

April 9th, 2021

THE WEEK IN NUMBERS (April 5th – April 9th)

Research Services

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INDEX	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
Dow Jones Industrial	33,800.60	647.39	1.95%	10.44%	42.50%	25.4
S&P 500	4,128.80	108.93	2.71%	9.92%	48.00%	30.7
Nasdaq Composite	13,900.19	420.08	3.12%	7.85%	70.48%	36.7
S&P/TSX Composite	19,228.03	237.71	1.25%	10.29%	35.73%	20.4
Dow Jones Euro Stoxx 50	3,978.84	32.88	0.83%	12.00%	37.54%	26.4
FTSE 100 (UK)	6,915.75	178.45	2.65%	7.05%	18.37%	19.7
DAX (Germany)	15,234.16	126.99	0.84%	11.05%	44.20%	23.4
Nikkei 225 (Japan)	29,768.06	-85.94	-0.29%	8.47%	53.87%	25.5
Hang Seng (Hong Kong)	28,698.80	-239.94	-0.83%	5.39%	18.10%	14.8
Shanghai Composite (China)	3,450.68	-33.72	-0.97%	-0.64%	22.11%	13.7
MSCI World	2,910.49	68.60	2.41%	8.20%	47.69%	27.6
MSCI EAFE	2,262.93	39.37	1.77%	5.37%	40.82%	22.0

S&P TSX SECTORS	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
S&P TSX Consumer Discretionary	268.96	2.90	1.09%	15.36%	81.61%	33.1
S&P TSX Consumer Staples	669.17	2.75	0.41%	5.75%	12.75%	18.4
S&P TSX Energy	116.54	-3.94	-3.27%	28.05%	77.14%	N/A
S&P TSX Financials	349.81	2.41	0.69%	14.22%	36.60%	13.6
S&P TSX Health Care	77.89	-4.88	-5.90%	29.49%	51.48%	N/A
S&P TSX Industrials	356.68	2.05	0.58%	8.47%	41.06%	31.8
S&P TSX Info Tech.	196.48	7.56	4.00%	7.74%	75.76%	67.2
S&P TSX Materials	318.86	11.85	3.86%	-0.55%	25.37%	21.0
S&P TSX Real Estate	335.93	7.69	2.34%	12.56%	24.08%	16.7
S&P TSX Communication Services	181.70	2.90	1.62%	10.97%	13.34%	24.5
S&P TSX Utilities	333.61	3.86	1.17%	4.42%	17.08%	20.5

COMMODITIES	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	NBF 2021E
Oil-WTI futures (US\$/Barrels)	\$59.30	0.74	1.26%	22.22%	160.54%	\$59.25
Natural gas futures (US\$/mcf)	\$2.52	-0.05	-2.02%	-0.83%	45.30%	\$3.00
Gold Spot (US\$/OZ)	\$1,741.10	16.20	0.94%	-8.03%	0.28%	\$1,743
Copper futures (US\$/Pound)	\$4.06	0.07	1.83%	15.48%	78.18%	\$4.00

CURRENCIES	Last price	Curr. Net Change	% Change Week	% Change YTD	%Change 1 Year	NBF Q4/21e
Cdn\$/US\$	0.7981	0.0033	0.42%	1.66%	11.54%	0.83
Euro/US\$	1.1902	0.0140	1.19%	-2.55%	8.92%	1.22
Pound/US\$	1.3708	-0.0121	-0.87%	0.26%	10.06%	1.42
US\$/Yen	109.64	-1.07	-0.97%	6.20%	1.09%	105

