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November 7, 2024

U.S. EQUITY FUTURES	LAST	CHANGE	%CHG	COMMODITIES/ FX	LAST	CHANGE	
Dow Jones MINI futures	43,951.00	50.00	0.11%	CRUDE OIL WTI	\$71.41	-\$0.28	
S&P500 MINI futures	5,972.50	14.25	0.24%	NATURAL GAS	\$2.72	-\$0.03	
NASDAQ MINI futures	20,976.00	82.00	0.39%	GOLD	\$2,680.99	\$21.75	
CANADA EQUITY MARKET	LAST	CHANGE	%CHG	COPPER	\$4.38	\$0.16	
S&P/TSX 60 futures	1,479.90	3.30	0.22%	CAD / USD	\$0.7198	\$0.0024	
OVERSEAS MARKETS	LAST	CHANGE	%CHG	CAD / EUR	€ 0.6675	-€ 0.0011	
DJ EURO STOXX 50	4,837.98	37.35	0.78%	USD / EUR	€ 0.9274	-€ 0.0046	
FTSE 100 INDEX	8,165.29	-1.39	-0.02%	USD / JPY	¥153.62	-¥1.01	
DAX GERMANY	19,318.49	279.18	1.47%	GOVERNMENT BONDS	2YR	5YR	10YR
CAC 40 Index	7,407.53	37.92	0.51%	CANADA (YLD%)	3.16%	3.13%	3.32%
NIKKEI 225 INDEX	39,381.41	-99.26	-0.25%	U.S. (YLD%)	4.25%	4.26%	4.43%
HANG SENG INDEX	20,953.34	414.96	2.02%	Source: LSEG			
SHANGHAI COMPOSITE INDEX	3,470.66	86.85	2.57%				

Morning News

Futures rose ahead of an interest-rate decision by the Federal Reserve, building on a sharp rally set off by Donald Trump's stunning comeback as U.S. president for a second time. Trump's triumph in the race for the White House spurred a surge in stocks that sent the blue-chip Dow soaring by more than 1,500 points. The Dow, S&P 500 and Nasdaq Composite all notched new all-time highs in the session, while the small cap-focused Russell 2000 jumped more than 5%. Traders have about fully priced in a 25-basis point rate cut, but will keep a close watch on the central bank's policy statement for clues on the future path of monetary easing. The number of Americans filing new applications for unemployment benefits rose marginally last week, suggesting no material change in labor market conditions and reinforcing views that hurricanes and strikes had resulted in job growth almost stalling in October. Initial claims for state unemployment benefits increased 3,000 to a seasonally adjusted 221,000 for the week ended Nov. 2, the Labor Department said on Thursday. Economists polled had forecast 221,000 claims for the latest week. Investor will also look at quarterly earnings today with Moderna and Warner Bros. Discovery before the bell Thursday and Block, Pinterest and Rivian are due in the afternoon. Oil slipped on Thursday, extending a sell-off triggered by the U.S. presidential election, as a strong dollar and lower crude imports in China outweighed supply risks from a Trump presidency and output cuts caused by Hurricane Rafael.

European stocks gained on Thursday, boosted by technology and resources shares, with the focus on policy decisions from the Federal Reserve and other major central banks. Euro zone retail sales grew unexpectedly quickly in September even after a large upward revision in the previous month's data, adding to the case that private consumption is finally starting to increase, figures from Eurostat showed on Thursday. The Bank of England cut interest rates on Thursday for only the second time since 2020 and said future reductions were likely to be gradual, seeing higher inflation and growth after the new government's first budget. The Monetary Policy Committee voted 8-1 to cut interest rates to 4.75% from 5%, a stronger majority than expectations in a Reuters poll.

China and Hong Kong stocks ended higher on Thursday, buoyed by investor optimism over potential stimulus measures that outweighed concerns about worsening trade tensions under a second Donald Trump presidency. China's exports grew at the fastest pace in over two years in October as factories rushed inventory to major markets in anticipation of further tariffs from the U.S. and the European Union, as the threat of a two-front trade war loomed large. Japan's Nikkei share average erased its early rise to end lower on Thursday, as investors booked profits following the sharp gains in the previous session.

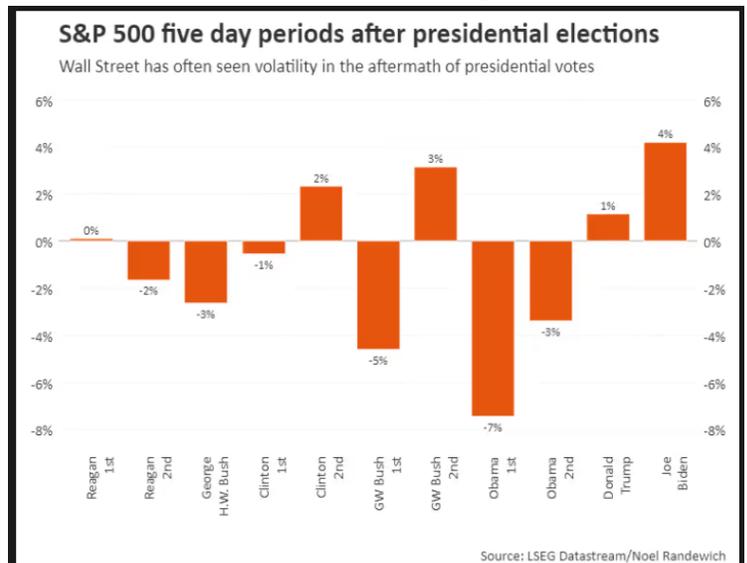
U.S Economic Calendar

Time	Indicator Name	Period	Reuters Poll	Actual	Surprise	Prior	Revised
08:30	Initial Jobless Clm	2 Nov, w/e	221k	221k	0.0k	216k	218k
08:30	Jobless Clm 4Wk Avg	2 Nov, w/e		227.25k		236.50k	237.00k
08:30	Cont Jobless Clm	26 Oct, w/e	1.875M	1.892M	0.0170M	1.862M	1.853M
08:30	Unit Labor Costs Prelim	Q3	1.0%	1.9%	0.90%	0.4%	2.4%
08:30	Productivity Prelim	Q3	2.3%	2.2%	-0.10%	2.5%	2.1%
10:00	Wholesale Invt(y), R MM	Sep	-0.1%			-0.1%	
10:00	Wholesale Sales MM	Sep	0.2%			-0.1%	
14:00	Fed Funds Tgt Rate	7 Nov	4.5-4.75			4.75-5	
14:00	Fed Int On Excess Reserves	7 Nov				4.90%	

Canadian Economic Calendar

Time	Indicator Name	Period	Reuters Poll	Actual	Surprise	Prior	Revised
06:00	Leading Index MM	Oct		0.25%		0.22%	0.24%

Chart of the day



Top News

Canadian Stocks

Morning news

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.

Lightspeed Commerce Inc: Lightspeed Commerce upgrades its targets for the full year as performance was tracking ahead of its expectations so far in its fiscal 2025 year. The company on Thursday said it now expects adjusted EBITDA to be a minimum of US\$50 million in the year. Previously it expected at least US\$45 million. Revenue is still expected to rise by 20% in the year. For the three months ended Sept. 30, Lightspeed posted a narrowed net loss of US\$29.7 million, or 19 US cents a share, compared with a loss of US\$42.5 million, or 28 US cents a share, in the comparable quarter a year ago. Adjusted earnings were 13 US cents a share. According to FactSet, analysts were expecting 11 US cents a share. Total revenue rose 20% to US\$277.2 million, but still shy of the US\$283.3 million expected by analysts.

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.

NBF Research

RATING AND TARGET PRICE CHANGES

Industrial Products - [AFN / ATS / BDT / SJ wrap-up note post Q3/24 conference calls](#)

ARC Resources Ltd. - [Crack a Beer, Attachie Is Here!; Target: C\\$32 \(Was C\\$31\)](#)

Boardwalk REIT - [Ops look better than trading performance would indicate; Target: C\\$90 \(Was C\\$96\)](#)

Brookfield Infrastructure Partners L.P. - [Capital recycling in check as Data platform builds...; Target: US\\$35 \(Was US\\$34\)](#)

Dexterra Group Inc. - [Q3/24 Results: Setting a standard; Target: C\\$11 \(Was C\\$9.50\)](#)

Great-West Lifeco Inc. - [U.S./Empower business underpins a solid quarter.; Target: C\\$50 \(Was C\\$49\)](#)

Manulife Financial Corporation - [Strong Asia and Wealth performance drive the beat; Target: C\\$47 \(Was C\\$45\)](#)

DAILY BULLETIN HIGHLIGHTS

NBCFM Research - President Trump 2.0 - Our First Blush Thoughts

Event: Republicans win the US Presidency and take a majority in the Senate.

Key Takeaways: With the Republicans putting up a decisive victory not only with the US Presidency but also taking a majority in the Senate, we provide our quick thoughts on the most impacted areas of our coverage. This is not intended to be a comprehensive deep-dive into the various sectors or companies, but a quick-hit first look.

Industrial Products - AFN / ATS / BDT / SJ wrap-up note post Q3/24 conference calls

Event: Conference call takeaways and model adjustments post Q3/24 for AFN / ATS / BDT / SJ.

Key Takeaways: AFN: Operational improvements support margin profile despite pressure on U.S. Farm, but the company needs to do a better job on expectations management ; ATS: Financials not far off lowered reality; EV still a drag, but don't believe shares only worth \$40; BDT: Good quarter, again; SJ: Too late to downgrade.

Sustainability and Transition - Key Takeaways from Part Two of our COP29 Series

Event: We provide succinct takeaways from our second COP29 session, Navigating the Realities of the Transition.

