

INVESTMENT STRATEGY GROUP

MARKET BEAT

Thursday, March 20, 2025

Macro View

The **TSX** (+0.7%) and **Wall Street's main indexes** were mixed as investors weighed projected reduced growth and increased inflation. **West Texas Intermediate crude oil** (-0.3%) is little changed with a higher-than-expected U.S. oil drawdown and a weaker U.S. dollar. **Gold** (+0.1%) steadied, geopolitical and economic uncertainty fueling safe-haven demand. **North American bond yields** declined in morning trading with the **U.S. 10-year** at 4.31% and the **Canadian 10-year** at 3.07%. The **Canadian dollar** (-0.5%) traded lower against a strengthened U.S. dollar.

U.S. Initial Jobless Claims in the second week of March rose by 2,000 to 223,000, below market expectations of 224,000.

Canadian Markets

Wesdome Gold Mines (WDO, -5.8%) reported Q4/24 adjusted EPS and revenue that exceeded consensus estimates. EBITDA also surpassed expectations. The company achieved a 37% Year-over-Year (Y/Y) increase in consolidated gold production. However, its all-in sustaining cost (AISC) was 5% higher than consensus. Wesdome reaffirmed its gold production guidance for fiscal years 2025 and 2026, with AISC projected to be between \$1,755 and \$1,975 for FY2025.

Power Corporation of Canada (POW, -0.3%) announced Q4/24 adjusted EPS that fell short of analysts' estimates. The company declared an 8.9% increase in its quarterly dividend to \$0.6125 per share, yielding 5%. At the end of 2024, its adjusted net asset value (NAV) rose 13% Y/Y to \$60.44 per share, and the company noted that it stood at \$65.10 per share as of yesterday.

U.S. Markets

Tesla (TSLA, -0.7%) shares tumbled after the company recalled 46,096 Cybertrucks in the U.S. to fix an exterior trim panel that could detach while driving and become a road hazard.

Microchip Technology (MCHP, -5.2%) shares fell after announcing a US\$1.35 billion convertible stock offering plan. The company stated it will use part of the proceeds to pay the cost of capped call transactions, a type of derivatives instrument used to limit share dilution, and to repay existing debt.

Market indicators

Index	Level	Change	YTDYTD (C\$)	
S&P/TSX	24,874	0.68%	0.6%	0.6%
S&P 500	5,651	0.65%	-3.9%	-4.4%
NASDAQ	17,665	0.92%	-8.5%	-9.0%
Dow Jones*	419	0.52%	-1.6%	-2.1%
Nikkei 225	37,752	-0.25%	-5.4%	-1.1%
Euro Stoxx 50	5,479	-0.12%	11.9%	17.2%
FTSE EM*	47	-0.11%	5.7%	5.2%
FTSE Cdn Univ Bond**	29	-0.21%	0.7%	0.7%
Bbg US Agg Bond**	98	-0.10%	1.6%	1.1%

Daily Canadian market movers

Ticker	Company	Change
CCO	Cameco	1.19%
PPL	Pembina Pipeline	0.79%
ATD	Alimentation Couche-Tard	0.62%
ENB	Enbridge	0.59%
TRP	TC Energy	0.36%
BIP.U	Brookfield Infrastructure Partners	-0.92%
FM	First Quantum Minerals	-0.95%
CCL.B	CCL Industries B	-1.13%
NTR	Nutrien	-1.32%
GIB.A	CGI A	-3.77%

Daily U.S. market movers

Ticker	Company	Change
META	Meta Platforms A	1.60%
NEE	NextEra Energy	1.28%
ADBE	Adobe	1.28%
LLY	Eli Lilly	1.13%
NVDA	NVIDIA	1.08%
GILD	Gilead Sciences	-1.51%
AVGO	Broadcom	-1.73%
DE	Deere	-2.19%
IBM	IBM	-5.01%
ACN	Accenture A	-9.62%

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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.

Darden Restaurants (DRI, +6.1%) reported a slight beat on adjusted EPS but revenue missed the consensus estimate. Same-store sales increased by 0.7% which was below analyst expectations of a 1.7% increase. For Fiscal 2025, the company narrowed its adjusted EPS guidance to US\$9.45-US\$9.52 versus prior guidance of US\$9.40-US\$9.60.

