

October 28<sup>th</sup>, 2022

## THE WEEK IN NUMBERS (October 24<sup>th</sup> – October 28<sup>th</sup>)

### Research Services

Contact your Investment Advisor for more information regarding this document.

INDEX	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
Dow Jones Industrial	32,861.80	1,779.24	5.72%	-9.57%	-8.03%	18.3
S&P 500	3,901.06	148.31	3.95%	-18.15%	-15.13%	18.9
Nasdaq Composite	11,102.45	242.74	2.24%	-29.04%	-28.13%	21.4
S&P/TSX Composite	19,471.19	610.24	3.24%	-8.25%	-8.14%	12.5
Dow Jones Euro Stoxx 50	3,613.02	-170.08	-4.50%	-15.95%	-14.66%	12.3
FTSE 100 (UK)	7,047.67	77.94	1.12%	-4.56%	-2.78%	9.9
DAX (Germany)	13,243.33	512.43	4.03%	-16.63%	-15.63%	12.9
Nikkei 225 (Japan)	27,105.20	214.62	0.80%	-5.86%	-5.95%	14.8
Hang Seng (Hong Kong)	14,863.06	-1,348.06	-8.32%	-36.48%	-41.84%	7.6
Shanghai Composite (China)	2,915.93	-123.00	-4.05%	-19.89%	-17.12%	12.0
MSCI World	2,561.76	99.34	4.03%	-20.73%	-19.43%	16.6
MSCI EAFE	1,750.80	71.13	4.23%	-25.05%	-25.64%	12.7

S&P TSX SECTORS	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
S&P TSX Consumer Discretionary	253.43	10.56	4.35%	-7.41%	-0.47%	21.0
S&P TSX Consumer Staples	802.51	28.63	3.70%	5.17%	12.87%	18.7
S&P TSX Energy	258.18	6.69	2.66%	57.63%	58.51%	7.8
S&P TSX Financials	354.03	10.64	3.10%	-12.18%	-10.27%	10.0
S&P TSX Health Care	22.48	0.96	4.46%	-51.09%	-58.90%	N/A
S&P TSX Industrials	380.92	15.46	4.23%	0.00%	-3.70%	26.6
S&P TSX Info Tech.	135.35	9.82	7.82%	-36.23%	-41.00%	N/A
S&P TSX Materials	304.86	-0.92	-0.30%	-7.14%	-4.76%	10.6
S&P TSX Real Estate	294.92	9.01	3.15%	-25.78%	-24.41%	6.8
S&P TSX Communication Services	180.51	7.57	4.38%	-7.50%	-4.47%	19.4
S&P TSX Utilities	315.13	13.72	4.55%	-8.22%	-4.94%	25.0

COMMODITIES	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	NBF 2023E
Oil-WTI futures (US\$/Barrels)	\$88.13	-19.49	-18.11%	17.18%	6.42%	\$80.00
Natural gas futures (US\$/mcf)	\$5.79	-0.43	-6.88%	55.28%	0.17%	\$5.00
Gold Spot (US\$/OZ)	\$1,642.30	-184.20	-10.08%	-10.13%	-8.84%	\$1,700
Copper futures (US\$/Pound)	\$3.48	-0.28	-7.49%	-21.92%	-21.61%	\$3.40

CURRENCIES	Last price	Curr. Net Change	% Change Week	% Change YTD	%Change 1 Year	NBF Q2/23e
Cdn\$/US\$	0.7350	-0.0404	-5.21%	-7.11%	-9.24%	0.77
Euro/US\$	0.9961	-0.0593	-5.62%	-12.38%	-14.71%	1.03
Pound/US\$	1.1613	-0.0649	-5.29%	-14.16%	-15.77%	1.16
US\$/Yen	147.42	12.25	9.06%	28.10%	29.82%	132

Source: Refinitiv and NBF Research

Please see last page for NBF Disclosures

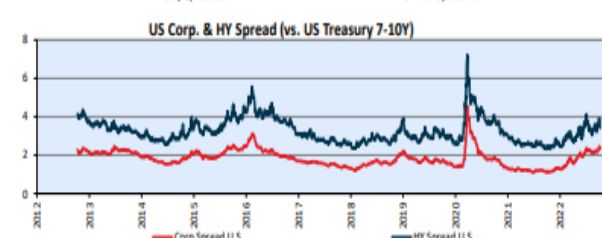
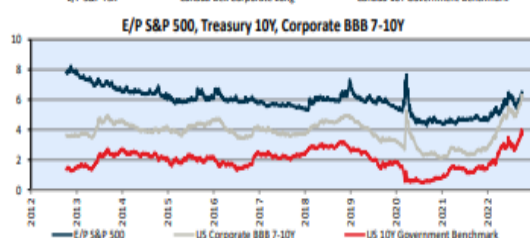
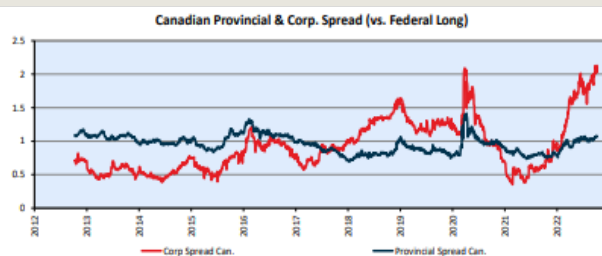
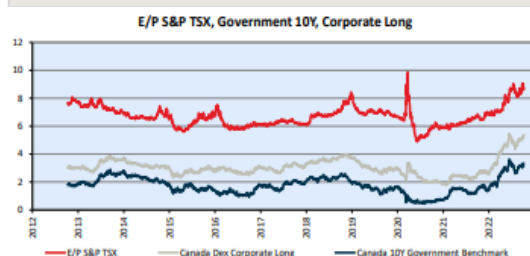
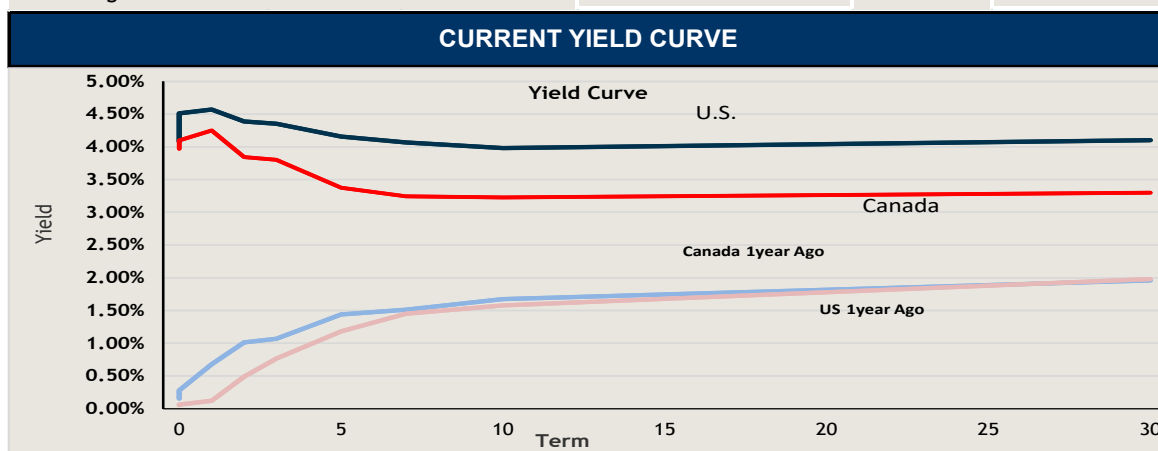
**FIXED INCOME  
NUMBERS**

**THE WEEK IN NUMBERS  
(October 24<sup>th</sup> – October 28<sup>th</sup>)**

Canadian Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
CDA o/n	3.75%	0.50	CDA 5 year	3.37%	11.1
CDA Prime	5.95%	0.50	CDA 10 year	3.22%	13.7
CDA 3 month T-Bill	3.97%	33.0	CDA 20 year	3.43%	29.5
CDA 6 month T-Bill	4.10%	25.0	CDA 30 year	3.30%	32.8
CDA 1 Year	4.25%	25.0	5YR Sovereign CDS	39.21	
CDA 2 year	3.84%	7.9	10YR Sovereign CDS	40.05	

US Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
US FED Funds	3.00-3.25%	0.75	US 5 year	4.15%	22.6
US Prime	6.25%	0.75	US 10 year	3.97%	26.6
US 3 month T-Bill	4.08%	70.8	US 30 year	4.10%	41.6
US 6 month T-Bill	4.51%	59.5	5YR Sovereign CDS	27.48	
US 1 Year	4.55%	57.4	10YR Sovereign CDS	35.37	
US 2 year	4.38%	28.3			

CANADIAN BOND - TOTAL RETURN	Change Week	Change Y-T-D
FTSE Universe Bond Index	3.19%	-12.42%
FTSE Short Term Bond Index	1.40%	-4.52%
FTSE Mid Term Bond Index	3.51%	-10.45%
FTSE Long Term Bond Index	5.61%	-23.13%

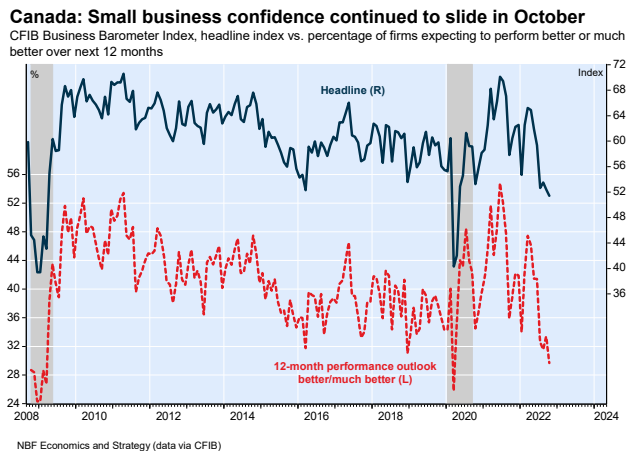


Source: Refinitiv & NBF

## WEEKLY ECONOMIC WATCH

**CANADA** - Real GDP rose 0.1% in August, more than the +0.0% print expected by economists. Production rose in 14 of the 20 industrial sectors covered. The improvement stemmed from services-producing industries (+0.3%), with positive contributions from retail trade (+1.2%), wholesale trade (+0.9%), public administration (+0.5%) and other services (+0.5%) more than enough to offset declines in management (-2.2%) and transportation/warehousing (-0.5%). Goods sector output, meanwhile, decreased (-0.3%) as sizeable declines occurred in mining/quarrying/oil & gas extraction (-1.0%), manufacturing (-0.8%) and construction (-0.7%) while agriculture (+3.9%) and utilities (+1.5%) registered improvements. August's report suggests that the moderation of the Canadian economy in the third quarter will not be as significant as initially expected following the solid growth recorded in Q2. Indeed, Statistics Canada's preliminary estimate for September is projecting an increase of 0.1% in output which would translate into a 1.6% annualized gain for the whole of Q3. Looking ahead, we expect growth to moderate further, with consumers being hit by higher prices, an interest payment shock and a negative wealth effect via lower house prices.

The CFIB Business Barometer Index, a measure of small business confidence about the next 12 months, slipped from 52.4 in September to 51.4 in October. This was its lowest mark since March 2009 outside of the pandemic period. Among the provinces, Ontario (-4.3 points to 48.4) and Quebec (-2.3 to 50.0) registered the largest drops in confidence in the month. Countrywide, only 29.7% of respondents expected their firms to perform better or much better in the coming 12 months, down from 33.4% in September and the lowest percentage since the March 2020 lockdown. Similarly, only 17.9% of firms expected full-time employment to increase over the next 3-4 months, compared with 30.3% five months earlier.



The Bank of Canada raised its target for the policy rate 50 basis points to 3.75% instead of opting for the bigger 75-bp move priced in by the market. This was the sixth consecutive increase by the central bank since March, bringing total tightening this year to 350 bps. Moreover, the Bank indicated that, as a complement to the latest rate hike, it would continue its quantitative tightening (QT) policy, which involves passively running off its Government of Canada bond holdings. As for forward guidance, the Bank said that more rate hikes would likely be needed this year and that their amplitude would depend on "how tighter monetary policy [was] working to slow demand, how supply challenges [were] resolving, and how inflation and inflation expectations [were] responding".

The statement reiterated the Governing Council's strong commitment to achieving price stability but acknowledged that the growth picture had deteriorated. In this regard, the Monetary Policy Report showed downgrades to growth in both 2022 (from 3.5% to 3.3%) and 2023 (from 1.8% to 0.9%). Headline inflation was also marked down significantly next year, from 4.6% to 4.1%. Explaining these new forecasts, the BoC said that interest-sensitive demand was now reacting to higher rates, with housing activity retreating sharply and household/business spending softening. Also, softer international demand was said to be crimping exports. The economy nonetheless remained in excess demand and labour markets were still tight.

BoC: Summary of Economic Projections		
	Latest	July MPR
Change in real GDP (%)		
2022	3.3	3.5
2023	0.9	1.8
2024	2.0	2.4
CPI inflation (y/y % chg.)		
2022	6.9	7.2
2023	4.1	4.6
2024	2.2	2.3
Range for potential output (%)		
2022	0.5 - 2.0	0.5 - 2.0
2023	1.4 - 3.3	1.8 - 3.3
2024	1.4 - 3.5	2.0 - 3.5

NBF Economics and Strategy

At the press conference, BoC Governor Tiff Macklem conceded that the path to a soft landing had narrowed but emphasized that a growth “stall”—starting in the final quarter of 2022—would allow supply to catch up to demand. He was optimistic that inflation would thus be corralled and that growth would be able to pick up again in 2024. His remarks highlighted the dual risks of policy tightening at this stage: Too fast or too far, the economy could slow down too much; too slow, inflation expectations could de-anchor. The implication is that future policy decisions are likely to be more nuanced, with the size of further policy rate increases looking increasingly data dependent.