Key Takeaways: Our discussion underscored the regional nuances of the energy transition and the necessity for a multifaceted approach rather than a universal solution. Climate and transition finance are pivotal in propelling decarbonization, directing capital into both green and transitional avenues. As the trajectory towards a low-carbon economy becomes evident, it is evident that a range of solutions – rather than any single technology – will be essential to achieve sustainability objectives.

OTHER COMMENTS

NBCFM Research - [President Trump 2.0 - Our First Blush Thoughts](#)

Sustainability and Transition - [Key Takeaways from Part Two of our COP29 Series](#)

Andlauer Healthcare Group Inc. - [Q3 results largely in-line](#)

CES Energy Solutions Corp. - [Differentiated](#)

CGI Inc. - [Growing Option Value from Acquisitions](#)

Cineplex Inc. - [Q3 Revs Beat & Adj. EBITDAaL Misses, Was Bridge Between Post-2019 Pressures & Growth Ahead](#)

Dream Industrial REIT - [A base-effect tailwind on the horizon](#)

Ero Copper Corp. - [Lowered 2024 Guidance with Risks to 2025 Outlook](#)

Kinross Gold Corp - [K 3Q24 Earnings – Estimates Revisions](#)

Lithium Americas (Argentina) Corp. - [LAAC Q3/24 Estimates Revision](#)

Pembina Pipeline Corp. - [The liquids-rich keep getting richer...](#)

Premium Brands Holdings Corporation - [Q3 2024 Results: Tepid performance; mgmt states medium-term growth...](#)

Savaria Corporation - [Q3/24 Results: On rails](#)

Tourmaline Oil Corp. - [Tactical](#)

Triple Flag Precious Metals Corp. - [Trending Well to meet Top Half of Guidance; Maintain Outperform](#)

Top News

Canadian Stocks

RESEARCH FLASHES

Containers & Packaging - [Reflecting On Potential Tariff Scenarios Due To U.S. Election Outcome](#)
 AirBoss of America Corp. - [3Q Revs Miss/EBITDA Slightly Better Than Lowered Consensus, Momentum Building in Defense](#)
 Alamos Gold Inc. - [Adj. EPS Miss on Higher Taxes Despite Production Beat; Robust Three-Year Outlook Intact](#)
 Amex Exploration Inc. - [Hunting for Another "High-Grade Zone" At Perron - 134g/t over 1.8m reported at CPZ](#)
 B2Gold Corp. - [Q3/24 Financials Soft as Fekola Throttled Back, Spend Higher](#)
 Coeur Mining Inc. - [Adj. EPS Beat on Higher Gold Production and Lower Opex; FCF Inflection Achieved](#)
 DRI Healthcare Trust - [Q3/24 First Look: Healthy deployments offset small miss](#)
 Franco-Nevada Corporation - [First Look: Q3 Financials Below Consensus on Lower Revenues; Guidance Revised Lower](#)
 GFL Environmental Inc. - [Sale of ES division could bring in at least \\$6 bln in proceeds; in-line Q3 with record margins](#)
 Hecla Mining Company - [Adj. EPS in Line with NBF; Keno Hill Runs Into Yukon Permitting Delays; Casa Under Review](#)
 Innergex Renewable Energy Inc. - [A beat to forecasts in Q3 with production below LTA. New projects won't be slowed on...](#)
 Lundin Mining Corporation - [First Look: Q3 Results Below Consensus; Lowered Guidance in Line with NBF Estimates](#)
 NFI Group Inc. - [Q3 results – NBF first look](#)
 O3 Mining Inc. - [Q3/24 Filed - Updated MRE and Economics Pending with PEA by -YE24](#)
 OceanaGold Corporation - [Adj. EPS in Line; FY24 Production Guidance Revised Lower](#)
 Osisko Gold Royalties Ltd. - [First Look: Q3 Results In Line with NBF/Consensus](#)
 Royal Gold Inc. - [First Look: Q3 Results Above NBF/Consensus on Higher Royalty Revenue; Silver Sales Trending Below...](#)
 Russel Metals Inc. - [Q3/24 results first look - solid quarter, strong FCF - look at Reliance to get a glimpse of industrial...](#)
 SSR Mining Inc. - [Adj. EPS Miss on Higher C&M Costs; Çöpler Remediation Progressing Well](#)
 Torex Gold Resources Inc. - [Q3/24 Elevated Cash Flow Mirrors Strong Ops, Higher Gold Price](#)
 Vermilion Energy Inc. - [Q3/24 First Look \(Outlook Impact: Neutral\)](#)
 Wesdome Gold Mines Ltd. - [Guidance Revision Shows Kiena Ramp-up Moderated](#)
 WSP Global Inc. - [Q3/24 results first look - in line + 2% upped EBITDA guide due to Power Engineers](#)

MORNING HIGHLIGHTS

KIWETINOHK ENERGY CORP. - Accelerating Towards Accretion

KEC (TSX)	C\$15.15	Event: KEC reported third quarter operating & financial results in line with expectations, including average production of 26.0 mboe/d (49% liquids) and associated CFPS of \$1.46 (vs. consensus \$1.48).
Target:	C\$22.50	
	(Unchanged)	Key Takeaways: One of the best value profiles in the group continues to be validated through the strength of its organic returns, with material asset expansion underpinning continued upside; KEC is poised for a 42% return profile (vs. peers 18%) on leverage of 0.4x (vs. peers 0.5x), while trading at 2.0x 2025e EV/DACF (vs. peers 4.1x).
Stock Rating:	Outperform	
	(Unchanged)	
Est. Total Return:	48.5%	

NANOXPLORE INC. - Solid start to the year with continued margin expansion, despite some market uncertainty

GRA (TSX)	C\$2.36	Event: We are providing an update following GRA's Q1'25 results.
Target:	C\$3.50	
	(Was C\$3.75)	Key Takeaways: GRA reported Q1'25 revenue of \$33.7 mln, above our \$31.0 mln (cons. \$34.8 mln), up 16% y/y, driven by stronger demand for its Advanced Materials products, despite some market weakness. Adj. EBITDA at \$1.1 mln was above our \$0.1 mln (cons. \$0.6 mln), with the beat driven by higher revenue, lower SG&A and FX. GRA provided its revenue outlook for FY'25 to be between \$140-155 mln up 13% y/y at the midpoint (NBF \$149.3 mln, cons. \$153.4 mln). GRA's five-year plan remains in focus with a target to add 20 ktpa of graphene and battery materials and 10 mln lbs of SMC capacity by FY'27E, potentially driving \$200 mln in annual revenue. GRA finished Q1 with \$31.3 mln in liquidity and has capacity to fund its growth without dilution. With some tweaks to our forecasts to capture the company's capacity expansion timeline, we are lowering
Stock Rating:	Outperform	
	(Unchanged)	
Est. Total Return:	48.3%	

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our target to \$3.50/sh (was \$3.75/sh). Our valuation is based on a DCF with a discount rate of 10.50%.

SURGE ENERGY INC. - Executing at a High-Level

SGY (TSX)	C\$6.04	Event: SGY reported Q3/24 results generally in line with expectations, including average production of 23.8 mboe/d (87% liquids) and associated CFPS of \$0.71 (vs. NBF \$0.69 & consensus \$0.75).
Target:	C\$11.25	
	(Unchanged)	Key Takeaways: Another strong outcome for the company, proving the strength and momentum embedded within its organic development program (highlights of Sparky & SE Sask), which should continue to underwrite significant excess cash and shareholder value; SGY is poised for a 17% return profile (vs. peers 19%) on leverage of 0.5x (vs. peers 0.5x), while trading at 2.4x 2025e EV/DACF (vs. peers 2.4x).
Stock Rating:	Outperform	
	(Unchanged)	
Est. Total Return:	94.9%	

MORNING COMMENTS

Kiwetinohk Energy Corp. - [Accelerating Towards Accretion](#)

Lion Electric Co. (The) - [Lower production drives liquidity challenges; Target: US\\$0.65 \(Was US\\$0.80\)](#)

Lucero Energy Corp. - [Q3 Intact; Q4 Free Cash Will be the Highlight!](#)

NanoXplore Inc. - [Solid start to the year with continued margin expansion, despite some...; Target: C\\$3.50 \(Was C\\$3.75\)](#)

Surge Energy Inc. - [Executing at a High-Level](#)

MORNING FLASHES

Algonquin Power & Utilities Corp. - [Q3 first look: Some moving parts in results with asset sale process, as big rate-case...](#)

Artemis Gold Inc. - [Q3/24 Filed, Fully-funded, First Pour Imminent](#)

Aya Gold & Silver Inc. - [AYA Commences Ore Processing at Zgounder](#)

Barrick Gold Corporation - [Adj. EPS Miss vs NBF but In Line with Street; FY24 Gold Production Expected Towards Lower...](#)

BCE Inc. - [3Q Revs Miss & EBITDA Beats \(Media\), Internet/Wireless Adds Miss, Revs Guidance Reduced](#)

Bombardier Inc. - [Q3 results - NBF first look](#)

Cascades Inc. - [Q3/24 First Look: Packaging up a beat](#)

Endeavour Mining plc - [Q3/24 Financials Mixed, FCF Inflects Positive and Trending Higher](#)

Equinox Gold Corp. - [Adj. EPS Beat to NBF but In Line with the Street; Greenstone Commercial Production Declared](#)

Fortuna Mining Corp. - [Q3/24 Quality Financial Beat Drives Higher FCF](#)

Hydro One Limited - [Q3/24 first look – slightly ahead of expectations](#)

New Found Gold Corp. - [Initiated work on a Maiden Resource and PEA for Q2/25](#)

Quebecor Inc. - [3Q Revs/EBITDA Miss Elevated Consensus, SBC +\\$26M Change, Internet/Wireless Adds Beat](#)

