

April 22nd, 2022

THE WEEK IN NUMBERS (April 18th – April 22nd)

Research Services

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INDEX	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
Dow Jones Industrial	33,811.40	-639.83	-1.86%	-6.95%	-0.01%	18.8
S&P 500	4,271.78	-120.81	-2.75%	-10.37%	3.31%	21.7
Nasdaq Composite	12,839.29	-511.79	-3.83%	-17.93%	-7.09%	24.5
S&P/TSX Composite	21,186.38	-669.32	-3.06%	-0.17%	11.32%	15.1
Dow Jones Euro Stoxx 50	3,840.01	56.91	1.50%	-10.66%	-4.35%	15.4
FTSE 100 (UK)	7,521.68	-94.70	-1.24%	1.86%	8.41%	14.5
DAX (Germany)	14,142.09	-21.76	-0.15%	-10.97%	-7.69%	14.6
Nikkei 225 (Japan)	27,105.26	12.07	0.04%	-5.86%	-7.14%	14.8
Hang Seng (Hong Kong)	20,638.52	-879.56	-4.09%	-11.79%	-28.23%	10.0
Shanghai Composite (China)	3,086.92	-124.33	-3.87%	-15.19%	-10.91%	12.0
MSCI World	2,882.61	-77.06	-2.60%	-10.80%	-1.41%	18.8
MSCI EAFE	2,082.51	-33.48	-1.58%	-10.85%	-9.00%	14.6

S&P TSX SECTORS	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
S&P TSX Consumer Discretionary	247.92	-1.15	-0.46%	-9.43%	-10.32%	17.6
S&P TSX Consumer Staples	801.34	-3.94	-0.49%	5.01%	19.55%	20.8
S&P TSX Energy	231.24	-6.52	-2.74%	41.18%	105.62%	11.4
S&P TSX Financials	390.51	-7.14	-1.80%	-3.13%	12.00%	11.2
S&P TSX Health Care	36.80	-3.15	-7.88%	-19.93%	-48.52%	N/A
S&P TSX Industrials	370.93	-7.25	-1.92%	-2.63%	6.75%	21.1
S&P TSX Info Tech.	145.28	-12.87	-8.14%	-31.55%	-22.78%	32.0
S&P TSX Materials	385.59	-29.15	-7.03%	17.45%	17.85%	16.2
S&P TSX Real Estate	363.96	-2.49	-0.68%	-8.41%	7.29%	7.9
S&P TSX Communication Services	217.58	-2.43	-1.10%	11.50%	18.24%	22.8
S&P TSX Utilities	360.56	-2.15	-0.59%	5.01%	8.58%	31.6

COMMODITIES	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	NBF 2022E
Oil-WTI futures (US\$/Barrels)	\$101.65	-5.30	-4.96%	35.15%	65.47%	\$95.00
Natural gas futures (US\$/mcf)	\$6.49	-0.82	-11.16%	73.86%	135.90%	\$4.90
Gold Spot (US\$/OZ)	\$1,932.00	-38.90	-1.97%	5.72%	8.47%	\$1,921
Copper futures (US\$/Pound)	\$4.58	-0.14	-2.90%	2.81%	7.00%	\$4.70

CURRENCIES	Last price	Curr. Net Change	% Change Week	% Change YTD	%Change 1 Year	NBF Q4/22e
Cdn\$/US\$	0.7859	-0.0076	-0.96%	-0.68%	-1.70%	0.83
Euro/US\$	1.0791	-0.0036	-0.33%	-5.08%	-10.19%	1.13
Pound/US\$	1.2829	-0.0236	-1.81%	-5.17%	-7.28%	1.34
US\$/Yen	128.50	2.64	2.10%	11.66%	19.03%	119

Source: Refinitiv and NBF Research

Please see last page for NBF Disclosures

**FIXED INCOME
NUMBERS**

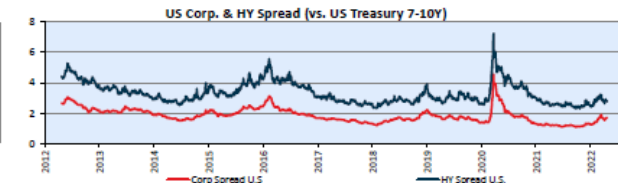
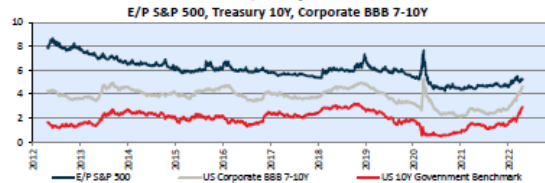
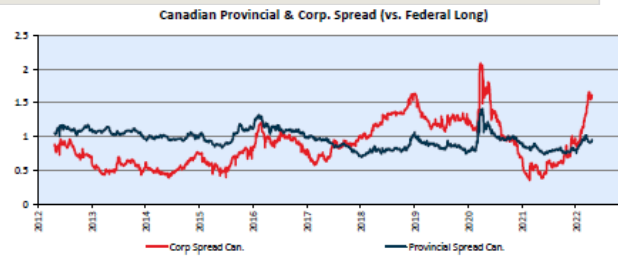
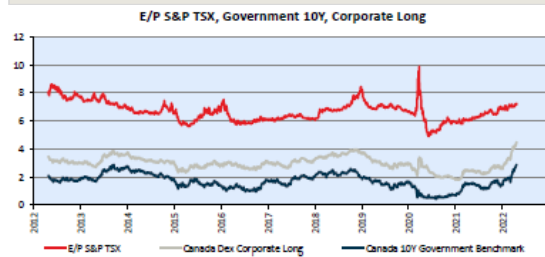
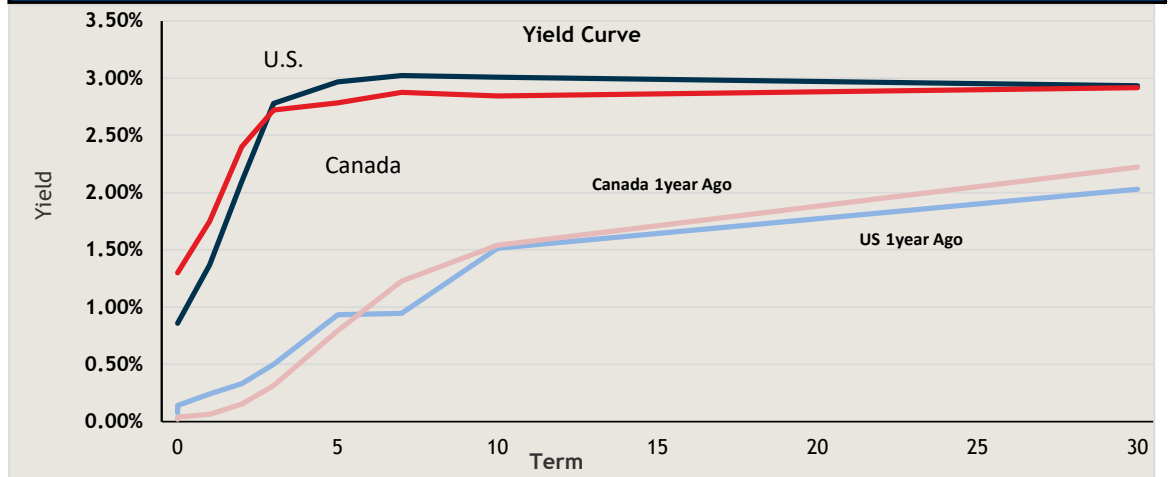
THE WEEK IN NUMBERS
(April 18th – April 22nd)

Canadian Key Rate	Last	Change 1 month bps	Last	Change 1 month bps
CDA o/n	1.00%	0.5	CDA 5 year	2.87%
CDA Prime	3.20%	0.5	CDA 10 year	2.91%
CDA 3 month T-Bill	1.30%	74.0	CDA 20 year	2.94%
CDA 6 month T-Bill	1.75%	69.0	CDA 30 year	2.86%
CDA 1 Year	2.40%	70.0	5YR Sovereign CDS	39.00
CDA 2 year	2.74%	64.7	10YR Sovereign CDS	40.09

US Key Rate	Last	Change 1 month bps	Last	Change 1 month bps
US FED Funds	0.25-0.50%	0.0	US 5 year	3.02%
US Prime	3.25%	0.0	US 10 year	2.93%
US 3 month T-Bill	0.87%	32.8	US 30 year	2.94%
US 6 month T-Bill	1.37%	41.5	5YR Sovereign CDS	13.97
US 1 Year	2.10%	75.2	10YR Sovereign CDS	20.99
US 2 year	2.78%	61.2		

CANADIAN BOND - TOTAL RETURN	Change Week	Change Y-T-D
FTSE Universe Bond Index	-1.91%	-10.17%
FTSE Short Term Bond Index	-0.77%	-3.90%
FTSE Mid Term Bond Index	-1.72%	-9.64%
FTSE Long Term Bond Index	-3.59%	-17.91%

CURRENT YIELD CURVE



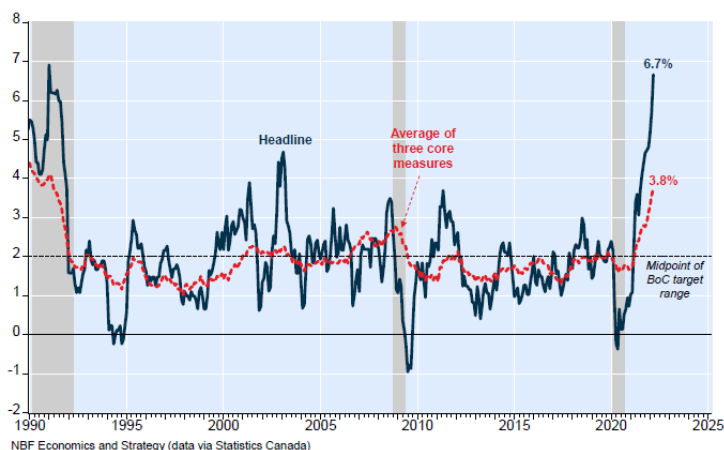
Source: Refinitiv & NBF

WEEKLY ECONOMIC WATCH

CANADA – The **Consumer Price Index** rose 1.4% in March (not seasonally adjusted), five ticks above consensus expectations. In seasonally adjusted terms, headline prices increased 0.9% on gains in all categories but clothing/footwear (-0.2%) in the following order, from highest to lowest: 2.2% for transportation, 1.2% for household ops, 1.0% for food, 1.0% for shelter, 0.9% for recreation, 0.3% for health/personal care, and 0.3% for alcohol/tobacco. Year on year, headline inflation clocked in at 6.7%, one full percentage point higher than in February and the strongest print since January 1991.

