



Tuesday, December 01, 2020

MACRO VIEW

The **TSX (+1.1%)** and Wall Street's main indices are trading higher. **West Texas Intermediate crude oil (-1.7%)** is lower after OPEC+ delayed its 2021 output policy discussion raising concerns about an oversupply in the coming months. **Gold (+2.1%)** is gaining following a 5-month low as rising coronavirus cases are weighing on optimism for a quick economic recovery. North American bond yields are slightly higher with the U.S. 10-year at 0.92% and the Canadian 10-year at 0.73%. The Canadian dollar strengthened against the greenback.

Canadian GDP grew by 0.8% month-over-month in September against a consensus of 0.9%. IHS Markit Canada Manufacturing PMI increased to 55.8 in November from 55.5 in October. IHS Markit US Manufacturing PMI stood at 56.7, in-line with consensus supported by improvements in output and new orders.

CANADIAN MARKETS

Bank of Montreal (BMO, +4.2%) reported adjusted EPS of \$2.41 ahead of consensus of \$1.91, with adjusted pre-tax pre-provision earnings up 7% year-over-year (Y/Y). It reported a provision for credit losses (PCL) of \$432 million, down from \$1,054 million last quarter, and well below consensus of \$725 million. Net interest margin (NIM) in Canada was up 6 basis points (bps) quarter-over-year (Q/Q) while in the U.S., it was up 3 bps Q/Q.

Bank of Nova Scotia (BNS, +2.8%) reported adjusted EPS of \$1.45 vs. consensus of \$1.22. PCL of \$1.13 billion was down from \$2.18 billion last quarter and below consensus of \$1.46 billion. NIMs in both International Banking and Canadian Banking remained flat Q/Q. CET1 ratio increased to 11.8%, up from 11.3% last quarter.

Imperial Oil (IMO, +2.8%) stated that it has decided not to develop a significant portion of its unconventional assets in Canada, following an annual review of its business. This will result in a non-cash after-tax charge of \$0.9 billion to \$1.2 billion that will be recorded in Q4/20.

Suncor Energy (SU, +2.5%) is guiding to average production of 740,000 to 780,000 boe/d and capex spend between \$3.8 billion and \$4.5 billion in 2021, which is largely in line with consensus. It expects to pay back between \$500 million and \$1 billion of outstanding debt and complete a \$500 million share repurchase program in 2021.

Enbridge (ENB, +1.0%) announced that it can now begin construction of its Line 3 Replacement Project in Minnesota, after having received all the necessary permits and approvals.

Lundin Mining (LUN, -3.5%) has announced a 50% increase to its quarterly dividend and noted that it will renew its normal course issuer bid to buy back up to 64 million shares. It also provided its production outlook through 2023. It expects zinc production to increase by 30% in 2022 compared to 2021, as the Neves-Corvo Zinc Expansion Project

Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	17,372.79	1.06%	1.8%	1.8%
S&P 500	3,669.23	1.31%	13.6%	13.3%
NASDAQ	12,320.13	1.00%	37.3%	37.0%
Dow Jones	30,050.53	1.39%	5.3%	5.1%
Nikkei 225	26,787.54	1.34%	13.2%	17.4%
Euro Stoxx 50	3,524.58	0.92%	-5.9%	0.6%
FTSE EM	2,557.37	1.55%	10.6%	10.4%

Canadian Market Movers

TECK/B	Teck Resources-B	5.8%
FM	First Quantum	4.8%
BMO	Bank Of Montreal	4.2%
BNS	Bank Of Nova Sco	2.8%
IMO	Imperial Oil	2.8%
CAR-U	Can Apartment	-0.4%
WCN	Waste Connection	-0.7%
RCI/B	Rogers Communi	-0.9%
QSR	Restaurant Brand	-1.1%
FNV	Franco-Nevada Co	-2.0%

*As of December 1 2020 10:31 AM. Source: Bloomberg

U.S. Market Movers

PFE	Pfizer Inc	5.6%
UNH	Unitedhealth Grp	5.2%
COF	Capital One Fina	4.6%
WFC	Wells Fargo & Co	4.3%
SPG	Simon Property	3.5%
NVDA	Nvidia Corp	-0.4%
LOW	Lowe'S Cos Inc	-0.9%
ADBE	Adobe Inc	-0.9%
COST	Costco Wholesale	-1.6%
CRM	Salesforce.Com	-2.4%

*As of December 1 2020 10:31 AM. Source: Bloomberg

Benchmark Bonds & Rates

	Chg ¹	Yld ¹	Dec-20 ²	Mar-21 ²
CA 2YR	0.01%	0.26%	0.35%	0.35%
CA 10YR	0.06%	0.73%	0.70%	0.80%
US 2YR	0.02%	0.17%	0.25%	0.30%
US 10YR	0.08%	0.92%	0.80%	1.00%
	Rate ¹	Dec-20 ²	Mar-21 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 December 1 2020 10:31 AM.; 2 - CIBC

forecasts. Source: Bloomberg

completes its ramp-up in the first half of 2022. It estimates capital spending of \$610 million in 2021.

SSR Mining (SSRM, +2.4%) announced positive results of the Master Plan study of the Çöpler district in Turkey. The study includes two production scenarios - the Reserve Case and the Preliminary Economic Assessment (PEA) Case. The company noted that the average annual production in the Reserve Case is 266,000 ounces of gold at an all-in sustaining cost (AISC) of US\$865/ounce and average annual free cash flow of US\$224 million over the first five years.

