NATIONAL BANK FINANCIAL

# The Week at a Glance

February 5th, 2021

## THE WEEK IN NUMBERS

(February 1st – February 5th)

**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 | 31,148.24 | 1,165.62 | 3.89% | 1.77% | 6.02% | 23.5 |
| S&P 500 | 3,886.83 | 172.59 | 4.65% | 3.48% | 16.17% | 29.7 |
| Nasdaq Composite | 13,856.30 | 785.60 | 6.01% | 7.51% | 44.76% | 35.1 |
| S&P/TSX Composite | 18,135.90 | 798.88 | 4.61% | 4.03% | 2.13% | 20.0 |
| Dow Jones Euro Stoxx 50 | 3,655.77 | 174.33 | 5.01% | 2.90% | -3.94% | 23.7 |
| FTSE 100 (UK) | 6,489.33 | 81.87 | 1.28% | 0.45% | -13.53% | 17.4 |
| DAX (Germany) | 14,056.72 | 623.85 | 4.64% | 2.46% | 3.55% | 24.8 |
| Nikkei 225 (Japan) | 28,779.19 | 1,115.80 | 4.03% | 4.86% | 20.55% | 28.3 |
| Hang Seng (Hong Kong) | 29,288.68 | 1,004.97 | 3.55% | 7.56% | 6.53% | 15.7 |
| Shanghai Composite (China) | 3,496.33 | 13.26 | 0.38% | 0.67% | 21.97% | 14.5 |
| MSCI World | 2,774.62 | 112.93 | 4.24% | 3.14% | 14.82% | 24.2 |
| MSCI EAFE | 2,185.04 | 60.99 | 2.87% | 1.75% | 7.22% | 19.0 |

| S&P TSX SECTORS | Last price | Change Week | % Change Week | % Change YTD | %Change 1 Year | Trailing P/E |
|---|---|---|---|---|---|---|
| S&P TSX Consumer Discretionary | 240.72 | 13.71 | 6.04% | 3.25% | 19.97% | 33.6 |
| S&P TSX Consumer Staples | 620.55 | 14.57 | 2.40% | -1.93% | -5.62% | 17.0 |
| S&P TSX Energy | 99.22 | 9.02 | 10.00% | 9.02% | -24.96% | N/A |
| S&P TSX Financials | 314.01 | 10.08 | 3.32% | 2.53% | -4.89% | 12.8 |
| S&P TSX Health Care | 89.99 | 8.89 | 10.96% | 49.61% | 18.81% | N/A |
| S&P TSX Industrials | 335.94 | 15.17 | 4.73% | 2.16% | 8.48% | 33.4 |
| S&P TSX Info Tech. | 197.25 | 12.22 | 6.60% | 8.17% | 50.91% | 65.5 |
| S&P TSX Materials | 317.82 | 8.40 | 2.71% | -0.87% | 20.47% | 22.1 |
| S&P TSX Real Estate | 310.39 | 8.12 | 2.69% | 4.00% | -16.00% | 15.7 |
| S&P TSX Communication Services | 168.00 | 4.02 | 2.45% | 2.60% | -10.05% | 21.4 |
| S&P TSX Utilities | 334.01 | 6.15 | 1.88% | 4.54% | 6.36% | 18.3 |

| COMMODITIES | Last price | Change Week | % Change Week | % Change YTD | %Change 1 Year | NBF Q4/21E |
|---|---|---|---|---|---|---|
| Oil-WTI futures (US$/Barrels) | $56.97 | 4.77 | 9.14% | 17.42% | 11.82% | $50.00 |
| Natural gas futures (US$/mcf) | $2.88 | 0.31 | 12.17% | 13.27% | 54.46% | $2.60 |
| Gold Spot (US$/OZ) | $1,811.00 | -36.30 | -1.97% | -4.34% | 15.71% | $1,935 |
| Copper futures (US$/Pound) | $3.65 | 0.07 | 2.00% | 3.73% | 40.27% | $3.55 |

| CURRENCIES | Last price | Curr. Net Change | % Change Week | % Change YTD | %Change 1 Year | NBF Q4/21e |
|---|---|---|---|---|---|---|
| Cdn$/US$ | 0.7833 | 0.0009 | 0.12% | -0.23% | 4.07% | 0.83 |
| Euro/US$ | 1.2046 | -0.0090 | -0.74% | -1.37% | 9.71% | 1.23 |
| Pound/US$ | 1.3735 | 0.0033 | 0.24% | 0.45% | 6.24% | 1.39 |
| US$/Yen | 105.37 | 0.69 | 0.66% | 2.06% | -4.20% | 106 |

Source: Refinitiv and NBF Research

Please see last page for NBF Disclosures

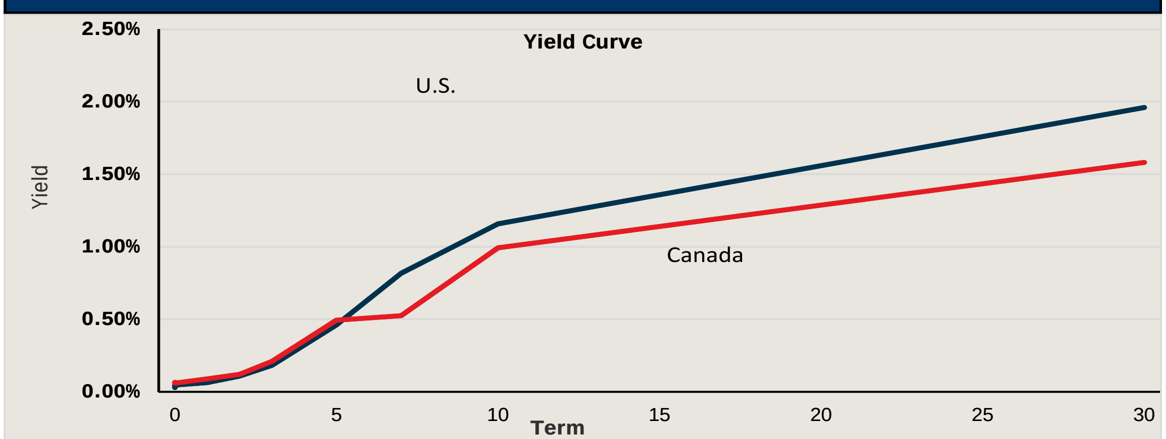
**FIXED INCOME NUMBERS**

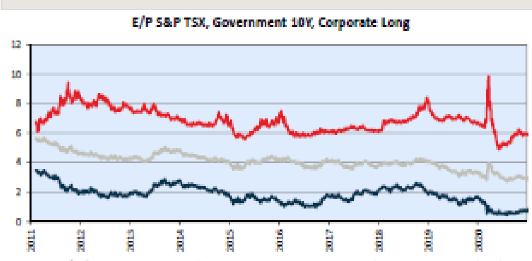
# THE WEEK IN NUMBERS
## (February 1st – February 5th)

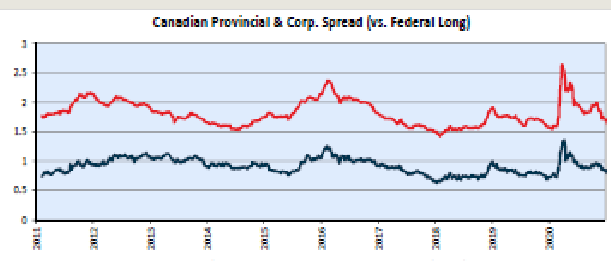
| Canadian Key Rate | Last | Change 1 month bps | | Last | Change 1 month bps |
|---|---|---|---|---|---|
| CDA o/n | 0.25% | 0.0 | CDA 5 year | 0.49% | -3.9 |
| CDA Prime | 2.45% | 0.0 | CDA 10 year | 0.99% | -7.1 |
| CDA 3 month T-Bill | 0.06% | -0.7 | CDA 20 year | 1.28% | -10.0 |
| CDA 6 month T-Bill | 0.09% | -1.1 | CDA 30 year | 1.58% | -12.9 |
| CDA 1 Year | 0.11% | -1.3 | 5YR Sovereign CDS | 37.89 | 0.0 |
| CDA 2 year | 0.21% | -2.0 | 10YR Sovereign CDS | 39.89 | 0.0 |
| **US Key Rate** | **Last** | **Change 1 month bps** | | **Last** | **Change 1 month bps** |
| US FED Funds | 0-0.25% | 0.0 | US 5 year | 0.46% | -3.8 |
| US Prime | 3.25% | 0.0 | US 10 year | 1.16% | -9.5 |
| US 3 month T-Bill | 0.03% | -0.8 | US 30 year | 1.96% | -17.0 |
| US 6 month T-Bill | 0.05% | -0.9 | 5YR Sovereign CDS | 12.11 | -1.1 |
| US 1 Year | 0.06% | -1.0 | 10YR Sovereign CDS | 21.4 | -1.1 |
| US 2 year | 0.11% | -1.2 | | | |

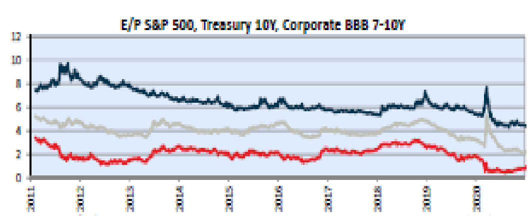
| CANADIAN BOND - TOTAL RETURN | Change Week | Change Y-T-D |
|---|---|---|
| FTSE Universe Bond Index | -0.51% | -1.60% |
| FTSE Short Term Bond Index | -0.09% | 0.50% |
| FTSE Mid Term Bond Index | -0.47% | -0.83% |
| FTSE Long Term Bond Index | -1.03% | -4.15% |

