

Investor.Coffee (10.23.2024) : Middle East Conflict Driving Gold Surge, and U.S. Election Uncertainty Impacting Investor Sentiment

written by Tracy Hughes | October 23, 2024

Good Morning, Investors!

Welcome to today's **Investor.Coffee** newsletter. The global financial markets are experiencing a mix of caution and optimism. In Canada, all eyes are on the Bank of Canada's decision regarding an expected interest rate cut. Investors in the U.S. are reacting to earnings and earnings expectations from major players, and the situation in the European markets remains choppy, driven by mixed earnings reports. Meanwhile, Asia saw a modest rise as China promised government help to stimulate its economy. Commodities, especially gold, are surging due to global conflicts, while oil prices are stabilizing despite market uncertainty. With all this in mind, here's what investors need to watch out for today.

Canadian Market Update

The Canadian market is focused on two significant events: the Bank of Canada's rate decision and earnings reports from major corporations. Economists widely expect a 50-basis point rate cut to relieve consumer pressures amid rising inflation and slowing economic growth. This decision could have lasting effects on both equity markets and bond yields.

Several major Canadian companies are also set to report earnings today, including [Canadian Pacific Kansas City Ltd.](#) (TSX: CP | NYSE: CP) and [Celestica Inc.](#) (TSX: CLS). Investors are eager to assess their quarterly results amid ongoing global supply chain challenges. Canadian Pacific's Q3 earnings call is anticipated to shed light on how the railway giant is handling cross-border freight operations between Canada, the U.S., and Mexico.

US Market Update

The U.S. markets are seeing a cautious pre-open after the S&P 500 posted consecutive losses for the first time since early September. Futures indicate a slight dip as investors prepare for key earnings reports, with attention on companies like [McDonald's Corp.](#) (NYSE: MCD) and [Boeing Co.](#) (NYSE: BA). McDonald's is grappling with a severe E. coli [outbreak](#) linked to its Quarter Pounder, leading to a 6% drop in premarket trading. The company's swift action, including removing the Quarter Pounder from affected states, has done little to soothe investor concerns about long-term reputational damage.

Meanwhile, Boeing faces ongoing challenges as its machinists' union votes on a new contract. Production disruptions and financial uncertainty are weighing on the company's stock performance. Other key movers in the market include [Eli Lilly and Co.](#) (NYSE: LLY), which has received U.K. [approval](#) for its Alzheimer's treatment, and [Starbucks Corp.](#) (NASDAQ: SBUX), which announced a significant shift in strategy to regain lost ground in its U.S. and China markets.

UK Market Update

The UK market has been marked by earnings reports and macroeconomic concerns. [HSBC Holdings PLC](#) (LSE: HSBA) is facing

pressure as it [restructures](#) its operations in Europe. Analysts are paying close attention to how the bank positions itself amid ongoing economic challenges in its key markets, particularly in Asia.

Mining and resource companies have been hit hardest, with weaker earnings from [Anglo American PLC \(LSE: AAL\)](#) and [Rio Tinto Group \(LSE: RIO\)](#) dragging down the FTSE 100. The focus remains on how these companies will adjust to global fluctuations in commodity prices, especially in iron ore and copper. On a brighter note, the surge in gold prices is benefiting companies with exposure to the precious metals sector, as geopolitical tensions drive demand for safe-haven assets.

Australian Market Update

The Australian market saw a mixed session as gold miners benefited from record-high gold prices, while oil and energy stocks faced pressure due to fluctuations in global crude prices. The rising cost of oil is driving up inflation concerns, despite some stabilization efforts by the Australian government.

In corporate news, [Impact Minerals Limited \(ASX: IPT\)](#) made headlines after securing a government [grant](#) to commercialize its High Purity Alumina (HPA) project. The \$2.87 million grant positions Impact to further develop its Lake Hope deposit, aiming to complete a pilot plant by 2025. This development aligns with Australia's strategic push into critical minerals, as the demand for HPA grows globally.