Canada: Inflation at 30-year high

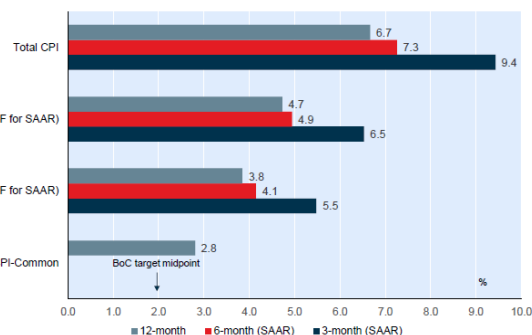
Consumer Price Index



The core inflation measures preferred by the Bank of Canada were as follows: 2.8% for CPI-common (up one tick vs. the prior month), 4.7% for CPI-trim (up three ticks), and 3.8% for CPI-median (up three ticks). As a result, the average of the three measures rose three ticks to 3.8%, its highest since March 1991. Recent momentum grew even stronger, with CPI-trim and CPI-median running, respectively, at 6.5% and 5.5% annualized over the past three months.

Canada: Core inflation still gathering momentum

CPI Inflation (%)

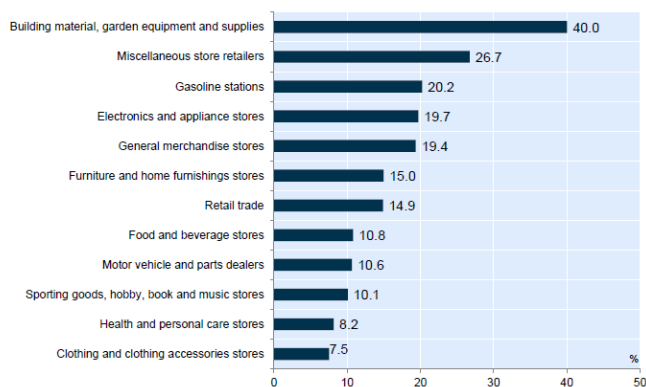


NBF Economics and Strategy (data via Statistics Canada)

While annual inflation may have peaked in March on account of base effects (though there could be more surprises in store for us down the road!), this does not mean that we will return to target in short order. The weakening of oil prices in April will provide some relief, but the food segment could keep rising, lifted by elevated commodity and transport costs. Lockdowns in China, meanwhile, may wreak havoc with supply chains and exert upward pressure on goods prices. The services sector will not be spared either as a tight labour market could translate into sizeable wage increases.

Retail sales edged up 0.1% in February, more than the median economist forecast calling for a loss of 0.5%. This gain hoisted sales 14.9% above their pre-pandemic level. Consumer outlays increased in 6 of the 11 subsectors, with gains for clothing/ accessories (+15.1%), gasoline stations (+6.2%) and building materials (+5.6%) having been largely offset by declines for motor vehicles/parts (-5.1%) and general merchandise stores (-1.2%). Excluding autos, retail sales progressed 2.1%. In real terms, outlays pulled back 0.4% m/m. Finally, Statistics Canada early estimate for March flagged a 1.4% increase in nominal sales.

Canada: All retail subsectors have now recovered from the pandemic
Nominal retail sales, percentage change from pre-pandemic level (Feb 2020)



NBF Economics and Strategy (data via Statistics Canada)

Consumer expenditures on goods came in better than expected in February. With this latest print, retail sales even reached a new all-time high with all components having now recovered from the pandemic. But it's worth noting that a good chunk of the improvement was due to higher prices. In volume terms, total sales slipped 0.4% and discretionary spending fell 0.7%. Expect more of the same next month. Though the preliminary estimate by Statistics Canada is for a 1.4% (nominal) increase in March, spending was likely influenced by higher gasoline prices – the latest CPI figures denote that gasoline prices rose 11.8% during the month. While fuel inflation is likely to boost retail numbers in the short term, it could also lead to lower expenditures in other sectors. It remains to be seen if the loss in purchasing power due to inflation, higher interest rates, and a deterioration in the global backdrop will be compensated by a strong labour market in the months ahead.

Instead of holding steady at about 250K as economists anticipated, **housing starts** cooled 4.0K in March to 246.2K (seasonally adjusted and annualized). Urban starts retraced 4.0K to 220.7K as a 4.9K increase in the single-family segment (to 65.8K) was more than offset by an 8.9K drop in the multi-unit category (to 154.9K). At the provincial level, decent gains in Quebec (+11.0K to 70.2K) and New Brunswick (+4.2K to 5.8K) failed to compensate for losses in Ontario (-15.3K to 88.0K), British Columbia (-2.3K to 32.6K), and Manitoba (-2.0K to 7.4K). On a six-month moving-average basis, starts were down countrywide in March, falling 0.8K from February to 252.5K. This marked the eighth decline in nine months for the six-month trend, which nonetheless remained comfortably above its long-term average (~190K).

Canada: Housing starts moderated from record levels
Housing starts

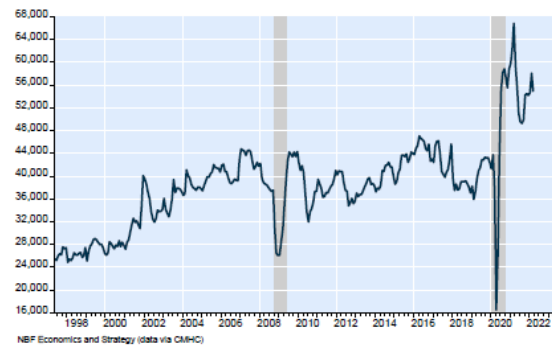


NBF Economics and Strategy (data via Statistics Canada)

Conditions on the resale market remain tight and inventories are low (see next paragraphs). Combined with raised immigration targets in the country, this should continue to support residential construction in the coming months. The strong trend in residential housing permits points in this direction as well. However, the start levels observed recently could prove hard to maintain in light of labour and material shortages in the construction industry, soaring house prices, and anticipated interest rate hikes.

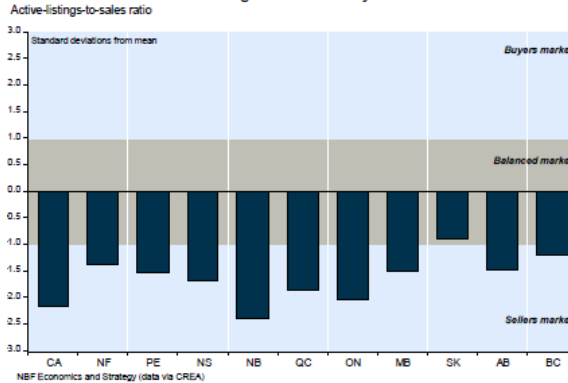
On a seasonally adjusted basis, **existing-home sales** fell 5.4% from February to March, marking just a second monthly decline in seven months. On a 12-month basis, resale transactions were down 16.3% in March. It need be remembered, however, that March 2021 was the most active month in history in terms of home resales.

Canada: Home resales eased but remained far above pre-COVID levels
Seasonally adjusted existing-home sales



Still in March, new listings dropped 5.5% but the decline was compensated for by lower sales. As a result, the number of months of inventory rose from a historical low of 1.6 to 1.8. Based on the active-listings-to-sales ratio, the housing market was tight in all the provinces save Saskatchewan, where the market was balanced.

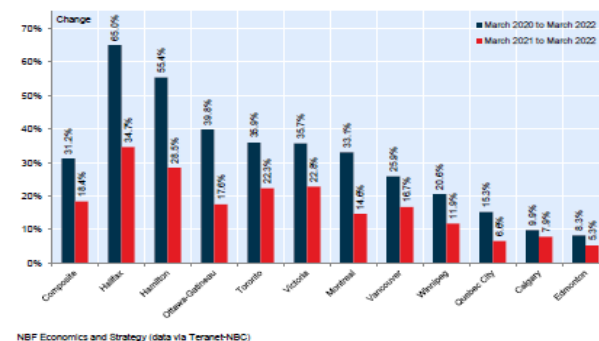
Canada: Resale market still tight almost everywhere



Could March's cooldown mark the beginning of a downtrend? In our opinion, the housing market should remain active during the spring owing to the many potential buyers who have secured advantageous interest rates and will want to act before these guaranteed rates expire. However, given the recent increase in borrowing costs and the worst affordability conditions on record, we anticipate a slowdown in activity in the second half of the year.

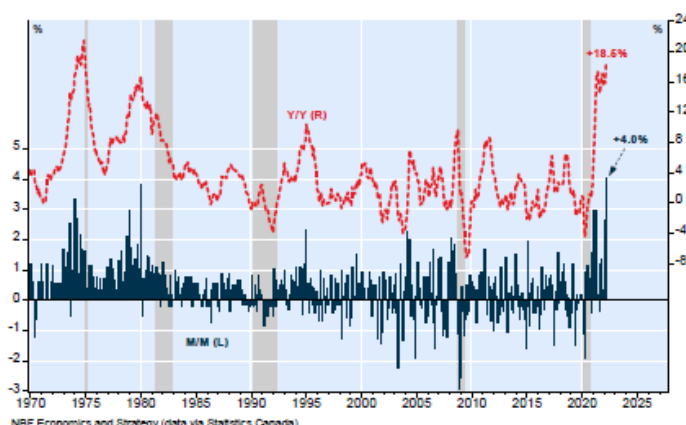
The **Teranet–National Bank Composite National House Price Index™** increased 2.0% m/m in March after seasonal adjustment, the second-highest monthly increase in data going back to 1999. Ten of the 11 markets in the composite index were up in the month, led by Halifax (5.4%), Toronto (2.7%), and Winnipeg (2.4%). Alternatively, home prices slipped 0.6% in Quebec City. From March 2021 to March 2022, the composite index rose no less than 18.4%, a new all-time record. This massive increase was driven by meteoric rises in Halifax (34.7%), Hamilton (28.5%), Victoria (22.8%), and Toronto (22.3%). Meanwhile, house price growth was lower than the national average in Ottawa-Gatineau (17.6%), Vancouver (16.7%), Montreal (14.6%), Winnipeg (11.9%), Calgary (7.9%), Quebec City (6.6%), and Edmonton (5.3%). Since the beginning of the pandemic two years ago, home prices have sprung 31.2% according to the Teranet-National Bank HPI. Many cities recorded dizzying price increases over this period, including 65.0% in Halifax, 55.4% in Hamilton, and 39.8% in Ottawa-Gatineau.