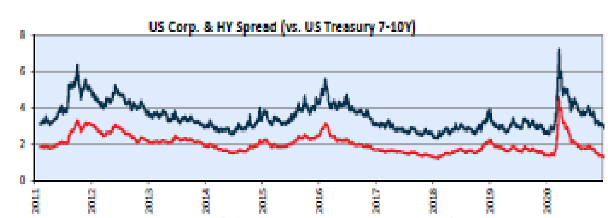
**CURRENT YIELD CURVE**



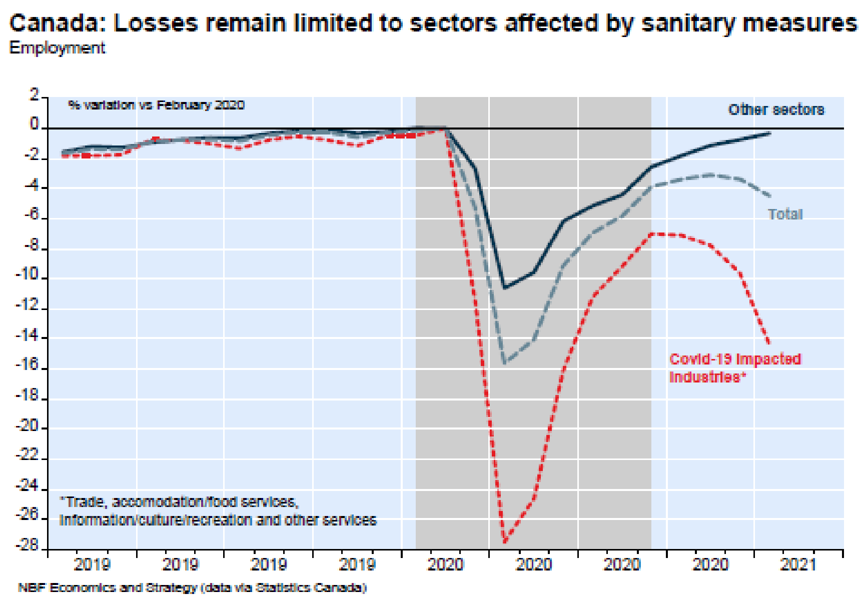

Source: Refinitiv & NBF

NBF Economy & Strategy Group

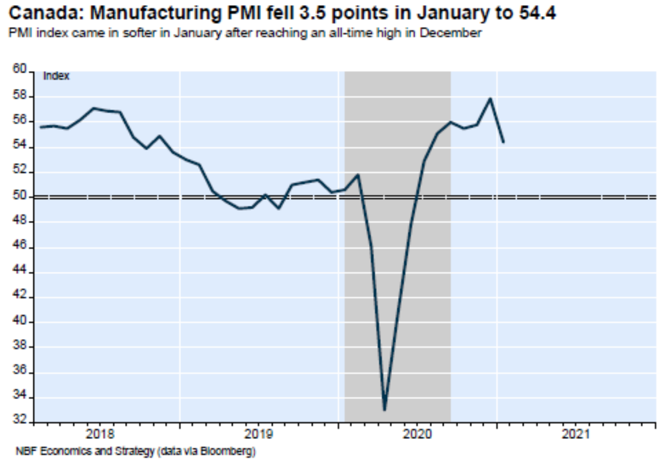
# WEEKLY ECONOMIC WATCH

**CANADA -** Employment declined 213K in January according to the Labour Force Survey, much worse than consensus expectations calling for a 40K decline. This loss, combined with a two ticks decline in the participation rate (to 64.7%), translated into a sharp increase in the unemployment rate from 8.9% to 9.4%. Job losses in January were driven by workers in the private sector (-211K) and public sector (-11K) while self-employed (+9K) posted a gain. Employment in the goods sector advanced 23K with gains in all categories - manufacturing (+14K), construction (+15K), resources (+6K), agriculture (+%K) and utilities (+3K). Services-producing industries, for their part, subtracted 236K jobs on sharp declines in trade (-168K), accommodation/food services (-75K), information/culture/recreation (-17K) and other services (-9K). This pullback could not be pared by gains for healthcare (+19K), finance/insurance (+16K) and public administration (+11K). Full time employment was up 13K while the ranks of part-timers dropped by 225K. On a 12-month basis, hourly earnings rose from 5.6% to 5.9%. On a regional basis, Ontario (-154K), Quebec (-98K) saw the largest employment losses while Alberta (+21K) and B.C. (+2.8K) posted increases.

The January employment pullback, a second in a row, was much worse than expected by consensus. This reflects the impact of new restrictions put in place to slowdown the pandemic. Ontario lost 154K jobs as restrictions already in place for many regions of southern Ontario—including the closure of non-essential retail businesses—were extended to the rest of the province. Quebec employment declined by 98K, a second drop in a row, with the closure of non-essential stores and a curfew affecting operating hours of businesses. That said, all other provinces except Newfoundland & Labrador experienced gains in January. Back at the national Level, if you exclude all the sectors directly impacted by the lockdowns (trade, accommodation/food services, information/culture/recreation and other services), employment was still trending up in January. Another silver lining of this report was the resilience of full-time jobs which have registered another gain in the month, extending to 9 months the current streak of consecutive gains. As a result, full-time jobs are now just 2.9% below their pre-pandemic level. The current soft patch in the Canadian labour market should turn out to be transient. The advent of effective vaccines against the covid-19 virus late last year has boosted the confidence of Canadian enterprises as shown by the Bank of Canada's Business Outlook Survey indicating higher hiring intentions. This suggests a solid rebound when the pandemic is brought under control. Declining cases in the country bode well for some easing in sanitary measures in the short term (see our COVID-19 Daily Monitor). Quebec already announced the reopening of non-essential stores and Ontario could follow next week. That said, with vaccination not progressing as planned, saw tooth performance cannot be excluded in the first half of the year.




The **Markit Manufacturing PMI** fell 3.5 points in January to 54.4. This was nevertheless the index's seventh consecutive +50 print. The report indicated that "ongoing restrictions and border closures continue[d] to pose a threat to exports and factory operations [while] higher material prices and transportation costs added to the rate of input price inflation." Though the new orders index and the output index remained in expansion mode, both showed signs of slowing, the latter dropping 4.1 points 57.1.




In December, the **merchandise trade deficit** narrowed more than expected, coming in at C$1.7 billion from a revised C$3.6 billion (initially estimated at C$3.34 billion). Nominal exports rose 1.5% m/m while nominal imports fell 2.3%. On the exports side, there were gains in only 6 of the 11 categories surveyed, including energy products (+10.2%), forestry products/building materials (+5.0%) and aircraft/other transportation equipment parts (+8.2%). These gains were partially offset by declines for consumer goods (-2.6%), metal ores/non-metallic minerals (-4.5%) and basic and industrial chemical, plastic/rubber products (-2.0%). Turning to imports, a sizeable decline in the aircraft/other transportation category (-17.1%) combined with lower consumer goods imports (-8.0%) were more than enough to erase gains in the motor/vehicles, parts (+2.4%) and metal/non-metallic mineral products (+2.8%) segments. Canada's energy surplus widened from C$5.1 billion to C$5.8 billion. The non-energy deficit, for its part, shrank from C$8.6 billion to C$7.5 billion. The trade surplus with the U.S. rose from C$2.2 billion to C$2.8 billion. In real terms, exports pulled back 1.3%, while imports edged up 0.1%.

| Seasonally adjusted exports/imports | Change from February (%) | |
|---|---|---|
| current dollars | April | December |
| Total exports | -34.3 | -1.9 |
| Farm, fishing and intermediate food products | 8.8 | 20.1 |
| Energy products | -62.8 | -8.2 |
| Metal ores and non-metallic minerals | -1.6 | 8.9 |
| Metal and non-metallic mineral products | -9.9 | 11.6 |
| Industrial chemical, plastic and rubber products | -19.5 | 0.7 |
| Forestry products and building materials | -10.9 | 16.9 |
| Industrial machinery, equipment and parts | -31.2 | -13.2 |
| Electronic and electrical equipment and parts | -18.3 | -5.3 |
| Motor vehicles and parts | -85.4 | -6.8 |
| Aircraft and other transportation equipment | -57.1 | -34.7 |
| Consumer goods | -13.7 | -3.6 |
| Total imports | -26.0 | -2.1 |
| Farm, fishing and intermediate food products | -2.3 | 0.6 |
| Energy products | -55.1 | -38.5 |
| Metal ores and non-metallic minerals | 44.6 | 24.9 |
| Metal and non-metallic mineral products | 6.7 | 5.1 |
| Industrial chemical, plastic and rubber products | -15.2 | -15.7 |
| Forestry products and building materials | -9.2 | 8.5 |
| Industrial machinery, equipment and parts | -22.7 | -2.1 |
| Electronic and electrical equipment and parts | -9.4 | 6.2 |
| Motor vehicles and parts | -79.2 | -2.1 |
| Aircraft and other transportation equipment | -54.3 | -49.1 |
| Consumer goods | -8.8 | 7.5 |

NBF Economics and Strategy (data via Statistics Canada)

The recovery in international goods trade was extended into December. Exports now sit a mere 1.9% from their pre-pandemic level. Still, gains remain concentrated in just a few categories. There was a substantial jumps in exports of energy products in the month but the latter are still 8.2% below their February level due to still depressed prices. Forestry products did well in December and are significantly above their February level, consistent with strong growth in housing construction in the US. Imports fared worse this month as consumer goods contracted substantially. This category had reached record highs in prior months but is now coming off these levels with imports in clothing/footwear pulling it down in December (-21.5%). Nonetheless, consumer goods as a whole are 7.5% above their February level, while total imports had recovered most of the lost ground since February, they now sit 2.1% below their pre-pandemic level, pent-up demand has been exhausted. Total trade (exports + imports) came in just 2.0% shy of its recent peak in December. While this is a decent result following a tumultuous year, the recovery is far from being even (see table above). A normalization in trade flows may start to occur as the pandemic situation improves and vaccines usher in a return to normal. This however is perhaps a story for the second half of 2021 as we are not out of the woods yet.

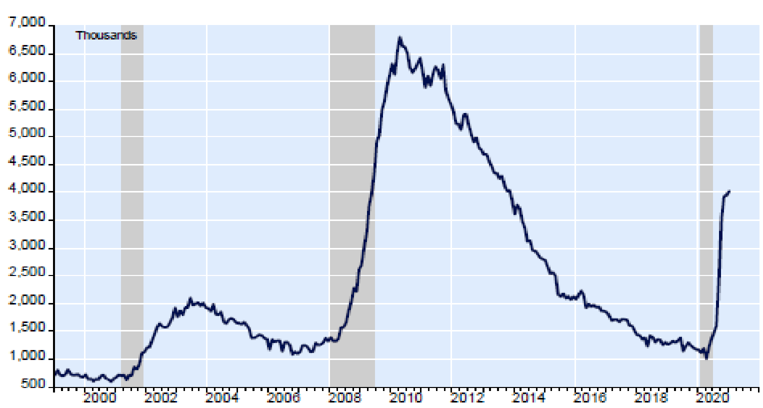
*NBF Economy & Strategy Group*

**UNITED STATES -** In January, **nonfarm payrolls** rose 49K, less than the +105K print expected by consensus. The negative surprise was compounded by a 159K downward revision to the prior months' results. The private sector added 6K jobs in January. Goods sector employment edged down 4K as a gain in the mining/logging segment (+9K) was more than offset by small declines for construction (-3K) and manufacturing (-10K). Services-producing industries in the private sector, meanwhile, expanded payrolls by 10K on gains for professional/business services (+97K) and information (+16K). Alternatively, cuts were observed in leisure/hospitality (-61K), health/social assistance (-41K), retail trade (-38K) and transportation/warehousing (-28K). Employment in the public sector advanced 43K on the back of a solid rise at the state/local level (+67K). Average hourly earnings sprang 5.4% y/y, unchanged from the prior month.

