NATIONAL BANK FINANCIAL

The Week at a Glance

May 27th, 2022

THE WEEK IN NUMBERS

(May 23rd – May 27th)

Research Services

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INDEX	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
Dow Jones Industrial	33,213.35	1,951.45	6.24%	-8.60%	-3.63%	17.6
S&P 500	4,158.27	256.91	6.59%	-12.75%	-1.01%	19.7
Nasdaq Composite	12,131.13	776.51	6.84%	-22.46%	-11.69%	21.9
S&P/TSX Composite	20,748.58	550.97	2.73%	-2.23%	4.93%	13.5
Dow Jones Euro Stoxx 50	3,808.86	25.76	0.68%	-11.39%	-5.70%	13.8
FTSE 100 (UK)	7,585.46	195.48	2.65%	2.72%	8.06%	13.1
DAX (Germany)	14,462.19	480.28	3.44%	-8.96%	-6.13%	12.9
Nikkei 225 (Japan)	26,781.68	42.65	0.16%	-6.98%	-6.19%	15.4
Hang Seng (Hong Kong)	20,697.36	-19.88	-0.10%	-11.54%	-28.91%	10.1
Shanghai Composite (China)	3,130.24	-16.33	-0.52%	-14.00%	-13.26%	12.0
MSCI World	2,803.71	147.80	5.56%	-13.24%	-5.62%	17.2
MSCI EAFE	2,037.94	68.70	3.49%	-12.76%	-12.36%	13.6

S&P TSX SECTORS	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
S&P TSX Consumer Discretionary	235.99	6.80	2.97%	-13.78%	-13.97%	17.1
S&P TSX Consumer Staples	788.51	22.91	2.99%	3.33%	14.34%	19.7
S&P TSX Energy	270.48	17.14	6.77%	65.14%	113.33%	10.3
S&P TSX Financials	384.70	14.54	3.93%	-4.57%	3.93%	10.2
S&P TSX Health Care	28.80	-1.85	-6.04%	-37.34%	-59.74%	N/A
S&P TSX Industrials	349.93	7.97	2.33%	-8.14%	-0.76%	22.5
S&P TSX Info Tech.	138.32	1.29	0.94%	-34.83%	-26.10%	43.4
S&P TSX Materials	355.57	1.33	0.38%	8.30%	5.06%	13.2
S&P TSX Real Estate	338.21	5.97	1.80%	-14.89%	-1.35%	5.8
S&P TSX Communication Services	202.15	2.64	1.32%	3.59%	7.75%	20.4
S&P TSX Utilities	355.96	-1.37	-0.38%	3.67%	10.22%	29.2

COMMODITIES	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	NBF 2022E
Oil-WTI futures (US$/Barrels)	$115.14	1.91	1.69%	53.09%	72.24%	$95.00
Natural gas futures (US$/mcf)	$8.74	0.66	8.17%	134.40%	195.57%	$4.90
Gold Spot (US$/OZ)	$1,850.80	9.00	0.49%	1.27%	-2.37%	$1,921
Copper futures (US$/Pound)	$4.32	0.04	0.93%	-3.01%	-7.40%	$4.70

CURRENCIES	Last price	Curr. Net Change	% Change Week	% Change YTD	%Change 1 Year	NBF Q4/22e
Cdn$/US$	0.7859	0.0072	0.92%	-0.68%	-5.18%	0.82
Euro/US$	1.0731	0.0171	1.62%	-5.60%	-11.98%	1.07
Pound/US$	1.2628	0.0141	1.13%	-6.66%	-11.10%	1.30
US$/Yen	127.13	-0.72	-0.56%	10.47%	15.78%	125

Source: Refinitiv and NBF Research

Please see last page for NBF Disclosures

FIXED INCOME NUMBERS

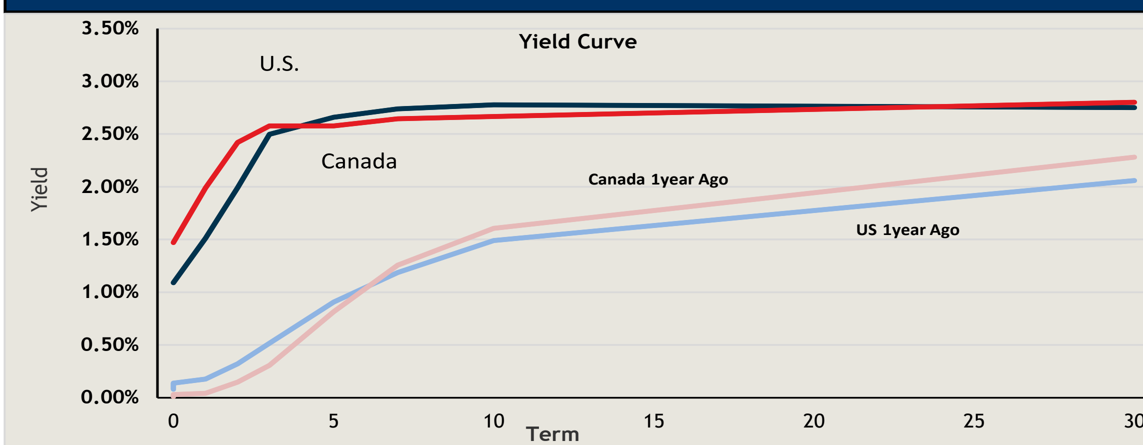
THE WEEK IN NUMBERS
(May 23rd – May 27th)

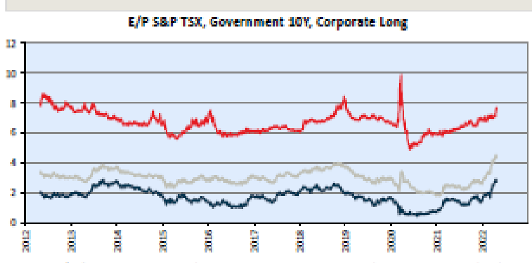
Canadian Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
CDA o/n	1.00%	0.0	CDA 5 year	2.64%	-1.6
CDA Prime	3.20%	0.0	CDA 10 year	2.80%	0.2
CDA 3 month T-Bill	1.47%	9.0	CDA 20 year	2.94%	6.8
CDA 6 month T-Bill	1.99%	20.0	CDA 30 year	2.82%	2.3
CDA 1 Year	2.42%	5.0	5YR Sovereign CDS	39.00	
CDA 2 year	2.58%	7.0	10YR Sovereign CDS	40.1	

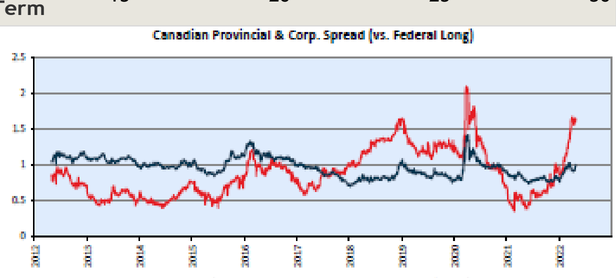
US Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
US FED Funds	0.50-0.75%	0.5	US 5 year	2.74%	-8.7
US Prime	4.00%	0.5	US 10 year	2.75%	-7.6
US 3 month T-Bill	1.09%	26.2	US 30 year	2.98%	6.6
US 6 month T-Bill	1.51%	13.9	5YR Sovereign CDS	16	
US 1 Year	1.99%	3.1	10YR Sovereign CDS	23.5	
US 2 year	2.50%	-9.3			

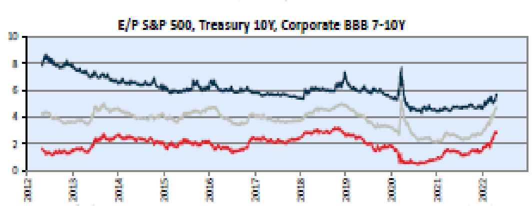
CANADIAN BOND - TOTAL RETURN	Change Week	Change Y-T-D
FTSE Universe Bond Index	0.69%	-9.86%
FTSE Short Term Bond Index	0.42%	-3.39%
FTSE Mid Term Bond Index	0.74%	-8.94%
FTSE Long Term Bond Index	1.00%	-18.17%

