

U.S. EQUITY FUTURES	LAST	CHANGE	%CHG	COMMODITIES/ FX	LAST	CHANGE	
Dow Jones MINI futures	37,890.00	-103.00	-0.27%	CRUDE OIL WTI	\$70.91	\$0.53	
S&P500 MINI futures	4,767.75	-19.50	-0.41%	NATURAL GAS	\$2.62	\$0.05	
NASDAQ MINI futures	16,613.75	-106.25	-0.64%	GOLD	\$2,043.40	-\$15.47	
CANADA EQUITY MARKET	LAST	CHANGE	%CHG	COPPER	\$3.84	-\$0.03	
S&P/TSX 60 futures	1,260.20	-5.00	-0.40%	CAD / USD	\$0.7490	-\$0.0015	
OVERSEAS MARKETS	LAST	CHANGE	%CHG	CAD / EUR	€ 0.6859	€ 0.0001	
DJ EURO STOXX 50	4,459.28	-53.53	-1.19%	USD / EUR	€ 0.9158	€ 0.0021	
FTSE 100 INDEX	7,673.84	-47.68	-0.62%	USD / JPY	¥142.95	¥0.97	
DAX GERMANY	16,598.58	-170.78	-1.02%	GOVERNMENT BONDS	2YR	5YR	10YR
CAC 40 Index	7,418.87	-111.99	-1.49%	CANADA (YLD%)	3.96%	3.25%	3.19%
NIKKEI 225 INDEX	33,464.17	Closed	Closed	U.S. (YLD%)	4.35%	3.95%	3.97%
HANG SENG INDEX	16,646.41	-142.14	-0.85%	Source: Refinitiv			
SHANGHAI COMPOSITE INDEX	2,967.25	4.97	0.17%				

## Morning News

U.S. stock index futures slipped this morning, pointing to fresh losses on the second trading day of 2024, as Treasury yields extended gains ahead of data that could offer insights on the Federal Reserve's monetary policy easing plans. Wall Street kicked off 2024 on a downbeat note, halting a blistering rally in stock markets last year, as Apple and other technology names came under pressure from higher yields. Shares of rate-sensitive megacap stocks including Nvidia, Apple and Tesla fell marginally in premarket trading today, as the 10-year Treasury yield climbed for a fourth session to 3.98%. The declines came on the heels of a strong year for U.S. stocks. The benchmark S&P 500 came within a striking distance of its all-time closing high last week as investors priced in aggressive rate cuts in 2024 following signs of cooling inflation. The minutes of Fed's December meeting, where policymakers opened the door to potential rate cuts this year, is scheduled for release at 2:00 p.m. ET. While the Fed is widely expected to keep rates on hold in January, traders have priced in a 67% chance of a 25 basis point rate cut in March, as per CMEGroup's Fedwatch tool. Institute for Supply Management's December manufacturing activity survey, and November job openings data are due later in the day. Federal Reserve Richmond President Thomas Barkin, a voting member in the FOMC's rate-setting committee this year, is also set to speak.

Futures tied to Canada's resources-heavy main stock index dipped this morning as most metal prices declined on a stronger U.S. dollar, while investors braced for more U.S. data that could offer clues on the Federal Reserve's policy path. Oil prices were steady, while a firmer U.S. dollar and soft China demand pushed copper prices to a two-week low. Gold prices slipped to a one-week low, while other precious metals fell as well. Prices of other base metals were mixed, though iron ore futures rose for the second consecutive session. Global markets had rallied towards the end of 2023 on growing bets that major central banks, including the Fed and the Bank of Canada (BoC), could consider interest rate cuts this year. For the BoC, market participants are pricing in a more than 38% chance that the central bank would start reducing lending rates by at least 25 basis points by March. Canadian equities did not have a stellar start to the year, with the Toronto Stock Exchange's S&P/TSX composite index logging a 0.4% decline yesterday, with technology and financial shares leading losses.

European shares fell this morning as a rally from last year started to lose steam, with investors keeping an eye out for major factors during the day for cues on global monetary policy. Basic resources was the worst-hit sector, down about 1.7% on weakness in most metals. Construction and material, financial services and technology also lost over 1% each. On the flip side, food and beverages jumped more than 1%, led by a 3% rise in Swiss packaged-food giant Nestle. Healthcare also enjoyed strong gains, with Swiss drugmakers Novartis and Roche jumping nearly 4% each. The focus for the day is on a key U.S. jobs report and minutes from the Federal Reserve's December policy meeting. Meanwhile, regional data showed unemployment in Germany rose slightly in December. The Federal Employment Agency said the number of people out of work increased by 5,000 in seasonally adjusted terms to 2.703 million. Analysts had expected the total to rise by 20,000. The seasonally adjusted jobless rate grew slightly in December to 5.9%.