Superior Plus Corp. - [Q3/24 falls short + 75% dividend cut in favour of near-term share buybacks, long-term deleveraging](#)

Taseko Mines Limited - [First Look: Q3 in Line with Consensus; 2024/2025 Production Guidance Modestly Below NBF](#)

ETF RESEARCH & STRATEGY

[ETF Industry News Update: New Providers, New Launches, New Filings and more](#)

Evercore ISI Research

CANADIAN HIGHLIGHTS

Manulife Financial Corporation (MFC.TO, In Line TP: C\$37.00)

Solid Operating Quarter, Improved ALDA, SGUL Charge Offset by Asian Releases

- MFC reported 3Q24 core EPS of \$1.00 compared to our est of 96c and consensus of 94c. The quarter benefitted from a favorable tax true-up and benefits in GWAM of roughly \$70mm, after normalizing for that earnings would come to around 96c, inline with us and modestly above the street. ALDA below plan was only 9c this quarter, which was much better than recent quarters with PE performance improved sequentially and real estate remained the main driver for the

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underperformance. At the segment level, US came in slightly below our ests and LTC experience was adverse driven by favorable mortality, though on the flip side, the favorable mortality was a tailwind for the life business. GWAM after adjusting for tax benefit was still above us, and flows were strong at \$5.2bn driven by Canada retail. Canada saw favorable group long-term disability experience, while Asia had unfavorable lapses. Asia sales were also strong, with \$1.4bn of APE sales well above \$934mm last qtr and \$837mm a year ago.

- The company also conducted its assumption review, with this year's focus including lapses for US ULSG. Overall impact was \$174mm favorable, with \$895mm charge in US more than offset by bigger releases in Asia and Canada. The lapse update was a C\$620mm hit (US\$445mm), with the company adjusting near and medium-term lapse assumptions. The long-term lapse rate assumption was unchanged as the company views the current level of <1% to be adequately conservative. MFC also noted the review was overall neutral on LICAT and core earnings. While the magnitude of the lapse charge was somewhat above our expectation, unless it has a material impact on US stat reserves and dividend remittance plans, we don't think it will have consequences for capital generation and return plans. Our view is that MFC released some conservatism in Asia to fund this US charge on a LICAT basis. So it wasn't without some cost, but probably a preferred trade off vs. drawing down capital resources instead. Overall, we see the quarter as solid operationally with in line core earnings and good organic growth. The actuarial review came in more mixed than we expected, though we don't expect it to have impact on capital generation or capital return plans.

Canadian stocks ratings and target changes across the street

AG Growth International Inc AFN.TO: CIBC cuts target price to C\$70 from C\$75
AG Growth International Inc AFN.TO: National Bank of Canada cuts target price to C\$72 from C\$74
AG Growth International Inc AFN.TO: RBC cuts target price to C\$75 from C\$80
Andlauer Healthcare Group Inc AND.TO: Scotiabank raises target price to C\$44 from C\$43
ARC Resources Ltd ARX.TO: Canaccord Genuity raises target price to C\$31 from C\$29
ARC Resources Ltd ARX.TO: National Bank of Canada raises target price to C\$32 from C\$31
ARC Resources Ltd ARX.TO: TD Cowen raises target price to C\$31 from C\$30
ATS Corp ATS.TO: National Bank of Canada cuts target price to C\$46 from C\$62
ATS Corp ATS.TO: Raymond James cuts target price to C\$48 from C\$52
ATS Corp ATS.TO: RBC cuts target price to C\$48 from C\$52
ATS Corp ATS.TO: Stifel cuts target price to C\$52 from C\$58
Ballard Power Systems Inc BLDP.O: Raymond James cuts target price to US\$2.50 from US\$3
Baylin Technologies Inc BYL.TO: Raymond Jams raises target price to C\$0.50 from C\$0.35
Bird Construction Inc BDT.TO: CIBC cuts target price to C\$29.5 from C\$31
Bird Construction Inc BDT.TO: National Bank of Canada raises target price to C\$29 from C\$28
Bird Construction Inc BDT.TO: Stifel raises target price to C\$38 from C\$37
Boardwalk REIT BEI_u.TO: RBC cuts target price to C\$90 from C\$98
Boardwalk REIT BEI_u.TO: National Bank of Canada cuts target price to C\$90 from C\$96
Boardwalk REIT BEI_u.TO: Raymond James cuts target price to C\$91 from C\$98
Boardwalk REIT BEI_u.TO: Scotiabank cuts target price to C\$81.75 from C\$84.75
Brookfield Infrastructure Partners LP BIP.N: National Bank of Canada raises target price to US\$35 from US\$34
CES Energy Solutions Corp (Pre-Reincorporation) CEU.TO: RBC ups target price to C\$11 from C\$10
CGI Inc GIBa.TO: Canaccord Genuity raises target price to C\$175 from C\$170
CGI Inc GIBa.TO: RBC raises target price to C\$178 from C\$170
Dexterra Group Inc DXT.TO: National Bank of Canada raises target price to C\$11 from C\$9.50
GFL Environmental Inc GFL.N: UBS raises target price to US\$50 from US\$47
ERO Copper Corp ERO.TO: TD Cowen cuts target price to C\$27 from C\$30
Great-West LifeCo Inc. GWO.TO: National Bank of Canada raises target price to C\$50 from C\$49
IA Financial Corporation Inc IAG.TO: BMO raises target price to C\$140 from C\$126
IA Financial Corporation Inc IAG.TO: CIBC raises target price to C\$133 from C\$120
IA Financial Corporation Inc IAG.TO: RBC cuts to sector perform from outperform; raises target price to C\$137 from C\$105
IA Financial Corporation Inc IAG.TO: Scotiabank raises target price to C\$143 from C\$126
Information Services Corp ISV.TO: CIBC raises target price to C\$35 from C\$34
Innergex Renewable Energy Inc INE.TO: CIBC cuts target price to C\$11 from C\$11.50
Innergex Renewable Energy Inc INE.TO: Scotiabank cuts target price to C\$11.5 from C\$12.5
Intact Financial Corp IFC.TO: BMO raises target price to C\$290 from C\$275

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Intact Financial Corp IFC.TO: Scotiabank raises target price to C\$283 from C\$281
Kits Eyecare Ltd KITS.TO: Stifel raises target price to C\$15 from C\$14
Kiwetinohek Resources Corp KEC.TO: BMO raises target price to C\$20 from C\$18
Lion Electric Co LEV.N: National Bank of Canada cuts target price to US\$0.65 from US\$0.80
Manulife Financial Corp MFC.TO: National Bank of Canada raises target price to C\$47 from C\$45
MEG Energy Corp MEG.TO: RBC cuts target price to C\$34 from C\$35
Methanex Corp MEOH.O: UBS cuts target price to US\$53 from US\$54
NanoXplore Inc GRA.TO: National Bank of Canada cuts target price to C\$3.50 from C\$3.75
Oceanagold Corp OGC.TO: CIBC cuts target price to C\$4.50 from C\$5.25
Osisko Gold Royalties Ltd OR.TO: BMO raises target price to C\$28 from C\$27
Parex Resources Inc PXT.TO: BMO raises target price to C\$14 from C\$13
Premium Brands Holdings Corp PBH.TO: BMO cuts target price to C\$94 from C\$111
Premium Brands Holdings Corp PBH.TO: CIBC cuts target price to C\$90 from C\$103
Premium Brands Holdings Corp PBH.TO: RBC cuts target price to C\$96 from C\$100
Premium Brands Holdings Corp PBH.TO: Stifel cuts target price to C\$101 from C\$106
Premium Brands Holdings Corp PBH.TO: TD Cowen cuts target price to C\$120 from C\$129
Sangoma Technologies Corp STC.TO: TD Cowen raises target price to C\$12 from C\$10
Source Energy Services Ltd SHLE.TO: BMO raises target price to C\$16 from C\$14
Stella-Jones Inc SJ.TO: CIBC cuts target price to C\$83 from C\$99
Stella-Jones Inc SJ.TO: National Bank of Canada cuts target price to C\$90 from C\$99
Stella-Jones Inc SJ.TO: RBC cuts target price to C\$81 from C\$97
Stella-Jones Inc SJ.TO: Scotiabank cuts target price to C\$85 from C\$95
Stingray Group Inc RAYa.TO: CIBC raises target price to C\$11 from C\$10.50
Stingray Group Inc RAYa.TO: RBC raises target price to C\$11 from C\$10
Tourmaline Oil TOU.TO: Jefferies raises target price to C\$73 from C\$67

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S&P/TSX Composite Earnings Calendar

Company	Symbol	Time	Consensus EPS Estimate
Algonquin Power & Utilities Corp	AQN.TO	BMO	0.10
Altus Group Ltd	AIF.TO	AMC	0.26
Barrick Gold Corp	ABX.TO	BMO	0.31
BCE Inc	BCE.TO	BMO	0.77
Bombardier Inc	BBDb.TO	BMO	0.71
Cameco Corp	CCJ.N	BMO	0.25
Canadian Apartment Properties REIT	CAR_u.TO	AMC	0.67
Canadian Tire Corporation Ltd	CTCa.TO	BMO	3.03
CI Financial Corp	CIX.TO	BMO	0.89
Definity Financial Corp	DFY.TO	AMC	0.03
Denison Mines Corp	DML.TO	AMC	-0.02
Exchange Income Corp	EIF.TO	AMC	1.22
First Majestic Silver Corp	AG.TO	BMO	0.16
Freehold Royalties Ltd	FRU.TO	AMC	0.39
goeasy Ltd	GSY.TO	AMC	4.19
Headwater Exploration Inc	HWX.TO	NTS	0.37
Hydro One Ltd	H.TO	BMO	0.59
IAMGOLD Corp	IMG.TO	AMC	0.19
IGM Financial Inc	IGM.TO	AMC	0.98
Jamieson Wellness Inc	JWEL.TO	AMC	0.36
Kelt Exploration Ltd	KEL.TO	BMO	0.26
Lightspeed Commerce Inc	LSPD.TO	BMO	0.11
Lundin Gold Inc	LUG.TO	AMC	0.65
Pason Systems Inc	PSI.TO	AMC	0.26
Primo Water Corp	PRMW.TO	BMO	0.30
Quebecor Inc	QBRb.TO	BMO	0.82
Sandstorm Gold Ltd	SSL.TO	AMC	0.09
Saputo Inc	SAP.TO	AMC	0.38
Stantec Inc	STN.TO	AMC	1.25
TC Energy Corp	TRP.TO	BMO	0.95
Wheaton Precious Metals Corp	WPM.TO	AMC	0.51

