



Friday, July 03, 2020

MACRO VIEW

The TSX (-0.1%) is trending down on growing COVID-19 cases, raising fears of another round of lockdowns and lower oil prices while the U.S. markets are closed for Independence Day. **West Texas Intermediate crude oil** (-1.5%) prices fell as hope for a recovery in fuel demand faded as the return of the coronavirus cases continues to grow globally. **Gold** (-0.3%) is trading within a narrow range. North American bond yields edged down with the U.S. 10-year at 0.67%, and the Canadian 10-year at 0.55%. The Canadian dollar was little changed against the greenback, holding on to weekly gains as it trades in a narrow range.

CANADIAN MARKETS

Dollarama (DOL, -0.0%) announced the renewal of its normal course issuer bid to buy up to 15.5 million common shares during the 12-month period between July 7th, 2020 and July 16th, 2021. The company has repurchased 7.1 million shares at a price of \$46.15/share under the normal course issuer bid which is set to expire on July 4th, 2020.

Specialty packaging company **CCL Industries** (CCL.B, -0.6%) has acquired InTouch Label and Packaging Co., which is a specialized digital label converter, for \$10.9 million.

Cannabis producer **Organigram** (OGI, -4.6%) announced that it has reduced its workforce by 25%. For the foreseeable future, it will cultivate less than the target production capacity its Moncton campus was designed for. It has delayed the timing for the filing of its Q3 results to July 21st. It expects a decrease in net revenue for Q3/20 compared to Q2/20.

American Hotel Income Properties REIT (HOT.UN, +2.5%) announced that occupancy across its portfolio of 79 Premium Branded hotels averaged 49% in June, compared to an average of 32.8% in May. In the last two weeks of June, it averaged a hotel occupancy rate of 52.3%. The company had previously stated that it believes it can operate at a cashflow breakeven level if its monthly occupancy rate increases to a sustained 50% level.

Turquoise Hill Resources (TRQ, -0.5%) has updated its mineral reserves and mineral resources. It noted that it has incorporated a new mine design for Hugo North underground mine which has reduced the mineral reserve estimate for the mine as it includes two structural pillars. It expects to have enough liquidity available to continue its operations and underground development beyond Q3/21. Hence, it has deferred further discussions with **Rio Tinto** (RIO, -1.5%) regarding funding arrangements.

U.S. MARKETS

*** U.S. MARKETS CLOSED ***

Market Indicators

| Index | Level* | Change | YTD | YTD (C\$) |
|---------------|-----------|--------|--------|-----------|
| S&P/TSX | 15,609.02 | -0.09% | -8.5% | -8.5% |
| S&P 500 | 3,130.01 | 0.00% | -3.1% | 1.2% |
| NASDAQ | 10,207.63 | 0.00% | 13.8% | 18.9% |
| Dow Jones | 25,827.36 | 0.00% | -9.5% | -5.5% |
| Nikkei 225 | 22,306.48 | 0.72% | -5.7% | -0.4% |
| Euro Stoxx 50 | 3,293.85 | -0.79% | -12.1% | -7.9% |
| FTSE EM | 2,171.82 | 0.97% | -6.0% | -1.8% |

Canadian Market Movers

| | | |
|--------|------------------|-------|
| SNC | Snc-Lavalin Grp | 1.7% |
| NTR | Nutrien Ltd | 1.6% |
| QSR | Restaurant Brand | 1.3% |
| CCO | Cameco Corp | 1.2% |
| BCE | Bce Inc | 1.1% |
| CNQ | Can Natural Res | -1.0% |
| TECK/B | Teck Resources | -1.3% |
| IPL | Inter Pipeline L | -1.4% |
| FM | First Quantum | -1.7% |
| BHC | Bausch Health Co | -1.8% |

*As of July 3 2020 10:32 AM. Source: Bloomberg

U.S. Market Movers

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*** U.S. MARKETS CLOSED ***

*As of July 3 2020 10:32 AM. Source: Bloomberg

Benchmark Bonds & Rates

| | Chg ¹ | Yld ¹ | Sep-20 ² | Dec-20 ² |
|------------------|-------------------|---------------------|---------------------|---------------------|
| CA 2YR | 0.00% | 0.30% | 0.35% | 0.40% |
| CA 10YR | -0.01% | 0.55% | 0.85% | 0.85% |
| US 2YR | 0.00% | 0.15% | 0.35% | 0.40% |
| US 10YR | 0.00% | 0.67% | 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 July 3 2020 10:32 AM.; 2 - CIBC forecasts.