If, as we expect, Canadian inflation continues to recede rapidly, the Bank may end up having little more to do with the policy rate beyond what we believe could be a final hike in December. The Canadian dollar remains something of a monetary policy wildcard here to the extent that a cheap currency risks importing inflation from abroad. The Bank may not be setting policy based solely on what the Fed is prepared to do, but the relative policy rate stance is nonetheless important for bond and currency markets. While the Fed is not yet done hiking—a 75-bp increase is expected on November 2—we see the makings of a less aggressive stance around the turn of the year. This policy pivot would likely lend some support to the loonie in 2023 and ease currency-related anxiety at the Bank of Canada.

It is clear that much continues to depend on the course of inflation. While this may not be the last hike, it is hoped that it is the final “large” tightening the economy is subjected to. We believe that the Bank should adopt a more data-dependent stance going forward. The time now is for fine-tuning of the policy rate.

**UNITED STATES:** The Bureau of Economic Analysis put out its first estimate of Q3 GDP growth. The economy reportedly expanded 2.6% annualized in the quarter, a bit more than the median economist forecast calling for a +2.4% print. This gain hoisted economic output 4.2% above its pre-COVID level and narrowed the output gap to only 0.9%.

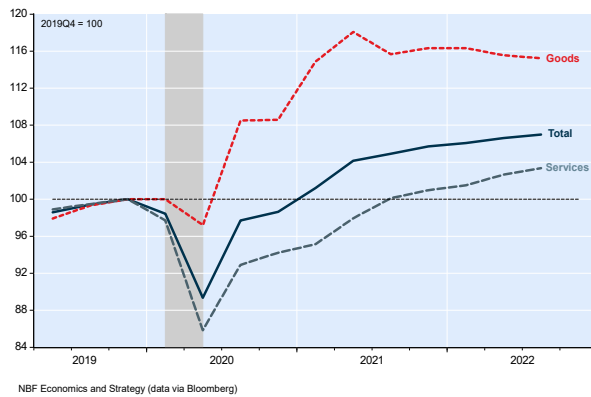
Domestic demand strengthened in the three months to September as gains for personal consumption (+1.4% q/q annualized), equipment investment (+10.8%), and intellectual property investment (+6.9%) were only partially offset by a steep drop for residential investment (-26.4%). Government spending (+2.4% q/q annualized) contributed to growth in the quarter.

Contributions to real GDP growth		
	2022Q3	2022Q2
GDP	2.6	-0.6
Consumption	0.97	1.38
Business Investm. Equip./Intell.	0.90	0.35
Business Investm. Struct.	-0.41	-0.34
Residential Investm.	-1.37	-0.93
Government	0.42	-0.29
Domestic Demand	0.51	0.17
Exports	1.63	1.51
Imports	1.14	-0.35
Trade	2.77	1.16
Final Sales	3.28	1.33
Inventories	-0.70	-1.91

NBF Economics and Strategy (data via Bloomberg)

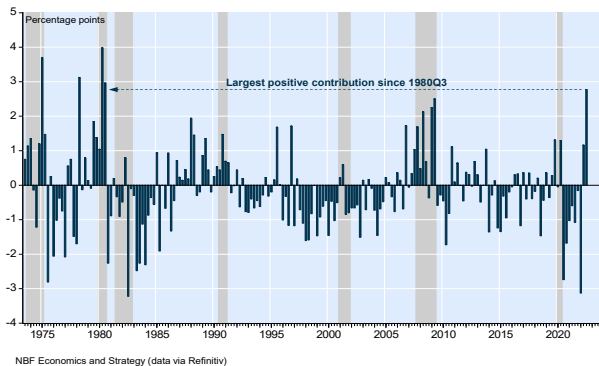
As might be expected in light of receding pandemic fears, households continued to shift consumption from goods (-1.2% q/q annualized) to services (+2.8%). Spending on the latter thus moved further above its pre-pandemic level.

**United States: Services consumption further above pre-pandemic level**  
Personal Consumption Expenditures



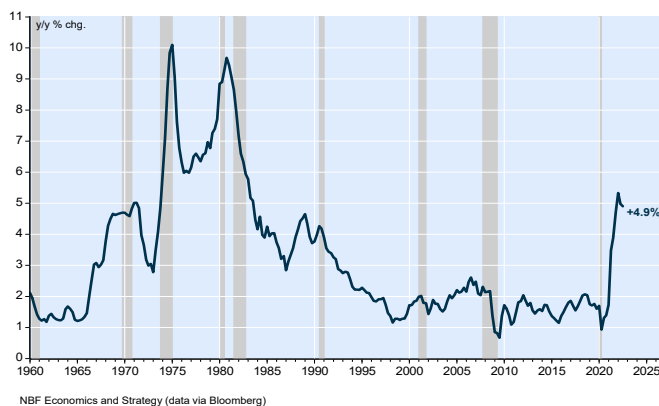
For the second quarter in a row, trade had a sizeable positive impact on the headline GDP print (+2.77 percentage points, the most since 1980Q3) as exports expanded an annualized 14.4% q/q while imports shrank 6.9%. Inventories, for their part, had a negative impact, shaving 0.7 pp off overall growth.

**United States: Net exports had outsized impact on growth in Q3**  
Net exports, contribution to real GDP growth



The Personal Consumption Expenditures (PCE) price index excluding food and energy climbed an annualized 4.5% in the quarter, a slight deceleration from the 4.7% recorded in the three months to June. Year on year the index was up 4.9%, down from 5.0% the prior quarter but still one of the highest prints since the 1980s.

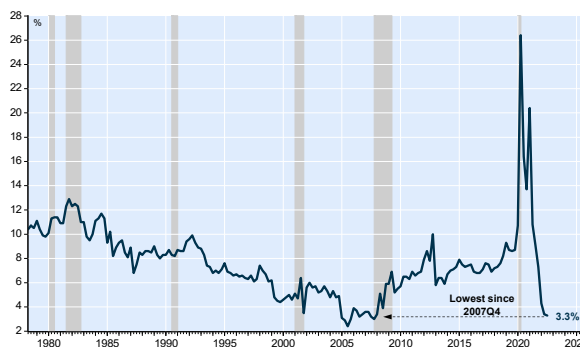
**United States: Core inflation eased a bit in Q3, but still too high**  
Core Personal Consumption Expenditures deflator (excluding food and energy)



The saving rate, meanwhile, ticked down from 3.4% to 3.3%, its lowest level since 2007Q4.

### United States: Households dip into savings in face of high inflation

Savings as a percentage of disposable income

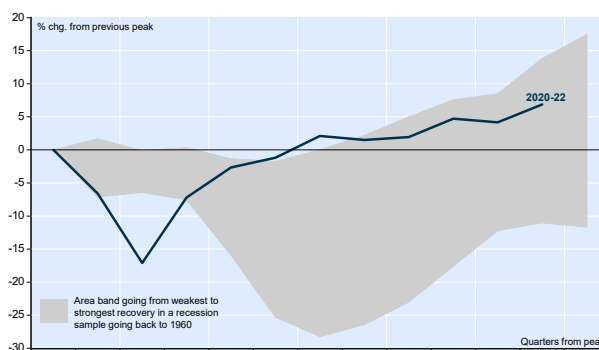


NBF Economics and Strategy (data via Bloomberg)

After two consecutive contractions, the U.S. economy returned to growth in Q3. It is true that a good part of the quarterly gain was due to international trade, but other sectors also performed well. These included investment in intellectual property products and investment in machinery and equipment. In the case of the latter category, the most recent gain only added to what was already a solid recovery from the COVID slump. No doubt the rapid rebound in international demand following lockdowns contributed to boost equipment spending in recent quarters, as did severe labour shortages in the United States.

### U.S.: Equipment spending has shown vigour following pandemic

Real investment in machinery and equipment



NBF Economics and Strategy (data via Refinitiv)

Household consumption, on the other hand, showed signs of weakness as it grew at its second-slowest pace since the early days of the pandemic. Rising prices were likely to blame for this slowdown, as evidenced by the fact that the core PCE deflator rose in Q3 at one of its highest annual rates in 40 years. Such an increase means that, despite a very strong labour market, wages were not keeping up with the rise in consumer prices. This has not affected consumption too much so far as households have been able to maintain their level of spending by drawing on the excess savings accumulated during the pandemic. But, however substantial these funds once were, they will not last forever, especially not with the savings rate as low as it is now. By our calculations, half of the cache has already been used and the rest should be exhausted by the middle of next year. If inflation is not back under control by then, consumption risks hitting a wall.

This is why the Fed must continue to hike its policy rate in the coming months. However, with the central bank flagging 125 bps of additional tightening between now and the end of the year, it would come as no surprise to see sectors of the economy most sensitive to interest rates slow down sharply. As mentioned previously, equipment investment seems to be holding up quite well for the moment, but the same cannot be said for residential investment, which has now dropped for six consecutive quarters. Unfortunately, the most recent data suggest further declines are in store for this segment.

Is it still possible for the U.S. economy to avoid recession? We think so, provided that the Federal Reserve ceases tightening sooner than the market anticipates. But pain is inevitable. We expect that economic growth will stagnate over the next three quarters. Real GDP could even contract in the first half of 2023 but perhaps not enough to qualify as a recession. Such a poor outlook will, we hope, encourage the Fed to end and then reverse its tightening in order to breathe a little life into the economy in the second half of next year.

Nominal personal income rose 0.4% in September after increasing 0.3% the month before. As the labour market continued to improve, the wage/salary component of income progressed 0.6%. Income derived from government transfers, for its part, edged down 0.1%. All this translated into a 0.4% gain for disposable income. Nominal personal spending sprang 0.6% on gains for both goods (+0.3%) and services (+0.8%). As spending expanded at a faster pace than disposable income, the savings rate declined from 3.4% to a 3-month low of 3.1%, the second lowest print recorded since April 2008.

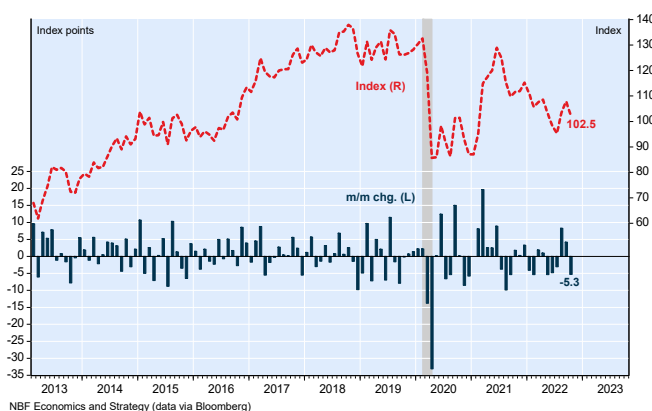
Still in September, the headline PCE deflator came in at 6.2% y/y, unchanged from the prior month. The core PCE measure, meanwhile, moved from 4.9% to a 6-month high of 5.1%.

Adjusted for inflation, disposable income was flat, while spending increased 0.3%.

Durable goods orders grew 0.4% in September. Although the figure was two-tenths short of consensus expectations, the disappointment was more than offset by an upward revision to the prior month's result (from -0.2% to +0.2%). Orders in the transportation category jumped 2.1% in September as gains for civilian aircraft (+21.9%) and vehicles/parts (+2.2%) were only partially offset by a 32.2% drop in the defence aircraft segment. Excluding transportation, orders pulled back 0.5%, marking just the second decline for this indicator in the past 29 months. The report showed, also, that orders for non-defence capital goods excluding aircraft, a proxy for future capital spending, decreased 0.7% m/m, the most in 16 months. On a three-month annualized basis, "core" orders decelerated from 9.0% to 7.5%, a figure that continues to suggest that business investment in machine and equipment will continue to improve in Q4.

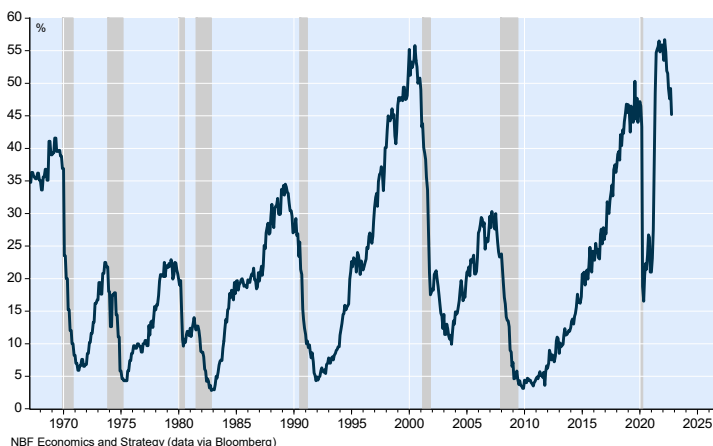
The Conference Board Consumer Confidence Index dropped from 107.8 in September to a three-month low of 102.5 in October, below the median economist forecast calling for a print of 105.9.

**United States: Consumer confidence cools to three-month low**  
Conference Board Consumer Confidence Index



The decline reflected a less optimistic assessment of the present situation. Indeed, the corresponding tracker fell from 150.2 to an 18-month low of 138.9 as the share of respondents who deemed jobs plentiful slid from 49.2% to 45.2%, the lowest figure of the post-pandemic period. The percentage of polled individuals with a positive view of current business conditions declined as well, sagging from 20.7% to 17.5%.

