



Thursday, January 07, 2021

## MACRO VIEW

The **TSX (+0.7%)** and Wall Street's main indices are trading higher with the expectations of an expanded U.S. stimulus package which will aid the economic recovery. **West Texas Intermediate crude oil (+0.3%)** prices steadied, with the prospect of tighter supplies after Saudi Arabia separately agreed to cut output. **Gold (+0.3%)** prices firmed on election results and hopes for more stimulus. North American bond yields crept up in morning trade with the U.S. 10-year at 1.08%, and the Canadian 10-year at 0.79%. The Canadian dollar weakened against the greenback, as the U.S. dollar gained against major currencies, while data showed Canada's trade deficit narrowing in November.

Canada's trade deficit narrowed to C\$3.34 billion versus C\$3.5 billion expected in November, beating expectations. Exports increased by 0.5% and imports edged down by 0.3%. U.S. weekly jobless claims were little changed to total 787,000 versus 815,000 expected. The labor market claims remain well above pre-pandemic levels as a rampant COVID-19 pandemic threatens to overwhelm the nation.

## CANADIAN MARKETS

**AGF Management (AGF.B, -0.8%)** reported total assets under management (AUM) of \$39.5 billion as at December 31, 2020, up 1.8% year-over-year (Y/Y).

**Artis REIT (AX.UN, +0.0%)** entered into a US\$58 million joint venture with Nuveen Real Estate for a 561,000 square foot industrial project in Phoenix, Arizona. Artis completed the sale of three assets in December 2020. Strathcona Shoppers Centre in Regina sold for \$7.6 million, ASM America Headquarters Building in Phoenix, Arizona sold for US\$27.0 million, and single-tenant industrial property located in Regina was sold for \$15.3 million.

**Theratechnologies (TH, +7.9%)** announced a preliminary Q4/20 update, consolidated net revenues are expected to be between US\$18.9 million to US\$19.2 million, representing a Y/Y increase of 15% to 17%. TH noted that it has received a "Study May Proceed" letter from the FDA for the Phase 3 trial of tesamorelin in treating adults with NASH with liver fibrosis and the Phase 1 trial of an anti-tumor candidate, TH1902, in patients with endometrial, ovarian, colorectal, TNBC and pancreatic cancer.

**Advantage Oil & Gas (AAV, +4.0%)** estimated that Q4/20 production was 43,500 barrels of oil equivalent (boe) per day, below consensus at 44,700 boe per day. AAV noted that it is seeing improved productivity from the Glacier wells it drilled most recently.

**Restaurant Brands (QSR, +3.5%)** has completed visual rebranding on Burger King with a new brand logo, restaurant design uniforms, and signage.

**Endeavour Silver (EDR, -2.8%)** produced 1.1 million ounces of silver, up

## Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	17,958.29	0.73%	3.0%	3.0%
S&P 500	3,799.40	1.37%	1.2%	1.2%
NASDAQ	13,007.72	2.10%	0.9%	1.0%
Dow Jones	31,119.51	0.94%	1.7%	1.7%
Nikkei 225	27,490.13	1.60%	0.2%	-0.4%
Euro Stoxx 50	3,628.48	0.48%	2.1%	2.4%
FTSE EM	2,716.68	0.06%	1.8%	1.7%

## Canadian Market Movers

WEED	Canopy Growth Co	5.3%
SHOP	Shopify Inc	5.1%
FM	First Quantum	4.3%
QSR	Restaurant Brand	3.5%
BHC	Bausch Health Co	1.7%
BAM/A	Brookfield Ass	-0.9%
BCE	Bce Inc	-0.9%
K	Kinross Gold	-1.0%
CCL/B	Ccl Inds B	-1.0%
RCI/B	Rogers Communi	-1.4%

\*As of January 7 2021 10:30 AM. Source: Bloomberg

## U.S. Market Movers

WBA	Walgreens Boots	5.7%
NVDA	Nvidia Corp	4.3%
TSLA	Tesla Inc	4.3%
JPM	Jpmorgan Chase	4.2%
WFC	Wells Fargo & Co	3.9%
FDX	Fedex Corp	-1.0%
LMT	Lockheed Martin	-1.2%
VZ	Verizon Communic	-1.3%
KO	Cocacola Co/The	-1.4%
MMM	3M Co	-4.0%

\*As of January 7 2021 10:30 AM. Source: Bloomberg

## Benchmark Bonds & Rates

	Chg <sup>1</sup>	Yld <sup>1</sup>	Mar-21 <sup>2</sup>	Jun-21 <sup>2</sup>
CA 2YR	0.00%	0.18%	0.35%	0.40%
CA 10YR	0.03%	0.79%	0.80%	0.85%
US 2YR	0.00%	0.14%	0.30%	0.30%
US 10YR	0.04%	1.08%	1.00%	1.10%
	Rate <sup>1</sup>	Mar-21 <sup>2</sup>	Jun-21 <sup>2</sup>	
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 January 7 2021 10:30 AM.; 2 - CIBC forecasts.

Source: Bloomberg

19% Y/Y, and 12,568 ounces of gold, up 31% Y/Y. EDR noted that this is the highest quarterly production in the last two years from its three mines.

## U.S. MARKETS

**Bed Bath & Beyond (BBBY, -9.2%)** reported EPS of US\$0.08 for its third quarter, which fell short of the consensus earnings of US\$0.19 per share. Revenue of US\$2.62 billion also missed Wall Street's expectations, with store traffic being sorely impacted by the pandemic.