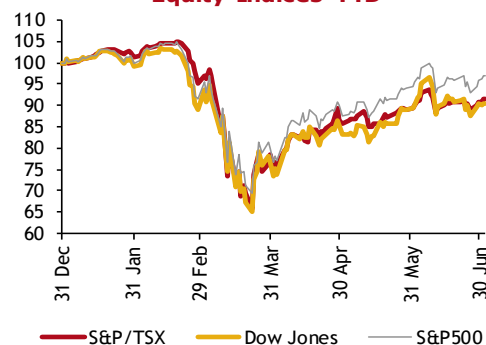
Source: Bloomberg

Currencies & Commodities

| | Price* | Change | YTD |
|---------------------|------------|---------|--------|
| C\$/US\$ | 0.737 | 0.001 | -4.3% |
| US\$/€ | 0.889 | 0.000 | -0.3% |
| Gold | \$1,774.79 | -\$0.48 | 17.0% |
| Copper per 100 lb | \$271.85 | -\$3.00 | -3.6% |
| Oil (WTI) | \$40.00 | -\$0.65 | -34.5% |
| Oil (WCS) | \$31.60 | \$2.05 | -18.1% |
| Natural Gas (NYMEX) | \$1.74 | \$0.00 | -20.7% |
| Natural Gas (AECO) | \$1.26 | -\$0.04 | -26.3% |

*As of July 3 2020 10:32 AM. Source: Bloomberg

Equity Indices YTD



Earnings Releases

| Name | Date | Est. | Act. |
|------------------------|-------|---------|------|
| Paychex Inc (PAYX) | 07/07 | \$0.60 | -- * |
| Walgreens Boots (WBA) | 07/09 | \$1.19 | -- * |
| Aritzia Inc-Sub (ATZ) | 07/09 | -\$0.16 | -- |
| Richelieu Hardw (RCH) | 07/09 | \$0.16 | -- |
| Delta Air Li (DAL) | 07/10 | -\$4.36 | -- * |
| Shaw Comm-B (SJR/B) | 07/10 | \$0.30 | -- |
| Pepsico Inc (PEP) | 07/13 | \$1.24 | -- * |
| Jpmorgan Chase (JPM) | 07/14 | \$1.07 | -- * |
| Citigroup Inc (C) | 07/14 | \$0.38 | -- * |
| Wells Fargo & Co (WFC) | 07/14 | \$0.07 | -- * |
| Aon Plc-Class A (AON) | 07/14 | \$1.96 | -- * |
| Fastenal Co (FAST) | 07/14 | \$0.36 | -- * |
| First Republic B (FRC) | 07/14 | \$1.15 | -- * |

Source: Bloomberg * = USD

Economic Calendar - Canada

| Day | Release | Prior | Est. | Actual |
|------|--|--------|--------|--------|
| 7/6 | Bloomberg Nanos Confidence | 46 | -- | -- |
| 7/6 | BoC Overall Business Outlook Survey (2Q) | -0.7 | -- | -- |
| 7/6 | BoC Business Outlook Future Sales (2Q) | 22 | -- | -- |
| 7/7 | Ivey Purchasing Managers Index SA (Jun) | 39.1 | -- | -- |
| 7/9 | Housing Starts (Jun) | 193.5k | 185.0k | -- |
| 7/10 | Net Change in Employment (Jun) | 289.6k | 550.0k | -- |
| 7/10 | Full Time Employment Change (Jun) | 219.4 | -- | -- |
| 7/10 | Part Time Employment Change (Jun) | 70.3 | -- | -- |
| 7/10 | Unemployment Rate (Jun) | 13.70% | 12.50% | -- |
| 7/10 | Hourly Wage Rate Permanent Employees | 10.00% | 9.00% | -- |

Source: Bloomberg

Economic Calendar - U.S.

| Day | Release | Prior | Est. | Actual |
|-----|-----------------------------------|------------|------|--------|
| 7/6 | Markit US Services PMI (Jun F) | 46.7 | 47 | -- |
| 7/6 | Markit US Composite PMI (Jun F) | 46.8 | -- | -- |
| 7/6 | ISM Non-Manufacturing Index (Jun) | 45.4 | 50 | -- |
| 7/7 | JOLTS Job Openings (May) | 5046 | 4800 | -- |
| 7/8 | MBA Mortgage Applications | -1.80% | -- | -- |
| 7/8 | Consumer Credit (May) | -\$68.779b | - | -- |
| 7/9 | Initial Jobless Claims | 1427k | -- | -- |
| 7/9 | Continuing Claims | 19290k | -- | -- |
| 7/9 | Bloomberg Consumer Comfort | 43.3 | -- | -- |
| 7/9 | Wholesale Trade Sales MoM (May) | -16.90% | -- | -- |

Source: Bloomberg

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Stock Prices as of 07/02/2020

American Hotel Income Properties REIT LP (1b, 2a, 2e, 2g) (HOT.U-TSX, C\$2.02)
 CCL Industries Inc. (2g, 13) (CCL.B-TSX, C\$43.71)
 Dollarama Inc. (2g) (DOL-TSX, C\$45.49)
 Organigram Holdings Inc. (2g) (OGI-TSX, C\$2.19)
 Turquoise Hill Resources Ltd. (2g) (TRQ-TSX, C\$1.03)

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