China shares wobbled, and Hong Kong stocks extended declines, tracking a broader Asian sell-off, while investors remained cautious due to the uncertainty about the economic recovery. Some of China's top banks have sharpened scrutiny of smaller peers' asset quality and tightened standards for interbank lending, in an effort to curb credit risk as a deepening property debt crisis ripples through the economy. Artificial intelligence-related stocks dropped 2.8% and information technology companies fell 2.2% to lead the decline. Chinese gaming stocks rose 1%, outperforming a weak broader market, following Reuters' report on the removal of a gaming regulatory official in China, seen as a step to calm the market. Japan markets are shut for a public holiday.

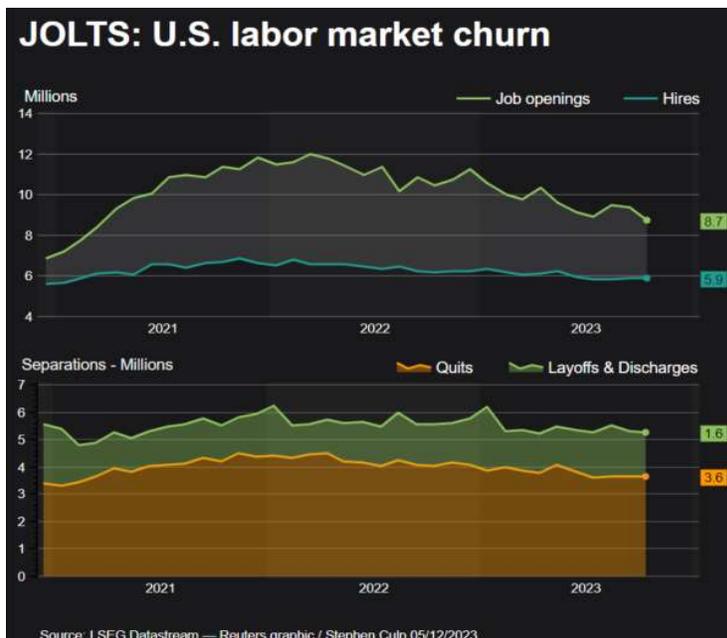
## U.S Economic Calendar

Local Time	Indicator Name	Period	Reuters Poll	Actual	Prior	Revised
07:00	MBA Mortgage Applications	29 Dec, w/e		-10.7%	1.4%	
07:00	MBA 30-Yr Mortgage Rate	29 Dec, w/e		6.76%	6.71%	
10:00	ISM Manufacturing PMI	Dec	47.1		46.7	
10:00	ISM Mfg Prices Paid	Dec	47.5		49.9	
10:00	ISM Manuf Employment Idx	Dec	46.1		45.8	
10:00	ISM Manuf New Orders Idx	Dec			48.3	
10:00	JOLTS Job Openings	Nov	8.850M		8.733M	

## Canadian Economic Calendar

No major data expected

## Chart of the day



# Top News

## Canadian Stocks

### Morning news

**Troilus Gold Corp:** Troilus Gold has struck a deal to sell its Mike Lake properties in Canada's Yukon Territory, streamlining its portfolio as it moves to focus entirely on the development of the Troilus Gold project in Quebec. The exploration company said it will sell its Mike Lake claims to Prospector Metals in exchange for a 19.9% stake in the TSX Venture Exchange-listed company, as Prospector issues to it about 8.6 million shares. When the deal closes, Prospector Metals plans to immediately begin exploration at Mike Lake, to follow-up on initial exploration work carries out from the mid-1970s to 2008. The deal also will include a one-time milestone payment in cash or Prospector Metals shares equal to 1 million Canadian dollars (\$750,600) if Prospector's market capitalization is C\$20 million or less or equal to C\$2 million if it is greater than C\$20 million if Prospector announces a mineral resource for the property.

### NBF Research

#### COMMENTS

Weekly E&P Talking Points: WTI, NYMEX, AAV, CPG, IMO  
Weekly Energy Infrastructure Review: 2023 moves into the rearview...  
Weekly Precious Metal Comps

#### RESEARCH FLASHES

**AbraSilver Resource Corp.** - La Coipita Earn-In Woos Senior Producer  
**Agnico Eagle Mines Ltd.** - Minor Investment into Critical Minerals Sector  
**Eldorado Gold Corporation** - Phil Yee Retires with Paul Ferneyhough Succeeding Him Effective Immediately

### Stocks ratings and target changes across the street

BCE Inc BCE.TO: TD Securities raises to buy from hold; raises target price to C\$57 from C\$56  
Restaurant Brands International Inc. QSR.N: TD Cowen raises target price to US\$90 from US\$81

### S&P/TSX Earnings Calendar

No major S&P/TSX companies are scheduled to report for the day.

