



Tuesday, April 23, 2024

BEFORE THE OPEN

Source: Thomson Reuters

Futures for Canada's main stock index inched higher on upbeat investor confidence following Wall Street's rebound, offsetting drops in the price of **oil** and **gold**. Meanwhile, in premarket trading, the majority of megacap growth stocks, including Tesla, Microsoft, and Meta Platforms, moved slightly higher, supporting **U.S. stock index futures**. UK's **FTSE 100 Index** climbed to hit an all-time peak on dovish commentary from Bank of England officials. **China stocks** closed lower, dragged down by cyclical shares such as metals, while technology companies boosted **Hong Kong shares**. Separately, the **yen** hit fresh multi-year lows against the U.S. **dollar** and the **euro**, keeping traders on heightened intervention watch.

STOCKS IN THE NEWS

Source: Thomson Reuters

Adobe Inc (ADBE):

The company said it plans to place a tool for full artificial intelligence image generation in its Photoshop software later this year. Adobe is developing its own image-generation AI system called Firefly, which is trained on data that Adobe has rights to, in order to avoid copyright infringement claims against users. Adobe previously released image-generation tools in Photoshop that can fill in or expand parts an existing image. At a conference in London, the company said full image generation will come later this year, based on a new AI system called Firefly Image 3.

Amazon.com Inc (AMZN):

The ecommerce giant launched a new grocery delivery subscription in the United States for members of its Prime program and customers who are recipients of the government food assistance benefits. The subscription plan would allow Amazon's Prime members to get unlimited grocery delivery at \$9.99 per month on orders over \$35 from Whole Foods Market, Amazon Fresh, and other local grocery and specialty retailers on the platform, including Save Mart, Bartell Drugs, Rite Aid and Pet Food Express. The service will be available in over 3,500 cities and towns across the country.

THINGS TO KNOW

Source: Bloomberg Finance L.P.

US futures edged higher, European stocks rose and the UK's FTSE 100 index (finally) hit a record high as a rebound that took hold on Monday gathered momentum. Citigroup strategists say the recent rout in global equities makes them more attractive, removing market froth and leaving investors to focus on robust corporate earnings. Earnings are very much front and center of investors' minds this week with about 180 companies — representing over 40% of the S&P 500 market value — reporting results. There's also a host of other tech earnings due this week, with Meta, Alphabet and Microsoft all releasing numbers. Mercer, the investment consultant that counts giant sovereign wealth funds, insurers and pension managers as clients, says smaller investors seeking exposure to emerging markets are best off doing so by buying shares in US companies.

STOCKS

Source: FactSet (5pm EDT)

	Price	Change	YTD
S&P TSX	21,871.96	0.30%	4.36%
S&P TSX 60	1,313.41	0.45%	3.84%
S&P/TSX Venture	566.06	-0.17%	2.38%
S&P 500	5,010.60	0.87%	5.05%
NASDAQ Composite	15,451.31	1.11%	2.93%
Dow Jones Industrial Average	38,239.98	0.67%	1.46%
iShares MSCI ACWI ex U.S. ETF	51.74	1.13%	1.60%

COMMODITIES & CURRENCIES

Source: FactSet (5pm EDT)

	Price	Change	YTD
Crude Oil WTI (NYM \$/bbl)	81.90	-0.39%	16.50%
Nat Gas Fin LD (NYM \$/btu)	1.79	2.23%	-23.03%
Gold (NYM \$/ozt)	2,346.40	-2.79%	11.07%
Silver (NYM \$/ozt)	27.25	-5.54%	12.00%
High Grade Copper (NYM \$/lbs)	4.48	-0.48%	14.44%
Lumber (CME \$/bft)	514.50	1.48%	0.00%
CAD/USD	0.73	0.04%	-3.93%
Bitcoin USD (CME)	66,610.00	3.50%	56.78%
10Y Canada Govt Bond (MOD)	117.71	-0.11%	-5.09%
10Y US T-Note (BMF)	107.91	0.00%	-4.42%
CBOE VIX (CBF)	16.47	-7.66%	-6.66%

GLOBAL INDICES

Source: FactSet (5pm EDT)

	Price	Change	YTD
France - CAC 40	8,040.36	0.22%	6.59%
Germany - DAX	17,860.80	0.70%	6.62%
Italy - FTSE MIB	33,724.82	-0.58%	11.11%
Japan - Nikkei 225	37,438.61	1.00%	11.88%
U.K. - FTSE 100	8,023.87	1.62%	3.76%
Shanghai - SSE Composite	3,044.60	-0.67%	2.34%

TSX SECTORS

Source: FactSet (5pm EDT)

