

| U.S. EQUITY FUTURES | LAST | CHANGE | %CHG | COMMODITIES/ FX | | LAST | CHANGE |
|--------------------------|-----------|--------|--------|------------------|-------|------------|-----------|
| Dow Jones MINI futures | 38,826.00 | 0.00 | 0.00% | CRUDE OIL WTI | | \$78.72 | -\$0.21 |
| S&P500 MINI futures | 5,173.00 | 11.25 | 0.22% | NATURAL GAS | | \$1.78 | -\$0.04 |
| NASDAQ MINI futures | 18,341.00 | 24.75 | 0.14% | GOLD | | \$2,171.29 | \$12.13 |
| CANADA EQUITY MARKET | LAST | CHANGE | %CHG | COPPER | | \$3.901 | -\$0.02 |
| S&P/TSX 60 futures | 1,318.80 | 4.70 | 0.36% | CAD / USD | | \$0.7435 | \$0.0006 |
| OVERSEAS MARKETS | LAST | CHANGE | %CHG | CAD / EUR | | € 0.6782 | -€ 0.0002 |
| DJ EURO STOXX 600 | 504.35 | 1.19 | 0.24% | USD / EUR | | € 0.9122 | -€ 0.0010 |
| FTSE 100 INDEX | 7,666.75 | -25.71 | -0.33% | USD / JPY | | ¥146.93 | -¥1.10 |
| DAX GERMANY | 17,858.32 | 15.47 | 0.09% | GOVERNMENT BONDS | 2YR | 5YR | 10YR |
| CAC 40 Index | 8,044.54 | 28.32 | 0.35% | CANADA (YLD%) | 4.04% | 3.40% | 3.33% |
| NIKKEI 225 INDEX | 39,688.94 | 90.23 | 0.23% | U.S. (YLD%) | 4.44% | 4.03% | 4.07% |
| HANG SENG INDEX | 16,353.39 | 123.61 | 0.76% | Source: LSEG | | | |
| SHANGHAI COMPOSITE INDEX | 3,046.02 | 18.62 | 0.61% | | | | |

Morning News

Futures for the S&P 500 turned positive this morning, from earlier losses, after an uptick in the unemployment rate and slowing wage growth boosted expectations that the Federal Reserve could begin cutting interest rates by the middle of this year. Nonfarm payrolls increased by 275,000 jobs last month (see chart), the labor Department's Bureau of Labor Statistics said in its closely watched employment report. Data for January was revised down to show 229,000 jobs created instead of 353,000 as previously reported. Economists had forecast 200,000 jobs added. The unemployment rate rose to 3.9% in February after holding at 3.7% for three straight months. Average hourly earnings edged up 0.1% last month after gaining 0.5% in January. That lowered the year-on-year increase in wages to a still-high 4.3% in February from 4.4% in January. The benchmark S&P 500 index closed at a record high on Thursday after Fed Chair Jerome Powell said the central bank was "not far" from gaining the confidence that inflation is falling sufficiently to begin cutting interest rates.

Futures linked to Canada's main stock index edged higher this morning as gold prices extended their run. Materials shares were set to rise for the seventh session, as gold prices hit a fresh record high, while most non-ferrous metals were set for weekly gains, aided by a weaker U.S. dollar amid hopes of U.S. interest rate cuts. Canada's economy added a net 40,700 jobs in February, more than double the expected gain, though wage growth slowed for the second consecutive month and the jobless rate ticked up to 5.8%, data showed this morning. Analysts had forecast a net gain of 20,000 jobs and for the unemployment rate to edge up to 5.8% from 5.7% in January. The unemployment rate has been steady at that level for three of the past four months, Statistics Canada said. February's job gains were driven by full-time work, where 70,600 positions were added, more-than offsetting a 29,900 jobs shed in part-time work. Still, population growth continued to outpace employment growth and led to a 0.1% fall in the employment rate - or the proportion of the population aged 15 and older who are employed.

European shares rose this morning and are on track for weekly gains, led by strength in financial and energy shares. Financial services index climbed about 1.1% and topped sectoral gains, led by a 4.2% rise in UBS, after the bank said it would close 85 branches in Switzerland by 2025 as part of its plan to cut costs at the combined business. In Europe, too, June is touted as the month when the rate cut cycle may start after the ECB trimmed its forecasts for inflation in Thursday's monetary policy meeting. Meanwhile, European Central Bank policymaker Francois Villeroi de Galhau said the interest rates will be lowered this spring, "from April until June 21," further boosting market sentiment. In corporate updates, Rubis' shares rose more than 7% following the French liquid products distributor's better-than-expected annual results. DS Smith shares also jumped more than 7% after British packaging firm Mondi offered to buy the company for 5.14 billion pounds. Mondi was down about 1.3%. Shares in HelloFresh tumbled nearly 48% after the German meal-kit maker announced a 2024 forecast well below expectations and scrapped its mid-term targets.

China stocks rose today, logging a fourth consecutive week of gains, while Hong Kong shares tracked global peers higher on expectations of rate cuts by global central banks. Japan's Nikkei share average also rose but ended the week lower for the first time in six weeks due to profit-taking, while rising bets of the central bank exiting its ultra-loose monetary policy as soon as this month also weighed on sentiment.