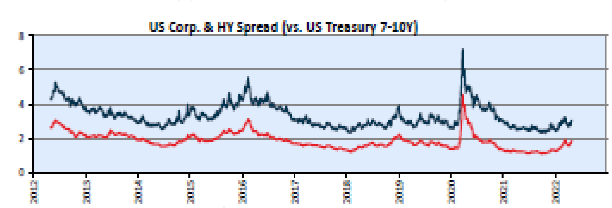
CURRENT YIELD CURVE











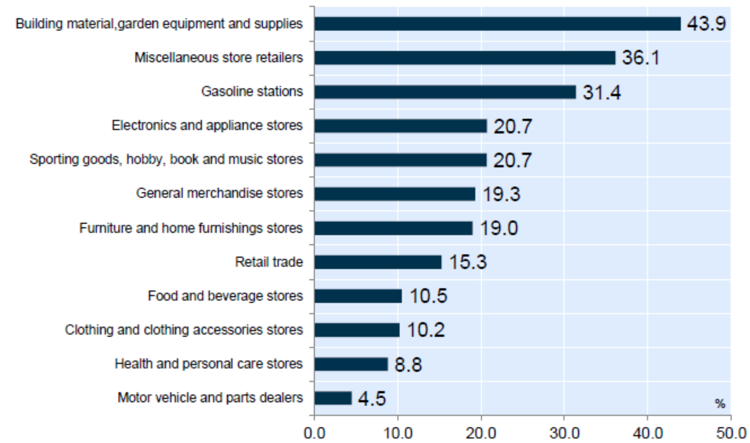
Source: Refinitiv & NBF

NBF Economy & Strategy Group

WEEKLY ECONOMIC WATCH

CANADA – Retail sales remained flat in March, well below consensus calling for a robust gain of 1.4%. The prior month's result was revised up one tick from 0.1% to 0.2%. March's neutral print and revision brought retail sales to 15.3% above their pre-pandemic level. Consumer outlays increased in 10 of the 11 subsectors, with the strongest gains occurring at gasoline stations (+7.4%), miscellaneous store retailers (+5.9%), building material dealers (+3.7%), clothing/accessories stores (+2.2%), and furniture/home furnishing stores (+2.0%), among others. These were entirely offset by lower sales at motor vehicles/parts dealers (-6.4%) owing to supply issues (semiconductor chip shortages continued to impact auto production). Excluding this subsector, retail sales progressed 2.4%, which was above consensus calling for a gain of 2.1%. All subsectors remained well above their pre-pandemic level.

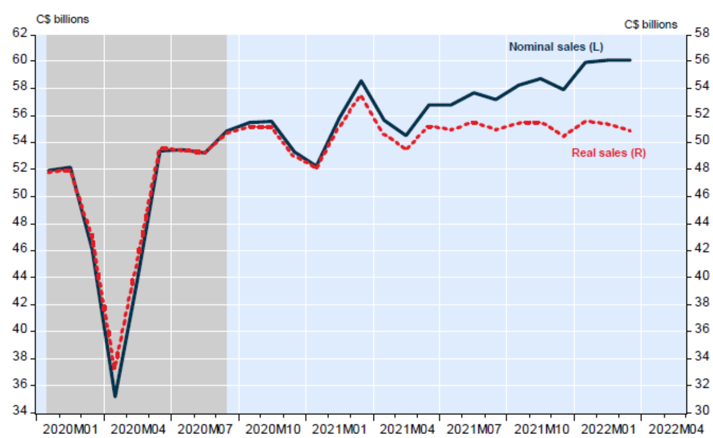
Canada: Retail sales have recovered in all subsectors in March
Nominal retail sales, % change from pre-pandemic level (Feb 2020)



NBF Economics and Strategy (data via Statistics Canada)

Across the provinces, sales were up in Alberta (+1.8%), Newfoundland and Labrador (+1.1%), Manitoba (+0.3%), and Ontario (+0.3%). They remained flat in New Brunswick and retreated in British Columbia (-0.5%), Prince Edward Island (-0.6%), Quebec (-0.8%), Saskatchewan (-1.6%), and Nova Scotia (-1.8%). In real terms, retail sales pulled back 1.0% m/m. Finally, Statistics Canada's early estimate for April is for a 0.8% increase in nominal sales.

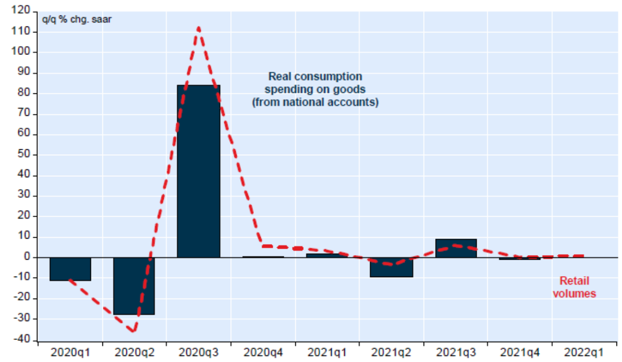
Canada: Growth in real retail spending has been less impressive
Nominal and real retail sales



NBF Economics and Strategy (data via Statistics Canada)

Excluding motor vehicle/parts dealers, retail sales exceeded the consensus forecast. This said, the March print was supported entirely by higher prices. In volume terms, sales were down 1.0%. Gasoline station receipts registered a significant increase thanks to the 11.8% increase in gasoline prices caused in part by sanctions on Russia limiting supply on the global market. While this is likely to boost retail numbers in the short term, it could lead to lower expenditures in other components as spending is shifted. It remains to be seen whether the loss in purchasing power due to inflation, higher interest rates, and a deterioration in the global backdrop will be compensated for by a strong labour market in the months ahead. After increasing 12.5% annualized in nominal terms in the last quarter of 2021, real retail sales edged up 0.9% annualized in the first quarter of 2022. This suggests a modest contribution to growth from consumption spending.

Canada: Goods consumption may have contributed modestly to growth in Q1
Real consumption spending on goods versus real retail sales



NBF Economics and Strategy (data via Statistics Canada)

UNITED STATES - The **second estimate of Q1 GDP** growth pegged in at -1.5% in annualized terms, a shade weaker than the preliminary estimate (-1.4%). The details of the report showed downgrades to inventories, residential investment and business investment in structures, which were not offset by stronger showings for household consumption and business investment in equipment/intellectual property products. Trade's contribution remained unchanged as the upgrade to exports exactly matched the downgrade to imports. The report also showed pre-tax corporate profits decreasing an annualized 2.3% from the prior quarter; they had increased 0.5% in Q4. On a 12-month basis, profits were up 12.5%.

Contributions to Q1 real GDP growth

	2nd est.	1st est.
GDP	**-1.5**	-1.4
Consumption	2.1	1.8
Business Investm. Equip./Intell.	1.3	1.2
Business Investm. Struct.	-0.1	0.0
Residential Investm.	0.0	0.1
Government	-0.5	-0.5
Domestic Demand	**2.8**	2.6
Exports	-0.6	-0.7
Imports	-2.6	-2.5
Trade	**-3.2**	-3.2
Final Sales	-1.9	-0.6
Inventories	**-1.1**	-0.8

NBF Economics and Strategy (data via Bloomberg)

Nominal **personal income** rose 0.4% in April after increasing 0.5% the month before. As the labour market continued to recover, the wage/salary component of income progressed 0.6%. All this translated into a 0.3% monthly gain for disposable income. Nominal **personal spending**, for its part, hiked 0.9% on with advances for both goods (+0.8%) and services (+0.9%). As spending expanded at a faster pace than disposable income did, the saving rate dropped from 5.0% to a 14-year low of 4.4%. Adjusted for inflation, disposable income remained stable - a ninth month with no increase-, while spending edged up 0.7%.

