MARKETS

COMPANIES OF LOCAL INTEREST

Thursday's stock prices supplied by
RBC Dominion Securities of Red Deer. For information call 341-8888

Diversified and Industrials

Nutrien Ltd (NTR).. . . . . 83.71
ATCO Ltd. (ACO) 41.05
BCE Inc. (BCE). 64.43
BlackBerry (BB) 14.55
Bombardier (BBD.B). 2.04
CNR 164.39
CPR 95.04
Cdn. Utilities (CU). 35.36
C. Power Corp. (CPX) . . 40.99
Cervus (CERV). 19.49
Dow Inc. (DOW-USA). . . 57.17
Enbridge Inc. (ENB) 52.32
Finning (FTT) 36.60
Fortis Inc. (FTS) 55.95
General Motors (GM).. . . 58.64
Parkland (PKI) 36.71
SNC 32.65
Stantec Inc. (STN). . . . 68.48
Telus Corp. (T).. . . . . 28.31
Transalta Corp (TA). 13.79
TC Energy (TRP) 66.66

Consumer

Canadian Tire (CTC) . . 276.00
Gamehost (GH) 8.22
Leon's Furniture (LNF) . . 24.65
Loblaw Ltd.(L). 95.67
Maple Leaf (MFI) 30.62
Wal-Mart (WMT-USA). . 151.28

Mining

Barrick Gold (ABX) 23.36
Cameco Corp. (CCO). . . 33.82
FM 27.79
Hudbay Minerals (HBM) . . 8.42
Kinross (K) 7.50
Labrador. (LIF).. . . . . 34.68
Sherritt Intl. (S) 0.46

Energy

Arc Resources (ARX) . . . 11.97
Badger (BDGI) . . . . . NA
BKR-USA 24.94
Bonterra Energy (BNE). . . 6.88
Cdn. Nat. Res (CNQ).. . . 52.61
Cenovous (CVE). 15.26
CWC-TSX. 0.19
Ovintiv Inc. (OVV). 44.51
Essential Energy (ESN) . . 0.40
XOM-USA 64.41
HAL-USA 24.52
High Arctic (HWO) 1.74
Imperial Oil (IMO) 41.19
Obsidian (OBE). 4.64
Precision (PD) 53.66
Suncor Energy (SU) 32.28
Trican Ltd.(TCW) 3.60
Vermilion Energy (VET) . 13.64

Financials

BMO 137.34
Bank of N.S (BNS).. . . . . 82.92
CIBC (CM) 149.91
Cdn. Western (CWB) . . . 40.46
Great West Life (GWO) . 37.55
IGM Financial (IGM) 49.52
Intact (IFC) 165.50
Manulife Corp (MFC). . . . 24.04
National Bank (NA). . . . 104.48
Rifco Inc. (RFC-TSX).. . . . 1.29
Royal Bank (RY). 132.51
Sun Life Fin. Inc. (SLF). . 71.24
TD Bank (TD) 91.28

MARKETS CLOSE

TORONTO — Canada's main stock index set record highs as strong earnings drove gains by individual companies and the price of gold rose on signs that global central banks are in no hurry to raise interest rates.

The December gold contract was up US$29.60 at US$1,793.50 an ounce. The 1.7 per cent increase appears to be the result of global central banks being less aggressive about rate hikes, said Anish Chopra, managing director with Portfolio Management Corp.

The Bank of England didn't increase rates Thursday as expected, one day after the U.S. Federal Reserve said move to taper its stimulus program doesn't necessarily mean rates will soon rise.

"As a result of that, investors concerned about inflation would look for an inflation hedge because if the rates may not be going up, what can hedge an investor against inflation, and that's certainly gold," he said in an interview.

Higher gold prices helped the materials sector, which climbed even as the December copper contract was essentially flat at US$4.32 a pound.

The S&P/TSX composite index gained 77.03 points to a record close of 21,342.13 after hitting an intraday peak of 21,381.25.

U.S. markets were mixed and relatively flat. In New York, the Dow Jones industrial average was down 33.35 points at 36,124.23. The S&P 500 index was up 19.49 points at 4,680.06, while the Nasdaq composite was up 128.73 points at 15,940.31.

Chopra said markets were digesting news from the Fed while awaiting Friday's jobs report from October.

The U.S. employment numbers are expected to be good with the COVID-19 impact on businesses slowly receding as more states are reopening more fully.

On Thursday, the weekly first-time unemployment claims decreased to the lowest level since the start of the pandemic with 269,000 people making claims.

October's non-farm payrolls number will give investors and the Fed more data about the strength of the U.S. economy.