U.S Economic Calendar

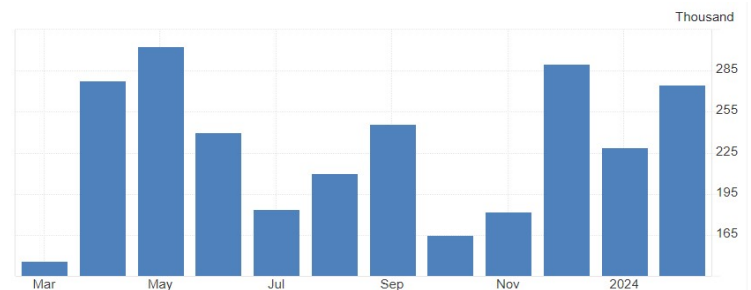
| Local Time | Indicator Name | Period | Reuters Poll | Actual | Prior | Revised |
|------------|------------------------|--------|--------------|--------|-------|---------|
| 08:30 | Non-Farm Payrolls | Feb | 200k | 275k | 353k | 229k |
| 08:30 | Private Payrolls | Feb | 160k | 223k | 317k | 177k |
| 08:30 | Manufacturing Payrolls | Feb | 10k | -4k | 23k | 8k |
| 08:30 | Government Payrolls | Feb | | 52k | 36k | 52k |
| 08:30 | Unemployment Rate | Feb | 3.7% | 3.9% | 3.7% | |
| 08:30 | Average Earnings MM | Feb | 0.3% | 0.1% | 0.6% | 0.5% |
| 08:30 | Average Earnings YY | Feb | 4.4% | 4.3% | 4.5% | 4.4% |
| 08:30 | Average Workweek Hrs | Feb | 34.3 | 34.3 | 34.1 | 34.2 |
| 08:30 | Labor Force Partic | Feb | | 62.5% | 62.5% | |
| 08:30 | U6 Underemployment | Feb | | 7.3% | 7.2% | |

Canadian Economic Calendar

| Local Time | Indicator Name | Period | Reuters Poll | Actual | Prior | Revised |
|------------|--------------------------------------|--------|--------------|--------|--------|---------|
| 08:30 | Capacity Utilization | Q4 | | 78.7% | 79.7% | 78.8% |
| 08:30 | Avg hrly wages Permanent employee YY | Feb | | 4.90% | 5.30% | |
| 08:30 | Employment Change | Feb | 20.0k | 40.7k | 37.3k | |
| 08:30 | Unemployment Rate | Feb | 5.8% | 5.8% | 5.7% | |
| 08:30 | Full Time Employment Chng SA | Feb | | 70.6k | -11.6k | |
| 08:30 | Part Time Employment Chng SA | Feb | | -29.9k | 48.9k | |
| 08:30 | Participation Rate | Feb | | 65.3% | 65.3% | |

Chart of the day

United States Non Farm Payrolls



U.S. Bureau of Labor Statistics

Morning news

Algonquin Power & Utilities Corp: Algonquin Power & Utilities on Friday reported a more-than-doubled profit, despite a fall in revenue. The company reported a profit of US\$186.3 million, or US\$0.27 a share, compared with a loss of US\$74.4 million, or US\$0.11 a share, in the comparable quarter a year ago. Adjusted earnings were US\$0.16 cents a share. According to FactSet, analysts were expecting US\$0.14 a share. Revenue fell 11% in the quarter US\$666.9 million. Analysts were expecting a slightly bigger decline to US\$661.7 million. In August, Algonquin Power made the decision to sell its renewables business following a strategic review of the group which began on May 11. Looking ahead to 2024, Interim Chief Executive Chris Huskison said he expects the year will be a transition year as the company seeks to reposition itself towards a more efficient operating profile and a renewed strategy for the future. Due to the uncertainty with the sale, however, Algonquin said it won't release any guidance for 2024.

AltaGas Ltd: AltaGas on Friday reported higher profit in the fourth quarter and said that it expects the momentum to continue in 2024. The company posted net income of C\$113 million or C\$0.40 a share, up from C\$54 million, or C\$0.19 a share, in the comparable quarter a year ago. Normalized earnings, an adjusted figure, were C\$0.76 a share. In line with analyst expectations for the quarter, according to FactSet. Normalized Ebitda also rose in the period, reaching C\$502 million, up from C\$454 million. Revenue fell to C\$3.29 billion from C\$3.9 billion. Looking ahead, AltaGas said it expects normalized EPS to be between C\$2.05 and C\$2.25 a share, up from C\$1.90 a share in 2023. Adjusted Ebitda guidance is set to come in at between C\$1.68 billion and C\$1.78 billion, up from C\$1.57 billion last year. Additionally, AltaGas said it also is maintaining a disciplined, self-funded capital program of about C\$1.2 billion, a figure which excludes asset retirement obligations.

First Quantum Minerals Ltd: Panama said on Wednesday it had asked First Quantum Minerals to suspend a visitor program launched last month at the disputed Cobre Panama mine, saying the miner did not consult the government before starting the community relations initiative. The Canadian miner announced the program to help the Panamanian society to get a first-hand experience of what was happening at the site of the copper mine, according to a post from the company's Panama unit on social media platform X. "The ministry informed them (First Quantum) that these type of decisions, not only the visits but any other activity, needs to be previously consulted with the trade ministry or the appropriate entity," Jorge Rivera, Panama's Trade Minister said on Wednesday. First Quantum did not immediately respond to a request for comment.