International Market Update

Globally, investors are reacting to various regional developments. In Europe, markets have been choppy as [Deutsche Bank AG \(NYSE: DB\)](#) and [L'Oréal S.A. \(EPA: OR\)](#) posted weaker-

than-expected earnings, dampening overall sentiment. Meanwhile, China's government continues to pledge economic support, providing a modest boost to stocks in Hong Kong.

In the Middle East, the ongoing conflict has led to surges in safe-haven assets, with gold prices reaching new highs. Oil markets, however, remain stable despite tensions, as traders focus on U.S. crude inventory data. The upcoming U.S. election is another factor weighing on international markets, with investors bracing for potential volatility.

Notable News Highlights

[Appia Rare Earths & Uranium Corp.](#) (CSE: API | OTCQX: APAAF) – October 23, 2024

Appia has [initiated](#) a diamond drilling program at the PCH Target IV in Goias, Brazil, to explore potential high-grade Rare Earth Elements (REE) mineralization in the area, following indications from previous drilling efforts. The project aims to drill up to 450 meters across three 150-meter holes within approximately 25 days, focusing on a carbonatitic breccia intrusion or dike identified earlier this year. Additionally, the company has recently completed a maiden Mineral Resource Estimate for Target IV and the Buriti Zone, with a technical report filed under NI 43-101 standards.

[Appia Rare Earths & Uranium Corp.](#) (CSE: API | OTCQX: APAAF) – October 22, 2024

Appia has [announced](#) a non-brokered private placement offering totaling \$1,022,000, comprised of 8,931,250 working capital units at \$0.08 each and 3,075,000 flow-through units at \$0.10 each, set to close on October 29, 2024. The working capital units include common shares and warrants, which allow the holder to purchase additional shares at \$0.15 under specific conditions, while the flow-through units are aimed at funding

Canadian exploration expenses eligible for critical mineral exploration tax credits

Apple Inc. (NASDAQ: AAPL) – October 22, 2024

Apple CEO Tim Cook [recently met](#) with China's Minister for Industry and Information Technology, Jin Zhuanglong, during a visit to Beijing. The meeting emphasized Apple's continued commitment to deepening its presence in China, increasing investment in innovation, and partnering with local companies. Cook's visit underscores Apple's efforts to strengthen its foothold in the Chinese market, particularly as it seeks to expand collaborations in technology and sustainability.

Baker Hughes Co. (NASDAQ: BKR) – October 22, 2024

Baker Hughes exceeded Wall Street expectations for its Q3 2024 [profit](#), driven by strong demand for its drilling equipment and oilfield technology in international markets. Revenue from its industrial and energy technology segments rose 9% year-over-year, despite a 6% decline in oilfield services in the Middle East and Asia. Baker Hughes posted adjusted earnings of 67 cents per share, surpassing analysts' estimates of 61 cents per share, while total revenue slightly missed expectations.

Boeing Co. (NYSE: BA) – October 23, 2024

Boeing workers on the West Coast are set to [vote](#) on a new contract proposal that could end a five-week strike affecting production of the 737 MAX, 767, and 777 aircraft. The machinist strike has significantly impacted Boeing's manufacturing operations, and the outcome of the vote is critical for the company as it faces deepening financial challenges. Voting results are expected later today, with a simple majority needed to accept or reject the contract.

Boston Scientific Corp. (NYSE: BSX) – October 23, 2024

Boston Scientific raised its annual profit forecast after

posting better-than-expected third-quarter [results](#), driven by strong demand for its heart devices. The company now expects adjusted earnings per share for 2024 to be between \$2.45 and \$2.47, up from previous guidance. Revenue for the quarter grew 19.4% year-over-year, totaling \$4.21 billion, as compared to analysts' expectations of \$4.04 billion.