Source: Refinitiv and NBF Research

Please see last page for NBF Disclosures

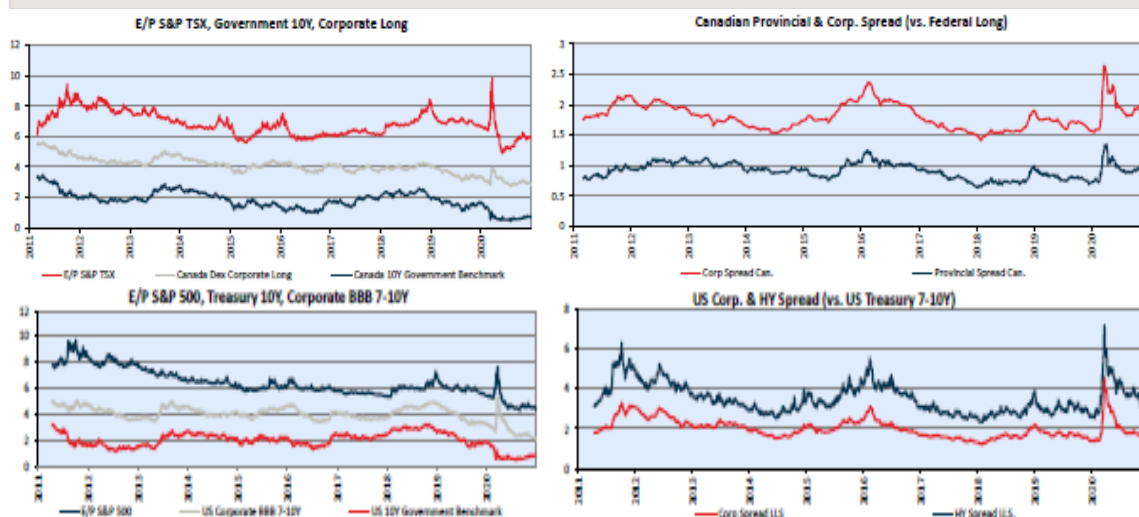
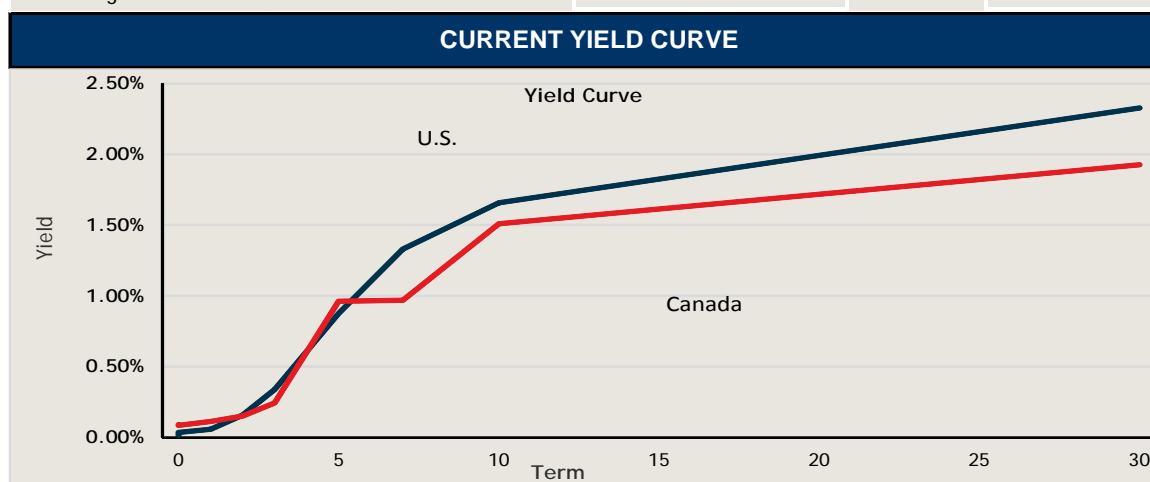
FIXED INCOME
NUMBERS

THE WEEK IN NUMBERS
(April 5th – April 9th)

Canadian Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
CDA o/n	0.25%	0.0	CDA 5 year	0.96%	-8.6
CDA Prime	2.45%	0.0	CDA 10 year	1.51%	-14.4
CDA 3 month T-Bill	0.09%	-1.1	CDA 20 year	1.71%	-16.3
CDA 6 month T-Bill	0.11%	-1.6	CDA 30 year	1.93%	-18.3
CDA 1 Year	0.15%	-2.1	5YR Sovereign CDS	38.27	0.4
CDA 2 year	0.24%	-2.7	10YR Sovereign CDS	39.86	0.0

US Key Rate	Last	CIOnge 1 month bps		Last	CIOnge 1 month bps
US FED Funds	0-0.25%	0.0	US 5 year	0.87%	-8.2
US Prime	3.25%	0.0	US 10 year	1.66%	-15.4
US 3 month T-Bill	0.01%	-0.4	US 30 year	2.33%	-22.6
US 6 month T-Bill	0.04%	-0.6	5YR Sovereign CDS	10.56	-0.5
US 1 Year	0.06%	-0.9	10YR Sovereign CDS	19.38	-0.1
US 2 year	0.16%	-1.7			

