

INVESTMENT STRATEGY GROUP

MARKET BEAT

Monday, March 11, 2024

Macro View

The **TSX** (-0.3%) slipped tracking **Wall Street's main indexes** losses as investors focus on this week's key inflation figures which could provide cues on the U.S. Fed's interest rate path. **West Texas Intermediate crude oil** (-0.6%) prices were lower as worries over the conflict in the Middle East offset softening demand in China. **Gold** (-0.1%) prices wavered after hitting record highs last week. North American bond yields steadied in morning trading with the **U.S. 10-year** at 4.08% and the **Canadian 10-year** at 3.32%. The **Canadian dollar** (-0.1%) weakened against the U.S. dollar.

Canadian Markets

NFI Group (NFI, +3.4%) won two new contracts from the New York City Transit Authority totaling firm orders for 429 buses with options for another 1,661 buses over five years. The orders include a mix of battery-electric and clean diesel vehicles.

Ballard Power (BLDP, -8.2%) announced Q4/23 revenue above the consensus and an adjusted EBITDA loss was larger than expected. A miss in adjusted EBITDA loss was driven by 16% Year-over-Year (Y/Y) increase in operating expenses due to high R&D spending. The company provided 2024 operating expense and capital expenditure guidance above the Street's estimate.

SilverCrest Metals (SIL, +15.1%) reported Q4/23 EPS and revenue substantially higher than the consensus. The company noted the Las Chispas underground operation will continue its ramp-up through 2024 with mining rates expected to remain at or around Q4/23 levels in H1/24. The all-in sustaining costs of US\$14.36 per ounce of gold equivalent was sequentially up from US\$12.23 per ounce due to higher capital spending and payments to its outgoing mining contractors. However, the result still fell within its H2/23 guidance range.

Market indicators

Index	Level	Change	YTDYTD (C\$)	
S&P/TSX	21,673	-0.30%	3.4%	3.4%
S&P 500	5,113	-0.21%	7.2%	9.7%
NASDAQ	16,067	-0.11%	7.0%	9.6%
Dow Jones*	387	-0.23%	2.7%	5.1%
Nikkei 225	38,820	-2.19%	16.0%	14.0%
Euro Stoxx 50	4,935	-0.52%	9.2%	10.5%
FTSE EM*	42	0.24%	1.8%	4.1%
FTSE Cdn Univ Bond**	28	-0.07%	-1.5%	-1.5%
Bbg US Agg Bond**	98	0.01%	-1.0%	1.2%

Daily Canadian market movers

Ticker	Company	Change
ATD	Alimentation Couche-Tard	0.84%
AQN	Algonquin Power & Utilities	0.69%
FNV	Franco-Nevada	0.62%
SAP	Saputo	0.33%
BCE	BCE	0.24%
WN	George Weston	-0.98%
MG	Magna International	-1.02%
FM	First Quantum Minerals	-1.05%
TOU	Tourmaline Oil	-1.06%
CSU	Constellation Software CA	-1.15%

Daily U.S. market movers

Ticker	Company	Change
LIN	Linde	2.16%
AAPL	Apple	1.56%
MRK	Merck & Co	0.93%
GOOGL	Alphabet A	0.92%
GOOG	Alphabet C	0.90%
QCOM	QUALCOMM	-1.29%
AVGO	Broadcom	-1.99%
META	Meta Platforms A	-2.07%
AMD	AMD	-2.50%
BA	Boeing	-2.64%

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*Returns for the SPDR Dow Jones Industrial Average ETF Trust and Vanguard FTSE Emerging Markets ETF have been used to track the performance of the Dow Jones Industrial Average Index and FTSE Emerging Markets Index respectively.

**Returns for the iShares Core Canadian Universe Bond Index ETF and iShares Core U.S. Aggregate Bond ETF have been used to track the performance of the FTSE Canada Universe Bond Index and Bloomberg US Aggregate Bond Index respectively.

U.S. Markets

EQT (EQT, -7.2%) announced it is acquiring **Equitrans Midstream** (ETRN, 4.5%) for US\$12.50 per share in an all-stock deal. The deal is valued at US\$5.5 billion and has been approved by the Board of Directors from both companies. The transaction is expected to close during Q4 2024 and is subject to required approvals from regulators. EQT noted annual synergies of US\$250 million with identified upside to more than US\$425 million.

