

MORNING NEWS CALL

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CANADA EDITION

Thursday, December 13, 2018

TOP NEWS

• **Trump intervention comment may be gift to Huawei CFO**

Huawei executive Meng Wanzhou, released on bail on Tuesday to await a ruling on U.S. extradition at one of her luxury Vancouver homes, may have received welcome ammunition in court from an unlikely source - President Donald Trump.

• **ECB stops its printing presses even as growth concerns rise**

The European Central Bank decided to end its lavish asset purchase scheme but otherwise kept policy broadly unchanged, promising protracted stimulus for an economy struggling with an unexpected slowdown and political turmoil.

• **OPEC's oil-cut pledge is vague, but Saudi plans lend some credibility**

OPEC's supply-cutting deal agreed last week is vague even by the standards of the oil producer group as no individual output targets are likely to be published, although precise plans from top exporter Saudi Arabia boost the agreement's credibility.

• **Apple to build new \$1 billion campus in Austin**

Apple said it would spend \$1 billion to build a second campus in Austin, Texas that will house as many as 15,000 workers, amid a broader push by many U.S. companies to create more jobs at home.

• **Top German court rules Uber limousine service illegal**

Germany's highest court ruled that a defunct limousine service offered by Uber was illegal, in a setback for the U.S. ride-hailing company that has struggled to comply with the law in Europe's largest economy.

BEFORE THE BELL

Stock futures for **Canada's main stock index** pointed to a lower opening as **oil** prices fell under pressure from high global inventories. **U.S. stock futures** fell after two consecutive days of gains. **Asian shares** ended higher as investors remained optimistic over Sino-U.S. trade relations while **European indexes** traded lower. The **U.S. dollar** steadied over expectations that Federal Reserve may not raise interest rates as expected in 2019 while **gold** prices fell. Canada's new home prices data is expected later in the day.

STOCKS TO WATCH

• **Barrick Gold Corp (ABX)**. The company has made progress in talks with the Tanzanian government to resolve a nearly 2-year-long tax dispute, but it is premature to say a deal has been reached, a person familiar in the matter told Reuters on Wednesday. Bloomberg reported on Wednesday that Barrick had reached an agreement with the government on a \$300 million payment, which Acacia will make in installments, with terms under review by a Tanzanian tax working group. It was unclear if the payment resolved outstanding tax issues.

ANALYSIS

OPEC exit frees Qatar from U.S. legal concerns

Even before taking over Qatar's energy policy in a government reshuffle last month, Qatar Petroleum (QP) CEO Saad al-Kaabi had long wanted the Gulf state to leave OPEC.

ANALYSTS' RECOMMENDATION

- **Acadian Timber Corp (ADN)**. CIBC cuts price target to C\$17 from C\$20, given increased uncertainty in North American housing and timberland markets.
- **Hudbay Minerals Inc (HBM)**. RBC cuts rating to sector perform from outperform, saying it forecasts decline in zinc and copper production.
- **Teck Resources Ltd (TECKb)**. RBC raises price target to C\$52 from C\$48, reflecting company's diversified commodity exposure and significant free cash flow generation.

ECONOMIC EVENTS *(All timings in U.S. Eastern Time)*

0830 **New housing price index** for Oct: Expected 0.0 pct; Prior 0.0 pct

COMPANIES REPORTING RESULTS**December 13:**

Empire Company Ltd (EMPa). Expected Q2 earnings of 32 Canadian cents per share

Transcontinental Inc (TCLa). Expected Q4 earnings of 76 Canadian cents per share

December 14:

No major companies are scheduled to report for the day.

CORPORATE EVENTS *(All timings in U.S. Eastern Time)*

0830 **Optiva Inc** (RKN). Q4 earnings conference call

1000 **Transat AT Inc** (TRZ). Q4 earnings conference call

1200 **Empire Company Ltd** (EMPa). Q2 earnings conference call

1615 **Transcontinental Inc** (TCLa). Q4 earnings conference call

1700 **DAVIDsTEA Inc** (DTEA.OQ). Q3 earnings conference call

EXDIVIDENDS

AKITA Drilling Ltd (AKTa). Amount C\$0.08

BCE Inc (BCE). Amount C\$0.75

Bonterra Energy Corp (BNE). Amount C\$0.01

CAE Inc (CAE). Amount C\$0.10

Canadian Western Bank (CWB). Amount C\$0.26

Genovus Energy Inc (CVE). Amount C\$0.05

Constellation Software Inc (CSU). Amount \$1.00

Corby Spirit and Wine Ltd (CSWa). Amount C\$0.44

Corus Entertainment Inc (CJRb). Amount C\$0.06

Encana Corp (ECA). Amount \$0.01

Equitable Group Inc (EQB). Amount C\$0.28

Evertz Technologies Ltd (ET). Amount C\$0.18

George Weston Ltd (WN). Amount C\$0.51

Intact Financial Corp (IFC). Amount C\$0.70

Intertape Polymer Group Inc (ITP). Amount \$0.14

Loblaw Companies Ltd (L). Amount C\$0.29

Magellan Aerospace Corp (MAL). Amount C\$0.10

MCAN Mortgage Corp (MKP). Amount C\$0.32

Melcor Developments Ltd (MRD). Amount C\$0.13

Morguard Corp (MRC). Amount C\$0.15

Mosaic Capital Corp (M). Amount C\$0.03

Pason Systems Inc (PSI). Amount C\$0.18

Quarterhill Inc (QTRH). Amount C\$0.01

Rocky Mountain Dealerships Inc (RME). Amount C\$0.12

Shaw Communications Inc (SJRa). Amount C\$0.09

Teck Resources Ltd (TECKa). Amount C\$0.05

Tourmaline Oil Corp (TOU). Amount C\$0.10

TransAlta Renewables Inc (RNW). Amount C\$0.07

Velan Inc (VLN). Amount C\$0.03

Wajax Corp (WJX). Amount C\$0.25

(All analysts' estimates are according to Thomson Reuters I/B/E/S)



PICTURE OF THE DAY



Police stand guard as people attend a protest against the new labour law in front of the Parliament building in Budapest, Hungary, December 12. REUTERS/Bernadett Szabo

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(Compiled by Nachiket Tekawade and Priyanka Das in Bengaluru)

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