Released at the same time, the **household survey** (similar in methodology to Canada's LFS) reported a 201K job gain in December. However, this is somewhat misleading. Effective with data for January 2021, updated population estimates were incorporated into the household survey. These annual population adjustments can affect the comparability of household data series over time. Indeed, in accordance with usual practice, BLS did not revise the official household survey estimates for December 2020 and earlier months. If you remove the distorting impact of that practice on the data reported for January, it would show a 381K gain as opposed to the 201K reported. However, unemployment rate, employment-population ratio, and labor force participation rate were unaffected by the adjustment. Thus, with the 1-tick drop in the participation rate, the unemployment rate fell from 6.7% to 6.3%.

Non-farm payrolls came in weaker than expected in January. Without wishing to minimize this miss, it must be said the weakness was concentrated in only a few industries. Indeed, the leisure/hospitality, education/health and retail segments continued to shed jobs in the first month of the year, which is not surprising considering still-high COVID-19 caseloads and hospitalizations in the U.S. Although these three categories represent around 35% of total payrolls, they account for about 60% of the jobs lost since the beginning of the crisis. As has been the case since the beginning of the crisis, the deteriorating health situation impacted part time employment a lot more than it did full-time positions, something which tends to limit pass-down effects on GDP. Despite these few mitigating circumstances, non-farm payrolls remained 6.5% (or 9.9 million) below their pre-pandemic level in January, a shortfall similar to the 6.3% recorded at the worst point of the recession of 2008-09. Of the jobs still to be regained, around 9 million are in the service sector, which will remain more fragile until the positive effects of mass vaccination begin to be felt, something that may have to wait until the second quarter of the year. Another worry is that the number of Americans who have been seeking work for 27 weeks or more was still rising in January (+67K), to its highest level since November 2013. Given that the consequences of joblessness increase with duration, the swelling of the ranks of the long-term unemployed is an indicator to be watched closely in coming months. Luckily, more federal aid is now on the way to support jobseekers. The $900 billion fiscal stimulus recently passed in Washington includes provisions for the sending of checks worth $600 to most Americans and the extension of special unemployment insurance programs set up to deal with the pandemic (Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation). More good news may be in the pipeline. Indeed, just weeks after President Trump signed off on the $900 billion plan, the new administration is already pledging a new package worth $1.9 trillion. That number might come down as Democrats try to win some support on the other side of the aisle, but a $1,000- $1,500 billion package seems possible. This should help the still-elevated number of job-seekers to bridge the gap to the post-crisis world.

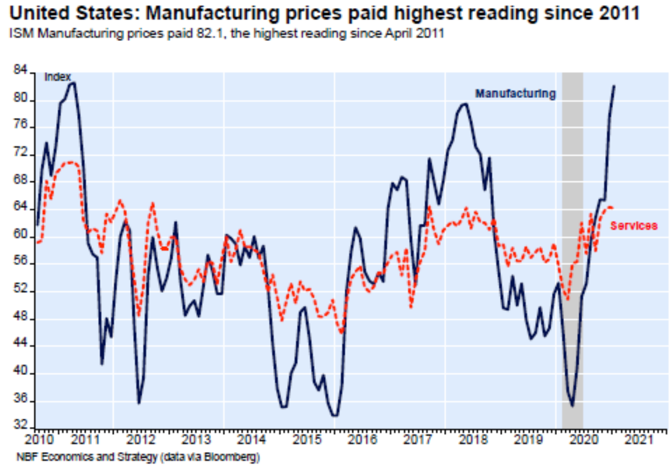
**Number of Americans who have been seeking work for 27 weeks or more was still rising in January**




NBF Economics and Strategy (data via Bloomberg)

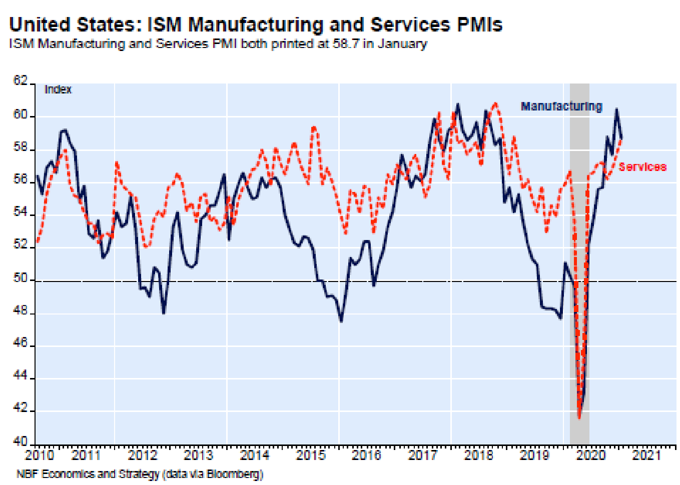
*NBF Economy & Strategy Group*

In January, the **ISM Manufacturing PMI** slipped 1.8 points to 58.7. The drop, which was somewhat steeper than expected, indicates that the pace of growth in the sector remained strong, only slightly less vigorous. New orders fell 6.4 points to 61.1, contributing heavily to the headline index's retreat. However, it should be noted that, while the percentage of firms that reported higher new orders slid 3.3 points to 37, a majority of respondents (51 percent compared with 45.1 in the previous month) indicated that new orders held steady. These are not exactly worrisome figures. Down 4 points to 60.7, current production, too, contributed to pull back the headline index. Again, however, the percentages of firms that reported higher, stable and lower activity are more suggestive of plateauing than outright softening of production growth. The employment component rose for a second month in a row, hopping from 51.7 to 52.6. The prices paid component, instead, surprised on the upside, jumping 4.5 points to 82.1, its highest reading since April 2011. Once again, transportation bottlenecks and labour market constraints combined to slow down supplier deliveries in January, as evidenced by a 0.5-point jump in the index to 68.2. On the whole, the situation pointed to further price-pressure build-up down the road.




On the subject of price pressures, the **Markit Manufacturing PMI** climbed to 60.4, its highest reading since July 2008, reflecting rising input costs. According to Markit, a deterioration in vendor performance drove many firms to pass higher input prices in part onto clients in the month.

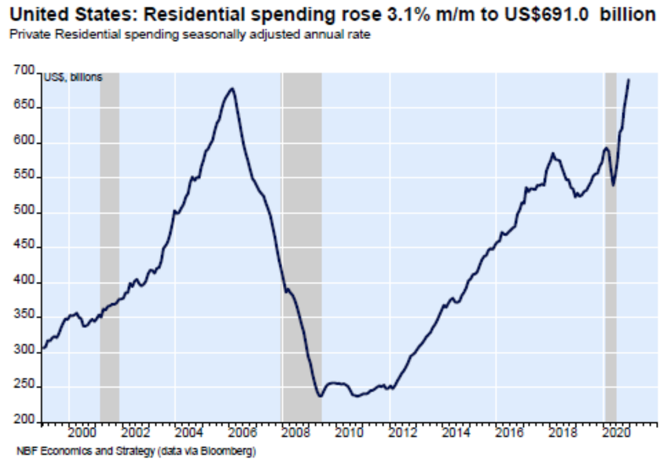
In January, the **ISM Service Index** rose 1 point to 58.7 for a third monthly gain and its eighth straight print above the 50-point threshold. Two components contributed to the index's progression: The new orders index climbed 3.2 points to 61.8, its highest mark since July, and the employment index jumped to 55.2 from 48.7 the prior month. Regarding head counts, 10.8% of participating firms indicated that they were reducing employment, down from 18.6% the month before, while 16.2% reported higher employment, up 1.6 points from the previous month. Of the 18 reporting industries, 14 reported growth and four saw their business activity contract..




In December, **new orders for manufactured goods** rose 1.1% to US$493.5 billion, after growing 1.3% the previous month. Orders for durable goods increased 0.5% to US$246.4 billion, while orders for non-durable goods swelled 1.7% to US$247.1 billion. Orders for non-defence capital goods excluding aircraft rose 0.7% in December, revised up a tick from the earlier estimate of 0.6%. All in all, the December data showed good momentum going into 2021.

*NBF Economic & Strategy Group*

Again in December, **construction spending** rose 1.0% to US$1,490.4 billion after increasing 1.1% (revised up from 0.9%) in November. Since December 2019, it was up 5.7%. Residential spending sprang 3.1% m/m to a seasonally adjusted annual rate of US$691.0 billion, while private non-residential activity was down 1.7% to a seasonally adjusted annual rate of US$446.6 billion. Public expenditures rose 0.5% to US$352.8 billion.




In December, **the goods and services trade deficit** was US$66.6 billion, US$ 2.4 billion less than the US$ 69.0 billion deficit recorded in the previous month. Export rose US$6.2 billion to US$190.0 billion and imports increased US$3.8 billion to US$256.6 billion. According to the U.S. Department of Commerce, the December narrowing of the goods and services deficit reflected a decrease in the goods deficit of US$2.8 billion to US$84.2 billion and a decrease in the services surplus of US$0.4 billion to US$17.5 billion. The goods trade deficit with China decreased US$2.3 billion to $28.1 billion in December. In 2020, the goods and services deficit was US$678.7 billion, the equivalent of 3.2% of GDP, compared to 2.7% in 2019.

**WORLD -** In the **Eurozone, GDP** shrank 0.7% in the fourth quarter after expanding 12.4% the previous quarter. COVID containment measures imposed ahead of the holiday season had a significant impact on growth in Q4. Among the large member states, Spain surprised forecasters with a 0.4% q/q gain. Despite severe restrictions imposed to limit the spread of the virus, Germany managed to grow 0.1% in the quarter, supported by its manufacturing and construction sectors. The French economy performed better than expected, but GDP still retreated 1.3%. The member state that recorded the biggest contraction q/q was Austria (-4.3%), followed by Italy (-2.0%). Relative to 2019Q4, Eurozone GDP expanded 5.1% in 2020Q4. According to Eurostat, the unemployment rate in the Eurozone in December was unchanged from the previous month at 8.3% but 9 ticks higher than 12 months earlier. According to the flash estimate, the harmonized index of consumer prices (HICP) rose 0.2 m/m in January, which should translate into a 0.9% increase from 12 months earlier. Among the main components of the HICP, prices for food, alcohol and tobacco were estimated to have increased 1.5% y/y, while energy prices likely declined 4.1%. Excluding these components, year-over-year core inflation reached 1.4% in January, up from 0.2% the previous month. In December, the seasonally adjusted volume of retail trade rose 2.0% m/m and 0.6% y/y.

According to **J.P. Morgan and IHS Markit in association with ISM and IFPSM, the Global Manufacturing PMI index** slid from 53.8 to 53.5 in January. Manufacturing output and new orders remained firmly in expansion territory despite sagging 0.9 and 0.3 point, respectively, to 54.0 and 54.1. New export orders managed to stay just above the 50-point threshold, slipping 1 point to 50.1. The labour market remained relatively stable, the index gaining only 0.1 point to 50.2. According to the report, “of the 30 nations for which January data were available, 23 registered PMI readings above 50.0 (signalling expansions).” Only six nations were in contraction mode in January, including Japan (49.8) and Spain (49.3). In the Eurozone, manufacturing activity remained resilient early in 2021, with the manufacturing PMI printing at 54.8. In emerging markets, manufacturing activity was a touch weaker, translating into a 0.7-point decline in the manufacturing PMI from 52.8 in December to 52.1.

