



U.S. EQUITY FUTURES	LAST	CHANGE	%CHG	COMMODITIES/ FX		LAST	CHANGE
Dow Jones MINI futures	38,860.00	183.00	0.47%	CRUDE OIL WTI		\$77.81	-\$0.10
S&P500 MINI futures	5,063.00	66.75	1.34%	NATURAL GAS		\$1.69	-\$0.09
NASDAQ MINI futures	17,898.00	361.25	2.06%	GOLD		\$2,025.20	\$0.21
CANADA EQUITY MARKET	LAST	CHANGE	%CHG	COPPER		\$3.90	\$0.02
S&P/TSX 60 futures	1,286.10	7.30	0.57%	CAD / USD		\$0.7406	\$0.0002
OVERSEAS MARKETS	LAST	CHANGE	%CHG	CAD / EUR		€ 0.6837	-€ 0.0005
DJ EURO STOXX 600	495.02	3.97	0.81%	USD / EUR		€ 0.9232	-€ 0.0009
FTSE 100 INDEX	7,677.34	14.83	0.19%	USD / JPY		¥150.46	¥0.18
DAX GERMANY	17,377.82	259.70	1.52%	GOVERNMENT BONDS	2YR	5YR	10YR
CAC 40 Index	7,901.92	89.83	1.15%	CANADA (YLD%)	4.21%	3.62%	3.54%
NIKKEI 225 INDEX	39,098.68	836.52	2.19%	U.S. (YLD%)	4.70%	4.33%	4.33%
HANG SENG INDEX	16,742.95	239.85	1.45%	Source: LSEG			
SHANGHAI COMPOSITE INDEX	2,988.36	37.40	1.27%				

### Morning News

Futures tracking the tech-heavy Nasdaq jumped more than 2% this morning after Nvidia's bumper results and forecast added to the euphoria around artificial intelligence that has propelled Wall Street to record highs this year. Nvidia's shares surged more than 14% in premarket trade after the chip designer forecast a roughly three-fold surge in first-quarter revenue on strong demand for its AI chips. The company, which also beat expectations for fourth-quarter revenue, could add more than \$200 billion in market capitalization, if gains hold. Meanwhile, investors stuck to bets the U.S. Federal Reserve will begin cutting interest rates in June after minutes from the central bank's latest meeting showed a majority of policymakers were concerned about the risks of easing policy too soon. Of the 395 companies in the benchmark S&P 500 index that have reported earnings for October-December quarter as of Friday, 80% beat analyst expectations, according to LSEG data. On the economic data front this morning, initial claims for state unemployment benefits dropped 12,000 to a seasonally adjusted 201,000 for the week ended Feb 17, the Labor Department said. Economists had forecast 218,000 claims for the latest week. Claims are hovering at historically low levels, despite high profile layoffs at the start of the year.

Futures for Canada's resource-heavy main stock index climbed this morning, tracking a rise in metal prices and mirroring gains on Wall Street. Copper prices advanced on a softer U.S. dollar while a rush into safe-haven amid escalated tensions in the Middle East lifted gold prices, putting materials-linked shares on track for a rebound. Oil prices traded down after paring gains from earlier in the day. In economic data, Canadian retail sales grew by 0.9% in December from November at \$67.30 billion, led by increases at motor vehicle and parts dealers, as well as general merchandise stores, Statistics Canada said. Sales were likely down 0.4% in January, the agency said in a flash estimate. Analysts forecasted December retail sales to be up 0.8% on the month, and to be up 0.7% excluding autos.

Europe's STOXX 600 index scaled an all-time high this morning, boosted by technology stocks following an upbeat revenue forecast from U.S. chipmaker Nvidia, while investors awaited minutes from the European Central Bank's latest policy meeting. The pan-European STOXX 600 rose nearly 1% earlier to a record 495.81 points, beating its previous high of 495.46 reached in Jan. 2022. The index eased from session highs and was last up about 0.7%. The technology sector drove gains with a nearly 3% rise as investors cheered Nvidia's results and forecast. The technology index has jumped about 12.5% so far this year and is trading at more than 23-year highs on the back of upbeat earnings from industry leaders SAP and ASML Holding which have also received a boost from the AI frenzy. On the data front, euro zone business activity improved in February as the dominant services sector broke a six-month streak of contraction, offsetting a deterioration in manufacturing. HCOB's preliminary composite PMI, compiled by S&P Global, rose to 48.9 this month from January's 47.9, ahead of expectations in a Reuters poll for 48.5 but marking its ninth month below the 50 level separating growth from contraction. The services PMI jumped to 50.0 from January's 48.4, far exceeding the poll expectation for 48.8. But again, as in January, there were signs of inflationary pressures with both services input and output prices indexes rising. The output price index rose to a nine-month high of 56.9 from 56.3. This may worry European Central Bank policymakers who held interest rates at a record-high of 4% last month and reaffirmed their commitment to fighting inflation even as investors bet on lower borrowing costs this year. The downturn in the manufacturing industry deepened this month with its PMI dropping to 46.1 from 46.6, confounding expectations in a Reuters poll for a rise to 47.0. It has been sub-50 since July 2022. Investors are now looking out for January's final eurozone inflation print and the ECB's policy meeting minutes as investors scour for clues on interest rate cuts.

Chinese stocks rose for a fourth consecutive session post-holidays, led by coal and artificial intelligence shares, while energy shares led gains in Hong Kong. China Traditional Chinese Medicine Holdings surged more than 20% after a consortium led by state-owned pharmaceutical giant Sinopharm has revived a take-private bid for the company. Japan's Nikkei share average surged to a record high, eclipsing the 1989 bubble-era peak, as chip-related stocks led across-the-board gains after U.S. chipmaker Nvidia's outlook beat market expectations. The Nikkei closed up 2.19% at 39,098.68, having earlier risen to a high of 39,156.97, topping the previous all-time closing and intraday highs set on Dec. 29, 1989, at the peak of the nation's bubble economy (see chart). Japan's benchmark has rocketed about 52% from its January 2023 trough, supercharged by a tech-rally, corporate governance changes and rising exporters' profits thanks to a weak yen.

