

MORNING NEWS CALL

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Canada Edition

Thursday, November 7, 2024



TOP NEWS

• **Fed to cut rates, but with a new landscape to decipher after Trump win**

The U.S. Federal Reserve is expected to reduce its benchmark policy rate by a quarter of a percentage point at the end of its policy meeting on Thursday, a decision that may seem a footnote given the uncertain economic terrain the central bank may soon be navigating under a second Trump administration.

• **Bombardier's third-quarter revenue rises 12% on services business boost**

Bombardier said its third-quarter revenue rose 12%, helped by strong demand for business jet parts and repairs.

• **Barrick Gold misses quarterly profit estimates on lower production, higher costs**

Canada's Barrick Gold missed Wall Street estimates for third-quarter profit, weighed down by lower production at its mines.

• **Nutrien misses third-quarter profit estimates as lower crop prices weigh**

Nutrien fell short of Wall Street expectations for third-quarter profit on Wednesday, as the fertilizer producer struggled with lower crop prices.

• **Manulife profit beats expectation on Asia, wealth management businesses strength**

Manulife Financial posted a better-than-expected third-quarter profit on Wednesday, as the Canadian insurer benefited from a robust performance in its Asia and wealth management businesses.

BEFORE THE BELL

Futures tied to Canada's main stock index rose, mirroring its Wall Street peers, ahead of the U.S. Federal Reserve's monetary policy decision later in the day. **European stocks** gained, boosted by technology and resources shares. Meanwhile, **shares in China** and **Hong Kong** closed higher, driven by investor optimism over potential stimulus measures. Japan's **Nikkei** erased its early rise to end lower as investors booked profits following the sharp gains in the previous session. **Oil** slipped due to a strong **U.S. dollar** and lower crude imports in China. **Gold** prices rose but traded near a three-week low.

STOCKS TO WATCH

• **Barrick Gold Corp:** The miner missed Wall Street estimates for third-quarter profit, weighed down by higher costs and lower production at its Nevada mines. Total gold output at Nevada Gold Mines fell to 385,000 ounces in the July-September quarter, compared with 401,000 ounces in the preceding three months, the company reported in October. The miner reiterated it was on track for an improved performance in the fourth quarter with production

ramp-ups at Pueblo Viejo at the Dominican Republic and higher output from its Nevada mines. Barrick said full-year production at its Loulo-Gounkoto project in Mali - where it is currently locked in a dispute related to an agreement with the government - would be at the top end of its forecast. On an adjusted basis, the world's second-largest gold miner posted a profit of 30 cents per share for the quarter ended Sept. 30, compared to analysts' average estimate of 31 cents.