The **Chinese Caixin Manufacturing PMI** was not immune to the general loss in momentum noticed at the global level in December. The index fell from 53.0 to 51.5. Moreover, the Service PMI fell 4.3 points to 52.0. This translated into a 3.6-point drop in the Composite index from 55.8 in December to 52.2 in January.

NBF Economy & Strategy Group

# FOREX – FEBRUARY 2021

**Highlights**

- The broad USD index has started the year firmer. Its recovery, however, is still modest and narrowly based. It has strengthened against the currencies of advanced economies but not against those of emerging economies, which are rebounding strongly. We see some upside to the USD in the coming weeks on the back of rising volatility in financial markets and a reduction in record speculative short positions against the U.S. currency. After that, we expect another bout of weakness as quantitative easing is ramped up to accommodate Washington's new large fiscal stimulus.

- The euro began February with some weakness after touching a 32-month high just a month earlier. In December it had been buoyed by a trade deal with the U.K. and a weakened U.S. dollar. Now it must contend with a new macroeconomic turn and skittish central bankers. All in all, we see the euro trading in a range of US$1.23-1.25 in the second half of the year. This forecast assumes no further ECB rate cuts.

- The performance of the Canadian dollar over the past few weeks has accorded with our script. We still see the CAD weakening modestly through March before rallying in Q2 on the back of QE tapering by the Bank of Canada and stronger commodity prices. Our target for year-end 2021 remains C$1.20 to the USD. ***(Full report)***

**NBF Currency Outlook**

| Currency | | Current February 1, 2021 | Forward Estimates Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 | PPP [1] | Current Account Balance [2] (2020E / 2021E) |
|---|---|---|---|---|---|---|---|---|
| **Canadian Dollar** | **(USD / CAD)** | **1.28** | **1.29** | **1.26** | **1.25** | **1.20** | **1.19** | **(2%) / (2.4%)** |
| *United States Dollar* | *(CAD / USD)* | *0.78* | *0.78* | *0.79* | *0.80* | *0.83* | - | - |
| Euro | (EUR / USD) | 1.21 | 1.20 | 1.24 | 1.25 | 1.23 | 1.42 | 1.9% / 2.4% |
| Japanese Yen | (USD / JPY) | 105 | 103 | 104 | 105 | 106 | 102 | 2.9% / 3.2% |
| Australian Dollar | (AUD / USD) | 0.76 | 0.74 | 0.77 | 0.78 | 0.81 | 0.69 | 1.8% / (0.1%) |
| Pound Sterling | (GBP / USD) | 1.37 | 1.35 | 1.37 | 1.38 | 1.39 | 1.47 | (2%) / (3.8%) |
| Chinese Yuan | (USD / CNY) | 6.46 | 6.50 | 6.40 | 6.20 | 6.00 | 4.2 | 1.9% / 2.4% |
| Mexican Peso | (USD / MXN) | 20.5 | 21.0 | 20.0 | 19.0 | 18.0 | 9.3 | 1.2% / (0.1%) |
| **Broad United States Dollar [3]** | | **112.4** | **113.3** | **110.5** | **108.4** | **106.3** | - | - |

*1) PPP data from OECD, based in Local Currency per USD*
*2) Current Account Balance data from IMF, as a % of GDP (2020 & 2021 IMF estimates)*
*3) Federal Reserve Broad Index (26 currencies)*

**Canadian Dollar Cross Currencies**

| Currency | | Current February 1, 2021 | Forward Estimates Q1 2021 | Q2 2021 | Q3 2021 | Q4 2021 |
|---|---|---|---|---|---|---|
| Euro | (EUR / CAD) | 1.55 | 1.55 | 1.56 | 1.56 | 1.48 |
| Japanese Yen | (CAD / JPY) | 82 | 80 | 83 | 84 | 88 |
| Australian Dollar | (AUD / CAD) | 0.98 | 0.95 | 0.97 | 0.98 | 0.97 |
| Pound Sterling | (GBP / CAD) | 1.75 | 1.74 | 1.73 | 1.73 | 1.67 |
| Chinese Yuan | (CAD / CNY) | 5.04 | 5.04 | 5.08 | 4.96 | 5.00 |
| Mexican Peso | (CAD / MXN) | 16.0 | 16.3 | 15.9 | 15.2 | 15.0 |

*Source: NBF Economics and Strategy*

# IN THE NEWS

## U.S. and Canadian News

**Monday February 1st, 2021**

- **Silver becomes the new GameStop as metal soars to eight-year high**
  Silver rallied, touching levels last seen in 2013, as an army of retail traders stormed into the metal, switching their focus from GameStop Corp, BlackBerry Ltd and other stocks, while short-sellers licked their wounds after a brutal start to 2021.
- **U.S. factory activity cools amid COVID-19 flare-up**
  The ISM's index of national factory activity fell to a reading of 58.7 last month from 60.5 in December. A reading above 50 indicates expansion in manufacturing, which accounts for 11.9% of the U.S. economy. Economists polled by Reuters had forecast the index at 60 in January.
- **Canadian manufacturing PMI slides to a 6-month low in January**
  The IHS Markit Canada Manufacturing Purchasing Managers' index (PMI) fell to a seasonally adjusted 54.4 in January, its lowest since July, from 57.9 in December but remaining well above the 50 threshold that marks expansion in the sector. December's reading was the highest level for the PMI since the survey began in October 2010.

**Tuesday February 2nd, 2021**

- **U.S. Congress readies first steps toward $1.9 trillion COVID-19 relief bill**
  Both houses of Congress were preparing to take the first steps forward on U.S. President Joe Biden's $1.9 trillion COVID-19 relief package, with initial votes launching efforts to fast-track passage.
- **Novavax, feds agree to make COVID vaccine at new Montreal facility**
  Prime Minister Justin Trudeau says Canada has signed a tentative agreement for Novavax to produce millions of doses of its COVID-19 vaccine in Canada once it's approved for use here.

**Wednesday February 3rd, 2021**

- **Swings in some Reddit favorites ease; Yellen eyes stock volatility**
  The head of the U.S. Securities and Exchange Commission, which regulates markets, will meet with Treasury Secretary Janet Yellen and the heads of the Federal Reserve and the Commodity Futures Trading Commission.
- **Biden tells congressional Democrats would consider limits on who gets COVID-19 checks**
  President Joe Biden told congressional Democrats he would not back down on including $1,400 checks for struggling Americans in his COVID-19 relief plan but would consider tighter limits on who gets them, lawmakers and aides said.
- **U.S. private payrolls rebound; services industry activity gains steam**
  The ADP National Employment Report showed private payrolls increased by 174,000 jobs last month after dropping by 78,000 in December. Economists had forecast private payrolls would rebound by 49,000 in January. The Institute for Supply Management (ISM) said its non-manufacturing activity index increased to a reading of 58.7 last month. That was the highest reading since February 2019 and followed 57.7 in December. The index is now above its pre-pandemic level. Economists had forecast the index at 56.8.
- **Telus International surges in debut after pricing IPO at top of range**
  The more heavily traded listing on the New York Stock Exchange rose more than 30 per cent in an opening trade at US$33.10, compared to the IPO price of US$25.

**Thursday February 4th, 2021**

- **U.S. jobless claims declined last week by more than forecast**
  Initial jobless claims in regular state programs fell by 33,000 to 779,000 in the week ended Jan. 30, the lowest since November. On an unadjusted basis, applications dropped to 816,247.
- **U.S. factory orders beat expectations in December**
  The Commerce Department said that factory orders increased 1.1% after surging 1.3% in November. Economists had forecast factory orders gaining 0.7% in December. Orders dropped 6.6% year-on-year.
- **U.S. jobless claims fell by more than expected last week**
  Initial jobless claims in regular state programs fell by 67,000 to 847,000 in the week ended Jan. 23, Labor Department data showed. On an unadjusted basis, initial jobless claims dropped to 873,966.

**Friday February 5th, 2021**

- **Moderate U.S. job growth in January bolsters case for large stimulus package**
  Nonfarm payrolls increased by 49,000 jobs last month. Data for December was revised to show 227,000 jobs lost instead of 140,000 as previously reported.
- **U.S. House expected to advance Biden's $1.9 trillion COVID aid package**
  The U.S. House of Representatives was expected to approve a budget measure that would enable Democrats to push President Joe Biden's $1.9 trillion COVID-19 relief package through Congress without Republican support in a process that will likely take weeks. The U.S. Senate narrowly approved a version of the budget plan at the end of a marathon debate that went into Friday morning.
- **Canada loses 213,000 jobs in January, unemployment rate jumps to 9.4%**
  The country lost 212,800 positions in the month. Economists had predicted a drop of 40,000. That's on top of a 52,700 job loss in December. The unemployment rate jumped to 9.4 per cent, versus 8.8 per cent previously and a forecast of 8.9 per cent.

**Click on title to view the full story.**

# IN THE NEWS

## International News

**Monday February 1st, 2021**

- **Factories have mixed performance as pandemic impact lingers**
  In the euro zone, IHS Markit's final Manufacturing Purchasing Managers' Index (PMI) fell to 54.8 in January from December's 55.2, although that was a touch above the initial 54.7 "flash" estimate.
- **UK factory growth slows as COVID and Brexit combine**
  The final IHS Markit/CIPS manufacturing Purchasing Managers' Index fell to 54.1, below the level in the euro zone and down from a three-year high of 57.5 in December, when factories rushed to beat problems when Britain's new trade relationship with the EU began on Jan. 1.
- **China's January factory activity expands at slowest pace in 7 months: Caixin PMI**
  The Caixin/Markit Manufacturing Purchasing Managers' Index (PMI) dropped to 51.5 last month, the lowest level since June last year and easing markedly from December's reading of 53.0. Analysts had expected a reading of 52.7.
- **China's factory recovery slows in January**
  The official manufacturing Purchasing Manager's Index (PMI) fell to 51.3 in January from 51.9 in December, the National Bureau of Statistics said in a statement. It was below the 51.6 expected.

**Tuesday February 2nd, 2021**

- **Portugal's economy fell 7.6% in 2020, biggest drop since 1936**
  Portugal's economy shrank 7.6% last year, its biggest annual slump since 1936, and the government warned that the outlook for recovery was deteriorating because the COVID-19 pandemic had worsened.
- **China stock end higher on cenbank's liquidity boost, easing virus woes**
  China's short-term money rates eased to two-week lows, as signs of liquidity tension in the interbank money markets started to fade. The People's Bank of China (PBOC) injected a net 78 billion yuan (US$12.08 billion) into money markets.
- **India's budget wins applause for keeping it real**
  Finance Minister Nirmala Sitharaman, who last month vowed to deliver a "budget like never before", pegged the current year's fiscal deficit at 9.5% of gross domestic product, and set a fiscal deficit target of 6.8% of GDP for the next year.

