

MORNING NEWS CALL

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Canada Edition

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COP29 Summit

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TOP NEWS

- **Suncor Energy beats Q3 profit estimates on higher production, raises dividend**

Canada's Suncor Energy raised its quarterly dividend on Tuesday after the integrated oil and gas firm beat estimates for third-quarter profit, as it benefited from higher oil production and demand for refined products.

- **Loblaw misses quarterly revenue estimates on weak demand for household items**

Canadian supermarket retailer Loblaw Companies missed third-quarter revenue estimates, hurt by a slowdown in the demand for its non-essential goods such as household items and electronics.

- **Race for Japanese 7-Eleven owner heats up with founding family bid**

Japan's Seven & i Holdings has received a buyout proposal from a member of its founding Ito family, it said on Wednesday, a potential \$58 billion white-knight bid as it weighs a rival offer from Canada's Alimentation Couche-Tard.

- **US Supreme Court to hear Nvidia bid to avoid securities fraud suit**

The U.S. Supreme Court is set on Wednesday to hear arguments in Nvidia's bid to torpedo a securities fraud lawsuit accusing the artificial intelligence chipmaker of misleading investors about how much of its sales depended on the volatile cryptocurrency market.

- **Archer-Daniels-Midland seeks more time to file quarterly results**

Archer-Daniels-Midland has sought an extension to file its third-quarter financial report, saying it could not meet the deadline "without unreasonable effort and expense", the global grain trader said in a regulatory filing.

BEFORE THE BELL

Futures tied to **Canada's main stock index** marginally fell, mirroring **Wall Street** peers, ahead of key U.S. consumer price index figures due later in the day. **European shares** swung between gains and losses as rising energy shares countered technology losses. **Nikkei** ended lower as investors sold stocks in the backdrop of the benchmark hovering near the key level of 40,000 points, while Seven & i Holdings surged on a potential management buyout, capping some losses. **China stocks** pared losses to close higher, lifted by gains in telecom companies. Separately, the **U.S. dollar** scaled a fresh 6-1/2-month peak against other major currencies and the **Japanese yen** fell to its lowest level since July, driven by so-called "Trump trades". In commodities, **oil** prices held near their lowest in two weeks a day after OPEC downgraded its forecast for global oil demand growth in 2024 and 2025 and amid demand concerns in China. **Gold** prices edged higher on some bargain buying after the metal dropped to its lowest in nearly two months in the previous session.

STOCKS TO WATCH

Results

- **Loblaw Companies Ltd:** The supermarket retailer missed third-quarter revenue estimates, hurt by a slowdown in the demand for its non-essential goods such as household items and electronics. Consumers have been holding back on discretionary spending as prices remain relatively high despite inflationary trends declining, hurting demand for higher-end brands offered by retailers such as Loblaw. However, demand for value deals has helped Loblaw's discount banners such as No Frills and Maxi. Same-store sales in the food retail segment grew 0.5% in the third quarter, compared with 4.5% a year ago. The company's quarterly revenue rose to C\$18.54 billion from C\$18.27 billion a year earlier, compared with analysts' average estimates of C\$18.65 billion. Loblaw's adjusted earnings per share was C\$2.50 in the third quarter, topping expectations of C\$2.45.
- **Suncor Energy Inc:** The integrated oil and gas firm raised its quarterly dividend on Tuesday after the firm beat estimates for third-quarter profit, as it benefited from higher oil production and demand for refined products. The firm's quarterly upstream production was up 20% at 828,600 barrels per day (bpd), from the previous year and refinery utilization was up at 105%, with throughput of 487,600 bpd. Its total oil sands bitumen production in the quarter ended Sept. 30 was at 909,600 bpd, up 15.6% from the previous year. The company also raised its quarterly dividend by 5% to 57 Canadian cents per share, from the prior quarter. The company reported an adjusted profit of C\$1.48 per share for the three-month period, compared with analysts' average estimate of C\$1.08 per share.