**United States: Labour market starting to cool**  
Conference Board Consumer Confidence Index, share of respondents who deem jobs plentiful



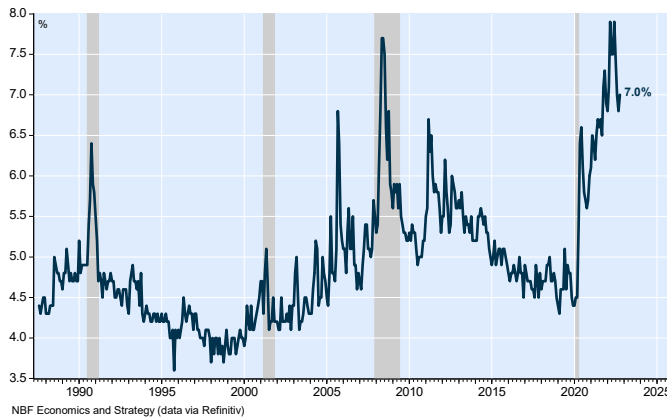


Longer-term consumer expectations deteriorated, too, albeit to a lesser extent. The sub-index tracking sentiment towards the next six months retreated from 79.5 to 78.1 even though there was a higher proportion of respondents with a positive outlook on business conditions (from 18.6% to 19.2%), employment (from 17.4% to 19.8%), and wages (from 18.3% to 18.9%). More people were also planning to buy a home (from 5.0% to 6.8%), an automobile (from 9.9% to 12.4%), or a major appliance (from 46.8% to 49.5%).

In October, consumers expected inflation over the next 12 months to stand at 7.0%, up slightly from 6.8% in September and one of the highest prints since data collection began in the late 1980s.

**United States: Inflation expectations still elevated**

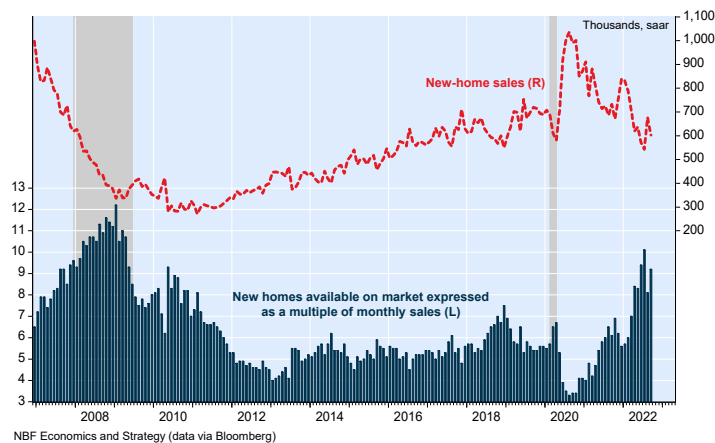
Conference Board Consumer Confidence Index, expected inflation rate 12 months hence



Sales of new homes were down for the seventh time in nine months, sliding 10.9% in September to 603K (seasonally adjusted and annualized) and bringing the total drawback since the pandemic peak to 41.8%. The monthly retreat, together with a rise in the number of homes available on the market (from 457K to a 14-and-a-half-year high of 462K), pushed the inventory-to-sales ratio up from 8.1 to 9.2, the third-highest print since mid-2009.

**United States: New-home sales slumping, supply growing fast**

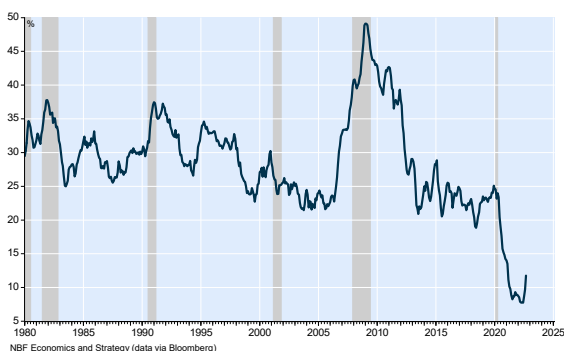
New-home sales and inventory



It is worth noting that a high proportion of the houses available on the market were either under construction or awaiting construction. Completed houses represented only 11.7% of the total inventory, one of the lowest proportions ever recorded. This statistic reflects not so much the current health of the market as its past strength. Recall that, faced with severe labour shortages, homebuilders were unable to meet the explosion in housing demand that occurred during the pandemic. As a result, construction backlogs swelled. The current context, which is much less effervescent, should allow homebuilders to quickly make up for lost time. The catch-up process seems to have already begun: Just a few months ago, completed builds accounted for only 7.7% of total unsold inventory.



**United States: Still lots of catch-up for homebuilders**  
Completed homes as a proportion of total number of new homes available for sale

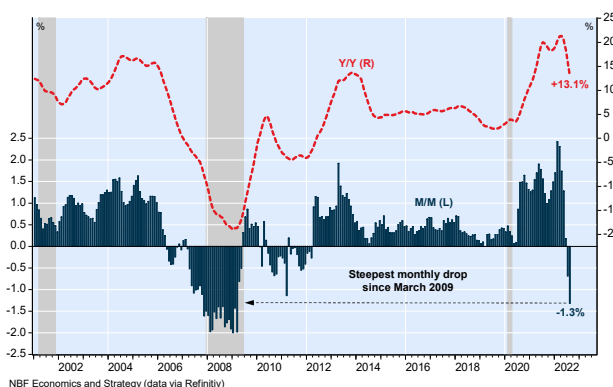


The median transaction price, meanwhile, rose 8.0% m/m to \$470,600. On a 12-month basis, prices were up 13.9%. In an environment where mortgage rates remain high and supply is increasing rapidly, we expect price growth to slow markedly.

The Pending Home Sales Index plunged 10.2% in September, the fifth biggest monthly decline in data going back to 2001. At 79.5, the index currently stands at its lowest level since June 2010, excluding of course the pandemic period. Year on year, pending transactions were down 30.4%, a steeper decline than any seen during the 2008-11 crisis.

According to the S&P CoreLogic Case-Shiller 20-City Index, home prices fell a seasonally adjusted 1.32% in August, marking the second consecutive decline for this indicator and the sharpest since March 2009. All of the 20 markets surveyed registered price drops in the month, led by San Francisco (-3.7%), Seattle (-2.9%), San Diego (-2.5%), and Phoenix (-2.2%). Year-on-year price appreciation slowed from 16.0% to 13.1%, the largest one-month deceleration in data going back to 2000. Given the rapid rise in borrowing costs and the sharp drop in home sales, we expect prices to decline further in the coming months.

**U.S.: Home prices dropped at fastest pace since 2009 in August**  
S&P CoreLogic Case-Shiller 20-City Home Price Index. Last observation: August 2022

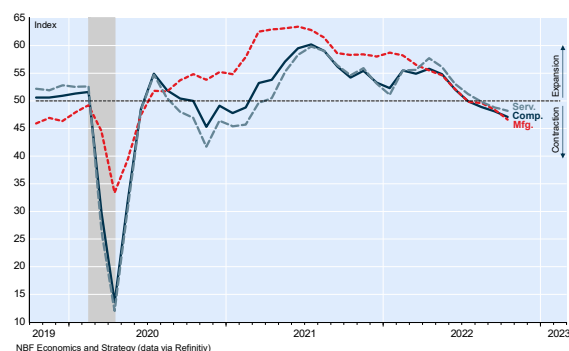


In the week to October 22, initial jobless claims edged up from 214K to 217K. Continued claims rose as well, from 1,383K to 1,438K. This number remained very low by historical standards, which suggests that unemployed workers were finding new jobs quickly.

**WORLD:** The S&P Global Flash Composite PMI for the Eurozone slid from 48.1 in September to 47.1 in October, signaling a fourth successive reduction in business activity in the single-currency area and the sharpest since November 2020. Excluding pandemic lockdown months, this was its lowest reading since April 2013. New orders contracted at a faster pace as the corresponding sub-index went from 46.3 to 45.0, while employment growth continued to weaken “reflecting job cutting at some firms amid signs of surplus capacity relative to sales and a broader reticence to hire amid uncertainty regarding the outlook”. Input/output price inflation eased a bit but remained highly elevated thanks in part to rising energy costs and upward wage pressures. Business expectations for the year ahead brightened somewhat but nevertheless stood at their second-lowest level since the pandemic.

#### Eurozone: Private sector downturn accelerates

Markit Flash PMI. Last observation: October 2022



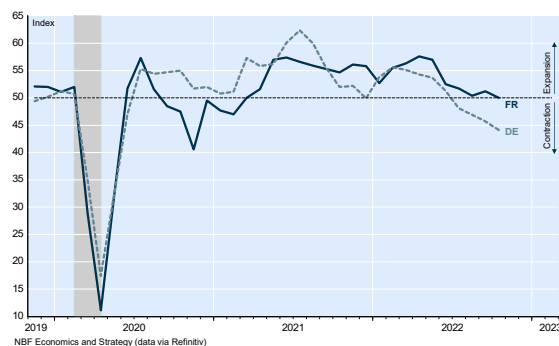
The manufacturing gauge slipped from 48.4 to 46.6 as output (from 46.3 to a 29-month low of 44.2) and new orders (from 41.3 to 37.8) sank further below the 50-point mark separating expansion from contraction. Where new orders are concerned, the pullback was the sharpest since April 2009, excluding the pandemic period. Supplier delivery times lengthened the least in more than two years, but this improvement was often linked to “suppliers being less busy due to weaker demand”. This weakness resulted in a sharp drop in work backlogs.

The services sub-index moved from 48.8 to a 20-month low of 48.2 as output eased for a third consecutive month. Incoming new business slumped the most since June 2013 excluding the pandemic period.

Analysis of the data by country showed quite a wide divergence between the group’s two largest economies. While France’s private sector continued to show resilience (its composite PMI held on at 50.0, down from 51.2), Germany’s sank further into contraction territory (from 45.7 to 44.1). This was perhaps not surprising given the German economy’s vulnerability to rising energy costs.

#### Eurozone: Germany’s economy hit hard by rising energy costs

Markit Flash Composite PMI. Last observation: October 2022

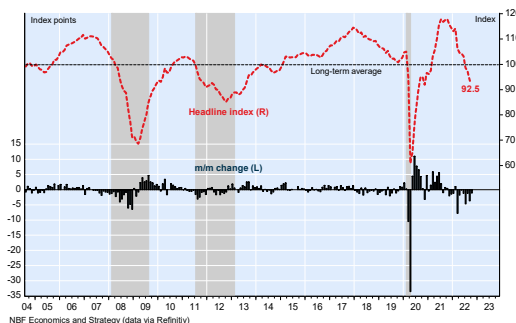


PMI data appeared to confirm that the Eurozone entered recession in the fourth quarter of the year.

The European Commission’s Economic Sentiment Index declined for the eighth month in a row in October, sliding 1.2 points to a 23-month low of 92.5. Confidence dropped in just two of the five sectors surveyed: manufacturing (from -0.3 to -1.2) and services (from 4.4 to 1.8). Alternatively, there were increases observed for consumers (from -28.8 to a still depressed -27.6), retail (from -8.4 to -6.9) and construction (from 1.8 to 2.6). At the national level, deteriorations in Germany (from 91.9 to 90.9) and Italy (from 95.9 to 95.0) were only partially offset by a gain in Spain (from 96.6 to 98.0). France’s index remained unchanged at 96.2.

#### Eurozone: Economic sentiment in recession territory

European Commission’s Economic Sentiment Index. Last observation: October 2021

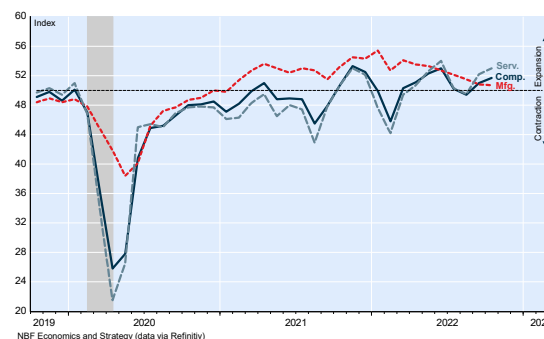


Confronted with flaring inflation, the European Central Bank raised all three of its main policy rates on Thursday, hiking the main refinancing rate from 1.25% to 2.00%, the marginal lending facility rate from 1.50% to 2.25%, and the deposit facility rate from 0.75% to 1.50%. These actions were in line with market expectations and brought rates to their highest levels since 2009. The ECB also increased the rate paid by commercial banks on more than €2 trillion of cheap loans known as targeted longer-term refinancing operations (TLTROs). As this decision is likely to encourage recipients to repay their loans ahead of schedule, this increase could be viewed as the first concrete step taken to reduce the size of the central bank's balance sheet.

The statement accompanying the rate announcement reiterated that inflation was “far too high”, but it also indicated that the Governing Council had made “substantial progress in withdrawing monetary policy accommodation”. The text no longer mentioned that rates would have to rise “at the next several meetings” but stated instead that borrowing costs would have to be increased “further”. Also, ECB President Christine Lagarde sounded more dovish at her press conference. She stated that economic activity in the Eurozone was “likely to have slowed significantly in the third quarter” and that a recession had become more likely. Still, she maintained that the ECB had “more ground to cover” in terms of monetary tightening. As for shrinking the ECB's €5-trillion asset portfolio, Lagarde asserted that the key principles guiding the process would be discussed at the central bank's December meeting. Policymakers had mentioned previously that they expected QT to begin once interest rate normalization was completed.

