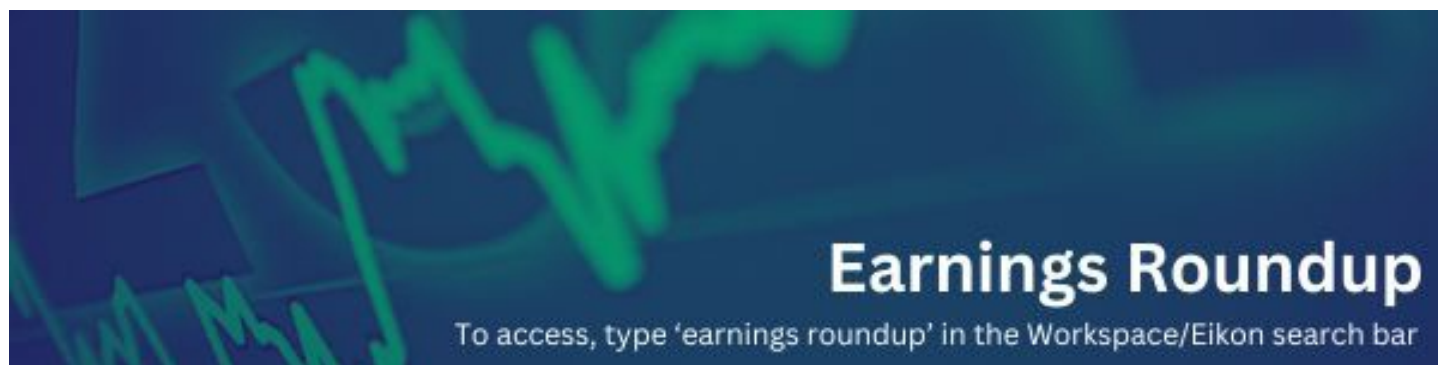


MORNING NEWS CALL

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CANADA EDITION

Monday, October 26, 2026



TOP NEWS

Bank of Canada expected to hike rate on Wednesday to stem spillover of energy inflation

The Bank of Canada will likely raise its benchmark interest rate by 25 basis points on Wednesday as a pre-emptive move to stop energy-led inflation from spreading to the rest of the economy, according to money markets and economists.

Trump says Canada tariff deal coming 'soon' at Michigan border rally

President Donald Trump at a Sunday political rally predicted a trade dispute with Canada would be resolved "soon," without providing specifics.

EQT to buy Range Resources in over \$50 billion deal

EQT Corp said it would acquire Range Resources in an all-stock deal valued at more than \$50 billion, creating what the companies called the largest vertically integrated natural gas producer in the United States.

Musk says SpaceX raised \$40 billion in debt deal, predicts neocloud shakeout

Elon Musk said on Sunday that SpaceX had closed \$40 billion in debt financing for graphics processing units, underscoring the soaring cost of building AI computing capacity.

Teck says strike begins at Highland Valley Copper mine in British Columbia

Teck Resources said on Saturday workers had started a strike at its Highland Valley Copper mine in British Columbia, with operations continuing at reduced capacity.

BEFORE THE BELL

Futures tracking Canada's main stock index edged higher, supported by firmer **gold** prices, while easing inflation concerns helped sentiment after **oil** retreated from six-month highs amid hopes of improved U.S.-Iran relations.

US stock index futures also advanced as investors prepared for a pivotal week featuring major corporate earnings and central bank meetings. Roughly one-third of S&P 500 companies are due to report results, with Alphabet, Microsoft and Amazon.com in focus as markets assess whether heavy artificial intelligence spending is translating into stronger earnings and growth. Their results are expected to provide a key test for the AI-driven rally that has underpinned equities this year.

On the policy front, five major central banks are scheduled to announce interest-rate decisions this week. The U.S. Federal Reserve, European Central Bank and Bank of Japan are widely expected to keep rates unchanged while maintaining a cautious tone on inflation. In Canada, economists polled by Reuters expect the Bank of Canada to raise its benchmark rate by 25 basis points to 2.50% on Wednesday, with another increase anticipated by the end of March.

European markets were modestly higher, with the **STOXX 600** gaining after a subdued open. **French government bonds** stabilized after Moody's left the country's sovereign credit rating unchanged, while weekend protests remained largely peaceful.

In Asia, Japan's **Nikkei** fell for a third consecutive session as losses in chip stocks outweighed gains in energy shares. **Chinese equities** erased early declines to end little changed, with investors remaining cautious ahead of this week's central bank decisions and other key market events. The **euro** edged higher as traders awaited fresh policy signals, while the **US dollar index** was little changed.

STOCKS TO WATCH

- **Alimentation Couche-Tard Inc:** The company proposed an offer of \$7.5 billion to \$8 billion for US convenience store operator Cumberland Farms, formerly known as EG Group, Britain's Times newspaper reported on Saturday. The offer would be lower than Cumberland Farms' \$9 billion valuation target for a planned US IPO, the report said.
- **Teck Resources Ltd:** The company said on Saturday workers had started a strike at its Highland Valley Copper mine in British Columbia, with operations continuing at reduced capacity. The impact on overall production remains dependent on the duration of the strike, Teck said. The labour action follows the expiry of a 72-hour notice served by United Steelworkers (USW) Local 7619 after contract talks failed to produce a new collective agreement.

REUTERS OPEN INTEREST

Nice earnings forecasts you have. Shame if something happened to them: Joachim Klement

The bull case for equities rests on sky-high earnings forecasts. History suggests forecasts typically fail most spectacularly when markets are priced for exceptional future profit growth. That's exactly where we are right now.

ANALYSTS' RECOMMENDATION

- **Air Canada:** CIBC lowered its target price to C\$36 from C\$40, citing risks to fourth-quarter consensus expectations due to the significant fuel cost headwind.
- **Rogers Communications Inc:** JPMorgan cuts target price to C\$63 from C\$65, reflecting weaker market growth assumptions following the company's third-quarter results.
- **Telesat Corp:** CIBC initiates coverage with outperformer rating and a target price of C\$105, citing the company's transition to a low-Earth-orbit satellite constellation network focused on enterprise and government contracts.

COMPANIES REPORTING RESULTS**Oct 26:**

Celestica Inc: Expected Q3 earnings of \$2.99 per share

Prairiesky Royalty Ltd: Expected Q3 earnings of 34 Canadian cents per share

Oct 27:

Athabasca Oil Corporation: Expected Q3 earnings of 19 Canadian cents per share

Ivanhoe Mines Ltd: Expected Q3 earnings of 8 cents per share

EX-DIVIDENDS

Royal Bank of Canada: Amount C\$1.76

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

PICTURE OF THE DAY



Brazilian President Luiz Inacio Lula da Silva, the Workers' Party (PT) candidate for presidential re-election, celebrates with his wife, Rosangela "Janja" da Silva, and Vice President Geraldo Alckmin after winning the presidential runoff election, in Sao Paulo, Brazil, October 25. REUTERS/Brian Snyder

(Compiled by Archak Sengupta and Imran Zafar in Bengaluru)

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LSEG, 10 Paternoster Square, London, EC4M 7LS, United Kingdom

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