Canada: House prices have soared since start of pandemic
One- and two-year change in Teranet-National Bank HPI



Prices for products manufactured in Canada, as measured by the **Industrial Product Price Index (IPPI)**, rose 4.0% m/m in March after climbing 2.6% the month before. This was the seventh consecutive monthly increase for this indicator and the largest since data collection began in 1956. Prices were up in 14 of the 21 major commodity groups, led by energy/petroleum products (+17.4%), where steep gains were observed for diesel fuel (+23.3%) and motor gasoline (+14.9%), reflecting higher crude prices spurred on in part by the invasion of Ukraine and retaliatory sanctions against Russia. Prices for primary non-ferrous metals (+9.2%) rose steeply on a sharp gain in the aluminum/aluminum alloys sub-segment (+8.3%), which is highly sensitive to variations in energy prices. The lumber/other wood products category (+5.6%), too, contributed to the headline gain as it continued to benefit from limited supply and vigorous demand from the residential sector in the United States and Canada. Elsewhere, we noted sizeable price increases for intermediate food products (+3.3%), animal feed (+5.1%) and ammonia/chemical fertilizers (+7.8%) - recall that Russia accounted for roughly one-fifth of global fertilizers exports in 2021. On a 12-month basis, the IPPI registered its strongest prints since the December 1974, as it advanced 18.5%. Of the major categories, energy/petroleum products (+62.0%), primary ferrous metals (+33.8%), fabricated metals/construction materials (+30.6%), primary non-ferrous metal products (+28.3%) and chemicals/chemical products (+18.9%) recorded the steepest progressions. Within the latter group, ammonia/chemical fertilizers soared 85.5%.

Canada: Fastest monthly increase in IPPI on record
Industrial Product Price Index. Last observation: March 2022

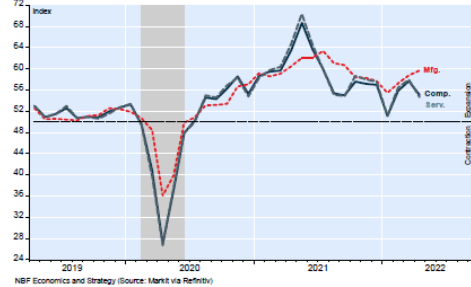


The **Raw Materials Price Index** rose 11.8% in March thanks in part to a 19.2% surge in the crude energy products segment. Excluding that category, the RMPI still rose 6.8% on a strong gain for crop products (+14.0%). On a 12-month basis, the headline RMPI was up 29.8%. Once again it was the crude energy products (+76.6%) and crop products (+47.3%) categories that showed the biggest increases. Within the latter segment, sizeable gains were recorded for canola (+69.4%) and wheat (+63.8%).

UNITED STATES - Markit's flash composite PMI signaled a strong, but slower increase in business activity across the private sector in April. The headline index came in at 55.1, down from 57.7 the month before. The manufacturing sector tracker advanced from 58.8 to a 7-month high of 59.7 as the rate of increase of both output and new orders accelerated. Purchasing managers reported another marked deterioration in vendor lead times. When combined with difficulties retaining and acquiring new staff, longer supplier delays were linked to a further rise in work backlogs. Input costs, meanwhile, rose at the fastest pace since last November's series on higher prices for fuel and transportations. Markit's report mentioned that "[f]requent increases in costs resulted in the sharpest rise in output charges on record as firms sought to pass-through greater input prices to clients."

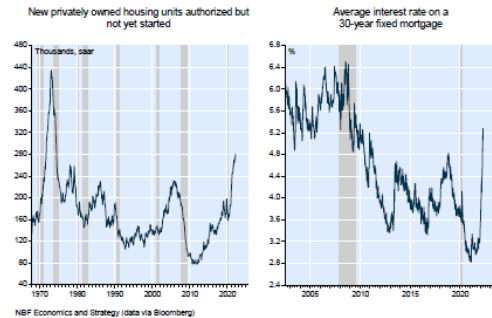
The services sub-index, for its part, eased from 58.0 to 54.7 amid reports of labor and supply shortages and inflation dampening customer willingness to spend. Input prices surged at an unprecedented pace at non-manufacturing businesses thanks in part to higher wage bills. "In response, service providers hiked their selling prices at the steepest rate on record in an effort to pass-through greater cost burdens." Work backlogs continued to lengthen, with many companies highlighting challenges in hiring new employees.

United States: Services sector feeling the effects of higher prices
Market Flash PMI, Last observation: April 2022



Housing starts advanced from 1,788K in February to 1,793K in March, a result far above the 1,740K expected by consensus and the highest since June 2006. The monthly gain was entirely due to a 4.6% increase in the multi-family segment (to a 26-month high of 593K). On the flip side, starts in the single-family category sagged 1.7% to 1,200K. For Q1 as a whole, total starts expanded 5.0%, hinting at a positive contribution to GDP growth from residential construction in the quarter. Still in March, **building permits** edged up 0.4% to 1,873K, not far from the multi-year high attained in January (1,895K). A sizeable gain in the multi-family segment (+10.0% to 726K) was only partially offset by a decrease for single-family dwellings (-4.8% to 1,147K). Permits data suggest residential construction could remain at a high level going forward. Indeed, the number of authorized residential projects for which construction had not yet started in March stood at a 48-year high of 280K. However, against this positive backdrop, challenges remain. Supply chain delays, the high cost of building materials, and labour shortages could very well hamper builder capacity to build going forward. High prices may also dampen buyer enthusiasm, as could mounting interest rates.

United States: Mixed outlook for residential construction



In March, **existing-home sales** retraced 2.7% to a 21-month low of 5,770K (seasonally adjusted and annualized). Despite this decline, sales remained slightly above their pre-recession peak of 5,620K. Contract closings faded for both single-family dwellings (-2.7%) and condos (-3.0%). Reflecting lower sales volumes, the inventory-to-sales ratio rose three ticks to 2.0 but continued to indicate extremely scarce supply. (According to the National Association of Realtors, a ratio <5 indicates a tight market.) The inventory of properties available for sale totaled just 0.95 million (not seasonally adjusted) in the month. Not only was this down 9.5% from a year earlier, it also represented the lowest March level ever recorded. Perhaps because of relatively scarce supply, listed properties remained on the market for only 17 days on average in March, the shortest time ever recorded. Lack of supply (and, for a time, low interest rates) has been the main factor supporting prices since the beginning of the COVID-19 crisis. In March, the median price paid for a previously owned home stood at an all-time high of \$375,300. This was up 15.0% on a 12-month basis.

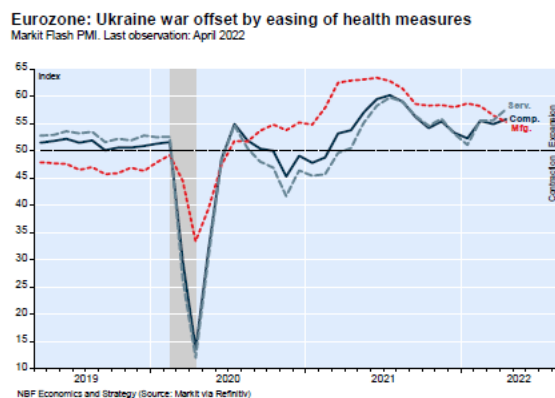
United States: Tight supply driving up home resale prices
Existing homes: inventory-to-sales ratio vs. annual increase in median price



Initial jobless claims remained more or less stable at 184K in the week to April 16. **Continued claims**, for their part, slid from 1,475K to a 52-year low of 1,417K. Such low levels of claims reflect the exceptional vitality of the job market in the United States.



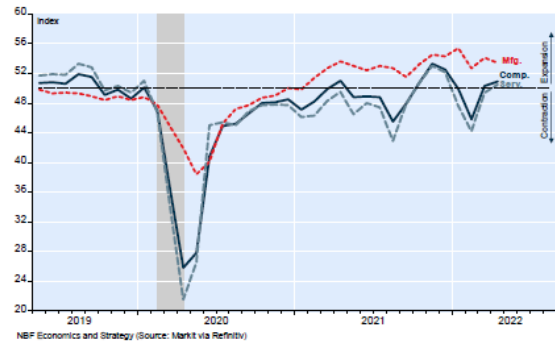
WORLD - Markit's flash composite PMI for the **Eurozone** rose from 54.9 in March to 55.8 in April "as a rebounding service sector, benefitting from loosened COVID-19 restrictions, helped compensate for a near-stalling of manufacturing output." The effects of the conflict were still visible in the data. To be sure, prices paid by businesses operating in the private sector rose at the second steepest clip ever, with firms reporting upward pressure on costs from energy and wages. These higher costs were passed on to customers, resulting in the largest rise in prices charged yet recorded in the survey. Looking ahead confidence remained subdued "as concerns over the Ukraine war, rising prices and the lingering effects of the pandemic continued to dampen optimism, especially in manufacturing."



The manufacturing sub-index cooled from 56.5 to 55.3. Output growth decelerated sharply (from 53.1 to a 22-month low of 51.4), with the auto sector being hit particularly hard. New orders piled up less quickly, something contacts in factories blamed on "soaring prices, the cost-of-living squeeze and signs of increased risk aversion due to the Russia-Ukraine war." Supply delays remained widespread, with disruptions emanating from the conflict and fresh lockdowns in China. The services gauge, for its part, jumped from 55.6 to an 8-month high of 57.7 "amid falling COVID-19 case numbers and an associated relaxation of health restrictions." The growth in incoming new businesses accelerated (from 54.2 to 56.4), with the upturn being led by a boom in tourism/recreation.

The **Jibun Bank/Markit flash composite PMI** went from 50.3 in March to 50.9 in April, signaling a slightly stronger improvement in operating conditions in Japan's private sector. As COVID-19 restrictions were gradually eased, the services sub-index swung back into expansionary territory for the first time since December, moving from 49.4 to 50.5. That said, new business inflows at service providers contracted for the third time in four months amid weaker domestic demand. Business contacts in non-manufacturing firms also reported the steepest rise in input prices since August 2008. "However, the rate of charge inflation broadly stagnated as firms looked to absorb rising cost pressures to support demand", the report said. The manufacturing index, meanwhile, eased from 54.1 to 53.4 as output growth decelerated. New orders expanded for the seventh month running, albeit at a softer rate than in March. Purchasing managers reported a softer rise in work backlogs, something that could explain why job creation was the weakest in 9 months. Confidence for future output, meanwhile, sank to its lowest level in nearly two years.

