



Friday, June 19, 2020

MACRO VIEW

The **TSX (+0.6%)** rose as energy stocks gained and Wall Street's main stock indices advanced as investors bet on a quick return in post-pandemic economic activity. **West Texas Intermediate crude oil (+3.2%)** prices gained after OPEC producers and allies promised to meet their supply cut obligations. **Gold (+0.9%)** prices rose as concerns over raising COVID-19 cases supported the demand for the safe-haven metal. North American bond yields inched up with the U.S. 10-year at 0.72%, and the Canadian 10-year at 0.56%. The Canadian dollar strengthened against the greenback on hopes for an economic recovery but gains were limited after data showed a drop in retail sales. Canadian retail sales fell to C\$34.7 billion or by 26.4% versus 15.1% expected in April as COVID-19 hit the economy hard. However, online sales rose to a record high, representing 9.5% of the total retail market.

CANADIAN MARKETS

Telus (T, +0.3%) announced the launch of its first wave of 5G network in Vancouver, Montreal, Calgary, Edmonton, and the Greater Toronto Area. It will continue expanding in 26 other markets across Canada throughout the rest of the year. It has selected Samsung as a network infrastructure partner, after previously selecting Ericsson and Nokia as its other 5G network partners.

Stelco Holdings (STLC, +0.6%) announced that it has entered into an agreement with **DTE Energy Services (DTE, +1.7%)** to develop and operate a 65-megawatt cogeneration facility at Stelco's Lake Erie facility in Nanticoke, Ontario. DTE will fund the construction and Stelco will pay DTE a fixed annual fee for operating the plant for a 20-year term. The plant is expected to be operational in the first half of 2022 and it will reduce energy costs for Stelco.

Aimia (AIM, +3.8%) stated that it has closed a transaction with Kognitiv after the Quebec Superior Court dismissed Air Canada's injunction application to halt the merger. The airline had argued that the transaction would breach certain non-competition and confidentiality provisions entered into by Aimia in connection to its sale of Aeroplan to Air Canada back in November 2018.

One of the biggest shareholders of **Lundin Gold (LUG, +2.5%)**, Orion Mine Finance, announced that it will be selling 4.7 million shares at \$11.75 per share, reflecting a discount of 0.8% discount to yesterday's close price. This sale will reduce Orion's holdings in the company from 10.76% to 8.71%, leaving it with 20 million shares.

U.S. MARKETS

Used car seller **CarMax (KMX, -4.3%)** reported Q1 revenue of US\$3.23 billion, exceeding estimates of US\$2.72 billion although comparable sales sank by 41.8% year-over-year. Adjusted EPS of US\$0.03 missed

Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	15,575.03	0.61%	-8.7%	-8.7%
S&P 500	3,141.68	0.85%	-2.8%	1.6%
NASDAQ	10,044.55	1.02%	11.9%	17.0%
Dow Jones	26,277.21	0.76%	-7.9%	-3.8%
Nikkei 225	22,478.79	0.55%	-5.0%	0.9%
Euro Stoxx 50	3,284.77	1.07%	-12.3%	-8.3%
FTSE EM	2,096.46	0.79%	-9.3%	-5.2%

Canadian Market Movers

FM	First Quantum	6.5%
WPM	Wheaton Precious	3.0%
IPL	Inter Pipeline L	2.7%
WEED	Canopy Growth Co	2.4%
PPL	Pembina Pipeline	2.3%
CSU	Constellation So	-0.3%
DOL	Dollarama Inc	-0.3%
GIL	Gildan Activewea	-0.9%
RCI/B	Rogers Communi	-0.9%
CCO	Cameco Corp	-1.4%

*As of June 19 2020 10:30 AM. Source: Bloomberg

U.S. Market Movers

OXY	Occidental Pete	5.5%
DD	Dupont De Nemour	4.2%
F	Ford Motor Co	3.5%
TGT	Target Corp	3.1%
SLB	Schlumberger Ltd	3.0%
UNP	Union Pac Corp	-0.3%
BMY	Bristol-Myer Sqb	-0.5%
CHTR	Charter Commun	-0.7%
LLY	Eli Lilly & Co	-0.8%
PM	Philip Morris In	-1.6%

*As of June 19 2020 10:30 AM. Source: Bloomberg

Benchmark Bonds & Rates

	Chg ¹	Yld ¹	Sep-20 ²	Dec-20 ²
CA 2YR	0.00%	0.31%	0.35%	0.40%
CA 10YR	0.03%	0.56%	0.85%	0.85%
US 2YR	-0.01%	0.19%	0.35%	0.40%
US 10YR	0.01%	0.72%	0.90%	0.95%
	Rate ¹	Sep-20 ²	Dec-20 ²	
CA Prime	2.45%	-	-	
CA Overnight Tgt	0.25%	0.25%	0.25%	
Fed Funds Tgt	0.25%	0.13%	0.13%	

1 - As of June 19 2020 10:30 AM.; 2 - CIBC forecasts.