CANADIAN BOND - TOTAL RETURN	Change Week	Change Y-T-D
FTSE Universe Bond Index	0.66%	-4.42%
FTSE Short Term Bond Index	0.16%	-0.43%
FTSE Mid Term Bond Index	0.68%	-3.88%
FTSE Long Term Bond Index	1.29%	-9.54%



Source: Refinitiv & NBF

WEEKLY ECONOMIC WATCH

CANADA - In February, the **merchandise trade** surplus narrowed more than expected, coming in at C\$1.04 billion from a revised C\$1.21 billion (initially estimated at C\$1.41 billion). Nominal exports fell 2.7% m/m, while nominal imports cooled 2.4%. On the exports side, pullbacks were observed in 8 of the 11 categories surveyed, including metal ores/non-metallic minerals (-26.6%), metal and non-metallic mineral products (-10.9%), aircraft/other transportation equipment (20.3%), and motor vehicles/parts (-10.2%). These declines were only partially offset by an 18.3% gain in the energy products category. Turning to imports, a sizeable gain in the aircraft/other transportation equipment category (+29.1%) was not enough to erase sizeable drops for energy products (-21.4%), electronic/electrical equipment (-3.7%), and motor vehicles/parts (-7.8%). The energy surplus widened from C\$5.9 billion to a 23-month high of C\$7.8 billion. The non-energy deficit, for its part, expanded from C\$4.7 billion to C\$6.8 billion. The trade surplus with the United States swelled from C\$5.9 billion to C\$6.8 billion, its highest level since September 2008. In real terms, exports were down 3.8%, while imports sagged 3.5%. In February, the international goods trade recovery shifted into reverse as shortages of semi-conductor chips used to produce motor vehicles, among other things, forced auto assembly plants in North America to reduce or stop production.

Canada: Chip shortage hit exchanges in the automotive sector
International exchanges of motor vehicles and part



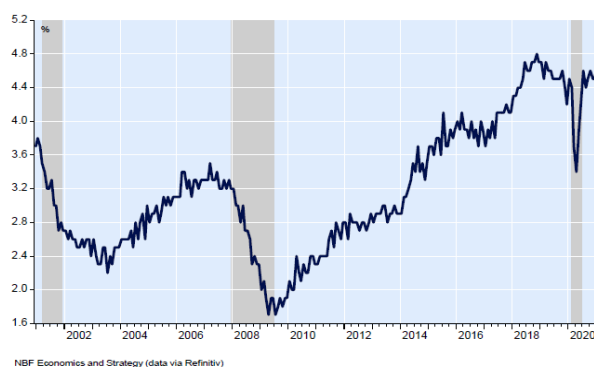
As a result, total trade (exports + imports) in the auto sector fell a steep 8.8% in February, with Statistics Canada expecting further drops going forward. Another sector, too, showed signs of weakness in the month. Exports of metal and non-metallic mineral products declined as gold transfers within the banking sector eased. Alternatively, international shipments of energy products continued to grow, reaching a 14-month high of C\$9.5 billion. However, the gain was due in part to a sharp increase in the price of natural gas when the central United States was hit by an unprecedented cold snap. Exports of crude oil (+6.8%), also, benefited from higher prices and rose for a fifth consecutive month. Aside from boosting some categories of exports, rising commodity prices also translated into improved terms of trade. These sat at their highest level since August 2014. Also worth noting, Canada's trade surplus with its southern neighbour reached its highest level since 2008 in February. The "deep freeze" that struck the Midwest was certainly a factor, but generous fiscal handouts from Washington helped as well. Indeed, rising household income in the United States no doubt contributed to bolster demand for Canadian wares.

