

BNN MORNING NOTE

eResearch Corporation is pleased to provide the BNN Morning Newsletter, hosted by Noah Zivitz. Every morning Business Day, Noah Zivitz writes a "Chase Note" to BNN's editorial staff listing the stories and events that will be in the spotlight that day.

Today's commentary is presented below.

<u>Commodities</u> As of: 06:58 AM EDT	<u>Currencies</u> As of: 06:58 AM EDT
Gold - \$1321.5 - USD	Euro - \$1.2037 - USD
Oil - \$46.48 - USD	Canadian Dollar - \$0.8025 - USD
Silver - \$17.431 - USD	British Pound - \$1.2953 - USD

BW: For further information on "Commodities" and "Currencies", <Ctrl-Click> on the link attached to the item.

North Korea Puts Markets Back On Edge; Banks Continue To Beat

North Korea is putting investors and the global community back on edge. At last look, most major European indices were trading down ~1.5 per cent and futures were pointing to a drop at the open in New York, while gold has touched the highest level since November 8 after Pyongyang fired a ballistic missile over Japan, whose prime minister decried it as an "outrageous action ... [and] an unprecedented, grave and serious threat." Shinzo Abe also reportedly discussed the matter with U.S. President Donald Trump, but there's no evidence of that yet in POTUS's Twitter feed.

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SCOTIA, BMO BEAT ESTIMATES

Scotia kept the momentum going with a profit beat and a dividend boost this morning. The bank affectionately regarded as Canada's most international saw profit in its domestic banking unit top \$1 billion. Meanwhile, international earnings rose 16 per cent – and Scotia even bucked the trend by posting profit growth in its capital markets division. Add it all up, and the quarterly profit of \$1.66 per share edged out estimates and the quarterly payout is rising three cents to 79 per share.

And BMO Financial Group jumped into the fray. Q3 profit of \$2.03 per share beat the average estimate by three cents. Meanwhile, it's holding the quarterly payout at 90 cents per share.

HARVEY REMNANTS

The U.S. National Hurricane Center warned again at 0200 ET of “catastrophic and life-threatening” flooding in Texas and Louisiana, and anticipates Harvey will make another turn inland tomorrow. U.S. President Donald Trump is expected in Texas today. We'll get the latest on his plans and the unfolding humanitarian crisis from our CTV colleagues, and BNN will track developments in the business community and market reaction. Notably, after rising as much as 6.8 per cent yesterday, NYMEX gasoline futures are trading little changed this morning.

HOME CAPITAL NAMES NEW CFO

Home Capital Group [has found its new chief financial officer](#). The embattled alternative lender named Brad Kotush to the post on Tuesday. Most recently, he was chief financial and chief risk officer at Canaccord Genuity.

U.S. 'HOPEFUL' FOR SOFTWOOD DEAL

United States Commerce Secretary Wilbur Ross [announced late yesterday](#) his country is postponing a final decision on Canadian softwood duties until November 14. "I remain hopeful that we can reach a negotiated solution," Ross said in a statement. We'll seek reaction from Ottawa and analysis of what it'll take to strike a deal.

OTHER NOTABLE STORIES:

-We're eager to learn more about how Canada's new health minister will factor into the roadmap for legalizing recreational cannabis. Ginette Petitpas Taylor [picked up the health portfolio](#) in yesterday's cabinet shuffle. Commodities will get industry insight on the implications from Aurora Cannabis EVP Cam Battley at 11:40 a.m. ET.

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-Still no word on whether [Dara Khosrowshahi](#) is jumping ship to Uber. Expedia Chairman Barry Diller made it clear yesterday in a memo to staff that Khosrowshahi is wrestling mightily with the potential move. See that memo [here](#).

-CIBC Capital Markets [released a report today](#) that delves into the “mismatch” between the education system’s structure and the evolving state of Canada’s labour market, including some mind-boggling numbers on how much debt students in STEM programs will be saddled with. We’ll discuss the report with CIBC’s Benjamin Tal at 12:20 p.m. ET.

NOTABLE RELEASES/EVENTS

-Notable earnings: BMO (2:00 p.m. ET call), Bank of Nova Scotia (8:00 a.m. ET call), Laurentian Bank, Best Buy

-Notable data: Canadian industrial product and raw materials price indices (0830), S&P Case-Shiller U.S. home price index (9:00 a.m. ET), U.S. consumer confidence (10:00 a.m. ET)

-12:00 p.m. ET: CMHC to release second-quarter financial report

-1:00 p.m. ET: Canadian Transportation Agency CEO Scott Streiner delivers speech on the transportation modernization act.

-2:00 p.m. ET: International Trade Minister François-Philippe Champagne makes announcement + media avail in Prince Rupert, B.C.

-3:00 p.m. ET: Justin Trudeau holds media avail in Ottawa with King Abdullah II of Jordan

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Bob Weir, CFA, Director of Research

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