- **Bombardier Inc:** The business jet makers said its third-quarter revenue rose 12%, helped by strong demand for business jet parts and repairs. The Challenger jet maker reported cash burn, a metric closely watched by investors, of \$127 million during the quarter, compared with a positive cash flow of \$80 million in the same period last year. Bombardier maintained its full year forecast for jet deliveries of 150 to 155 aircraft. Revenue from the company's services business rose 28% in the third quarter to \$528 million. Bombardier reported quarterly revenue of \$2.07 billion, compared with \$1.86 billion a year earlier. On an adjusted basis, it earned 74 cents per share in the third quarter, compared with 73 cents per share in the same period last year.
- **Canada Goose Holdings Inc:** The firm topped Wall Street estimates for quarterly revenue, as steady demand for its pricey puffer jackets in key luxury goods market China cushioned bleak U.S. sales. The company said revenue rose 2.5% in Greater China in the second quarter, the fourth consecutive quarter of growth in the market. The increase defies the broader weakness flagged by bigger luxury brands such as Gucci owner Kering and LVMH. Canada Goose said second-quarter revenue fell to C\$267.8 million, from C\$281.1 million a year earlier. Analysts on average had expected revenue of C\$260.2 million.
- **Manulife Financial Corp:** The insurer posted a better-than-expected third-quarter profit on Wednesday, as the firm benefited from a robust performance in its Asia and wealth management businesses. Core earnings from Manulife's Asia business jumped 17% to C\$453 million in the quarter compared to last year. Manulife's wealth and asset management business was another bright spot, with core earnings from the unit jumping 37% to a record C\$499 million. Manulife's wealth and asset management saw net inflows of C\$5.2 billion, compared to net outflows of C\$0.8 billion a year earlier, driven by strong retail net flows. The company's core earnings increased to C\$1.83 billion, or C\$1.00 per share, in the three months ended Sept. 30, from C\$1.74 billion, or 92 Canadian cents per share, a year ago. Analysts, on average, had expected Manulife to earn 94 Canadian cents per share.
- **Nutrien Ltd:** The fertilizer producer fell short of Wall Street expectations for third-quarter profit on Wednesday, as the company struggled with lower crop prices. Nutrien lowered its outlook for annual phosphate sales volumes to be in the range of 2.4-2.5 million tonnes from 2.5-2.6 million tonnes previously. However, Nutrien raised its annual forecast for potash sales volumes, owing to expectations of stronger demand in key markets. The company's net profit fell nearly 70% to \$25 million in the third quarter, while net sales declined 5% to \$5.35 billion. Lower sales volumes and a decline in seed margins in key markets led to a 23% fall in adjusted core profit at Nutrien's retail segment - its largest by revenue. The firm posted an adjusted profit of 39 cents per share for the three months ended Sept. 30, compared with analyst's estimates of 46 cents per share.
- **TC Energy Corp:** The pipeline operator's third-quarter profit beat Wall Street estimates, helped by higher volumes of liquids transported through its system. U.S. imports of crude oil from Canada reached a record in July, benefiting pipeline firms such as TC Energy. Additionally, the U.S. Energy Information Agency said gas consumption in the United States would rise from a record 89.1 billion cubic feet per day (bcfd) in 2023 to 90.1 bcfd in 2024. Quarterly earnings from TC Energy's U.S. natural gas pipelines, its largest segment, rose to C\$1.33 billion from C\$782 million a year earlier. The company reported an adjusted profit of C\$1.03 per share for the quarter, compared with the average analyst estimate of 95 Canadian cents.

ANALYSIS

US farmers back Trump but face pain from China tariff threats

U.S. farmers want something from President-elect Donald Trump that his trade policies mean he is unlikely to deliver: increased access to the market of top soy-importer China.

ANALYSTS' RECOMMENDATION

- **Boyd Group Services Inc:** ATB Capital Markets cuts target price to C\$320 from C\$340 based on the company's weaker-than-expected third-quarter-results.

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

0600 **Leading index MM** for Oct: Prior 0.22%

COMPANIES REPORTING RESULTS**November 7:**

Algonquin Power & Utilities Corp: Expected Q3 earnings of 10 cents per share
Altus Group Ltd: Expected Q3 earnings of 26 Canadian cents per share
Barrick Gold Corp: Expected Q3 earnings of 31 cents per share
BCE Inc: Expected Q3 earnings of 77 Canadian cents per share
Bombardier Inc: Expected Q3 earnings of 73 cents per share
Canadian Tire Corporation Ltd: Expected Q3 earnings of C\$3.02 per share
Definity Financial Corp: Expected Q3 earnings of 3 Canadian cents per share
Denison Mines Corp: Expected Q3 loss of 2 Canadian cents per share
Exchange Income Corp: Expected Q3 earnings of C\$1.22 per share
First Majestic Silver Corp: Expected Q3 earnings of 1 cent per share
Freehold Royalties Ltd: Expected Q3 earnings of 36 Canadian cents per share
goeasy Ltd: Expected Q3 earnings of C\$4.15 per share
Hydro One Ltd: Expected Q3 earnings of 59 Canadian cents per share
IAMGOLD Corp: Expected Q3 earnings of 10 cents per share
IGM Financial Inc: Expected Q3 earnings of 99 Canadian cents per share
Jamieson Wellness Inc: Expected Q3 earnings of 36 Canadian cents per share
Lightspeed Commerce Inc: Expected Q2 earnings of 11 cents per share
Lundin Gold Inc: Expected Q3 earnings of 48 cents per share
Pason Systems Inc: Expected Q3 earnings of 26 Canadian cents per share
Primo Water Corp: Expected Q3 earnings of 30 cents per share
Quebecor Inc: Expected Q3 earnings of 82 Canadian cents per share
Sandstorm Gold Ltd: Expected Q3 earnings of 3 cents per share
Saputo Inc: Expected Q2 earnings of 38 Canadian cents per share
Stantec Inc: Expected Q3 earnings of C\$1.25 per share
TC Energy Corp: Expected Q3 earnings of 95 Canadian cents per share
Trisura Group Ltd: Expected Q3 earnings of 67 Canadian cents per share
Wheaton Precious Metals Corp: Expected Q3 earnings of 34 cents per share

