



Thursday, January 14, 2021

## MACRO VIEW

The TSX (+0.2%) and Wall Street's main indices advanced with strength in the energy sector and optimism of a U.S. stimulus package. **West Texas Intermediate crude oil** (+0.1%) prices are flat as growing coronavirus cases raised demand concerns, as U.S. crude stocks dip and strong data from China offset losses. **Gold** (-0.7%) prices edged lower as the dollar steadied and U.S. Treasury yields held near highs. North American bond yields inched down in morning trade with the U.S. 10-year at 1.10%, and the Canadian 10-year at 0.82%. The Canadian dollar was little changed against the greenback as oil prices fell and investors focus on Joe Biden's economic stimulus plan.

U.S. weekly jobless claims jumped by 181,000 to 965,000, versus a forecasted 800,000. This was the highest level since August. The increase was caused by additional restrictions to combat the COVID-19 pandemic. U.S. import prices increased more than expected in December by 0.9% versus 0.7% expected. Higher prices for energy products and a weak dollar are indicating that inflation could pick up in the near term.

## CANADIAN MARKETS

**Aritzia** (ATZ, +3.6%) reported Q3/21 adjusted EBITDA of \$54.6 million, ahead of consensus at \$45.7 million. Revenue of \$278 million was also above consensus at \$261 million as e-commerce grew 78.5% year-over-year (Y/Y). The company has not provided Q4/21 guidance but mentioned that it has less seasonal sale inventory compared to last year and it expects Y/Y pressure on Gross Margin and Selling General and Admiration expenses.

**Aphria** (APHA, +16.6%) generated Q2/21 revenue of \$161 million, beating the consensus of \$154 million. Distribution revenue was up 12% quarter-over-quarter (Q/Q) while cannabis revenue increased 7% Q/Q. Adjusted EBITDA of \$12.6 million was also ahead of consensus at \$11.8 million. APHA noted the cost to produce dried cannabis fell 9% Q/Q to \$0.79 per gram.

**Score Media & Gaming** (SCR, +9.1%) reported Q1/21 revenue of \$8.5 million, the media segment generated \$10.6 million in revenue while the gaming segment was negative \$2.0 million. The company noted it is set to launch in Iowa in the coming weeks.

**CI Financial** (CIX, -1.3%) announced the pricing of US\$260 million re-opening of its 3.2% 2030 note. This is in addition to the US\$700 million issued on December 17, 2020. CI Financial intends to use the net proceeds to redeem CA\$325 million 3.520% 2023 note.

**Canopy Growth** (WEED, +2.8%) agreed with **TerrAscend** (TER, +3.7%) to acquire the option to purchase 1.07 million shares for an aggregate amount of US\$10.5 million and it also acquired control of 22.5 million warrants. Before these agreements, WEED had a 29% stake in TER and now it increased to 39.9%, assuming the shares are converted and

## Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	17,975.25	0.23%	3.1%	3.1%
S&P 500	3,819.77	0.26%	1.7%	1.2%
NASDAQ	13,207.34	0.60%	2.5%	2.0%
Dow Jones	31,196.30	0.44%	1.9%	1.4%
Nikkei 225	28,698.26	0.85%	4.6%	3.3%
Euro Stoxx 50	3,642.53	0.72%	2.5%	1.2%
FTSE EM	2,815.01	0.58%	5.4%	4.9%

## Canadian Market Movers

WEED	Canopy Growth Co	2.8%
CVE	Cenovus Energy	2.3%
SNC	Snc-Lavalin Grp	2.1%
IPL	Inter Pipeline L	2.1%
PPL	Pembina Pipeline	1.7%
SJR/B	Shaw Comm	-0.9%
KL	Kirkland Lake Go	-1.0%
AQN	Algonquin Power	-1.0%
DOL	Dollarama Inc	-1.2%
CNQ	Can Natural Res	-1.2%

\*As of January 14 2021 10:30 AM. Source: Bloomberg

## U.S. Market Movers

GM	General Motors C	5.1%
F	Ford Motor Co	3.9%
INTC	Intel Corp	3.4%
SPG	Simon Property	2.8%
BA	Boeing Co/The	2.7%
COST	Costco Wholesale	-1.1%
SO	Southern Co	-1.1%
MA	Mastercard Inc	-1.3%
DD	Dupont De Nemour	-1.3%
BLK	Blackrock Inc	-2.9%

\*As of January 14 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%	0.16%	0.35%	0.40%
CA 10YR	0.01%	0.82%	0.80%	0.85%
US 2YR	0.00%	0.15%	0.30%	0.30%
US 10YR	0.02%	1.10%	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 14 2021 10:30 AM.; 2 - CIBC

forecasts. Source: Bloomberg

warrants are exercised.

## U.S. MARKETS

**GameStop** (GME, **+8.0%**) shares continue to climb following a 60% surge on Wednesday, in what some analysts are calling a short squeeze. GameStop's stock began rising on Monday after an announcement that it will be partnering with key investor **RC Ventures** to refresh GameStop's board of directors. The videogame retailer also released better-than-expected holiday sales data on Monday.

