

U.S. EQUITY FUTURES	LAST	CHANGE	%CHG	COMMODITIES/ FX	LAST	CHANGE	
Dow Jones MINI futures	33,823.00	17.00	0.05%	CRUDE OIL WTI	\$87.59	-\$0.73	
S&P500 MINI futures	4,349.50	7.25	0.17%	NATURAL GAS	\$3.02	-\$0.04	
NASDAQ MINI futures	15,087.25	62.00	0.41%	GOLD	\$1,955.09	\$7.40	
CANADA EQUITY MARKET	LAST	CHANGE	%CHG	COPPER	\$3.57	-\$0.01	
S&P/TSX 60 futures	1,169.80	-1.40	-0.12%	CAD / USD	\$0.7281	-\$0.0009	
OVERSEAS MARKETS	LAST	CHANGE	%CHG	CAD / EUR	€ 0.6883	-€ 0.0034	
DJ EURO STOXX 50	4,099.60	-6.26	-0.15%	USD / EUR	€ 0.9454	-€ 0.0035	
FTSE 100 INDEX	7,511.52	-76.48	-1.01%	USD / JPY	¥149.80	-¥0.12	
DAX GERMANY	15,073.03	-21.88	-0.14%	GOVERNMENT BONDS	2YR	5YR	10YR
CAC 40 Index	6,925.95	-40.04	-0.57%	CANADA (YLD%)	4.91%	4.33%	4.13%
NIKKEI 225 INDEX	31,430.62	-611.63	-1.91%	U.S. (YLD%)	5.22%	4.94%	4.93%
HANG SENG INDEX	17,295.89	-436.63	-2.46%	Source: Refinitiv			
SHANGHAI COMPOSITE INDEX	3,005.39	-53.32	-1.74%				

Morning News

U.S. stock index futures were flat this morning as Treasury yields climbed to fresh 16-year highs, taking the sheen off stocks in premarket trading, while Tesla dropped and Netflix surged after their quarterly earnings. Tesla slid more than 7% as the electric vehicle maker missed Wall Street expectations on third-quarter gross margin, profit and revenue. Netflix soared more than 13% after the streaming giant said it was raising prices for some of its plans in the United States, Britain and France after adding 9 million subscribers in third quarter. All eyes will be on the Federal Reserve Chair Jerome Powell, who will take the podium in New York at 12 p.m. ET with his colleagues at the U.S. central bank in apparent agreement to hold interest rates unchanged at their next meeting in two weeks. Markets will also be awaiting comments from other Fed officials including Atlanta Fed President Raphael Bostic, Chicago Fed President Austan Goolsbee and Philadelphia Fed President Patrick Harker, among others, to gauge the central bank's interest rate path. Yields on the benchmark Treasury notes spiked this morning, with the 2-year yield that best reflects interest rate expectations climbing to a 17-year high at 5.2442% as recent economic data cemented fears of higher-for-longer rates. Meanwhile, Israel pounded Gaza with more air strikes today, as British Prime Minister Rishi Sunak followed U.S. President Joe Biden on visits to demonstrate support for the war against Hamas while urging Israel to ease the plight of besieged Gazans. In economic news this morning, initial claims for state unemployment benefits dropped 13,000 to a seasonally adjusted 198,000 for the week ended Oct. 14, the Labor Department said. Economists had forecast 212,000 claims for the latest week.

Futures for Canada's main stock index fell this morning, hurt by a spike in U.S. bond yields as the unrest in global investor sentiment continued on prospects of no interest rate cuts any time soon and tensions escalating in the Middle East. Further weighing on sentiment was a fall in oil prices as the U.S. eased sanctions on Venezuela to allow more oil to flow globally, but fears of an escalation in the Israel-Hamas conflict kept a lid on losses. Spot gold prices edged higher to more than 2-month highs as investors rushed to safe-haven assets. On the data front, producer prices in Canada grew by 0.4% in September from August on higher prices for energy and petroleum products, as well as motorized and recreational vehicles, Statistics Canada said. Some of the price movements were attributable to the depreciating Canadian dollar. The increase followed an upwardly revised 1.9% increase in August (see chart). Raw materials prices were up 3.5% in September, and were up 2.4% on the year.