### U.S Economic Calendar

Local Time	Indicator Name	Period	Reuters Poll	Actual	Prior	Revised
08:30	Initial Jobless Clm	17 Feb, w/e	218k	201k	212k	213k
08:30	Jobless Clm 4Wk Avg	17 Feb, w/e		215.25k	218.50k	218.75k
08:30	Cont Jobless Clm	10 Feb, w/e	1.885M	1.862M	1.895M	1.889M
08:30	National Activity Index	Jan		-0.30	-0.15	0.02
09:45	S&P Global Mfg PMI Flash	Feb	50.5		50.7	
09:45	S&P Global Svcs PMI Flash	Feb	52.0		52.5	
09:45	S&P Global Comp Flash PMI	Feb			52.0	
10:00	Existing Home Sales	Jan	3.97M		3.78M	
10:00	Exist. Home Sales % Chg	Jan			-1.0%	
10:30	EIA-Nat Gas Chg Bcf	16 Feb, w/e	-64B		-49B	
11:00	EIA Wkly Crude Stk	16 Feb, w/e	3.879M		12.018M	

### Canadian Economic Calendar

Local Time	Indicator Name	Period	Reuters Poll	Actual	Prior	Revised
08:30	Retail Sales MM	Dec	0.8%	0.9%	-0.2%	0.0%
08:30	Retail Sales Ex-Autos MM	Dec	0.7%	0.6%	-0.5%	-0.4%

### Chart of the day

#### Japan's Nikkei share average crosses all-time high

Japan's benchmark Nikkei share average hit an all-time high on Feb. 22, rose to as high as 39,029 shortly after the midday break, breaking levels last seen in 1989 during the halcyon days of the bubble economy.



Source: LSEG Datastream, Nikkei | Reuters, Feb. 22, 2024 | By Pasit Kongkunakornkul

# Top News

## Canadian Stocks

### Morning news

**Bausch Health Companies Inc:** Bausch Health on Thursday reported a narrowed loss and better-than-expected revenue, and said it expects the growth momentum to continue in 2024. The specialty pharmaceutical company said its fourth-quarter loss narrowed to US\$39 million, or US\$0.11 a share, compared with a loss of US\$410 million, or US\$1.13 a share, in the comparable quarter a year ago. Adjusted EBITDA came in at US\$869 million, up from US\$823 million a year earlier. Analysts polled on FactSet expected this to be US\$837.8 million. Total revenues rose 10% to US\$2.41 billion, beating expectations by analysts for a more modest rise to US\$2.29 billion.

**Enerplus Corp:** U.S. energy firm, Chord Energy, said on Wednesday it would acquire Canada's Enerplus, creating a Williston basin-focused entity with an enterprise value of \$11 billion. The combined company is expected to be a premier operator in the Williston basin in North Dakota, with about 1.3 million net acres and 287,000 barrels of oil equivalent per day in production. Enerplus shareholders will receive 0.10125 shares of the Chord common stock and \$1.84 in cash for each common share of Enerplus. The deal's terms imply an equity value of about \$3.8 billion as per Chord's closing price on Wednesday, according to Reuters calculations.

**Loblaw Companies Ltd:** The Canadian retailer topped Wall Street expectations for fourth-quarter profit, bolstered by consistent demand for essentials such as groceries as well as easing input costs. Adjusted earnings per share came in at C\$2.00 in the quarter, compared with analysts' average estimate of C\$1.90.

**Maple Leaf Foods Inc:** Maple Leaf Foods on Thursday reported a narrowed net loss of \$9.3 million, or \$0.08 a share, compared with a loss of \$41.5 million, or \$0.34 a share, in the comparable quarter a year ago. Adjusted earnings came to \$0.08 a share, well below analyst expectations for a rise to \$0.17, according to a poll on FactSet. Total sales rose 0.6% to \$1.19 billion, shy of analyst consensus expectations of a rise to \$1.21 billion.

**Newmont Corp:** Newmont Corp, the world's largest gold miner, beat fourth-quarter profit estimates on Thursday and said it will divest six non-core assets. The assets being divested include its Eleonore mine in Quebec and Porcupine mine in Ontario, along with two non-core projects including the Coffee mine in Yukon and Newcrest's Havieron mine in Western Australia. On an adjusted basis, the company posted a net income of 50 cents per share for the quarter ended Dec. 31, compared with analyst estimates of 46 cents per share per LSEG data. The Denver, Colorado-based miner said it intends to focus on its 10 tier-1 assets which will drive long-term growth and forecast 2024 production guidance of nearly 6.9 million gold ounces, compared with the 5.5 million gold ounces produced in 2023.

**Nutrien Ltd:** The world's biggest fertilizer producer reported a big drop in fourth-quarter profit on Wednesday, hit by lower potash prices. Nutrien reported net earnings of \$176 million, or 35 cents per share, for the three months ended Dec. 31, compared with \$1.12 billion, or \$2.15 per share, a year-ago. For the quarter, the company reported an adjusted profit of 37 cents, missing analyst estimates of 65 cents. The company declared a quarterly dividend of 54 cents per share payable, a near 2% increase from its prior dividend declared in November last year.

**Quebecor Inc:** Quebecor on Thursday reported a slight decline in profit in the fourth quarter while revenue beat expectations thanks to the addition of Freedom Mobile to its network. The diversified media and telecommunications company posted net income of \$141.2 million (US\$104.6 million), or \$0.63 a share, down slightly from \$142.5 million, or \$0.62 a share, in the comparable quarter a year ago. Adjusted earnings were \$0.73 a share, just below expectations of \$0.75 a share, according to FactSet. Revenue rose nearly 27% to \$1.5 billion, topping analyst expectations of a rise to \$1.39 billion.

**Suncor Energy Inc:** The Canadian oil and gas producer beat Wall Street estimates for fourth-quarter profit on Wednesday, as it was helped by higher production. Suncor Energy posted adjusted operating earnings of C\$1.26 per share for the three months ended Dec. 31, compared with analysts' average estimate of C\$1.05 per share. Suncor reported fourth-quarter total upstream production of 808,100 barrels of oil equivalent, compared with 763,100 barrels of oil equivalent in Q4 2022.