Source: LSEG

Morning news

Albemarle Corp: The lithium producer said it lost more than \$1 billion in the third quarter and that it would slash its capital budget amid a 71% drop in prices for the electric vehicle battery metal. The results underscore the supply glut engulfing the entire lithium industry amid oversupply from China and a softening of aggressive EV adoption rates that has dragged down prices for the ultralight metal. Albemarle reported a net loss of \$1.11 billion, or \$9.45 per share, compared with a net profit of \$302.5 million, or \$2.57 per share, in the year-ago quarter. Revenue fell more than \$1 billion to roughly \$1.35 billion, although volumes of lithium sold rose from the year-ago quarter.

Coty Inc: The firm on Wednesday said it expects annual profit to come in at the low end of its forecast, as weak demand for beauty products in major markets such as the United States and Australia offset gains in the fragrance segment. The company now expects annual adjusted per-share profit to be at the low end of its forecast of 54 cents to 57 cents. Coty also expects like-for-like sales in the first half of 2025 to grow 3% to 4%, compared with its previous forecast of 6% to 8%. Coty's first-quarter adjusted net income rose to \$128.1 million, or 15 cents per share, from \$74.1 million, or 9 cents per share, a year earlier. Its quarterly net revenue rose nearly 2% to \$1.67 billion, compared to estimates of \$1.68 billion.

Elf Beauty Inc: The firm raised its forecasts for annual sales and profit on Wednesday, betting on its efforts to sell cosmetics such as lip oil and liquid blush at affordable price points in the U.S. and abroad. Elf expects net sales in the range of \$1.32 billion to 1.34 billion, compared with its prior forecast of \$1.28 billion to \$1.30 billion. The company's strategy of introducing "dupes" of luxury cosmetics and pricing its products between \$2 and \$10 has further bolstered demand. Net sales rose 40% to \$301.1 million for the quarter ended Sept. 30, compared with analysts' average estimates of \$285.8 million. On an adjusted basis, it earned a profit of 77 cents per share, beating analysts' estimates of 43 cents per share. It expects annual adjusted earnings per share between \$3.47 and \$3.53, up from its prior range of \$3.36 to \$3.41.

Gilead Sciences Inc: The drugmaker reported third-quarter financial results that handily beat Wall Street expectations on Wednesday as sales climbed 7%, leading the firm to raise its outlook for full-year earnings. The company posted an adjusted quarterly profit of \$2.02 per share on revenue of \$7.5 billion, ahead of average analyst estimates of \$1.55 per share and \$7 billion. Gilead said net earnings for the quarter fell to \$1.00 per share, from \$1.73 a year earlier, due in part to a \$1.75 billion impairment charge related to its 2020 acquisition of cancer drug developer Immunomedics. For full-year 2024, Gilead raised its product sales forecast to a range of \$27.8 billion to \$28.1 billion from a previous view of \$27.1 billion to \$27.5 billion. The company now expects an adjusted profit of \$4.25 to \$4.45 per share, up from \$3.60 to \$3.90. Analysts have projected full-year earnings of \$3.81 per share on revenue of \$27.72 billion.

Host Hotels & Resorts Inc: The real estate investment trust cut its forecast for 2024 adjusted funds from operations on Wednesday, weighed down by weak U.S. leisure travel demand and a slow recovery in Maui. It now expects a 2024 adjusted FFO of \$1.92 per share, compared with a midpoint of \$1.94 per share expected previously and analysts' expectations of \$1.95 per share. Total revenue for quarter ended Sept. 30 was \$1.32 billion, marginally higher than market expectations of \$1.30 billion, helped by better sales of food and beverages. The REIT reported a quarterly adjusted FFO of 36 cents per share, in line with Wall Street estimates.

Moderna Inc: The vaccine maker reported a surprise third-quarter profit, driven by cost cutting and higher-than-expected sales of its COVID-19 vaccine, even with low revenue from its new respiratory syncytial virus shot. The company posted a profit of \$13 million, or 3 cents a share, for the quarter, compared to a loss of \$3.6 billion a year ago. Analysts had expected a loss of \$753 million, or \$1.90 a share. The company reaffirmed that it expects sales of between \$3 billion and \$3.5 billion for the year. It said it had lowered the upper end of its forecast range for 2024 cost of sales to 40%-45% of product sales from 40%-50%.

Take-Two Interactive Software Inc: The video game maker beat Wall Street expectations for second-quarter bookings and profit on Wednesday, boosted by the strong performance of the "Grand Theft Auto" and "Borderlands" franchises. Bookings for the second quarter came in at \$1.47 billion, beating estimates of \$1.43 billion. The company's fiscal 2026 pipeline also includes titles like "Borderlands 4" and "Mafia: The Old Country," which could give a further boost to bookings along with "GTA VI." Take-Two forecast bookings in the range of \$1.35 billion to \$1.40 billion, compared with estimates of \$1.44 billion. It reiterated its annual bookings forecast, expressing confidence in achieving net bookings growth in its fiscal 2026 and 2027, with analysts seeing much of the growth to come from "GTA VI." On an adjusted basis, the company earned 66 cents per share, compared with estimates of 41 cents per share.

Evercore ISI Research

FOCUS RESEARCH

Constellation Brands (STZ, Outperform, TP: US\$300.00)

STZ Trump impact overdone? Appears to discount worst case tariff scenario

- Investors all knew that STZ was high on the list of staples stocks to avoid if one thought a Trump victory was likely: In that sense, the stock did not disappoint, trading down ~3% today. But with the stock now trading near where it was in 2018 - in the middle of his first term - the question is whether the pullback is overdone. The stock is down 5% YTD vs. +10% for the XLP and +24% for the S&P 500, and we believe investors began discounting a Trump victory in August - see chart in appendix. The stock may tread water until there is more clarity on potential Trump policies, which may not be until the end of January, unless clues come out before then; that said, STZ has talked about buying back its stock in periods of dislocation. STZ has ~\$2.2B left on its authorization, which represents ~5% of shares outstanding and is likely ~2-3% accretive, and leverage is now at ~2.9x, below the company's target of ~3.0x. Importantly, we also now have a countervailing factor. The Mexican Peso is down nearly 20% from its highs, and ~25% of the costs of the firm's beer business is denominated in Mexican Pesos. **Please see our thoughts on STZ's exposure to tariffs, FX, and immigration below...**

The Sherwin-Williams Company (SHW, Outperform, TP: US\$420.00)

Deep Dive on a Blue Chip

- **We had the opportunity yesterday to host SHW's CEO Heidi Petz and SVP Jim Jaye in New York.** In her first year as CEO, only the 10th in Sherwin's 158-year history, we found a sense of urgency and opportunity throughout our discussions. The postelection timing was great to hear their latest thoughts on how they plan to keep compounding across business lines and geographies regardless of the environment. Sherwin Williams upcoming entry into Dow Jones Industrial Average is a fresh reminder that this unique manufacturing, distribution, and service business is finding more acceptance as a Blue Chip compounder. Could it open up more investors eyes to the growth and compounding potential of the business? Perhaps. SHW remains in our Top Five portfolio, with an OP rating and Base Case of \$420. What was most interesting in our discussions?

IT Hardware & Networking

IT Hardware/Networking: Thinking Through Implications Post Election

- **ALL YOU NEED TO KNOW:** Based on last night's election results, we think there could be several implications to our IT Hardware/Networking coverage under a second Trump term. These include potential policies surrounding lower tax rates + tariffs, a friendlier M&A environment, and potential for improved small business optimism. Potential Implications: 1) Lower corporate tax rates: We previously shared our thoughts on which of our coverage companies are positioned to benefit most from a U.S. Corporate tax rate reduction from 21% currently to 15% - those that already have a relatively high tax rate and US-concentrated revenue mix should benefit most (CDW, MSI, CIEN, ANET). Though worth noting there are caveats here like how much of production is in the US. 2) Tariffs: We think most of our broader coverage with product revenue (selling physical goods) could be impacted by tariffs. Companies with products or components sourced in China could be disproportionately impacted (AAPL, DELL, HPE, HPQ, etc.) however supply chain diversification efforts post pandemic can mitigate potential impacts. Companies with a limited mix of product revenue should be insulated (AKAM, IBM). 3) M&A: A more friendly M&A regulatory backdrop should be a positive for fairly active acquirers such as APH, CSCO, and IBM. IBM notably could be positioned for larger transactions given their balance sheet/FCF generation. 4) SMB Optimism: Under the prior Trump administration, SMB optimism (per the NFIB Small Business Optimism Index) saw a substantial improvement. Assuming improvement in SMB fundamentals, we think this could be positive for companies that sell to small businesses (CDW). 5) Big Tech Regulation: Less regulation of "big tech" should be a positive for AAPL. Net/net: We see several potential cross-currents under a 2nd Trump term. We will continue to monitor/assess each potential impact as we get incremental clarity.