European shares tumbled nearly 1% in early trading as a raft of dismal corporate earnings including from packaged food giant Nestle worsened an already risk-averse mood, driven by jitters around the Middle East war and uncertainty over interest rates. Shares of Nestle dropped nearly 2% after the Swiss consumer giant posted lower-than-expected nine-month sales growth as higher product prices made shoppers balk. French carmaker Renault shed 4.6% as the pace of sales growth slowed due to currency depreciations. Nokia lost 1.8% as the Finnish telecom gear group announced plans to slash jobs after posting a drop in its third-quarter sales.

Chinese stocks hit a new low for the year today, dragged by consumer-related shares as investor confidence remained depressed despite signs that parts of the economy are stabilising. Hong Kong shares also fell. Data on Wednesday suggested the economy is stabilising, but analysts and investors are still concerned if the economy has truly bottomed out, with the property sector mired in a deep contraction. China's biggest private property developer Country Garden on Wednesday was due to pay a coupon on a bond, but bondholders told Reuters they were yet to receive it. Non-payment would put the developer at risk of default. Japan's Nikkei share average closed nearly 2% lower, tracking a sell-off on Wall Street after robust U.S. economic data fuelled bets for a hawkish Federal Reserve, while mounting tensions in the Middle East also heightened risk aversion. Chip-related shares were notable underperformers after traders took cues from U.S. peers as a spike in long-term Treasury yields to 16-year peaks weighed on the so-called growth stocks.

U.S Economic Calendar

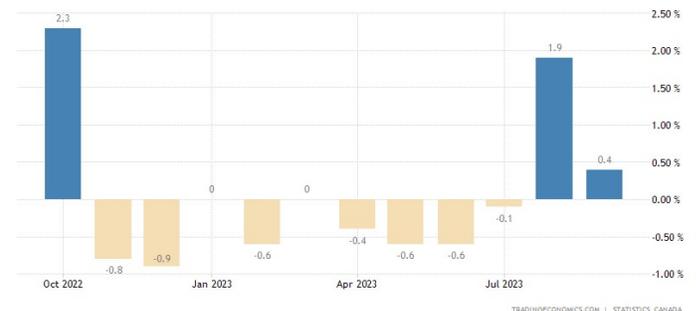
Local Time	Indicator Name	Period	Reuters Poll	Actual	Surprise	Prior	Revised
08:30	Initial Jobless Clm	14 Oct, w/e	212k	198k	-14.0k	209k	211k
08:30	Jobless Clm 4Wk Avg	14 Oct, w/e		205.75k		206.25k	206.75k
08:30	Cont Jobless Clm	7 Oct, w/e	1.710M	1.734M	0.0240M	1.702M	1.705M
08:30	Philly Fed Business Indx	Oct	-6.6	-9.0	-2.40	-13.5	
10:00	Existing Home Sales	Sep	3.89M			4.04M	
10:00	Exist. Home Sales % Chg	Sep				-0.7%	
10:00	Leading Index Chg MM	Sep	-0.4%			-0.4%	
10:30	EIA-Nat Gas Chg Bcf	13 Oct, w/e	80B			84B	

Canadian Economic Calendar

Local Time	Indicator Name	Period	Reuters Poll	Actual	Prior	Revised
08:30	Producer Prices MM	Sep		0.4%	1.3%	1.9%
08:30	Producer Prices YY	Sep		0.6%	-0.5%	0.0%
08:30	Raw Materials Prices MM	Sep		3.5%	3.0%	
08:30	Raw Materials Prices YY	Sep		2.4%	-4.3%	-4.0%

Chart of the day

Canada Producer Prices Change



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Morning news

Brookfield Infrastructure Partners: Brookfield and Antin Infrastructure Partners are among several bidders vying for a stake in German metering firm Techem, four people familiar with the matter told Reuters. Private equity fund Partners Group wants to sell its majority stake for as much as 9 billion euros, but offers may be closer to 7 billion euros, the people said, speaking on condition of anonymity. Management meetings for the dual track process, which could include a sale or IPO, were held last week, they added. Sale documentation will be circulated next month with the aim of collecting bids by the end of the year, one of the people said.