Karora Resources Inc: Australian gold miner Ramelius Resources confirmed it is in discussions with Karora Resources for a potential acquisition of the Canada-based mine operator. The company, however, clarified the discussions were ongoing without any certainty of closure. The Australian Financial Review valued the transaction to be between A\$700 million and A\$1 billion, according to a report published by the local daily on Thursday. Karora's market capitalization stood at C\$841 million as at market close on March 6, Ramelius said. "There is no certainty that the discussions will lead to a transaction and if so, at what price," the company added. Karora did not immediately respond to a Reuters request for comments.

Royal Bank of Canada: Royal Bank of Canada set a total compensation target of C\$17 million for CEO Dave McKay for 2024, about 12% more what he made last year, even as peers that have reported so far made no changes after their bosses missed 2023 goals. McKay, who has been the CEO since 2014, made a total of C\$15.22 million in 2023, 9% above his 2023 target of C\$14 million. Those numbers contrasted with his peers at Bank of Montreal, CIBC and Bank of Nova Scotia where the boards kept 2024 compensation goals unchanged. The proposed pay packages are set to voted by shareholders in next month's annual general meetings. TD Bank has not yet published its proxy circular.

SSR Mining Inc: Canadian gold miner said it had appointed insider Michael Sparks its chief financial officer, succeeding Alison White. "The changes to the roles and responsibilities of our executive leadership team will provide an opportunity to realign accountabilities to better support the business, particularly as the company continues to navigate and assess the impacts of the Copler incident," Executive Chairman Rod Antal said. The company also made other leadership changes along with the CFO announcement.

TC Energy Corp: Keystone oil pipeline resumed service on Thursday after going offline and temporarily restricting a major conduit of Canadian oil to the United States, which sent oil prices higher. The 622,000 barrel-per-day pipeline has been dogged by problems, including a 2022 spill in rural Kansas. TC said in a statement late afternoon that Keystone was safely operating after briefly suspending service as a precautionary measure. The company said it had confirmed the pipeline's integrity and no oil was released. Earlier, TC Energy notified shippers of the outage, citing operational issues but not offering specifics, one industry source said. The company did not say how much of the Keystone network was down or for how long.

Top News

Canadian Stocks

NBF Research

RATING AND TARGET PRICE CHANGES

AutoCanada Inc. - End-user under pressure, bidding our time on the sidelines; Target: C\$22 (Was C\$24.50)
KP Tissue Inc. - Q4/23 Results: Kleen market share gains muddled by looming pulp inflation; Target: C\$9 (Was C\$9.50)
Minto Apartment REIT - Prudent capital recycling positions REIT for outsized earnings growth; Target: C\$20 (Was C\$19.25)
Sleep Country Canada Holdings - Q4 2023 Results: Constructive quarterly performance; consumer...; Target: C\$31 (Was C\$28)
Yangarra Resources Ltd. - Possible Inflection Incoming; Target: C\$1.50 (Was C\$2)

DAILY BULLETIN HIGHLIGHTS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE - U.S. Weaving Climate into the Fabric of Financial Regulation

Event: The U.S. Securities and Exchange Commission (SEC) has approved a landmark rule on climate-related financial disclosures.

Key Takeaways: The final rules, albeit scaled back, likely reflecting the Commission's attempt to appease backlash and navigate political and legal challenges, will require both quantitative and qualitative disclosures in annual reports and registration statements filed by public issuers. While the rules are not perfect, from both sides of the aisle, i.e., doing too much or doing too little, we see them as a step forward that should provide investors with increasingly valuable insights over time. However, the final rules only address climate-related disclosures, which unlike other notable frameworks provide a more holistic view of sustainability and ESG-related issues. This sentiment underscores the growing disparity in the development and adoption of sustainability financial disclosures. The bottom line is that going forward, companies will be subject to a rising tide of global sustainability disclosure regulation.

AUTOCANADA INC.: End-user under pressure, bidding our time on the sidelines

| | | |
|---------------------------|-----------------------|--|
| ACQ (TSX) | C\$19.65 | Event: Conference call takeaways and model adjustments post Q4/23. Target compressed to \$22.00 (from \$24.50) on lowered 2024E/2025E projections. |
| Target: | C\$22.00 | |
| | (Was C\$24.50) | Key Takeaways: We maintain our “consumer under pressure” view, making a positive investment thesis more challenging at the moment, even at what we deem as a reasonable valuation for ACQ shares. The U.S. division continues to produce volatile outcomes as not having a wide platform does not help. Self-improvement initiatives should pay dividends down the road but this likely a 2025E event, delaying the need to step in right at this moment. We hear from investors that expectations are not aggressive but if the shares do not seem to work in a relatively buoyant market, we could be presented with a more compelling opportunity in case there is any general downdraft. Reiterate SP rating, target to \$22.00 (from \$24.50). |
| Stock Rating: | Sector Perform | |
| | (Unchanged) | |
| Est. Total Return: | 12.0% | |