The **Federal Reserve published the minutes** of its two-day policy meeting held May 3-4 where they raised the fed funds target 50 basis points and announced the start of quantitative tapering in June. While the tone of this week's minutes remained hawkish, there was little that had not already been communicated and/or expected. As a result, the market reaction to the release was relatively muted.

Consistent with what Fed Chair Jerome Powell had already communicated, "most participants judged that 50-bp increases in the target range would likely be appropriate at the next couple of meetings". While participants agreed that decisions should be data dependent, at present "it was more important to move expeditiously to a more neutral monetary policy stance". Importantly, there was no discussion of rate hikes larger than 50 bps. Regarding QT, all participants supported the Fed's plan for reducing the size of the balance sheet. Once well underway, a "number of participants" suggested that the sale of agency MBS should be considered. While there was broad agreement that inflation was too high and creating hardships for Americans, there appeared to be no consensus on inflation expectations. Though several participants were comforted by long-term expectations, others were worried that persistently high inflation could de-anchor long-term expectations. Participants did agree that there was strong underlying momentum in the domestic economy to support their "soft landing" baseline scenario. Bottom line: The Fed seems set on a course for two straight 50-bp rate hikes, and decisions thereafter will become more finely balanced and dependent on incoming data.

In April, the headline **PCE deflator** came in at 6.3% y/y, down from 6.6% the prior month. The core PCE measure also edged down from 5.2% in March to 4.9% in April.

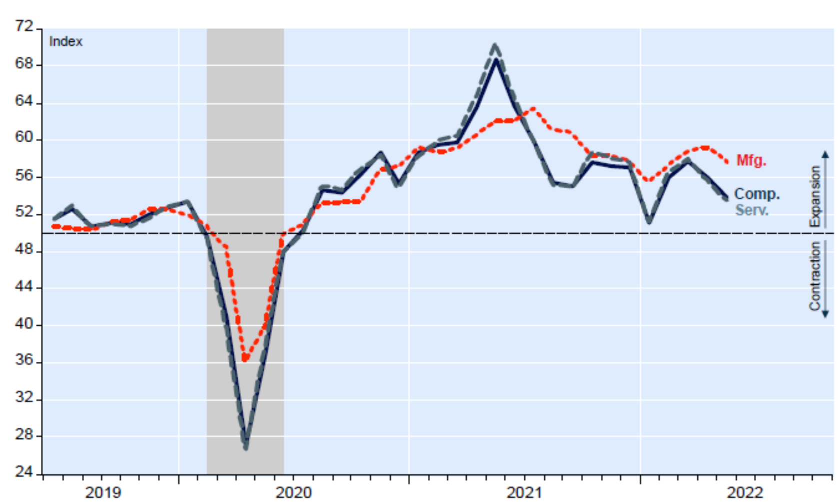
Durable goods orders grew 0.4% in April, two ticks less than expected by analysts. Orders in the transportation category edged up 0.6% as a gain for civilian aircraft (+4.3%) and defence aircraft (+1.0%) was partially offset by a decline in vehicles/parts (-0.2%). Excluding transportation, orders advanced 0.3% (less than the 0.6% expected by consensus), marking the 13th increase in 14 months for this indicator. The report showed, also, that orders of non-defence capital goods excluding aircraft, a proxy for future capital spending, grew 0.3% m/m.

Markit's flash composite PMI signaled a strong, albeit slower, increase in business activity across the private sector in May. The headline index came in at 53.8, down from 56.0 the month before. The manufacturing sector tracker slid from 59.2 to a three-month low of 57.5 as raw material shortages and delays in supplier delivery times dampened output growth. Together 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 key components and logistics (e.g., transportation, metals, fuel, cardboard). The Markit report mentioned that "some companies reported challenges passing further surges in costs on to customers", which would squeeze profits.

The services sub-index, for its part, eased from 55.6 to 53.5 amid the slowest upturn in new business for almost two years. Hikes in selling prices weighed on demand conditions and the initial boost to demand from the re-opening of the economy showed signs of fading. Input prices surged at an unprecedented pace at non-manufacturing businesses thanks to higher wage bills and interest rates and higher prices for fuel and materials.

Initial jobless claims edged down from 218K to 210K in the week to May 21. Continued claims, for their part, increased from their 52-year low to 1346K, which remains way below historical levels. These levels reflect the exceptional vitality of the job market in the United States.

United States: Inflation weighs on manufacturing and service sector growth
Markit Flash PMI. Last observation: May 2022



NBF Economics and Strategy (data via Refinitiv)

Sales of new homes dropped for the fourth month in a row in April, melting 16.6%% to 591K (seasonally adjusted and annualized), their lowest level since April 2020. This retreat, together with a rise in the number of homes available on the market (from 410K to 444K), pushed the inventory-to-sales ratio up from 6.9 to 9.0, indicating a balanced market. The median transaction price, meanwhile, rose 3.6% m/m to $450,600, a record. On a 12-month basis, it was up 19.6%.

After the buying frenzy of the past two years, which pushed prices to record levels, and the sharp rise in interest rates, which has reduced affordability, the new-homes market is now below its pre-pandemic level and does not appear to be stabilizing. Moreover, the supply shortages that propelled prices upward seems to be resolving gradually. Indeed, there were more new homes available on the market in April than at any time since June 2008.

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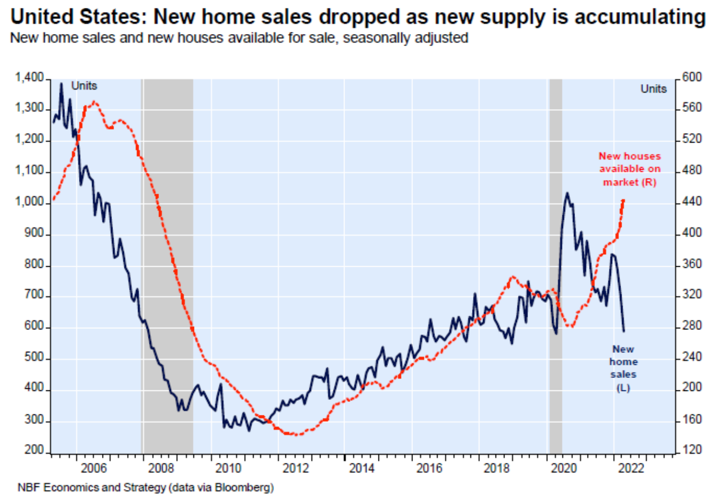
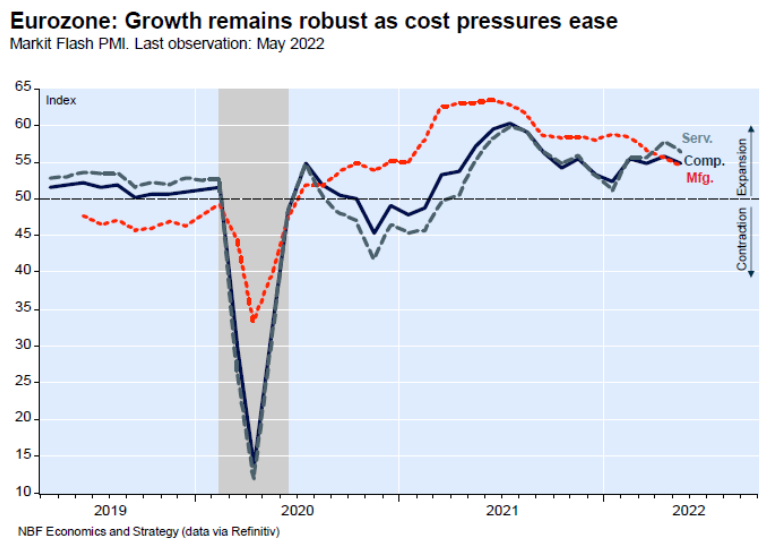


The **pending home sales index** fell for the sixth consecutive month in April, dropping 3.9%, far more than the 2.1% pullback expected by consensus. Since October, the index has fallen 18.9%.