**Wednesday February 3rd, 2021**

- **Ant Group reaches deal with China regulators on restructuring**
  Ant Group Co has agreed a restructuring plan with Chinese regulators under which the fintech giant will become a financial holding company, a person with direct knowledge of the matter said, potentially easing founder Jack Ma's regulatory woes.
- **Euro zone downturn deepened in January as lockdowns hit services**
  IHS Markit's final January Composite Purchasing Managers' Index (PMI), fell to 47.8 from December's 49.1 but was a touch above a flash reading of 47.5.
- **Italian shares jump on Draghi hope**
  Italian shares posted their best session in four weeks after former European Central Bank chief Mario Draghi accepted the task of forming a new government.
- **Indian services industry improved in January; job cuts continued**
  The Nikkei/IHS Markit Services Purchasing Managers' Index rose to 52.8 in January from 52.3 in December.

**Thursday February 4th, 2021**

- **Bank of England tells banks to get ready for negative rates if needed**
  The central bank's Prudential Regulation Authority said most financial institutions aren't sufficiently prepared, especially as regards to retail products like rate-tracking mortgages, so they should take at least six months to set their systems up without running undue risks. The BOE made the announcement as it held its key rate at a record low of 0.1 per cent.
- **U.S. Treasury leans toward backing US$500B boost for IMF**
  The U.S. Treasury is leaning toward backing a boost of as much as US$500 billion to the International Monetary Fund's resources, helping it support developing nations against the COVID-19 crisis.
- **China's Ant to hive off credit data in revamp; sees IPO in 2 years - sources**
  Ant Group Co plans to spin off its consumer-credit data operations, people with knowledge of the matter said, a concession to aggressive regulators that should help the Chinese fintech giant get its massive public share sale back on track.

**Friday February 5th, 2021**

- **German industrial orders fall more than expected in December**
  The data published by the Federal Statistics Offices showed orders for industrial goods fell by 1.9% in seasonally adjusted terms, compared with a Reuters forecast for a decline of 1.0%. The decline came after an upwardly revised increase of 2.7% in November.
- **India cenbank holds rates steady**
  The Reserve Bank of India kept rates steady at record low levels as widely expected and reiterated that it will continue to support the recovering economy by ensuring ample rupee liquidity in the banking system. The repo rate or RBI's key lending rate was held at 4% while the reverse repo rate or its borrowing rate was left unchanged at 3.35%.

**Click on title to view the full story.**

# WEEKLY PERFORMERS – S&P/TSX

| S&P/TSX: LEADERS | LAST | CHANGE | %CHG |
|---|---|---|---|
| Aphria Inc | $21.28 | $5.73 | 36.85% |
| MEG Energy Corp | $5.56 | $1.30 | 30.52% |
| Canada Goose Holdings Inc | $55.48 | $12.71 | 29.72% |
| Seven Generations Energy Ltd | $7.46 | $1.32 | 21.50% |
| Enerplus Corp | $4.80 | $0.84 | 21.21% |
| ATS Automation Tooling Systems Inc | $26.01 | $4.07 | 18.55% |
| Shopify Inc | $1,643.85 | $249.56 | 17.90% |
| Tourmaline Oil Corp | $21.45 | $3.23 | 17.73% |
| Canfor Corp | $27.73 | $4.12 | 17.45% |
| Interfor Corp | $27.95 | $4.12 | 17.29% |

| S&P/TSX: LAGGARDS | LAST | CHANGE | %CHG |
|---|---|---|---|
| First Majestic Silver Corp | $21.07 | -$2.00 | -8.67% |
| Aurinia Pharmaceuticals Inc | $19.78 | -$1.54 | -7.22% |
| MAG Silver Corp | $23.22 | -$1.75 | -7.01% |
| Wesdome Gold Mines Ltd | $9.13 | -$0.63 | -6.45% |
| BlackBerry Ltd | $16.90 | -$1.06 | -5.90% |
| Jamieson Wellness Inc | $34.61 | -$1.24 | -3.46% |
| Emera Inc | $51.82 | -$1.65 | -3.09% |
| Trillium Therapeutics Inc | $16.29 | -$0.51 | -3.04% |
| Silvercorp Metals Inc | $8.01 | -$0.24 | -2.91% |
| New Gold Inc | $2.35 | -$0.07 | -2.89% |

Source: Refinitiv

# WEEKLY PERFORMERS – S&P500

| S&P500: LEADERS | LAST | CHANGE | %CHG |
|---|---|---|---|
| L Brands Inc | $49.39 | $8.63 | 21.17% |
| MGM Resorts International | $34.25 | $5.69 | 19.92% |
| Tapestry Inc | $37.55 | $5.93 | 18.75% |
| Under Armour Inc | $17.74 | $2.77 | 18.50% |
| Align Technology Inc | $620.45 | $95.07 | 18.10% |
| Freeport-McMoRan Inc | $31.73 | $4.82 | 17.91% |
| Wynn Resorts Ltd | $116.99 | $17.46 | 17.54% |
| ETSY Inc | $231.12 | $32.03 | 16.09% |
| Las Vegas Sands Corp | $55.57 | $7.48 | 15.55% |
| Estee Lauder Companies Inc | $272.81 | $36.16 | 15.28% |

| S&P500: LAGGARDS | LAST | CHANGE | %CHG |
|---|---|---|---|
| Clorox Co | $191.25 | -$18.21 | -8.69% |
| DXC Technology Co | $25.94 | -$2.26 | -8.01% |
| DaVita Inc | $109.18 | -$8.19 | -6.98% |
| Qualcomm Inc | $145.84 | -$10.44 | -6.68% |
| International Paper Co | $47.03 | -$3.28 | -6.52% |
| Cigna Corp | $203.43 | -$13.62 | -6.28% |
| Biogen Inc | $265.09 | -$17.52 | -6.20% |
| Vertex Pharmaceuticals Inc | $215.26 | -$13.82 | -6.03% |
| Vornado Realty Trust | $37.39 | -$2.37 | -5.96% |
| ABIOMED Inc | $327.85 | -$20.40 | -5.86% |

Source: Refinitiv

# NBF RATINGS & TARGET PRICE CHANGES

| Company | Symbol | Current Rating | Previous Rating | Current Target | Previous Target |
|---|---|---|---|---|---|
| Agnico Eagle Mines Ltd. | AEM | Outperform | Outperform | **C$109.00** | **C$112.00** |
| Air Canada | AC | Outperform | Outperform | **C$26.00** | **C$30.00** |
| Alamos Gold Inc. | AGI | Outperform | Outperform | **C$14.50** | **C$15.50** |
| ATS Automation Tooling Systems Inc. | ATA | Outperform | Outperform | **C$30.00** | **C$28.00** |
| B2Gold Corp. | BTO | Outperform | Outperform | **C$10.25** | **C$11.00** |
| Brookfield Business Partners L.P. | BBU.un | Outperform | Outperform | **US$47.00** | **US$50.00** |
| Brookfield Infrastructure Partners L.P. | BIP.un | Outperform | Outperform | **US$60.00** | **US$55.00** |
| BSR REIT | HOM.U | **Restricted** | **Outperform** | **Restricted** | **US$13.00** |
| Canadian Natural Resources Limited | CNQ | Outperform | Outperform | **C$41.00** | **C$42.00** |
| Capstone Mining Corp. | CS | Outperform | Outperform | **C$3.35** | **C$3.25** |
| Cargojet Inc. | CJT | **Outperform** | **Restricted** | **C$254.00** | **Restricted** |
| Cascades Inc. | CAS | Outperform | Outperform | **C$22.50** | **C$21.00** |
| Copper Mountain Mining Corporation | CMMC | Sector Perform | Sector Perform | **C$3.00** | **C$2.30** |
| Crescent Point Energy Corp. | CPG | Outperform | Outperform | **C$3.75** | **C$3.50** |
| Crew Energy Inc. | CR | Sector Perform | Sector Perform | **C$0.90** | **C$0.75** |
| Dream Industrial REIT | DIR.UN | **Outperform** | **Restricted** | **C$13.75** | **Restricted** |
| Dundee Precious Metals Inc. | DPM | Outperform | Outperform | **C$14.00** | **C$15.00** |
| Eldorado Gold Corp. | ELD | Outperform | Outperform | **C$20.50** | **C$22.00** |
| Endeavour Mining Corporation | EDV | Outperform | Outperform | **C$58.00** | **C$60.00** |
| Enerplus Corporation | ERF | **Outperform** | **Restricted** | **C$7.50** | **Restricted** |
| Equinox Gold Corp. | EQX | Sector Perform | Sector Perform | **C$16.00** | **C$17.00** |
| First Majestic Silver Corp. | FR | Sector Perform | Sector Perform | **C$21.50** | **C$20.00** |
| Fortuna Silver Mines Inc. | FVI | Sector Perform | Sector Perform | **C$13.50** | **C$13.00** |
| Gildan Activewear Inc. | GIL | Outperform | Outperform | **C$40.00** | **C$39.00** |
| Golden Star Resources Ltd. | GSC | Outperform | Outperform | **C$8.00** | **C$8.25** |
| Goodfood Market Corp. | FOOD | **Restricted** | **Outperform** | **Restricted** | **C$14.25** |
| Hardwoods Distribution Inc. | HDI | Outperform | Outperform | **C$36.50** | **C$35.00** |
| Heroux-Devtek Inc. | HRX | Outperform | Outperform | **C$18.50** | **C$17.50** |
| IAMGOLD Corporation | IMG | Outperform | Outperform | **C$6.50** | **C$6.75** |
| Imperial Oil Ltd | IMO | Sector Perform | Sector Perform | **C$31.00** | **C$30.00** |
| Kinross Gold Corp | K | Outperform | Outperform | **C$16.00** | **C$17.25** |
| Kirkland Lake Gold Ltd. | KL | Outperform | Outperform | **C$65.00** | **C$70.00** |
| Lightspeed POS Inc. | LSPD | Outperform | Outperform | **US$90.00** | **US$80.00** |
| Lithium Americas Corp. | LAC | **Outperform** | **Restricted** | **US$23.00** | **Restricted** |
| Loblaw Companies Limited | L | Sector Perform | Sector Perform | **C$76.00** | **C$82.00** |
| Nevada Copper Corp. | NCU | **Sector Perform** | **Restricted** | **C$0.20** | **Restricted** |
| Newmont Corporation | NGT | Outperform | Outperform | **C$109.00** | **C$111.00** |
| NFI Group Inc. | NFI | **Restricted** | **Outperform** | **Restricted** | **C$33.00** |
| Northland Power Inc. | NPI | Outperform | Outperform | **C$52.00** | **C$50.00** |
| OceanaGold Corporation | OGC | Outperform | Outperform | **C$3.50** | **C$4.00** |
| Open Text | OTEX | Outperform | Outperform | **US$60.00** | **US$55.00** |
| Ovintiv Inc. | OVV | Outperform | Outperform | **US$20.00** | **US$18.50** |
| Pan American Silver Corp. | PAAS | Sector Perform | Sector Perform | **C$55.00** | **C$56.00** |
| Royal Gold Inc. | RGLD | Sector Perform | Sector Perform | **US$150.00** | **US$155.00** |
| Saputo Inc. | SAP | Sector Perform | Sector Perform | **C$39.00** | **C$38.00** |
| Seven Generations Energy Ltd. | VII | Outperform | Outperform | **C$9.50** | **C$8.50** |
| Sherritt International Corporation | S | Sector Perform | Sector Perform | **C$0.60** | **C$0.50** |
| Sigma Lithium Resources Corp. | SGMA | **Restricted** | **Outperform** | **Restricted** | **C$5.50** |
| SilverCrest Metals Inc. | SIL | Outperform | Outperform | **C$17.25** | **C$19.00** |
| SSR Mining Inc. | SSRM | Outperform | Outperform | **C$39.00** | **C$41.00** |
| Teranga Gold Corporation | TGZ | Tender | Tender | **C$27.25** | **C$28.25** |
| TMAC Resources Inc. | TMR | | **Tender** | | **C$2.20** |
| Vermilion Energy Inc. | VET | Sector Perform | Sector Perform | **C$7.00** | **C$6.50** |
| Wesdome Gold Mines Ltd. | WDO | Outperform | Outperform | **C$15.00** | **C$16.00** |

