

MORNING NEWS CALL

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Canada Edition

Tuesday, November 5, 2024



TOP NEWS

• **Anxious global investors brace for long-awaited US election results**

Global investors were on edge as Americans headed to the polls, drawing to a close a dramatic U.S. election cycle that has moved bonds, stocks and other assets in recent months and could further sway markets as results become clearer.

• **Burger King parent Restaurant Brands misses sales estimates on muted demand**

Restaurant Brands missed estimates for quarterly revenue due to weak demand across key businesses such as Tim Hortons, Burger King and international markets including China and the Middle East.

• **Sun Life profit beats expectation on strength in Canada, US**

Sun Life reported a better-than-expected third-quarter profit on Monday as Canada's second-largest life insurer benefited from robust growth in its domestic and U.S. businesses.

• **Boeing strike ends as workers accept new contract**

Boeing's U.S. West Coast factory workers accepted a new contract offer on Monday, ending a bitter seven-week strike that halted most jet production and deepened a financial crisis at the troubled planemaker.

• **Musk now says it's 'pointless' to build a \$25,000 Tesla for human drivers**

When Reuters reported in April that Tesla had scrapped plans for a long-promised, next-generation \$25,000 electric vehicle, the automaker's stock plunged. Chief Executive Elon Musk rushed to respond on X, his social-media network. Six months later, Musk appears to have backed into an admission that Tesla dropped its plans for a human-driven \$25,000 car.

BEFORE THE BELL

Futures tied to **Canada's main stock index** edged higher, supported by **crude** prices. **U.S. stock index futures** were steady ahead of election day voting, with market participants preparing for volatile trading in the coming sessions. Europe's **STOXX 600** flitted between gains and losses as series of disappointing earnings weighed on investors' sentiment. **Mainland China stocks** closed at a four-week high after Chinese Premier Li Qiang expressed confidence in the country's economic recovery. After a long weekend, Japan's **Nikkei** bounced back from a significant drop on Friday, led by stocks that reported robust outlooks. The **U.S. dollar** softened, while the **gold** prices held steady.

STOCKS TO WATCH

Results

- **Restaurant Brands International Inc:** The Burger King parent missed estimates for quarterly revenue due to weak demand across key businesses such as Tim Hortons, Burger King and international markets including China and the Middle East. Steady demand for cold drinks, donuts and breakfast bundles at Tim Hortons drove quarterly same-store sales growth of 2.3% at the coffee chain, but Burger King declined 0.7%, compared with a 6.6% rise last year. The company reported net income of \$357 million, down from \$365 million in the prior-year period. Total revenues for the three months ended September 30 came in at \$2.29 billion, below analysts' expectations of \$2.31 billion.
- **Sun Life Financial Inc:** The insurer reported a better-than-expected third-quarter profit on Monday as Canada's second-largest life insurer benefited from robust growth in its domestic and U.S. businesses. The earnings beat was primarily driven by strong insurance sales within Sun Life's group businesses - which provide health and protection benefits to employer and government plan members - both at home and in the United States. Meanwhile, Sun Life's wealth and asset management posted underlying earnings of C\$474 million, a 4% rise from prior year, driven by higher fee income. Assets under management jumped 13% to C\$1.52 trillion from a year earlier. The company's underlying net income was C\$1.02 billion, or C\$1.76 per share, in the three months ended Sept. 30, compared with C\$930 million, or C\$1.59 per share, a year earlier. Analysts on average had expected Sun Life to earn C\$1.70 per share.
- **Thomson Reuters Corp:** The company reported higher than expected third-quarter revenue as it continued to invest in generative AI. The company reported a quarterly revenue rise of 8% to \$1.72 billion, just ahead of analyst expectations. It reported adjusted earnings per share of 80 cents. Wall Street expected a profit per share of 76 cents. The company said it now expected full-year organic revenue to rise by about 7%, up from an earlier expectation of about 6.5%. Acquisitions helped drive revenue rises at some of Thomson Reuters' "Big 3" businesses. Revenue at its legal, corporates, and tax and accounting businesses rose 9%. Reuters News revenue, which rose 10%, benefitted from acquisitions and generative AI-related licensing revenue.

FOCUS

Walmart, other US retailers import fewer Christmas goods ahead of tepid holiday season

Santa Claus is not delivering as many Christmas trees, toys and decorations to the United States this year as in recent years, import data shows, with retailers including Walmart bringing in less holiday product ahead of what is expected to be a so-so holiday season.

ANALYSTS' RECOMMENDATION

- **BCE Inc:** Canaccord Genuity cuts target price to C\$41 from C\$51 due to the company's low free-cash-flow generation.