**Teck Resources Ltd:** The Canadian miner beat fourth-quarter profit estimates, helped by an increase in steelmaking coal sales and record copper production. The company also benefited from higher copper prices due to supply shortages, which Teck said have accelerated into next quarter. Total adjusted profit came in at C\$1.40 per share for the three months ended Dec. 31, compared with analysts' estimate of C\$1.33 per share. For the full-year, Teck expects copper production between 465,000 and 540,000 tonnes, above 296,500 tonnes produced in 2023.

# Top News

## Canadian Stocks

### NBF Research

#### RATING AND TARGET PRICE CHANGES

**Ero Copper Corp.** - Positive Guidance Outlook Supports Target Increase; Target: C\$24 (Was C\$22.50)  
**GFL Environmental Inc.** - Poised for another year of growth in 2024E; Target: C\$56 (Was C\$55)  
**Gildan Activewear Inc.** - Q4 2023 Results: Outlook calls for solid EPS growth; execution...; Target: C\$52 (Was C\$50)  
**Osisko Gold Royalties Ltd.** - Conservative Growth Outlook Leads to Slight Decrease in Target...; Target: C\$23 (Was C\$25)  
**Wheaton Precious Metals** - Downgrading to Sector Perform (Was OP) on Softer Growth Outlook and...; Target: C\$68 (Was C\$75)

#### DAILY BULLETIN HIGHLIGHTS

##### CANADIAN BANKS: Q1/24 Preview

**Event:** The Canadian banks begin reporting Q1/24 results on February 27, 2024.

**Key Takeaways:** Big-6 bank stocks have underperformed the market by nearly 300 bps early into 2024. Shifting rate cut expectations have been a primary drag on performance. Moreover, commentary from bank management teams since the start of the year has been generally cautious. Having said that, we believe the setup is favourable to investors with a timeline beyond the quarter, as cautious expectations have been well reflected in both EPS forecasts (consensus Q1/24E implies Y/Y decline of 9%) and EPS revisions over the past year (down 13%). We are Outperform rated on BMO, CM and RY. Our top pick into the quarter is CM. The bank could benefit from rising mortgage margins, while also delivering better-than-average operating metrics. We also point out that it has the second highest level of EPS contraction forecasted by consensus at negative 14% Y/Y (after TD at -15%) and below average forecasted PTPP growth (i.e., 1% vs. 3% industry average.)

##### GFL ENVIRONMENTAL INC.: Poised for another year of growth in 2024E

**GFL (TSX; NYSE) C\$47.92; US\$35.50**

**Event:** We are providing an update after GFL's Q4 2023 conference call.

**Target:** C\$56.00  
(Was C\$55.00)

**Stock Rating:** Outperform  
(Unchanged)

**Est. Total Return:** 17.0%

**Key Takeaways:** GFL reported Q4 revenue of \$1.88 bln (NBF \$1.89 bln, cons. -\$1.85 bln) and adj. EBITDA of \$492 mln (NBF \$497 mln, cons. \$490 mln)0, with 200 bps of margin expansion to 26.1% (NBF 26.4%), with -13% y/y growth in Environmental Services (mostly M&A) and continued pricing growth in Solid Waste (7.9% y/y), partly offset by a (3.6%) y/y drop in volumes. For 2024E, GFL is guiding towards \$8 bln in revenue (NBF \$8.1 bln), \$2.2 bln of adj. EBITDA (NBF \$2.2 bln) and \$800 mln of adj. FCF (NBF \$804 mln). Leverage moved lower to 4.14x debt/EBITDA and should reach 3.65-3.85x by the end of 2024E, including growth. GFL should invest \$250-350 mln into EPR and RNG projects at high returns alongside \$600-650 mln into M&A, more than half of which is earmarked for a Solid Waste deal set to close in Q2E. With this, our target climbs to \$56/sh (was \$55/sh), based on a DCF with a cost of equity of 7.5% and a 13x EV/EBITDA multiple on our 2025E.

##### GILDAN ACTIVEWEAR INC.: Q4 2023 Results: Outlook calls for solid EPS growth; execution will support credibility

**GIL (TSX; NYSE) C\$47.49; US\$35.16**

**Event:** Gildan reported Q4/23 adjusted EPS of \$0.75 versus NBF at \$0.71 and consensus at \$0.73; last year was \$0.65.

**Target:** C\$52.00  
(Was C\$50.00)

**Stock Rating:** Outperform  
(Unchanged)

**Est. Total Return:** 11.8%

**Key Takeaways:** (1) We consider results to be slightly positive. Broadly speaking, Q4/23 results were above expectations and 2024 guidance was within range. (2) Against a backdrop of an unsteady economy, challenged results in many discretionary names (in our coverage) and heightened uncertainty regarding GIL's CEO change, we believe results helped to incrementally reconstitute investor confidence. That said, we believe sustained solid execution will be needed to win shareholder acceptance given an activist campaign (AGM is scheduled for May 28, 2024). (3) Our EPS estimates are largely unchanged, with 2024 going to \$2.98 from \$2.96 and 2025 going to \$3.27 from \$3.24. (4) Maintain Outperform rating; price target is Cdn\$52 from Cdn\$50.

### OTHER COMMENTS

Canadian banks - Q1/24 Preview  
 Chemtrade Logistics Income Fund - Q4/23 Results: Keeping an ion margins  
 Dundee Precious Metals Inc. - Cash Balance Trends Above \$600 mln  
 Gibson Energy Inc. - New contracts on the horizon? That's a Texas sized 10-4!  
 Trican Well Service Ltd. - The Model of Resilience