# STRATEGIC LIST - WEEKLY UPDATE

**(February 1st – February 5th)**

**No Changes this Week**

**Comments:**

**Communication Services (Market Weight)**

**NBF**: In a thematic report, NBF reflected on the pricing dynamics among mid-band spectrum auctions around the world over the past four years, with a focus on the CBRS and C-Band auctions in the United States. NBF does this not only as a prelude to Canada's delayed 3500 MHz auction which starts 6/15/21, but also in consideration of 5G deployments and the goldilocks nature of this spectrum which offers a balance between low-band frequencies (travel far and through buildings) and high-band (millimetre wave) frequencies (travel limited distance but at elevated capacity to allow for faster speed and lower latency). While more on 5G can be found in NBF primer dated 9/27/19, NBF hosted a fireside chat on 2/2/21 on mid-band auctions with Johanne Lemay of Lemay-Yates Associates. Spectrum forms the lifeblood of wireless networks. Credit rating agencies fully understand this and reasonably accommodate the added leverage that materializes when auctions periodically arise in the marketplace and operators spend to strengthen networks and/or build the next generation of networks as is currently unfolding for 5G. Heading into spectrum auctions, operators tend to be careful in regards to related communication. While companies don't wish to signal their intentions to competitors or upset regulators, the latter don't want to see operators colluding to subvert auction dynamics or undermine optimal proceeds. Most auctions are uneventful, but some can produce surprises like the recent escalation in proceeds in the C-Band auction, Bell opting to exit the 600 MHz auction in spring 2019, and Rogers turning much more aggressive in the 700 MHz auction in early 2014. We'll see if there will be any surprises in Canada's 3500 MHz auction this summer, if one or more operators turn aggressive, and if new bidders appear on the scene. NBF thinks the over/under on proceeds debatably around $4.6B with the possibility that spending ultimately skews higher.

**Energy (Market Weight)**

**Canadian Oil, Gas & Consumable Fuels**

**NBF**: The fourth quarter marked a turning point for commodity sentiment. Following the third quarter in which confidence in a sustained recovery was starting to wane, positive vaccine headlines started the turnaround for crude early in the fourth quarter. Accordingly, WTI entered the quarter at ~US$40/bbl but gained nearly 25% to end the year close to ~US$50/bbl. Meanwhile, natural gas came under pressure as colder weather failed to materialize, resulting in stagnant prices. Overall, NBF expects an uneventful reporting quarter for most of our coverage. Financial results should remain relatively weak given that commodity prices were still low and on the upswing through most of the quarter; however, we could see some operating results surprise to the upside given that producers have been stepping up activity in preparation for a recovered commodity environment. NBF is generally in line with consensus with no discernable outliers.

**Cenovus Energy Inc. (CVE)**

**NBF:** Cenovus is scheduled to report fourth quarter earnings before the market open on February 9th. NBF is forecasting CFPS of $0.32 and production of 465.6 mboe/d, compared to consensus at $0.21 and 462.6 mboe/d respectively. NBF maintained its Outperform rating and $13.00 target price.

**Tourmaline Oil Corp. (TOU)**

**NBF:** Tourmaline is scheduled to report fourth quarter earnings after the market close on March 10th. NBF is forecasting CFPS of $1.38 and production of 335.9 mboe/d, compared to consensus at $1.42 and 332.6 mboe/d respectively. NBF maintained its Outperform rating and $30.00 target price.

Separately, NBF published comments on the seasonal gas trade. Winter has finally materialized in key consuming regions, and prices have firmed up, with spot and 2021 strip +15-20% YTD. While seasonal strength is welcome, it is probably too little too late to make much more than a dent in the fundamental picture (reflected by the duration of winter pricing ~$3/mcf). In NBF’s opinion, investors should ignore the seasonal rally and look through to the improved structure of the strip, where summer is generally being priced in line with winter. This is indicative of a more resilient market on the back of recent structural change, and should present a far more investable price environment, relative to what in recent memory has been a high-volatility (low-conviction) seasonal trade. NBF previously touched on an improved supply/demand balance, with muted activity and reduced supply in the Lower 48 (-2-3 Bcf/d) and strong support to consumption (i.e., LNG exports of ~10 Bcf/d), and the EIA forecasting a ~2.5 Bcf/d under-supply through its 2021e forecast horizon to drive storage from a 5-10% surplus to a 5-10% deficit. Pair that with a more functional egress system (largely supported by a temporary service protocol and access to storage), and the AECO basis environment is also pricing extremely favourably (US$0.70/mcf, ~30% below historical) at levels well below the marginal cost of transportation. NBF's preference remains for western continental markets (offering the highest relative prices, net of transportation). The net effect is a far less volatile North American natural gas price complex, with the seasonal variance largely eliminated relative to recent historical experience (i.e., +/-10% variance vs. recent historical ~40-50% variance; particularly AECO). In NBF's view, lower volatility of a very palatable gas price landscape should present a more investable outlook, to which the group should be re-rated. NBF continues to advocate high-graded exposure to the theme through high-quality names, with strong market diversification and risk management, including TOU, ARX, AAV and BIR, or those with thematic fundamental support like KEL (growth), SDE (M&A) and VII (condensate).

**Financials (Overweight)**

**Intact Financial Corp. (IFC)**

**NBF:** Q4 2020 Preview: IFC reports Q4-20 results after the bell on February 9. NBF forecasts Q4 2020 operating EPS of $2.42 (was $2.31), ~3% above consensus at $2.35. NBF forecast implies operating EPS growth of ~17% from $2.08 in Q4 2019 and operating ROE of 17.2%. NBF 2020 NOIPS is $9.17 (was $9.06), 2021 NOIPS is $9.29 (was $9.13) and 2022 NOIPS is $10.70 (was $10.62). NBF Q4 BVPS estimate moves to $58.85 (was $57.31). NBF expects the claims ratio to decrease to 58.4% vs. 62.5% a year ago, reflecting i) sustained lower Personal Auto claims frequency due to fewer miles driven; ii) lower Personal Property claims as more time at home could drive more preventative actions from policyholders; iii) below-average precipitation levels in IFC's core markets, Ontario and Quebec; and iv) benign catastrophe losses as estimated by IBC ($88 mln in insured damages). NBF forecast direct premiums written (DPW) growing ~7.6% y/y in Q4-20, slightly below NBF original forecast of ~8.1% y/y. NBF $192 Price Target implies a ~2.6x multiple (both unchanged) on its BV estimate (ex. AOCI) in Q3-21 (plus 1.0x AOCI). The premium to the trading multiple of ~2.5x reflects NBF view that the defensive nature of the business, solid balance sheet, strong underwriting performance, successful integration of RSA with synergy upside, and long-term firming tailwinds in the P&C insurance industry will support IFC generating a mid-teens OROE through 2022 and beyond.

**Information Technology (Underweight)**

**Open Text Corp. (OTEX)**

**NBF:** OpenText reported strong FQ2 (CQ4) results with revenue and EPS above NBF and street estimates. With respect to the results, it reinforced what NBF believes is an undervalued acquisition growth story that continues to have the Company posting record results from a growing base of recurring revenue (80% of revenue). More importantly, that recurring revenue base continues to tap expanding operating leverage to drive profitability and cash flow. For FQ2, that resulted in $360.8 mln in EBITDA for a margin of 42.2% and $274.8 mln in FCF (+46.5% Y/Y). So, while NBF does not view OTEX as a name that's in the cross-hairs of growth investors over the past year, it nonetheless continues to be a Company that's driving meaningful value through a proven acquisition growth model. And while organic growth remains elusive, NBF continues to believe the continued push into the Cloud adds potential option value. Bottom line, NBF's investment thesis is unchanged - and Open Text remains one of NBF's favourite "legacy" names. While the market's appetite for tech stocks has firmly shifted to the organic growth stories, NBF continues to see strong relative value with compelling defensive attributes in OTEX. Going forward, NBF sees a growing base of recurring revenue through acquisitions, expanding operating leverage and optionality from organic growth that's not fully priced into the stock. NBF maintained its Outperform rating with a revised price target to US$60.00 (was US$55.00) which implies EV/Sales of 5.6x and EV/EBITDA of 14.6x on FY21E (was 5.4x and 14.4x).

**Materials (Market Weight)**

**Precious Metals**

**NBF:** 4Q20 is expected to show for most companies a continuation of strong results following the bounce-back 3Q20, as mines are expected to continue to operate closer to normal levels after many of them had a challenging first half of 2020 due to COVID. NBF believes the market focus on 4Q20 earnings will be more on what the outlook for the new year calls for. To date, a number of operating companies have provided guidance, which generally calls for a back half weighted year on both production and FCF, as capital spending budgets for 2020 were delayed due to COVID, which in many cases is calling for a catch up spend in 1H21. Additionally, better grades are generally expected in 2H21 as work to catch up on mine plans is the story for 1H21. Reserve and resource updates could show challenges replacing reserves depleted in 2020, due to delays in drilling related to COVID. To address this challenge, we may see some companies adopt a higher gold price assumption to add lower grade ounces to reserves. With respect to earnings results, NBF does see a positive tailwind from concentrate provisional pricing as gold finished (December 31st vs September 30th close prices) up 1%, silver up 14%, copper up 15%, lead up 9% and zinc up 14%.

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

**NBF:** Agnico Eagle will report Q4/21 results after the market close on February 11th. NBF is calling for US$0.65 of Adj EPS aligned with consensus at US$0.64, CFPS of US$1.66 vs the street at US$1.59. From the Q3 results released in late October NBF knows the asset base was performing very well after a challenging spring, which was related to COVID disruptions. This gives NBF confidence in Agnico Eagle achieving another good quarterly result in Q4. NBF is forecasting production of 503 koz Au and 743 koz Ag. Q3 and Q4 2020 guidance is 480 - 500 koz/Q, 3Q20 achieved 493 koz proving that ops bounced back well after COVID impacted 1H20. NBF is forecasting Q4/20 cash costs of US$711/oz and AISC of US$981/oz. 4Q20 release will include updated Reserves & Resources with the Malartic U/G PEA coming shortly to show first glance project economics. NBF maintained its Outperform rating on Agnico Eagle and cut its target price to $109.00 from $112.00.