Mullen Group Ltd: Mullen Group Ltd. reported a third-quarter profit of \$39.1 million, up from \$38.0 million in the same quarter last year as its revenue edged lower. The trucking firm says the profit amounted to 42 cents per diluted share for the quarter ended Sept. 30, up from 39 cents per diluted share a year earlier. Revenue totalled \$504.0 million, down from \$518.4 million in the same quarter last year. The company says the decline was due to lower fuel surcharge revenue, declines in overall general freight demand in three of its operating segments and the sale of its hydrovac assets and business in December 2022. On an adjusted basis, Mullen Group says it earned 43 cents per share in its latest quarter, down from an adjusted profit of 51 cents per share a year earlier.

NBF Research

RATING AND TARGET PRICE CHANGES

Pipelines, Utilities & Energy Infrastructure - Anchoring value with internal funding analysis amid windy interest rates...

DAILY BULLETIN HIGHLIGHTS

PIPELINES, UTILITIES & ENERGY INFRASTRUCTURE - Anchoring value with internal funding analysis amid windy interest rates...

Event: In line with our Economics & Strategy Group's revised interest rate forecast, we have increased our 10-year GCAN assumption up by 50 bps to 3.5%, resulting in average target price reductions of ~8%.

Key Takeaways: In light of interest rate/valuation headwinds, a company's ability to convert EBITDA into cash on a sustainable basis, which can then be used to fund organic growth (after paying dividends of course), has emerged as a focal point for investors - i.e., conceding the end of the 'free money' era, and putting the spotlight on a company's internally funded growth outlook. Inside, we highlight robust discretionary free cash flow generation across our coverage universe, supporting internally funded organic growth potential of ~8% per year on average, which is on top of the average current dividend yield of ~6%, implying an attractive mid-teens total return profile without assuming any multiple expansion/recovery. When comparing 2024e EV/EBITDA valuations versus our internally funded growth rate analysis, we highlight Outperform-rated SES, CPX, TA, SPB, GEI and ALA as representing the most attractive opportunities for value-based investors.

CENTERRA GOLD INC.: Mount Milligan Tour Note

CG / CGAU (TSX; NYSE) **C\$6.74;**
US\$4.93

Event: Centerra hosted a site tour of its Mount Milligan copper-gold mine in British Columbia on October 17 which we attended.

Target: **C\$12.00**
(Unchanged)

Key Takeaways: Centerra hosted a site tour of its Mount Milligan copper-gold mine in BC on October 17 which we attended. A number of improvements at the site were showcased during the tour, which should help to derisk the mine and make it a more consistent producer and cash-flowing asset for the company moving forward. Additionally, management is working with a third-party consultant that has been tasked with identifying cost-saving initiatives at the mine to be implemented in early 2024. In our opinion, the bigger opportunity lies with a potential renegotiation of the metal streams tied to the asset and held by Royal Gold Inc. (RGLD, SP, US\$145, Analyst: Nagle), which if successful could support a meaningful LOM extension. Overall, we came away with conviction the new management team has a good understanding of the asset and where challenges lie, and are working efficiently to address these challenges to make for a brighter future for the core asset.

Stock Rating: **Outperform**
(Unchanged)

Est. Total Return: **82.3%**

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Canadian Stocks

OTHER COMMENTS

Centerra Gold Inc. - Mount Milligan Tour Note

RESEARCH FLASHES

ATS Corporation - ABB print looks weak (but one needs to take a look at the drivers to draw a meaningful inference)
Aura Minerals Inc. - Net-Credit Gold Collars to Derisk Borborema Payback Period

MORNING HIGHLIGHTS

GRANITE REIT: Granite U.S. Property Tour Recap

GRT.UN (TSX)	C\$69.69	Event: NBF toured a number of GRT's recently developed properties across the U.S. Midwest, Southwest and Southeast. We are maintaining our Outperform Rating and \$90.00 Target on GRT units.
Target:	C\$90.00	
	(Unchanged)	Key Takeaways: Between October 16-18, we toured a number of GRT's recently developed properties across the U.S. Midwest, Southwest and Southeast. Generally speaking, we came away with a better understanding of the individual market dynamics and leasing strategy around the REIT's development program. Market wise, where there was available space to lease, Nashville seemed to have the best near-term prospects for smaller bay space, Dallas and Houston are traditionally supply intensive but fairly balanced with Indianapolis standing out as a more challenging environment. However, GRT's relative positioning is strong as its new buildings are located in the best sub-market where availability is low. Future expansion potential is constrained and location attributes favour larger distribution oriented users.
Stock Rating:	Outperform	
	(Unchanged)	
Est. Total Return:	33.7%	