MINTO APARTMENT REIT: Prudent capital recycling positions REIT for outsized earnings growth

| | | |
|---------------------------|-------------------|---|
| MI.UN (TSX) | C\$17.26 | Event: Reported Q4/23 FFO/unit was \$0.24 and \$0.23 after normalizing for items which was slightly ahead of NBF/consensus at \$0.22/\$0.21. |
| Target: | C\$20.00 | |
| | (Was C\$19.25) | Key Takeaways: MI put up better than expected results after accounting for an accrual adjustment in opex and on lower utility costs while actively lowering interest expense via capital allocation. On the latter, MI executed on the sale of its two remaining Edmonton properties (\$32 mln) with subsequent events also providing reprieve, namely Ottawa dispositions (\$86 mln) and the repayment of the loan outstanding to MPI (\$30 mln) on Fifth + Bank. Revenues were light vs. us given timing of MI's exit from Edmonton and a slower than anticipated occupancy improvement in the furnished suites segment (66.8% vs. expectations of 70%). Overall, this quarter was better than expected after normalizing items and incremental capital recycling. |
| Stock Rating: | Outperform | |
| | (Unchanged) | |
| Est. Total Return: | 18.8% | |

Top News

Canadian Stocks

OTHER COMMENTS

ESG: U.S. Weaving Climate into the Fabric of Financial Regulation
AirBoss of America Corp. - 4Q Revs In Line, Adj. EBITDA Light, Strategic Transition To Focus On Core Competencies
Altius Renewable Royalties Corp. - Cashed-up and ready for a strong market in '24E
Crew Energy Inc. - Compensate with Condensate
Headwater Exploration Inc. - Ohhhhhhhh, so that's how you add value!!!
Kiwetino Energy Corp. - Deep Value

RESEARCH FLASHES

Allied Gold Corp. - 180-Day Lock-up Overhang Removed
AutoCanada Inc. - Q4/23 results first look - miss; used lack of momentum hampers performance
Doman Building Materials Group Ltd. - Q4/23 First Look: Thriving in a stable pricing environment
Dundee Precious Metals Inc. - Tsumeb Divested in All-Cash Deal

MORNING HIGHLIGHTS

PEYTO EXPLORATION & DEVELOPMENT CORP.: Focused On Greater Sundance

| | | |
|--------------------|-------------|--|
| PEY (TSX) | C\$14.74 | Event: We updated our estimates following the release of PEY's Q4/23 financial & operating results. There is a conference call scheduled for Friday morning at 11 am E.T (link to webcast). |
| Target: | C\$15.00 | |
| | (Unchanged) | Key Takeaways: Average Q4 production of 120 mboe/d (+22% Q/Q; +14% Y/Y) was in line with NBF and consensus forecasts of 121 mboe/d. CFPS of \$1.05 (+25% Q/Q; -17% Y/Y) was above our estimate of \$0.97 and consensus estimate of \$0.99. The CFPS delta relative to our estimate was largely driven by stronger-than-expected realized prices and lower-than-expected transportation costs. Cash flow of \$200 million in the quarter was used to fund \$115 million in capital spending and ~\$64 million in dividends (implying a payout ratio of ~90%). We reiterate our Outperform rating and \$15.00 target. |
| Stock Rating: | Outperform | |
| | (Unchanged) | |
| Est. Total Return: | 10.9% | |

MORNING COMMENTS

Peyto Exploration & Development Corp. - Focused On Greater Sundance

MORNING FLASHES

AltaGas Ltd. - Solid Q4/23 results + 2024 outlook intact
Dexterra Group Inc. - Q4/23 First Look: Another miss driven by Modular, but hopefully one of the last
Ero Copper Corp. - First Look: Q4 Financial Results Behind Consensus; Production/Guidance Pre-Released
Park Lawn Corporation - Q4/23 First Look: Eventful — EPS beat, 2026 targets gone, 2024 guidance in line with consensus...
SSR Mining Inc. - EVP Roles Shuffled, CFO Departs
Stella-Jones Inc. - Management call provided more colour on Poles vertical; we focus on "absolute" value
Taseko Mines Limited - First Look: Q4 Beat on Higher Sales/Lower Operating Costs; Softer Outlook for 2024

ETF RESEARCH & STRATEGY

ETF Industry News Update: New Launches, New Filings and Horizons to rebrand as Global X

Canadian stocks ratings and target changes across the street

Aecon Group Inc ARE.TO: TD Securities raises target price to C\$18.50 from C\$13

Airboss of America Corp BOS.TO: CIBC raises target price to C\$4.75 from C\$3.75

Airboss of America Corp BOS.TO: Cormark Securities raises target price to C\$0.25 from C\$5.25

Autocanada ACQ.TO: BMO cuts target price to C\$23 from C\$25

Autocanada ACQ.TO: Canaccord Genuity cuts target price to C\$20 from C\$22

Autocanada ACQ.TO: CIBC cuts target price to C\$22 from C\$22.50

Autocanada ACQ.TO: Cormark Securities cuts target price to C\$29.50 from C\$33

Autocanada ACQ.TO: National Bank of Canada cuts target price to C\$22 from C\$24.50