Source: Refinitiv

### Morning news

**Agios Pharmaceuticals Inc:** The company said its drug helped to increase hemoglobin levels in patients with an inherited blood disorder in a late-stage study, driving the company's shares up in premarket trading. The drug, mitapivat, met the main goal of the study as it showed a statistically significant increase in hemoglobin response compared to placebo in patients with either alpha- or beta-thalassemia, the two types of an inherited blood disorder in which the body makes less-than-normal hemoglobin. The drug also met both its secondary goals in the study, including an improvement in scores measuring fatigue in patients.

**BrightSpring Health Services Inc:** The KKR-backed company on Tuesday filed for an initial public offering in the United States, reviving its plan to go public more than a year after aborting it. The healthcare services platform had been pursuing an IPO since 2021, but shelved it in November 2022 when an uncertain economy had crushed the IPO market. However, a recent market rally on easing recession concerns has rekindled hopes and is encouraging more companies to seek listings. Social media giant Reddit, cloud security company Rubrik and software startup ServiceTitan are also expected to go public in 2024. BrightSpring was bought by KKR in a \$1.32 billion deal in 2019, with an affiliate of drugstore chain operator Walgreens Boots Alliance taking a minority stake. The company caters to patients facing complex or chronic medical conditions. BrightSpring has applied to list on the Nasdaq under the symbol "BTSG."

**American International Group Inc:** The U.S. insurer was the lead insurer on a \$130 million "all-risks" policy for the Japan Airlines airplane which collided with another plane at Tokyo's Haneda airport, two insurance industry sources said. All 379 people aboard the Japan Airlines Airbus A350 escaped after a collision with a De Havilland Dash-8 Coast Guard turboprop that killed five of six crew on the smaller aircraft. Trade magazine The Insurer previously reported the AIG insurance news. The Japan Airlines policy mainly covers damage to the hull, one of the sources said. Large commercial insurance deals are typically split among a number of insurers. Willis Towers Watson was the main broker on the deal, the second source told Reuters. Willis Towers Watson declined to comment.

**PGT Innovations Inc:** The company on Tuesday disclosed an unsolicited buyout proposal from Miter Brands, weeks after the U.S. maker of vinyl and aluminum doors and windows agreed to a \$3 billion deal with Masonite International. Miter has submitted an offer of \$41.50 per share in cash, compared with the \$41 per share Masonite had made when it signed the deal with PGT last month. Masonite's bid consisted of \$33.50 in cash and \$7.50 of its common stock. Its shares have dropped since the deal was announced. PGT said its board would consult with independent financial and legal advisers to review Miter's offer but would stick with the Masonite transaction unless it determined that the latest bid could lead to a "superior proposal". "Masonite remains fully committed to the binding transaction with PGT Innovations," a spokesperson for the company said.

**Tesla Inc:** The U.S. automaker sold 94,139 China-made electric vehicles (EVs) in December, a 68.7% increase from a year earlier, China Passenger Car Association (CPCA) data showed. Deliveries of China-made Model 3 and Model Y vehicles were up 14.2% from November. Chinese rival BYD, with its Dynasty and Ocean lineup of EVs and petrol-electric hybrid models, delivered 341,043 passenger vehicles in December, up 13% from November and a 45% jump year-on-year. BYD had a record quarter with sales of 944,779 new energy vehicles in the fourth quarter, including 526,409 pure EVs. Tesla's figures took its China-made sales, which include exports, to 947,742 for the full year, accounting for 52.4% of the U.S. EV pioneer's global deliveries. Worldwide, Tesla delivered a record 484,507 cars in the fourth quarter, beating market estimates, but was dethroned by BYD as the top EV maker.

**Walt Disney Co:** The company said investment firm ValueAct Capital will advise it on strategy and support its director nominees at the 2024 annual shareholder meeting. The agreement with San Francisco-based ValueAct, known for working collaboratively with target companies, bodes well for Disney ahead of what is expected to be a bitter proxy battle with another activist investor, Nelson Peltz. "ValueAct has a track record of collaboration and cooperation with the companies it invests in and its co-CEO Mason Morfit has been very constructive in the conversations we've had over the past year," Disney CEO Bob Iger said. Iger spent much of last year overhauling the business and grappling with demands from Peltz's Trian Fund Management. Separately, activist hedge fund Blackwells Capital will nominate three directors at Walt Disney Co, rivaling Trian Fund Management which is seeking two seats on the entertainment giant's board, people familiar with the matter said.