The Jibun Bank Composite PMI for Japan went from 51.0 in September to 51.7 in October, signaling a second consecutive improvement in operating conditions and the sharpest in four months. The rise in the index was due entirely to an improvement in the services gauge, which climbed from 52.2 to 53.0. Firms operating in the non-manufacturing sector reported a ninth consecutive expansion in employment as order books benefited from increased travel volumes after the Nationwide Travel Discount Program was rolled out. Input and output price inflation remained sharp, a factor that contributed to a decline in business expectations for the next 12 months. The manufacturing index, for its part, edged down from 50.8 to a 21-month low of 50.7 as factories signaled a fourth consecutive contraction in output and new orders..

**Japan: Private sector activity supported by services sector**  
Jibun Bank/Markit Flash PMI. Last observation: October 2022

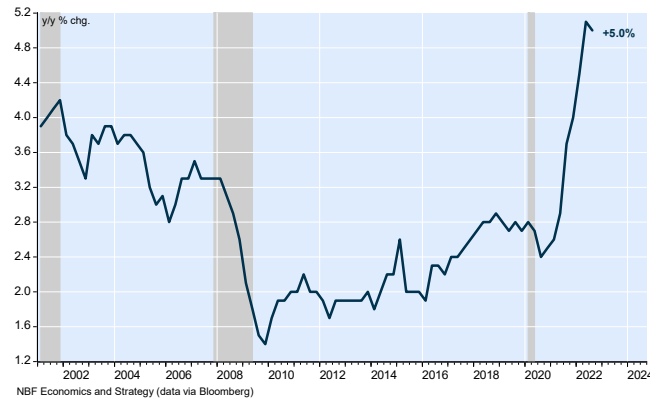


Unsurprisingly, the Bank of Japan maintained its overnight interest rate at -0.1% and, more importantly, reiterated its commitment to buy an unlimited amount of government bonds in order to keep 10-year yields at about 0%. The central bank announced, also, that it would keep buying exchange-traded funds (ETFs) and Japan real estate investment trusts (J-REITs) at a maximum annual pace of ¥12 trillion and ¥180 billion, respectively. This move (or non-move) reinforces the BoJ's commitment to keep monetary policy as loose as possible, even if this translates into a sharply weaker yen and, in turn, higher import costs. Other data released this week showed Tokyo's core CPI index rising from 2.8% y/y in September to 3.4% y/y in October, the highest level in 40 years. The new aid package announced by the government to limit the effects of rising energy prices on consumers will do nothing to calm inflation and may put even more pressure on the central bank to reduce accommodation, perhaps by scrapping its yield curve control policy.

After being severely hit in the second quarter by a wave of COVID-related lockdowns, China's economy returned to growth in the third quarter, expanding 3.9% q/q in annualized terms. Year on year, GDP also grew 3.9%, overshooting the median economist forecast for 3.3% growth but still far below the full-year target of 5.5%. Although the quarterly numbers were better than expected, the economic impact of the pandemic on consumers remained visible in the monthly data. Retail sales advanced just 2.5% y/y in September (less than the 3.0% print expected by economists) and the unemployment rate rose two ticks to 5.5%. Industrial production, on the other hand, came in stronger than expected (+6.3% y/y). Fixed asset investment grew a consensus-matching 5.9% y/y, with the infrastructure component continuing to be a major contributor. Property investment, meanwhile, showed some weakness, dropping 8.0% y/y in September. Several risks remain for the Chinese economy going forward. Beijing's desire to cling to its zero-COVID policy is certainly one of these, as it could result in further lockdowns that would put the brakes on growth at a time when the country is beset by other problems, notably, painful deleveraging in the real estate market. Falling foreign demand amid a sharp slowdown in global growth is another cause for concern in a context where the Chinese economy has become even more reliant on exports.

The employment cost index rose 1.2% in Q3 following a 1.3% gain in Q2. Benefits costs rose 1.0% in the third quarter of the year while wages and salaries jumped 1.3%. Year on year, the employment cost index was up 5.0%, down from a record 5.1%.

**United States: Cost of labour rose some more in Q3**  
Employment Cost Index

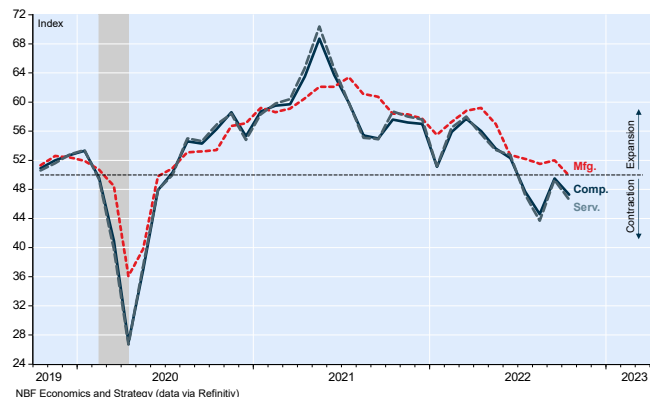


The S&P Global Flash Composite PMI sank from 49.5 in September to 47.3 in October, marking a fourth consecutive monthly contraction in private-sector activity in the United States. The retreat was also the second-largest since 2009 outside of the pandemic period. The new orders sub-index fell back into contraction territory (<50) with polled businesses signaling that the “strong dollar and challenging economic conditions in key export markets” were weighing on international demand. Faced with shrinking order books, firms operating in the private sector reduced their workforce for the first time since June 2020, albeit only marginally. Input cost inflation picked up slightly as energy prices bounced back during the month. The rise in output prices, meanwhile, was the softest in nearly two years but remained acute by historical standards. Business confidence for future output fell to a multi-month low. “Although hopeful of a boost to customer demand after inflation peaks, companies remain concerned regarding price pressures and the cost of living, as well as the worsening broader economic outlook amid interest rate hikes and weak customer sentiment,” according to the report.

The manufacturing tracker slid from 52.0 to a 28-month low of 49.9 as a modest expansion in output was more than offset by a sharp contraction in new orders, the latter caused in part by elevated inflation and aggressive stock building earlier in the year. Supply chain constraints continued to ease as evidenced by the weakest lengthening in supplier delivery times since July 2020. As demand faded and supply problems subsided, work backlogs shrank for the first time in over two years. Job creation remained positive, but only just, with many firms stating that they would stop replacing voluntary leavers.

The services sub-index, for its part, slipped from 49.3 to 46.6, which was consistent with a solid decline in activity. Incoming new business contracted for the second time in three months, a development that survey respondents attributed to higher interest rates and inflation, which were squeezing disposable income. Headcounts shrank the most since June 2020.

**U.S.: Slumping services sector pulls comp. PMI deeper into contraction**  
Markit Flash PMI. Last observation: October 2022



## IN THE NEWS



U.S. and Canadian News



### **Monday October 24<sup>th</sup>, 2022**

#### **- U.S. business activity weakens again in October - S&P Global survey**

S&P Global said on Monday its flash U.S. Composite PMI Output Index, which tracks the manufacturing and services sectors, fell to 47.3 this month from a final reading of 49.5 in September. The survey's flash manufacturing PMI fell to 49.9 this month, its first contractionary reading since June 2020, from 52.0 in September. Economists had forecast the index slipping to 51.0. The survey's flash services sector PMI fell to 46.6 from 49.3 in September.

#### **- Canada Sept factory sales most likely fell 0.5%**

Canadian factory sales most likely fell 0.5% in September from August, largely driven by decreases in the transportation equipment and petroleum and coal product industries, Statistics Canada said in a flash estimate.

#### **- Competition watchdog launches study into grocery sector amid rising food prices**

Canada's competition watchdog is launching a study to examine whether the highly concentrated grocery sector is contributing to rising food costs.

### **Tuesday October 25<sup>th</sup>, 2022**

#### **- Inflation worries hurt U.S. consumer confidence; house prices decelerating**

The Conference Board's consumer confidence index fell to 102.5 this month from 107.8 in September. Economists had forecast the index at 106.5. S&P CoreLogic Case-Shiller national home price index increased 13.0% year-on-year in August after advancing 15.6% in July. On a monthly basis, prices fell 0.9% in August, the second straight monthly drop.

### **Wednesday October 26<sup>th</sup>, 2022**

#### **- Bank of Canada hikes key interest rate half a point to 3.75%**

Policymakers led by Governor Tiff Macklem raised the benchmark overnight lending rate by 50 basis points to 3.75 per cent, less than the 75-basis-point hike expected by markets and most economists. The bank revised down its growth forecasts.

#### **- U.S. goods trade deficit widens; inventories rise moderately**

The goods trade deficit increased 5.7% to \$92.2 billion last month. September's increase reversed only a portion of the prior months' declines, leaving the goods trade deficit considerably lower in the third quarter. The Commerce Department also reported that wholesale inventories increased 0.8% last month after advancing 1.4% in August. Stocks at retailers gained 0.4% after rising 1.4% in August.

#### **- U.S. new home sales fall in September; prices remain high**

New home sales decreased 10.9% to a seasonally adjusted annual rate of 603,000 units last month. August's sales pace was revised down to 677,000 units from the previously reported 685,000 units.

#### **- U.S. mortgage interest rates jump to 7.16%, highest since 2001**

The average contract rate on a 30-year fixed-rate mortgage rose by 22 basis points to 7.16% for the week ended Oct. 21 while the MBA's Market Composite Index, a measure of mortgage loan application volume, fell 1.7% from a week earlier. Mortgage application activity is at its slowest pace since 1997.

### **Thursday October 27<sup>th</sup>, 2022**

#### **- U.S. economic growth rebounds in Q3, but demand stalling**

Gross domestic product increased at a 2.6% annualized rate last quarter after contracting at a 0.6% pace in the second quarter. Economists had forecast GDP growth rebounding at a 2.4% rate.

#### **- U.S. core capital goods orders unexpectedly fall in September**

Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, dropped 0.7% during the month. These so-called core capital goods orders increased 0.8%. Economists had forecast core capital goods orders rising 0.5%. Orders for items ranging from toasters to aircraft that are meant to last three years or more gained 0.4% in September after climbing 0.2% in August.

#### **- Suncor to acquire Teck Resources' stake in Fort Hills oilsands project for \$1B**

Suncor Energy Inc. will buy out Teck Resources Ltd.'s 21.3 per cent stake in the Fort Hills oilsands project for approximately \$1 billion, the two companies announced.

### **Friday October 28<sup>th</sup>, 2022**

#### **- U.S. data brings some encouraging signs for inflation-weary Fed**

Excluding the volatile food and energy components, the PCE price index was up 0.5% in September, matching the gain in the prior month, and 5.1% in the 12 months through September, compared to a 4.9% year-on-year rise in August.

#### **- Rise in U.S. consumer spending beats expectations; wage inflation slows**

Consumer spending rose 0.6% last month. Data for August was revised higher to show spending increasing 0.6% instead of 0.4% as previously reported. Economists had forecast consumer spending would gain 0.4%.

#### **- U.S. pending home sales tumble in September**

The National Association of Realtors (NAR) said its Pending Home Sales Index, based on signed contracts, dropped 10.2% to 79.5 last month. Contracts fell in all four regions. Economists had forecast contracts, which become sales after a month or two, would drop 5.0%. Pending home sales plunged 31.0% in September on a year-on-year basis.

#### **- Canadian economy grew 0.1% in August**

Statistics Canada says the Canadian economy grew by 0.1 per cent in August. Statistics Canada also says preliminary estimates suggest real gross domestic product grew by 0.1 per cent in September. An initial estimate for third-quarter GDP also indicates an annualized growth rate of 1.6 per cent for the July-to-September period, down from an annual pace of 3.3 per cent in the second quarter.



## IN THE NEWS



### International News

#### **Monday October 24<sup>th</sup>, 2022**

- **Rishi Sunak to become the next UK prime minister after months of turbulence**

Rishi Sunak will become Britain's first prime minister of colour on Tuesday after he won the race to lead the Conservative Party, tasked with steering a deeply divided country through an economic downturn set to leave millions of people poorer.

- **Euro zone October PMI adds to evidence bloc is heading for recession**

S&P Global's euro zone flash composite Purchasing Managers' Index (PMI), seen as a good guide to overall economic health, fell to 47.1 from 48.1 in September, below expectations for 47.5.

- **China's Xi clinches third term, packs leadership with loyalists**

China's Xi Jinping secured a precedent-breaking third leadership term and introduced a top governing body stacked with loyalists, cementing his place as the country's most powerful ruler since Mao Zedong.

- **China Q3 GDP growth tops forecasts but meaningful rebound elusive**

Helped by a raft of government measures, the world's second-biggest economy expanded 3.9% in July-September from a year earlier, official data showed, outstripping the 3.4% pace forecast and faster than the 0.4% growth in the second quarter.

- **Japan October factory growth slows to 21-month low, but services pick up**

The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) eased to a seasonally adjusted 50.7 in October, down from the prior month's final 50.8.

#### **Tuesday October 25<sup>th</sup>, 2022**

- **China seeks to promote development of private businesses with more loans**

China's cabinet issued rules on Tuesday to promote private businesses, including incentives for financial institutions to lend to them, in its latest move to support an economy facing multiple headwinds.

- **S&P says improved fiscal outcomes for Australia underpin AAA rating**

Australia's improved fiscal outcomes from a strong economy and high commodity prices underpin its AAA sovereign rating, S&P Global said, after the new labour government unveiled its first budget.

#### **Wednesday October 26<sup>th</sup>, 2022**

- **Japan stimulus package likely to total \$170 billion**

Japan will likely spend 25.1 trillion yen (US\$170 billion) in its upcoming economic stimulus package, the Kyodo news agency reported.

- **Australia inflation races to 32-year high**

Data from the Australian Bureau of Statistics (ABS) showed the consumer price index (CPI) jumped 1.8% in the September quarter, topping market forecasts of 1.6%. The annual rate shot up to 7.3%, from 6.1%, the highest since 1990 and almost three times the pace of wage growth.