In Other News

- **Alimentation Couche-Tard Inc:** Japan's Seven & i Holdings has received a buyout proposal from a member of its founding Ito family, it said, a potential \$58 billion white-knight bid as it weighs a rival offer from Canada's Alimentation Couche-Tard. The offer for Ito-Kogyo, a company linked to Vice President Junro Ito and a top shareholder in 7-Eleven owner, is non-binding and under review by the same special committee set up to assess Couche-Tard's takeover bid. Separately, the Financial Times reported that "preliminary and limited" talks between Seven & i and Couche-Tard have begun, citing people familiar with the matter - a development that comes after months of reluctance on the part of the Japanese company to talk about a deal. Sources have previously said Couche-Tard has sweetened an original offer to \$47 billion.

FOCUS

Trump trade policy seen as wild card for US soybean farmers

American farmers are worried that President-elect Donald Trump's sweeping tariff plans will curb their access to top soy buyer China, but tariffs could also lure companies to build more U.S. crushing plants, hungry for domestic supplies.

ANALYSTS' RECOMMENDATION

- **Computer Modelling Group Ltd:** CIBC cuts target price to C\$14.5 from C\$15, following the company's weaker-than-expected second-quarter results.
- **Imperial Oil Ltd:** JPMorgan raises target price to C\$100 from C\$97, after the company's strong third-quarter results.
- **Linamar Corp:** CIBC cuts target price to C\$84 from C\$85, based on the company's challenging outlook.
- **Sienna Senior Living Inc:** CIBC raises target price to C\$19 from C\$17, as the company continue to exhibit operational strength and successfully maintain a track record of prudent cost management.

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

1100 LSEG IPSOS PCSI for Nov: Prior 48.41

COMPANIES REPORTING RESULTS

November 13:

CCL Industries Inc: Expected Q3 earnings of C\$1.10 per share

Element Fleet Management Corp: Expected Q3 earnings of 28 cents per share

Hudbay Minerals Inc: Expected Q3 earnings of 5 cents per share
Loblaw Companies Ltd: Expected Q3 earnings of C\$2.45 per share
Maple Leaf Foods Inc: Expected Q3 earnings of 23 Canadian cents per share
Mattr Corp: Expected Q3 earnings of 20 Canadian cents per share
Northland Power Inc (Ontario): Expected Q3 earnings of 15 Canadian cents per share

November 14:

Atco Ltd: Expected Q3 earnings of 71 Canadian cents per share
Atkinsrealis Group Inc: Expected Q3 earnings of 59 Canadian cents per share
Aya Gold & Silver Inc: Expected Q3 earnings of 1 cent per share
Boralex Inc: Expected Q3 loss of 11 Canadian cents per share
Canadian Utilities Ltd: Expected Q3 earnings of 34 Canadian cents per share
CI Financial Corp: Expected Q3 earnings of 89 Canadian cents per share
K92 Mining Inc: Expected Q3 earnings of 17 cents per share
Keyera Corp: Expected Q3 earnings of 94 Canadian cents per share

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

0800 **CAE Inc:** Q2 Earnings Conference Call
0800 **Maple Leaf Foods Inc:** Q3 Earnings Conference Call
0830 **Power Corporation of Canada:** Q3 Earnings Conference Call
0930 **Suncor Energy Inc:** Q3 Earnings Conference Call
1000 **Finning International Inc:** Q3 Earnings Conference Call
1000 **Loblaw Companies Ltd:** Q3 Earnings Conference Call
1000 **Orla Mining Ltd:** Q3 Earnings Conference Call
1100 **Hudbay Minerals Inc:** Q3 Earnings Conference Call
1100 **Peyto Exploration & Development Corp:** Q3 Earnings Conference Call
1100 **SilverCrest Metals Inc:** Q3 Earnings Conference Call

EX-DIVIDENDS

Centerra Gold Inc: Amount C\$0.07

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

PICTURE OF THE DAY



Citrus farmer Bernardo Ferrer Ferrer, 53, picks damaged oranges following flooding in Alzira, near Valencia, Spain, November 12. REUTERS/Vincent West

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