Employment jumped 303K in March according to the Labour Force Survey, blowing past consensus expectations calling for a +100K print. Although partially offset by a 5-tick increase in the participation rate (to 65.2%) this massive gain nonetheless translated into a reduction of the unemployment rate, from 8.2% to 7.5%. Job creation in March was driven by all classes of workers, with the public sector (+45.5K), the private sector (+201.3K) and self-employment (+56.4K) all registering gains. Employment in the goods sector advanced 43.2K on gains for resources (+7.0K), construction (+25.7K) and manufacturing (+8.2K). Services-producing industries, for their part, added no less than 260.0K jobs thanks to sharp improvements in the following categories: wholesale/retail trade (+91.8K), educational services (+35.0K), health care/social assistance (+46.8K), information/culture/recreation (+61.5K) and accommodation/food services (+21.4K). Full-time employment was up 175.4K while the ranks of part timers swelled 127.8K. On a 12-months basis, hourly earnings dropped from 4.3% to 2.0% as low-paid workers (+186.4K) flocked back into the workforce. On a regional basis, employment advanced in all the four most populated provinces: Ontario (+182.3K), Quebec (+25.9K), British Columbia (+35.0K) and Alberta (+37.1K).

In February, the goods and services deficit widened US\$3.3 billion to US\$71.1 billion. Overall, trade activity was soft, with goods imports and exports sinking 3.5% (US\$4.8 billion) and 0.9% (US\$2.0 billion), respectively. In the service sector, exports sagged US\$0.2 billion while imports rose US\$0.3 billion. In light of many industry surveys reporting that widespread supply chain issues and bad weather contributed to lengthen supply delivery times, it was to be expected that these factors would weigh on trade activity in February. On the west coast, where the ports of Los Angeles and Long Beach handle more than one-third of U.S. container imports, the logjam was particularly severe, with ships having to wait to reach berths and off-loaded containers sitting at packed freight terminals for long periods of time. The hold-up was exacerbated by staff shortages due to Covid-19. Rail yards, trucks terminal and distribution centres, too, faced similar challenges. In recent press conferences, however, port officials indicated that, while storage space remained packed with containers, bottlenecks were gradually improving. Although transportation constraints were not expected to evaporate quickly, forecasts for stronger global growth suggest that exports will strengthen later this year, provided that vaccine rollout stays on an uptrend, thus contributing to allay uncertainty regarding the pandemic.

The **Job Openings and Labor Turnover Survey (JOLTS)** showed that positions waiting to be filled jumped from 7,099K in January to 7,367 in February, their highest level since January 2019. Based on these figures, the ratio of job offers to unemployed person in the United States was 0.74. Although this was well below the historic high of 1.23 attained before the crisis, it was still far above the low of 0.16 reached at the height of the 2008-2009 recession. On a positive note, the ratio of openings to total employment struck an all-time high in February.

United States: Positive outlook for labour market
Ratio of job openings to total jobs



In February, job gains in health care/social assistance (+233K), accommodation (+104K), and arts/entertainment (+56K) were offset only in part by declines in state/local government education (-117K), educational services (-35K), and information (-34K). The JOLTS report also showed that hires were up from 5,465K in January to 5,738K. There were 5,456K separations reported, 1,775K of which were layoffs or discharges. The quit rate (number of voluntary separations/total employment), for its part, stayed put at 2.3%, one tick shy of its pre-pandemic peak. The rebound in quits since the height of the crisis is encouraging in that it may reflect growing confidence among employees and stiffer competition among employers.

The **Federal Reserve this week** published the minutes of its two-day policy meeting held March 16 and 17. Entering the meeting, the focus was squarely on the Fed's updated Summary of Economic Projections and Dot Plot, as the \$1.9-trillion American Rescue Plan was incorporated in projections for the first time. The new dot plot had two additional dots moving rate hikes into 2023 (for a total of 7) while three more dots moved higher fed funds projections into 2022 (for a total of four). The median dot through 2023 remained at the effective lower bound.

Participants commented on the notable rise in longer-term Treasury yields that occurred over the inter-meeting interval and generally perceived it to reflect three elements: an improved economic outlook, some firming of inflation expectations, and heightened expectations for increased Treasury debt issuance. Disorderly conditions in Treasury markets and a persistent rise in yields that could jeopardize progress toward the Committee's goals were seen as concerning. Participants also noted that it would likely be some time before substantial further progress was made toward the Committee's maximum-employment and price-stability goals and that, consistent with the Committee's outcome-based guidance, asset purchases would continue at least at the current pace until then.