November 8:

Brookfield Business Partners LP: Expected Q3 earnings of 10 cents per share
Brookfield Renewable Partners LP: Expected Q3 loss of 13 cents per share
Constellation Software Inc: Expected Q3 earnings of \$238 cents per share
Emera Inc: Expected Q3 earnings of 78 Canadian cents per share
Filo Corp: Expected Q3 loss of 19 Canadian cents per share
Nexgen Energy Ltd: Expected Q3 loss of 4 Canadian cents per share
Telus Corp: Expected Q3 earnings of 24 Canadian cents per share

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

0800 **BCE Inc:** Q3 earnings conference call
0800 **Bombardier Inc:** Q3 earnings conference call
0800 **Canadian Tire Corporation Ltd:** Q3 earnings conference call
0800 **Franco-Nevada Corp:** Q3 earnings conference call
0800 **Hydro One Ltd:** Q3 earnings conference call
0800 **Lightspeed Commerce Inc:** Q2 earnings conference call
0800 **Manulife Financial Corp:** Q3 earnings conference call
0800 **WSP Global Inc:** Q3 earnings conference call
0830 **GFL Environmental Inc:** Q3 earnings conference call
0830 **TC Energy Corp:** Q3 earnings conference call
0900 **Innergex Renewable Energy Inc:** Q3 earnings conference call
0900 **NFI Group Inc:** Q3 earnings conference call
0900 **Russel Metals Inc:** Q3 earnings conference call
0900 **Torex Gold Resources Inc:** Q3 earnings conference call
1000 **Algonquin Power & Utilities Corp:** Q3 earnings conference call
1000 **ARC Resources Ltd:** Q3 earnings conference call
1000 **Great-West Lifeco Inc:** Q3 earnings conference call
1000 **Lundin Mining Corp:** Q3 earnings conference call
1000 **Nutrien Ltd:** Q3 earnings conference call
1000 **OceanaGold Corp:** Q3 earnings conference call

1000 **Primo Water Corp**: Q3 earnings conference call
1000 **Wesdome Gold Mines Ltd**: Q3 earnings conference call
1030 **Superior Plus Corp**: Q3 earnings conference call
1100 **Alamos Gold Inc**: Q3 earnings conference call
1100 **B2Gold Corp**: Q3 earnings conference call
1100 **Barrick Gold Corp**: Q3 earnings conference call
1100 **CES Energy Solutions Corp**: Q3 earnings conference call
1100 **Interfor Corp**: Q3 earnings conference call
1100 **Methanex Corp**: Q3 earnings conference call
1100 **Quebecor Inc**: Q3 earnings conference call
1100 **Tourmaline Oil Corp (Alberta)**: Q3 earnings conference call
1100 **Vermilion Energy Inc**: Q3 earnings conference call
1100 **Wheaton Precious Metals Corp**: Q3 earnings conference call
1200 **Fortuna Mining Corp**: Q3 earnings conference call
1700 **Altus Group Ltd**: Q3 earnings conference call
1700 **Jamieson Wellness Inc**: Q3 earnings conference call

EX-DIVIDENDS

Canadian Utilities Ltd: Amount C\$0.453

Waste Connections Inc: Amount \$0.315

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

PICTURE OF THE DAY



A person looks on as smoke and flames billow from the Mountain Fire in Santa Paula, California, U.S., November 6. REUTERS/David Swanson

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