**SSR Mining Inc. (SSRM)**

**NBF:** SSR Mining will report Q4/21 results after the market close on February 17th. NBF is calling for Adj EPS of US$0.59 and CFPS US$0.94 vs consensus at US$0.59 and US$0.98 respectively. SSR Mining announced Q4/20 production at 220 kGEO and 2021 guidance of 720 - 800 kGEO (AISC US$1,050 - 1,110/GEO) on January 19th. The Reserve and Resource update will be in focus, notably the results of Marigold oxide exploration and possible LOM extension at Seabee. NBF maintained its Outperform rating on SSR Mining and cut its target price to $39.00 from $41.00. NBF continues to view SSR Mining as a Top Pick and believes where the company is trading today provides a very attractive entry point for investors. SSR Mining currently trades at a discount to Intermediate peers on a P/NAV basis, despite having historically traded at a premium. NBF believes SSR is deserving of a premium to peers again due to (i) a coverage-leading FCF yield sourced from a relatively low political risk asset mix, (ii) unmatched exploration upside potential, and (iii) strong management reputation with respect to achieving guidance and being prudent allocators of capital. For 2021, NBF forecasts FCF generation of US$401 mln (back half weighted) on 767 kGEO of production as SSR sees the benefits of a full year of Çöpler ownership. This drives an impressive FCF (after dividends) yield of 10.2%, among the highest of the Intermediate producers. The company has exciting exploration developments across the portfolio and has budgeted US$65 million in 2021. A notable opportunity in NBF's view is the C2 copper porphyry beneath the Çöpler open pit mine, which if proven, and developed, would benefit from existing infrastructure and already completed pre-stripping work that the existing mine is based on. NBF is also keen on the high grade sulphide exploration target at Marigold, where a May 2020 drill hole intercepted 44.7 gpt over 7.6 metres and ended in mineralization. It is early days on both the Copler C2 target as well as the sulphide discovery at Marigold, but, in NBF's opinion, either could be a major value driver. At Seabee, management appears confident in the ability to move from a historical 4-5 year reserve life asset to something closer to 10 years over the near term, which could prove a major NAV/sh driver given Seabee's high margin structure.

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

**NBF:** Teck Resources will report Q4/21 results before the market open on February 18th. NBF is forecasting Q4/21 Adj EPS of $0.22 and CFPS of $1.11 vs. consensus at $0.30 and $1.14 respectively. NBF forecasts Q4 production of 6.30 Mt coal, 76,850t Cu, and 164,600t of Zn concentrate. NBF models coal sales of 6.0Mt compared Q4/20 sales guidance of 5.8 - 6.2Mt as well as ~20% of Q4 sales at Chinese premium prices in-line with Teck guidance. NBF has incorporated provisional pricing adjustments of ~$85 mln in the quarter. NBF"s production estimates are broadly in line with Consensus and the company's previous three-year guidance range; however, NBF's coal unit cost assumptions are ~5% lower than Consensus owing to several operational/logistical improvements taking effect in H1/21. Teck may also have some positive commentary on the coal outlook as prices have rebounded this week to US $156/t (from a low of US$107/t earlier this year). 2021 guidance, construction progress at QB2 and Neptune terminals (where expect completion in H1/21) are anticipated alongside Q4/20 results. NBF maintained its Outperform rating and $28.50 target price which is based on 1.0x NAV (50%); 6.5x EV/2021 CF (25%); 6.5x EV/2022 CF (25%).

# NBF STRATEGIC LIST

| Company | Symbol | Addition Date | Addition Price | Last Price | Yield (%) | Beta | % SPTSX | NBF Sector Weight |
|---|---|---|---|---|---|---|---|---|
| **Communication Services** | | | | | | | **4.9** | **Market Weight** |
| Quebecor Inc. | QBRb.TO | 29-Nov-18 | $ 28.70 | $ 31.30 | 2.6 | 0.5 | | |
| Rogers Communications Inc. | RCIb.TO | 13-Feb-20 | $ 65.84 | $ 59.16 | 3.4 | 0.5 | | |
| **Consumer Discretionary** | | | | | | | **3.9** | **Market Weight** |
| Canadian Tire Corp. | CTCa.TO | 04-Oct-18 | $ 151.25 | $ 174.57 | 2.7 | 1.3 | | |
| Dollarama Inc. | DOL.TO | 19-Mar-20 | $ 38.96 | $ 50.43 | 0.4 | 0.6 | | |
| **Consumer Staples** | | | | | | | **3.7** | **Market Weight** |
| Alimentation Couche-Tard Inc. | ATDb.TO | 26-Jan-17 | $ 30.09 | $ 39.70 | 0.9 | 0.7 | | |
| Empire Company Ltd. | EMPa.TO | 01-Mar-18 | $ 23.15 | $ 36.51 | 1.4 | 0.3 | | |
| **Energy** | | | | | | | **11.6** | **Market Weight** |
| Cenovus Energy Inc. | CVE.TO | 16-Jan-20 | $ 12.26 | $ 8.13 | 0.0 | 2.5 | | |
| Enbridge Inc. | ENB.TO | 21-Jan-15 | $ 59.87 | $ 44.91 | 7.4 | 0.9 | | |
| Tourmaline Oil Corp. | TOU.TO | 13-Aug-20 | $ 16.68 | $ 21.45 | 2.7 | 1.4 | | |
| **Financials** | | | | | | | **29.8** | **Overweight** |
| Element Fleet  Management Corp | EFN.TO | 02-Apr-20 | $ 8.58 | $ 12.34 | 2.1 | 1.2 | | |
| Fairfax Financial Holdings Ltd. | FFH.TO | 20-Dec-18 | $ 585.81 | $ 467.25 | 2.8 | 0.9 | | |
| Intact Financial Corp. | IFC.TO | 11-Jun-20 | $ 130.04 | $ 146.08 | 2.3 | 0.8 | | |
| Royal Bank of Canada | RY.TO | 19-Jun-13 | $ 60.69 | $ 106.68 | 4.1 | 0.9 | | |
| Sun Life Financial | SLF.TO | 10-Dec-20 | $ 57.07 | $ 60.91 | 3.6 | 1.4 | | |
| Toronto Dominion Bank | TD.TO | 31-Jul-12 | $ 39.46 | $ 74.60 | 4.2 | 0.9 | | |
| **Health Care** | | | | | | | **1.3** | **Market Weight** |
| **Industrials** | | | | | | | **12.6** | **Market Weight** |
| Morneau Shepell Inc. | MSI.TO | 26-Sep-19 | $ 32.72 | $ 31.81 | 2.4 | 0.7 | | |
| Toromont Industries Ltd | TIH.TO | 05-Dec-19 | $ 67.24 | $ 89.23 | 1.6 | 0.8 | | |
| WSP Global Inc. | WSP.TO | 10-Sep-20 | $ 88.54 | $ 117.56 | 1.3 | 1.0 | | |
| **Information Technology** | | | | | | | **10.3** | **Underweight** |
| Kinaxis Inc. | KXS.TO | 19-Mar-20 | $ 100.05 | $ 186.22 | 0.0 | 0.8 | | |
| Open Text Corp. | OTEX.TO | 26-Oct-16 | $ 41.61 | $ 62.24 | 1.7 | 0.9 | | |
| **Materials** | | | | | | | **13.7** | **Market Weight** |
| Agnico Eagle Resources Ltd. | AEM.TO | 17-Dec-14 | $ 27.00 | $ 90.50 | 2.1 | 0.4 | | |
| SSR Mining Inc. | SSRM.TO | 30-Jan-20 | $ 23.81 | $ 21.99 | 0.0 | 0.6 | | |
| Teck Resources Ltd. | TECKb.TO | 01-Nov-17 | $ 27.15 | $ 23.43 | 0.9 | 1.1 | | |
| **REITs** | | | | | | | **3.1** | **Underweight** |
| Canadian Apartment Properties REIT | CAR_u.TO | 10-Dec-20 | $ 49.82 | $ 51.38 | 2.7 | 0.7 | | |
| RioCan REIT | REI_u.TO | 23-Aug-18 | $ 19.95 | $ 18.02 | 5.4 | 1.2 | | |
| **Utilities** | | | | | | | **5.1** | **Market Weight** |
| Capital Power Corp. | CPX.TO | 22-Aug-19 | $ 30.90 | $ 37.68 | 5.6 | 1.2 | | |
| Innergex Renewable Energy Inc. | INE.TO | 22-Aug-19 | $ 15.00 | $ 29.43 | 2.5 | 0.8 | | |

*Source:  Refinitiv (Priced February 5, 2021 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

## (February 8$^{th}$ – February 12$^{th}$)

### U.S. Indicators

| Date | Time | Release | Period | Previous | Consensus | Unit |
|---|---|---|---|---|---|---|
| 9-Feb | 06:00 | NFIB Business Optimism Idx | Jan | 95.90 | | Index |
| 9-Feb | 10:00 | **JOLTS Job Openings** | Dec | 6.527M | | Person |
| 10-Feb | 08:30 | Core CPI MM, SA | Jan | 0.1% | 0.2% | Percent |
| 10-Feb | 08:30 | Core CPI YY, NSA | Jan | 1.6% | 1.5% | Percent |
| 10-Feb | 08:30 | **CPI MM, SA** | Jan | 0.4% | 0.3% | Percent |
| 10-Feb | 08:30 | CPI YY, NSA | Jan | 1.4% | 1.5% | Percent |
| 10-Feb | 10:00 | Wholesale Sales MM | Dec | 0.2% | | Percent |
| 10-Feb | 10:30 | EIA Wkly Crude Stk | 1 Feb, w/e | -0.994M | | Barrel |
| 10-Feb | 14:00 | Federal Budget,$ | Jan | -144.00B | | USD |
| 11-Feb | 08:30 | **Initial Jobless Clm** | 1 Feb, w/e | 779k | 775k | Person |
| 11-Feb | 08:30 | Jobless Clm 4Wk Avg | 1 Feb, w/e | 848.25k | | Person |
| 11-Feb | 08:30 | Cont Jobless Clm | 25 Jan, w/e | 4.592M | | Person |
| 11-Feb | 10:30 | EIA-Nat Gas Chg Bcf | 1 Feb, w/e | -192B | | Cubic foot |
| 12-Feb | 10:00 | **U Mich Sentiment Prelim** | Feb | 79.0 | 80.6 | Index |

