



Tuesday, January 19, 2021

MACRO VIEW

The **TSX (-0.0%)** is trading flat while Wall Street's main indices are higher. **West Texas Intermediate crude oil (+0.6%)** prices edged up on the hope that government stimulus will support economic growth and as oil demand concerns eased. **Gold (+0.2%)** rose as the dollar eased off highs ahead of U.S. Treasury Secretary nominee Janet Yellen's speech. North American bond yields steadied in morning trade with the U.S. 10-year at 1.10%, and the Canadian 10-year at 0.82%. The Canadian dollar strengthened against the greenback, as hopes of U.S. stimulus supported investor sentiment, while domestic data showed factory sales pulling back in November.

Wholesale sales in Canada increased 0.7% versus 1.0% expected month-over-month in November to an all-time high of C\$67.4 billion. It was led by the machinery, equipment and supplies subsector and the building material and supplies subsector. Canada's manufacturing sales decreased 0.6% versus 0.1% fall expected month-over-month in November to C\$53.7 billion in November, the first decline in three months. The sales decline was driven mainly by the aerospace product and parts, motor vehicle, and motor vehicle parts industries.

CANADIAN MARKETS

Power Corp (POW, +0.3%) said its alternative asset manager, Power Sustainable Capital announced the launch of the Power Sustainable Energy Infrastructure Partnership with an initial \$1 billion dedicated to the renewable energy sector. The partnership has founding partners led by Desjardins Group, **Great-West Lifeco (GWO, -0.1%)**, **National Bank of Canada (NA, +0.3%)**, and Après-Demain SA.

MEG Energy (MEG, +3.0%) announced US\$600 million senior unsecured notes due 2029. The proceeds will be used toward the redemption of its US\$600 million 7.0% senior unsecured notes due 2024 and to pay the fees and expenses related to the offering. MEG has announced FY20 production in the range of 82,250 to 82,500 barrels per day.

Vermilion Energy (VET, +4.3%) announced an exploration and development budget of \$300 million for 2021 and expects an annual average production in the range of 83,000 to 85,000 barrels of oil equivalent per day. VET will consider additional capital projects later in the year if the market conditions improve.

U.S. MARKETS

Goldman Sachs (GS, -1.0%) released Q4/2020 EPS of US\$12.08, topping the consensus EPS of US\$7.47. Revenue came in at US\$11.74 billion, also ahead of analysts' projections. Equity trading and investment banking revenue drove the bank's better-than-expected performance, rising 40% and 27% year-over-year, respectively.

Bank of America (BAC, -1.1%) released Q4/2020 earnings of US\$0.59 per

Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	17,944.52	0.00%	2.9%	2.9%
S&P 500	3,785.67	0.46%	0.8%	0.9%
NASDAQ	13,097.17	0.76%	1.6%	1.8%
Dow Jones	30,972.20	0.51%	1.2%	1.4%
Nikkei 225	28,633.46	1.39%	4.3%	3.8%
Euro Stoxx 50	3,599.73	-0.08%	1.3%	0.7%
FTSE EM	2,848.52	1.34%	6.7%	6.8%

Canadian Market Movers

BHC	Bausch Health Co	5.2%
TECK/B	Teck Resources-B	5.1%
FM	First Quantum	5.0%
CSU	Constellation So	1.8%
SLF	Sun Life Financi	1.8%
CTC/A	Canadian Tire	-1.8%
WPM	Wheaton Precious	-2.0%
WEED	Canopy Growth Co	-2.5%
SHOP	Shopify Inc	-2.5%
CCO	Cameco Corp	-3.4%

*As of January 19 2021 10:55 AM. Source: Bloomberg

U.S. Market Movers

GM	General Motors C	8.0%
GILD	Gilead Sciences	7.0%
SLB	Schlumberger Ltd	3.7%
QCOM	Qualcomm Inc	3.2%
TXN	Texas Instrument	2.8%
C	Citigroup Inc	-1.3%
WBA	Walgreens Boots	-1.4%
SPG	Simon Property	-1.5%
TGT	Target Corp	-1.7%
COST	Costco Wholesale	-2.0%

*As of January 19 2021 10:55 AM. Source: Bloomberg

Benchmark Bonds & Rates

	Chg ¹	Yld ¹	Mar-21 ²	Jun-21 ²
CA 2YR	0.00%	0.16%	0.35%	0.40%
CA 10YR	0.01%	0.82%	0.80%	0.85%
US 2YR	0.00%	0.14%	0.30%	0.30%
US 10YR	0.02%	1.10%	1.00%	1.10%
	Rate ¹	Mar-21 ²	Jun-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 January 19 2021 10:55 AM.; 2 - CIBC

forecasts. Source: Bloomberg

share, just topping the consensus estimate of US\$0.63 per share. Revenue of US\$20.21 billion came in shy of analysts' forecasts. Separately, Bank of America said that it would be maintaining its quarterly dividend of US\$0.18 per share, and has authorized a US\$3.2 billion share buyback program.

General Electric (GE, +1.5%) said it is considering freezing pension benefits for some of its U.K. employees to reduce costs. The freeze would impact 2,800 of GE's U.K. employees.

Halliburton (HAL, +1.1%) reported EPS of US\$0.18 for its fourth quarter, beating the consensus earnings of US\$0.15 per share. The oilfield services provider's revenue of US\$3.24 billion also surpassed Wall Street's expectations, on increased demand for its services due to a lift in oil prices.