Asset management firm **Blackrock** (BLK, **-2.9%**) released Q4/2020 EPS of US\$10.18, topping the consensus EPS of US\$9.14. Blackrock reported a record-high US\$8.68 trillion in assets under management during the quarter.

**Delta Airlines** (DAL, **+4.5%**) posted a loss of US\$2.53 per share for its fourth quarter. This was greater than the consensus loss of US\$2.50 per share. Delta was able to cut down on expenses during the period, reducing its daily cash burn rate from the previous quarter's level of US\$24 million per day to US\$12 million per day.

**Tesla** (TSLA, **+0.9%**) announced that the U.S. National Highway Traffic Safety Administration has asked that 158,000 vehicles be recalled over possible defective touchscreens. It is believed that these faulty touchscreens could pose safety risks to drivers and passengers.

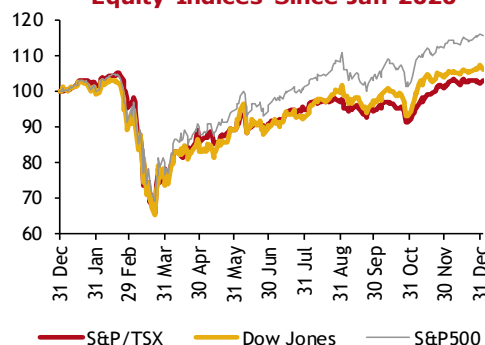
**Nordstrom** (JWN, **-4.3%**) reported a 22% drop in sales over the holiday season. The clothing retailer said online sales made up 54% of total revenue.

## Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.790	-0.003	0.5%
US\$/€	0.825	-0.004	0.8%
Gold	\$1,844.05	-\$1.48	-2.9%
Copper per 100 lb	\$365.45	\$3.75	3.9%
Oil (WTI)	\$52.86	-\$0.05	8.9%
Oil (WCS)	\$41.21	-\$0.40	24.2%
Natural Gas (NYMEX)	\$2.76	\$0.03	8.6%
Natural Gas (AECO)	\$2.28	-\$0.07	16.9%

\*As of January 14 2021 10:30 AM. Source: Bloomberg

## Equity Indices Since Jan 2020



## Earnings Releases

Name	Date	Est.	Act.
Blackrock Inc (BLK)	01/14	\$9.19	\$10.18 *
First Republic B (FRC)	01/14	\$1.51	\$1.60 *
Delta Air Li (DAL)	01/14	-\$2.49	-\$2.53 *
Cogeco Communica (CCA)	01/14	\$1.93	--
Aphria Inc (APHA)	01/14	-\$0.03	-\$0.04
Jpmorgan Chase (JPM)	01/15	\$2.62	-- *
Wells Fargo & Co (WFC)	01/15	\$0.60	-- *
Citigroup Inc (C)	01/15	\$1.33	-- *
Pnc Financial Se (PNC)	01/15	\$2.61	-- *
Bank Of America (BAC)	01/19	\$0.55	-- *
Netflix Inc (NFLX)	01/19	\$1.36	-- *
Schwab (Charles) (SCHW)	01/19	\$0.70	-- *
Goldman Sachs Gp (GS)	01/19	\$7.31	-- *

Source: Bloomberg \* = USD

## Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
1/15	Existing Home Sales MoM (Dec)	-1.60%	6.00%	--
1/18	Bloomberg Nanos Confidence	56.8	--	--
1/18	Housing Starts (Dec)	246.0k	--	--
1/18	Int'l Securities Transactions (Nov)	6.92b	--	--
1/18	Bloomberg Jan. Canada Economic Survey	0	0	0
1/19	Wholesale Trade Sales MoM (Nov)	1.00%	--	--
1/19	Manufacturing Sales MoM (Nov)	0.30%	--	--
1/20	Teranet/National Bank HPI MoM (Dec)	0.90%	--	--
1/20	Teranet/National Bank HP Index (Dec)	248.39	--	--
1/20	Teranet/National Bank HPI YoY (Dec)	9.00%	--	--

Source: Bloomberg

## Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
1/14	Revisions: Philadelphia Fed Manufacturir	0	0	0
1/14	Initial Jobless Claims	787k	789k	965k
1/14	Continuing Claims	5072k	5000k	5271k
1/14	Import Price Index MoM (Dec)	0.10%	0.70%	0.90%
1/14	Import Price Index ex Petroleum MoM (D	0.00%	0.10%	0.40%
1/14	Import Price Index YoY (Dec)	-1.00%	-0.80%	-0.30%
1/14	Export Price Index MoM (Dec)	0.60%	0.60%	1.10%
1/14	Export Price Index YoY (Dec)	-1.10%	--	0.20%
1/14	Bloomberg Consumer Comfort	44.4	--	43.2
1/15	PPI Final Demand MoM (Dec)	0.10%	0.40%	--

Source: Bloomberg

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01/13/2021

Aphria Inc. (2g) (APHA-TSX, C\$12.70)

Aritzia Inc. (1b, 2g, 3a, 3c, 12) (ATZ-TSX, C\$24.90)

Canopy Growth Corporation (2g) (WEED-TSX, C\$40.80)

CI Financial Corp. (2a, 2c, 2e, 2g) (CIX-TSX, C\$16.58)

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