RATING & TARGET PRICE CHANGES

Cencora, Inc. (COR, Outperform, TP: US\$285.00)

Notes from the Top- Bob Starts His Official Tenure Saying 'Yes we can' to Cont'd Core Strength

- The parade of strong distributor prints continued today, with COR adding to mix despite investor concerns going into the print. It was hard to find much to nitpick here as the performance was broad-based with few transitory drivers. We also like COR's continued expansion into provider-based specialty (with today's RCA transaction - email us if you'd like our acc/dil math) as it is additive to COR's specialty portfolio and helps to offset some of the core negative AOI mix shift as pharmacy-specialty outgrows generics. Looking forward to COR's FY25, we see the current guidance range as a reasonable starting point for the year, with potential upside if core strength continues (see our core math below). Our updated FY25 EPS estimate for COR is at the high end of the range, but includes 9c of EPS accretion from RCA (which we assume closes mid-year), with the remainder of the accretion flowing through in FY26. Overall, we continue to see COR as very well positioned within its market segments and reiterate our Outperform rating on shares. Our new price target is \$285 (12x CY25 EBITDA).

McKesson (MCK, Outperform, TP: US\$680.00)

Top 10 Things We Learned on the Call

- MCK finished up the much-better-than-feared distributor prints this afternoon, continuing to drive strong core AOI growth across its businesses (particularly in Pharma). The updated FY25 outlook appears reasonable and will likely see some upside from the closure of the FCS transaction (we have 5c of accretion in FY4Q) as well as the potential for some higher operating income growth in FY2H'25. On the back of these results we have updated our EPS estimates and our new price target is \$680 (18.5x CY25 P/E). Turning to MCK's analyst update tomorrow, we are looking forward to hearing more details regarding the longer-term drivers of the business (no change to 12-14% LT EPS CAGR or 6-8% adj op income growth).

Zillow Group Inc. (ZG, Outperform, TP: US\$75.00)

Q3 EPS: Turning The Lights On

- **Our View:** We reiterate our Outperform rating on ZG, modestly increasing our estimates and raise our PT to \$75 (from \$55) in the wake of Beat & Bracket Q3 EPS Results. ZG shares are up ~15% in the aftermarket, due to the better-than-feared Q3 results against a weak housing market, largely driven by upside in ZG's Residential Revenue, which outperformed the residential RE industry by ~1000bps. Management noted their Enhanced Market efforts are starting to deliver strong results - ZG is now in 43 markets (exceeding their initial goal of 40 markets by YE) along with growing contributions from Follow Up Boss (80% of Enhanced Market connections now managed through FUB), Showcase listings now on nearly 1.5% of new for-sale listings nationwide, and continued strong Rentals growth driven by ZG's multifamily advertising campaign and partnership with Realtor.com. All in, ZG continues to show promising potential with its new product cycles, new found cost discipline, and should fully participate in the eventual/inevitable real estate market recovery.
- **Here are the numbers:** Revenue of \$581MM (up 17% Y/Y) came in ~5% above ISI/Street driven largely by upside in Residential Revenue, while Q3 EBITDA of \$127MM (22% margin) came in 15%/18% above ISI/Street (implying 30bps of Y/Y margin expansion) due to better-than-expected leverage in ZG's costs in the wake of their revenue upside. Guidance: ZG's Q4 outlook bracketed the Street- Q4 Revenue guide of \$525-550MM (+11-14% Y/Y growth) bracketed the Street and implies Q4 Residential Revenue of \$364-\$374MM (+4-6% Y/Y growth), Q4 Rentals Revenue of Mid-20s% Y/Y growth (roughly flat vs. Q3), and Q4 Mortgages Revenue of Mid-60s% Y/Y Growth. While the Q4 EBITDA guide of \$90-\$105MM (17%-19% margin) also bracketed the Street (near the high-end of the guide) - mgmt. noted the majority of the Q/Q sequential step down in OpEx is due to seasonally lower marketing spend in Q4. For FY24, management reiterated its FY24 outlook for double-digit % Revenue growth and modest EBITDA margin expansion. - mgmt. also called out they believe ZG is an outsized beneficiary of the changes coming to the industry related to the NAR lawsuits post August 17th and see opportunities to take share.

TAP LIST CHANGES

Waystar Holding Corp (WAY, Outperform, TP: US\$36.00)

Batting 1.000

- WAY came out strong yet again with another solid beat and raise, with the strength well beyond the benefit from disruptions at Change. Both provider and patient revenues performed well, lending to the strong EBITDA margin performance in the quarter. With continued tailwinds from the Change aftermath (including reduced exclusivity in payor channels, which could potentially unlock further margin expansion) and a preliminary FY25 outlook that meets expectations (with likely room for upside), we remain confident in the sustainability of WAY's performance over the

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coming quarters, particularly as the team begins to upsell add'l modules to its recently onboarded customer base, further supporting growth in FY25+. Following today's print, we are revising our estimates and raising our PT to \$36 (-19x FY25 EBITDA).

- **We are also unwinding our TAP Outperform call**
- **Key Takes:**
- Prelim Outlook for FY25: Revs approach \$1 Bn
 - HSD on a reported basis; LDD when adjusting for one-off favorable items in FY24
- Competitor disruption uplift contributing ~\$12 MM t3Q topline results (vs \$9 MM in 2Q)
 - Vast majority from clearinghouse offering
- Provider rev growth accelerated t~19% yoy while patient pay grew ~30% yoy
- Patient pay strength expected tmoderate in 4Q given seasonality (deductibles being met)
 - 3Q benefited from elevated utilization/volumes
- WAY established dozens of new connections directly tpayers
 - Direct connections with payors allow WAY tforgfees paid taccess previously-exclusive channels (that may have been owned by other clearinghouses)
- Debt leverage now 3x (vs 3.7x in 2Q24)

OTHER COMMENTS

Albemarle Corporation (ALB): Adjusting Quicker than Anticipated

Allegro MicroSystems, Inc (ALGM): Key Takes from ALGM Bus Trip

American Electric Power (AEP): Turning the Page

APA Corp. (APA): Portfolio Shifting, wen Payoff

Arm Holdings plc (ARM): Sep24Q: CSS Ramp Starting

Borr Drilling Ltd (BORR): A First Look at 3Q24 Earnings

Bristow Group Inc. (VTOL): Improved Cash Flow Visibility

Bumble, Inc (BMBL): Still in the Friend Zone; Reit In-Line, \$8 PT

Cardlytics, Inc. (CDLX): Partial Redemption; Q3 Over-Delivers But Guide Falls Short; Maintain In Line, \$4PT

Caribou Biosciences, Inc. (CRBU): Can HLA matching really do the trick to rival autologous CAR-Ts? We will find out in...

Cencora, Inc. (COR): Notes from the Top- Bob Starts His Official Tenure Saying 'Yes we can' to Cont'd Core Strength

Charles River (CRL): Notes from the Top - Demand Stable qoq but Need More '25 Visibility to Definitely Call a Bottom

Costco Wholesale Corporation (COST): October Sales: Steady Share Gain & Traffic

Coty Inc (COTY): 1Q, F25 guide in-line. Asia small yet hurts

CVS Health Corp. (CVS): Notes from the Top: 'Joyn'ing the Path to HCB Recovery

DENTSPLY SIRONA Inc. (XRAY): 3Q Rev/EPS Beat w/\$20 MM Pullforward Help; FY'24 Guide Lowered In-Line w/Expects

Douglas Emmett Inc (DEI): Turning Point in Sight? Leasing Tops 1msf, Positive Absorption in '25

Duolingo, Inc. (DUOL): Still Maintaining Our Streak

Eos Energy Enterprises, Inc (EOSE): Supply Chain Hiccup Curtails Operational Momentum

Fortune Brands Innovations, Inc. (FBIN): 3Q24 Review

fuboTV Inc (FUBO): 3Q24 - Encouraging Progress Towards Profitability Targets, Though Subscriber Growth Continues to ...

Health Catalyst, Inc (HCAT): Notes from the Top: Ramping Back to DD Growth

Host Hotels & Resorts (HST): 3Q First Impression: Maui Recovery, Better Group Demand

HubSpot, Inc (HUBS): Strong F3Q & Lots Of Potential Growth Levers Heading Into FY25; Maintain Tact O/P & Raise PT to \$700

HubSpot, Inc (HUBS): First Look: CY25 Numbers Look Increasingly De-risked

Jackson Financial Inc (JXN): Headline Miss, But Core Beat - Favorable Capital Generation Mitigated by Some Hedging Losses

Lineage, Inc. (LINE): Soft Demand Trends Offset By Tight Expense Controls; Trimming Ests & PT

LiveRamp Holdings, Inc (RAMP): Solid Beat/Raise: Rule of 40 Potentially Coming Into Focus For FY26

LXP Industrial Trust (LXP): Steady 3Q; Pro-active Financing & Cap. Recycling; \$11 PT & IL Rating Retained

Lyft, Inc (LYFT): Q3 Results Suggest Positive Momentum

Manulife Financial Corporation (MFC): Solid Operating Quarter, Improved ALDA, SGUL Charge Offset by Asian Releases

McKesson (MCK): 2Q25 EPS Beat on Pharma O/P; FY25 EPS Guide Raised; LT Guide Reiterated

Noble Corporation plc (NE): Building Confidence for an Inflection in 2H25+

Nova Ltd (NVMI): NVMI 3Q24 Preview: Bar Lowered - We are Buyers

OraSure Technologies, Inc. (OSUR): Steady print and B/S cash position sets stage for 2H25 turn