Laser manufacturer **Lumentum (LITE, -11.0%)** announced that it would be purchasing rival, **Coherent (COHR, +33.9%)** for US\$5.7 billion. Under the terms of the deal, Lumentum will exchange US\$100 in cash and 1.1851 shares of its stock for each share of Coherent.

Shares of **E.W. Scripps (SSP, +3.4%)** climbed on news that **Berkshire Hathaway (BRK.B, -0.3%)** has received warrants that will allow it to purchase 23 million E.W. Scripps shares at US\$13 per share.

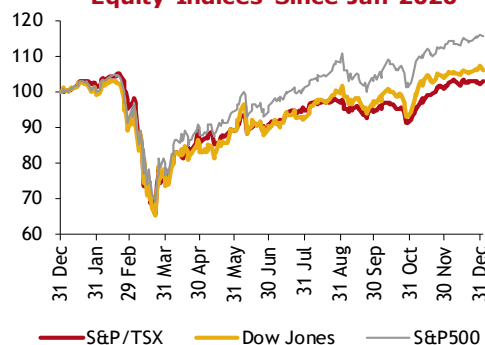
Logitech (LOGI, -1.8%) raised its full-year earnings outlook following its better-than-expected third-quarter performance. Logitech's adjusted operating income almost tripled from the year-ago-quarter, fueled by higher demand for its computer products while more people work and study from home.

Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.785	-0.001	-0.2%
US\$/€	0.825	0.005	0.8%
Gold	\$1,839.34	-\$1.93	-3.1%
Copper per 100 lb	\$363.80	\$3.60	3.4%
Oil (WTI)	\$53.02	\$0.66	9.3%
Oil (WCS)	\$41.72	\$0.06	25.8%
Natural Gas (NYMEX)	\$2.57	-\$0.17	1.1%
Natural Gas (AECO)	\$2.27	-\$0.02	16.4%

*As of January 19 2021 10:55 AM. Source: Bloomberg

Equity Indices Since Jan 2020



Earnings Releases

Name	Date	Est.	Act.
Bank Of America (BAC)	01/19	\$0.55	\$0.59 *
Netflix Inc (NFLX)	01/19	\$1.38	-- *
Schwab (Charles) (SCHW)	01/19	\$0.70	\$0.74 *
Goldman Sachs Gp (GS)	01/19	\$7.31	\$12.08 *
State St Corp (STT)	01/19	\$1.56	\$1.69 *
Halliburton Co (HAL)	01/19	\$0.15	\$0.18 *
Citrix Systems (CTXS)	01/19	\$1.34	\$1.46 *
Hunt (Jb) Trans (JBHT)	01/19	\$1.29	-- *
Comerica Inc (CMA)	01/19	\$1.18	\$1.49 *
Zions Bancorp Na (ZION)	01/19	\$1.01	-- *
Unitedhealth Grp (UNH)	01/20	\$2.41	-- *
Procter & Gamble (PG)	01/20	\$1.51	-- *
Morgan Stanley (MS)	01/20	\$1.29	-- *

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
1/19	Wholesale Trade Sales MoM (Nov)	1.00%	1.00%	0.70%
1/19	Manufacturing Sales MoM (Nov)	0.30%	-0.40%	-0.60%
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%	--	--
1/20	CPI NSA MoM (Dec)	0.10%	0.10%	--
1/20	CPI YoY (Dec)	1.00%	1.10%	--
1/20	Consumer Price Index (Dec)	137.7	137.7	--
1/20	CPI Core- Median YoY% (Dec)	1.90%	1.90%	--
1/20	CPI Core- Common YoY% (Dec)	1.50%	1.50%	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
1/19	Total Net TIC Flows (Nov)	-\$10.4b	--	--
1/19	Net Long-term TIC Flows (Nov)	\$51.9b	--	--
1/20	MBA Mortgage Applications	16.70%	--	--
1/20	NAHB Housing Market Index (Jan)	86	86	--
1/21	Building Permits MoM (Dec)	6.20%	-1.80%	--
1/21	Building Permits (Dec)	1639k	1605k	--
1/21	Philadelphia Fed Business Outlook (Jan)	11.1	11.3	--
1/21	Initial Jobless Claims	965k	930k	--
1/21	Continuing Claims	5271k	5300k	--
1/21	Housing Starts (Dec)	1547k	1560k	--

Source: Bloomberg

BRAD BROWN, CFA - SR. MANAGER, EQUITIES
JOHNNY TAM, MASC, CFA - ASSOCIATE

PUJA GHOSH, CFA, MBA, MSC. - ASSOCIATE
ALLAN BISHOP - DIRECTOR, FIXED INCOME

LAUREN ELLISON, CIM, CFP - ASSOCIATE
ANKUR JAIN - ASSOCIATE

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01/18/2021

Great-West Lifeco Inc. (2a, 2c, 2g) (GWO-TSX, C\$31.64)
 MEG Energy Corp. (2a, 2e, 2g, 7) (MEG-TSX, C\$4.41)
 National Bank Of Canada (2a, 2c, 2e, 2g, 3a, 3c, 7) (NA-TSX, C\$73.29)
 Power Corporation of Canada (2g, 7, 12) (POW-TSX, C\$31.44)
 Vermilion Energy Inc. (2g) (VET-TSX, C\$6.50)

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