### RESEARCH FLASHES

Industrial Products - Interesting dealer-/auction-related commentary from Openlane Q4/23 = positive for RBA, negative for...  
 Allied Gold Corp. - 2024 Guidance Robust as Sadiola Drives Production and AISC Outperformance  
 B2Gold Corp. - Q4/23 Financials -In line vs Street, Costs In line vs NBF  
 Bravo Mining Corp. - North Sector Drilling Continues to Extend Mineralization  
 CCL Industries Inc. - 4Q Revs/EBITDA Beat, Positive Outlook Commentary, Dividend Increased +9.4% As Expected  
 Coeur Mining Inc. - MRE Update Shows Rochester P&P on Uptrend  
 Coeur Mining Inc. - Guidance Shows Cost Pressures Offset Production Growth  
 Ero Copper Corp. - Softer 2023 Copper Production; NBF Ramp-Up Assumptions Remain Conservative at Tucumã  
 GFL Environmental Inc. - GFL reports in-line Q4 and 2024E guidance, calling for >10% EBITDA growth y/y before M&A  
 H&R Real Estate Investment Trust - Capital Allocation Prioritization & Talent Retention Behind Development Trust Creation  
 Innergex Renewable Energy Inc. - First look at Q4: Solid beat and 50% dividend cut as anticipated, as INE resets its capital...  
 K92 Mining Inc. - Arakompa Drilling Confirms Historical Grades/Widths  
 Lundin Mining Corporation - First Look: Q4 Results In Line As Production/Guidance Pre-Released  
 OceanaGold Corporation - First Look: 4Q23 Financials Largely In Line; 2024 Guidance Light  
 Osisko Development Corp. - Trixie Impairment  
 Stelco Holdings Inc. - Q4/23 results first look - noisy, adjustments-driven print on progressively lowered expectations  
 Suncor Energy Inc. - Q4/23 First Look (Outlook Impact: Neutral)  
 Superior Plus Corp. - Q4/23 first look; results & 2024 guidance largely as expected  
 Triple Flag Precious Metals Corp. - First Look: Q4 Financials and 2024 Guideline In Line with NBF Estimates  
 Wesdome Gold Mines Ltd. - Falcon 311 Adds High Grades to Expanding Database  
 Wesdome Gold Mines Ltd. - CFO Vacancy Filled  
 Wheaton Precious Metals Corp. - Strong End to 2023 Subdued by Lower Than Expected 2024 and Long-Term Guidance

### MORNING HIGHLIGHTS

**ENERPLUS CORPORATION.:** Pulling the Chord.

ERF (NYSE; TSX) US\$16.42; C\$22.20

Target: US\$18.85

(Was US\$21.00)

Stock Rating: Tender

(Was Outperform)

Est. Total Return: 16.3%

**Event:** Wednesday after market, the company announced that it has entered a definitive agreement under which Enerplus will combine with Chord.

**Key Takeaways:** Enerplus announced it has entered a definitive agreement to combine with Chord. The company will be lead by current Chord President and CEO, while existing Enerplus President and CEO, Ian Dundas will operate as Advisor to proforma Chord. Under the terms of the transaction, each common share of Enerplus will be exchanged for 0.10125 shares of Chord common stock and \$1.84 per share in cash (representing 90/10 stock/cash consideration). Based on our math, this equates to US\$18.85/sh for Enerplus shareholders and is in line with our expected fair value range from our February 8 note. Under our current assumptions, this implies a 4.0x on our 2025 estimates and represents a 32% premium to the February 7 close (day prior to DVN headline). Upon completion of the transaction, Chord shareholders will own approximately 67% of the combined company and Enerplus shareholders will own approximately 33%, implying an \$11 billion pro forma corporation.



# Top News

## Canadian Stocks

### WHITECAP RESOURCES INC.: Focused.

WCP (TSX)	C\$9.16
Target:	C\$15.00
	(Unchanged)
Stock Rating:	Outperform
	(Unchanged)
Est. Total Return:	71.7%

**Event:** Wednesday after market, WCP reported in-line Q4/23 results. A conference call is scheduled for Thursday morning at 11:00 am ET (Dial-in: 1-888-390-0605).

**Key Takeaways:** Average production of 167 mboe/d (65% liquids) was up 6% sequentially (+0% Y/Y) due to drilling cadence post-XTO and was in line with both NBF and consensus forecasts of 168 mboe/d. CFPS of \$0.76 (+0% Q/Q; -22% Y/Y) was similarly in line with NBF and consensus estimates of \$0.78 and \$0.76, respectively. Cash flow of ~\$462 million in the quarter was used to fund \$201 million in capex and \$110 million in dividends, implying a payout ratio of 67%. RFCF of \$152 million was used to fund the \$154 million Viking tuck-in (highlighted below), with cash helping to fund the \$90 million in buybacks. Whitecap ended the year with \$1.4 billion in net debt, which we see being reduced by another \$200 million through 2024. We reiterate our Outperform rating and our target price of \$15.00. More within.