	Price	Change	YTD
S&P/TSX Energy	3,004.10	0.30%	13.33%
S&P/TSX Materials	3,178.49	-2.75%	9.27%
S&P/TSX Industrials	5,686.08	0.89%	8.44%
S&P/TSX Consumer Discretionary	2,981.05	1.37%	2.05%
S&P/TSX Consumer Staples	8,211.34	1.43%	3.07%
S&P/TSX Health Care	96.24	-1.55%	0.97%
S&P/TSX Financials	3,569.57	0.60%	1.42%
S&P/TSX Information Technology	853.23	0.99%	0.14%
S&P/TSX Communication Services	1,279.78	0.68%	-11.16%
S&P/TSX Utilities	2,269.88	0.75%	-6.01%
S&P/TSX Real Estate	3,130.40	1.46%	-4.52%



CANADIAN EQUITIES OF INTEREST

Listed Alphabetically by Symbol

Badger Infrastructure Solutions Ltd. (BDGI: \$46.32), Net Change: -\$0.26, Change: -0.56%

Tempering Q1 expectation

- In January and February, US construction spending (SAAR) recorded 0.2% and 0.3% m/m decreases, respectively, for the first time since December 2022, impacted by widespread severe weather that especially affected infrastructure categories such as highway & street and water.
- These construction spending figures remain 11% and 10% higher y/y and ConstructConnect's 2024 forecast calls for a 5% y/y increase led by a 12% y/y increase in Engineering/Civil construction.
- Hydrovac and vacuum truck manufacturer Federal Signal highlighted that the adoption of safe digging across NA remains a key organic growth driver for the company.

Wishpond Technologies Ltd. (WISH: \$0.60), Net Change: \$0.00, Change: 0.00%

Attention turns to reaccelerating the growth profile in 2024

- Certain fixed costs could hold back any meaningful gross margin expansion until at least H2/24 despite the rising Propel IQ mix.
- On the opex side, the sequential uptick was owing to a confluence of late-year factors including a resumption of sales team hirings, Propel IQ sales and marketing spend, and SalesCloser R&D.
- This growth spend is expected to moderate following the SalesCloser launch and as the company defers new sales team hiring to instead drive higher efficiency from the current headcount (40–45 salespeople as of Q4 is flat Y/ Y).
- While early days, SalesCloser AI is seeing solid early interest from greenfield customers, opening doors to new verticals (e.g., insurance, financial advisory) that could also push the company upmarket with higher recurring revenue and lower churn risk and also into new countries at low cost.



WEEKLY MARKET WRAP-UP

Source: Canaccord Genuity Research

April 8, 2024 – April 12, 2024

- The S&P 500 is down for a third week in a row and now stands ~5% below its March 28 peak. The S&P/TSX has fared better, down only a fraction.
- This difference in performance is consistent with a shift in investors' view toward a possible "no landing" scenario where inflationary growth delays Fed cuts.
- The S&P/TSX is a natural hedge against this backdrop (and geopolitical risk), given its high weighting in deep cyclical stocks such as energy, base and precious metals, which tend to thrive in high-inflation regimes.
- Conversely, the upward pressure on bond yields is hurting long-duration sectors such as technology, which are more heavily weighted in the S&P 500.
- Historically, real bond yields of ~2% usually provide a good margin of safety to investors. Also, above 4.5%, the reward-to-risk ratio seems favourable should our call for a white-collar recession materialize later this year.
- Historically, the CDN\$ has shown a tight correlation with commodities, notably oil prices (~0.67 since 1983). That said, this correlation has weakened markedly over the past three years (~0.06).
- The BoC policy rate and bond yields stand below their US counterparts.
- Core inflation in Canada (2%) is already back on target, meaning the BoC could cut rates before the Fed when the next easing cycle begins.
- Last, the Canadian economy remains highly leveraged. While the current government sometimes prides itself on being less indebted than its US counterpart (~102% of GDP vs. ~86% in Canada), when the heavier debt load of Canadian households and non-financial corporations is considered, Canada does not compare favourably anymore.
- The total debt-to-GDP ratio stood at 306% in Canada vs. 253% in the US in Q3/23. This means Canadian nonfinancial sectors could be less responsive to rate cuts given the bigger debt burden, while higher interest rates have yet to fully filter through the economy.
- Regarding economic data, in Canada, headline inflation re-accelerated to a 2.9% annual pace (from 2.8%), with gasoline prices and mortgage interest costs among the main contributors.
- The good news is core inflation is back to the BoC target at 2.0% YoY (from 2.1%).
- In the US, retail sales came in much stronger than expected, with a 0.7% MoM print (vs. 0.3% exp.) and YoY figures accelerating to 4% (from 2.1%).
- On the supply side, industrial production grew 0.4% MoM in March and is now flat YoY (from -0.3%).
- On housing, the NAHB remained virtually unchanged in April at 51. However, March building permits (-4.3% MoM), housing starts (-14.7%) and existing home sales (-4.3%) suggest the bounce in February was probably temporary due to favourable weather conditions.