Benchmark bonds and rates

Bond	Yield	Mar-25E	Jun-25E
CA 2 Year	2.57%	2.50%	2.30%
CA 10 Year	3.07%	3.00%	2.95%
US 2 Year	4.08%	3.85%	3.45%
US 10 Year	4.31%	4.00%	3.55%
CA Prime	5.20%	-	-
CA Overnight Target	2.75%	2.75%	2.25%
Fed Funds Target	4.50%	3.88%	3.38%

Currencies and commodities

Currency/Commodity	Price	Change	YTD
US\$/C\$	0.698	-0.001	0.4%
US\$/€	0.917	0.002	-5.0%
Gold	\$3,035.10	\$35.10	15.4%
Silver	\$34.09	\$0.31	17.9%
Copper per 100 lbs	\$507.15	\$5.50	26.0%
Oil (WTI)	\$66.67	-\$0.08	-7.0%
Natural gas (NYMEX)	\$4.16	\$0.10	34.1%

Earning releases

Company Name	Date	Estimate	Actual	Curr.
Accenture A (ACN)	03/20	\$2.81	\$2.82	USD
Darden Restaurants (DRI)	03/20	\$2.80	\$2.80	USD
Lennar A (LEN)	03/20	\$1.70	-	USD
Micron Technology (MU)	03/20	\$1.43	-	USD
Fedex (FDX)	03/20	\$4.56	-	USD
Nike B (NKE)	03/20	\$0.30	-	USD
Premium Brands Holdings (PBH)	03/21	\$0.95	-	CAD
Carnival (Us) (CCL)	03/21	\$0.02	-	USD
Mccormick (MKC)	03/25	\$0.64	-	USD
Dollar Tree (DLTR)	03/26	\$2.20	-	USD

Economic calendar – Canada

Day	Release	Prior	Estimate	Actual
03/20	BoC Governor Tiff Macklem speaks at Calgary Economic Development event (-)	-	-	-
03/21	Retail Sales ex-Autos M/M (JAN)	2.7%	1.0%	-
03/21	Retail Sales M/M (JAN)	2.5%	-0.30%	-
03/28	GDP by Industry M/M (JAN)	0.23%	-	-
04/03	Trade Balance Goods (FEB)	4.0B	-	-

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
03/20	Current Account (Q4)	-\$310.3B	-\$330.0B	\$303.9B
03/20	Continuing Jobless Claims (03/08)	1,859K	1,904K	1,892K
03/20	Initial Claims (03/15)	221.0K	224.5K	223.0K
03/20	Philadelphia Fed Index (MAR)	18.1	9.0	12.5
03/20	Existing Home Sales (FEB)	4,080K	3,923K	-

Market Valuation

S&P 500 Index

S&P 500 - P/B

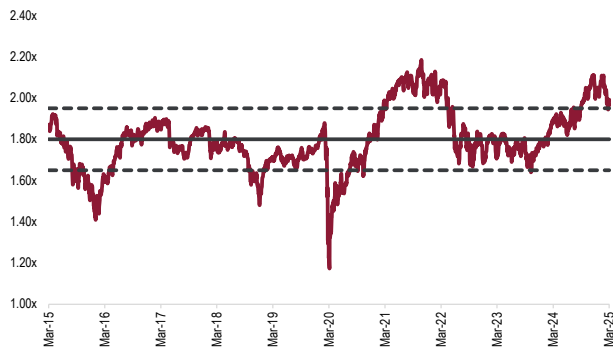


S&P 500 - Forward P/E

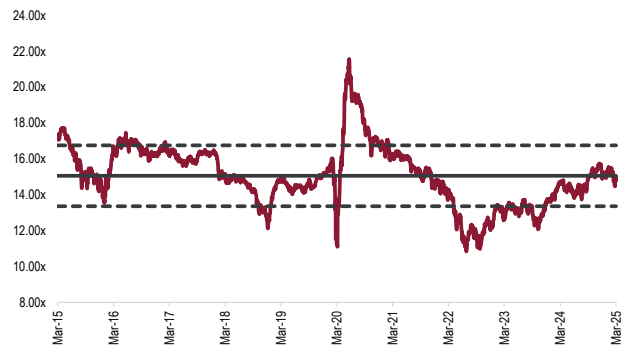


S&P/TSX Composite Index

S&P/TSX - P/B



S&P/TSX - Forward P/E



SOURCE: FactSet

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