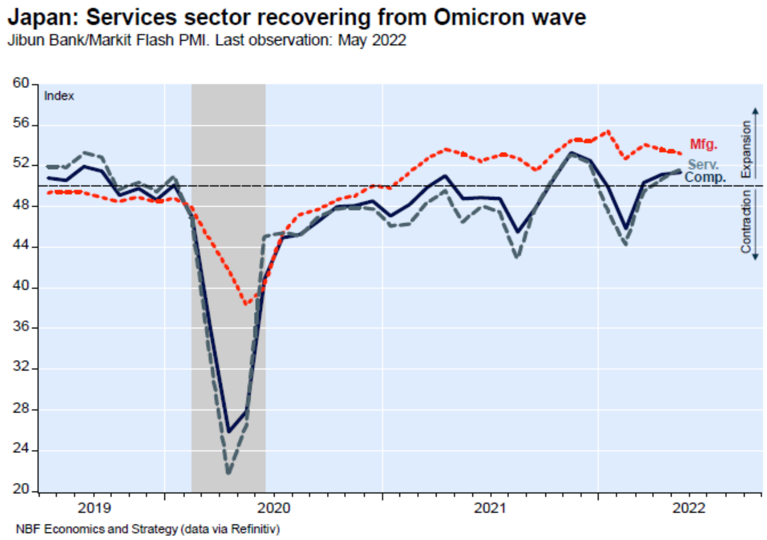
WORLD - Markit's flash composite PMI for the **Eurozone** edged down from 55.8 in April to 54.9 in May owing to the war in Ukraine, increasing supply constraints, and the rising cost of living. Despite the decrease, the index remained in expansion territory for the 15th successive month. Cost pressures continued to be felt, but not as much as in April. Indeed, the manufacturing and services sub-index for prices charged saw its second-largest increase after the previous month's record high. The input cost sub-index declined for a second consecutive month. Looking ahead, business confidence deteriorated slightly to its second-lowest level in the past year and a half. Confidence has moved sharply lower since the outbreak of the Ukraine war, as the uncertainty and supply constraints caused by Russia's invasion have added to the wider global supply chain worries regarding China.



The manufacturing sub-index cooled from 55.5 to 54.4. Output growth improved slightly in May, but it remained very modest after being still in April on account of widespread supply shortages. Supplier delivery times continued to be off the charts compared with the pre-pandemic period, though they have decreased since March. However, new orders fell for the first time since June 2020. The services gauge, for its part, slid from 57.7 to 56.3, which was still the second-highest print in eight months. Many consumer-facing service sector businesses again reported strong demand thanks to the re-opening of the economy following the lifting of Omicron-related restrictions. However, the overall rate of service sector growth declined owing in part to weaker expansion in the financial services and industrial services sectors.

The **Jibun Bank/Markit flash composite PMI** went from 51.1 in April to 51.4 in May, signaling a slightly stronger improvement in operating conditions in **Japan**'s private sector. As COVID-19 restrictions were eased gradually, the services sub-index not only remained in expansion territory in May but reached a five-month high, climbing from 50.7 to 51.7. New-business inflows for service providers returned to expansion territory, rising at the quickest rate since last December. However, the input price increase was the largest in the survey's history, driving prices charged up at the fastest pace since October 2019.

The manufacturing index, meanwhile, eased from 53.5 to 53.2 as output and new order growth decelerated. Purchasing managers reported heightened supply chain pressures as delivery times continued to lengthen owing to material shortages and the renewed lockdown in China.



GLOBAL EQUITY STRATEGY

CREDIT SUISSE

STYLE: WE TAKE VALUE DOWN TO BENCHMARK, BUT STILL LIKE DIVIDEND ARISTOCRATS

We have been overweight value since May 2020 but now take it down to benchmark:

- We think we have seen most of the rise in the US TIPS yield (i.e. real bond yields). Value typically outperforms as the TIPS yield rises. Inflation uncertainty is very high and should be associated with lower TIPS; we believe negative real yields are required to stabilise US government debt to GDP and unemployment; and US TIPS are extremely high compared to index-linked yields elsewhere. We also think short-rate expectations in Europe (1.4% end-2023) are at last realistic, implying most of the near-term rise in the Bund yield has occurred. In Europe, we find that value outperforms 57% of the time Bund yields rise. Inflation expectations for Europe (though not the US) also look realistic.
- Diversification benefits of value diminish. In the past few weeks, bond-to-equity correlations have turned negative, helping long-duration stocks in a way that had been missing.
- When market earnings revisions turn negative or PMIs fall sharply, then apart from the TMT period, growth tends to outperform (as investors focus on the certainty of growth).
- Value has now outperformed by 25% (this is more than normal, with the average outperformance being 20%). Value is also very overbought – only 25% of the time does it outperform over the next one month from these levels.
- Value has caught up with cyclicality.
- After bubbles, prices typically fall c70%. This has now been seen in some areas (e.g. ARKK), implying that some areas of excess have already corrected.

Why not underweight value? i) Value remains abnormally cheap. European value is on a 45% discount to growth (the norm is 30%). The P/B of European value is on a 70% discount to growth versus a norm of 54%; ii) US inflation expectations are too sanguine (we think the 5y5y forward should be closer to 2.5-2.75% rather than 2.2%), and that hurts growth stocks; and iii) earnings revisions of value are better than growth.

Growth names: We highlight stocks that have fallen more than 40% from peak yet have seen consensus EPS revised up in the last three months, are cheap on HOLT and Outperform-rated: Kering, ASMI, Infineon, Nvidia and Dongyue.

Stocks that tend to outperform when PMIs fall, have a HOLT eCAP, low leverage, FCF >3% and are Outperform-rated: LSE, RELX, Experian, Microsoft, Visa and OBIC.

Value names: i) Cheap versus the market on P/B and P/E, clearly cheap on HOLT and rated Outperform: Rio Tinto, Barratt, Adecco, Imperial Brands, Diamondback Energy, COSCO, GAIL; and ii) companies where net cash is more than 50% of market cap: Thyssenkrupp, Largan.

The deep-value sectors are mining, autos, tobacco and banks (all of which trade 1 std cheap).

Keep an overweight of dividend aristocrats (yield with constant growth): Dividends account for 64% and 43% of total returns since 1995 in Europe and the US. Dividend aristocrats have outperformed by 20% since 2010. This style outperforms when PMIs fall (and it is pricing in a PMI of c53 in Europe, yet we think PMIs will fall lower). The style is cheap and flows into dividend funds have held up; Sanofi, Unilever, Diageo, Air Products, Coca-Cola.

Click here for the complete report

IN THE NEWS

U.S. and Canadian News

Tuesday May 24th, 2022

- **U.S. business activity slows in May**
  S&P Global flash manufacturing PMI decreased to a reading of 57.5 this month from 59.2 in April. That was in line with economists' expectations. The survey's flash services sector PMI dropped to a reading of 53.5 this month from 55.6 in April. Economists had forecast a reading of 55.2 this month for the services sector.
- **U.S. new home sales hit two-year low; prices surge**
  New home sales plunged 16.6% to a seasonally adjusted annual rate of 591,000 units last month, the lowest level since April 2020. March's sales pace was revised down to 709,000 units from the previously reported 763,000 units. The median new house price in April soared 19.6% from a year ago to $450,600.
- **Social media stocks lose billions after Snapchat parent warning**
  Snap Inc shares plunged more than 40% and sparked a sector-wide selloff after a profit warning from the Snapchat parent signaled tough times ahead for the once-booming digital ad industry.

Wednesday May 25th, 2022

- **U.S. business spending on equipment shows signs of slowing in April**
  Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, increased 0.3% last month. These so-called core capital goods orders advanced 1.1% in March. They were up 18.0% on a year-on-year basis. Orders for durable goods, rose 0.4% after increasing 0.6% in March.