MORNING COMMENTS

Granite REIT - Granite U.S. Property Tour Recap

MORNING FLASHES

Ero Copper Corp. - Tukumã Remains on Track for H2/24 Production
Mullen Group Ltd. - Q3 results - NBF first look

Canadian stocks ratings and target changes across the street

Air Canada AC.TO: BMO cuts target price to C\$31 from C\$33
Algonquin Power & Utilities Corp AQN.N: CIBC cuts target price to US\$7.75 from US\$8.75
Allied Properties Real Estate Investment Trust AP_u.TO: CIBC cuts target price to C\$21 from C\$26
Altagas Ltd ALA.TO: National Bank of Canada cuts target price to C\$31 from C\$33
Atco Ltd ACOx.TO: CIBC cuts target price to C\$47 from C\$50
Atco Ltd ACOx.TO: National Bank of Canada cuts target price to C\$37 from C\$44
Boralex Inc BLX.TO: CIBC cuts target price to C\$39 from C\$43
Boyd Group Services Inc BYD.TO: Goldman Sachs cuts to sell from neutral; cuts target price to C\$225 from C\$240
Canada Goose Holdings Inc GOOS.TO: TD Cowen cuts to market perform from outperform; cuts target to C\$20 from C\$30
Canada Goose Holdings Inc GOOS.TO: Wells Fargo cuts to equal weight; cuts target price to C\$20 from C\$25
Canadian Utilities Ltd CU.TO: CIBC cuts target price to C\$34 from C\$37
Canadian Utilities Ltd CU.TO: National Bank of Canada cuts target to C\$32 from C\$36
Capital Power Corp CPX.TO: Atb Capital Markets cuts target price to C\$44 from C\$47
Capital Power Corp CPX.TO: CIBC cuts target price to C\$43 from C\$46
Capital Power Corp CPX.TO: National Bank of Canada cuts target price to C\$48 from C\$51

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Dream Office Real Estate Investment Trust D_u.TO: CIBC cuts PT to C\$11 from C\$14
 Emera Inc EMA.TO: CIBC cuts target price to C\$53 from C\$56
 Emera Inc EMA.TO: National Bank of Canada cuts target price to C\$50 from C\$55
 Enbridge Inc ENB.TO: CIBC cuts target price to C\$56 from C\$64
 Enbridge Inc ENB.TO: National Bank of Canada cuts target price to C\$48 from C\$53
 Enbridge Inc ENB.TO: Raymond James cuts target price to C\$54 from C\$56
 Fortis Inc FTS.TO: CIBC cuts target price to C\$58 from C\$59
 Fortis Inc FTS.TO: National Bank of Canada cuts target price to C\$52 from C\$57
 Gibson Energy Inc GEI.TO: CIBC cuts target price to C\$25 from C\$27
 Gibson Energy Inc GEI.TO: National Bank of Canada cuts target price to C\$24 from C\$26
 Hydro One Ltd H.TO: CIBC cuts target price to C\$37 from C\$40
 Hydro One Ltd H.TO: National Bank of Canada cuts target price to C\$34 from C\$37
 Innergex Renewable Energy Inc INE.TO: CIBC cuts target price to C\$13.5 from C\$15
 Keyera Corp KEY.TO: CIBC cuts to neutral from outperformer; cuts target price to C\$33 from C\$37
 Keyera Corp KEY.TO: National Bank of Canada cuts target price to C\$33 from C\$35
 Magna International Inc MGA.N: JP Morgan raises target price to US\$78 from US\$71
 Northland Power Inc NPI.TO: Atb Capital Markets cuts target price to C\$32 from C\$38
 Parkland Corp PKI.TO: Atb Capital Markets raises target price to C\$48 from C\$44
 Parkland Corp PKI.TO: Canaccord Genuity raises target price to C\$50 from C\$44
 Park Lawn Corp PLC.TO: Stifel cuts target price to C\$30 from C\$32
 Pembina Pipeline Corp PPL.TO: CIBC raises to outperformer from neutral; cuts target price to C\$51 from C\$53
 Pembina Pipeline Corp PPL.TO: National Bank of Canada cuts target to C\$44 from C\$47
 Peyto Exploration & Development Corp PEY.TO: CIBC raises to outperformer from neutral; raises target to C\$18 from C\$15
 Slate Office REIT SOT_u.TO: CIBC cuts target price to C\$1.5 from C\$2
 Spin Master Corp TOY.TO: TD Securities raises target price to C\$51 from C\$50
 Superior Plus Corp SPB.TO: National Bank of Canada cuts target price to C\$12 from C\$13
 TC Energy Corp TRP.TO: CIBC cuts target price to C\$53 from C\$60
 TC Energy Corp TRP.TO: JP Morgan cuts target price to C\$55 from C\$57
 TC Energy Corp TRP.TO: National Bank of Canada cuts target price to C\$52 from C\$54
 Tidewater Renewables Ltd LCFS.TO: CIBC cuts target price to C\$14 from C\$15
 TransAlta Corp TA.TO: Atb Capital Markets cuts target price to C\$17 from C\$19
 TransAlta Corp TA.TO: National Bank of Canada cuts target price to C\$14 from C\$15
 Tricon Residential Inc TCN.N: RBC cuts target price to US\$9.50 from US\$10
 True North Commercial REIT TNT_u.TO: CIBC cuts target price to C\$2.25 from C\$3