Owens Corning (OC): 3Q24 Review

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Privia Health Group, Inc. (PRVA): 3Q24 Top and Bottomline Beats; FY24 Guide Raised; New Market Entry (Indiana)
QUALCOMM Inc. (QCOM): Sep24Q Beat/Raise. IoT + Auto Momentum Continues
RenaissanceRe Holdings Ltd (RNR): 3Q24 EPS: Better Favorable PYD More Than Offsets Another Casualty & Specialty Miss
Sarepta Therapeutics, Inc (SRPT): Elevidys Launch is On, w/ PPMO Overhang Removed
Semptra Energy (SRE): Copious Growth
Schneider National, Inc (SNDR): Deep in the Lion's Den
Sun Communities Inc. (SUI): Big Q3 Miss Leads To Guidance Cut, Leadership Changes & Cost Savings Initiatives
Tanger, Inc. (SKT): Another Beat & Raise; Raising Ests & PT On Better Rent Spreads
Teradyne Inc. (TER): TER Dinner Takes: Emerging Custom ASIC Play
ZipRecruiter, Inc. (ZIP): Still Looking For Signs of Stabilization
Brokers, Banks & Asset Managers: F.R.E.A.M.: An Early Look at October '24 & 4Q24 Asset Mgmt Flows
Global Beverages: September tax paid shipments slow sequentially for the third straight month; YoY import trends slow ...
Retail Broadlines & Hardlines: Aftermarket Conference Learnings from Vegas
Sustainable Technologies & Clean Energy: The Perception vs Reality Debate; Clean Energy post U.S. Elections
Air Cargo Cos. Survey: Air Cargo Cos. Survey Pulls Back On Both Domestic & International Activity
Apartment Cos. Survey: Apartment Cos. Survey Of Rents Ticks Down + Highlights On Inventory, Pricing & Credit.
Auto Aftermarket Mfg. Cos. Survey: Auto Aftermarket Mfg. Cos. Survey Steady + Updates On Inventory & Wage Growth...
Hedge Fund Managers Survey: Evercore ISI Hedge Fund Survey With October Sector Allocation Survey Results
Institutional Bond & Equity Managers Surveys: Evercore ISI Bond & Equity Mgrs. Surveys With October Sector Allocation ...
Limousine Cos. Survey: Limousine Cos. Survey Moves Up

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S&P500 Earnings Calendar

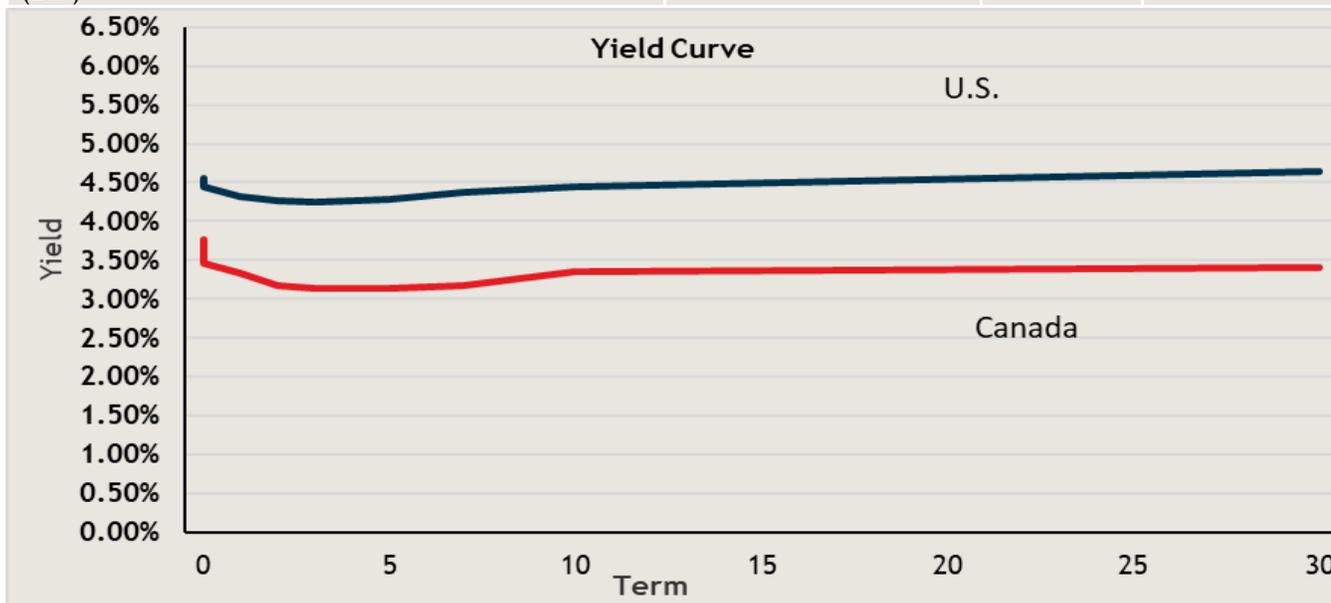
Company	Symbol	Time	Consensus EPS Estimate
Air Products and Chemicals Inc	APD.N	BMO	3.48
Airbnb Inc	ABNB.OQ	AMC	2.14
Akamai Technologies Inc	AKAM.OQ	AMC	1.59
Arista Networks Inc	ANET.N	AMC	2.08
Axon Enterprise Inc	AXON.OQ	AMC	1.19
Becton Dickinson and Co	BDX.N	BMO	3.77
Consolidated Edison Inc	ED.N	AMC	1.62
Corpay Inc	CPAY.N	AMC	4.97
Duke Energy Corp	DUK.N	07:00	1.71
EOG Resources Inc	EOG.N	AMC	2.77
Epam Systems Inc	EPAM.N	BMO	2.70
Evergy Inc	EVERG.OQ	BMO	1.93
Expedia Group Inc	EXPE.OQ	AMC	6.03
Fortinet Inc	FTNT.OQ	AMC	0.52
Halliburton Co	HAL.N	BMO	0.75
Hershey Co	HSY.N	BMO	2.56
Insulet Corp	PODD.OQ	AMC	0.76
Kenvue Inc	KVUE.N	BMO	0.27
Mettler-Toledo International Inc	MTD.N	AMC	10.01
Moderna Inc	MRNA.OQ	BMO	-1.91
Molson Coors Beverage Co	TAP.N	BMO	1.67
Motorola Solutions Inc	MSI.N	AMC	3.36
News Corp	NWSA.OQ	AMC	0.16
PG&E Corp	PCG.N	BMO	0.33
Ralph Lauren Corp	RL.N	BMO	2.37
Rockwell Automation Inc	ROK.N	BMO	2.41
Solventum Corp	SOLV.N	AMC	1.39
Tapestry Inc	TPR.N	BMO	0.95
TransDigm Group Inc	TDG.N	BMO	9.27
Viatis Inc	VTRS.OQ	BMO	0.68
Vistra Corp	VST.N	BMO	1.20
Warner Bros Discovery Inc	WBD.OQ	07:00	-0.08

Source: LSEG

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Fixed Income

Canadian Key Rate	Last	Change bps		Last	Change bps
CDA o/n	3.75%	0.00	CDA 5 year	3.13%	0.8
CDA Prime	5.95%	0.00	CDA 10 year	3.32%	0.5
CDA 3 month T-Bill	3.51%	0.0	CDA 20 year	3.33%	0.7
CDA 6 month T-Bill	3.41%	0.0	CDA 30 year	3.34%	0.7
CDA 1 Year	3.30%	1.0	5YR Sovereign CDS		
CDA 2 year	3.17%	0.2	10YR Sovereign CDS		
US Key Rate	Last	Change bps		Last	Change bps
US FED Funds	4.75-5.00%	0.00	US 5 year	4.25%	-2.1
US Prime	8.00%	0.00	US 10 year	4.42%	-0.4
US 3 month T-Bill	4.43%	-1.9	US 30 year	4.60%	0.4
US 6 month T-Bill	4.44%	-0.3	5YR Sovereign CDS	32.46	
US 1 Year	4.31%	-0.9	10YR Sovereign CDS	39.39	
US 2 year	4.24%	-2.7			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			608.68	-0.43%	11.82%
BMO Laddered Preferred Shares (ETF)			10.37	-0.29%	14.71%



Source: LSEG

Market View - On Trump 2.0, we're addicted to context

As the dust settles on the all-important U.S. election, we have an apparent 'Red Sweep', with the final standing in the House the sole outstanding issue. Cue rapid re-initiation of 'Trump trades' that were partially unwound (or at least placed on hold) earlier this week.

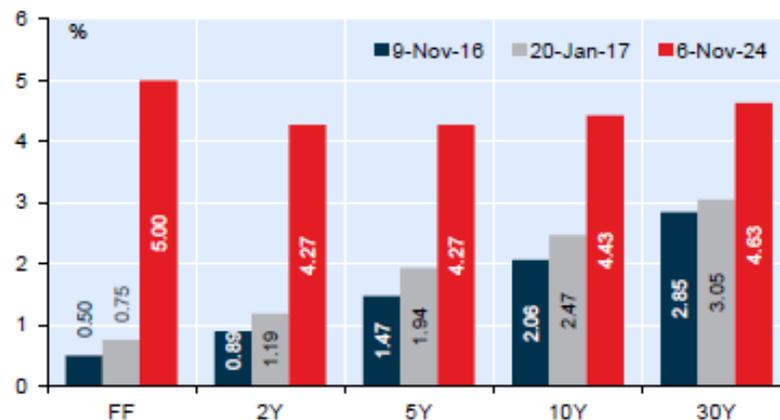
You will hear, see and read much on the election outcome and its perceived implications. Avenues of influence are, after all, limitless... spanning international relations, growth, jobs, investment, inflation, trade, tax, regulation, deficits, debt, immigration, personal liberty, etc. Nor is there an asset class likely to be untouched. We'll be adding our voice to the analytical cacophony, with our dedicated geopolitical analyst, Angelo Katsoras, having already offered an initial take ([link](#)).