Thursday May 26th, 2022

- **U.S. weekly jobless claims fall; first-quarter economic contraction confirmed**
  Initial claims for state unemployment benefits decreased 8,000 to a seasonally adjusted 210,000 for the week ended May 21. Economists had forecast 215,000 applications for the latest week. Gross domestic product fell at a 1.5 annualized rate last quarter. That was revised down from the 1.4% pace of decline reported in April.
- **U.S. pending home sales dive to two-year low in April**
  The National Association of Realtors (NAR) said on its Pending Home Sales Index, based on signed contracts, fell 3.9% last month to 99.3. That was the sixth straight monthly decline and pushed contracts to the lowest level since April 2020.
- **Chipmaker Broadcom to buy VMware in $61 bln deal**
  Broadcom Inc said it will acquire cloud computing company VMware Inc in a $61 billion cash-and stock deal, the chipmaker's biggest and boldest bid to diversify its business into enterprise software.
- **Statistics Canada says retail sales virtually unchanged in March**
  Retail sales in Canada were virtually unchanged in March at $60.1 billion as sales at new car dealers fell, offsetting gains elsewhere as consumers showed a willingness to keep spending. The result compared with the federal agency's initial estimate for the month that suggested sales rose 1.4 per cent. The preliminary estimate for April suggests retail sales rose 0.8 per cent for the month.

Friday May 27th, 2022

- **U.S. consumer spending increases strongly; rise in inflation slows**
  Consumer spending, which accounts for more than two-thirds of U.S. economic activity, increased 0.9% last month. Data for March was revised higher to show outlays racing 1.4% instead of 1.1% as previously reported. Economists had forecast consumer spending gaining 0.7%. In a second report, the Commerce Department said the goods trade deficit dropped 15.9% to $105.9 billion in April. The narrowing reflected a 5.0% decline in imports. Excluding the volatile food and energy components, the PCE price index gained 0.3%, rising by the same margin for three straight months. The so-called core PCE price index increased 4.9% year-on-year in April, the smallest gain since last December, after rising 5.2% in March.
- **Canada's budget deficit falls to C$95.57 billion in fiscal 2021/22 as pandemic wanes**
  Canada's budget deficit in fiscal 2021/22 shrank to C$95.57 billion from C$314.00 billion in the previous year, as emergency spending on the COVID-19 pandemic eased, preliminary data from the finance ministry showed.
- **Survey shows 55% of homeowners strapped for extra costs**
  Nearly 40 per cent of Canadian homeowners said they are concerned about their finances, and fewer than half said they could afford more than $200 in increased monthly costs.

Click on title to view the full story.

IN THE NEWS

International News

Monday May 23rd, 2022

- **ECB sets course for summer rate hikes**
  The European Central Bank is likely to raise its key interest rate out of negative territory by the end of September and could lift it further, ECB President Christine Lagarde said.
- **German business morale rises in May on buoyant services sector**
  The Ifo institute said its business climax index rose to 93.0 in May following a reading of 91.9 in April, revised up slightly from 91.8. Analysts had pointed to a May reading of 91.4.

Tuesday May 24th, 2022

- **Euro zone business growth slowed in May but still resilient, survey shows**
  S&P Global's flash Composite Purchasing Managers' Index (PMI), seen as a good guide to overall economic health, fell to 54.9 in May from 55.8 in April, lower than the 55.3 predicted.
- **Sharp slowdown in UK business activity rings recession alarm**
  S&P Global's flash Composite Purchasing Managers' Index (PMI) slumped to 51.8 in May from 57.6 in April, its lowest level since February last year. The preliminary reading was worse than all forecasts in a Reuters poll of economists, which had pointed to a drop to 57.0.
- **Beijing ramps up COVID quarantines, Shanghai residents decry uneven rules**
  Beijing stepped up quarantine efforts to end its month-old COVID outbreak as fresh signs of frustration emerged in Shanghai, where some bemoaned unfair curbs with the city of 25 million preparing to lift a prolonged lockdown in just over a week.
- **Japan's May factory activity grows at slowest rate in 3 months - flash PMI**
  The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) slipped to a seasonally adjusted 53.2 in May from a final 53.5 in April. Manufacturers' input prices rose for the 24th straight month at an increasingly fast pace, while delivery times lengthened to the greatest extent since April 2011.

Wednesday May 25th, 2022

- **Russia pushed closer to brink of default after U.S. payment license expires**
  The United States pushed Russia closer to the brink of a historic debt default by not extending its license to pay bondholders, as Washington ramps up pressure following Russia's invasion of Ukraine.
- **German economy dodges recession as war, pandemic weigh**
  Europe's largest economy grew an adjusted 0.2% quarter on quarter and 3.8% on the year. A Reuters poll had forecast 0.2% and 3.7%, respectively.
- **German consumer morale inches up after falling to record low**
  The GfK institute said its consumer sentiment index, based on a survey of around 2,000 Germans, rose slightly to -26.0 points heading into June after hitting a revised all-time low of -26.6 points in May.

Thursday May 26th, 2022

- **U.K. slaps 25% windfall tax on oil and gas profits**
  The 25 per cent levy on energy firms will raise about £5 billion (US$6.3 billion) to finance one-off grants of £650 to more than 8 million of the poorest households in the UK, Chancellor of the Exchequer Rishi Sunak said in the House of Commons. Sunak did not rule out applying a similar levy to power generators, but said more work needs to be done on the idea.
- **South Korea steps up inflation fight with back-to-back rate hikes**
  The Bank of Korea raised its benchmark policy rate by a quarter of a percentage point to 1.75%, the highest since mid-2019, joining a global wave of tightenings as central bankers grapple with price spikes not seen in decades.
- **China property market slumps on developers' debt crisis, weak buyer sentiment**
  So far this year, more than 100 cities have taken steps to boost home purchase demand via cuts in mortgage rates, smaller down-payments, and subsidies. However, the outlook remains bleak as the government enforces strict COVID curbs in dozens of cities, weighing on consumer confidence.

Friday May 27th, 2022

- **Euro zone corporate lending jumps in April, says ECB**
  Loans to companies increased by 5.2% last month, the fastest rate in more than a year, compared with 4.1% in March. The pace of growth in credit to households held steady at 4.5%.
- **China's industrial profits slump in April as COVID curbs squeeze firms**
  Profits shrank 8.5% from a year earlier, swinging from a 12.2% gain in March. The slump is the biggest since March 2020.
- **Shanghai takes baby steps towards ending COVID lockdown**
  Shanghai took more gradual steps towards lifting its COVID-19 lockdown while Beijing was investigating cases where its strict curbs were affecting other medical treatments as China soldiered on with its uneven exit from restrictions.

Click on title to view the full story.

WEEKLY PERFORMERS – S&P/TSX

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Enerplus Corp	$19.07	$2.82	17.35%
Crescent Point Energy Corp	$11.19	$1.48	15.24%
Lithium Americas Corp	$35.78	$4.23	13.41%
BRP Inc	$99.90	$11.46	12.96%
Vermilion Energy Inc	$27.93	$3.13	12.62%
Brookfield Business Partners LP	$30.71	$3.32	12.12%
Lightspeed Commerce Inc	$32.96	$3.45	11.69%
Denison Mines Corp	$1.58	$0.15	10.49%
Whitecap Resources Inc	$11.02	$0.98	9.76%
BlackBerry Ltd	$8.34	$0.74	9.74%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Aurora Cannabis Inc	$2.14	-$1.59	-42.63%
Canopy Growth Corp	$6.15	-$0.94	-13.26%
Cronos Group Inc	$3.87	-$0.47	-10.83%
Canadian Western Bank	$30.02	-$2.14	-6.65%
Kinaxis Inc	$137.01	-$8.99	-6.16%
Boyd Group Services Inc	$144.76	-$6.08	-4.03%
Tilray Brands Inc	$5.80	-$0.24	-3.97%
SSR Mining Inc	$25.19	-$0.97	-3.71%
Eldorado Gold Corp	$10.40	-$0.39	-3.61%
Winpak Ltd	$40.90	-$1.46	-3.45%