S&P/TSX Earnings Calendar

Company	Symbol	Time	Consensus EPS Estimate
Mullen Group Ltd	MTL.TO	06:00	0.35

Source: Refinitiv

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U.S. Stocks

AT&T Inc: The wireless carrier AT&T raised its annual free cash flow forecast as its quarterly subscriber additions trounced estimates on the back of promotions and phone upgrades, sending its shares up before the bell. The company said it expects full-year free cash flow of about \$16.5 billion, up from its prior forecast of \$16 billion or higher. Its third-quarter figure of \$5.2 billion also handily beat estimates, according to Visible Alpha. It added 468,000 net monthly bill-paying wireless phone subscribers in the third quarter ended September, surpassing expectations for 398,200 additions, according to Factset.

Crown Castle Inc: The wireless tower operator forecast 2024 site rental revenue slightly below Wall Street estimates on Wednesday, as telecom firms reduce spending after years of pouring money into building out their 5G networks. The company also announced the exit of CFO Dan Schlanger effective March 31.

Discover Financial Services: The company fell short of analysts' estimates for third-quarter profit on Wednesday, as it set aside more rainy-day funds to cover potential loan defaults. Discover set aside \$1.7 billion as provision for credit losses in the quarter, compared to \$773 million a year earlier. This offset a 17% growth in the lender's net interest income, the difference between the interest banks earn on loans and pay out on deposits.

Kinder Morgan Inc: The company on Wednesday posted lower-than-expected profit for the third quarter, as higher interest expenses offset strength in its natural gas and products pipeline segment. The pipeline and terminal operator reported an adjusted profit of 25 cents per share for the quarter ended Sept. 30, compared with analysts' average estimate of 26 cents.

Lam Research Corp: The chip manufacturing equipment supplier forecast second-quarter revenue slightly below Wall Street estimates on Wednesday due to weak memory chip demand, even though its China business continues to boom. The Fremont, California-based company expects current-quarter revenue of \$3.7 billion plus or minus \$300 million, compared with the average analyst estimate of \$3.65 billion, according to LSEG data. Lam posted first-quarter revenue of \$3.48 billion, compared with market estimates of \$3.41 billion.

Las Vegas Sands Corp: The company reported better-than-expected profit and revenue for the third quarter on Wednesday, as ongoing ramp up of outbound tourism to Macau and Singapore spurred gaming volumes and retail sales. The company's revenue rose to \$2.80 billion in the quarter ended Sept. 30, up from \$1.01 billion a year earlier, and above analysts' estimates of \$2.72 billion as per LSEG data. Adjusted earnings came in at 55 cents per share, while analysts on average expected earnings of 54 cents per share.

Liberty Energy Inc: The oilfield services company said it expects a modest increase in fracking activity beginning in 2024 on the back of a recent strengthening in oil and gas prices. Liberty Energy said fracking activity had largely stabilized at current levels, required to maintain production about flat. Net income rose about 1% to \$148.6 million, or 85 cents per share. On an adjusted basis, earnings of 84 cents a share beat analysts estimate of 75 cents, according to LSEG data.

