

INVESTMENT STRATEGY GROUP

MARKET BEAT

Friday, April 26, 2024

Macro View

The **TSX** (+0.3%) increased modestly on rising commodity prices. **Wall Street's main indexes** are mostly trading higher following strong results from mega cap names Microsoft and Alphabet. **West Texas Intermediate crude oil** (+0.8%) prices rose on optimism over economic growth and lingering concerns over Middle East conflicts. **Gold** (+0.6%) prices increased slightly in light of higher inflationary data from the U.S. North American bond yields decreased with the **U.S. 10-year** at 4.65% and the **Canadian 10-year** at 3.82%. The **Canadian dollar** (-0.1%) was down modestly against the U.S. dollar.

Core personal consumption expenditures (PCE) prices in the U.S. rose by 0.3% month over month (m/m) in March, in line with expectations. Personal spending in the U.S. increased 0.8% m/m in March, maintaining the same pace as February and coming in above the consensus estimate of 0.6%.

Canadian Markets

TFI International (TFII, -4.4%) announced Q124 revenue in-line with expectations. Adjusted EBITDA was lower than expected in all the segments except LTL which was in-line. An adjusted operating ratio of 90.6% was higher than the prior year's ratio of 90.1%.

Imperial Oil (IMO, -0.8%) announced Q124 revenue and production lower than expectations while adjusted EPS was above consensus. Cash from operation also missed the Street's expectations. Downstream utilization was 94%.

Agnico Eagle Mines (AEM, +3.9%) reported Q124 revenue and adjusted EPS ahead of consensus. An all-in sustainable cost of US\$1,190 per ounce was about US\$40 per ounce below expectations. The company reaffirmed its FY24 gold production, capital expenditure, and cash cost per ounce guidance.

U.S. Markets

Alphabet (GOOGL, +11.1%) reported stronger-than-expected revenue and earnings. Revenue in Google Cloud accelerated to 28% Year-over-Year (YoY) growth, topping the Street's estimate. It also announced its first-ever quarterly dividend of US\$0.20 per share, and launched a US\$70 billion share repurchase plan.

Market indicators

Index	Level	Change	YTDYTD (C\$)
S&P/TSX	21,951	0.30%	4.7% 4.7%
S&P 500	5,095	0.93%	6.8% 10.7%
NASDAQ	15,882	1.73%	5.8% 9.6%
Dow Jones*	382	0.19%	1.3% 4.9%
Nikkei 225	37,935	0.81%	13.4% 5.6%
Euro Stoxx 50	4,996	1.16%	10.5% 11.0%
FTSE EM*	42	1.17%	3.0% 6.6%
FTSE Cdn Univ Bond**	27	0.22%	-4.6% -4.6%
Bbg US Agg Bond**	95	0.32%	-3.9% -0.5%

Daily Canadian market movers

Ticker	Company	Change
AEM	Agnico Eagle Min Rg	3.87%
TECK.B	Teck Resources B	2.35%
K	Kinross Gold	1.47%
FNV	Franco-Nevada	1.42%
CAE	CAE	1.29%
TOU	Tourmaline Oil	-0.38%
IMO	Imperial Oil	-0.75%
CCO	Cameco	-0.80%
WCN	Waste Connections	-1.24%
BMO	Bank of Montreal	-1.30%

Daily U.S. market movers

Ticker	Company	Change
GOOGL	Alphabet A	11.08%
GOOG	Alphabet C	10.91%
MSFT	Microsoft	2.79%
CL	Colgate-Palmolive	2.26%
DOW	Dow	2.21%
ABBV	AbbVie	-1.33%
CHTR	Charter Communications A	-2.31%
F	Ford Motor	-2.42%
XOM	Exxon Mobil	-3.19%
INTC	Intel	-12.45%

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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.

Microsoft (MSFT, +2.8%) reported a top-line and bottom-line beat. Azure constant-currency revenue growth of 31% YoY landed well ahead of the consensus of 28.3% growth. For fiscal 2025, MSFT expects double-digit revenue and operating income growth.