Source: Bloomberg

forecasts by US\$0.01 and the company said that 80% of the days in the quarter were affected by store closures or limited operations. CarMax noted that same-store unit sales for the first two weeks of June were within 10% of last year's figures.

Fantasy sports platform **DraftKings** (DKNG, +0.6%) is issuing 40 million common shares through a brokered public offering. The shares have been priced at US\$40 each. The company will use the proceeds towards general corporate purposes.

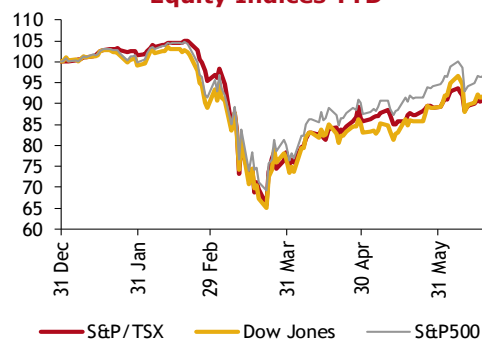
Movie theatre chain **AMC Entertainment Holdings** (AMC, +6.0%) plans to reopen about 450 of its U.S. locations on July 15. Another 150 theatres will be reopened by July 24 in time for the debut of the films *Mulan* and *Tenet*. The company expects to be back to full capacity around U.S. Thanksgiving.

Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.737	-0.003	-4.3%
US\$/€	0.891	0.002	-0.1%
Gold	\$1,736.83	\$13.91	14.5%
Copper per 100 lb	\$266.20	\$5.15	-5.6%
Oil (WTI)	\$40.35	\$1.51	-33.9%
Oil (WCS)	\$31.07	\$1.03	-19.4%
Natural Gas (NYMEX)	\$1.67	\$0.03	-23.6%
Natural Gas (AECO)	\$1.34	\$0.04	-21.6%

*As of June 19 2020 10:30 AM. Source: Bloomberg

Equity Indices YTD



Earnings Releases

Name	Date	Est.	Act.
CarMax Inc (KMX)	06/19	\$0.04	\$0.03 *
Ihs Markit Ltd (INFO)	06/23	\$0.66	-- *
Blackberry Ltd (BB)	06/24	-\$0.02	-- *
Novagold Res (NG)	06/24	-\$0.02	-- *
Nike Inc -Cl B (NKE)	06/25	\$0.12	-- *
Accenture Plc-A (ACN)	06/25	\$1.85	-- *
Mccormick-N/V (MKC)	06/25	\$1.12	-- *
Darden Restoran (DRI)	06/25	-\$1.65	-- *
Knight Therapeut (GUD)	06/26	-\$0.03	--
Corus Ent Inc-B (CJR/B)	06/26	\$0.15	--
Micron Tech (MU)	06/29	\$0.72	-- *
Alimen Couche-B (ATD/B)	06/29	\$0.41	-- *
Fedex Corp (FDX)	06/30	\$1.89	-- *

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
6/19	Retail Sales MoM (Apr)	-10.00%	-15.10%	-26.40%
6/19	Retail Sales Ex Auto MoM (Apr)	-0.40%	-12.00%	-22.00%
6/22	Bloomberg Nanos Confidence	42.9	--	--
6/29	Bloomberg Nanos Confidence	--	--	--
6/29	Industrial Product Price MoM (May)	-2.30%	--	--
6/29	Raw Materials Price Index MoM (May)	-13.40%	--	--
6/30	GDP MoM (Apr)	-7.20%	--	--
6/30	GDP YoY (Apr)	-5.80%	--	--
7/2	MLI Leading Indicator MoM (May)	-2.80%	--	--
7/2	Int'l Merchandise Trade (May)	-3.25b	--	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
6/19	Current Account Balance (1Q)	-\$109.8b	-\$102.9b	-\$104.2b
6/22	Chicago Fed Nat Activity Index (May)	-16.74	--	--
6/22	Existing Home Sales (May)	4.33m	4.10m	--
6/22	Existing Home Sales MoM (May)	-17.80%	-5.30%	--
6/23	Markit US Manufacturing PMI (Jun P)	39.8	50	--
6/23	Markit US Services PMI (Jun P)	37.5	46.9	--
6/23	Markit US Composite PMI (Jun P)	37	--	--
6/23	New Home Sales (May)	623k	630k	--
6/23	New Home Sales MoM (May)	0.60%	1.10%	--
6/23	Richmond Fed Manufact. Index (Jun)	-27	-11	--

Source: Bloomberg

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Stock Prices as of

06/18/2020

Lundin Gold Inc. (2g) (LUG-TSX, C\$11.85)

TELUS Corporation (2a, 2c, 2e, 2g, 7, 9, 13) (T-TSX, C\$23.46)

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