**Walgreens (WBA, +5.7%)** released Q1/2021 EPS of US\$1.22, topping the consensus EPS of US\$1.03. Revenue came in at US\$36.31 billion, also ahead of analysts' projections. The drugstore maintained its prior fiscal 2021 outlook, despite noting a challenging business environment.

Shares of food producer, **Conagra (CAG, -1.3%)**, slipped despite reporting Q2/2021 earnings of US\$0.81 per share, which beat the consensus estimate of US\$0.73 per share. Revenue was in-line with the consensus estimate, and the company continues to see strong demand for its products due to an increase in at-home cooking during the pandemic.

**Constellation Brands (STZ, +4.4%)** reported Q3/2021 EPS and revenue well ahead of estimates. Earnings of US\$3.09 per share beat the consensus expectation of US\$2.39, while sales for the quarter came in at US\$2.44 billion. The liquor producer also announced a new US\$2 billion share repurchase program.

Biotech firm, **CureVac (CVAC, +12.3%)**, is working in partnership with **Bayer (BAYN, +2.2%)** to obtain regulatory approval for its COVID-19 vaccine. In addition to seeking vaccine approval, Bayer will aid in distributing the vaccine doses.

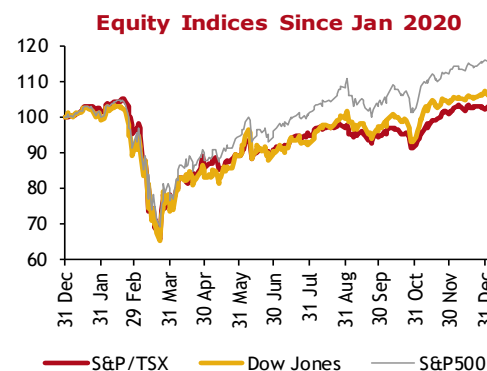
Chinese-based **Alibaba (BABA, -2.4%)** and **Tencent Holdings (0700, -4.7%)** could reportedly be added to a U.S. blacklist. If the companies are blacklisted, U.S. investors would be unable to trade shares as of Monday, Jan. 11.

**Costco (COST, +0.3%)** reported a 12% spike in revenue and a 10.7% jump in same-store-sales year-over-year for the month of December. The retailer pointed towards increased demand for items such as frozen foods and liquor as key drivers of sales.

## Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.786	0.005	0.0%
US\$/€	0.816	-0.007	-0.3%
Gold	\$1,913.07	-\$5.53	0.8%
Copper per 100 lb	\$369.85	\$4.80	5.1%
Oil (WTI)	\$50.75	\$0.12	4.6%
Oil (WCS)	\$35.31	\$0.32	6.5%
Natural Gas (NYMEX)	\$2.72	\$0.00	7.1%
Natural Gas (AECO)	\$2.10	-\$0.02	7.7%

\*As of January 7 2021 10:30 AM. Source: Bloomberg



## Earnings Releases

Name	Date	Est.	Act.
Micron Tech (MU)	01/07	\$0.67	-- *
Constellation-A (STZ)	01/07	\$2.41	\$3.09 *
Walgreens Boots (WBA)	01/07	\$1.03	\$1.22 *
Conagra Brands I (CAG)	01/07	\$0.74	\$0.81 *
Lamb Weston (LW)	01/07	\$0.62	\$0.66 *
Carnival Corp (CCL)	01/11	-\$1.86	-- *
Corus Ent Inc-B (CJR/B)	01/12	\$0.29	--
Ihs Markit Ltd (INFO)	01/13	\$0.67	-- *
Shaw Comm-B (SJR/B)	01/13	\$0.31	--
Aritzia Inc-Sub (ATZ)	01/13	\$0.23	--
Blackrock Inc (BLK)	01/14	\$8.68	-- *
First Republic B (FRC)	01/14	\$1.50	-- *
Delta Air Li (DAL)	01/14	-\$2.44	-- *

Source: Bloomberg \* = USD

## Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
1/7	Int'l Merchandise Trade (Nov)	-3.76b	-3.50b	-3.34b
1/7	Ivey Purchasing Managers Index SA (Dec)	52.7	--	46.7
1/8	Net Change in Employment (Dec)	62.1k	-30.0k	--
1/8	Full Time Employment Change (Dec)	99.4	--	--
1/8	Part Time Employment Change (Dec)	-37.4	--	--
1/8	Unemployment Rate (Dec)	8.50%	8.70%	--
1/8	Hourly Wage Rate Permanent Employees	4.80%	5.00%	--
1/8	Participation Rate (Dec)	65.10%	65.00%	--
1/11	Bloomberg Nanos Confidence	56	--	--
1/11	BoC Business Outlook Future Sales (4Q)	39	--	--

Source: Bloomberg

## Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
1/7	Challenger Job Cuts YoY (Dec)	45.40%	--	134.50%
1/7	Initial Jobless Claims	787k	800k	787k
1/7	Continuing Claims	5219k	5200k	5072k
1/7	Trade Balance (Nov)	-\$63.1b	-\$67.3b	-\$68.1b
1/7	Bloomberg Consumer Comfort	44.6	--	44.4
1/7	ISM Services Index (Dec)	55.9	54.5	57.2
1/8	Revisions: Household Survey data (I)	0	0	0
1/8	Two-Month Payroll Net Revision (Dec)	--	--	--
1/8	Change in Nonfarm Payrolls (Dec)	245k	50k	--
1/8	Change in Private Payrolls (Dec)	344k	29k	--

Source: Bloomberg

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