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INDUSTRY UPDATE

Oil

- WTI (June) is down 0.1% to \$81.79 and Brent (June) is down 0.1% to \$86.95.
- Crude is little changed Tuesday morning after settling down 0.4% yesterday as the market continues to price-out geopolitical risk in the Middle East.
- Fund managers are increasingly boosting their exposure to Brent and decreasing WTI positions as Brent is more susceptible to supply disruptions in Middle East, while WTI's recent rally is increasingly being scrutinized.
- Though tensions with Iran have eased, Israel now turning focus to Rafah, the last Hamas stronghold in Gaza.
- Current goal of the Israeli government is to free remaining hostages, eliminate the final stronghold of Hamas, and declare victory in the war.
- Note, Israel has come under increasing international pressure over the planned invasion due to the wide-ranging impact it is expected to have on Rafah-based civilians.
- Elsewhere, on the economic/demand front, overall business activity in the euro zone expanded at its fastest pace in nearly a year this month, though manufacturing is still in a downturn according to S&P Global.
- In China, S&P Global also assesses steel demand in Q2 will be weaker than expected despite it being a traditionally strong time of the year for steel demand.
- Looking ahead, API data is out today after the close, followed by official DOE stockpile data on Wednesday at 10:30 AM ET.

Headlines – Bloomberg/ FT/Platts/

- Biden is still expected to sign new Iran oil sanctions into law this week but traders are largely unconcerned as enforcement will likely be very lenient.
- IEA sees electric vehicle boom displacing up to 12M bpd of oil by 2035.
- US shale revolution has been stabilizing oil markets and lessening market volatility caused by geopolitical risks.
- Carlyle Group's chief strategy officer says commodities are a win-win for investors as climbing prices reflect vigorous economic growth; sees \$100 oil in sight.

Source: FactSet



MARKET MOVERS

Source: FactSet

CANADA 52-Week Highs

TSE Total 52-Week Highs		6
TSXV Total 52-Week Highs		10
Alphamin Resources Corp.	AFM	1.13
G2 Goldfields, Inc.	GTWO	1.26
Genesis Land Development Corp.	GDC	3.25
Hemisphere Energy Corp	HME	1.70
Kontrol Technologies Corp.	KNR	0.29
Primo Water Corporation	PRMW	25.50
Regulus Resources Inc	REG	1.60
Reunion Gold Corporation	RGD	0.60
Rio2 Ltd.	RIO	0.47
Shamaran Petroleum Corp.	SNM	0.09
Sintana Energy Inc.	SEI	0.82
Suncor Energy Inc.	SU	53.54
Taiga Building Products Ltd.	TBL	3.40
TILT Holdings, Inc.	TILT	0.04

U.S. 52-Week Highs

NASDAQ Total 52-Week Highs		33
NYSE Total 52-Week Highs		37
Allstate Corporation	ALL	175.41
American Express Company	AXP	233.00
Badger Meter, Inc.	BMI	181.14
Blackstone Secured Lending Fund	BXSL	31.60
Charles Schwab Corp	SCHW	74.26
Church & Dwight Co., Inc.	CHD	105.95
Kinder Morgan Inc Class P	KMI	18.82
Kirby Corporation	KEX	99.14
Mr. Cooper Group, Inc.	COOP	78.06
ONEOK, Inc.	OKE	79.91
Pilgrim's Pride Corporation	PPC	35.99
Progressive Corporation	PGR	213.00
Republic Services, Inc.	RSG	191.76
Sprouts Farmers Market, Inc.	SFM	65.43
Wells Fargo & Company	WFC	61.10

CANADA 52-Week Lows

TSE Total 52-Week Lows		6
TSXV Total 52-Week Lows		18
1CM Inc.	EPIC	1.00
Africa Energy Corp.	AFE	0.07
American Lithium Corp.	LI	0.69
Atha Energy Corp.	SASK	0.73
Ballard Power Systems Inc.	BLDP	3.56
Cannabist Company Holdings Inc	CBST	0.38
Corus Entertainment Inc. Class B	CJR.B	0.50
Exro Technologies, Inc.	EXRO	0.65
Graphite One Inc.	GPH	0.75
Kontrol Technologies Corp.	KNR	0.29
Spin Master Corp	TOY	30.76
Standard Lithium Ltd.	SLI	1.49
Tidewater Midstream & Infrastructure Ltd.	TWM	0.74
TILT Holdings, Inc.	TILT	0.04
Western Forest Products Inc.	WEF	0.55