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

0815 **Reserve assets total** for Oct: Prior \$128,074 mln

0830 **Trade balance** for Sept: Expected -C\$0.80 bln; Prior -C\$1.10 bln

0830 **Exports** for Sept: Prior C\$64.31 bln

0830 **Imports** for Sept: Prior C\$65.41 bln

COMPANIES REPORTING RESULTS

November 5:

Bird Construction Inc: Expected Q3 earnings of 68 Canadian cents per share

Boyd Group Services Inc: Expected Q3 earnings of 48 cents per share

Colliers International Group Inc: Expected Q3 earnings of \$1.48 per share

Dundee Precious Metals Inc: Expected Q3 earnings of 27 cents per share

Ero Copper Corp: Expected Q3 earnings of 33 cents per share

Fortis Inc: Expected Q3 earnings of 82 Canadian cents per share

iA Financial Corporation Inc: Expected Q3 earnings of C\$2.61 per share

Intact Financial Corp: Expected Q3 earnings of 36 Canadian cents per share

Kinross Gold Corp: Expected Q3 earnings of 19 cents per share

Labrador Iron Ore Royalty Corp: Expected Q3 earnings of 68 Canadian cents per share

MEG Energy Corp: Expected Q3 earnings of 74 Canadian cents per share

Pan American Silver Corp: Expected Q3 earnings of 20 cents per share
Parex Resources Inc: Expected Q3 earnings of 86 cents per share
Pembina Pipeline Corp: Expected Q3 earnings of 72 Canadian cents per share
Pet Valu Holdings Ltd: Expected Q3 earnings of 34 Canadian cents per share
Restaurant Brands International Inc: Expected Q3 earnings of 95 cents per share
Thomson Reuters Corp: Expected Q3 earnings of 76 cents per share
TransAlta Corp: Expected Q3 earnings of 16 Canadian cents per share
Triple Flag Precious Metals Corp: Expected Q3 earnings of 14 cents per share

November 6:

Alamos Gold Inc: Expected Q3 earnings of 21 cents per share
ARC Resources Ltd: Expected Q3 earnings of 35 Canadian cents per share
ATS Corp: Expected Q2 earnings of 32 Canadian cents per share
B2Gold Corp: Expected Q3 earnings of 5 cents per share
CES Energy Solutions Corp: Expected Q3 earnings of 19 Canadian cents per share
CGI Inc: Expected Q4 earnings of C\$1.91 per share
Fortuna Mining Corp: Expected Q3 earnings of 12 cents per share
Franco-Nevada Corp: Expected Q3 earnings of 85 cents per share
GFL Environmental Inc: Expected Q3 earnings of 33 Canadian cents per share
Great-West Lifeco Inc: Expected Q3 earnings of C\$1.08 per share
Innervex Renewable Energy Inc: Expected Q3 earnings of 3 Canadian cents per share
Interfor Corp: Expected Q3 loss of C\$1.42 per share
Lundin Mining Corp: Expected Q3 earnings of 16 cents per share
Manulife Financial Corp: Expected Q3 earnings of 94 Canadian cents per share
Methanex Corp: Expected Q3 earnings of 54 cents per share
NFI Group Inc: Expected Q3 earnings of 4 cents per share
Nutrien Ltd: Expected Q3 earnings of 47 cents per share
OceanaGold Corp: Expected Q3 earnings of 10 cents per share
Osisko Gold Royalties Ltd: Expected Q3 earnings of 14 Canadian cents per share
Premium Brands Holdings Corp: Expected Q3 earnings of C\$1.47 per share
Russel Metals Inc: Expected Q3 earnings of 59 Canadian cents per share
Sprott Inc: Expected Q3 earnings of 44 cents per share
Stella-Jones Inc: Expected Q3 earnings of C\$1.75 per share
Superior Plus Corp: Expected Q3 loss of 19 Canadian cents per share
Torex Gold Resources Inc: Expected Q3 earnings of 62 cents per share
Tourmaline Oil Corp (Alberta): Expected Q3 earnings of 86 Canadian cents per share
Vermilion Energy Inc: Expected Q3 earnings of 45 Canadian cents per share
Wesdome Gold Mines Ltd: Expected Q3 earnings of 25 Canadian cents per share
WSP Global Inc: Expected Q3 earnings of C\$2.23 per share

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

0800 **Toromont Industries Ltd:** Q3 earnings conference call
0830 **Cargojet Inc:** Q3 earnings conference call
0830 **Fortis Inc:** Q3 earnings conference call
0830 **Pet Valu Holdings Ltd:** Q3 earnings conference call
0830 **Thomson Reuters Corp:** Q3 earnings conference call
0845 **Restaurant Brands International Inc:** Q3 earnings conference call
0900 **Boyd Group Services Inc:** Q3 earnings conference call
1000 **Sun Life Financial Inc:** Q3 earnings conference call
1100 **Colliers International Group Inc:** Q3 earnings conference call
1100 **Topaz Energy Corp:** Q3 earnings conference call
1100 **TransAlta Corp:** Q3 earnings conference call

EX-DIVIDENDS

MTY Food Group Inc: Amount C\$0.28
Primo Water Corp: Amount \$0.82

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

PICTURE OF THE DAY



A devotee prays inside the Sri Dharmasastha temple in Thulasendrapuram, the village where Kamala Harris' maternal grandfather was born, in the Southern state of Tamil Nadu, India, November 5. REUTERS/Francis Mascarenhas

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