Netflix Inc: The company increased subscription prices for some streaming plans in the United States, Britain and France on Wednesday as it shattered expectations for new customers, sending its shares surging. Almost 9 million subscribers joined Netflix around the globe in the third quarter, surpassing Wall Street analysts' forecast for 6 million. Netflix said it expected a similar number of additions in the current quarter. Netflix increased the U.S. price of its premium ad-free plan by \$3 per month to \$22.99. The cost for premium rose by 2 pounds to 17.99 pounds in Britain and by 2 euros to 19.99 euros in France. The company posted revenue of \$8.54 billion, in line with analyst forecasts. Earnings came in at \$3.73 per share, ahead of Wall Street's expectation of \$3.49.

Nokia Oyj: The company will cut up to 14,000 jobs to reduce costs, it said, warning it did not expect a market recovery soon after posting a 20% drop in third-quarter sales on weaker demand for 5G equipment. Nokia is targeting savings of between 800 million euros and 1.2 billion euros by 2026. It expects to reduce its employee base to between 72,000 and 77,000 employees, from 86,000, or about 16% job cuts at the high end. Quarterly comparable net sales fell to 4.98 billion euros from 6.24 billion last year, missing an estimate of 5.67 billion euros.

PPG Industries Inc: The company on Wednesday beat Wall Street estimates for third-quarter profit and raised its full-year earnings outlook, as high sales volumes in the automotive and aerospace sector helped boost coatings sales at the company. PPG reported a profit of \$2.07 per share for the quarter ended Sept. 30, compared with analysts' average estimate of \$1.94 per share. The company said its industrial coatings income rose 28% to \$246 million in the reported quarter from a year ago, helped by higher selling price and lower costs. PPG raised its full-year 2023 earnings forecast to a range of \$7.58 and \$7.64 per share from \$7.28 to \$7.48 per share, higher than analysts' average estimate of \$7.49.

SAP SE: The business software maker on Wednesday reaffirmed its full-year outlook for its key cloud business revenue after slightly missing analyst expectations in the third quarter. Cloud revenue rose by 16% in the third quarter on the back of its

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U.S. Stocks

application services and HANA software to 3.47 billion euros. According to forecasts compiled by data provider Visible Alpha on behalf of the company, analysts had predicted cloud revenue rising by 18% in the quarter to 3.525 billion euros.

Steel Dynamics Inc: The steel producer and metal recycler reported a decline in third-quarter profit on Wednesday, as higher manufacturing costs and a fall in steel prices hit the bottom line. The average external product selling price in the reported quarter for the company's steel operations decreased \$66 per ton sequentially to \$1,191 per ton. On an adjusted basis, the company reported a profit of \$3.47 per share, compared to \$5.03 per share reported a year earlier. Analysts were expecting \$3.43 per share.

Taiwan Semiconductor Manufacturing Company Ltd: The Taiwanese chipmaker posted a 25% fall in third quarter net profit, beating expectations, and said the semiconductor industry could be poised for recovery. "We can expect 2024 to be a healthy growth year for TSMC," CEO C.C. Wei told an earnings briefing, with the company expecting to "do better than the overall industry" next year. Taiwan Semiconductor Manufacturing Co Ltd (TSMC), a major Apple and Nvidia supplier, said July-September net profit fell to T\$211 billion from T\$280.9 billion a year earlier. The profit beat a T\$195.5 billion LSEG SmartEstimate, which is weighted toward forecasts from analysts who are more consistently accurate.

Tesla Inc: The company's CEO Elon Musk said on Wednesday that he was concerned about the impact of high interest rates on car buyers, adding the electric vehicle maker was hesitating on its plans for a factory in Mexico as it gauges the economic outlook. After the company missed Wall Street expectations on third-quarter gross margin, profit and revenue, Musk said he was cautious about going "full tilt" on the Mexico factory. Tesla's gross margin dropped to 17.9% in the quarter ended September, compared with 25.1% a year earlier, when it had yet to start cutting prices. In the second quarter, Tesla had posted a gross margin of 18.2%. Wall Street had on average expected Tesla to post a margin of 18.02%, according to 21 analysts polled by Visible Alpha. Revenue in the third quarter rose 9% to \$23.35 billion, compared with analysts' estimates of \$24.1 billion. On an adjusted basis, Tesla earned 66 cents per share. Analysts had expected a profit of 73 cents per share. Additionally, Tesla joined General Motors and Ford in being cautious about expanding electric vehicle production capacity, citing economic uncertainties and underscoring fears of a slowdown in demand. Also, Musk warned of difficulties in ramping up production of the automaker's much-awaited Cybertruck electric pickup truck and announced that deliveries would begin on Nov. 30.