Applied Materials (AMAT, -2.9%) announced it increased its quarterly dividend by 25% to US\$0.40 per share payable on June 13, 2024.

Benchmark bonds and rates

Bond	Yield	Mar-24E	Jun-24E
CA 2 Year	4.05%	4.25%	3.90%
CA 10 Year	3.32%	3.45%	3.30%
US 2 Year	4.51%	4.55%	4.35%
US 10 Year	4.08%	4.25%	4.15%
CA Prime	7.20%	-	-
CA Overnight Target	5.00%	5.00%	4.75%
Fed Funds Target	5.50%	5.38%	5.38%

Currencies and commodities

Currency/Commodity	Price	Change	YTD
US\$/C\$	0.742	-0.001	-2.1%
US\$/€	0.915	0.002	1.0%
Gold	\$2,178.60	\$20.60	5.6%
Silver	\$24.50	\$0.34	3.0%
Copper per 100 lbs	\$392.05	\$2.90	0.8%
Oil (WTI)	\$77.20	-\$0.81	7.7%
Natural gas (NYMEX)	\$1.77	-\$0.03	-23.9%

Earning releases

Company Name	Date	Estimate	Actual	Curr.
Endeavour Silver (EXK)	03/11	\$0.01	\$0.02	USD
Silvercrest Mtl (SIL)	03/11	\$0.15	\$0.32	CAD
Ballard Power Systems (BLDP)	03/11	(\$0.13)	(\$0.16)	USD
Nexgen Energy (NXE)	03/11	(\$0.04)	\$0.29	CAD
Silvercrest Mtl (SIL)	03/11	\$0.15	\$0.32	CAD
Ballard Power Systems (BLDP)	03/11	(\$0.13)	(\$0.16)	USD
Endeavour Silver (EXK)	03/11	\$0.01	\$0.02	USD
Oracle (ORCL)	03/11	\$1.38	-	USD
Oracle (ORCL)	03/11	\$1.38	-	USD
Transcontinental A (TCL.A)	03/12	\$0.32	-	CAD

Economic calendar – Canada

Day	Release	Prior	Estimate	Actual
03/14	Manufacturing Shipments M/M (JAN)	-0.69%	0.40%	-
03/15	Housing Starts (FEB)	223.6K	225.0K	-
03/19	CPI All Items (M/M) (FEB)	0.0%	0.40%	-
03/19	CPI All Items (Y/Y) (FEB)	2.9%	3.1%	-
03/22	Retail Sales ex-Autos M/M (JAN)	8.2%	-	-

Data for all the tables are sourced from FactSet except for Benchmark bonds and rates which are sourced from CIBC.

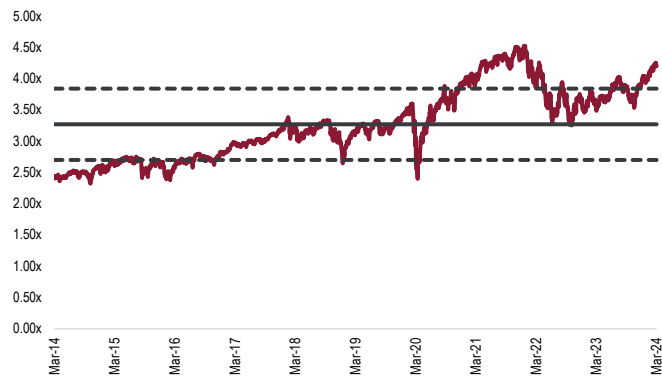
Economic calendar – U.S.

Day	Release	Prior	Estimate	Actual
03/12	NFIB Small Business Index (FEB)	89.9	-	-
03/12	CPI ex-Food & Energy M/M (FEB)	0.40%	0.30%	-
03/12	CPI ex-Food & Energy Y/Y (FEB)	3.9%	3.7%	-
03/12	CPI M/M (FEB)	0.30%	0.40%	-
03/12	CPI Y/Y (FEB)	3.1%	3.1%	-

Market Valuation

S&P 500 Index

S&P 500 - P/B



S&P 500 - Forward P/E



S&P/TSX Composite Index

S&P/TSX - P/B



S&P/TSX - Forward P/E



SOURCE: FactSet

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Stock prices as of 03/08/2024

NFI Group Inc. (2a, 2c, 2e, 2g) (NFI-TSX, C\$11.24)

Ballard Power Systems, Inc. (2g) (BLDP-NASDAQ, US\$3.31)

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