Intel (INTC, -12.5%) reported a modest miss on revenue while adjusted EPS of US\$0.18 topped the consensus of US\$0.14. For Q224, it expects revenue of US\$12.5 billion-US\$13.5 billion, the mid-point of which missed the consensus of US\$13.61 billion.

Snap (SNAP, +24.2%) shares rallied after the company posted a beat on the top-line and bottom-line. Daily Active Users (DAU) were 422 million, up 10% YoY. It now expects Q2 revenue of US\$1.225 billion-US\$1.255 billion, which came in above the consensus of US\$1.22 billion.

Exxon Mobil (XOM, -3.2%) reported adjusted EPS of US\$2.06, which missed the consensus of US\$2.19, driven by weaker-than-expected refining margins and lower natural gas prices. Production of 3.8 million oil-equivalent barrels/day was also lighter-than-expected.

Benchmark bonds and rates

Bond	Yield	Jun-24E	Sep-24E
CA 2 Year	4.32%	3.90%	3.70%
CA 10 Year	3.82%	3.35%	3.30%
US 2 Year	4.97%	4.35%	3.85%
US 10 Year	4.65%	4.20%	4.10%
CA Prime	7.20%	-	-
CA Overnight Target	5.00%	4.75%	4.50%
Fed Funds Target	5.50%	5.38%	4.88%

Currencies and commodities

Currency/Commodity	Price	Change	YTD
US\$/C\$	0.733	0.003	-3.4%
US\$/€	0.931	-0.002	2.9%
Gold	\$2,329.80	\$5.30	13.0%
Silver	\$27.37	\$0.24	15.0%
Copper per 100 lbs	\$458.25	\$4.40	17.8%
Oil (WTI)	\$84.12	\$0.55	17.4%
Natural gas (NYMEX)	\$1.94	-\$0.05	-16.6%

Earning releases

Company Name	Date	Estimate	Actual	Curr.
Phillips 66 (PSX)	04/26	\$2.18	\$1.90	USD
Hca Healthcare (HCA)	04/26	\$5.06	\$5.36	USD
Ball Corp (BALL)	04/26	\$0.55	\$0.68	USD
Centene (CNC)	04/26	\$2.06	\$2.26	USD
Chevron (CVX)	04/26	\$2.92	\$2.93	USD
Exxon Mobil (XOM)	04/26	\$2.19	\$2.06	USD
Colgate-Palmolive (CL)	04/26	\$0.81	\$0.86	USD
Roper Technologies (ROP)	04/26	\$4.34	\$4.41	USD
Charter Comm A (CHTR)	04/26	\$7.86	\$7.55	USD
Newell Brands (NWL)	04/26	(\$0.07)	\$0.00	USD

Economic calendar – Canada

Day	Release	Prior	Estimate	Actual
04/30	GDP by Industry M/M (FEB)	0.60%	0.40%	-
05/02	Trade Balance Goods (MAR)	1.4B	1.0B	-
05/10	Employment (APR)	-2.2K	-	-
05/10	Unemployment Rate (APR)	6.1%	-	-
05/15	Housing Starts (APR)	242.2K	-	-

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

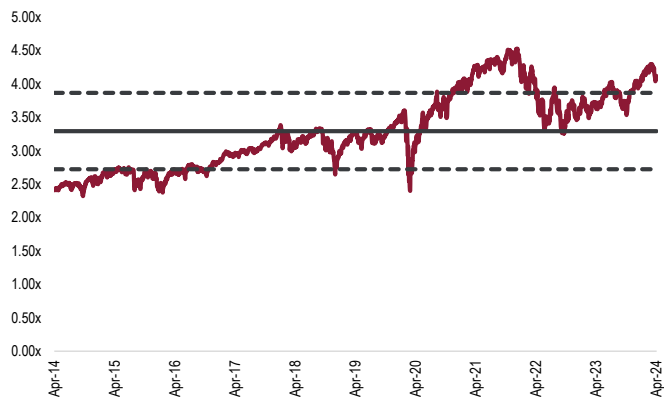
Economic calendar – U.S.