[Collective Mining Ltd.](#) (NYSE: CNL | TSX: CNL) – October 22, 2024

Collective Mining [announced](#) a significant high-grade gold discovery at the Apollo system within its Guayabales Project in Caldas, Colombia. The newly identified "Ramp Zone," discovered in drill hole APC99-D5, includes an intercept of 57.65 meters at 8.18 g/t gold equivalent (AuEq), with a high-grade section of 18.85 meters at 20.21 g/t AuEq. Located at a depth of 1,150 meters, the Ramp Zone suggests substantial potential for expansion both laterally and at depth.

[Canadian Pacific Kansas City Ltd.](#) (TSX: CP | NYSE: CP)

Canadian Pacific Kansas City Ltd. is set to release its Q3 earnings today, with expectations of C\$1.01 per share. Investors are looking forward to updates on how the cross-border railway operations have performed following the successful merger of Canadian Pacific and Kansas City Southern. The company will hold its earnings conference call later today at 4:30 PM EDT.

[The Coca-Cola Company](#) (NYSE: KO) – October 23, 2024

The Coca-Cola Company [reported](#) a decline in third-quarter earnings, with profits dropping to \$2.848 billion, or \$0.66 per share, down from \$3.087 billion, or \$0.71 per share, in the same period last year. Adjusted earnings came in at \$3.347 billion, or \$0.77 per share. The company's revenue for the quarter also decreased slightly by 0.8% to \$11.854 billion, compared to \$11.953 billion last year. Despite the drop, Coca-Cola continues to generate strong earnings, though the slight revenue decline reflects market challenges.

Celestica Inc. (TSX: CLS) – October 22, 2024

Celestica Inc. is [scheduled](#) to report Q3 earnings today, with expectations of 93 cents per share. The company will provide details on its performance amid ongoing supply chain disruptions and semiconductor shortages affecting the global electronics manufacturing sector. Celestica's earnings call is set for 5:00 PM EDT.

CME Group Inc. (NASDAQ: CME) – October 23, 2024

CME Group [reported](#) an increase in third-quarter profit, driven by higher trading volumes amid uncertainty surrounding U.S. monetary policy. Net income rose to \$901.3 million, or \$2.50 per share, beating analysts' estimates. As one of the largest derivatives exchanges globally, CME Group's performance reflects investor efforts to reposition portfolios amidst volatility in interest rates and commodity prices.

Eli Lilly and Co. (NYSE: LLY) – October 23, 2024

Eli Lilly's Alzheimer's treatment, donanemab, received [approval](#) from the UK's Medicines and Healthcare products Regulatory Agency (MHRA). Branded as Kisunla, this is the third major market to approve the drug, following the U.S. and Japan earlier this year. The approval boosts Eli Lilly's portfolio of treatments for neurodegenerative diseases, though final approval for NHS use is still pending.

Enphase Energy Inc. (NASDAQ: ENPH) – October 22, 2024

Enphase Energy issued weaker-than-expected revenue [guidance](#) for Q4, forecasting between \$360 million and \$400 million, below Wall Street's expectations. The company reported softening demand for its solar inverters, particularly in Europe, which contributed to a 15% sequential drop in revenue in the region. Enphase plans to increase its production of U.S.-manufactured microinverters and batteries in the fourth quarter.

IAMGOLD Corporation (NYSE: IAG | TSX: IMG) – October 23, 2024

IAMGOLD [reported](#) assay results from the 2024 drilling program at its Nelligan Project in Quebec, confirming the extension of key mineralized zones. Highlights include significant gold intercepts from the Renard Zone, such as 25.5 meters at 2.12 g/t Au and 29.0 meters at 2.79 g/t Au. Additionally, the company updated its Monster Lake Project resource estimate, indicating a 32% increase in inferred resources. These results reaffirm the growth potential of the Nelligan deposit and underscore the company's continued exploration success.

Impact Minerals Limited (ASX: IPT) – October 22, 2024

Impact Minerals announced a \$2.87 million [grant](#) from the Australian government to support its High Purity Alumina (HPA) project. The funding will be used to commercialize the Lake Hope deposit in Western Australia, a critical mineral for battery technologies. Impact Minerals aims to complete a pilot plant by 2025, positioning itself as a key player in the growing global HPA market.

