

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: 06:41 AM EDT	<u>Currencies</u> As of: 06:41 AM EDT
Gold - \$1312.9 - USD	Euro - \$1.1945 - USD
Oil - \$46.24 - USD	Canadian Dollar - \$0.7981 - USD
Silver - \$17.415 - USD	British Pound - \$1.2929 - USD

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

Harvey Makes Landfall Again; Transat Hearing Gets Underway

Tropical Storm Harvey has made landfall again, moving at a rate of just 11 kilometers an hour. At least 18 deaths are now being blamed on the storm. We will have updates throughout the day from our CTV colleagues in Texas. And BNN will track the domino effect across the energy industry. Notably, America's largest refinery is now operating at 40 per cent of capacity. In announcing the update late yesterday afternoon, Motiva said its highest priority "remains the safety of our employees and community." The Port Arthur refinery has more than 1,500 employees, and reaches a peak capacity of more than 600,000 barrels per day.

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PROXY ADVISOR GIVES THUMBS DOWN TO BUFFETT-HOME CAPITAL PLAN

Institutional Shareholder Services is advising investors to vote against the second tranche of Berkshire Hathaway's proposed investment in Home Capital Group. Based on a cost-benefit analysis, ISS says the additional \$246.8-million investment offers "nominal additional reputational and strategic benefits ... while dilution cost is ... substantial." We are seeking comment from Home Capital and chasing reaction.

TRANSAT HEARING

The Canadian Transportation Agency convenes a hearing today in Ottawa to review circumstances surrounding infamous Transat Flight 157 last month that left passengers trapped on board the plane as it sat on the tarmac in Ottawa for approximately six hours. We will monitor the hearing and assess any lasting impact for Transat and transportation rules in Canada.

FIVE FOR FIVE

National Bank of Canada joined its peers this morning by beating expectations with \$1.39 in adjusted earnings per share. The average estimate was \$1.32. CEO Louis Vachon is citing revenue growth and cost control for driving the "excellent results" -- including double-digit gains in its P&C (+21 per cent) and wealth management (+31 per cent) units. TD rounds out the Big Six tomorrow – watch for our interview with Bharat Masrani.

OTHER NOTABLE STORIES:

It is official. Uber announced late yesterday that Dara Khosrowshahi has jumped ship from Expedia to become the ride-sharing service's new CEO. We will continue assessing the risks and opportunities as a new leader takes the reins after a series of controversies at the company. Here is the [statement](#).

Maple Leaf Sports and Entertainment's 20-year pact with Bank of Nova Scotia remains a top water cooler topic. Terms were not disclosed; reports suggest it is an \$800-million deal. We are chasing insight on what Scotia can expect as a return on its investment at the home of the Maple Leafs and Raptors.

U.S. President Donald Trump begins his roadshow to tout his tax reform strategy starting today in Springfield, Missouri. Recall his top economic advisor, Gary Cohn, made it clear last week in his FT interview that the president's top priority starting this week is overhauling the tax code. Of course, that was before Harvey. We will monitor Trump's remarks at 2:30 p.m. ET.

-North Korean state media says leader Kim Jong Un has called yesterday's missile test "a meaningful prelude to containing Guam."

NOTABLE RELEASES/EVENTS

-Notable earnings: National Bank

-Notable data: Canadian current account balance, U.S. GDP

-10:00 a.m. ET: Canadian Transportation Agency begins hearing on Transat tarmac delays

-10:45 a.m. ET: Justin Trudeau makes announcement in Moncton with New Brunswick Premier Brian Gallant, plus media avail.

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Bob Weir, CFA, Director of Research

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