Autocanada ACQ.TO: Scotiabank raises target price to C\$28 from C\$26

Bank of Montreal BMO.TO: CIBC cuts target price to C\$120 from C\$125

Bank of Nova Scotia BNS.TO: CIBC cuts target price to C\$64 from C\$66

Bird Construction Inc BDT.TO: TD Securities raises target price to C\$22 from C\$17

Canfor Pulp Products Inc CFX.TO: CIBC cuts target price to C\$1.75 from C\$2

Carerx Corp CRRX.TO: Stifel cuts target price to C\$2.75 from C\$3.25

Dexterra Group Inc DXT.TO: TD Securities cuts to hold from buy; cuts target price to C\$6 from C\$7.50

Dream Office REIT D_u.TO: Cormark Securities raises target price to C\$25 from C\$13

Enbridge ENB.TO: Jefferies raises target price to C\$54 from C\$53

Ero Copper Corp ERO.TO: BMO raises target price to C\$23.50 from C\$23

First Quantum Minerals Ltd FM.TO: Morgan Stanley raises target price to C\$17 from C\$14.20

First Quantum Minerals Ltd FM.TO: Morgan Stanley raises to overweight from equal weight

Fortuna Silver Mines Inc FVI.TO: BMO cuts target price to C\$6.50 from C\$7

Headwater Exploration HWX.TO: Stifel raises target price to C\$8.75 from C\$8.50

Illumin ILLM.TO: TD Securities cuts target price to C\$1.80 from C\$2

KP Tissue KPT.TO: National Bank of Canada cuts target price to C\$9 from C\$9.50

KP Tissue KPT.TO: TD Securities cuts target price to C\$9.50 from C\$10

Linamar Corp LNR.TO: CIBC cuts target price to C\$91.50 from C\$93

Minto Apartment Real Estate Investment Trust MI_u.TO: CIBC raises target price to C\$21 from C\$19

Minto Apartment Real Estate Investment Trust MI_u.TO: National Bank of Canada raises target price to C\$20 from C\$19.25

Minto Apartment Real Estate Investment Trust MI_u.TO: RBC raises target price to C\$22.50 from C\$22

Minto Apartment Real Estate Investment Trust MI_u.TO: Scotiabank raises target price to C\$19.25 from C\$18.75

National Bank of Canada NA.TO: CIBC cuts target price to C\$109 from C\$110

Nexgen Energy Ltd NXE.TO: Raymond James raises target price to C\$12 from C\$11

Nutrien Ltd NTR.N: HSBC cuts target price to US\$57 from US\$63

Nuvei Corp NVEI.O: Citigroup raises target price to US\$27 from US\$23

Royal Bank of Canada RY.TO: CIBC cuts target price to C\$135 from C\$140

Savaria Corp SIS.TO: Raymond James raises target price to C\$19 from C\$18

Savaria Corp SIS.TO: Stifel cuts target price to C\$23 from C\$25

Slate Office REIT SOT_u.TO: Cormark Securities raises to market perform from reduce

Sleep Country Canada Holdings ZZZ.TO: BMO raises target price to C\$35 from C\$28

Sleep Country Canada Holdings ZZZ.TO: CIBC cuts to neutral from outperformer; raises target price to C\$32 from C\$27

Sleep Country Canada Holdings ZZZ.TO: National Bank of Canada raises target price to C\$31 from C\$28

Sleep Country Canada Holdings ZZZ.TO: RBC raises target price to C\$28 from C\$24

Sleep Country Canada Holdings ZZZ.TO: Stifel raises target price to C\$33.50 from C\$28

Sleep Country Canada Holdings ZZZ.TO: TD Securities raises target price to C\$34 from C\$31

TD Bank Group TD.TO: CIBC cuts target price to C\$86 from C\$88

Vermilion Energy Inc VET.TO: JP Morgan cuts target price to C\$21 from C\$23

Vermilion Energy Inc VET.TO: RBC cuts target price to C\$20 from C\$23

Verticalscope Holdings Inc FOR A.TO: Cormark Securities cuts target price to C\$7.60 from C\$8.25

Yangarra Resources Ltd YGR.TO: Atb Capital Markets cuts target price to C\$1.60 from C\$2

Yangarra Resources Ltd YGR.TO: National Bank of Canada cuts target price to C\$1.50 from C\$2

Top News

Canadian Stocks

S&P/TSX Earnings Calendar

| Company | Symbol | Time | Consensus EPS Estimate |
|-------------------------------------|--------|------|------------------------|
| Algonquin Power & Utilities Corp | AQN.TO | BMO | 0.15 |
| AltaGas Ltd | ALA.TO | BMO | 0.77 |
| Headwater Exploration Inc | HWX.TO | AMC | 0.33 |
| Kelt Exploration Ltd | KEL.TO | BMO | 0.33 |
| Westshore Terminals Investment Corp | WTE.TO | AMC | 0.36 |

Source: LSEG

Morning news

Broadcom Inc: The company said on Thursday it expects \$10 billion in revenue from chips related to artificial intelligence this year, but its stock dipped after the tech company's full-year forecast failed to impress investors. During an earnings call with analysts, Broadcom Chief Executive Hock Tan said that about \$7 billion of the firm's AI chip revenue in 2024 would come from helping just two major clients design custom AI chips. Broadcom did not update its annual revenue forecast of \$50 billion, likely disappointing investors despite representing growth of 40%. For the fiscal first quarter ended Feb. 4, Broadcom's AI revenue quadrupled from a year earlier to \$2.3 billion during the quarter, more than offsetting the current cyclical slowdown in enterprise and telcos, Tan added. Revenue from its semiconductor solutions segment ticked up 4% to \$7.39 billion for the first quarter, just shy of the Visible Alpha estimates of \$7.45 billion.