For many it seems, Trump's stated plans/priorities and known proclivities offer an apparent trading roadmap. Meanwhile, for those of us 'addicted to context', it might additionally be helpful (informative) to reference back to November 2016, when Trump's first presidency was secured and the GOP controlled both houses of congress.

Let us be clear: Current economic and financial conditions simply don't correlate with those from eight years ago. Back in late 2016, the level/direction of Fed policy was the opposite of what we face today. Steep curves were biased flatter, while a compressed rate environment left limited scope for monetary policy divergence and cross-market extremes. Not so today. There was still ample slack back then and less underlying inflation anxiety compared with today.

Chart 1: No comparing today's rates complex to late-2016

US Treasury yields: Nov-16 vs. Nov-24



Source: NBC, BBG | Note: Levels are T+1 for elections & T=0 for inauguration

[Click here for full comments](#)

Geopolitical Briefing: The likely impacts of President Trump's victory

President Trump has won the presidency, with his Republican Party securing control of the Senate. Republicans also appear poised to take control of the House of Representatives, albeit by a narrow majority.

Bottom line

With President Trump and Republicans controlling both houses of Congress, they have a significant opportunity to advance parts of their agenda, which includes extending and expanding tax cuts as well as implementing infrastructure and tariff policies. There will also be a lighter regulatory footprint in the energy, infrastructure, financial, IT, and mining sectors. However, the fiscal outlook, combined with the upcoming debt ceiling saga in January, could create a challenging environment for fiscal decision-making. As a result, Treasury markets are likely to remain nervous in the near term. Needless to say, Canada's long-term interest rates are closely correlated to those in the United States.

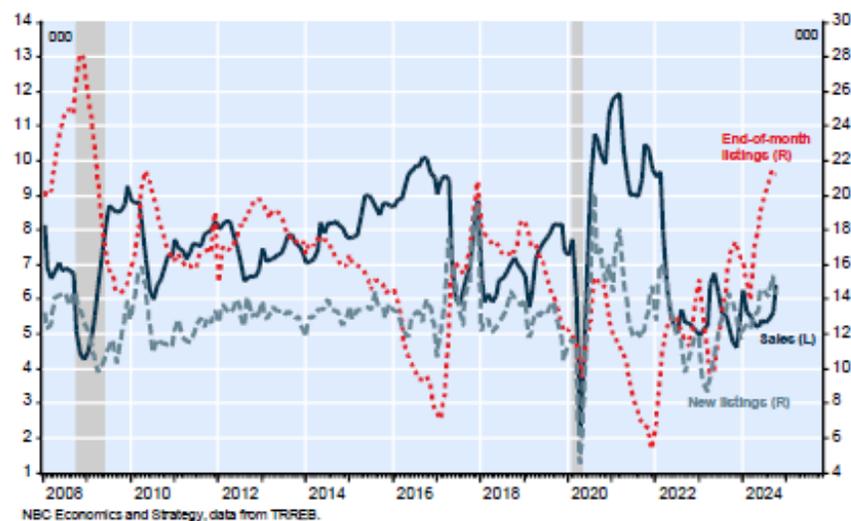
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GTA: After a sluggish period, home sales surged in October

According to the Toronto Regional Real Estate Board (TRREB), seasonally adjusted home sales surged 14.0% from September to October, a third consecutive monthly increase that followed a period of moderation that was occurring since February. As a result, transactions were at their highest level since May 2023, when the Bank of Canada paused its hiking cycle, but remained 17.3% below its pre-pandemic level. Like in the other three biggest CMA in the country, this significant rise in home sales comes at a time when it was widely expected that the Bank of Canada would accelerate the pace of monetary easing in October, which it did indeed do. Combined with a significant fall in fixed mortgage rates over the summer, the anticipation of a faster fall in the variable rate probably helped to support the real estate market. Although cuts in short-term interest rates over the coming months could continue to support the housing market, it will be important to look at the impact of the recent rise in long-term bond yields, which has not yet been passed on to fixed mortgage rates.

1. Toronto: Home sales and listings

Seasonally adjusted by NBC. Last observation: October 2024



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Montreal: Housing market strengthens once again in October

According to our preliminary estimate based on Centris data, seasonally adjusted property sales jumped by 10.1% from September to October, the fifth consecutive monthly increase and the largest one-month increase since the rebound observed in June 2020 following the start of the pandemic. Despite this increase, sales in the Quebec metropolis are still 9.3% below their pre-pandemic level, but activity in October was at its highest since January 2022. Unlike Toronto, Vancouver and Calgary, the Montreal real estate market had brightened in recent months with the start of the Bank of Canada's cycle of monetary easing. However, the significant rise in transactions seen in October was widespread across the four major Canadian cities, and it was widely expected that the central bank would accelerate the pace of its monetary easing in October, which it indeed did. Combined with a significant fall in fixed mortgage rates over the summer, the anticipation of a faster fall in the variable rate probably helped to support the property market.

1. Montreal: Home sales and listings

Seasonally adjusted by NBF. Last observation: October 2024



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Evercore ISI - Equity & Derivatives Strategy: The Next 100 Days + The First 100 Days = S&P 500 to 6,600

Decisive and Expensive, Yes. Exuberant, No. That's Ahead: A Decisive and Uncontested Election Outcome electing Donald Trump in a potential Red Sweep was nobody's base case. In our Election Compendium we modelled this as creating a "meltup chase" at seasonally favorable year and a Public reengaged in speculation. While stocks are expensive, expensive can last for a while. This market will be driven higher by the policy prospect of deregulation in DC driving a capital market cycle. Exuberance tends to arrive when capital markets ignite and exuberance has been the hallmark of every market top Exuberance lies ahead. We introduce a 6/30/2025 S&P 500 Price Target of 6,600, 25.7x our \$257 2025 EPSe and 27.5x 2024's \$240e.

Length, Height and Width of the Bull - Still an Infant: In a Century of Bull Markets the average gain is 152% over 50 months. This Bull is young at 25 months and gain of 65%. The A/D line is very healthy, bolstered by strength in Small Caps benefitting from a "soft landing" along with the history of post-2020 and 2016 Elections as well as last July's outperformance burst boding very positively.

The Fed, 1995 and the Rates "Wall of Worry": As exuberant as markets may seem this historic week, our most frequent question since the 9/18 50bp cut is "When will interest rates derail the stock market?". The Wall of Worry is bigger than the spiking MOVE Index itself. The only time the Fed started a cut cycle and 2 year yields surged was 1995, the only "soft landing" and start of a glorious stock market epoch. Second, while 5% on the 10 year could be a headwind as it was earlier in this cycle, that is still in the distance; we'd look for UK Yields to move toward 5% as the "yellow flag". Last, credit markets remain impressively, soft-landingly, buoyant.

Barbells Build Muscle - Stay With the "Fed Rate Cut Playbook": The Fed began cutting rates in September and will continue in 2025. The Fed Rate Cut Playbook derives outperformance from NDX-like exposure, Tech and Comm Svcs along with Small Caps, barbelled by more defensive (Cons. Stap. and Health Care. We also include the original list of EVR ISI fundamental analysts' picks for a Trump Win and a Red Wave.

Figure 1: The Running of the Bulls From FDR to DJT

Start	End	Length (mo)	Return	%Gain/mo
6/1/1932	3/10/1937	58	324%	5.6%
3/31/1938	11/9/1938	7	62%	8.9%
4/11/1939	10/25/1939	7	27%	3.8%
4/28/1942	5/29/1946	50	158%	3.2%
6/13/1949	8/2/1956	87	267%	3.1%
10/22/1957	12/12/1961	50	86%	1.7%
6/26/1962	2/9/1966	44	80%	1.8%
10/7/1966	11/29/1968	26	48%	1.8%
5/26/1970	1/11/1973	32	74%	2.3%
10/3/1974	9/21/1976	24	73%	3.0%
3/6/1978	1/6/1981	35	59%	1.7%
8/12/1982	8/25/1987	61	229%	3.8%
12/4/1987	7/16/1990	32	65%	2.0%
10/11/1990	3/24/2000	115	417%	3.6%
10/9/2002	10/9/2007	61	101%	1.7%
3/9/2009	2/19/2020	133	401%	3.0%
3/23/2020	1/4/2022	22	114%	5.2%
10/14/2022	11/6/2024	25	65%	2.6%
Avg (ex. Current)		50	152%	3.3%

Source: Bloomberg, Evercore ISI Research

Evercore ISI - Fixed Income Strategy: Trump Victory and Dollar Outlook.

Treasury yields and the dollar immediately moved higher on Trump's election victory. Overnight, the 10-year Treasury yield is up +15bps. The dollar is higher too. But can the dollar break out to the upside of a range that it has been locked in since late 2022? Probably yes. Since late September, the dollar has rebounded nearly 4%. Why? For the U.S., high-frequency data has been solid except for the hurricane distorted employment report. Furthermore, inflation continues to cool, and a terminal rate is down to around 3.5%. Relative to other developed economies, U.S. growth has been hotter. And with a Trump victory, the rate outlook will be higher.

Only with trepidation do we forecast foreign exchange rates as financial models on this topic are only 55% as effective as models on GDP, consumer spending, inflation or interest rates. That said, the macro fundamentals (largely relative inflation and short-term sovereign yield spreads) portended the dollar to break out to the upside following Trump's victory. Such models are working well when the relative outlooks shift. Currently, sovereign yield spreads against the dollar (especially in real terms) are positive for a higher dollar. Other foreign central banks are expected to keep cutting their short-term policy rates. And EU relative inflation outlook have. Furthermore, U.S. economic policy uncertainty is low but could creep higher with the Trump victory. Uncertainty is positively correlated with the value of the dollar.