JPMorgan Chase & Co. (NYSE: JPM) – October 23, 2024

JPMorgan Chase is reportedly in talks to [resume](#) trading physical liquefied natural gas (LNG) after a decade-long hiatus. The bank is in discussions with multiple Gulf Coast projects, including Sempra Energy and Energy Transfer, to secure long-term LNG supply. This move is part of JPMorgan's broader strategy to expand its energy trading operations.

Kuya Silver Corporation (CSE: KUYA | OTCQB: KUYAF) – October 22, 2024

Kuya Silver Corporation has [announced](#) the first sale of silver-lead concentrate from its Bethania silver mine in Peru. The company sold 9.58 dry metric tonnes of concentrate and expects more sales as production ramps up. This milestone marks a significant step forward for Kuya Silver as it continues to

expand its operations in Peru.

McDonald's Corp. (NYSE: MCD) – October 22, 2024

McDonald's is dealing with an E. coli [outbreak](#) linked to its Quarter Pounders, resulting in one death and multiple hospitalizations across several states. The company has temporarily removed the product from affected locations and is investigating the contamination source, believed to be slivered onions. McDonald's shares have fallen 6% in premarket trading as the market responds to the crisis.

Pfizer Inc. (NYSE: PFE) – October 22, 2024

Pfizer's RSV vaccine has received U.S. FDA [approval](#) for adults aged 18 to 59 who are at increased risk of respiratory syncytial virus (RSV). The approval follows earlier regulatory success in Japan and the U.K. The CDC is expected to review Pfizer's data soon, which could expand the vaccine's use to more age groups in the U.S.

Purepoint Uranium Group Inc. (TSXV: PTU | OTCQB: PTUUF) – October 22, 2024

Purepoint Uranium has entered into a [joint venture](#) with [IsoEnergy Ltd.](#) (TSX: ISO | OTCQX: ISENF) to explore and develop uranium properties in Saskatchewan's Athabasca Basin. The partnership includes 10 projects covering over 98,000 hectares, focusing on the Larocque Trend. Purepoint will serve as the operator during the exploration phase, while IsoEnergy will take over for pre-development.

Starbucks Corp. (NASDAQ: SBUX) – October 22, 2024

Starbucks has [suspended](#) its financial forecast for the next fiscal year as new CEO Brian Niccol works to implement a turnaround plan. The company has reported weaker-than-expected preliminary Q4 results, citing a decline in same-store sales and revenue, particularly in its U.S. and China markets. Niccol

announced plans to simplify the menu and pricing structure as part of the company's new strategy.

Suncor Energy Inc. (TSX: SU | NYSE: SU) – October 22, 2024

Suncor Energy will [announce](#) its third quarter financial results for 2024 on November 12, and will hold a webcast the following day, led by CEO Rich Kruger and CFO Kris Smith, to discuss these results. The webcast will feature a presentation by management followed by a Q&A session with analysts, hosted by Troy Little, Senior Vice President of External Affairs. Suncor Energy, a leading integrated energy company in Canada, is involved in various sectors including oil sands development, petroleum refining, and renewable energy initiatives.

Texas Instruments Inc. (NASDAQ: TXN) – October 22, 2024

Texas Instruments exceeded third-quarter [profit](#) expectations, driven by recovering demand for analog chips, particularly in the automotive market. The company posted earnings of \$1.47 per share, above estimates of \$1.37. However, it issued a cautious outlook for Q4 due to ongoing weakness in the industrial market and inventory challenges faced by customers.

Investor.Coffee is published Monday through Thursday and is distributed to a global audience. Stay tuned for further insights and updates as the week progresses.

Publisher's Note: Tracy Hughes uses a variety of sources for her daily market update series called **Investor.Coffee**. This series is intended to be a brief summary of daily market highlights that the **Investor.News** team finds interesting. This summary is meant to inspire research, investigation, and due diligence, and we encourage you to always seek licensed professional advice with any investment decision. While Tracy is a professional writer, she is not a licensed investment advisor. And yes, Tracy

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