Japan: Services sector recovering from Omicron wave
 Jibun Bank/Market Flash PMI. Last observation: April 2022



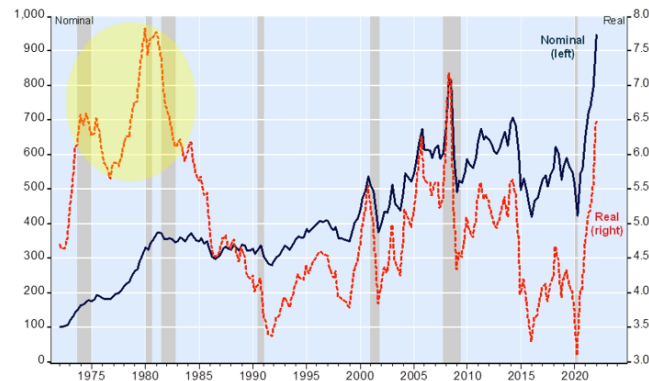
The **Chinese economy** lost some momentum in Q1, expanding 1.3% q/q (non-annualized), down from 1.6% the prior quarter. Year on year, GDP grew 4.8%, overshooting the median economist forecast of 4.2% growth. Although the quarterly numbers were better than expected, the economic impact of strict lockdowns in several cities (notably Shenzhen and Shanghai) was clearly visible in the monthly data. Indeed, retail sales dropped 3.5% y/y in March, marking the first decline for this indicator since July 2020. Growth in industrial production (from 7.5% y/y to 5.0%) and in fixed asset investment (from 12.2% y/y to 9.3%), also, slowed in March. The infrastructure component continued to be a major contributor to total investment, while property investment showed some weakness, dropping 2.4% y/y in March. With Beijing clinging fiercely to its zero-Covid policy, further confinements cannot be excluded, especially considering the extreme contagiousness of the Omicron variant. Such shutdowns could put the brakes on growth at a time when China is beset by other problems, notably, a painful process of deleveraging in the real estate market.

Canada Watch Canada: Higher for longer?

The outlook for S&P/TSX profits continues to be revised up on the back of surging commodity prices. In inflation-adjusted terms, the Bank of Canada's commodity price index is at its highest level in 13 years. As the Hot Chart shows, this level has rarely been maintained for long in the past, except in the 1970s. We believe that the current geopolitical context and the war raging in Ukraine argue for a longer period of bullishness in commodity prices that could boost investment in the sector.

Canada: Higher for longer?

BoC commodity price index for commodities produced in Canada expressed in CAD (nominal vs. real¹)



¹ Deflated using Canada all-items CPI
 NBF Economics & Strategy (data via Refinitiv)

IN THE NEWS



U.S. and Canadian News



Monday April 18th, 2022

[U.S. home builder sentiment hits seven-month low in April-NAHB](#)

The National Association of Home Builders/Wells Fargo Housing Market index dropped two points to 77 this month. The fourth straight monthly decline pushed the index to its lowest level since last September.

Tuesday April 19th, 2022

[U.S. single-family homebuilding, permits plunge in March](#)

Single-family housing starts, which account for the biggest share of homebuilding, dropped 1.7% to a rate of 1.200 million units in March. Starts for housing projects with five units or more jumped 7.5% to a rate of 574,000. The surge in this volatile segment helped to lift overall housing starts 0.3% to a seasonally adjusted annual rate of 1.793 million units. Data for February was revised higher to a rate of 1.788 million units from the previously reported 1.769 million units. Economists had forecast starts slipping to a rate of 1.745 million units. Permits for future single-family homebuilding dropped 4.8% to a rate of 1.147 million units. Building permits for housing projects with five units or more accelerated 10.9% to a rate of 672,000. That lifted overall building permits 0.4% to a rate of 1.873 million units last month.

[Higher rates start to cool Canada's hot housing market](#)

National home sales fell 5.4 per cent in March from the previous month, with new listings also declining by about the same amount, according to a report from the Canadian Real Estate Association. Despite the decline in activity, benchmark prices still rose 1 per cent on the month and are up 27 per cent from a year ago. Home sales are down 16 per cent from a year ago, when transaction activity hit an all-time record in March 2021. In a separate release, Canada Mortgage and Housing Corporation said that builders started work on an annualized 246,243 housing units last month, down 1.6 per cent from February.

Wednesday April 20th, 2022

[U.S. existing home sales fall further as house prices hit record high](#)

Existing home sales dropped 2.7% to a seasonally adjusted annual rate of 5.77 million units last month, the lowest level since June 2020. Data for February was revised sharply down to a rate of 5.93 million units from the previously reported 6.02 million units.

[U.S. firms beset by worker shortages and high inflation, Fed survey shows](#)

"Supply chain backlogs, labor market tightness, and elevated input costs continued to pose challenges on firms' abilities to meet demand," the Fed said in its survey, known as the "Beige Book".

[Canadian inflation blows past expectations, spiking to 6.7%](#)

Annual inflation rose to 6.7 per cent last month, up from 5.7 per cent in February. That's the highest since January 1991 and exceeds the median estimate of 6.1 per cent. Prices rose by 1.4 per cent in March alone, the biggest one-month increase since the country introduced a federal sales tax in 1991.

[Canadian home price index gain matches record high - Teranet](#)

The National Bank Composite House Price Index, which tracks repeat sales of single-family homes in major Canadian markets, rose 2.1% in March from February, up from a 1.5% gain in February. On annual basis, home prices grew 18.4%, matching a record set in August 2021 and up from 17.7% last month.

Thursday April 21st, 2022

[U.S. weekly jobless claims fall; unemployment rolls lowest in 52 years](#)

Initial claims for state unemployment benefits declined 2,000 to a seasonally adjusted 184,000 for the week ended April 16. Data for the prior week was revised to show 1,000 more applications received than initially reported. Economists had forecast 180,000 applications for the latest week.

[Fed's Powell, half-point hike in view, completes hawkish pivot](#)

A half-point interest rate increase "will be on the table" when the Federal Reserve meets on May 3-4 to approve the next in what are expected to be a series of rate increases this year, Fed Chair Jerome Powell said.

Friday April 22nd, 2022

[U.S. services sector activity eases in April](#)

S&P Global said its flash U.S. Composite PMI Output Index, which tracks the manufacturing and services sectors, fell to a reading of 55.1 this month from 57.7 in March. That reflected a moderation in activity in the vast services sector.

[Canada March producer prices up 4.0%, biggest monthly gain in 66 years](#)

Producer prices in Canada rose by a record 4.0% in March from February. This was the largest monthly gain since the series began in January 1956. It was the seventh consecutive monthly increase for the producer price index and followed a downwardly revised 2.6% gain in February. Raw materials prices were up 11.8% in March.

[Clothing, gas spending pushed retail sales up 0.1% in February](#)

Statistics Canada says retail sales rose 0.1 per cent to \$59.9 billion in February as gains in sales at clothing and clothing accessories stores and gasoline stations were offset by lower sales at motor vehicle and parts dealers. The agency says core retail sales – which exclude sales at gasoline stations and motor vehicle and parts dealers – rose 1.4 per cent. Looking ahead, Statistics Canada says its initial estimate for retail sales in March suggests a gain of 1.4 per cent for the month.

IN THE NEWS



International News

Monday April 18th, 2022

- [China Q1 GDP tops forecast, but March weakness raises outlook risks](#)

Gross domestic product (GDP) expanded by 4.8% in the first quarter from a year earlier, data from the National Bureau of Statistics showed on Monday, beating analysts' expectations for a 4.4% gain and picking up from 4.0% in the fourth quarter.

- [China March new home prices stall again as COVID dampens sentiment](#)

On a year-on-year basis, new home prices rose 1.5%, the slowest pace since November 2015, and easing from a 2.0% gain in February.

- [China cuts banks' reserve requirement ratio as economy slows](#)

China's central bank said it would cut the amount of cash that banks must hold as reserves for the first time this year, releasing about 530 billion yuan (US\$83.25 billion) in long-term liquidity to bolster slowing economic growth. The People's Bank of China (PBOC) said on its website it would cut the reserve requirement ratio (RRR) for all banks by 25 basis points (bps), effective from April 25.

- [India's March WPI inflation accelerates, adding pressure on retail prices](#)

India's annual wholesale inflation rate accelerated to 14.55% in March, completing a year in double-digit territory as firms grapple with rising input costs and pass on higher prices to consumers.

Tuesday April 19th, 2022

- [IMF cuts global growth forecast due to "seismic waves" from Russia's war in Ukraine](#)

The global lender, which downgraded its forecasts for the second time this year, said it now projects global growth of 3.6% in 2022 and 2023, a drop of 0.8 and 0.2 percentage point from its January forecast.

- [Japan finance minister makes most explicit warning yet against yen slump, economic fallout](#)

Japanese Finance Minister Shunichi Suzuki said the damage to the economy from a weakening yen at present is greater than the benefits accruing to it, making the most explicit warning yet against the currency's recent slump versus the dollar.

- [Australia rate hike brought nearer by inflation, wages - central bank](#)

Australia's central bank is nearer to raising interest rates for the first time in more than a decade as inflation accelerates and a tightening labour market nudges wage growth higher, minutes of its April policy meeting showed.

Wednesday April 20th, 2022

- [China unexpectedly keeps lending benchmark unchanged](#)

China surprisingly kept its benchmark lending rates steady, with markets seeing the move as Beijing's cautious approach to rolling out more easing measures as the economy slows due to COVID-19 lockdowns.

- [Japan posts trade gap far wider than forecasts as China exports slow, energy imports soar](#)

Imports soared 31.2% in the year to March, above a median forecast of 28.9%. That outpaced a 14.7% rise in exports, resulting in a trade deficit of 412.4 billion yen (US\$3.19 billion) - eclipsing the 100.8 billion yen estimated in the poll.

- [German producer prices at record high amid Ukraine war](#)

German producer prices rose 30.9% on the year in March, reflecting the effects of the war in Ukraine for the first time. The average expectation among analysts was for an annual increase of 28.2%. February had seen an increase of 25.9% on the year. Producer prices registered a jump of 4.9% compared to the previous month.

Thursday April 21st, 2022

- [Euro zone March inflation revised slightly down, still at record](#)

The European Union's statistics office Eurostat said consumer prices in the 19 countries sharing the euro rose 2.4% month-on-month in March for a 7.4% year-on-year increase. An earlier estimate by Eurostat put March inflation at 2.5% in the month and 7.5% from a year earlier.