Day	Release	Prior	Estimate	Actual
04/26	BEA Domestic Auto Sales (MAR)	2.1M	-	2.1M
04/26	BEA Domestic Light Truck Sales (MAR)	9.9M	-	10.0M
04/26	BEA Total Light Vehicle Sales (MAR)	15.5M	16.4M	15.6M
04/26	Core PCE Deflator M/M (MAR)	0.27%	0.30%	0.32%
04/26	Core PCE Deflator Y/Y (MAR)	2.8%	2.7%	2.8%

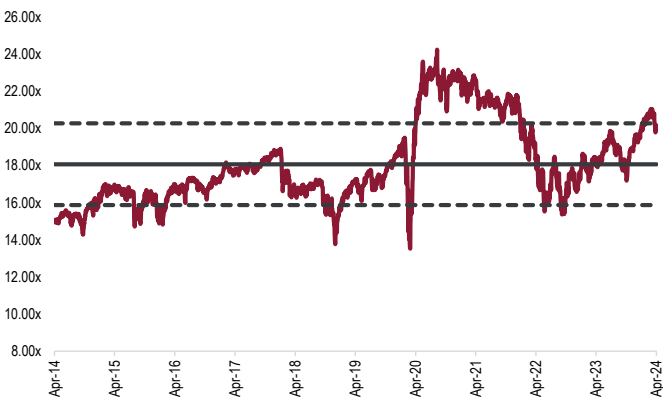
Market Valuation

S&P 500 Index

S&P 500 - P/B

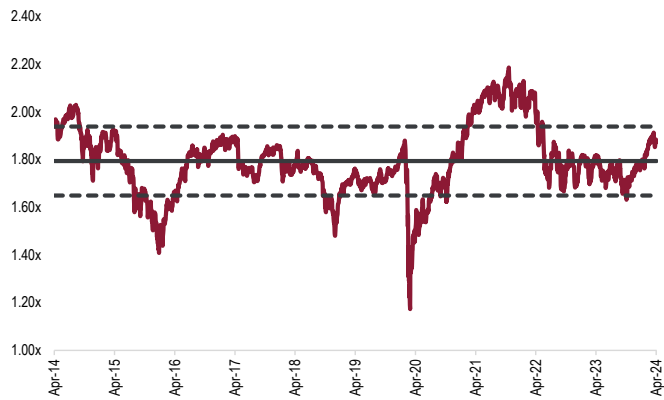


S&P 500 - Forward P/E

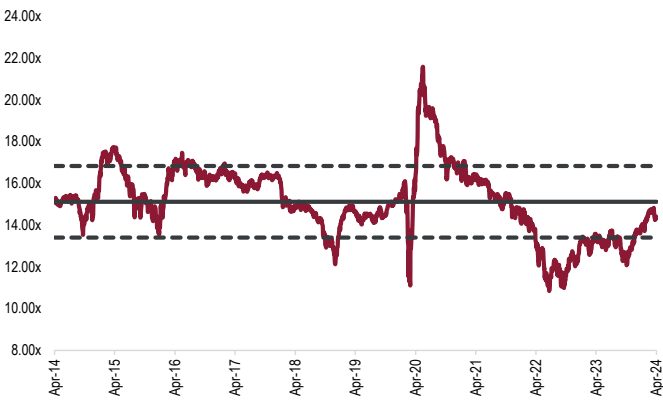


S&P/TSX Composite Index

S&P/TSX - P/B



S&P/TSX - Forward P/E



SOURCE: FactSet

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Stock prices as of 04/25/2024

TFI International Inc. (2g) (TFII-NYSE, US\$140.74)

Imperial Oil Limited (1b, 2g) (IMO-TSX, C\$97.36)

Agnico Eagle Mines Limited (2g, 7, 9) (AEM-NYSE, US\$64.94)

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