Source: Refinitiv

WEEKLY PERFORMERS – S&P500

S&P500: LEADERS	LAST	CHANGE	%CHG
Dollar Tree Inc	$165.00	$37.12	29.03%
Ulta Beauty Inc	$425.08	$82.03	23.91%
Dollar General Corp	$228.38	$40.78	21.74%
Ross Stores Inc	$87.31	$15.44	21.48%
DXC Technology Co	$35.08	$5.48	18.51%
Constellation Energy Corp	$66.60	$9.95	17.56%
Schlumberger NV	$48.21	$7.09	17.24%
Diamondback Energy Inc	$152.66	$22.38	17.18%
Best Buy Co Inc	$83.99	$11.63	16.07%
Autozone Inc	$2,055.39	$283.71	16.01%

S&P500: LAGGARDS	LAST	CHANGE	%CHG
Dexcom Inc	$289.08	-$32.15	-10.01%
Medtronic PLC	$99.08	-$3.45	-3.36%
Molina Healthcare Inc	$305.08	-$4.45	-1.44%
Kraft Heinz Co	$37.83	-$0.54	-1.41%
Abbvie Inc	$150.00	-$1.01	-0.67%
Centene Corp	$84.41	-$0.55	-0.65%
Merck & Co Inc	$93.08	-$0.47	-0.50%
Hologic Inc	$77.46	-$0.29	-0.37%
News Corp	$17.85	-$0.04	-0.22%
CF Industries Holdings Inc	$95.72	-$0.07	-0.07%

Source: Refinitiv

NBF RATINGS & TARGET PRICE CHANGES

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
AltaGas Ltd.	ALA	Outperform	Outperform	**C$33.00**	**C$32.00**
Bank of Montreal	BMO	Sector Perform	Sector Perform	**C$152.00**	**C$151.00**
Bank of Nova Scotia	BNS	Sector Perform	Sector Perform	**C$91.00**	**C$90.00**
Canadian Imperial Bank of Commerce	CM	Outperform	Outperform	**C$84.00**	**C$83.50**
Canadian Western Bank	CWB	Outperform	Outperform	**C$38.00**	**C$44.00**
Premium Brands Holdings Corporation	PBH	**Restricted**		**Restricted**	
Royal Bank of Cda	RY	Outperform	Outperform	**C$148.00**	**C$147.00**
Sigma Lithium Corporation	SGML	Outperform	Outperform	**C$26.00**	**C$17.00**
Toronto-Dominion Bank	TD	Sector Perform	Sector Perform	**C$102.00**	**C$100.00**

STRATEGIC LIST - WEEKLY UPDATE

(May 24th – May 27th)

No Changes this Week

Comments

Communication Services (Market Weight)

Telecom Services

NBF: The Canadian government, through Innovation, Science and Economic Development Canada (ISED), issued a new proposed policy direction to the CRTC "to put in place new rules to improve competition, leading to lower prices, and better telecommunications services for Canadian consumers". Comments regarding the proposed order must be submitted by 7/19/22, with the government looking to finalize the new policy directive by the fall. It just so happens that the CRTC chair, Ian Scott, ends his five-year mandate on 9/4/22, so we'll see if his successor takes a less pro-incumbent approach. The focus of this initiative, as per prior efforts and rhetoric (often around previous elections), is all about trying to foster more viable competition from smaller and newer players in order to bring prices down for Internet and mobile services. The new MVNO regime has yet to get off the ground a year after the CRTC's introduction. The government wants increased mobile wireless competition for more affordable cellphone plans. It's "directing the CRTC to improve its hybrid MVNO model as necessary" and "is prepared to move to a full MVNO model, if needed, to support competition in the sector". The market has been waiting for the CRTC to issue its decision on terms and conditions which can then set in motion negotiations among interested parties with incumbents. The sooner this happens, the quicker the seven-year MVNO regime can get going in Canada. Well, at least in theory, because everyone is waiting to see what the final outcome is of the Rogers-Shaw deal and attempted divestiture of Freedom which NBF doesn't believe should have been blocked by the Competition Bureau. Once resolved, NBF would expect the CRTC to review how MVNO deals are progressing in their first year before necessarily needing to shake things up further with non-facilities based competition and potentially more unfettered wholesale access to incumbent wireless networks which would impact Rogers, Telus, and Bell in that order.

Consumer Discretionary (Market Weight)

Dollarama Inc. (DOL)

NBF: Dollarama reports Q1/F23 results on June 8, 2022. NBF projects EPS of $0.48 vs. cons. at $0.47; LY was $0.37. NBF forecasts Q1/F23 sssg of 3.4% vs. last year at 5.8%; NBF reflects basket growth of -10.1% y/y and transaction growth of 15.0% y/y. NBF projects sales of $1,022 million vs. cons. at $1,041 million; last year was $954 million. NBF expects continued momentum in store traffic as DOL will be annualizing restrictions through the latter part of Q1. NBF projects slight gross margin rate expansion (although, NBF thinks there is a growing trend towards low-margin consumables) and SG&A leverage (lower COVID-19 costs). Unfavourable commentary from several U.S. retailers have caused investors to increasingly question whether DOL can accommodate pressure related to consumer financial health, inflation and supply chain.. However, recent U.S. dollar store financial results have been constructive, which NBF thinks is more indicative for DOL. NBF believes upcoming quarterly results to show continued momentum aided by DOL's strong supply chain capability. Recall, last quarter, DOL indicated it had good visibility into costs several months in advance. Furthermore, DOL's introduction of a new $5 price point provides increased latitude to accommodate business pressures. That said, NBF underlines that DOL's strategy is to be a price follower, which underscores risk should Canadian market conditions become more competitive (NBF believes that Canadian retailers are largely passing on inflation at this point). NBF continues to hold a positive view on DOL's shares given its defensive growth orientation supported by strong cash flows, a solid balance sheet and resilient sales performance. Over the medium term, NBF believes that Dollarama will be well positioned to grow earnings given network expansion, favourable sssg and ongoing development of the international business. Maintain Outperform rating and $75.00 target price.

Financials (Market Weight)

Canadian Imperial Bank of Commerce (CM)

NBF: Q2/22 Results: CM reported Q2/22 core cash EPS of $1.77 vs. NBF $1.66 and consensus $1.78. The beat came primarily from higher than expected trading & advisory revenues (+11c), partially offset by higher PCLs (-4c). CET1 capital ratio of 11.7% was down ~50bps from 12.2% last quarter, and below NBF 12.0% forecast. The decrease from Q1/22 was the result of organic growth of +29bps, offset by RWA inflation of -41bps, impact from Costco card portfolio of -20bps and market factors (e.g., AOCI) of -20bps. CM increased its quarterly dividend by 3% from $0.805/share to $0.83/share. Excluding Costco card program reserve build, CM added $13 mln to its performing provisions (performing ACL) this quarter. While not a huge sum, it does contrast sharply against other banks that are still releasing material amounts of PCLs. This outcome reflects a more conservative view of the environment, namely in the Forward-Looking Indicators (FLIs) that underpin a bank's performing ACL. In particular, the bank increased its Canadian household debt service ratio (DSR) estimate by over 100 bps (higher is more conservative). Unfortunately, no other bank discloses DSR assumptions, making it impossible to compare. Moreover, we saw other banks adjusting their FLIs (e.g., U.S. GDP forecasts) downwards, yet still delivering performing ACL releases. While difficult to prove, NBF believes CM is getting ahead of a potential shift in the credit cycle. And, considering it has released ~43% of its 2020 build (vs. 66% industry peer average excl. NA), and that its performing ACL ratio is ~11 bps above pre-COVID levels (vs. ~+4 bps for peers excl. NA), NBF believes it is conservatively positioned. After growing expenses by 11% in the first half (10% excl. variable comp), NBF believes investors were looking for CM to provide more constructive H2/22 guidance. One basis for this view was an expectation of reduced initiative spending that added $104 mln, or almost 4%, to Q2/22's Y/Y expense growth rate. CM simply stated that expense growth should moderate and that inflation had added ~100 bps to its expense growth experience. NBF believes management was reluctant to be too specific on guidance ahead of its June 16th Investor Day. For H2/22, NBF is forecasting ~6% expense growth, which would put it at the high end of the industry on a full-year basis. On the other hand, this positioning should lead to favourable fiscal 2023 comps and potentially more flexibility to pull back on initiative spending if the environment further deteriorates. NBF adjusted its estimates slightly to reflect higher NIM margins, largely offset by higher expenses. NBF target moves to $84.00 from $83.50 due to rounding, and is derived by applying an 11x P/ E multiple to its 2023E EPS estimates.