The Fed said it would adjust the timeline for cutting bond purchases and raising rates if required. Chopra said he doesn't believe Fed chairman Jerome Powell and the central bank would hesitate to adjust if inflation was running too hot.

"He's going to be patient but if the data show that the U.S. economy is strengthening far more rapidly than they thought, inflation numbers continue to stay high, the Federal Reserve would most likely have to make a move on the interest rate front."

Statistics Canada is scheduled to release Canadian jobs data for October on Friday.

Strong quarterly results prompted the consumer discretionary and staples sectors to lead the TSX.

Spin Master Inc. shares surged 14.6 per cent, Gildan Activewear Inc. rose 6.8 per cent and Maple Leaf Foods Inc. gained 11.6 per cent after reporting results.

Energy rose nearly one per cent despite lower crude oil prices.

The December crude oil contract was down US$2.05 at US$78.81 per barrel and the December natural gas contract was up 4.6 cents at US$5.72 per mmBTU.

Shares of Suncor Energy Inc. and Vermilion Energy Inc. climbed 2.7 and 2.3 per cent, respectively.

The Canadian dollar traded for 80.33 cents US compared with 80.53 cents US on Wednesday.

Meanwhile, technology dropped 1.8 per cent as shares of Lightspeed Commerce Inc. plunged 27.6 per cent after the Montreal company lowered its full fiscal 2022 guidance and warned that supply chain issues are impacting merchants' ability to stock inventory and affecting its own ability to add new customers who require Lightspeed hardware.

Partially offsetting Lightspeed's decrease was a 3.7 per cent gain by Shopify Inc. It followed the path of the tech-heavy Nasdaq as low interest rates are supportive for technology stocks whereas financials and other sectors benefit from higher rates.

Financials was one of three laggards on the day even though Canada's financial services regulator lifted COVID-19-related restrictions and said banks and insurers are free to increase dividends, resume share buybacks and raise executive compensation as of Thursday.

INSURANCE INDUSTRY

Investment gains offset losses for COVID-19, weather events

BY THE CANADIAN PRESS

TORONTO — Canada's big insurers say investment gains and business growth in the third quarter helped offset the costs of weather events and the COVID-19 pandemic.

Sun Life Financial Inc. reported underlying net income was up 6.7 per cent to $902 million for the quarter ending Sept. 30, Manulife reported core net income was up 4.4 per cent to $1.52 billion, and Great-West Lifeco Inc. reported net earnings were up five per cent to $872 million.

The insurers all reported higher assets under management as they saw inflows of investments and market gains, with Sun Life up 11 per cent to $1.39 trillion compared with the end of 2020, Manulife up 7 per cent to $1.4 trillion over the same period, and Great West up 11 per cent to $2.2 trillion.

All three also reported negative effects of the pandemic, particularly in their U.S. and Asian divisions.

Manulife said its earnings were impacted by a $152 million charge to its property and casualty reinsurance business for losses related to Hurricane Ida and European floods, and the effects of COVID-19 on policyholders in Asia and the U.S.

Anil Wadhwani, CEO of Manulife Asia, said on an earnings call Thursday that the pandemic affected the division both in sales and claims.

"We saw a significant impact on account of the resurgence of COVID in Southeast Asian market, and that had an impact on at two levels. One, we saw our sales volume get impacted; and the second, we experienced adverse policyholder experience specifically coming out of markets like Indonesia and Philippines."

Great-West said third quarter earnings were down 31 per cent in its capital and risk solutions division compared with last year because of major weather events and unfavourable U.S. life claims totalling $71 million from direct and indirect COVID-19 impacts.

And Sun Life said its U.S. business saw a 19 per cent drop in underlying net income because of higher claims from COVID-19, as well as lower base earnings in its Asian division because of the effects of the pandemic especially in Indonesia and the Philippines.

Daniel Fishbein, president of Sun Life's U.S. division, said on an earnings call Thursday that the higher claims in the U.S. came as COVID-19 hit working age people who have lower vaccine rates than those over 65.

"The third quarter was the worst quarter for mortality in the U.S. in the working age population since the pandemic began ... so in the third quarter, we saw a big shift in mortality into the working age population."

Scotiabank analyst Meny Grauman said in a note that the key news from Sun Life was its upgraded expectations for return on equity to 16 per cent for the medium-term, while the company's performance in the US and Asia both came in below expectations to impact results.

"We expect both of those impacts to be temporary, but they do take some of the shine off of what in our view is a constructive earnings release."

Grauman said that Manulife core earnings per share were four per cent below his expectations, but that overall the results were neutral.