Zions Bancorporation NA: The company on Wednesday missed analysts' estimates for third-quarter profit, as higher interest payment on deposits squeezed the lender's interest income. Zions' cost of total deposits for the third quarter was 1.92%, compared with 0.10% a year earlier. Total deposits fell 1% to \$75.4 billion. The lender's NII was \$585 million, compared with \$663 million in the year-ago quarter. Zions reported a profit of \$168 million, or \$1.13 per share, for the three months ended Sept. 30, compared to analysts' average estimates of \$1.15.

S&P500 Earnings Calendar

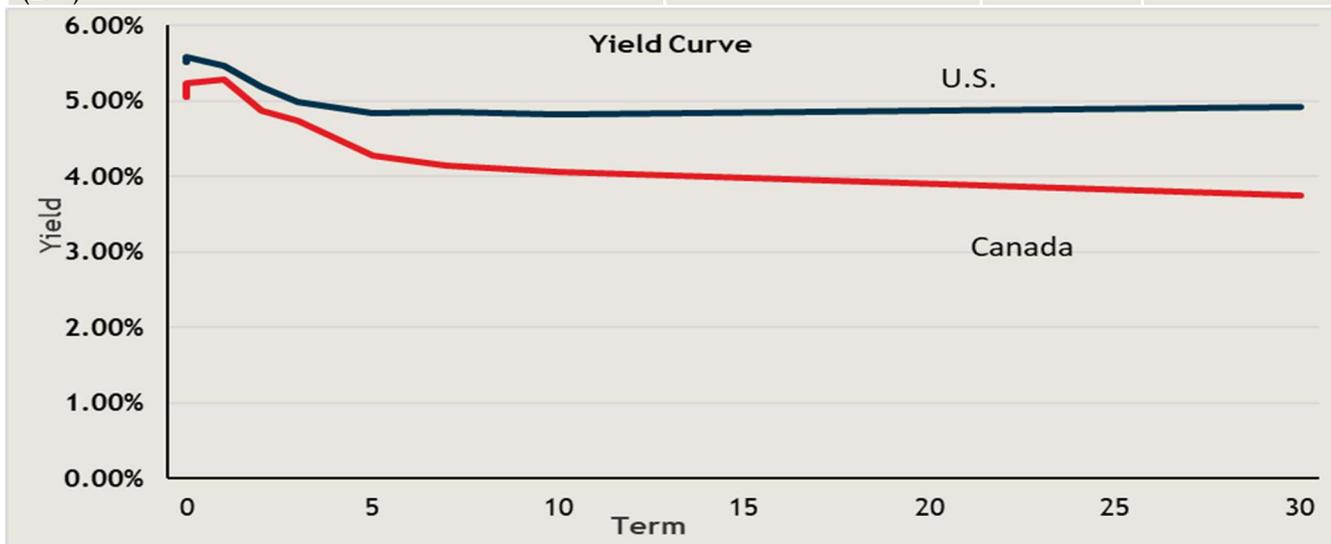
Company	Symbol	Time	Consensus EPS Estimate
Alaska Air Group Inc	ALK	BMO	1.92
American Airlines Group Inc	AAL	BMO	0.25
AT&T Inc	T	BMO	0.62
Blackstone Inc	BX	BMO	1.03
CSX Corp	CSX	AMC	0.43
Fifth Third Bancorp	FITB	BMO	0.82
Freeport-McMoRan Inc	FCX	BMO	0.34
Genuine Parts Co	GPC	BMO	2.40
Intuitive Surgical Inc	ISRG	AMC	1.42
KeyCorp	KEY	BMO	0.27
Marsh & McLennan Companies Inc	MMC	BMO	1.39
Philip Morris International Inc	PM	BMO	1.61
Pool Corp	POOL	BMO	3.48
Snap-On Inc	SNA	BMO	4.44
Truist Financial Corp	TFC	BMO	0.82
Union Pacific Corp	UNP	07:45	2.47