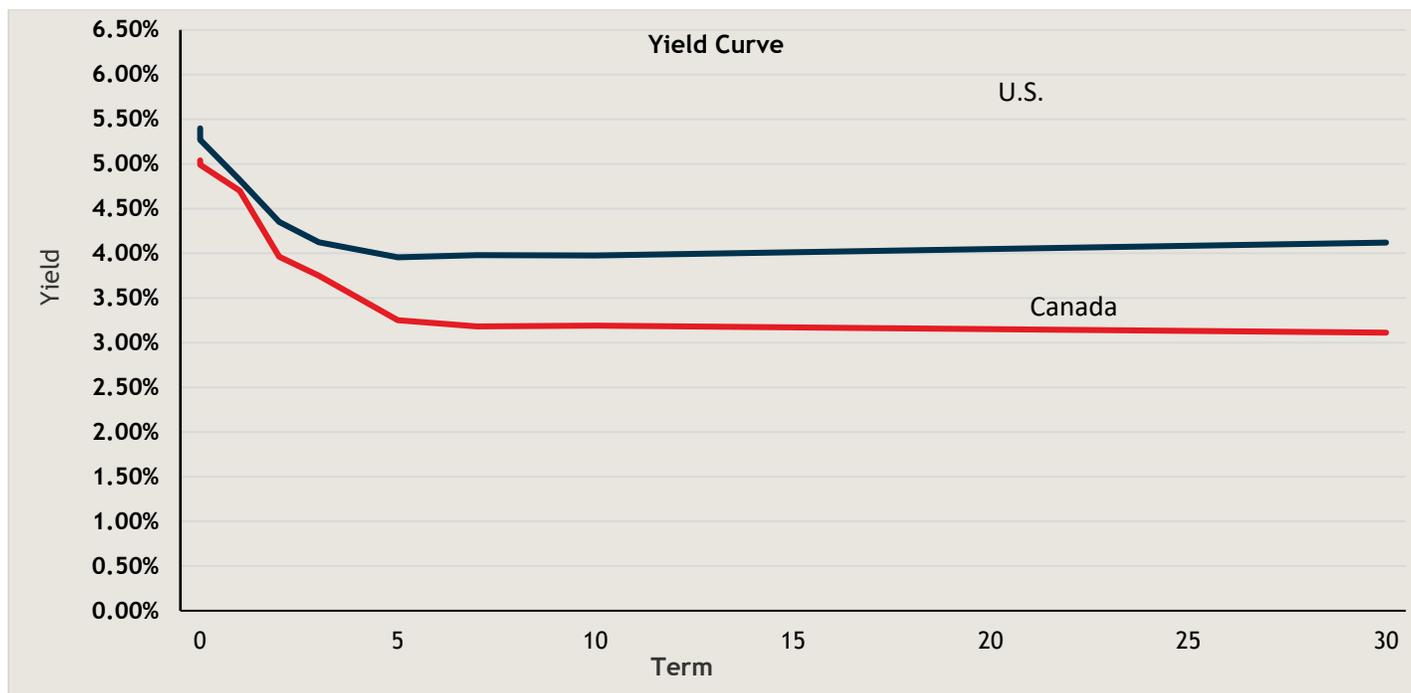
### S&P500 Earnings Calendar

No major S&P500 companies are scheduled to report for the day. (Source: Refinitiv)

# Top News

## Fixed Income

Canadian Key Rate	Last	Change bps		Last	Change bps
CDA o/n	5.00%	0.00	CDA 5 year	3.25%	0.9
CDA Prime	7.20%	0.00	CDA 10 year	3.19%	1.2
CDA 3 month T-Bill	5.05%	0.0	CDA 20 year	3.18%	0.7
CDA 6 month T-Bill	4.99%	0.0	CDA 30 year	3.11%	1.3
CDA 1 Year	4.70%	0.0	5YR Sovereign CDS	39.6	
CDA 2 year	3.96%	1.7	10YR Sovereign CDS	40.1	
US Key Rate	Last	Change bps		Last	Change bps
US FED Funds	5.25-5.50%	0.00	US 5 year	3.96%	3.1
US Prime	8.50%	0.00	US 10 year	3.98%	3.2
US 3 month T-Bill	5.24%	2.1	US 30 year	4.12%	3.7
US 6 month T-Bill	5.27%	1.0	5YR Sovereign CDS	47.56	
US 1 Year	4.82%	1.6	10YR Sovereign CDS	55.17	
US 2 year	4.35%	2.3			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			541.52	0.21%	-0.52%
BMO Laddered Preferred Shares (ETF)			9.11	-0.11%	0.77%



Source: Refinitiv

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