- [German exports to Russia slump by 57.5% in March](#)

German exports to Russia slumped by 57.5% to 1.1 billion euros in March because of sanctions imposed after the invasion of Ukraine. That decline demoted Russia to Germany's 12th-biggest export market outside the European Union, down from fifth in February.

- [Putin claims victory in Mariupol, U.S. to send more guns and money](#)

Russian President Vladimir Putin claimed victory in the biggest battle of the war in Ukraine on Thursday, declaring the port of Mariupol "liberated" after nearly two months of siege although hundreds of defenders were still holed up inside a steel works.

- [China's Xi proposes 'global security initiative', without giving details](#)

Chinese President Xi Jinping proposed a "global security initiative" that upholds the principle of "indivisible security", a concept also endorsed by Russia, although he gave no details of how it would be implemented.

Friday April 22nd, 2022

- [UK consumer morale plunges near all-time low in April: GfK](#)

Market research firm GfK said on Friday its consumer confidence index fell to -38 from -31 in March, within a whisker of an all-time low hit in July 2008.

- [UK business stumbles on inflation and Ukraine war worries](#)

The preliminary S&P Global/CIPS composite Purchasing Managers' Index (PMI) dropped to a three-month low of 57.6 in April from 60.9 in March. Economists had mostly expected a smaller fall to 59.0.

- [Japan March consumer prices rise at fastest pace in over 2 years](#)

The core consumer price index (CPI), which excludes volatile fresh food prices but includes fuel and broader energy costs, jumped 0.8% in March from a year earlier.

WEEKLY PERFORMERS – S&P/TSX

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
West Fraser Timber Co Ltd	\$111.10	\$13.35	13.66%
Secure Energy Services Inc	\$6.45	\$0.62	10.63%
Interfor Corp	\$36.34	\$2.74	8.15%
Russel Metals Inc	\$34.84	\$2.20	6.74%
Badger Infrastructure Solutions Ltd	\$31.46	\$1.31	4.34%
TFI International Inc	\$105.67	\$3.20	3.12%
Air Canada	\$24.15	\$0.73	3.12%
Descartes Systems Group Inc	\$79.52	\$2.22	2.87%
Baytex Energy Corp	\$6.53	\$0.18	2.83%
Hydro One Ltd	\$35.68	\$0.97	2.79%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Energy Fuels Inc	\$10.40	-\$3.13	-23.13%
Shopify Inc	\$585.08	-\$146.85	-20.06%
Endeavour Silver Corp	\$5.64	-\$1.41	-20.00%
Denison Mines Corp	\$1.80	-\$0.41	-18.55%
Canopy Growth Corp	\$7.10	-\$1.50	-17.44%
First Majestic Silver Corp	\$14.86	-\$3.08	-17.17%
Nexgen Energy Ltd	\$6.57	-\$1.31	-16.62%
IAMGOLD Corp	\$3.95	-\$0.74	-15.78%
Silvercrest Metals Inc	\$10.30	-\$1.80	-14.88%
Capstone Copper Corp	\$5.88	-\$1.02	-14.78%

Source: Refinitiv

WEEKLY PERFORMERS – S&P500

S&P500: LEADERS	LAST	CHANGE	%CHG
United Airlines Holdings Inc	\$51.46	\$6.33	14.03%
Kimberly-Clark Corp	\$138.51	\$12.09	9.56%
International Business Machines Corp	\$138.25	\$11.69	9.24%
Twitter Inc	\$48.93	\$3.85	8.54%
M&T Bank Corp	\$172.41	\$12.85	8.05%
Western Digital Corp	\$49.46	\$3.12	6.73%
SVB Financial Group	\$541.04	\$33.98	6.70%
Allegion PLC	\$114.51	\$7.08	6.59%
American Airlines Group Inc	\$20.18	\$1.18	6.21%
Snap-On Inc	\$222.38	\$11.22	5.31%

S&P500: LAGGARDS	LAST	CHANGE	%CHG
Netflix Inc	\$215.52	-\$125.61	-36.82%
Enphase Energy Inc	\$153.63	-\$36.88	-19.36%
HCA Healthcare Inc	\$210.64	-\$50.30	-19.28%
Warner Bros Discovery Inc	\$20.57	-\$4.31	-17.32%
DENTSPLY SIRONA Inc	\$40.95	-\$8.12	-16.55%
Solaredge Technologies Inc	\$251.58	-\$49.08	-16.32%
Match Group Inc	\$77.30	-\$14.80	-16.07%
PayPal Holdings Inc	\$86.03	-\$16.28	-15.91%
Moderna Inc	\$140.34	-\$25.15	-15.20%
Charles Schwab Corp	\$70.32	-\$12.43	-15.02%

Source: Refinitiv

NBF RATINGS & TARGET PRICE CHANGES

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
AG Growth International Inc.	AFN	Outperform	Restricted	C\$49.00	Restricted
Agnico Eagle Mines Ltd.	AEM	Outperform	Outperform	C\$99.00	C\$94.00
Alamos Gold Inc.	AGI	Sector Perform	Sector Perform	C\$13.00	C\$11.00
Anaergia Inc.	ANRG	Sector Perform	Restricted	C\$17.00	Restricted
B2Gold Corp.	BTO	Outperform	Outperform	C\$8.50	C\$7.75
Barrick Gold Corporation	ABX	Sector Perform	Sector Perform	C\$38.00	C\$29.00
Brookfield Renewable Partners L.P.	BEP.un	Outperform	Outperform	US\$41.00	US\$38.00
Capstone Copper Corp.	CS	Sector Perform	Outperform	C\$8.00	C\$8.00
Centerra Gold Inc.	CG	Outperform	Outperform	C\$16.00	C\$14.50
Copper Mountain Mining Corporation	CMMC	Outperform	Outperform	C\$4.50	C\$4.75
Dundee Precious Metals Inc.	DPM	Sector Perform	Sector Perform	C\$10.00	C\$10.25
Eldorado Gold Corp.	ELD	Outperform	Outperform	C\$20.00	C\$18.00
Endeavour Mining plc	EDV	Outperform	Outperform	C\$45.25	C\$44.25
Equinox Gold Corp.	EQX	Outperform	Outperform	C\$14.00	C\$13.00
Fiera Capital Corp.	FSZ	Sector Perform	Sector Perform	C\$11.00	C\$11.50
First Majestic Silver Corp.	FR	Sector Perform	Sector Perform	C\$18.00	C\$17.00
Fortuna Silver Mines Inc.	FVI	Sector Perform	Sector Perform	C\$6.50	C\$5.50
Franco-Nevada Corporation	FNV	Sector Perform	Sector Perform	C\$225.00	C\$210.00
G Mining Ventures Corp.	GMIN	Outperform	Outperform	C\$1.75	C\$1.65
GFL Environmental Inc.	GFL	Outperform	Outperform	C\$53.00	C\$55.00
Gold Standard Ventures Corp.	GSV	Outperform	Outperform	C\$1.30	C\$1.40
Goodfood Market Corp.	FOOD	Outperform	Outperform	C\$3.75	C\$4.25
Great-West Lifeco Inc.	GWO	Sector Perform	Sector Perform	C\$38.00	C\$39.00
Hudbay Minerals Inc.	HBM	Outperform	Outperform	C\$12.50	C\$13.00
iA Financial Corporation Inc.	IAG	Outperform	Outperform	C\$88.00	C\$89.00
IAMGOLD Corporation	IMG	Outperform	Outperform	C\$5.50	C\$5.00
K92 Mining Inc.	KNT	Outperform	Outperform	C\$12.50	C\$11.50
Kinross Gold Corp	K	Outperform	Outperform	C\$12.00	C\$11.00
Liberty Gold Corp.	LGD	Outperform	Restricted	C\$1.80	Restricted
Lundin Gold Inc.	LUG	Sector Perform	Sector Perform	C\$13.50	C\$12.25
MAG Silver Corp.	MAG	Outperform	Outperform	C\$28.25	C\$30.00
Marathon Gold Corporation	MOZ	Outperform	Outperform	C\$3.75	C\$4.50
Maverix Metals Inc	MMX	Sector Perform	Sector Perform	C\$7.00	C\$6.75
New Gold Inc.	NGD	Sector Perform	Sector Perform	C\$2.50	C\$2.75
Newmont Corporation	NGT	Sector Perform	Outperform	C\$119.00	C\$107.00
O3 Mining Inc.	OIII	Outperform	Outperform	C\$3.75	C\$4.25
OceanaGold Corporation	OGC	Outperform	Outperform	C\$4.00	C\$3.50
Osisko Gold Royalties Ltd.	OR	Outperform	Outperform	C\$22.00	C\$20.00
Osisko Mining Inc.	OSK	Outperform	Outperform	C\$5.50	C\$5.25
Pan American Silver Corp.	PAAS	Outperform	Outperform	C\$47.00	C\$41.00
PrairieSky Royalty Ltd.	PSK	Sector Perform	Sector Perform	C\$24.00	C\$23.00
Premium Brands Holdings Corporation	PBH	Outperform	Outperform	C\$138.00	C\$155.00
Rogers Communications Inc.	RCI.B	Outperform	Outperform	C\$83.00	C\$77.00
Royal Gold Inc.	RGLD	Sector Perform	Sector Perform	US\$165.00	US\$140.00
Sabina Gold & Silver Corp.	SBB	Outperform	Outperform	C\$3.00	C\$3.25

The Week at a Glance

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
Sabina Gold & Silver Corp.	SBB	Outperform	Outperform	C\$3.00	C\$3.25
Sandstorm Gold Ltd.	SSL	Outperform	Outperform	C\$12.50	C\$10.00
Solaris Resources Inc.	SLS	Outperform	Outperform	C\$22.00	C\$20.00
SSR Mining Inc.	SSRM	Sector Perform	Sector Perform	C\$33.00	C\$30.00
Sun Life Financial	SLF	Sector Perform	Sector Perform	C\$76.00	C\$77.00
Tamarack Valley Energy Ltd.	TVE	Outperform	Outperform	C\$8.50	C\$8.00
Teck Resources Limited	TECK.B	Outperform	Outperform	C\$65.00	C\$60.00
TFI International Inc.	TFII	Outperform	Outperform	C\$142.00	C\$160.00
Torex Gold Resources Inc.	TXG	Sector Perform	Sector Perform	C\$22.00	C\$23.25
Transcontinental Inc.	TCL.A	Outperform	Outperform	C\$23.00	C\$24.50
Trevalli Mining Corporation	TV	Sector Perform	Sector Perform	C\$1.90	C\$2.20
Triple Flag Precious Metals Corp.	TFPM	Sector Perform	Sector Perform	C\$23.00	C\$19.00
Wesdome Gold Mines Ltd.	WDO	Outperform	Outperform	C\$19.00	C\$18.75
Wheaton Precious Metals Corp.	WPM	Outperform	Outperform	C\$75.00	C\$68.00
Yamana Gold Inc.	YRI	Outperform	Outperform	C\$9.25	C\$8.75

STRATEGIC LIST - WEEKLY UPDATE

(April 18th – April 22nd)

No Changes this Week

Comments:

Communication Services (Market Weight)

Rogers Communications Inc. (RCI.b)

NBF: Q1/2022 results: Revenues of \$3619M (CE \$3625M) were in line as lower Wireless product sales offset upside in Wireless service revenues & Cable. EBITDA \$1539M (CE \$1474M) beat on Wireless & Cable. Shaw deal closing still expected in 2Q as approvals awaited (The Globe and Mail reported that a deal to sell Freedom Mobile to Xplornet has been shown to the government for its approval). In Wireless, RCI reported better net adds & pricing (roaming), with churn lower. In Cable, rates hikes helped along with cost efficiencies. After forecast changes, NBF raised its target price to \$83.00 (from \$77.00) and maintained its Outperform rating. NBF target price is based on PF2022E DCF & PF2023E NAV, with implied EV/EBITDA (+30 bps) at 9.0x PF2022E & 8.5x PF2023E.