### MORNING COMMENTS

**Enerplus Corporation** - Pulling the Chord; Rating: Tender (Was OP); Target: US\$18.85 (Was US\$21)

**Whitecap Resources Inc.** - Focused.

### MORNING FLASHES

**Artemis Gold Inc.** - Blackwater Brought Forward and Made Bigger

**Equinox Gold Corp.** - Better-than-Expected Guidance Offsets Uptick in Greenstone Capex Down Homestretch

**Northland Power Inc.** - Q4 first look: Solid result helped by gain from sell-down; on track with offshore expansion

**Pan American Silver Corp.** - Silver Segment Sputters, Jacobina & El Penon Improve, "+" FCF on Portfolio Effect

**Quebecor Inc.** - 4Q Revs Beat Street (Mobile Equipment) While EBITDA Light, Dividend Raised +8.3%

**Teck Resources Limited** - First Look: Q4 Results in Line and No Change to Guidance; Board Approves \$500 mln Buyback

**Torex Gold Resources Inc.** - Q4/23 Operational Muscles Flex, Cash Flow Buoyant

## Canadian stocks ratings and target changes across the street

**Air Canada AC.TO:** JP Morgan raises target price to C\$41 from C\$38

**Allied Gold Corp AAUC.TO:** CIBC cuts target price to C\$6.90 from C\$7.40

**Chemtrade Logistics Income Fund CHE\_u.TO:** CIBC cuts target price to C\$13.50 from C\$14

**Dream Office Real Estate Investment Trust D\_u.TO:** Scotiabank cuts target price to C\$10 from C\$11

**Enerplus Corp ERF.N:** National Bank of Canada cuts target price to US\$18.85 from US\$21

**Enerplus Corp ERF.TO:** Scotiabank raises target price to C\$25.50 from C\$24

**Enerplus Corp ERF.N:** TD Securities cuts target price to US\$18.85 from US\$21

**Ero Copper Corp ERO.TO:** National Bank of Canada raises target price to C\$24 from C\$22.5

**Ero Copper Corp ERO.TO:** Raymond James cuts target price to C\$25 from C\$27

**First Quantum Minerals Ltd FM.TO:** Jefferies raises to buy from hold; raises target price to C\$18 from C\$13

**First Quantum Minerals Ltd FM.TO:** Scotiabank cuts target price to C\$13 from C\$14.50

**GFL Environmental Inc GFL.TO:** Atb Capital Markets raises target price to C\$63 from C\$60

**GFL Environmental Inc GFL.N:** BMO raises target price to US\$42 from US\$40

**GFL Environmental Inc GFL.TO:** CIBC raises target price to C\$58 from C\$57

**GFL Environmental Inc GFL.N:** Jefferies raises target price to US\$46 from US\$40

**GFL Environmental Inc GFL.TO:** National Bank of Canada raises target to C\$56 from C\$55

**GFL Environmental Inc GFL.N:** Raymond James raises target price to US\$43 from US\$40

**Gildan Activewear Inc GIL.N:** CIBC raises target price to US\$41 from US\$38

**Gildan Activewear Inc GIL.N:** Citigroup raises target price to US\$44 from US\$40

**Gildan Activewear Inc GIL.TO:** National Bank of Canada raises target to C\$52 from C\$50

# Top News

## Canadian Stocks

Gildan Activewear Inc GIL.N: RBC raises target price to US\$41 from US\$39  
 Gildan Activewear Inc GIL.N: Stifel raises target price to US\$36 from US\$34  
 Gildan Activewear Inc GIL.N: TD Securities raises target price to US\$42 from US\$40  
 HLS Therapeutics Inc HLS.TO: Stifel cuts target price to C\$4.35 from C\$5  
 IA Financial Corporation Inc IAG.TO: Scotiabank cuts target price to C\$95 from C\$104  
 Innergex Renewable Energy Inc INE.TO: BMO cuts target price to C\$9 from C\$10  
 Innergex Renewable Energy Inc INE.TO: Raymond James cuts target price to C\$13 from C\$15  
 Medexus Pharmaceuticals Inc MDP.TO: Stifel cuts target price to C\$2.35 from C\$2.85  
 Northland Power Inc NPI.TO: BMO cuts target price to C\$30 from C\$31  
 Oceanagold Corp OGC.TO: BMO cuts target price to C\$3.75 from C\$4.25  
 Osisko Gold Royalties Ltd OR.TO: National Bank of Canada cuts target to C\$23 from C\$25  
 Sienna Senior Living Inc SIA.TO: CIBC raises target price to C\$14 from C\$12.50  
 Sienna Senior Living Inc SIA.TO: Scotiabank raises target price to C\$14.50 from C\$13.50  
 Sienna Senior Living Inc SIA.TO: TD Securities raises target price to C\$14.50 from C\$14  
 Silvercrest Metals Inc SIL.TO: Cormark Securities raises to buy from market perform  
 Sprott Inc SII.TO: RBC raises target price to C\$54 from C\$51  
 Sprott Inc SII.TO: TD Securities raises target price to C\$57 from C\$56  
 Suncor Energy Inc SU.TO: TD Securities raises target price to C\$48 from C\$46  
 Victoria Gold Corp VGCX.TO: H.C. Wainwright cuts target price to C\$12 from C\$24  
 Wheaton Precious Metals Corp WPM.N: Berenberg cuts target price to US\$52 from US\$5  
 Wheaton Precious Metals Corp WPM.N: Raymond James cuts target price to US\$58 from US\$60  
 Wheaton Precious Metals Corp WPM.TO: National Bank of Canada cuts to sector perform from outperform  
 Wheaton Precious Metals Corp WPM.TO: National Bank of Canada cuts target to C\$68 from C\$75  
 Whitecap Resources Inc WCP.TO: Atb Capital Markets cuts target price to C\$15 from C\$15.5  
 Whitecap Resources Inc WCP.TO: Stifel raises target price to C\$12.75 from C\$12.25

## S&P/TSX Earnings Calendar

Company	Symbol	Time	Consensus EPS Estimate
Advantage Energy Ltd	AAV.TO	AMC	0.48
Altus Group Ltd	AIF.TO	AMC	0.44
Bausch Health Companies Inc	BHC.TO	BMO	1.00
Boardwalk REIT	BEI_u.TO	AMC	0.91
Canadian Apartment Properties REIT	CAR_u.TO	AMC	0.60
Capstone Copper Corp	CS.TO	BMO	0.08
Centerra Gold Inc	CG.TO	AMC	0.49
Eldorado Gold Corp	ELD.TO	AMC	0.58
Enerplus Corp	ERF.TO	AMC	1.08
Exchange Income Corp	EIF.TO	AMC	0.73
First Majestic Silver Corp	FR.TO	BMO	0.10
Jamieson Wellness Inc	JWEL.TO	AMC	0.73
Loblaw Companies Ltd	L.TO	BMO	1.90
Lundin Gold Inc	LUG.TO	AMC	0.32
Maple Leaf Foods Inc	MFI.TO	06:00	0.18
Newmont Corporation	NEM.N	BMO	0.46
Pembina Pipeline Corp	PPL.TO	AMC	1.34
Primo Water Corp	PRMW.TO	BMO	0.17
Quebecor Inc	QBRb.TO	BMO	0.74
Teck Resources Ltd	TECK.N	BMO	1.36

Source: LSEG

### Morning news

**Ansys Inc & Synopsys Inc:** Ansys beat Wall Street estimates for fourth-quarter revenue and profit on Wednesday, driven by growing demand for its engineering software solutions, used to make a range of products such as airplanes and tennis rackets. Ansys reported revenue of \$805.1 million for the fourth quarter, beating analysts' average estimate of \$797.4 million. Separately, Synopsys forecast second-quarter revenue and profit above Wall Street estimates on Wednesday, anticipating a surge in demand for its software to design complex and artificial intelligence-compatible chips.

**APA Corp (US):** The U.S. oil producer reported fourth quarter earnings that missed Wall Street estimates on weaker North Sea production, and forecast flat spending and production this year. Oil and gas production remained flat at 414,000 barrels per day (boepd) for the fourth quarter and it forecast first-quarter production in the range of 396,000 to 398,000 boepd. It plans to spend between \$1.9 billion and \$2 billion this year on new projects, flat to down from last year.