U.S. 52-Week Lows

NASDAQ Total 52-Week Lows		140
NYSE Total 52-Week Lows		40
Avis Budget Group, Inc.	CAR	102.09
Axcelis Technologies, Inc.	ACLS	96.96
Caesars Entertainment Inc	CZR	38.42
Concentrix Corporation	CNXC	55.20
Freedom Holding Corp.	FRHC	65.19
GlobalFoundries Inc.	GFS	46.37
Legend Biotech Corp. Sponsored ADR	LEGN	47.06
Lucid Group, Inc.	LCID	2.38
ON Semiconductor Corporation	ON	60.65
SolarEdge Technologies, Inc.	SEDG	54.51
Tesla, Inc.	TSLA	142.05
Vail Resorts, Inc.	MTN	202.65
VinFast Auto Ltd.	VFS	2.43
Wolfspeed Inc	WOLF	23.94
Zoetis, Inc. Class A	ZTS	145.54

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ASSET CLASS PERFORMANCE

Source: FactSet

*All numbers presented on the table below are based on total return

As of: 04/22/2024		Price Return					CAGR		
Index	Price	Daily	Weekly	Monthly	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.
S&P TSX	21,871.96	0.30%	0.61%	-0.51%	4.36%	5.70%	7.97%	9.02%	7.36%
S&P TSX 60	1,313.41	0.45%	0.86%	-0.78%	3.84%	5.16%	8.47%	9.25%	8.01%
S&P/TSX Venture	566.06	-0.17%	-1.84%	2.49%	2.38%	-7.84%	-14.95%	-1.50%	-5.57%
S&P 500	5,010.60	0.87%	-1.01%	-4.27%	5.05%	21.22%	8.29%	13.37%	12.38%
NASDAQ Composite	15,451.31	1.11%	-2.73%	-5.95%	2.93%	27.99%	4.61%	14.99%	15.16%
Dow Jones Industrial Average	38,239.98	0.67%	1.34%	-3.13%	1.46%	13.11%	6.33%	9.93%	11.27%
iShares MSCI ACWI ex U.S. ETF	51.74	1.13%	-3.42%	-4.61%	1.60%	13.40%	-2.91%	1.70%	0.93%
Shanghai - SSE	3,044.60	-0.67%	-0.42%	-0.11%	2.34%	-7.77%	-4.45%	-1.23%	3.84%
France - CAC 40	8,040.36	0.22%	-0.06%	-1.37%	6.59%	6.12%	11.79%	10.65%	9.32%
Germany - DAX	17,860.80	0.70%	-0.92%	-1.90%	6.62%	12.46%	5.25%	7.88%	6.41%
Italy - FTSE MIB	33,724.82	-0.58%	-0.68%	-1.80%	11.11%	21.55%	16.85%	13.61%	8.36%
Japan - Nikkei 225	37,438.61	1.00%	-4.57%	-8.44%	11.88%	31.07%	10.87%	13.21%	12.17%
U.K. - FTSE 100	8,023.87	1.62%	0.73%	1.17%	3.76%	1.39%	8.99%	5.36%	5.85%
Australia - ASX 200	7,649.20	1.08%	-1.33%	-1.56%	0.77%	4.35%	7.08%	8.18%	7.76%
India - S&P BSE 100	23,402.26	0.87%	0.29%	1.80%	4.54%	30.82%	18.62%	16.27%	14.62%
Commodity	Price	Daily	Weekly	Monthly	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Crude Oil WTI (NYM \$/bbl)	81.90	-0.39%	-3.48%	2.24%	16.50%	9.17%	10.06%	4.55%	-2.15%
Nat Gas Fin LD (NYM \$/btu)	1.79	2.23%	5.91%	7.96%	-23.03%	-19.79%	-15.12%	-6.63%	-9.33%
Gold (NYM \$/ozt)	2,346.40	-2.79%	-1.54%	7.54%	11.07%	11.13%	9.61%	12.93%	6.24%
Silver (NYM \$/ozt)	27.25	-5.54%	-5.13%	9.67%	12.00%	2.72%	1.34%	12.72%	3.48%
High Grade Copper (NYM \$/lbs)	4.48	-0.48%	2.22%	11.69%	14.44%	8.51%	1.56%	9.06%	3.90%
Lumber (CME \$/bft)	514.50	1.48%	-3.65%	-15.52%	0.00%	-13.59%	-36.20%	1.23%	0.26%
Miscellaneous	Price	Daily	Weekly	Monthly	YTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.
CAD/USD	0.73	0.04%	0.33%	-0.94%	-3.93%	-1.36%	-3.06%	-0.53%	-2.16%
Bitcoin USD (CME)	66,610.00	3.50%	4.80%	4.12%	56.78%	143.90%	8.01%	65.31%	-
10Y Canada Govt Bond (MOD)	117.71	-0.11%	-0.02%	-2.28%	-5.09%	-7.15%	-5.54%	-3.06%	-1.01%
10Y US T-Note (BMF)	107.91	0.00%	0.01%	-2.57%	-4.42%	-5.89%	-6.63%	-2.57%	-1.35%
CBOE VIX (CBF)	16.47	-7.66%	-8.57%	16.22%	-6.66%	-70.59%	-8.02%	3.05%	0.77%