Source: Refinitiv

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Fixed Income

Canadian Key Rate	Last	Change bps		Last	Change bps
CDA o/n	5.00%	0.00	CDA 5 year	4.39%	5.6
CDA Prime	7.20%	0.00	CDA 10 year	4.19%	8.4
CDA 3 month T-Bill	5.16%	0.0	CDA 20 year	4.10%	9.3
CDA 6 month T-Bill	5.23%	0.0	CDA 30 year	3.89%	9.3
CDA 1 Year	5.30%	0.0	5YR Sovereign CDS	39.61	
CDA 2 year	4.95%	3.7	10YR Sovereign CDS	40.15	
US Key Rate	Last	Change bps		Last	Change bps
US FED Funds	5.25-5.50%	0.00	US 5 year	4.99%	6.5
US Prime	8.50%	0.00	US 10 year	4.98%	8.1
US 3 month T-Bill	5.34%	0.2	US 30 year	5.07%	7.3
US 6 month T-Bill	5.59%	1.5	5YR Sovereign CDS	50.05	
US 1 Year	5.49%	1.6	10YR Sovereign CDS	59.68	
US 2 year	5.26%	3.9			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			503.42	-0.10%	-7.52%
BMO Laddered Preferred Shares (ETF)			8.42	-0.23%	-6.86%



Source: Refinitiv

Monthly Equity Monitor - October 2023

Highlights

- Economic uncertainty and renewed geopolitical tensions with the opening of a new front in an armed conflict, this time in the Middle East, has put global equity markets under pressure. For the first time since early 2023, the MSCI ACWI is on the verge of falling below its 200-day average.
- Amid high economic uncertainty and elevated bond yields, we expect that global equity markets will remain under pressure. By contrast, the bottom-up consensus of equity analysts is more sanguine, still betting on a soft landing for the economy. Indeed, earnings per share (EPS) are expected to recover significantly in all regions except Latin America over the next 12 months. That's a tall order. In the U.S., there's never been an acceleration in earnings as the Federal Reserve nears the end of its tightening cycle.
- The S&P/TSX is barely keeping its head above water with a price return of 0.4% in 2023. A lacklustre performance by dividend-paying sectors means that the S&P/TSX forward P/E ratio has fallen to a cyclical low of just 12x, while the dividend yield has risen to 3.8%. While valuations have improved, the equity risk premium is still too low to compensate for a potential significant downward revision in earnings expectations.
- We are keeping our defensive asset mix this month as we still see high risks of a US recession at the turn of 2024. The Conference Board's leading economic indicator fell for the 17th consecutive month in August, the worst streak since the Great Financial Crisis. Our sector rotation remains unchanged this month, with a preference for more defensive sectors (consumer staples, communications services, and utilities).

World: Equity markets under pressure
MSCI ACWI



Snapshot - Canadian Housing Starts (September)

In Canada, housing starts rose 20.1K in September to a 3-month high of 270.5K (seasonally adjusted and annualized), a result comfortably above the median economist forecast calling for a 240.0K print. Urban starts advanced 20.2K (to 250.8K) on gains in both the multi-family (+18.8K to 207.7K) and the single-family segment (+1.4K to 43.1K). At the provincial level, total starts went up in Ontario (+19.3K to 103.6K), Alberta (+8.7K to a seven-and-a-half-year high of 49.1K) and Nova Scotia (+5.1K to 8.1K). Alternatively, declines were recorded in British Columbia (-8.6K to a 7-month low of 40.5K) and Saskatchewan (-2.7K to 3.4K).

On a quarterly basis, housing starts rose 4.1%. And while this increase is likely to translate into a positive contribution to Q3 GDP growth from residential construction, the latter could be slightly more modest than would otherwise have been the case given that the quarterly gain was concentrated in the multi-family segment (+5.4%) which has a smaller per-unit impact on GDP.

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Bottom line: Residential construction proved stronger than expected in September, which is good news considering severe housing shortage in the country. Even more encouraging, groundbreaking continued to be tilted towards the multi-family segment (rental appartements, more affordable owner-occupier units), where the needs are most pressing at the moment. However, one month does not make the trend and we will have to wait before declaring victory on the housing supply front. The shortage is so severe at the moment that we would have to see starts increase for several months before a real impact would be felt in the market. And that is still unlikely to happen in the current interest rate context, which continues to weight on homebuilders. That's without mentioning the economic slowdown which is taking hold of the country and risks further increasing uncertainty in the sector. The more likely scenario, in our opinion, is that homebuilders will remain cautious in coming months. As a result, the supply-demand imbalance, exacerbated by Canada's immigration-driven population boom, is unlikely to be resolved anytime soon.

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