- **Beijing shuts Universal Resort, Wuhan locks down district in COVID curbs**

The Universal Beijing Resort amusement park closed for COVID-19 prevention measures and the cities of Wuhan and Guangzhou locked down some districts, as cases creep higher in China despite its tough anti-virus policy.

#### **Thursday October 27<sup>th</sup>, 2022**

- **ECB raises interest rates again, cuts bank subsidies**

The central bank for the 19 countries that use the euro raised its deposit rate by a further 75 basis points to 1.5% - the highest rate since 2009. It also cut a key subsidy to banks - an attempt to force them to repay early trillions of euros' worth of ECB loans - and said detailed discussions on winding down the ECB's huge holdings of mostly government bonds will begin in December.

- **German consumer sentiment sees small, and fleeting, reprieve**

GfK institute said its consumer sentiment index rose to -41.9 heading into November, from a downwardly revised reading of -42.8 in October, and in line with forecasts from analysts.

- **South Korean growth hits 1-year low in Q3, more challenges ahead**

The country's gross domestic product (GDP) grew by a seasonally-adjusted 0.3% in real terms from the previous quarter, marking the slowest growth since the third quarter of 2021. Economists had expected the economy to grow just 0.1% quarter-on-quarter in the July-September period, slowing from a 0.7% gain in April-June.

- **China's industrial firm profits fall at faster pace in Jan-Sept**

Profits fell 2.3% in the first nine months of 2022 from a year earlier, after a 2.1% drop in the January-August period. For January-September, profits at state-owned companies rose 3.8% on year while foreign, Hong Kong, Macau and Taiwan-invested enterprises and private firms both reported profit declines, down 9.3% and 8.1%, respectively.

#### **Friday October 28<sup>th</sup>, 2022**

- **Italian inflation surges in October ahead of euro zone figures**

Italy's EU-harmonised consumer price index (HICP) jumped a preliminary 12.8% year-on-year, the highest level since the series began in 1996, from 9.4% in September.

- **French economy ekes out meagre growth in Q3, inflation hits record high**

France's economy grew 0.2% in the July-September period, in line with market expectations, preliminary data showed. Inflation rose 1.3% month-on-month, leaving the year-on-year rate at 7.1% and surpassing a record high for France of 6.8% for hit in July.

- **BOJ defies global tightening trend, sticks to ultra-low rates**

The Bank of Japan kept ultra-low interest rates and maintained its dovish guidance, cementing its status as an outlier among global central banks.

**WEEKLY PERFORMERS – S&P/TSX**

<b>S&amp;P/TSX: LEADERS</b>	<b>LAST</b>	<b>CHANGE</b>	<b>%CHG</b>
Canopy Growth Corp	\$4.28	\$1.04	32.10%
Celestica Inc	\$15.07	\$2.47	19.60%
Tamarack Valley Energy Ltd	\$5.16	\$0.80	18.35%
Precision Drilling Corp	\$97.55	\$13.32	15.81%
Shopify Inc	\$46.55	\$6.01	14.82%
Brookfield Business Partners LP	\$31.00	\$3.80	13.97%
Athabasca Oil Corp	\$2.71	\$0.32	13.39%
BRP Inc	\$93.67	\$10.77	12.99%
Bombardier Inc	\$39.05	\$4.25	12.21%
Trisura Group Ltd	\$39.21	\$4.09	11.65%

<b>S&amp;P/TSX: LAGGARDS</b>	<b>LAST</b>	<b>CHANGE</b>	<b>%CHG</b>
NFI Group Inc	\$9.63	-\$1.98	-17.05%
Converge Technology Solutions Corp	\$5.72	-\$1.00	-14.88%
Teck Resources Ltd	\$42.42	-\$5.63	-11.72%
Park Lawn Corp	\$20.75	-\$1.92	-8.47%
K92 Mining Inc	\$6.27	-\$0.55	-8.06%
First Quantum Minerals Ltd	\$24.70	-\$2.02	-7.56%
Dye & Durham Ltd	\$15.25	-\$1.14	-6.96%
NovaGold Resources Inc	\$6.25	-\$0.41	-6.16%
OceanaGold Corp	\$2.04	-\$0.13	-5.99%
TFI International Inc	\$120.84	-\$6.42	-5.04%

Source: Refinitiv



**WEEKLY PERFORMERS – S&P500**

<b>S&amp;P500: LEADERS</b>	<b>LAST</b>	<b>CHANGE</b>	<b>%CHG</b>
Universal Health Services Inc	\$117.02	\$27.02	30.02%
Dexcom Inc	\$120.87	\$25.19	26.33%
Enphase Energy Inc	\$305.25	\$53.25	21.13%
MSCI Inc	\$474.27	\$72.79	18.13%
Raymond James Financial Inc	\$119.24	\$18.25	18.07%
Moderna Inc	\$150.97	\$22.65	17.65%
Gilead Sciences Inc	\$79.27	\$11.48	16.93%
Ameriprise Financial Inc	\$312.17	\$45.16	16.91%
IQVIA Holdings Inc	\$208.16	\$30.01	16.85%
ServiceNow Inc	\$420.40	\$59.73	16.56%

<b>S&amp;P500: LAGGARDS</b>	<b>LAST</b>	<b>CHANGE</b>	<b>%CHG</b>
Meta Platforms Inc	\$99.20	-\$30.81	-23.70%
DaVita Inc	\$70.54	-\$19.45	-21.61%
Edwards Lifesciences Corp	\$70.87	-\$13.94	-16.44%
Amazon.com Inc	\$103.41	-\$15.91	-13.33%
Align Technology Inc	\$188.62	-\$19.05	-9.17%
Assurant Inc	\$134.69	-\$12.22	-8.32%
Seagate Technology Holdings PLC	\$51.45	-\$4.26	-7.65%
Bio Rad Laboratories Inc	\$354.30	-\$23.91	-6.32%
LyondellBasell Industries NV	\$77.99	-\$4.17	-5.08%
Las Vegas Sands Corp	\$37.09	-\$1.98	-5.07%

Source: Refinitiv

## NBF RATINGS & TARGET PRICE CHANGES

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
Air Canada	AC	Outperform	Outperform	C\$29.00	C\$30.00
Airboss of Canada Corp	BOS	Outperform	Outperform	C\$15.00	C\$30.00
Alithya Group Inc.	ALYA	<b>Sector Perform</b>		C\$3.25	
Allied Properties REIT	AP.un	Outperform	Outperform	C\$33.75	C\$36.50
American Hotel Income Properties REIT LP	HOT.un	Sector Perform	Sector Perform	C\$3.50	C\$4.00
Artis REIT	AX.un	Sector Perform	Sector Perform	C\$10.00	C\$11.50
ATCO Ltd.	ACO.x	Sector Perform	Sector Perform	C\$41.00	C\$40.00
Automotive Properties REIT	APR.un	Sector Perform	Sector Perform	C\$13.50	C\$13.00
Boardwalk REIT	BEI.un	Outperform	Outperform	C\$60.00	C\$58.00
Bombardier Inc.	BBD.b	Outperform	Outperform	C\$59.00	C\$53.00
Brookfield Infrastructure Partners LP	BIP.un	Outperform	Outperform	US\$38.00	US\$36.00
BSR REIT	HOMu	Outperform	Outperform	US\$18.50	US\$20.00
BTB REIT	BTB.un	Sector Perform	Sector Perform	C\$3.50	C\$3.85
Canadian Utilities Ltd.	CU	Sector Perform	Sector Perform	C\$34.00	C\$33.00
Capital Power Corp.	CPX	Outperform	Outperform	C\$48.00	C\$52.00
CES Energy Solutions Group	CEU	Outperform	Outperform	C\$3.70	C\$3.85
Chartwell Retirement Residences	CSH.un	Outperform	Outperform	C\$11.00	C\$13.00
Choice Properties REIT	CHP.un	Sector Perform	Sector Perform	C\$13.50	C\$14.00
Crescent Point Energy Group	CPG	Outperform	Outperform	C\$17.00	C\$18.00
Crombie REIT	CRR.un	Outperform	Outperform	C\$17.00	C\$18.00
CT REIT	CRT.un	Outperform	Outperform	C\$17.50	C\$18.00
dentalcorp Holdings Ltd.	DNTL	Outperform	Outperform	C\$15.50	C\$18.00
Dream Industrial REIT	DIR.un	Outperform	Outperform	C\$13.50	C\$14.25
Dream Office REIT	D.un	Sector Perform	Sector Perform	C\$17.25	C\$20.00
Eldorado Gold Corp.	ELD	Outperform	Outperform	C\$13.50	C\$15.50
Emera Inc.	EMA	Sector Perform	Sector Perform	C\$51.00	C\$60.00
Enbridge Inc.	ENB	Outperform	Outperform	C\$53.00	C\$61.00
EQB Inc.	EQB	Outperform	Outperform	C\$68.00	C\$73.00
European Residential REIT	ERE.un	Sector Perform	Sector Perform	C\$3.30	C\$3.95
Extendicare Inc.	EXE	Sector Perform	Sector Perform	C\$7.50	C\$8.00
Fiera Capital Corp.	FSZ	Sector Perform	Sector Perform	C\$10.00	C\$10.50
First Capital REIT	FCR.un	Sector Perform	Sector Perform	C\$17.00	C\$18.00
First National Financial Corp.	FN	Sector Perform	Sector Perform	C\$34.00	C\$35.00
First Quantum Minerals Ltd.	FM	Outperform	Outperform	C\$30.00	C\$32.00
Flagship Communities REIT	MHCu	Outperform	Outperform	US\$19.00	US\$21.00
Fortis Inc.	FTS	Sector Perform	Sector Perform	C\$51.00	C\$60.00
Gibson Energy Inc.	GEI	Sector Perform	Sector Perform	C\$23.00	C\$25.00
Granite REIT	GRT.un	Outperform	Outperform	C\$84.00	C\$90.00
Great-West Lifeco Inc.	GWO	Sector Perform	Sector Perform	C\$35.00	C\$26.00
H&R REIT	HR.un	Outperform	Outperform	C\$13.50	C\$16.50
Home Capital Group Inc.	HCG	Sector Perform	Sector Perform	C\$30.00	C\$31.00
Hydro One Ltd.	H	Sector Perform	Sector Perform	C\$31.00	C\$36.00
Ia Financial Corporation Inc.	IAG	Outperform	Outperform	C\$80.00	C\$81.00

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
Inovalis REIT	INO.un	Sector Perform	Sector Perform	C\$5.00	C\$6.00
Invesque Inc.	IVQ.un	Sector Perform	Sector Perform	US\$1.25	US\$1.50
Keyera Corp.	KEY	Outperform	Outperform	C\$35.00	C\$38.00
Lundin Mining Corp.	LUN	Sector Perform	Sector Perform	C\$8.25	C\$8.50
Manulife Financial Corp.	MFC	Sector Perform	Sector Perform	C\$24.00	C\$25.00
Minto Apartment REIT	MI.un	Outperform	Outperform	C\$17.00	C\$17.50
Neighbourly Pharmacy Inc.	NBLY	Sector Perform	Sector Perform	C\$22.00	C\$20.00
Nexus Industrial REIT	NXR.un	Sector Perform	Sector Perform	C\$9.75	C\$11.00
NFI Group Inc.	NFI	Sector Perform	Sector Perform	C\$13.00	C\$17.00
North American Construction Group Ltd.	NOA	Outperform	Outperform	C\$22.00	C\$20.00
Northwest Healthcare Properties REIT	NWH.un	Sector Perform	Sector Perform	C\$11.50	C\$13.50
OceanaGold Corp.	OGC	Outperform	Outperform	C\$3.25	C\$3.50
Pembina Pipeline Corp.	PPL	Sector Perform	Sector Perform	C\$45.00	C\$48.00
Precision Drilling Corp.	PD	Outperform	Outperform	C\$135.00	C\$120.00
RioCan REIT	REI.un	Outperform	Outperform	C\$23.00	C\$24.00
Sienna Senior Living Inc.	SIA	Outperform	Outperform	C\$14.50	C\$16.00
Slate Office REIT	SOT.un	Sector Perform	<b>Restricted</b>	C\$4.40	<b>Restricted</b>
SmartCentres REIT	SRU.un	Sector Perform	Sector Perform	C\$28.00	C\$30.00
Storagevault Canada Inc.	SVI	Outperform	Outperform	C\$7.00	C\$7.50
Summit Industrial Income REIT	SMU.un	Outperform	Outperform	C\$21.25	C\$22.00
Sun Life Financial	SLF	Sector Perform	Sector Perform	C\$65.00	C\$67.00
Superior Plus Corp.	SPB	Outperform	Outperform	C\$12.00	C\$13.00
TC Energy Corp.	TRP	Sector Perform	Sector Perform	C\$56.00	C\$65.00
Teck Resources Ltd.	TECK.b	Outperform	Outperform	C\$56.00	C\$60.00
TFI International Inc.	TFII	Outperform	Outperform	C\$145.00	C\$150.00
Tidewater Renewables Ltd.	LCFS	<b>Restricted</b>		<b>Restricted</b>	
Timbercreek Financial Corp.	TF	Sector Perform	Sector Perform	C\$8.25	C\$8.75
TMX Group Inc.	X	Sector Perform	Sector Perform	C\$148.00	C\$143.00
TransAlta Corp.	TA	Sector Perform	Sector Perform	C\$13.00	C\$15.00
Tricon Residential Inc.	TCN	Outperform	Outperform	C\$15.00	C\$18.00
True North Commercial REIT	TNT.un	Sector Perform	Sector Perform	C\$5.50	C\$6.00
Yamana Gold Inc.	YRI	Tender	Tender	C\$6.75	C\$6.90

## STRATEGIC LIST - WEEKLY UPDATE

(October 24<sup>th</sup> – October 28<sup>th</sup>)

### No Changes this Week

### Comments

#### Communication Services (Market Weight)

##### Rogers Communications Inc. (RCI.b)

**NBF:** Rogers Communications Inc. and Canada's competition watchdog have failed to resolve their differences over the telecom giant's \$26-billion proposed takeover of Shaw Communications Inc. following a mediation period and weeks of talks. Nothing ultimately came from a second (seemingly one-sided) attempt at mediation, with Rogers, Shaw and Quebecor noting that they “are disappointed with this outcome and believe that litigation is both unnecessary and harmful to competition”. The companies also emphasized that “the [Competition] Bureau’s unwillingness to meaningfully engage unduly delays lower wireless prices for Canadian consumers”. It remains intriguing that a sale of Freedom to Quebecor appears to be a reasonable remedial solution for ISED and effectively the Canadian government, with recently stipulated conditions accepted by Quebecor, but the Competition Bureau, despite apparently added concessions by Rogers, remains steadfast in its opposition and desire to extend the process with litigation. The Tribunal hearing will begin Nov. 7 and the process could run through much of December unless somehow truncated due to a sudden settlement which shouldn’t necessarily be anticipated. NBF expects the Tribunal to render its decision 30 days later within the latter part of January, with any approval likely followed soon after by ISED approval which could allow for a closing before the end of February. In the meantime, investors should expect ongoing volatility in the shares of Rogers and Shaw as well as Quebecor.