U.S. MARKETS

Zoom Video (ZM, -13.0%) shares slipped despite reporting EPS of US\$0.99 for its third quarter, which beat the consensus earnings of US\$0.76 per share. Revenue of US\$777 million also topped Wall Street's expectations of US\$694 million. The video conferencing company guided towards slowing revenue growth in future quarters.

Tesla's (TSLA, +2.5%) shares gained following an explanation from S&P Dow Jones Indices regarding how the company will be included in the S&P 500 index. Tesla's inclusion in the S&P 500 will take effect on Dec. 21, and will be carried out in one step. Previously S&P said the addition of Tesla would be a two-step process.

Exxon Mobil (XOM, +3.8%) announced that it would be introducing a more streamlined capital spending plan, which encompasses a detailed exploration investment plan and a commitment to ongoing cost reduction. The energy giant will also be writing off an estimated US\$20 billion in assets.

Sunnova Energy International (NOVA, +1.4%) will be issuing 7 million shares of its common stock to help retire debt. The offering will be comprised of 3.5 million shares offered by Sunnova and 3.5 million shares offered by a fund associated with **Newlight Partners**.

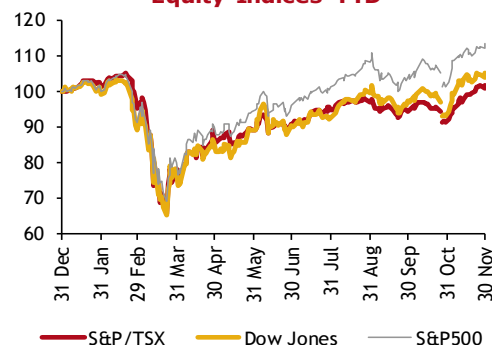
Pfizer (PFE, +5.6%) and Germany-based **BioNTech (BNTX, -0.7%)** announced that they would be applying for European clearance for their joint COVID-19 vaccine effort. Immunizations could begin in Europe before the end of the year if approval is granted.

Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.772	-0.004	0.2%
US\$/€	0.832	0.009	-6.7%
Gold	\$1,807.21	\$30.26	19.1%
Copper per 100 lb	\$350.50	\$6.70	23.8%
Oil (WTI)	\$44.72	-\$0.62	-26.8%
Oil (WCS)	\$33.73	-\$0.04	-12.5%
Natural Gas (NYMEX)	\$2.85	-\$0.03	30.2%
Natural Gas (AECO)	\$2.21	\$0.00	29.2%

*As of December 1 2020 10:31 AM. Source: Bloomberg

Equity Indices YTD



Earnings Releases

Name	Date	Est.	Act.
Salesforce.Com (CRM)	12/01	\$0.75	-- *
Bank Of Nova Sco (BNS)	12/01	\$1.22	\$1.45
Bank Of Montreal (BMO)	12/01	\$1.91	\$2.41
Hewlett Packa (HPE)	12/01	\$0.35	-- *
Netapp Inc (NTAP)	12/01	\$0.73	-- *
Royal Bank Of Ca (RY)	12/02	\$2.04	--
Synopsys Inc (SNPS)	12/02	\$1.56	-- *
Natl Bk Canada (NA)	12/02	\$1.52	--
Descartes Sys (DSG)	12/02	\$0.26	-- *
Pvh Corp (PVH)	12/02	\$0.22	-- *
Toronto-Dom Bank (TD)	12/03	\$1.27	--
Dollar General C (DG)	12/03	\$2.02	-- *
Can Impl Bk Comm (CM)	12/03	\$2.52	--

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
12/1	Quarterly GDP Annualized (3Q)	-38.70%	47.90%	40.50%
12/1	GDP MoM (Sep)	1.20%	0.90%	0.80%
12/1	GDP YoY (Sep)	-3.80%	-2.90%	-3.90%
12/1	Markit Canada Manufacturing PMI (Nov)	55.5	--	55.8
12/2	MLI Leading Indicator MoM (Oct)	3.40%	--	--
12/2	Labor Productivity QoQ (3Q)	9.80%	-7.00%	--
12/4	Net Change in Employment (Nov)	83.6k	20.0k	--
12/4	Full Time Employment Change (Nov)	69.1	--	--
12/4	Part Time Employment Change (Nov)	14.5	--	--
12/4	Int'l Merchandise Trade (Oct)	-3.25b	-3.10b	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
12/1	Markit US Manufacturing PMI (Nov F)	56.7	56.7	56.7
12/1	ISM Manufacturing (Nov)	59.3	58	57.5
12/1	ISM New Orders (Nov)	67.9	--	65.1
12/1	ISM Prices Paid (Nov)	65.5	65	65.4
12/1	ISM Employment (Nov)	53.2	--	48.4
12/1	Construction Spending MoM (Oct)	0.30%	0.80%	1.30%
12/1	Wards Total Vehicle Sales (Nov)	16.21m	16.10m	--
12/2	MBA Mortgage Applications	3.90%	--	--
12/2	ADP Employment Change (Nov)	365k	430k	--
12/2	U.S. Federal Reserve Releases Beige Boo	0	0	0

Source: Bloomberg

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 Bank of Nova Scotia (2a, 2c, 2e, 2g, 3a, 3c, 7) (BNS-TSX, C\$63.20)
 Enbridge Inc. (2a, 2c, 2e, 2g, 7) (ENB-TSX, C\$40.56)
 SSR Mining Inc. (2g) (SSRM-NASDAQ, US\$18.41)
 Imperial Oil Limited (2g) (IMO-TSX, C\$22.48)
 Suncor Energy Inc. (2a, 2c, 2e, 2g, 7, 8) (SU-TSX, C\$20.77)

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