### Canadian Indicators

| Date | Time | Release | Period | Previous | Consensus | Unit |
|---|---|---|---|---|---|---|
| 8-Feb | 06:00 | Leading Index MM | Jan | 0.47% | | Percent |
| 12-Feb | 08:30 | Wholesale Trade MM | Dec | 0.7% | | Percent |
| 12-Feb | 10:30 | **BoC Senior Loan Officer Survey** | Q4 | 7.28% | | Percent |

Source : Refinitiv

# S&P/TSX QUARTERLY EARNINGS CALENDAR

**Monday February 8th, 2021**

| COMPANY* | SYMBOL | TIME | EPS ESTIMATE |
|---|---|---|---|
| CT Real Estate Investment Trust | CRT-U | Aft-mkt | 0.30 |
| PrairieSky Royalty Ltd | PSK | Aft-mkt | 0.043 |
| TFI International Inc | TFII | Aft-mkt | 1.038 |
| TMX Group Ltd | X | Aft-mkt | 1.454 |

**Tuesday February 9th, 2021**

| COMPANY* | SYMBOL | TIME | EPS ESTIMATE |
|---|---|---|---|
| Canopy Growth Corp | WEED | Bef-mkt | (0.324) |
| Finning International Inc | FTT | Aft-mkt | 0.372 |
| First Capital Real Estate Inve | FCR-U | Aft-mkt | 0.263 |
| FirstService Corp | FSV | 07:30 | 0.832 |
| **Intact Financial Corp** | **IFC** | **Aft-mkt** | **2.353** |

**Wednesday February 10th, 2021**

| COMPANY* | SYMBOL | TIME | EPS ESTIMATE |
|---|---|---|---|
| Cameco Corp | CCO | Bef-mkt | (0.017) |
| Choice Properties Real Estate | CHP-U | Aft-mkt | 0.239 |
| Great-West Lifeco Inc | GWO | Aft-mkt | 0.748 |
| Keyera Corp | KEY | Bef-mkt | 0.252 |
| Kinross Gold Corp | K | Aft-mkt | 0.216 |
| Manulife Financial Corp | MFC | Aft-mkt | 0.717 |
| Mullen Group Ltd | MTL | Aft-mkt | 0.15 |
| Russel Metals Inc | RUS | 17:00 | 0.217 |
| SmartCentres Real Estate Inves | SRU-U | Aft-mkt | 0.545 |
| **Sun Life Financial Inc** | **SLF** | **Aft-mkt** | **1.383** |
| **Toromont Industries Ltd** | **TIH** | **Aft-mkt** | **1.063** |

**Thursday February 11th, 2021**

| COMPANY* | SYMBOL | TIME | EPS ESTIMATE |
|---|---|---|---|
| **Agnico Eagle Mines Ltd** | **AEM** | **Aft-mkt** | **0.636** |
| ARC Resources Ltd | ARX | | 0.092 |
| Aurora Cannabis Inc | ACB | Aft-mkt | (0.342) |
| Brookfield Asset Management Inc. | BAM/A | 07:00 | 0.36 |
| CI Financial Corp | CIX | Bef-mkt | 0.629 |
| Colliers International Group Intl. | CIGI | 07:00 | 1.403 |
| Dundee Precious Metals Inc | DPM | Aft-mkt | 0.23 |
| H&R Real Estate Investment Trust | HR-U | Aft-mkt | 0.415 |
| iA Financial Corp Inc | IAG | 09:00 | 1.684 |

| | | | |
|---|---|---|---|
| IGM Financial Inc | IGM | Aft-mkt | 0.903 |
| Killam Apartment Real Estate Inv. Trust | KMP-U | | 0.251 |
| Restaurant Brands International | QSR | Bef-mkt | 0.661 |
| **RioCan Real Estate Investment Trust** | **REI-U** | **Bef-mkt** | **0.393** |
| West Fraser Timber Co Ltd | WFG | Aft-mkt | 4.003 |
| Yamana Gold Inc | YRI | Aft-mkt | 0.098 |

**Friday February 12th, 2021**

| COMPANY* | SYMBOL | TIME | EPS ESTIMATE |
|---|---|---|---|
| Air Canada | AC | Bef-mkt | (2.70) |
| CAE Inc | CAE | Bef-mkt | 0.177 |
| Constellation Software Inc/Can | CSU | Aft-mkt | 10.348 |
| **Enbridge Inc** | **ENB** | **Aft-mkt** | **0.603** |
| **Fairfax Financial Holdings Ltd** | **FFH** | **Aft-mkt** | **23.18** |
| Fortis Inc/Canada | FTS | Bef-mkt | 0.682 |

Source: Bloomberg, 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 February 8th, 2021**

| COMPANY* | SYMBOL | TIME | EPS ESTIMATE |
|---|---|---|---|
| Everest Re Group Ltd | RE | Aft-mkt | (1.127) |
| Global Payments Inc | GPN | Bef-mkt | 1.764 |
| Hasbro Inc | HAS | | 1.141 |
| Jack Henry & Associates Inc | JKHY | Aft-mkt | 0.867 |
| Leggett & Platt Inc | LEG | Aft-mkt | 0.70 |
| Loews Corp | L | Bef-mkt | N/A |
| Simon Property Group Inc | SPG | Aft-mkt | 2.234 |
| Take-Two Interactive Software | TTWO | Aft-mkt | 0.947 |

**Tuesday February 9th, 2021**

| COMPANY* | SYMBOL | TIME | EPS ESTIMATE |
|---|---|---|---|
| Akamai Technologies Inc | AKAM | Aft-mkt | 1.311 |
| Assurant Inc | AIZ | Aft-mkt | 2.07 |
| Carrier Global Corp | CARR | Bef-mkt | 0.357 |
| Centene Corp | CNC | 06:00 | 0.465 |
| Cisco Systems Inc/Delaware | CSCO | Aft-mkt | 0.754 |
| DuPont de Nemours Inc | DD | Bef-mkt | 0.827 |
| Enphase Energy Inc | ENPH | Aft-mkt | 0.393 |
| Fidelity National Information | FIS | Bef-mkt | 1.565 |
| Fiserv Inc | FISV | Aft-mkt | 1.289 |
| FMC Corp | FMC | Aft-mkt | 1.442 |
| Fox Corp | FOXA | 08:00 | (0.049) |
| Gartner Inc | IT | Bef-mkt | 0.817 |
| Hanesbrands Inc | HBI | Bef-mkt | 0.286 |
| Healthpeak Properties Inc | PEAK | Aft-mkt | 0.392 |
| Incyte Corp | INCY | 07:00 | 0.755 |
| Jacobs Engineering Group Inc | J | Bef-mkt | 1.282 |
| Martin Marietta Materials Inc | MLM | Bef-mkt | 2.312 |
| Masco Corp | MAS | 07:00 | 0.743 |
| S&P Global Inc | SPGI | 07:15 | 2.541 |
| Sealed Air Corp | SEE | 07:00 | 0.783 |
| TransDigm Group Inc | TDG | Bef-mkt | 1.943 |
| Twitter Inc | TWTR | Aft-mkt | 0.303 |
| UDR Inc | UDR | Aft-mkt | 0.484 |
| Welltower Inc | WELL | Aft-mkt | 0.785 |

**Wednesday February 10th, 2021**

| COMPANY* | SYMBOL | TIME | EPS ESTIMATE |
|---|---|---|---|
| CDW Corp/DE | CDW | Bef-mkt | 1.507 |
| Cerner Corp | CERN | Aft-mkt | 0.78 |
| Cincinnati Financial Corp | CINF | Aft-mkt | 1.195 |
| CME Group Inc | CME | 07:00 | 1.369 |
| Coca-Cola Co/The | KO | Bef-mkt | 0.419 |
| Equifax Inc | EFX | Aft-mkt | 1.826 |
| Equinix Inc | EQIX | Aft-mkt | 4.208 |
| Equity Residential | EQR | Aft-mkt | 0.735 |
| General Motors Co | GM | 07:30 | 1.616 |
| International Flavors & Fragra | IFF | Aft-mkt | 1.198 |
| Interpublic Group of Cos Inc/T | IPG | Bef-mkt | 0.805 |
| IQVIA Holdings Inc | IQV | Bef-mkt | 2.006 |
| Lumen Technologies Inc | LUMN | Aft-mkt | 0.30 |
| MGM Resorts International | MGM | Aft-mkt | (1.003) |
| O'Reilly Automotive Inc | ORLY | 16:30 | 5.101 |
| Paycom Software Inc | PAYC | Aft-mkt | 0.792 |
| Trimble Inc | TRMB | Aft-mkt | 0.51 |
| Tyler Technologies Inc | TYL | Aft-mkt | 1.419 |
| Under Armour Inc | UAA | 06:55 | (0.068) |
| Western Union Co/The | WU | 16:00 | 0.421 |

**Thursday February 11th, 2021**

| COMPANY* | SYMBOL | TIME | EPS ESTIMATE |
|---|---|---|---|
| Bio-Rad Laboratories Inc | BIO | Aft-mkt | 3.295 |
| BorgWarner Inc | BWA | Bef-mkt | 0.966 |
| DaVita Inc | DVA | Aft-mkt | 1.912 |
| DexCom Inc | DXCM | Aft-mkt | 0.915 |
| Digital Realty Trust Inc | DLR | Aft-mkt | 1.525 |
| Duke Energy Corp | DUK | 07:00 | 1.023 |
| Expedia Group Inc | EXPE | Aft-mkt | (2.02) |
| Federal Realty Investment Trus | FRT | Aft-mkt | 1.066 |
| Huntington Ingalls Industries | HII | Bef-mkt | 4.425 |
| Illumina Inc | ILMN | Aft-mkt | 1.103 |
| Kellogg Co | K | 08:00 | 0.889 |
| Kimco Realty Corp | KIM | Bef-mkt | 0.30 |
| Kraft Heinz Co/The | KHC | Bef-mkt | 0.731 |
| Laboratory Corp of America Hol | LH | Bef-mkt | 8.073 |
| Mohawk Industries Inc | MHK | Aft-mkt | 2.872 |
| Molson Coors Beverage Co | TAP | 07:00 | 0.771 |
| PepsiCo Inc | PEP | 06:00 | 1.454 |
| Pool Corp | POOL | Bef-mkt | 0.779 |
| Regency Centers Corp | REG | Aft-mkt | 0.724 |
| Tyson Foods Inc | TSN | Bef-mkt | 1.522 |
| VeriSign Inc | VRSN | 16:05 | 1.347 |
| Vontier Corp | VNT | Bef-mkt | 0.856 |
| Walt Disney Co/The | DIS | Aft-mkt | (0.289) |
| Zebra Technologies Corp | ZBRA | Bef-mkt | 3.802 |

**Friday February 12th, 2021**

| COMPANY* | SYMBOL | TIME | EPS ESTIMATE |
|---|---|---|---|
| Dominion Energy Inc | D | Bef-mkt | 0.808 |
| Moody's Corp | MCO | Bef-mkt | 1.976 |
| Newell Brands Inc | NWL | Bef-mkt | 0.482 |

Source: Bloomberg, 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

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