**Cheniere Energy Inc:** The U.S. liquefied natural gas (LNG) company posted a 38.5% fall in its full-year LNG revenue, hurt by a fall in natgas prices. The company said LNG volumes loaded for the reported year rose to 2,299 trillion British thermal unit (TBTu), compared with 2,295 TBTu last year. It reported LNG revenues of \$19.56 billion for the full year ended Dec. 31, compared with \$31.8 billion in 2022.

**Etsy Inc:** The company on Wednesday warned of a fall in first-quarter gross merchandise sales (GMS) on weak demand for handcrafted goods and personalized gifts sold at its online marketplace. Etsy expects first quarter GMS to decline in the low-single digit to mid-single digit range as consumer discretionary spending remains strained. For the fourth quarter ended Dec. 31, Etsy's consolidated gross merchandise sales - a key metric to measure sales on its online platform - fell 0.7% to \$4 billion.

**Grab Holdings Ltd:** The company reported its first-ever quarterly profit and announced a maiden share repurchase plan, following recent cost cuts and higher demand for the company's ride-share and food-delivery services. The company forecast fiscal 2024 revenue between \$2.70 billion and \$2.75 billion, compared to analysts' estimates of \$2.80 billion.

**Lloyds Banking Group Plc:** The lender reported a 57% jump in annual profit, despite Britain's faltering economy and a 450 million pound charge for potential costs from a regulatory review into motor finance. Lloyds reported pre-tax profit of 7.5 billion pounds for the 12-month period, up from 4.8 billion pounds the prior year and slightly above the 7.4 billion pounds average of analyst forecasts compiled by the bank.

**Lucid Group Inc & Rivian Automotive Inc:** Electric vehicle startups Rivian and Lucid forecast 2024 production well below analyst estimates on Wednesday as persistently high borrowing costs keep consumers from buying relatively pricier battery-powered cars. Amazon.com-backed Rivian also said it would cut its workforce by 10%. Rivian, the maker of R1T pickup trucks and R1S SUVs, is planning a weeks-long production shut down this year to upgrade its production line to improve efficiency and cut costs.

**Marathon Oil Corp:** The U.S. shale producer beat Wall Street estimates for fourth-quarter profit on Wednesday as it got a boost from higher production. Marathon reported a rise in its oil and gas output to 404,000 barrels of oil equivalent per day (boepd) from 333,000 boepd in the previous year. Marathon expects to deliver total oil production of 190,000 net bpd at the midpoint of its 2024 guidance range. The company's adjusted profit was 69 cents per share for the three months ended Dec. 31, compared with analysts' average estimate of 63 cents per share.

**Moderna Inc:** The drugmaker reported a surprise fourth-quarter profit helped by cost cutting and some deferred payments, and it set out a commercial roadmap for its experimental respiratory syncytial virus (RSV) shot. Moderna posted a profit of \$217 million, or 55 cents a share, for the quarter. Analysts had expected a loss of 97 cents a share. Moderna Chief Financial Officer James Mock in an interview said the company beat its own forecast because of unexpected deferred revenue of \$600 million and cost savings of around \$300 million created by the company's effort to adjust its manufacturing output last year.

**Mosaic Co:** The fertilizer maker posted a lower fourth-quarter profit on Wednesday, as declining fertilizer prices dented margins, and said it will curtail potash production at its Colonsay mine. Mosaic said potash prices plunged to \$243 per tonne in the October-December quarter, from \$581 per tonne a year earlier, when prices soared due to the Russia-Ukraine war. The Tampa, Florida-based firm said it earned \$365 million, or \$1.11 per share, in the fourth-quarter, compared with \$523 million, or \$1.52 per share, a year earlier.

# Top News

## U.S. Stocks

**Nutrien Ltd:** The world's biggest fertilizer producer reported a big drop in fourth-quarter profit on Wednesday, hit by lower potash prices. Nutrien reported net earnings of \$176 million, or 35 cents per share, for the three months ended Dec. 31, compared with \$1.12 billion, or \$2.15 per share, a year-ago. For the quarter, the company reported an adjusted profit of 37 cents, missing analyst estimates of 65 cents. The company declared a quarterly dividend of 54 cents per share payable, a near 2% increase from its prior dividend declared in November last year.

**Nvidia Corp:** The chipmaker on Wednesday forecast a roughly threefold surge in quarterly revenue that handily beat estimates as the company banked on towering demand for its industry-leading artificial-intelligence chips, sending its shares up after-hours. Nvidia on Wednesday forecast first-quarter revenue growth of 233%, ahead of Wall Street expectations of 208% growth. The company forecast revenue for the current quarter of \$24.0 billion, plus or minus 2%. Sales at the data center segment - its largest by revenue share, grew 409% to \$18.4 billion in the fiscal fourth quarter, coming in above estimates of \$16.8 billion. Nvidia reported fourth-quarter revenue of \$22.10 billion, beating estimates of \$20.62 billion.

**Royal Caribbean Group Ltd.:** The company on Wednesday raised its annual profit forecast as the company benefits from strong cruise demand during the key 'wave season' and robust on-board spending. Royal Caribbean Group's shares rose in extended trade after it also said that all four quarters and key products were booked ahead of the year-ago timeline for 2024.

**Chord Energy Corp:** The U.S. energy firm said on Wednesday it would acquire Canada's Enerplus, creating a Williston basin-focused entity with an enterprise value of \$11 billion. The combined company is expected to be a premier operator in the Williston basin in North Dakota, with about 1.3 million net acres and 287,000 barrels of oil equivalent per day in production. Enerplus shareholders will receive 0.10125 shares of the Chord common stock and \$1.84 in cash for each common share of Enerplus. The deal's terms imply an equity value of about \$3.8 billion as per Chord's closing price on Wednesday, according to Reuters calculations.