Costco Wholesale Corp: The company fell short of Wall Street estimates for quarterly sales on Thursday due to tepid demand for higher margin goods, pulling its shares down in extended trading. Total sales were up 6% at \$58.44 billion but missed estimates of \$59.16 billion. The company said that net sales were negatively impacted by a shift in the fiscal calendar and gasoline price deflation. However, Costco's e-commerce sales surged 18.4% in the quarter, driven by strong demand for gold and silver bullions, appliances and gift cards. The company now offers online sales of gold bars and more recently 25-count tubes of 1 ounce Canada Maple Leaf Silver coins, exclusively for members. Costco sold \$100 million in one-ounce gold bars last quarter. The company's profit of \$3.92 per share topped estimates of \$3.62 on easing freight and commodity costs.

Gap Inc: The company beat Wall Street expectations for fourth-quarter results on Thursday, buoyed by strong demand on improved product offerings at its Old Navy and namesake brands during the holiday season and lower markdowns. CEO Richard Dickson's plans to push ahead with reinventing Gap's brands, mainly Old Navy, have helped drive consumer interest in its apparel and accessories. Fourth-quarter comparable sales at the Gap brand rose 4% and Old Navy saw a 2% increase, while Athleta and Banana Republic sales slumped 10% and 4%, respectively. However, Gap expects fiscal 2024 net sales to be flat compared with \$14.89 billion in 2023. Analysts had expected a 0.48% rise. Gap's forecast signals that improving its product assortments mainly at Athleta and Banana Republic could take longer than expected. Gap's fourth-quarter net sales rose 1.3% to \$4.30 billion, beating estimates of \$4.22 billion. The company reported a profit of 49 cents per share, beating estimates of 23 cents.

Marvell Technology Inc: The company forecast first-quarter results below market expectations on Thursday due to soft demand in its wireless infrastructure, consumer and enterprise markets. The company forecast first-quarter adjusted earnings per share of 23 cents, plus or minus 5 cents, compared with estimates of 40 cents per share. Marvell said it expects first-quarter net revenue to be \$1.15 billion, plus or minus 5%, compared with estimates of \$1.37 billion. The company reported fourth-quarter revenue of \$1.43 billion on earnings of 46 cents per share, adjusted for stock-based compensation, among other things. Marvell also announced a \$3 billion stock buyback authorization on Thursday.

Applied Materials Inc & Lam Research Corp: Chinese companies Huawei Technologies and Semiconductor Manufacturing International Corp used US technology to produce an advanced chip in China in 2023, Bloomberg News reported, citing people with knowledge of the matter. SMIC used technology from California's Applied Materials and Lam Research to develop an advanced 7-nanometer chip for Huawei last year, the report said on Thursday, adding that SMIC obtained the American machinery before the U.S. banned such sales to China in October 2022. White House Commerce Department, Huawei, Applied Materials, Lam Research and SMIC did not immediately respond to Reuters' requests for comment.

Novo Nordisk A/S: The drugmaker is very comfortable it will be able to launch the pill version of its experimental weight loss drug amycratin this decade, the drugmaker's head of development told Reuters on Friday, a day after it announced strong early trial data on it. "I never commit to timelines but I would be very comfortable to say at the very least within this decade," Martin Holst Lange said in an interview. Separately, Novo Nordisk's said compounded semaglutide in the United States is a serious health issue. "It's a serious health issue," Lars Fruergaard Jorgensen told Reuters

S&P500 Earnings Calendar

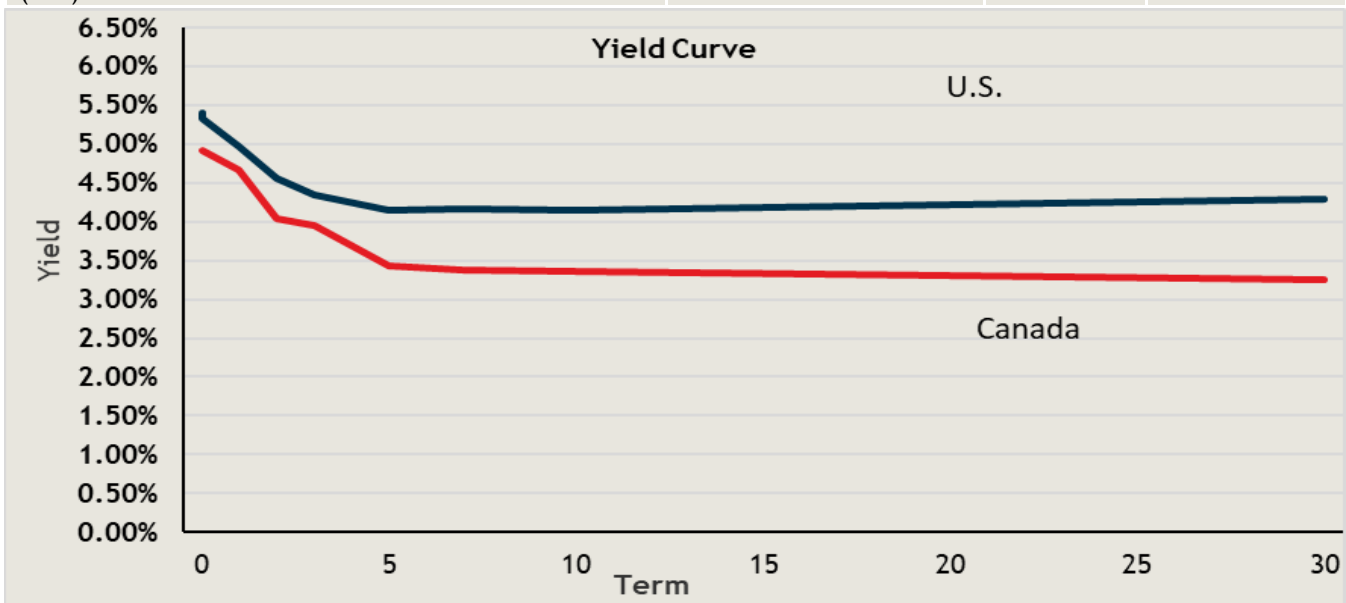
| Company | Symbol | Time | Consensus EPS Estimate |
|------------|--------|------|------------------------|
| No company | | | |