#### Financials (Market Weight)

##### Fairfax Financial Holdings Ltd. (FFH)

**NBF:** Indian news outlets are speculating that FFH plans to sell its ~54% stake in Bangalore International Airport Ltd (BIAL) for at least \$1.5 billion, fetching a \$2.5-\$3 billion valuation for the entire company. FFH's stake is measured at carrying value of \$540.1 million as of June 30, 2022. This implies pre-tax gains of ~\$1 billion or ~\$800 million after-tax (assuming a 20% tax rate) and would add ~4%-points of ROE and BVPS accretion to NBF's 2023 estimates. In other words, NBF 2023 BVPS (excl. AOCI) would increase from \$819.75 to \$853.92. This reinforces NBF's view that FFH can deliver after-tax ROE of ~13% in 2023 – which would imply a >1.5x P/B multiple based on a P/B to ROE regression. The market is currently pricing FFH as a ~7% ROE business, or at 0.81x P/B multiple. FFH remains the best value idea in NBF Diversified Financials coverage universe. NBF believes FFH can deliver sustainable long-run ROE of at least 10% through a combination of consistently strong underwriting growth/profits and improving total investment return performance. NBF applies a ~1.1x P/B (unchanged) on its Q2-23 estimate (plus 1.0x AOCI) to arrive at its C\$1,100 price target. Reiterate Outperform.

#### Energy (Overweight)

##### Enbridge Inc. (ENB)

**NBF:** Enbridge reports Q3/22 results on November 4<sup>th</sup>. NBF forecasts adj. EBITDA of ~\$3.69 bln, nearly flat relative to Q2/22 levels, reflecting persistent fundamental headwinds remaining for its Energy Services business segment, while favorable FX rates were offset by a new Mainline toll rollback amounting to ~\$0.07/bbl. Notably the rollback is a function of a rolling 9-month average of Mainline volumes, with every 50 mbpd ratchet over the 2,835 mbpd threshold triggering a \$0.035/bbl rollback (up to a maximum rollback of \$0.175/bbl). NBF expects the \$0.07/bbl rollback to remain in place through the remainder of the year based on NBF's Mainline throughput assumptions. With respect to Mainline recontracting, with shipper discussions on a potential CTS 2.0 coming down the home stretch, Enbridge seeks to make a decision on the best path forward this fall, as the company prepares a back-pocket Cost-of-Service application to provide ENB with optionality to earn a utility-like return. Overall, while ENB has prioritized an Incentive Tolling Agreement as the preferred option, NBF notes that a Cost-of-Service model provides a higher cash flow quality profile in the face of inflationary uncertainties. That said, NBF continues to peg Mainline toll compression risk as being limited to the COS alternative, representing ~\$500 mln of annual EBITDA downside (~5% of AFFO). ENB continues to engage in constructive discussions with emitters in the Industrial Heartland area, albeit not necessarily requiring any incremental offtakers to justify its potential Wabamun Carbon Hub, with 4 MtCO<sub>2</sub> (~40% of hub capacity) already under MoU. Furthermore, the company continues to move forward with testing and evaluation of the area of interest for its Wabamun Hub before submitting a long-term lease application with the

provincial government. On the energy security front in the face of persistent conflict in Eastern Europe, we await an FID on NextDecade's proposed Rio Grande LNG facility, possibly before year-end given strong LNG fundamentals over recent months, ahead of Enbridge moving forward on the supporting Rio Bravo pipeline. In Canada, NBF will look for an update on ENB's \$2.5 bln TSouth binding open season, potentially adding an incremental 300 mmcf/d of new capacity to serve demand in the U.S Pacific Northwest and meet the Woodfibre LNG facility (30% ENB) contract of ~300 mmcf/d. NBF maintained its Outperform rating on ENB and lowered its target price to \$53.00 from \$61.00.

### **Whitecap Resources Inc. (WCP)**

**NBF:** WCP reported in line Q3/22 results. Average production of 145.8 mboe/d (70% liquids) was up 10% sequentially (+26% Y/Y) due to XTO acquisition volumes and in line with NBF and consensus forecasts of 142.0 mboe/d and 143.2 mboe/d, respectively. CFPS of \$0.88 (-18% Q/Q; +92% Y/Y) was similarly in line with NBF and consensus estimates of \$0.94 and \$0.91, respectively. Opex came in at \$14.85/boe (NBF \$15.65/boe) and royalties at \$16.29/boe (NBF \$15.52/boe). Capital spending was \$208 million, which compared to NBF estimate of \$197 million and the Street at \$199 million. WCP's total payout ratio is ~50%, including ~\$67 million in dividends. While 2022 capex guidance remains unchanged from the previous update at \$670-690 million, the Company has highlighted that they anticipate 2022 production closing the year at 144 mboe/d, the high end of the previously communicated guidance. This increase reflects momentum from the recent XTO acquisition, which closed on August 31st. Recall, the Company recently released their 2023 budget, which remains unchanged, and calls for capex of \$900-950 million to support average annual production of 170-172 mboe/d. The company remains laser-focused on paying down debt in the near term, targeting net debt milestones of \$1.8 billion and \$1.3 billion. This is significant, as hitting each target (which NBF is forecasting to happen before year-end and again in mid-2023) will trigger meaningful dividend increases (27-32% each) to reach an annual dividend of \$0.73/sh, which implies ~\$450 million of dividends annually. NBF reiterated its Outperform rating and \$15.50 target price.

### **Materials (Overweight)**

#### **Agnico Eagle Mines Ltd. (AEM)**

**NBF:** Agnico Eagle reported Q3 financial and operating results posting an Adj EPS of US\$0.52, coming as a beat to both NBF and consensus at US\$0.43. Depreciation proved far lower than estimated (US\$273 mln vs NBF's US\$317 mln) which drove the beat on earnings and explains why CFPS was far more in line. Production of 817 koz on the quarter came in slightly light to NBF 822 koz estimate while costs came in just above NBF but below consensus. Management has messaged that they are on track to achieve their unchanged 2022 production guidance (3,075-3,248 koz) and maintains the same messaging as last quarter - that their costs should come in at the upper end of their US\$725-775/oz TCC and US\$1,000-1,050/oz AISC ranges largely due to inflationary pressures (management cited 5-7% Q/Q increases in key consumables). The slightly lower than expected capex (-US\$15 mln) paired with the higher revenue and lower mining and processing costs drove the beat to NBF FCF estimate. Although the company saw some positive signs of cost pressures easing during the quarter, they expect inflationary pressures, labour force tightness and supply chain constraints to continue through 4Q22 and into the new year as key consumables have experienced inflated prices above the original forecast. A portion of these increased costs are being offset by operational performance, cost saving initiatives, synergies from the MOE and positive tailwinds from the weakness of the CAD, euro and AUD. Agnico Eagle continues to message that the Kirkland Lake Gold merger is integrating well into their operations with the second full quarter now under its belt. NBF maintained its Outperform rating and \$79.00 target price for Agnico Eagle.

#### **Teck Resources Ltd. (TECK.b)**

**NBF:** Teck reported Q3/22 financial results broadly in line with NBF Estimates and Consensus. Teck reports Q3/22 Adjusted EBITDA of \$1,901 mln compared with NBF/Consensus of \$2,020 mln/\$1,954 mln. Lower copper sales and lower realized copper prices were partially offset by higher zinc sales and lower costs across each business unit relative to NBF Estimates. Additionally, the company recorded \$315 mln of negative provisional pricing adjustments (NBF Estimates: \$328 mln). Headline earnings of \$(195) mln was impacted by a \$952 mln impairment charge from the sale of Fort Hills and other non-cash items. Operating cash flow (before changes in non-cash working capital) of \$1,502 mln or \$2.88/sh compared with NBF/Consensus of \$2.36/\$2.81. 2022 operating guidance remains in line with NBF Estimates while remaining capital costs at QB2 have increased significantly to between US\$7.4-US\$7.75 bln (up from US\$6.7-US\$6.8 bln last quarter) as the company progresses towards initial production from Line 1 at year-end, but Teck acknowledged productivity impacts may delay to January 2023 (NBF Estimate Q1/23). As a result, \$0.9 - \$1.3 bln of capital expenditures related to the project are anticipated in 2023 (NBF: \$0.5 bln) which is expected to impact the previously guided \$2.0 bln reduction in capital expenditures Y/Y (NBF: \$1.9 bln). Alongside Q3 results, Teck announced the sale of its 21.3% interest in Fort Hills to Suncor Energy for \$1.0 bln in cash with effective date of the transaction as of November 1, 2022. The transaction is dilutive on valuation but the transition of the portfolio away from oil sands should lead to multiple expansion given copper production is set to double by 2024 following completion of QB2 (intermediate copper peers trade at ~4.9x EV/2023 EBITDA). Teck maintains the strongest balance sheet in the sector, is delivering transformative growth in the copper division through the



## *The Week at a Glance*

---

advancement of QB2 and maintains a willingness to return capital to shareholders amidst a period of depressed copper prices. NBF incorporated Q3/22 results and reduced its target price to \$56.00 from \$60.00 after adopting elevated capital costs at QB2 and incorporating the sale of Fort Hills. NBF maintains its Outperform rating.

### **Real Estate (Underweight)**

**NBF:** NBF believes the market is still pricing in some degree of inflation protection offered by hard assets and/or a lower rate environment, based on the relatively low spread offered by current implied cap rates over borrowing costs. NBF has the highest return estimates for multi-family and industrial asset classes, despite leading outperformance from retail REITs. With respect to the multi-family segment, while NBF's optimism on rent growth and fundamentals in this segment remains, the rise in bond yields has added pressure to trading cap rates. The ability to capture inflation near-term has NBF leaning towards non-rent controlled geographies as higher rates increase the time value for MTM plays. Management commentary and recent property tour activity/third-party rent aggregator data suggest that Q3 and into Q4 may have been stronger than expected. Meanwhile, utilities expenses (which have been volatile of late) are a much smaller percentage of Q3 cost structure. So, there is potential for a modest upside bias to revenue and NOI figures vs. NBF forecast. With respect to the industrial segment, NBF believes it is one of the best inflation hedges across the real estate landscape as rental rates continue to rise with essentially no market vacancy, yet valuations have adjusted to reflect higher rates. When combined with strong relative balance sheet positioning, near-term earnings outperformance is likely. A

### **Canadian Apartment Properties REIT (CAR.un)**

**NBF:** CAP REIT reports Q3 results on November 9<sup>th</sup>. Q2 started to see a return to normalcy for CAP on organic growth performance and although cost pressures remain, they weren't as acute as earlier this year. Rent growth has returned to prepandemic levels (after dropping to 3% in the height of the pandemic turnover spreads reached 11% in Q2 and will likely be in the 12-13% range in Q3), and NBF expects market rent acceleration for the remainder of the year as CAP's full occupancy levels and the above-mentioned demand drivers speak to a tight market. It is worth noting that aggregate figures were impacted by a weaker euro, which more than offset strong operating performance at ERES. Management is confident of their ability to sell existing assets above IFRS values and buy back stock at a discount (2.5 mln units purchased in the quarter) or invest in newer assets in target markets with rent growth potential matching the legacy portfolio but a more advantageous capex profile. NBF is anticipating the REIT to report the following for the third quarter: 1) FFO/unit of \$0.62 in line with consensus; 2) AMR of ~\$1,369; 3) NOI Margins of ~65%; 4) Occupancy of ~98.5%; 5) G&A Expense % of Revenue of ~6.1%; 6) SPNOI Growth of Approx 3%. With the Q3 results NBF is anticipating updates on: 1) The REIT's plans to sell low cap assets in favour of investing in higher yielding regions 2) Any plans by provincial or federal governments plan to regulate the housing sector. 3) Any indication that rent growth is tempering or if management is seeing lower turnover given a lack of rental supply. NBF maintained its Outperform rating and \$52.00 target price.