Will the dollar continue to be range bound? Financial fundamentals favor a strong dollar and the better-than-expected economic climate than in the EU, U.K. and China should be a buffer against uncertain news reports on tariffs, inflation and taxes

Four important implications of a rising dollar:

1. Foreign earnings account for around 44% of aggregate S&P EPS. A stronger dollar reduces the dollar value of those earnings and free cash flow. Historically, earnings surprises are much stronger with a falling dollar which is good news for credit spreads. Consensus earnings estimates do a poor job with changes in the profit weighted dollar. Foreign exchange risk upon earnings is -19% less in the EU.
2. A stronger dollar is initially associated with somewhat stronger growth than forecasted. The inflow of capital into the U.S. weighs down real and nominal economic growth. It is only when the dollar becomes significantly "overvalued" relative to its trading partners the U.S. improves that economic growth starts to slow.
3. A stronger dollar weighs down inflation pressures, particularly for tradeable commodities. The lag between the dollar and commodity is just less than one year. This channel should be influential for TIPS and spot yields in 2025 and 2026.

Top News

Economy & Strategy

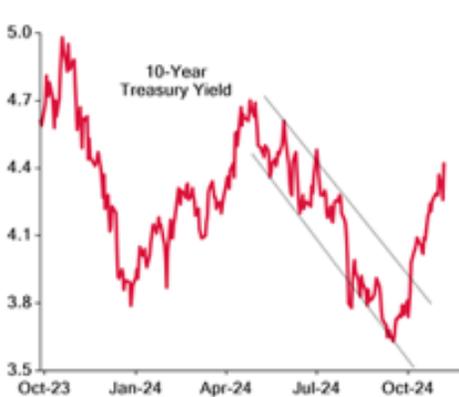
- Industries with large foreign exposure to foreign sales will feel a headwind or overseas costs will have a tailwind with a stronger dollar.

Despite favorable fundamentals, the dollar was rebounding from its Sep low. The EU, and U.K. economic outlook has become clearer. The surprise was better economic growth in the U.S. than expected.



Evercore ISI - Fixed Income Strategy: Capital Markets Chronicle

The economic calendar today is short of market moving releases. But the consequences of the presidential election will dominate the market's attention. Today the FOMC announcement is scheduled. Unemployment claims should edge higher for the week ending November 2. The next market moving release is October's CPI release on Nov 13. We estimate the October's headline and core CPI rose +0.2% and +0.3% respectively. The y/y metrics should edge down.



Yields jumped higher and the yield curve steepened yesterday.

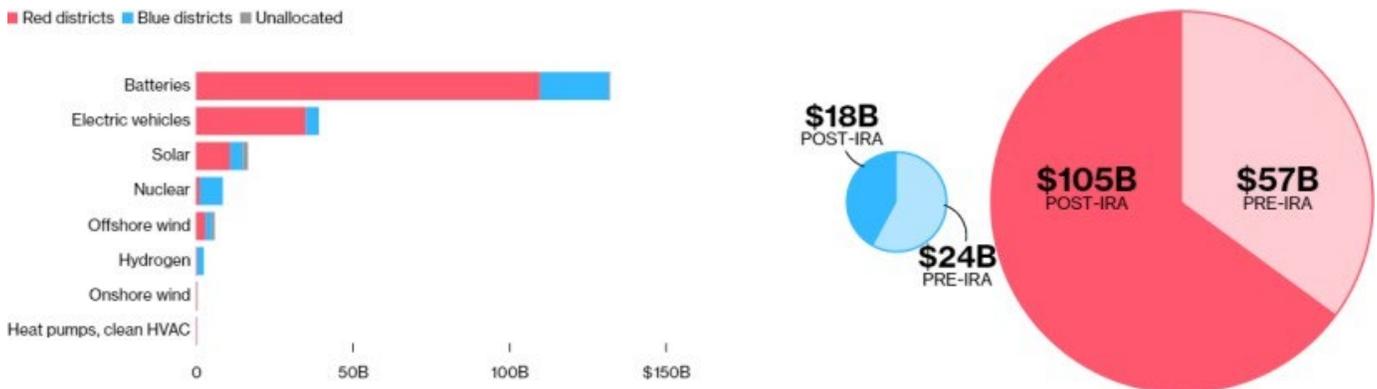
Treasury yields are little changed overnight after surging higher yesterday. The yield curve beyond 1 year to maturity is flat to upward sloping. Yields in the belly of the curve are down modestly, while the 10-year yield is up +1bps to 4.447% and the 2-year yield is at 4.266%. Bitcoin, the dollar and oil are down overnight, but gold is up.

Global developed sovereign yields are generally higher except for the U.K. yields. The German finance minister, Christian Lindner, was removed and deputy finance minister Joerg Kukies replaced him. There is chatter that spot elections in Germany may be called next spring. Norway kept its policy rate at a 16 year high. ECB board member Isabel Schnabel said the reduced ECB balance sheet is starting to reduce stress in the EU financial system.

Evercore ISI - Sustainable Technologies & Clean Energy: The Perception vs Reality Debate; Clean Energy post U.S. Elections

We discussed earlier this year the possible implications of a potential Republican sweep, which is now a reality. We continue to believe that a full IRA repeal is very unlikely, but there could be some pruning. Now that Donald Trump has won the election, conversations surrounding the fate of the IRA are even more crucial than before, and the market reaction is a clear sign of concern. Mr. Trump has expressed opposition to the legislation multiple times (see here), but we believe a full repeal of the legislation is highly unlikely, especially given the amount of investment made following the passage of the bill in Republican-dominated districts; according to the Department of Energy, of the total spending on clean energy technologies since 2021 (as of mid-2024), ~\$10.9B was for solar in red states and \$4.1B in blue states, on batteries spending was \$109.9B in red states and \$22.0B in blue states, and on EVs \$35B to red states and \$4.2B to blue states. Furthermore, five of the seven swing states (Georgia, Michigan, North Carolina, Nevada, and Arizona) feature in the top 15 for cleantech investment. We believe most of the current legislation will remain intact, with the potential for some slight modifications (especially given the skew in investment beneficiaries), like the earlier sunseting or capping of certain tax incentives, making them more difficult to monetize, or greater domestic content requirements, coupled with the potential easing of certain EPA emissions rules. The Inflation Reduction Act has played a pivotal role in this sector, with clean energy tax credits projected to total between \$800B and \$1.2T over the next decade. In our opinion, it only seems logical that the pillars of the legislation’s foundation would remain, which bodes well for our Clean Tech coverage universe, specifically GEV, BE, FLNC, and STEM. We also like buying the dip in ENPH, RUN, and NOVA.

Figure 1: Total Spending on Clean Energy Technologies Since Biden (2021)



Source: Bloomberg

Top News

Technical Analysis

Chart Highlights

U.S. Dollar index (DXY) – 105.319



- The U.S. Dollar index spent the past two years consolidating within its major uptrend carving out a giant triangle formation.
- Prices are testing key resistance at the upper end of the formation around 106.00.
- An upside breakout targets the 2022 high around 114.00.
- The other side of the coin is a weakening Canadian dollar.

CAD/USD (CAD/USD=R) – US\$0.7173



- The CAD/USD chart broke a top at US\$0.77 in late 2022 to start a bear phase.
- Canadian dollar weakness found support at US\$0.72 for the past two years as it formed another top structure.
- The recent breakdown on the C\$ now targets US\$0.68.

Top News

Technical Analysis

iShares Global Clean Energy ETF (ICLN) – US\$12.51



- The ICLN chart broke a one-year consolidation pattern within its major downtrend to renew its bearish trend.
- Chart support at US\$12.80 broke on more than four times recent volume.
- Target is US\$10.00.
- This breakdown will have negative implications for alternative energy stocks.

Northland Power Inc. (NPI) – \$19.78



- Northland Power broke a top at \$35.00 and spent the last year consolidating as it attempts to base out.
- The breakdown on the ICLN chart indicates there is further downside risk.
- Support on the NPI chart at current levels is being challenged again with risk of failing.
- A break of this important support extends price action down to around \$15.00.

Top News

Technical Analysis

Boralex Inc. (BLX) – \$32.42



- The BLX chart is carving out a six-month top formation that is vulnerable to break with the ICLN chart breakdown.
- Weak relative performance increases the risk of a breakdown.
- Key chart support at \$32.00 along its 200-day is being tested.
- A break of support here will see the stock trade back down to the mid-\$20s.

Chart source: LSEG

Top News

Conference Calls

First Edition Call

This Week on TEAMS:

MONDAY: Shane Nagle, NBCFM Base Metals Analyst - [8:30 am English call](#) / [9h00 appel français](#)

TUESDAY: Dennis Mark, NBCFM Technical Analyst - [8:30 am English call](#) / [9h00 appel français](#)

WEDNESDAY: Kyle Dahms, NBC Economist - [8:30 am English call](#) / [9h00 appel français](#)

THURSDAY: Research Services - [8:30 am English call](#) / [9h00 appel français](#)

FRIDAY: Research Services - [8:30 am English call](#) / [9h00 appel français](#)

A replay is available in the Event Calendar of [Research Services SharePoint](#)

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Research Services Reports

- [Better than Bonds Canada - November 2024](#)
- [Better than Bonds U.S. - November 2024](#)
- [Inexpensive Quality Canadian Stocks - Q3 update](#)
- [Inexpensive Quality U.S. Stocks - Q3 update](#)
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This report along with all the research from NBCFM Research Services can also be accessed on our [SharePoint](#)

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