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 | 3.43% | -2.1 |
| CDA Prime | 7.20% | 0.00 | CDA 10 year | 3.34% | -2.9 |
| CDA 3 month T-Bill | 4.93% | 0.0 | CDA 20 year | 3.34% | -2.1 |
| CDA 6 month T-Bill | 4.96% | 0.0 | CDA 30 year | 3.24% | -1.5 |
| CDA 1 Year | 4.70% | 0.0 | 5YR Sovereign CDS | 39.6 | |
| CDA 2 year | 4.07% | -3.1 | 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 | 4.06% | -2.9 |
| US Prime | 8.50% | 0.00 | US 10 year | 4.07% | -2.3 |
| US 3 month T-Bill | 5.24% | 0.7 | US 30 year | 4.23% | -1.5 |
| US 6 month T-Bill | 5.30% | -0.2 | 5YR Sovereign CDS | 38.96 | |
| US 1 Year | 4.93% | -1.2 | 10YR Sovereign CDS | 46.4 | |
| US 2 year | 4.49% | -2.6 | | | |
| Preferred Shares Indicators | | | Last | Daily % | YTD |
| S&P Preferred Share Index | | | 573.38 | -0.40% | 5.33% |
| BMO Laddered Preferred Shares (ETF) | | | 9.71 | -0.21% | 7.41% |



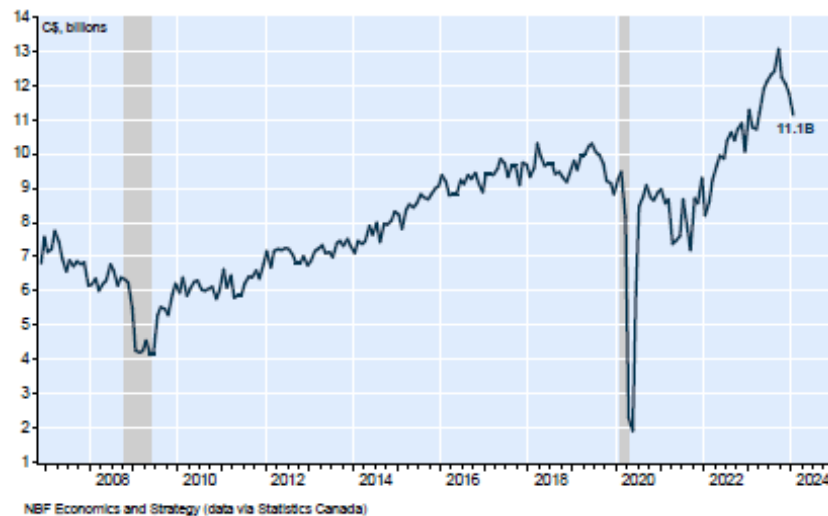
Source: Refinitiv

Canada: Decline in merchandise trade over last 12 months reflects global economic slowdown

Canada's merchandise trade balance with the world moved back into surplus territory in January as imports dropped the most in 6 months. Inbound shipments of consumer goods contracted no less than 7.1%, but this came on the heels of a record expansion the prior month (+9.8%). As was the case in December, this reflected a rather large swing in the volatile pharmaceutical products subcategory (-19.0%). Lower imports of motor vehicles/parts also contributed to the improvement in the overall trade balance. The 5.2% drop recorded in January indeed marked a fourth consecutive monthly decline in this sector and left auto imports 14.8% below the record level reached in September, with Statistics Canada attributing the recent slide to "plant retooling, supply issues, strikes, as well as cooling demand". The trade surplus could have been even larger in the first month of the year had it not been for a fourth consecutive drop in exports, the latter reflecting broad-based declines in the metal/non-metallic mineral products segment, as well as a drop in aircraft shipments to the United States. The drop in exchanges observed in January is unfortunately part of a broader trend which has seen imports and exports of goods fall by no less than 6.0% and 7.5% respectively over the last twelve months, resulting in a 6.8% decline in total merchandise trade. Such a decline has rarely been observed outside recessionary periods and testifies not only to the weakness of the Canadian economy, but also to the slowdown in global demand.