## S&P500 Earnings Calendar

Company	Symbol	Time	Consensus EPS Estimate
Ameren Corp	AEE	AMC	0.61
Booking Holdings Inc	BKNG	AMC	29.54
Builders FirstSource Inc	BLDR	BMO	2.54
Copart Inc	CPRT	16:00	0.35
Coterra Energy Inc	CTRA	AMC	0.55
Dominion Energy Inc	D	BMO	0.38
Edison International	EIX	AMC	1.16
Entergy Corp	ETR	BMO	0.52
EOG Resources Inc	EOG	AMC	3.07
Insulet Corp	PODD	AMC	0.66
Intuit Inc	INTU	AMC	2.30
Iron Mountain Inc	IRM	BMO	0.45
Keurig Dr Pepper Inc	KDP	BMO	0.54
Live Nation Entertainment Inc	LYV	AMC	-1.03
LKQ Corp	LKQ	BMO	0.76
Moderna Inc	MRNA	BMO	-0.97
Newmont Corporation	NEM	BMO	0.45
PG&E Corp	PCG	BMO	0.45
Pioneer Natural Resources Co	PXD	BMO	5.49
Pool Corp	POOL	BMO	1.25
Quanta Services Inc	PWR	BMO	1.98
Teleflex Inc	TFX	BMO	3.26
VICI Properties Inc	VICI	AMC	0.55

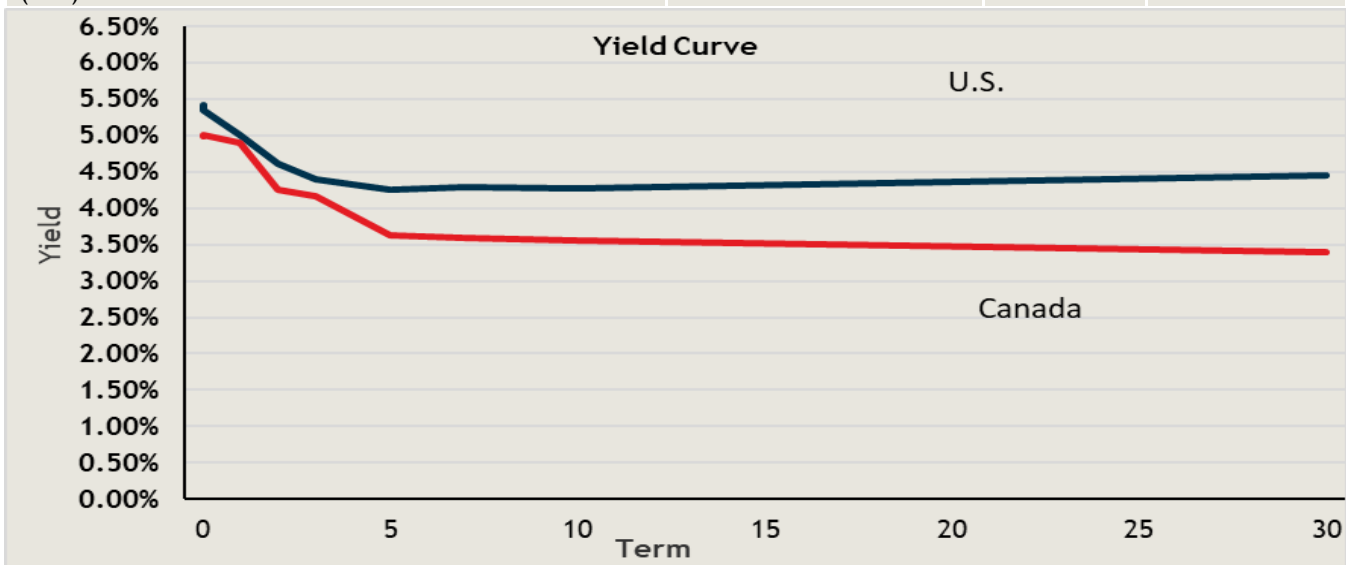
Source: LSEG



# Top News

## Fixed Income

Canadian Key Rate	Last	Change bps		Last	Change bps
CDA o/n	5.00%	0.00	CDA 5 year	3.64%	1.2
CDA Prime	7.20%	0.00	CDA 10 year	3.55%	0.4
CDA 3 month T-Bill	4.99%	-1.0	CDA 20 year	3.54%	0.0
CDA 6 month T-Bill	4.99%	-1.0	CDA 30 year	3.43%	-0.4
CDA 1 Year	4.80%	0.0	5YR Sovereign CDS	39.6	
CDA 2 year	4.22%	1.9	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	4.35%	4.7
US Prime	8.50%	0.00	US 10 year	4.35%	2.3
US 3 month T-Bill	5.25%	0.4	US 30 year	4.49%	0.2
US 6 month T-Bill	5.36%	1.0	5YR Sovereign CDS	40.53	
US 1 Year	5.00%	2.1	10YR Sovereign CDS	47.64	
US 2 year	4.71%	6.1			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			565.65	-0.17%	3.91%
BMO Laddered Preferred Shares (ETF)			9.62	-0.35%	6.42%



Source: Refinitiv

### Snapshot - FOMC Meeting Minutes (January 30-31)

This afternoon, the **Federal Reserve** published the **minutes** from the FOMC's two-day policy that concluded January 31<sup>st</sup>. Recall, the meeting was one of expectations management as the committee pushed back on growing optimism for a near-term policy pivot. The Committee needed to gain "greater confidence" that inflation was moving sustainably to 2%, while Chair Powell stated in the presser that this confidence threshold probably wouldn't be hit by March. Importantly, this meeting came before the hotter-than-expected January jobs and CPI reports, which helped justify the more cautious approach to loosening policy. With that as the backdrop, we've highlighted some of the key quotes and our overall assessment of the discussions in the *Bottom Line* below:

#### On inflation and the economy:

- **Inflation progress has been significant:** "Participants judged that some of the recent improvement in inflation reflected idiosyncratic movements in a few series. Nevertheless, they viewed that there had been significant progress recently on inflation..."
- **Expectations for more 'super-core' relief were widespread...:** "Many participants indicated that they expected core non-housing services inflation to gradually decline further as the labor market continued to move into better balance and wage growth moderated further"
- **... as upside inflation risks wane:** "[Participants] saw upside risks to inflation as having diminished..."
- **Nonetheless, there are *some* upside inflation risks:** "As an upside risk to both inflation and economic activity, participants noted that momentum in aggregate demand may be stronger than currently assessed... Several participants mentioned the risk that financial conditions were or could become less restrictive than appropriate."
- **Forget 'soft landing', a few see 'no landing':** "A few participants mentioned the possibility that economic activity could surprise to the upside and inflation to the downside because of more-favorable-than-expected supply-side developments."