Consumer Staples (Market Weight)

Premium Brands Holdings Corporation

NBF: Premium Brands reports Q1/22 results on May 6, 2022. The key themes in the quarter are anticipated to be: inflation, price increases and consumer demand. NBF anticipates that labour issues noted last quarter will not be as problematic. In short, NBF expects continued sales momentum through Q1/22. While the rapid spread of the Omicron variant may have slowed demand in foodservice amid renewed restrictions, particularly in Ontario/Quebec, NBF anticipates heightened retail demand to offset. Furthermore, NBF believes price increases and continued organic growth will support sales. Heightened inflation will drive heightened price increases; however, NBF suspects PBH will not be fully caught-up with inflation, resulting in margin pressure. NBF projects EBITDA growth of ~15% y/y, reflecting continued organic growth, contribution from acquisitions and a lower SG&A rate; a lower gross margin rate (not fully passing inflation) is expected to serve as a partial negative offset. NBF is forecasting Q1/22 EBITDA of \$95 million versus consensus at \$96 million; last year was \$83 million (adjusted). NBF projects Specialty Foods (SF) organic volume growth of 6.0% y/y vs. 4.0% (or 8.2% adj.) last year. NBF projects Premium Food Distribution (PFD) organic volume growth of 2.0% y/y vs. 0.1% (or 6.4% adj.) last year. NBF forecasts revenue of \$1,249 million vs. cons. at \$1,225 million; last year was \$1,010 million. NBF expects continued material cost input inflation in Q1/22. NBF's view is that PBH will continue to mitigate inflationary pressure through material price increases, although there will be a lag (as seen in prior quarters), creating pressure on margins. NBF anticipates the growth cadence will improve through the year, as price increases fully take effect and PBH potentially closes on new acquisitions. NBF maintained its Outperform rating; price target is \$138.00 from \$155.00. The decrease in NBF's price target largely reflects a lower multiple (heightened macroeconomic uncertainty) and slightly lower estimates.

Financials (Market Weight)

Sun Life Financial (SLF)

NBF: Q1 preview: Sun Life reports Q1 results May 11, 2022. H2/21 saw elevated mortality losses in SLF's U.S. Group business due to significant waves of delta and omicron. During NBF conference in late March, SLF reiterated that claims experience will remain elevated in the U.S. during Q1/22 as January and February saw similar levels of mortality as Q4/21. However, since mid-February, mortality rates have declined as omicron faded. Given the ~4-5-week lag between a mortality event and when SLF pays out the claim, SLF expects similar mortality losses in Q1/22 and a decline in losses by Q2/22. Following a period of exceptional growth for MFS since the first half of 2020, NBF expects a significant slowdown this quarter as seasonal expense factors and equity market weakness weigh on profitability. SLF's diversified Asian presence across eight countries has helped to mitigate the impact of the current COVID outbreak as the individual markets are in different stages of the omicron 'wave'. On one hand, the Philippines and India peaked in late January/early February, whereas Indonesia, Vietnam, Malaysia and Singapore have seen cases peaking between late February and throughout March. The good news is that SLF hadn't seen excess mortality in these six markets through early March given the high vaccination rates in each country. In contrast, SLF expects excess mortality in Hong Kong, though they believe mortality losses won't

The Week at a Glance

be as bad as earlier in the pandemic and could be offset by lower morbidity. NBF maintained its Sector Perform rating on SLF and cut its target price by \$1.00 to \$76.00.

Materials (Overweight)

Base Metals

NBF: Following discussions with management teams in NBF's universe ahead of Q1/22 earnings, NBF expects higher costs in the quarter and anticipate several companies could increase cost guidance as a result of elevated diesel prices, ongoing shipping delays/logistical challenges and impact of Russia/Ukraine conflict on other key consumables within the industry. NBF expects persistently high inflation to have an impact on the near-term outlook as supply contracts are renegotiated, supply chain issues persist and consumable prices continue to rise. Several items have been flagged by management teams as impacting costs, including diesel prices, freight costs, explosive costs, sulphuric acid costs and other consumables contracts are all subject to additional fuel surcharges. Overall, it's hard to see any producers without significant by-product credits being able to avoid an ~10% increase in cost guidance from numbers released in late-December/early-January. Adding to the impact of these cost pressures are several additional factors NBF expects will weigh on Q1 production results (several operations across NBF's universe are in lower grade mine sequences to start the year (some by pushing mines harder at end of 2021), weather related impacts (including heavy rain in Brazil and regions of Africa), logistical challenges (including shipping related delays and/or CP rail strike in Canada), scheduled maintenance programs and COVID-19 related absenteeism).

Teck Resources Ltd. (TECK.b)

NBF: Teck reports Q1/22 results on April 27th before the market open. NBF forecasts Q1/22 Adj. EBITDA/ Adj. EPS/ CFPS of \$2,837M/ \$2.89/ \$3.35 vs. consensus at \$2,864M/ \$2.81/ \$3.34. Teck pre-released coal sales, which has been accurately reflected in consensus estimates ahead of the quarter. As such, NBF has incorporated into its model preliminary Q1/22 coal sales of 6.0 mln tonnes and has modestly revised its estimates at Highland Valley given the CP rail strike in Q1/22. NBF has also incorporated ~\$130 mln in provisional pricing adjustments (incl. \$88 mln from coal sales) driven by higher prices. At Fort Hills, both trains are operational which will support operating margins in the quarter given high commodity prices. NBF projects quarterly production of 5.50Mt coal, 65,300t copper and 160,800t of zinc concentrate. NBF raised its NAV to \$42.47 from \$38.79 previously. NBF maintained its Outperform rating and raised its target price on Teck to \$65.00 from \$60.00 previously. The new target is based on 1.20x NAV (50%); 5.0x EV/2022 CF (25%); 5.0x EV/2023 CF (25%) [unchanged].

Precious Metals

NBF: NBF revised its metals prices and FX rate assumptions, using March 31st close prices for the remainder of 2022 and 2023 price assumptions. NBF's revised metal price deck proved modestly positive for the cash flow generation outlook of its research coverage universe given the elevated commodity prices observed throughout 1Q22 which supported positive price estimate revisions in the near term. NBF's LT gold price has risen US\$50 to US\$1,525/oz and its LT silver price has risen US\$0.50 to US\$19.50/oz. The increase in LT price estimates is driven by observed elevated AISC trends across the industry. NBF also factored in the revised price deck of its Base Metals team. NBF made several target price revisions, driven mostly by the new price deck, with modestly higher near-term gold and silver prices for 2022 and 2023 versus its prior price deck. NBF also tweaked our valuation target multiples to better align with broader industry trends. NBF expects the bulk of its producing companies (~81%) under coverage to report a softer Q1 2022 vs. 4Q21 in terms of overall production as NBF expects the COVID-19 Omicron variant to have had a negative impact on employee availability. NBF also expects the bulk of our coverage (~83%) to report higher cash costs Q/Q due to the general trend of lower production Q/Q and coupled with rising costs for several key consumables (diesel, cyanide, steel, etc).

Agnico Eagle Mines Ltd. (AEM)

NBF: Agnico Eagle reports Q1/22 results on April 28th, after market close. NBF is calling for adjusted EPS of US\$0.37 vs. consensus at US\$0.43. NBF expects the quarter to be murky on earnings with the closing of the Kirkland Lake Gold merger. NBF estimates Q1 production at 658 koz pro-rated for the KL assets as of closing of MOE on February 8th. Q1 production is expected to be the weakest of 2022. We will look for any updates on the integration of KL assets, LOM update for Detour (expected mid-2022), and shaft project updates at Kittila and Macassa. NBF maintained its Outperform rating and raised its target price to \$99.00 from \$94.00. The revised target is based on 11.00x (was 11.75x) EV/EBITDA NTM (100%).

Kinross Gold Corp. (K)

NBF: Kinross reports Q1/22 results on May 10th, after market close. NBF estimates adjusted EPS of US\$0.07 vs. consensus at US\$0.08, with a writedown expected for the Russian assets. Guidance shown is NBF estimate ex-Russia. NBF estimates

The Week at a Glance

Q1 production at 473 kGEO, a ~3% decrease Q/Q due to the exclusion of Kupol (offset by Tasiast ramp-up, which should be at 21 ktpd now). NBF will watch for an update on Tasiast achieving 21,000 tpd (expected late March), details on Russian asset/ Chiriano sales and La Coipa LOM (expected Q2/22). Kinross trades at a significant discount to senior peers on a P/NAV and EV/EBITDA basis, which NBF continues to believe is unwarranted, especially if management is successful in exiting Russia. On April 5th, Kinross announced that it has reached an agreement to sell 100% of its Russian assets to Highland Gold Mining for total cash consideration of US\$680 mln or ~US\$0.54/sh). The transaction is still subject to approval from the Russian government, but any surfacing of value will provide upside to NBF's base case estimates as it has stripped all Russian assets from its estimates as of March 3rd. In NBF's view, a re-rating is also supported by the potential de-risking of its recent acquisition of Great Bear Resources Ltd. (GBR), as the company works towards developing a maiden resource for the high-grade project located near Red Lake, Ontario. Thus, NBF sees potential for significant improvement in Kinross's geopolitical risk profile moving forward driven by exiting Russia and creating value in Canada via the drill bit, which NBF believes supports the shares trading at multiples closer to the senior peer averages. NBF maintained its Outperform rating and raised its target price to \$12.00 from \$11.00. The revised target is based on 6.50x (was 7.00x) EV/EBITDA NTM (100%).