Royal Bank of Canada (RY)

NBF: Q2/22 Results: RY reported Q2/22 core cash EPS of $2.99 vs. NBF estimate of $2.63 and consensus estimate of $2.67. The beat was driven primarily from lower-than-expected PCLs (+25c), lower taxes (+17c), partially offset by lower revenue (-8c), and higher expenses (-2c). CET1 capital ratio of 13.2% was down ~30bps from last quarter and was in line to NBF 13.3% forecast. The decrease in CET 1 ratio was the result of internal capital generation of +44bps, offset by RWA inflation of -36bps, share repurchases of -33bps and other items of -13bps. RY approved a 7% increase to its quarterly dividend to $1.28 per common share. A $342 mln net credit release was the result of ~$516 mln of performing ACL reversals, which compared to NBF $65 mln release expectation. RY highlighted that a lack of negative credit performance following the Omicron wave and the expiration of Government support programs in late 2021 no longer justified it holding an elevated performing ACL. Nonetheless, NBF still believes that some investors could view RY's provisioning strategy as relatively aggressive since it resulted in: 1) a bank that has released nearly 80% of its 2020 performing ACL build, much higher than peers in the ~50% range; 2) a performing ACL ratio of 40 bps that is flat relative to pre-COVID levels; and 3) a reduction to the performing ACL against a 14% sequential increase to Stage 2 loan classifications, the highest increase since Q2/20. Expenses grew by 1% during H1/22, or 6% excluding variable and share-based compensation. The bank maintained guidance that costs (excl. variable and share-based comp.) would grow in the low-single digits range on a FY basis, though nudged expectations to the higher end of the range. Relatedly, RY stated that it expects the Canadian P&C division to generate a sub-40% NIX ratio (vs. 41.2% during Q2/22), on the back of operating leverage above the 1-2% normal target range. NBF believes RY's cost management performance could fare relatively well in coming quarters. NBF adjusted its estimates to reflect higher margins and lower impaired PCLs. NBF target price, as a result, moves to $148.00 (was $147.00), and is derived by applying a 12x P/E multiple to its 2023E EPS estimates.

Materials (Overweight)

Base Metals

NBF: Copper prices are down more than 13% from the recent peak with equities in NBF's coverage down more than 24% QTD. Inflationary pressures, deteriorating global growth outlook and rising near-term copper supply have all contributed to the recent 'risk-off' sentiment. Speculative investors are net short and near-term supply growth continues to trend towards a surplus in 2023/2024. Despite anticipated near-term volatility, long-term fundamentals, long-term fundamentals for copper remain attractive given increased momentum for copper-intensive green energy initiatives and a lack of advanced stage projects in the pipeline to meet rising long-term demand. While near-term macro headlines are expected to drive performance, copper prices continue to support favourable valuations and cash flow. P/NAV and EV/CF valuations are currently below historical averages and equities are pricing in US$3.08/lb copper (based on 1.0x NAV), relative to current copper prices of US$4.29/lb., one of the wider discounts to spot prices in recent years at 28%. NBF's top producer picks are TECK/B, FM, and HBM.

Teck Resources Ltd. (TECK.b)

NBF: Teck announced a cash tender offer to purchase up to US$500 mln in aggregate principal of outstanding Notes with fixed spreads of 195 - 230 basis points including an Early Tender Premium of US$50 per US$1,000 in principle. This will amount to a reduction of 8.7% of outstanding debt ($7.4 bln of total debt outstanding as of Q1/22). Teck ended Q1/22 with ND/EBITDA of 0.65x and at current commodity prices is net debt free by mid-2023 (Q4/23 under NBF Base Case assumptions). At spot commodity prices (including coking coal prices of ~US$510/t), Teck is expected to generate ~$5.2 bln of FCF over the next 12-month period (net of capital spending at QB2), a yield of 16%. The announced debt reduction initiatives follows the US$500 mln share buyback announced on April 26th and $100 mln share buyback and $0.50/share supplemental dividend (in addition to $0.125/share quarterly dividend) announced on February 23rd. NBF's Outperform rating is supported by a step-wise improvement in Teck's coking coal operations in 2022 following completion of the Neptune terminal expansion. Record coal prices continue to drive near-term FCF, which NBF believes isn't accurately reflected by the current share price. Teck's strong balance sheet, cost reduction initiatives, organic growth within the copper division and long-term commitment to returning capital to shareholders are all supportive of a higher valuation than currently ascribed by the market. TECK/B is trading at 3.5x EV/2022E CF compared with Global Diversified Peers at 5.5x. NBF maintained its $65.00 target price on Teck.

Utilities (Underweight)

Innergex Renewable Energy Inc. (INE)

NBF: NBF provided an update to its 2022E estimates and outlook. For FY'22E, NBF forecasts growth in EBITDA to $701 mln (up y/y from $578 mln) and in CAFD to $168 mln (up y/y from $108 mln). This yields a payout 76%, down y/y from 98%. Some of this growth is organic (with 200 MW Hillcrest Solar and 226 MW Griffin Trail reaching COD in '21) but much comes from M&A, including Curtis Palmer hydro (U.S. >$40 mln EBITDA y/y), Aela wind (Chile, $30 mln EBITDA y/y) and other deals in Chile (>$20 mln EBITDA y/y). INE plans to exit contracts on 30 MW of France wind on Aug. 1st, driving upside of >$12 mln for the next 12 months, and the ~$14 mln one-time Q1 gain from a BC Hydro settlement is icing on the cake. With Q1 results, INE highlighted delays to U.S. solar projects, with supply chain challenges and the U.S. solar panel tariff investigation. It has also delayed plans to build a 109 MW hydro facility in Chile (Frontera). However, it has other organic prospects for wind and solar in the U.S. amounting to >500 MW (COD post 2024E). INE plans to add 425 MWh of battery storage in Chile for US$129 mln, funded by debt (we estimate ~10x EBITDA). The storage can de-risk INE's solar assets and benefit from capacity payments and arbitrage between daytime and evening prices.. Although a decrease in the payout ratio for '22E is a good start for getting INE out of the penalty box, NBF believes investors want to see more organic growth (and not M&A). Opportunities in Quebec could help, with more than 3,000 MW RFPs for renewables up for grabs and opportunities to partner with Hydro Quebec for 3,000 MW more. NBF maintained its Outperform rating and $23.00 target, which is based on a long-term DCF with a cost of equity of 6% on operating assets and includes $1/sh for growth. NBF believes that INE trades at a steep discount to peers (even with a discounted organic growth outlook). With rising power prices, INE could benefit, but Q2 results could be soft.