#### On the policy setting and QT:

- **Not surprisingly, there won't be more hikes:** "Participants judged that the policy rate was likely at its peak for this tightening cycle"
- **Consistent with statement, they need more confidence...:** "Participants generally noted that they did not expect it would be appropriate to reduce [the policy rate] until they had gained greater confidence that inflation was moving sustainably toward 2%"
- **...but guidance on gaining this confidence was limited:** "Participants noted that the future path of the policy rate would depend on incoming data, the evolving outlook, and the balance of risks."
- **A majority are worried about premature cutting:** Most participants noted the risks of moving too quickly to ease the stance of policy and emphasized the importance of carefully assessing incoming data in judging whether inflation is moving down sustainably to 2 percent. A couple of participants, however, pointed to downside risks to the economy associated with maintaining an overly restrictive stance for too long.
- **Despite smooth QT, taper discussions soon appropriate:** "Participants observed that... balance sheet runoff had so far proceeded smoothly. In light of ongoing reductions in usage of the ON RRP facility, many participants suggested that it would be appropriate to begin in-depth discussions of balance sheet issues at the Committee's next meeting to guide an eventual decision to slow the pace of runoff."
- **To some, a sooner taper is a better taper:** "Some participants remarked that ...slowing the pace of runoff could help smooth the transition to that level of reserves or could allow the Committee to continue balance sheet runoff for longer."

#### Bottom line:

Confidence is key when you're talking about easing policy. That was the message at the January 31<sup>st</sup> rate decision and that was clear in these minutes too. Unfortunately, the data dependent FOMC won't share exactly what they need to see to build up their confidence. Presumably though, an above-consensus January CPI print or a stronger-than-expected jobs report (both of which came after this decision) won't offer them any marginal comfort. What has become clear is that a majority of policymakers are more worried about the inflation risks of cutting too soon than the growth risks of waiting too long to cut. That means that for as long as inflation stays above target and hard economic indicators (i.e., growth and jobs) remain solid, the Fed will be very reluctant to provide the easing that markets are expecting. More fundamentally, one has to wonder how long recent disinflation can continue with a growth/labour market this strong. On this front, we'll be keeping a close eye on

'super core' inflation. There are signs that this measure is re-accelerating which would be consistent with an unemployment rate running below NAIRU. Importantly, this development would be in conflict with policymaker expectations and presumably further delay the onset of easing. Ultimately, time will tell if recent disinflation can continue, but it's our view that inflation relief can only be sustainably achieved alongside economic weakness/slack opening up. As a result, we don't see the Fed easing until early Q3 as the first half of the year will be decent-to-good from a growth perspective.

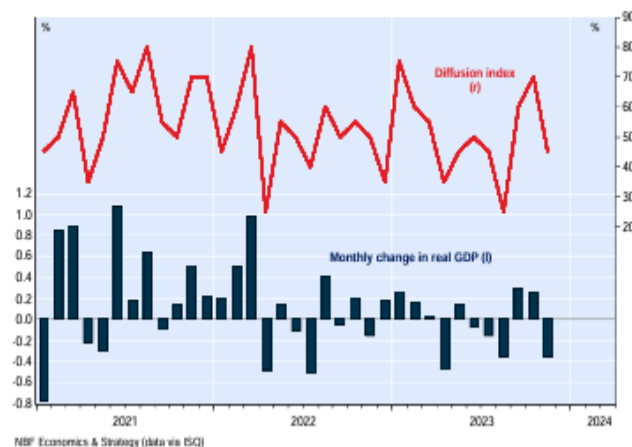
The next Fed decision will be published on March 20<sup>th</sup>.

## Economic News - Quebec: GDP contracted sharply in November

Data for November were disappointing after the enthusiasm generated by the previous two months. Indeed, the Quebec economy posted its worst performance in 7 months, completely erasing the gains recorded in October. This performance contrasts with that of the Canadian economy as a whole, which grew by 0.2%. The biggest weakness was seen in the education sector, which posted a 2.7% decline over the month, while public sector strikes were limited and concentrated in this sector. This gives a foretaste of the major contractions to come, as strikes intensified in December, affecting a majority of government employees. Nonetheless, the Quebec economy would have contracted had it not been for the downturn in the education sector (-0.2%), while most of the top 20 industries experienced a drop in activity. In today's extraordinary demographic context, it is crucial to present performance taking into account variable population growth, which has a major influence on potential GDP. In November, GDP per capita reached a new cyclical low, down 2.5% year-on-year. This compares unfavorably with the national performance, which showed a decline of 1.9%. Over the coming months, in addition to the temporary weakness attributable to government employee strikes, the situation is likely to remain difficult, as restrictive monetary policies have yet to take full effect. However, despite the recent underperformance, we continue to believe that Quebec's GDP could prove resilient compared to the rest of the country, notably due to the lower level of household debt. According to a recent Léger survey, the proportion of households describing their financial situation as poor stood at just 23%, compared with 35% nationally.

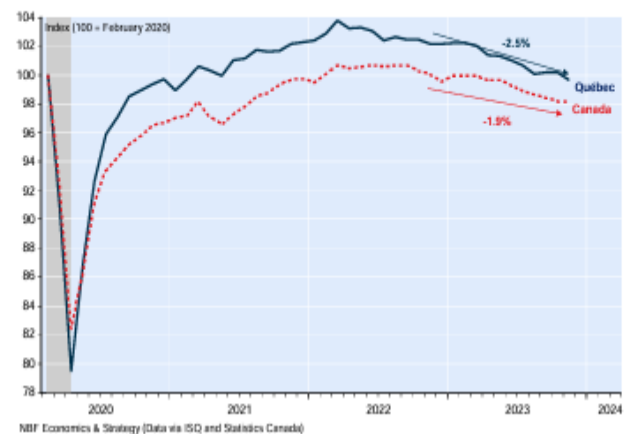
### Québec: Significant contraction of the economy in November

Monthly variation in real GDP and diffusion index (% of 20 rising industries)



### Québec: Real GDP per capita continues its downward trend

Real GDP per capita, index 100 = February 2022



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