Utilities

Innergex Renewable Energy Inc. (INE)

NBF: The Québec government announced that it will authorize Hydro-Québec to launch the largest Requests for Proposals (RFP) for renewable power in its history, for a total of 2,300 MW of renewable capacity. The capacity will be split into two blocks, consisting of 1,000 MW for wind projects and 1,300 MW for other renewable energy projects, which could include solar, hydroelectricity and geothermal technologies. As a comparison, the last RFPs launched by Hydro-Québec in Dec. 2021 proposed 300 MW for wind projects and 480 MW for other renewable energy projects, making the upcoming RFPs almost triple the size. While the two RFPs still need to be formally approved, they are expected to be launched by the end of this year. Assuming they remain open for six to seven months, in line with Hydro-Québec's previous timelines, awards could take place as early as next year and projects could come online by 2027. This is a clear positive for project developers with a significant presence in Québec, especially **Boralex** (C\$48/sh target, OP rating) and **Innergex** (C\$23/sh target, OP rating). However, all of the stocks in NBF's IPP coverage have an operational footprint in the province, in wind and hydro generation. NBF's BLX target is based on a cost of equity of 5.50% for operating assets and includes \$7/sh for growth, and INE is based on cost of equity of 5.50% for operating assets and includes \$3/sh for growth.

NBF STRATEGIC LIST

Company	Symbol	Addition Date	Addition Price	Last Price	Yield (%)	Beta	% SPTSX	NBF Sector Weight
Communication Services							5.2	Market Weight
Quebecor Inc.	QBRb.TO	29-Nov-18	\$ 28.70	\$ 32.47	3.7	0.5		
Rogers Communications Inc.	RCIb.TO	13-Feb-20	\$ 65.84	\$ 73.62	2.7	0.5		
Consumer Discretionary							3.2	Market Weight
Canadian Tire Corporation Ltd.	CTCa.TO	18-Nov-21	\$ 174.10	\$ 182.83	2.7	1.9		
Dollarama Inc.	DOL.TO	19-Mar-20	\$ 38.96	\$ 73.58	0.3	0.6		
Consumer Staples							3.9	Market Weight
Loblaw Companies Ltd.	L.TO	25-Mar-21	\$ 68.50	\$ 116.48	1.3	0.3		
Premium Brands Holdings Corp.	PBH.TO	17-Feb-22	\$ 122.90	\$ 105.09	2.7	0.7		
Energy							16.9	Overweight
Cenovus Energy Inc.	CVE.TO	16-Jan-20	\$ 12.26	\$ 21.96	0.6	2.5		
Enbridge Inc.	ENB.TO	21-Jan-15	\$ 59.87	\$ 57.07	5.9	0.9		
Tourmaline Oil Corp.	TOU.TO	13-Aug-20	\$ 16.68	\$ 62.98	1.3	1.4		
Financials							31.3	Market Weight
Canadian Imperial Bank of Commerce	CM.TO	29-Mar-22	\$ 156.28	\$ 144.29	4.4	1.1		
Element Fleet Management Corp	EFN.TO	02-Apr-20	\$ 8.58	\$ 11.27	2.6	1.2		
Fairfax Financial Holdings Ltd.	FFH.TO	20-Dec-18	\$ 585.81	\$ 687.35	1.8	0.9		
Intact Financial Corp.	IFC.TO	11-Jun-20	\$ 130.04	\$ 179.67	2.2	0.8		
Royal Bank of Canada	RY.TO	19-Jun-13	\$ 60.69	\$ 132.76	3.5	0.9		
Sun Life Financial	SLF.TO	10-Dec-20	\$ 57.07	\$ 66.62	3.9	1.4		
Health Care							0.7	Market Weight
Industrials							11.4	Market Weight
ATS Automation Tooling Systems Inc.	ATA.TO	18-Nov-21	\$ 48.62	\$ 39.51	0.0	0.7		
Toromont Industries Ltd	TIH.TO	05-Dec-19	\$ 67.24	\$ 119.54	1.3	0.8		
Information Technology							6.3	Underweight
Kinaxis Inc.	KXS.TO	19-Mar-20	\$ 100.05	\$ 138.35	0.0	0.7		
Open Text Corp.	OTEX.TO	26-Oct-16	\$ 41.61	\$ 51.97	2.1	0.9		
Materials							13.6	Overweight
Agnico Eagle Mines Ltd.	AEM.TO	29-Mar-22	\$ 75.74	\$ 75.86	2.6	0.6		
Kinross Gold Corp.	K.TO	16-Sep-21	\$ 7.06	\$ 6.95	2.1	0.5		
Teck Resources Ltd.	TECKb.TO	01-Nov-17	\$ 27.15	\$ 47.40	1.0	1.2		
REITs							2.8	Underweight
Canadian Apartment Properties REIT	CAR_u.TO	10-Dec-20	\$ 49.82	\$ 51.78	2.8	0.7		
Summit Industrial Income REIT	SMU_u.TO	17-Feb-22	\$ 21.50	\$ 21.00	2.7	1.2		
Utilities							4.8	Underweight
Capital Power Corp.	CPX.TO	22-Aug-19	\$ 30.90	\$ 42.38	5.1	1.2		
Innergex Renewable Energy Inc.	INE.TO	22-Aug-19	\$ 15.00	\$ 18.25	3.9	0.8		

Source: Refinitiv (Priced April 22, 2022 after market close)

* R = Restricted Stocks - Stocks placed under restriction while on The NBF Strategic List will remain on the list, but noted as Restricted in accordance with compliance requirements

THE ECONOMIC CALENDAR

(April 25th – April 29th)

U.S. Indicators

<u>Date</u>	<u>Time</u>	<u>Release</u>	<u>Period</u>	<u>Previous</u>	<u>Consensus</u>	<u>Unit</u>
25-Apr	08:30	National Activity Index	Mar	0.51		Index
26-Apr	08:30	Durable Goods	Mar	-2.1%	1.0%	Percent
26-Apr	08:30	Durables Ex-Transport	Mar	-0.6%	0.6%	Percent
26-Apr	09:00	CaseShiller 20 MM SA	Feb	1.8%	1.5%	Percent
26-Apr	09:00	CaseShiller 20 YY	Feb	19.1%	18.9%	Percent
26-Apr	10:00	Consumer Confidence	Apr	107.2	108.0	Index
26-Apr	10:00	New Home Sales-Units	Mar	0.772M	0.765M	Number of
26-Apr	10:00	New Home Sales Chg MM	Mar	-2.0%		Percent
27-Apr	07:00	MBA Mortgage Applications	18 Apr, w/e	-5.0%		Percent
27-Apr	08:30	Adv Goods Trade Balance	Mar	-106.35B		USD
27-Apr	08:30	Wholesale Inventories Adv	Mar	2.5%		Percent
27-Apr	08:30	Retail Inventories Ex-Auto Adv	Mar	1.4%		Percent
27-Apr	10:00	Pending Sales Change MM	Mar	-4.1%	-1.5%	Percent
27-Apr	10:30	EIA Wkly Crude Stk	18 Apr, w/e	-8.020M		Barrel
28-Apr	08:30	GDP Advance	Q1	6.9%	1.1%	Percent
28-Apr	08:30	Core PCE Prices Advance	Q1	5.0%	5.6%	Percent
28-Apr	08:30	Initial Jobless Clm	18 Apr, w/e	184k	180k	Person
28-Apr	08:30	Jobless Clm 4Wk Avg	18 Apr, w/e	177.25k		Person
28-Apr	08:30	Cont Jobless Clm	11 Apr, w/e	1.417M	1.430M	Person
28-Apr	10:30	EIA-Nat Gas Chg Bcf	18 Apr, w/e	53B		Cubic foot
29-Apr	08:30	Personal Income MM	Mar	0.5%	0.4%	Percent
29-Apr	08:30	Consumption, Adjusted MM	Mar	0.2%	0.6%	Percent
29-Apr	08:30	Core PCE Price Index MM	Mar	0.4%	0.3%	Percent
29-Apr	08:30	Core PCE Price Index YY	Mar	5.4%	5.3%	Percent
29-Apr	08:30	Employment Costs	Q1	1.0%	1.1%	Percent
29-Apr	09:45	Chicago PMI	Apr	62.9	62.0	Index
29-Apr	10:00	U Mich Sentiment Final	Apr	65.7	65.7	Index

Canadian Indicators

<u>Date</u>	<u>Time</u>	<u>Release</u>	<u>Period</u>	<u>Previous</u>	<u>Consensus</u>	<u>Unit</u>
28-Apr	07:00	Business Barometer	Apr	65.10		Index
29-Apr	08:30	GDP MM	Feb	0.2%	0.8%	Percent
29-Apr	11:00	Budget Balance, C\$	Feb	-5.18B		CAD
29-Apr	11:00	Budget, Year-To-Date, C\$	Feb	-75.29B		CAD

Source : Refinitiv

S&P/TSX QUARTERLY EARNINGS CALENDAR**Monday April 25th, 2022**

None

Tuesday April 26th, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Air Canada	AC	BMO	-1.49
Canadian National Railway Co	CNR	AMC	1.38
First Quantum Minerals Ltd	FM	AMC	0.56
Winpak Ltd	WPK	NTS	0.42

Wednesday April 27th, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Aecon Group Inc	ARE	AMC	-0.30
Alamos Gold Inc	AGI	AMC	0.21
Allied Properties Real Estate Investment Trust	AP_u	AMC	0.60
Atco Ltd	ACOX	AMC	1.04
Canadian Pacific Railway Ltd	CP	AMC	0.73
Canadian Utilities Ltd	CU	AMC	0.75
Celestica Inc	CLS	AMC	0.35
CGI Inc	GIBa	BMO	1.51
Choice Properties Real Estate Investment Trust	CHP_u	AMC	0.24
FirstService Corp	FSV	BMO	0.71
Lundin Mining Corp	LUN	AMC	0.55
Methanex Corp	MX	AMC	2.02
Teck Resources Ltd	TECK.b	BMO	2.82
Toromont Industries Ltd	TIH	AMC	0.68
Yamana Gold Inc	YRI	AMC	0.20

Thursday April 28th, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Advantage Energy Ltd	AAV	AMC	0.54
Agnico Eagle Mines Ltd	AEM	AMC	1.41
AltaGas Ltd	ALA	BMO	0.92
Eldorado Gold Corp	ELD	AMC	0.35
OceanaGold Corp	OGC	NTS	0.07
Secure Energy Services Inc	SES	BMO	0.26
TFI International Inc	TFII	AMC	1.21
West Fraser Timber Co Ltd	WFG	AMC	9.43
Whitecap Resources Inc	WCP	BMO	0.74

The Week at a Glance

Friday April 29th, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Imperial Oil Ltd	IMO	BMO	2.71
Magna International Inc	MG	BMO	1.16
TC Energy Corp	TRP	BMO	1.11

Source: Refinitiv, NBF Research

*Companies of the S&P/TSX index expected to report. Stocks from the Strategic List are in Bold.