Canada: Auto imports slip further below September's all-time high

Imports of motor vehicles and parts, balance of payment basis, current dollars

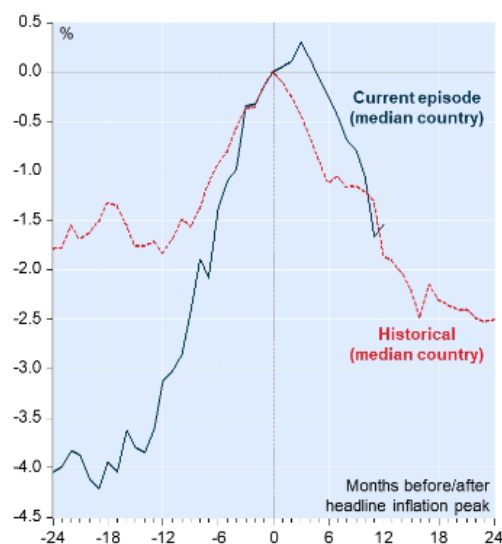


World Watch: Sticky inflation suggests Phillips curve might not be dead

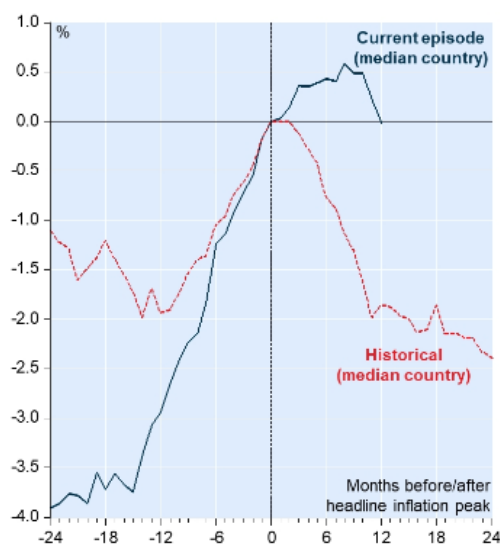
Whether central banks will achieve a soft landing of the world's economy is certainly one of the most important questions facing market participants right now. The data published in the second half of 2023 seems to have convinced several economists that an "immaculate disinflation" was possible, as the sharp fall in inflation recorded in several countries in that period has not been accompanied by an increase in the unemployment rate. But more recently, doubts have begun to emerge again about the ability of central banks to bring inflation back to target on a sustainable basis. Above-consensus CPI prints in the U.S. and elsewhere have indeed led market participants to postpone the expected timing of the first rate cuts and may also have been partly responsible for a surge in the price of gold, which traditionally serves as an inflation edge. We think investors are right to be worried. Recent disinflation has been extremely dependent on the goods sector, which has benefited from a notable loosening of supply chain constraints which cannot be repeated going forward. Services inflation meanwhile, has come down much more slowly than it had in other disinflationary episodes in the past, as today's Hot Chart makes clear. Vigorous wage growth is certainly to blame here, which begs the following question: will a further slowdown in the job market be necessary to allow inflation to return to the 2% target? Although the historical correlation between the unemployment rate and inflation has been extremely weak in recent months, we think it is still too early to proclaim the death of the Phillips curve. The last mile might yet prove the hardest in the fight to bring inflation back under control.

World: Sticky services inflation suggest Phillips curve might not be dead

Evolution of goods inflation around inflation peaks*



Evolution of services inflation around inflation peaks*



*Month = 0 is when the actual headline inflation value is at the highest during that particular episode. Includes data for 21 advanced economies and 18 emerging economies.

NBF Economics and Strategy (data via the BIS)

Disclosures

The particulars contained herein were obtained from sources which we believe to be reliable but are not guaranteed by us and may be incomplete and may be subject to change without notice. The information is current as of the date of this document. Neither the author nor NBF assumes any obligation to update the information or advise on further developments relating to the topics or securities discussed. The opinions expressed are based upon the author(s) analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein, and nothing in this document constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances. In all cases, investors should conduct their own investigation and analysis of such information before taking or omitting to take any action in relation to securities or markets that are analyzed in this document. The document alone is not intended to form the basis for an investment decision, or to replace any due diligence or analytical work required by you in making an investment decision.

This document was prepared by National Bank Financial Inc. (NBF), a Canadian investment dealer, a dealer member of IIROC and an indirect wholly owned subsidiary of National Bank of Canada. National Bank of Canada is a public company listed on the Toronto Stock Exchange.

NBF is a member of the Canadian Investor Protection Fund.

For NBF Disclosures, please visit URL: <http://www.nbin.ca/contactus/disclosures.html>

Click on the following link to see National Bank Financial Markets Statement of Policies <https://nbfm.ca/statement-of-policies>

© 2024 National Bank Financial Inc. All rights reserved. Any reproduction, in whole or in part, is strictly prohibited without the prior written consent of National Bank Financial Inc. ® The NATIONAL BANK FINANCIAL MARKETS and NBF logos are registered trademarks of National Bank of Canada used under license by authorized third parties.