All prices are in local currencies

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MACRO-EVENT SCHEDULE

Source: Bloomberg Finance L.P.

April 22 - April 26		Event	Actual	Estimate
Tuesday	US	S&P Global US Manufacturing PMI	-	52
	US	New Home Sales	-	668k
Wednesday	US	MBA Mortgage Applications	-	--
	CA	Retail Sales MoM	-	0.1%
	US	Durable Goods Orders	-	2.5%
Thursday	US	GDP Annualized QoQ	-	2.5%
	US	GDP Price Index	-	3.0%
	US	Wholesale Inventories MoM	-	0.3%
	US	Initial Jobless Claims	-	215k
Friday	US	Personal Income	-	0.5%
	US	Personal Spending	-	0.6%
	US	U. of Mich. Sentiment	-	77.9

EARNINGS

Source: Bloomberg Finance L.P.

CANADA						
Company	Ticker	Exchange	Period	Time	Est.EPS	
Dundee Sustainable Technologie	DST	CSE	Q1 2024	-	-	
Good Flour Corp/The	GFCO	CSE	Q4 2023	-	-	
Greenridge Exploration Inc	GXP	CSE	Q2 2024	-	-	
Live Energy Minerals Corp	LIVE	CSE	Q2 2024	-	-	
ME Therapeutics Holdings Inc	METX	CSE	Q3 2024	-	-	
Pharmala Biotech Holdings Inc	MDMA	CSE	20	-	-	
Canadian National Railway Co	CNR	TSX	Q1 2024	AC	1.71	
First Quantum Minerals Ltd	FM	TSX	Q1 2024	AC	-0.10	
West Fraser Timber Co Ltd	WFG	TSX	Q1 2024	AC	0.42	
AGEDB Technology Ltd	AGET	TSXV	Q4 2024	-	-	
Black Swan Graphene Inc	SWAN	TSXV	Q4 2023	-	-	
USA						
Company	Ticker	Exchange	Period	Time	Est.EPS	
PepsiCo Inc	PEP	NASDAQ	Q1 2024	06:00	1.52	
Tesla Inc	TSLA	NASDAQ	Q1 2024	AC	0.52	
Texas Instruments Inc	TXN	NASDAQ	Q1 2024	AC	1.11	
Danaher Corp	DHR	NYSE	Q1 2024	06:00	1.71	
General Electric Co	GE	NYSE	Q1 2024	BO	0.65	
Lockheed Martin Corp	LMT	NYSE	Q1 2024	BO	5.80	
NextEra Energy Inc	NEE	NYSE	Q1 2024	BO	0.72	
Philip Morris International In	PM	NYSE	Q1 2024	BO	1.40	
RTX Corp	RTX	NYSE	Q1 2024	BO	1.23	
United Parcel Service Inc	UPS	NYSE	Q1 2024	06:00	1.32	
Visa Inc	V	NYSE	Q2 2024	AC	2.44	

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Source: Bloomberg Finance L.P.

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THE LAST DROP: " *You're braver than you believe, and stronger than you seem, and smarter than you think.*"

- A.A. Mine



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Quest® triAngle is Canaccord Genuity's proprietary 15-factor, stock-picking tool, which systematically measures Value, Quality and Momentum and presents the results in a simple, easy to understand score. It takes a multi-pronged approach to Value, Quality and Momentum using five factors for each component, which adds more consistency of performance unlike a reliance on one single measure. It uses a mix of historic and forecast data, and combines absolute valuation data with comparisons relative to history. The triAngle is designed to generate stock ideas and provide a consistent framework for analysis of portfolio holdings.

Quest® Methodology

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