S&P500 INDEX QUARTERLY EARNINGS CALENDAR**Monday April 25th, 2022**

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Activision Blizzard Inc	ATVI	BMO	0.70
Alexandria Real Estate Equities Inc	ARE	AMC	2.00
Ameriprise Financial Inc	AMP	AMC	5.86
Brown & Brown Inc	BRO	AMC	0.75
Cadence Design Systems Inc	CDNS	AMC	1.02
Coca-Cola Co	KO	BMO	0.58
Otis Worldwide Corp	OTIS	BMO	0.74
Packaging Corp of America	PKG	AMC	2.52
SBA Communications Corp	SBAC	AMC	1.00
Universal Health Services Inc	UHS	AMC	2.46
W R Berkley Corp	WRB	AMC	0.95

Tuesday April 26th, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
3M Co	MMM	BMO	2.31
Allegion PLC	ALLE	BMO	0.96
Alphabet Inc	GOOGL	AMC	26.12
Archer-Daniels-Midland Co	ADM	BMO	1.40
Avery Dennison Corp	AVY	06:45	2.17
Capital One Financial Corp	COF	AMC	5.44
Centene Corp	CNC	06:00	1.68
Chipotle Mexican Grill Inc	CMG	AMC	5.65
Chubb Ltd	CB	AMC	3.48
Corning Inc	GLW	BMO	0.50
D R Horton Inc	DHI	BMO	3.37
Ecolab Inc	ECL	BMO	0.82
Edwards Lifesciences Corp	EW	AMC	0.57
Enphase Energy Inc	ENPH	AMC	0.66
Equity Residential	EQR	AMC	0.80
Essex Property Trust Inc	ESS	AMC	3.34
F5 Inc	FFIV	AMC	2.01
General Electric Co	GE	BMO	0.19
General Motors Co	GM	AMC	1.68
IDEX Corp	IEX	AMC	1.74
Invesco Ltd	IVZ	BMO	0.63
Juniper Networks Inc	JNPR	AMC	0.32
Microsoft Corp	MSFT	AMC	2.19
Mondelez International Inc	MDLZ	16:05	0.74
MSCI Inc	MSCI	BMO	2.78
Northern Trust Corp	NTRS	BMO	1.64
Paccar Inc	PCAR	BMO	1.54
PepsiCo Inc	PEP	BMO	1.23
Raytheon Technologies Corp	RTX	BMO	1.01
Robert Half International Inc	RHI	AMC	1.46

The Week at a Glance

Roper Technologies Inc	ROP	BMO	3.68
Sherwin-Williams Co	SHW	BMO	1.55
Teradyne Inc	TER	17:00	0.88
Texas Instruments Inc	TXN	AMC	2.18
UDR Inc	UDR	AMC	0.55
United Parcel Service Inc	UPS	BMO	2.88
Valero Energy Corp	VLO	BMO	1.64
Visa Inc	V	AMC	1.65
Warner Bros Discovery Inc	WBD	07:00	0.04
Waste Management Inc	WM	BMO	1.15

Wednesday April 27th, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Aflac Inc	AFL	AMC	1.37
Align Technology Inc	ALGN	16:00	2.23
American Tower Corp	AMT	07:00	1.12
American Water Works Company Inc	AWK	AMC	0.77
Amgen Inc	AMGN	AMC	4.14
Amphenol Corp	APH	BMO	0.61
Automatic Data Processing Inc	ADP	BMO	2.08
Avalonbay Communities Inc	AVB	AMC	2.25
Boeing Co	BA	BMO	-0.25
Boston Scientific Corp	BSX	BMO	0.39
CH Robinson Worldwide Inc	CHRW	AMC	1.54
CME Group Inc	CME	BMO	2.00
Discover Financial Services	DFS	AMC	3.62
Duke Realty Corp	DRE	AMC	0.43
Entergy Corp	ETR	BMO	1.37
Equinix Inc	EQIX	AMC	1.67
Everest Re Group Ltd	RE	AMC	9.42
Fiserv Inc	FISV	BMO	1.36
Ford Motor Co	F	16:05	0.38
Garmin Ltd	GRMN	BMO	1.13
General Dynamics Corp	GD	BMO	2.51
Hess Corp	HES	BMO	1.02
Hologic Inc	HOLX	AMC	1.60
Humana Inc	HUM	06:30	6.78
IQVIA Holdings Inc	IQV	BMO	2.42
Kraft Heinz Co	KHC	BMO	0.53
Las Vegas Sands Corp	LVS	AMC	-0.23
Masco Corp	MAS	07:00	0.85
Meta Platforms Inc	FB	AMC	2.57
Mid-America Apartment Communities Inc	MAA	AMC	1.94
Molina Healthcare Inc	MOH	AMC	4.66
Norfolk Southern Corp	NSC	BMO	2.92
Old Dominion Freight Line Inc	ODFL	BMO	2.39
O'Reilly Automotive Inc	ORLY	16:30	7.48
PayPal Holdings Inc	PYPL	AMC	0.88
PTC Inc	PTC	AMC	1.14

The Week at a Glance

Qualcomm Inc	QCOM	AMC	2.91
Raymond James Financial Inc	RJF	AMC	1.64
Rollins Inc	ROL	BMO	0.15
ServiceNow Inc	NOW	AMC	1.70
TE Connectivity Ltd	TEL	BMO	1.70
Teledyne Technologies Inc	TDY	BMO	3.97
T-Mobile US Inc	TMUS	BMO	0.33
Tyler Technologies Inc	TYL	AMC	1.68
United Rentals Inc	URI	AMC	5.00
Westinghouse Air Brake Technologies Corp	WAB	BMO	1.12

Thursday April 28th, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
A O Smith Corp	AOS	BMO	0.75
ABIOMED Inc	ABMD	BMO	1.08
Alliant Energy Corp	LNT	AMC	0.72
Altria Group Inc	MO	BMO	1.09
Amazon.com Inc	AMZN	AMC	8.13
American Electric Power Company Inc	AEP	BMO	1.19
Apple Inc	AAPL	AMC	1.43
Arthur J Gallagher & Co	AJG	AMC	2.74
Baxter International Inc	BAX	BMO	0.81
Bio Rad Laboratories Inc	BIO	AMC	3.40
Camden Property Trust	CPT	AMC	1.49
Carrier Global Corp	CARR	BMO	0.47
Caterpillar Inc	CAT	06:30	2.60
Celanese Corp	CE	AMC	4.51
Church & Dwight Co Inc	CHD	BMO	0.77
Cincinnati Financial Corp	CINF	AMC	1.48
Comcast Corp	CMCSA	BMO	0.80
Dexcom Inc	DXCM	AMC	0.52
Digital Realty Trust Inc	DLR	AMC	1.66
Domino's Pizza Inc	DPZ	07:30	3.06
DTE Energy Co	DTE	BMO	2.04
Eastman Chemical Co	EMN	AMC	2.15
Eli Lilly and Co	LLY	BMO	2.32
Fortive Corp	FTV	BMO	0.68
Fortune Brands Home & Security Inc	FBHS	AMC	1.26
Gilead Sciences Inc	GILD	AMC	1.80
Hartford Financial Services Group Inc	HIG	16:15	1.55
Hershey Co	HSY	07:00	2.10
Intel Corp	INTC	AMC	0.81
International Paper Co	IP	BMO	0.52
Interpublic Group of Companies Inc	IPG	BMO	0.40
Iron Mountain Inc	IRM	BMO	0.37
Kimco Realty Corp	KIM	BMO	0.36
KLA Corp	KLAC	AMC	4.82
Laboratory Corporation of America Holdings	LH	BMO	5.98

The Week at a Glance

LKQ Corp	LKQ	BMO	0.92
Mastercard Inc	MA	BMO	2.17
McDonald's Corp	MCD	BMO	2.17
Merck & Co Inc	MRK	BMO	1.81
Mohawk Industries Inc	MHK	AMC	2.92
Nielsen Holdings PLC	NLSN	BMO	0.42
Northrop Grumman Corp	NOC	BMO	5.96
Principal Financial Group Inc	PFG	16:15	1.56
Pultegroup Inc	PHM	BMO	1.72
Resmed Inc	RMD	AMC	1.42
Southern Co	SO	BMO	0.95
Southwest Airlines Co	LUV	BMO	-0.30
Stanley Black & Decker Inc	SWK	BMO	1.70
Stryker Corp	SYK	16:05	1.95
T Rowe Price Group Inc	TROW	BMO	2.75
Teleflex Inc	TFX	BMO	2.75
Textron Inc	TXT	BMO	0.73
Thermo Fisher Scientific Inc	TMO	BMO	6.18
Twitter Inc	TWTR	BMO	0.03
Verisign Inc	VRSN	AMC	1.45
W W Grainger Inc	GWW	08:00	6.12
West Pharmaceutical Services Inc	WST	BMO	2.12
Western Digital Corp	WDC	AMC	1.48
Willis Towers Watson PLC	WTW	BMO	2.50
Xcel Energy Inc	XEL	BMO	0.69

Friday April 29th, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Abbvie Inc	ABBV	BMO	3.15
Bristol-Myers Squibb Co	BMJ	BMO	1.91
Cboe Global Markets Inc	CBOE.Z	BMO	1.68
Charter Communications Inc	CHTR	07:00	6.48
Chevron Corp	CVX	BMO	3.28
Colgate-Palmolive Co	CL	BMO	0.75
Exxon Mobil Corp	XOM	BMO	2.11
Honeywell International Inc	HON	BMO	1.86
L3harris Technologies Inc	LHX	BMO	3.05
LyondellBasell Industries NV	LYB	BMO	3.54
Newell Brands Inc	NWL	BMO	0.27
Phillips 66	PSX	BMO	1.30
Weyerhaeuser Co	WY	BMO	1.14

Source: Refinitiv, NBF Research

* Companies of the S&P500 index expected to report.

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