended lower as investors weighed the potential impact from the upcoming U.S. presidential election. Japan's **Nikkei** share average ended marginally higher, just about ending a three-session losing run as market participants fret about the country's political stability. The **U.S. dollar** stalled near a three-month high against other major currencies, underpinned by expectations for a slower pace of interest rate cuts by the Federal Reserve, while the **euro** and Japanese **yen** climbed off recent lows.

STOCKS TO WATCH

• **Rogers Communications Inc:** The company missed market expectations for third-quarter wireless subscriber additions, hit by cautious spending on its mobile plans and stiff competition in the telecom space. The company added 101,000 monthly bill-paying wireless phone subscribers in the third quarter, compared with estimates of 129,040, according to analysts polled by Visible Alpha. Rogers has been seeing weaker spending on its mobile plans as consumers cut back on discretionary spending amid high inflation levels, choosing instead to switch to cheaper plans. The company reported net income of C\$526 million (\$380.7 million), compared with a loss of C\$99 million, a year ago.

• **Teck Resources Ltd:** The Canadian miner beat third-quarter profit estimates, helped by higher production of copper at its Quebrada Blanca (QB) mine. The company reported an adjusted profit of C\$0.60 per share for the quarter ended Sept. 30, compared with analysts' average estimate of C\$0.37 per share. Teck revamped its operations this year by selling 77% interest in the steelmaking coal unit to Swiss miner Glencore Plc. Teck said copper prices rose by about 11.7% from a year earlier and averaged \$4.21 per pound. The company produced 115,000 metric tons of copper in the reported quarter, an about 60% jump from a year earlier. Teck cut its full-year copper production guidance to 420,000 to 455,000 tons, compared with the previous guidance of 435,000 to 500,000 tons.

FOCUS**Argentina's lithium hunters scale back as EV shift slows**

The Argentine salt flats in South America's "lithium triangle" have been one of the busiest sites for ventures racing to extract the battery metal needed to power the global shift to electric vehicles. Now firms are hitting the brakes.

ANALYSTS' RECOMMENDATION

• **Canadian Pacific Kansas City Ltd:** ATB Capital Markets raises target price to C\$134 from C\$133 after the firm revised its profit estimates for 2024 in its third-quarter earnings report.

• **TFI International Inc:** Stephens cuts target price to \$137 from \$149 after the company's third-quarter earnings missed analysts' expectation.

COMPANIES REPORTING RESULTS**October 24:**

Advantage Energy Ltd: Expected Q3 earnings of 5 Canadian cents per share

FirstService Corp: Expected Q3 earnings of \$1.42 per share

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

0800 **Rogers Communications Inc:** Q3 earnings conference call

0830 **Waste Connections Inc:** Q3 earnings conference call

1000 **Mullen Group Ltd:** Q3 earnings conference call

1100 **FirstService Corp:** Q3 earnings conference call

1100 **Teck Resources Ltd:** Q3 earnings conference call

1130 **West Fraser Timber Co Ltd:** Q3 earnings conference call

EX-DIVIDENDS

Metro Inc: Amount C\$0.335

Richelieu Hardware Ltd: Amount C\$0.15

Royal Bank of Canada: Amount C\$1.42

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

PICTURE OF THE DAY



Canada's New Democratic Party leader Jagmeet Singh arrives on Parliament Hill in Ottawa, Ontario, October 23. REUTERS/Patrick Doyle

(Compiled by Ankita Yadav and Ashitha Salus in Bengaluru)

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