### **Summit Industrial Income REIT (SMU.un)**

**NBF:** Summit reports Q3/22 results on November 9<sup>th</sup>. Rent spreads nearly doubled vs. levels achieved in 2021 as the REIT continues to have pricing power over tenants and markets remain exceptionally tight. Market rent acceleration hasn't backtracked yet in Toronto/Montreal with Alberta likely in the early innings of expected growth – this speaks to elevated MTM opportunities for years to come. Management did note that they are willing to let retention rates slip (~50% in YTD) as they take advantage of strong demand and limited options to improve their tenant base. This resulted in transitory vacancy in the quarter, but SMU's management team has been exceptionally efficient in limiting downtime while capturing higher rents and more preferential terms. While the rise in bond yields is of concern, NBF sees the REIT as attractively valued in the context of its ability to capture inflation in market rents on top of a long runway of future MTM opportunities. NBF is anticipating the REIT to report the following for the third quarter: 1) FFO/unit of \$0.19; 2) SPNOI Growth Approx 7%; 3) Leasing Spreads of ~50%; 4) Occupancy of ~99.3%; 5) G&A Expense % of Revenue of ~4.7%. Furthermore, NBF is anticipating : 1) An update on the trend of MTM rent growth, whether tenants are able to afford rent increases 2) An update on development economics given management's recent acquisitions including potential development sights. 3) An update on any markets that management favours investment/development, whether inside or outside of the GTA. NBF maintained its Outperform rating and lowered its target price on Summit to \$21.25 from \$22.00

### **Utilities (Market Weight)**

#### **Capital Power Corp. (CPX)**

**NBF:** Capital Power reports Q3/22 results on October 31<sup>st</sup>. NBF forecasts adj. EBITDA of \$364 mln, topping Q3/21 by ~27%, reflecting continued strong performance at Goreway as well as robust quarterly generation at the company's three Genesee units in Alberta. That said, NBF expects the company's front end loaded hedging program to have muted some performance through the limitation of exposure to average Alberta merchant power pricing of ~\$221/MWh (Q2/22: ~\$120/MWh). Looking ahead, with the closing of CPX's recently announced acquisition of a 50% interest in the 1,633 MW

## *The Week at a Glance*

---

Michigan-based Midland Cogen facility in late September, we expect material contributions in the fourth quarter of 2022. Recall, CPX is expecting to contribute ~US\$186 mln, subject to working capital and closing adjustments, to the US\$894 mln transaction (including the assumption of US\$521 mln of project-level debt), with expected net average annual EBITDA contributions of ~US\$59 mln through 2027. Overall, the transaction is expected to result in average annual AFFO accretion of ~7%, with strong recontracting potential in the 2030-2035 timeframe. NBF maintained its Outperform rating and lowered its target price to \$48.00 from \$52.00.



## NBF STRATEGIC LIST

Company	Symbol	Addition Date	Addition Price	Last Price	Yield (%)	Beta	% SPTSX	NBF Sector Weight
<b>Communication Services</b>							<b>4.9</b>	<b>Market Weight</b>
Rogers Communications Inc.	RCIb.TO	13-Feb-20	\$ 65.84	\$ 56.96	3.5	0.5		
Telus Corp.	T.TO	19-May-22	\$ 30.64	\$ 28.78	4.8	0.5		
<b>Consumer Discretionary</b>							<b>3.6</b>	<b>Underweight</b>
Canadian Tire Corporation Ltd.	CTCa.TO	18-Nov-21	\$ 174.10	\$ 153.80	4.3	1.9		
Dollarama Inc.	DOL.TO	19-Mar-20	\$ 38.96	\$ 82.33	0.3	0.6		
<b>Consumer Staples</b>							<b>4.2</b>	<b>Overweight</b>
Loblaw Companies Ltd.	L.TO	25-Mar-21	\$ 68.50	\$ 113.91	1.4	0.3		
Premium Brands Holdings Corp.	PBH.TO	17-Feb-22	\$ 122.90	\$ 80.73	3.5	0.7		
<b>Energy</b>							<b>18.8</b>	<b>Overweight</b>
Cenovus Energy Inc.	CVE.TO	16-Jan-20	\$ 12.26	\$ 27.20	1.5	2.5		
Enbridge Inc.	ENB.TO	21-Jan-15	\$ 59.87	\$ 53.13	6.5	0.9		
Tourmaline Oil Corp.	TOU.TO	13-Aug-20	\$ 16.68	\$ 74.96	1.2	1.4		
Whitecap Resources Inc.	WCP.TO	19-May-22	\$ 10.27	\$ 10.32	4.2	2.4		
<b>Financials</b>							<b>30.6</b>	<b>Market Weight</b>
Canadian Imperial Bank of Commerce	CM.TO	29-Mar-22	\$ 78.14	\$ 61.61	5.4	1.1		
Element Fleet Management Corp	EFN.TO	02-Apr-20	\$ 8.58	\$ 18.26	1.7	1.2		
Fairfax Financial Holdings Ltd.	FFH.TO	20-Dec-18	\$ 585.81	\$ 675.75	1.9	0.9		
iA Financial Corporation Inc.	IAG.TO	21-Jul-22	\$ 64.09	\$ 76.81	3.6	1.9		
Intact Financial Corp.	IFC.TO	11-Jun-20	\$ 130.04	\$ 207.08	2.0	0.8		
Royal Bank of Canada	RY.TO	19-Jun-13	\$ 60.69	\$ 125.57	4.1	0.9		
<b>Health Care</b>							<b>0.4</b>	<b>Market Weight</b>
<b>Industrials</b>							<b>13.2</b>	<b>Underweight</b>
ATS Automation Tooling Systems Inc.	ATA.TO	18-Nov-21	\$ 48.62	\$ 43.83	0.0	0.7		
WSP Global Inc.	WSP.TO	19-May-22	\$ 142.73	\$ 167.62	0.9	1.7		
<b>Information Technology</b>							<b>5.2</b>	<b>Market Weight</b>
Kinaxis Inc.	KXS.TO	19-Mar-20	\$ 100.05	\$ 149.39	0.0	0.7		
Open Text Corp.	OTEX.TO	26-Oct-16	\$ 41.61	\$ 40.75	3.4	0.9		
<b>Materials</b>							<b>12.0</b>	<b>Overweight</b>
Agnico Eagle Mines Ltd.	AEM.TO	29-Mar-22	\$ 75.74	\$ 61.44	3.4	0.6		
Kinross Gold Corp.	K.TO	16-Sep-21	\$ 7.06	\$ 4.98	3.2	0.5		
Teck Resources Ltd.	TECKb.TO	01-Nov-17	\$ 27.15	\$ 42.42	1.1	1.2		
<b>REITs</b>							<b>2.5</b>	<b>Underweight</b>
Canadian Apartment Properties REIT	CAR_u.TO	10-Dec-20	\$ 49.82	\$ 42.64	3.4	0.7		
Summit Industrial Income REIT	SMU_u.TO	17-Feb-22	\$ 21.50	\$ 17.83	3.3	1.2		
<b>Utilities</b>							<b>4.8</b>	<b>Market Weight</b>
Capital Power Corp.	CPX.TO	22-Aug-19	\$ 30.90	\$ 45.65	5.1	1.2		
Innergex Renewable Energy Inc.	INE.TO	22-Aug-19	\$ 15.00	\$ 15.20	4.8	0.8		

Source: Refinitiv (Priced October 28, 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

(October 31<sup>st</sup> – November 4<sup>th</sup>)

## U.S. Indicators

<u>Date</u>	<u>Time</u>	<u>Release</u>	<u>Period</u>	<u>Previous</u>	<u>Consensus</u>	<u>Unit</u>
31-Oct	09:45	Chicago PMI	Oct	45.7	47.0	Index
1-Nov	09:45	S&P Global Mfg PMI Final	Oct	49.9		Index (diffusion)
1-Nov	10:00	<b>Construction Spending MM</b>	Sep	-0.7%	-0.5%	Percent
1-Nov	10:00	<b>ISM Manufacturing PMI</b>	Oct	50.9	49.9	Index
1-Nov	10:00	<b>JOLTS Job Openings</b>	Sep	10.053M	10.000M	Person (Mln)
2-Nov	07:00	MBA Mortgage Applications	28 Oct, w/e	-1.7%		Percent
2-Nov	08:15	<b>ADP National Employment</b>	Oct	208k	190k	Person (Thou)
2-Nov	10:30	EIA Wkly Crude Stk	28 Oct, w/e	2.588M		Barrel (Mln)
2-Nov	14:00	<b>Fed Funds Tgt Rate</b>	2 Nov	3-3.25	3.75-4	Percent
2-Nov	14:00	Fed Int On Excess Reserves	2 Nov	3.15%		Percent
3-Nov	07:30	Challenger Layoffs	Oct	29.989k		Person (Thou)
3-Nov	08:30	<b>International Trade \$</b>	Sep	-67.4B	-72.1B	USD (Bln)
3-Nov	08:30	Goods Trade Balance (R)	Sep	-92.22B		USD (Bln)
3-Nov	08:30	<b>Initial Jobless Clm</b>	29 Oct, w/e	217k	220k	Person (Thou)
3-Nov	08:30	Jobless Clm 4Wk Avg	29 Oct, w/e	219.00k		Person (Thou)
3-Nov	08:30	Cont Jobless Clm	22 Oct, w/e	1.438M	1.450M	Person (Mln)
3-Nov	08:30	Unit Labor Costs Prelim	Q3	10.2%	4.1%	Percent
3-Nov	08:30	<b>Productivity Prelim</b>	Q3	-4.1%	0.5%	Percent
3-Nov	09:45	S&P Global Comp Final PMI	Oct	47.3		Index (diffusion)
3-Nov	09:45	<b>S&amp;P Global Svcs PMI Final</b>	Oct	46.6		Index (diffusion)
3-Nov	10:00	<b>Factory Orders MM</b>	Sep	0.0%	0.3%	Percent
3-Nov	10:00	Factory Ex-Transp MM	Sep	0.2%		Percent
3-Nov	10:00	<b>ISM N-Mfg PMI</b>	Oct	56.7	55.4	Index
3-Nov	10:30	EIA-Nat Gas Chg Bcf	28 Oct, w/e	52B		Cubic foot (Bln)
4-Nov	08:30	<b>Non-Farm Payrolls</b>	Oct	263k	200k	Person (Thou)
4-Nov	08:30	Private Payrolls	Oct	288k	200k	Person (Thou)
4-Nov	08:30	Manufacturing Payrolls	Oct	22k	15k	Person (Thou)
4-Nov	08:30	Government Payrolls	Oct	-25k		Person (Thou)
4-Nov	08:30	<b>Unemployment Rate</b>	Oct	3.5%	3.6%	Percent
4-Nov	08:30	Average Earnings MM	Oct	0.3%	0.3%	Percent
4-Nov	08:30	Average Earnings YY	Oct	5.0%	4.7%	Percent
4-Nov	08:30	Average Workweek Hrs	Oct	34.5	34.5	Hour
4-Nov	08:30	Labor Force Partic	Oct	62.3%		Percent

## Canadian Indicators

<u>Date</u>	<u>Time</u>	<u>Release</u>	<u>Period</u>	<u>Previous</u>	<u>Consensus</u>	<u>Unit</u>
1-Nov	09:30	<b>S&amp;P Global Mfg PMI SA</b>	Oct	49.8		Index (diffusion)
3-Nov	08:30	<b>Building Permits MM.</b>	Sep	11.9%		Percent
3-Nov	08:30	<b>Trade Balance C\$</b>	Sep	1.52B		CAD (Bln)
3-Nov	08:30	Exports C\$	Sep	65.38B		CAD (Bln)
3-Nov	08:30	Imports C\$	Sep	63.86B		CAD (Bln)
4-Nov	08:30	Avg hrly wages Permanent employee YY	Oct	5.20%		Percent
4-Nov	08:30	<b>Employment Change</b>	Oct	21.1k	5.0k	Person (Thou)
4-Nov	08:30	<b>Unemployment Rate</b>	Oct	5.2%	5.3%	Percent

Source : Refinitiv

## S&P/TSX QUARTERLY EARNINGS CALENDAR

### Monday October 31<sup>st</sup>, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Capital Power Corp	CPX	BMO	0.95
Cargojet Inc	CJT	BMO	1.74
Gibson Energy Inc	GEI	AMC	0.70

### Tuesday November 1<sup>st</sup>, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
B2Gold Corp	BTO	AMC	0.16
Colliers International Group Inc	CIGI	07:00	1.64
Dream Industrial Real Estate Investment Trust	DIR_u	AMC	0.22
Ero Copper Corp	ERO	AMC	0.47
First Capital Real Estate Investment Trust	FCR_u	AMC	0.29
Thomson Reuters Corp	TRI	BMO	0.50
Topaz Energy Corp	TPZ	AMC	0.57
Toromont Industries Ltd	TIH	AMC	1.33

### Wednesday November 2<sup>nd</sup>, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Athabasca Oil Corp	ATH	AMC	0.20
Brookfield Infrastructure Partners LP	BIP	07:00	0.67
Canaccord Genuity Group Inc	CF	AMC	0.19
Canada Goose Holdings Inc	GOOS	BMO	0.06
Equinox Gold Corp	EQX.A	AMC	
GFL Environmental Inc	GFL	AMC	0.16
Great-West Lifeco Inc	GWO	AMC	0.83
Hudbay Minerals Inc	HBM	AMC	0.23
IAMGOLD Corp	IMG	NTS	0.15
NFI Group Inc	NFI	BMO	-0.62
Nutrien Ltd	NTR	AMC	4.04
Pason Systems Inc	PSI	AMC	0.41
Secure Energy Services Inc	SES	BMO	0.37
Spin Master Corp	TOY	AMC	1.00
Sun Life Financial Inc	SLF	AMC	1.47
Suncor Energy Inc	SU	AMC	3.30
Waste Connections Inc	WCN	AMC	1.02