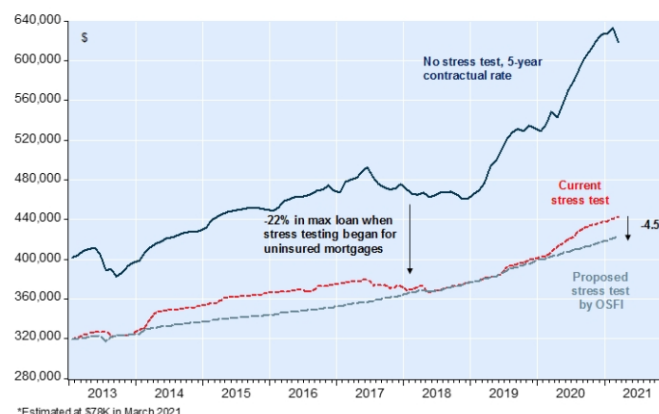
The minutes did not provide a whole lot of colour beyond what was contained in the statement and subsequent press conference. They highlighted encouraging COVID-related developments, namely, the start of the vaccination campaign and the decline in the number of infections, hospitalizations and deaths. However, they also indicated that the pandemic continued to pose considerable risks to the economic outlook, especially with the advent of more dangerous COVID variants. The minutes also underscored that inflation remained below 2% and that output and employment were still well below levels consistent with full employment. Finally, it was reiterated that the economic downturn had a disproportionate impact on some minority communities

Clearly, the FOMC continues to take a very cautious approach in the face of some very positive and encouraging economic data. That said, it is worth pointing out that what we are seeing is a growing acknowledgment of upside risks. The minutes also noted that the FOMC's outcome-based guidance did not need to be recalibrated often as a function of incoming data or the evolving guidance, implying that the committee would not provide fresh guidance on QE anytime soon. However, if the recent rapid pace of job gains continues over the coming months and if other measures of labour market health improve (e.g., participation, minority employment, wage growth), we think that the Fed could tweak its QE guidance as soon as this summer and announce a taper later in the year. While some participants highlighted the risk of a persistent rise in yields that could jeopardize the recovery, we do not consider current rates or rate expectations to be restrictive enough to justify a change in the QE stance. Overall, our biggest takeaway from this meeting (and confirmed by the minutes) is that the Fed will react to observed outcomes rather than to forecasts. In other words, hard data proving that we are well on our way to a broad-based and inclusive recovery will be needed before we get a shift in policy.

CANADA WATCH

An attempt by OSFI to cool the housing market: The Office of the Superintendent of Financial Institutions (OSFI), announced today a proposal with the objective of promoting a resilient financial system. Back in February, we suggested that macroprudential measures would be contemplated given a record high number of markets with prices rising at a double-digit pace and an unprecedented level of vulnerable borrowers with high-debt uninsured mortgages (see report). OSFI has proposed to change the qualifying rate for uninsured (conventional) mortgages in Canada (buyers with a down payment of more than 20%). Today's announcement recommends the new benchmark rate for homebuyers be a minimum of 5.25% or the contractual rate plus 200 basis points, whichever of the two is highest. Given that the current qualifying rate is the 5-year posted rate by banks standing at 4.79%, it would roughly represent a 50 basis points increase. Is that enough to calm the market? As the Hot chart shows, the maximum amount that can be borrowed under the new rule would decrease by 4.5% (from \$442K to \$422K for a median income household). This is quite modest in comparison to the 22% drop caused by the B-20 stress test which was implemented in January 2018 and required homebuyers to qualify at the higher of either the 5-year posted rate or the contractual rate plus 200 basis points. Though the new measure is a step in the right direction for financial stability, we doubt this alone will significantly cool the housing market. In the short term, it could have the opposite effect, creating a rush to close deals before the force date of June 1, 2021.

Canada: An attempt by OSFI to cool the housing market
Maximum loan assuming 39% of median household income* for Gross Debt Service and 25-year amortization



Saskatchewan 2021 Budget:

Fresh protections extend deficit reduction timeline in low-debt Sask

Highlights:

Saskatchewan's 2021 budget bulked up a COVID-19 response effort, with fresh protections, new spending and targeted tax relief making for a larger deficit in 2021-22, despite the first year of economic recovery and a firmer backdrop for commodity prices. Last fiscal year's deficit was smaller than previously telegraphed at ~\$1.9 billion (2.4% of GDP), but the shortfall will grow to \$2.6 billion in 2021-22 (or 3.2% of GDP). Deficit reduction begins in earnest in 2022-23, but the province concedes it will likely take until 2026-27 to get back to balance. That's two years' longer than previously indicated. As elsewhere, the outlook is subject to considerable uncertainty, but at this point, we consider budget planning assumptions for economic growth and key energy prices to be prudent/conservative. Saskatchewan will take on more debt to cover operational shortfalls and to finance a sizeable capital plan (including Crown infrastructure). That means the debt burden will be moving higher, net debt-to-GDP rising from 19% in 2020-21 to a peak level of 26.3% by 2024-25. Granted, debt is starting from a relatively low level here by provincial standards and the interest bite (increasingly a focus) is likewise going to be manageable (in both absolute and relative terms). There's roughly \$4.7 billion of gross borrowing identified for 2021-22, some of which will be steered to short-term markets, leaving \$4.1 billion of term funding to complete. Projected bond issuance is down from the \$4.5 billion completed in 2020-21 and once again looks to be steered mainly to the domestic market (with a somewhat shorter average term than pre-virus). International funding will be considered on an opportunistic basis. All in all, the extra deficits/debt and longer march back to balance could be interpreted as marginally credit negative by credit rating agencies, with Moody's having earlier placed the province's top-notch Aaa rating on 'negative' outlook. The province's other three long-term ratings (from S&P, Fitch and DBRS) range from AA to AA (low) and appear more secure/less at risk, as evidenced by currently 'stable' outlooks. ([full report](#))

Manitoba 2021 Budget:

Two years of pandemic deficits, giving way to modest shortfalls

Highlights:

"Pandemic deficits" in 2020-21 and 2021-22 are the result of sizeable government supports and related revenue weakness. A \$2.08 billion deficit in 2020-21 (2.9% of GDP) might have been a \$157 million surplus were it not for the virus. While the economy and key revenue streams are normalizing, a second year of major COVID outlays (bringing the two-year total to \$3.2 billion) will mean a deficit of roughly \$1.6 billion or 2.1% of GDP in 2021-22 (inclusive of a \$100 million revenue contingency). Again, were it not for the virus, Manitoba feels it could be running a nearly \$200 million surplus this fiscal year. As the virus is slain, extraordinary spending will cease, keying a significant improvement in the deficit come 2022-23 (i.e., a shortfall of \$374 million or just 0.5% of GDP). Some further progress towards balance is expected through 2024-25, although you won't quite find a positive balance at the end of the four-year fiscal outlook. Those same "pandemic deficits", alongside capital spending, are pushing up net debt, which looks to be a snick under 40% of GDP in 2021-22. The debt ratio is meant to recede from there, while the government's interest bite—at just 5.6% of revenue—will remain manageable. Adding in liabilities at Manitoba Hydro, total gross debt is higher here than in any other province. Elevated debt loads are deemed an ongoing challenge and will be a priority action item once the budget is balanced. Manitoba issued a record \$7.7 billion of term debt last fiscal year, riding out stressful market conditions to ultimately find a receptive investor audience (including for its first ever Century Bonds). The province has pre-funded \$771 million towards 2021-22, leaving less than \$5 billion of gross term funding to do this fiscal year. So, this is one province that could be far less active in debt capital markets, with more constrained net supply and a currently stable credit rating outlook generally supportive of Manitoba's relative credit spreads. After drawing down \$215 million from the Fiscal Stabilization Account in 2020-21 to mitigate additional borrowing, \$585 million remains in the province's rainy day fund. ([full report](#))

FOREX – APRIL 2021

Highlights

- The broad index of USD strength rose for a third straight month in March. This latest bout of appreciation came mostly from gains against the currencies of other developed economies. It can probably be attributed to speculators covering bearish positions on the greenback after Washington signalled another fiscal stimulus package, leading market participants to see increased odds of higher U.S. interest rates. In our own outlook, the Fed seems intent on keeping real interest rates negative for a while longer and to this end will not taper its quantitative easing anytime soon. Our scenario remains one of USD depreciation in 2021 as real interest rates are kept negative.
- The Canadian dollar was the best-performing major currency in Q1. Stronger-than-expected GDP growth, high commodity prices and an ebullient housing market supported by record employment in high-paying industries set the stage for more QE tapering by the Bank of Canada as early as this month. We remain comfortable with our target of C\$1.20 to the USD in the second half of this year. [\(Full report\)](#)