NBF STRATEGIC LIST

Company	Symbol	Addition Date	Addition Price	Last Price	Yield (%)	Beta	% SPTSX	NBF Sector Weight	NOTES*
Communication Services							**5.2**	**Market Weight**	
Rogers Communications Inc.	RCIb.TO	13-Feb-20	$ 65.84	$ 65.63	3.0	0.5			
Telus Corp.	T.TO	19-May-22	$ 30.64	$ 31.49	4.3	0.5			
Consumer Discretionary							**3.2**	**Market Weight**	
Canadian Tire Corporation Ltd.	CTCa.TO	18-Nov-21	$ 174.10	$ 170.37	3.9	1.9			
Dollarama Inc.	DOL.TO	19-Mar-20	$ 38.96	$ 71.41	0.3	0.6			
Consumer Staples							**4.0**	**Market Weight**	
Loblaw Companies Ltd.	L.TO	25-Mar-21	$ 68.50	$ 116.07	1.4	0.3			
Premium Brands Holdings Corp.	PBH.TO	17-Feb-22	$ 122.90	$ 102.47	2.7	0.7			***R**
Energy							**18.0**	**Overweight**	
Cenovus Energy Inc.	CVE.TO	16-Jan-20	$ 12.26	$ 28.80	1.5	2.5			
Enbridge Inc.	ENB.TO	21-Jan-15	$ 59.87	$ 58.78	5.9	0.9			
Tourmaline Oil Corp.	TOU.TO	13-Aug-20	$ 16.68	$ 77.86	1.0	1.4			
Whitecap Resources Inc.	WCP.TO	19-May-22	$ 10.27	$ 11.02	3.3	2.4			
Financials							**31.8**	**Market Weight**	
Canadian Imperial Bank of Commerce	CM.TO	29-Mar-22	$ 78.14	$ 69.18	4.8	1.1			
Element Fleet Management Corp	EFN.TO	02-Apr-20	$ 8.58	$ 14.03	2.2	1.2			
Fairfax Financial Holdings Ltd.	FFH.TO	20-Dec-18	$ 585.81	$ 696.00	1.8	0.9			
Intact Financial Corp.	IFC.TO	11-Jun-20	$ 130.04	$ 180.22	2.2	0.8			
Royal Bank of Canada	RY.TO	19-Jun-13	$ 60.69	$ 130.95	4.0	0.9			
Sun Life Financial	SLF.TO	10-Dec-20	$ 57.07	$ 63.38	4.4	1.4			
Health Care							**0.5**	**Market Weight**	
Industrials							**11.4**	**Market Weight**	
ATS Automation Tooling Systems Inc.	ATA.TO	18-Nov-21	$ 48.62	$ 37.44	0.0	0.7			
WSP Global Inc.	WSP.TO	19-May-22	$ 142.73	$ 138.30	1.1	1.7			
Information Technology							**5.2**	**Underweight**	
Kinaxis Inc.	KXS.TO	19-Mar-20	$ 100.05	$ 137.01	0.0	0.7			
Open Text Corp.	OTEX.TO	26-Oct-16	$ 41.61	$ 50.44	2.3	0.9			
Materials							**13.0**	**Overweight**	
Agnico Eagle Mines Ltd.	AEM.TO	29-Mar-22	$ 75.74	$ 68.75	3.0	0.6			
Kinross Gold Corp.	K.TO	16-Sep-21	$ 7.06	$ 5.79	2.7	0.5			
Teck Resources Ltd.	TECKb.TO	01-Nov-17	$ 27.15	$ 54.99	0.9	1.2			
REITs							**2.7**	**Underweight**	
Canadian Apartment Properties REIT	CAR_u.TO	10-Dec-20	$ 49.82	$ 48.87	3.0	0.7			
Summit Industrial Income REIT	SMU_u.TO	17-Feb-22	$ 21.50	$ 19.23	3.1	1.2			
Utilities							**5.0**	**Underweight**	
Capital Power Corp.	CPX.TO	22-Aug-19	$ 30.90	$ 44.95	4.9	1.2			
Innergex Renewable Energy Inc.	INE.TO	22-Aug-19	$ 15.00	$ 17.51	4.0	0.8			

Source: Refinitiv (Priced May 27, 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

Week Ahead

THE ECONOMIC CALENDAR

(May 30th – June 3rd)

U.S. Indicators

Date	Time	Release	Period	Previous	Consensus	Unit
31-May	09:00	**CaseShiller 20 MM SA**	Mar	2.4%	2.0%	Percent
31-May	09:00	CaseShiller 20 YY	Mar	20.2%	20.0%	Percent
31-May	09:45	**Chicago PMI**	May	56.4	55.0	Index
31-May	10:00	**Consumer Confidence**	May	107.3	103.9	Index
1-Jun	07:00	MBA Mortgage Applications	23 May, w/e	-1.2%		Percent
1-Jun	08:15	**ADP National Employment**	May	247k	300k	Person
1-Jun	09:45	S&P Global Mfg PMI Final	May	57.5		Index (diffusion)
1-Jun	10:00	**Construction Spending MM**	Apr	0.1%	0.5%	Percent
1-Jun	10:00	**ISM Manufacturing PMI**	May	55.4	54.5	Index
1-Jun	10:00	**JOLTS Job Openings**	Apr	11.549M	11.400M	Person
2-Jun	07:30	Challenger Layoffs	May	24.286k		Person
2-Jun	08:30	**Initial Jobless Clm**	23 May, w/e	210k	210k	Person
2-Jun	08:30	Jobless Clm 4Wk Avg	23 May, w/e	206.75k		Person
2-Jun	08:30	Cont Jobless Clm	16 May, w/e	1.346M		Person
2-Jun	10:00	**Factory Orders MM**	Apr	2.2%	0.7%	Percent
2-Jun	10:00	Factory Ex-Transp MM	Apr	2.5%		Percent
2-Jun	10:30	EIA-Nat Gas Chg Bcf	23 May, w/e	80B		Cubic foot
2-Jun	11:00	EIA Wkly Crude Stk	23 May, w/e	-1.019M		Barrel
3-Jun	08:30	**Non-Farm Payrolls**	May	428k	320k	Person
3-Jun	08:30	Private Payrolls	May	406k	301k	Person
3-Jun	08:30	Manufacturing Payrolls	May	55k	40k	Person
3-Jun	08:30	Government Payrolls	May	22k		Person
3-Jun	08:30	**Unemployment Rate**	May	3.6%	3.5%	Percent
3-Jun	08:30	Average Earnings MM	May	0.3%	0.4%	Percent
3-Jun	08:30	Average Earnings YY	May	5.5%	5.2%	Percent
3-Jun	08:30	Average Workweek Hrs	May	34.6	34.6	Hour
3-Jun	08:30	Labor Force Partic	May	62.2%		Percent
3-Jun	09:45	S&P Global Comp Final PMI	May	53.8		Index (diffusion)
3-Jun	09:45	S&P Global Svcs PMI Final	May	53.5		Index (diffusion)
3-Jun	10:00	**ISM N-Mfg PMI**	May	57.1	56.4	Index

Canadian Indicators

Date	Time	Release	Period	Previous	Consensus	Unit
30-May	08:30	Current Account C$	Q1	-0.80B	3.20B	CAD
31-May	08:30	**GDP QQ**	Q1	1.6%		Percent
31-May	08:30	GDP QQ Annualized	Q1	6.7%	5.4%	Percent
31-May	08:30	GDP YY	Q1	3.26%		Percent
31-May	08:30	**GDP MM**	Mar	1.1%	0.5%	Percent
1-Jun	09:30	**S&P Global Mfg PMI SA**	May	56.2		Index (diffusion)
1-Jun	10:00	**BoC Rate Decision**	1 Jun	1.00%	1.50%	Percent
2-Jun	08:30	**Building Permits MM.**	Apr	-9.3%		Percent
2-Jun	08:30	Labor Productivity Rate	Q1	-0.5%		Percent

Source : Refinitiv

U.S. Markets are Closed May 30th for Memorial Day

S&P/TSX QUARTERLY EARNINGS CALENDAR

Monday May 30th, 2022

None

Tuesday May 31st, 2022

None

Wednesday June 1st, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Laurentian Bank of Canada	LB	BMO	1.15

Thursday June 2nd, 2022

Canaccord Genuity Group Inc	CF.TO	AMC	0.45
Canaccord Genuity Group Inc	CF	AMC	0.45

Friday June 3rd, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
BRP Inc	DOO	BMO	1.15

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 May 30th, 2022

None

Tuesday May 31st, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
HP Inc	HPQ	AMC	1.05
Salesforce Inc	CRM	AMC	0.94

Wednesday June 1st, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Hewlett Packard Enterprise Co	HPE	AMC	0.45
NetApp Inc	NTAP	AMC	1.28
PVH Corp	PVH	AMC	0.83

Thursday June 2nd, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Cooper Companies Inc	COO	16:15	3.44
Hormel Foods Corp	HRL	BMO	0.47

Friday June 3rd, 2022

None

Source: Refinitiv, NBF Research
* Companies of the S&P500 index expected to report.

Disclosures