## The Week at a Glance

### Thursday November 3<sup>rd</sup>, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
ARC Resources Ltd	ARX	AMC	1.48
Artis Real Estate Investment Trust	AX_u	AMC	0.36
Badger Infrastructure Solutions Ltd	BDGI	AMC	0.42
Barrick Gold Corp	ABX	06:00	0.12
Bausch Health Companies Inc	BHC	BMO	0.90
Baytex Energy Corp	BTE	AMC	0.52
BCE Inc	BCE	BMO	0.85
Bombardier Inc	BBDb	BMO	-0.48
Canadian Natural Resources Ltd	CNQ	BMO	4.49
Dream Office Real Estate Investment Trust	D_u	AMC	0.38
Enerplus Corp	ERF	AMC	1.49
Gildan Activewear Inc	GIL	BMO	0.80
IGM Financial Inc	IGM	AMC	0.87
Interfor Corp	IFP	AMC	0.71
Jamieson Wellness Inc	JWEL	AMC	0.37
<b>Kinaxis Inc</b>	<b>KXS</b>	<b>AMC</b>	<b>0.23</b>
Labrador Iron Ore Royalty Corp	LIF	AMC	0.87
Lightspeed Commerce Inc	LSPD	BMO	-0.07
Nuvei Corp	NVEI	BMO	0.39
<b>Open Text Corp</b>	<b>OTEX</b>	<b>AMC</b>	<b>0.76</b>
Paramount Resources Ltd	POU	BMO	2.22
Parex Resources Inc	PXT	AMC	1.82
Pembina Pipeline Corp	PPL	AMC	1.06
<b>Premium Brands Holdings Corp</b>	<b>PBH</b>	<b>BMO</b>	<b>1.57</b>
Quebecor Inc	QBRb	BMO	0.73
Restaurant Brands International Inc	QSR	BMO	0.80
RioCan Real Estate Investment Trust	REI_u	AMC	0.42
<b>Telus Corp</b>	<b>T</b>	<b>BMO</b>	<b>0.33</b>
Trisura Group Ltd	TSU	AMC	0.37
Wheaton Precious Metals Corp	WPM	AMC	0.37

### Friday November 4<sup>th</sup>, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Brookfield Business Partners LP	BBU_u	08:00	1.45
Brookfield Renewable Partners LP	BEP_u	07:00	0.36
Constellation Software Inc	CSU	AMC	13.37
<b>Enbridge Inc</b>	<b>ENB</b>	<b>BMO</b>	<b>0.64</b>
Magna International Inc	MG	BMO	1.09
Sleep Country Canada Holdings Inc	ZZZ	AMC	1.02
SNC-Lavalin Group Inc	SNC	BMO	0.33
Telus International Cda Inc	TIXT	BMO	0.31
TransAlta Renewables Inc	RNW	BMO	0.10
Uni-Select Inc	UNS	BMO	0.44

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 October 31<sup>st</sup>, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Aflac Inc	AFL	16:05	1.21
American Water Works Company Inc	AWK	AMC	1.51
Arista Networks Inc	ANET	AMC	1.04
Cincinnati Financial Corp	CINF	AMC	0.67
Global Payments Inc	GPN	BMO	2.48
Hologic Inc	HOLX	AMC	0.62
Howmet Aerospace Inc	HWM	BMO	0.36
Loews Corp	L	BMO	
NXP Semiconductors NV	NXPI	AMC	3.63
ON Semiconductor Corp	ON	BMO	1.31
Public Service Enterprise Group Inc	PEG	BMO	0.83
SBA Communications Corp	SBAC	AMC	0.94
Stryker Corp	SYK	16:05	2.23
Vornado Realty Trust	VNO	AMC	0.74
Williams Companies Inc	WMB	AMC	0.44

### Tuesday November 1<sup>st</sup>, 2022

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
ABIOMED Inc	ABMD	BMO	1.04
Advanced Micro Devices Inc	AMD	AMC	0.68
Amcor PLC	AMCR	AMC	0.18
American International Group Inc	AIG	AMC	0.53
AMETEK Inc	AME	BMO	1.37
Assurant Inc	AIZ	AMC	1.24
Bio-Techne Corp	TECH	BMO	1.83
Caesars Entertainment Inc	CZR	AMC	0.14
Catalent Inc	CTLT	BMO	0.56
CenterPoint Energy Inc	CNP	BMO	0.30
Clorox Co	CLX	16:15	0.75
Devon Energy Corp	DVN	AMC	2.13
Eaton Corporation PLC	ETN	BMO	2.01
Ecolab Inc	ECL	BMO	1.31
Edison International	EIX	AMC	1.52
Electronic Arts Inc	EA	AMC	1.37
Eli Lilly and Co	LLY	BMO	1.92
Extra Space Storage Inc	EXR	AMC	2.19
FMC Corp	FMC	AMC	1.12
Fox Corp	FOXA	BMO	1.14
Franklin Resources Inc	BEN	BMO	0.67
Gartner Inc	IT	BMO	1.87
Healthpeak Properties Inc	PEAK	AMC	0.43
Henry Schein Inc	HSIC	BMO	1.14

## *The Week at a Glance*

---

IDEXX Laboratories Inc	IDXX	BMO	2.04
Incyte Corp	INCY	07:00	0.72
Leidos Holdings Inc	LDOS	BMO	1.57
Marathon Petroleum Corp	MPC	BMO	6.95
Match Group Inc	MTCH	AMC	0.40
Mckesson Corp	MCK	AMC	6.07
Molson Coors Beverage Co	TAP	BMO	1.36
Mondelez International Inc	MDLZ	16:05	0.69
Newmont Corporation	NEM	BMO	0.36
ONEOK Inc	OKE	AMC	0.96
Paycom Software Inc	PAYC	AMC	1.18
Pfizer Inc	PFE	BMO	1.39
Phillips 66	PSX	BMO	5.04
Progressive Corp	PGR	BMO	0.89
Prudential Financial Inc	PRU	16:15	2.02
Public Storage	PSA	AMC	4.04
Sealed Air Corp	SEE	BMO	0.90
Simon Property Group Inc	SPG	BMO	2.93
Sysco Corp	SYU	BMO	0.99
Verisk Analytics Inc	VRSK	AMC	1.47
Waters Corp	WAT	BMO	2.57
WEC Energy Group Inc	WEC	BMO	0.86
Westinghouse Air Brake Technologies Corp	WAB	BMO	1.21
Xylem Inc	XYL	06:55	0.66
Zebra Technologies Corp	ZBRA	BMO	4.54

## **Wednesday November 2<sup>nd</sup>, 2022**

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Albemarle Corp	ALB	AMC	6.99
Allstate Corp	ALL	AMC	-1.52
ANSYS Inc	ANSS	AMC	1.63
Booking Holdings Inc	BKNG	AMC	49.89
Broadridge Financial Solutions Inc	BR	BMO	0.87
CDW Corp	CDW	BMO	2.52
Ceridian HCM Holding Inc	CDAY	AMC	0.12
CF Industries Holdings Inc	CF	AMC	3.31
CH Robinson Worldwide Inc	CHRW	BMO	2.17
Charles River Laboratories International Inc	CRL	BMO	2.50
Cognizant Technology Solutions Corp	CTSH	AMC	1.16
CVS Health Corp	CVS	BMO	1.99
eBay Inc	EBAY	AMC	0.93
Emerson Electric Co	EMR	BMO	1.38
Entergy Corp	ETR	BMO	2.66
Equinix Inc	EQIX	AMC	1.78
Estee Lauder Companies Inc	EL	BMO	1.31
ETSY Inc	ETSY	AMC	0.36
Eversource Energy	ES	AMC	1.04
Fleetcor Technologies Inc	FLT	AMC	4.19
Fortinet Inc	FTNT	NTS	0.27
Generac Holdings Inc	GNRC	BMO	1.93

## *The Week at a Glance*

Host Hotels & Resorts Inc	HST	AMC	0.39
Humana Inc	HUM	06:30	6.28
Ingersoll Rand Inc	IR	AMC	0.59
Lincoln National Corp	LNC	AMC	1.79
Lumen Technologies Inc	LUMN	AMC	0.37
Marathon Oil Corp	MRO	AMC	1.20
Martin Marietta Materials Inc	MLM	BMO	4.63
MetLife Inc	MET	AMC	1.17
MGM Resorts International	MGM	AMC	0.23
Paramount Global	PARA	BMO	0.44
PTC Inc	PTC	AMC	1.15
Qorvo Inc	QRVO	AMC	2.57
Qualcomm Inc	QCOM	AMC	3.14
Realty Income Corp	O	AMC	0.99
Rockwell Automation Inc	ROK	BMO	2.97
TE Connectivity Ltd	TEL	BMO	1.87
Trane Technologies PLC	TT	BMO	2.12
Trimble Inc	TRMB	BMO	0.66
Vulcan Materials Co	VMC	BMO	1.70
Yum! Brands Inc	YUM	BMO	1.15
Zimmer Biomet Holdings Inc	ZBH	06:30	1.56

## **Thursday November 3<sup>rd</sup>, 2022**

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Aptiv PLC	APTIV	BMO	0.99
Air Products and Chemicals Inc	APD	BMO	2.76
Ameren Corp	AEE	AMC	1.73
Amerisourcebergen Corp	ABC	BMO	2.57
Amgen Inc	AMGN	AMC	4.44
Avalonbay Communities Inc	AVB	AMC	2.54
Ball Corp	BALL	BMO	0.80
Celanese Corp	CE	AMC	3.98
Conocophillips	COP	BMO	3.44
Consolidated Edison Inc	ED	AMC	1.46
Corteva Inc	CTVA	AMC	-0.23
Coterra Energy Inc	CTRA	AMC	1.38
Cummins Inc	CMI	BMO	4.85
DXC Technology Co	DXC	AMC	0.73
EOG Resources Inc	EOG	16:15	3.78
Epam Systems Inc	EPAM	BMO	2.53
Exelon Corp	EXC	BMO	0.70
Expedia Group Inc	EXPE	AMC	4.02
Fidelity National Information Services Inc	FIS	BMO	1.75
Huntington Ingalls Industries Inc	HII	BMO	3.42
Illumina Inc	ILMN	AMC	0.30
Intercontinental Exchange Inc	ICE	BMO	1.27



## *The Week at a Glance*

---

Iron Mountain Inc	IRM	BMO	0.44
Johnson Controls International PLC	JCI	BMO	0.98
Kellogg Co	K	BMO	0.98
Live Nation Entertainment Inc	LYV	AMC	1.03
Marriott International Inc	MAR	BMO	1.68
Mettler-Toledo International Inc	MTD	AMC	9.83
Microchip Technology Inc	MCHP	AMC	1.44
Moderna Inc	MRNA	BMO	3.29
Monster Beverage Corp	MNST	AMC	0.59
Motorola Solutions Inc	MSI	AMC	2.88
Organon & Co	OGN	BMO	1.10
Parker-Hannifin Corp	PH	BMO	4.17
PayPal Holdings Inc	PYPL	AMC	0.96
Pinnacle West Capital Corp	PNW	BMO	2.60
Quanta Services Inc	PWR	BMO	1.77
Regency Centers Corp	REG	AMC	0.96
Regeneron Pharmaceuticals Inc	REGN	BMO	9.46
Royal Caribbean Cruises Ltd	RCL	BMO	0.19
Sempra Energy	SRE	07:00	1.83
Skyworks Solutions Inc	SWKS	AMC	2.90
Starbucks Corp	SBUX	AMC	0.72
Targa Resources Corp	TRGP	BMO	1.22
Ventas Inc	VTR	AMC	0.76
Warner Bros Discovery Inc	WBD	AMC	-0.21
Zoetis Inc	ZTS	BMO	1.24

### **Friday November 4<sup>th</sup>, 2022**

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
AES Corp	AES	BMO	0.53
Cardinal Health Inc	CAH	BMO	0.96
Cboe Global Markets Inc	CBOE	BMO	1.63
Dominion Energy Inc	D	BMO	1.08
Duke Energy Corp	DUK	07:00	1.84
Evergy Inc	EVRG	BMO	1.88
Hershey Co	HSY	BMO	2.10
PPL Corp	PPL	BMO	0.42

Source: Refinitiv, NBF Research

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

## Disclosures

The particulars contained herein were obtained from sources which we believe to be reliable but are not guaranteed by us and may be incomplete and may be subject to change without notice. The information is current as of the date of this document. Neither the author nor NBF assumes any obligation to update the information or advise on further developments relating to the topics or securities discussed. The opinions expressed are based upon the author(s) analysis and interpretation of these particulars and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein, and nothing in this document constitutes a representation that any investment strategy or recommendation contained herein is suitable or appropriate to a recipient's individual circumstances. In all cases, investors should conduct their own investigation and analysis of such information before taking or omitting to take any action in relation to securities or markets that are analyzed in this document. The document alone is not intended to form the basis for an investment decision, or to replace any due diligence or analytical work required by you in making an investment decision.

This document was prepared by National Bank Financial Inc. (NBF), a Canadian investment dealer, a dealer member of IIROC and an indirect wholly owned subsidiary of National Bank of Canada. National Bank of Canada is a public company listed on the Toronto Stock Exchange.

NBF is a member of the Canadian Investor Protection Fund.

For NBF Disclosures, please visit [URL:http://www.nbin.ca/contactus/disclosures.html](http://www.nbin.ca/contactus/disclosures.html)

Click on the following link to see National Bank Financial Markets Statement of Policies:  
<http://nbfm.ca/en/statement-of-policies>

© 2022 National Bank Financial Inc. All rights reserved. Any reproduction, in whole or in part, is strictly prohibited without the prior written consent of National Bank Financial Inc. ® The NATIONAL BANK FINANCIAL MARKETS and N logos are registered trademarks of National Bank of Canada used under license by authorized third parties.