NBF Currency Outlook

Currency		Current	Forward Estimates				PPP ⁽¹⁾
		March 31, 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	
Canadian Dollar	(USD / CAD)	1.26	1.24	1.22	1.20	1.19	1.19
United States Dollar	(CAD / USD)	0.80	0.81	0.82	0.83	0.84	-
Euro	(EUR / USD)	1.18	1.19	1.23	1.23	1.22	1.42
Japanese Yen	(USD / JPY)	111	112	109	108	107	102
Australian Dollar	(AUD / USD)	0.76	0.77	0.78	0.77	0.78	0.69
Pound Sterling	(GBP / USD)	1.38	1.36	1.38	1.40	1.41	1.47
Chinese Yuan	(USD / CNY)	6.56	6.45	6.35	6.20	6.00	4.2
Mexican Peso	(USD / MXN)	20.5	21.0	19.5	18.5	18.0	9.3
Broad United States Dollar ⁽³⁾		114.2	113.9	110.4	108.4	107.0	-

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	Forward Estimates			
		March 31, 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022
Euro	(EUR / CAD)	1.48	1.48	1.50	1.48	1.45
Japanese Yen	(CAD / JPY)	88	90	89	90	90
Australian Dollar	(AUD / CAD)	0.96	0.95	0.95	0.92	0.93
Pound Sterling	(GBP / CAD)	1.73	1.69	1.68	1.68	1.68
Chinese Yuan	(CAD / CNY)	5.22	5.20	5.20	5.17	5.04
Mexican Peso	(CAD / MXN)	16.3	16.9	16.0	15.4	15.1

Source: NBF Economics and Strategy

Fixed Income — April 2021

- We see markets continue to walk a path towards higher yields and (modestly) steeper curves this spring, punctuated by brief periods of consolidation. Policy maker caution is understandable in the face of an unprecedented health event, but to us, the recovery remains very real, making inflation less of a transitory (mechanical) threat, and arguing for the removal of extreme monetary accommodation. When (not if) central bankers concede the fact, the flattener will be in full effect... that could well be the story come summer.
- Momentum towards earlier rate hikes is very clearly building within the FOMC. The number of participants expecting a higher Fed funds in 2023 rose from one in September to five in December and to seven in March. Moreover, there are now four (out of eighteen) that have signalled a higher fed funds rate by the end of 2022 (there was just one in December). That momentum should continue at the June meeting, particularly if, as we expect, the rapid pace of job recovery continues over the coming months.
- For the BoC, the firmer economic environment has shifted market expectations to fully anticipate a QE taper at the April meeting from \$4 billion per week to \$3 billion per week. In a speech last month, Deputy Governor Toni Gravelle said nothing to derail those expectations. Rather, he all but confirmed that the Bank of Canada planned to step down its bond purchases near term. And consistent with the Bank's earlier taper announcement in October, we think they will modestly move remaining purchases out the curve (on a relative basis).
- With a BoC QE stepdown seemingly a lock, the biggest wildcard looks to be the Bank's forward guidance on the policy rate. While earlier projections saw the output gap closing in 2023 (and thus, creating scope for rate hikes), the firmer backdrop should result in the BoC projecting economic slack being absorbed in 2022. This begs the question: Will the Bank structurally change its forward guidance to push back against 2022 rate hike expectations? Or will they leave their framework intact, simply updating it with earlier (i.e. 2022) date-based guidance? For the sake of maximum flexibility, we'd lead towards the former. ([Full report](#))

Forecast dated April 7, 2021

United States						
Quarters	Fed Fund	3 Mth Bill	2YR	5YR	10YR	30YR
04/07/21	0.25	0.02	0.15	0.87	1.67	2.34
Q2	0.25	0.05	0.25	1.00	1.80	2.45
Q3	0.25	0.05	0.30	1.10	1.90	2.50
Q4	0.25	0.10	0.40	1.20	2.00	2.55
Q1/22	0.25	0.10	0.45	1.35	2.05	2.60
Q2	0.25	0.15	0.60	1.45	2.15	2.65
Q3	0.25	0.15	0.80	1.55	2.25	2.70
Q4	0.25	0.15	0.95	1.65	2.30	2.75
Q1/23	0.50	0.45	1.15	1.80	2.40	2.80
Q2	0.75	0.70	1.30	1.90	2.45	2.80

Canada						
Quarters	Overnight	3 Mth Bill	2YR	5YR	10YR	30YR
04/07/21	0.25	0.09	0.23	0.95	1.50	1.94
Q2	0.25	0.10	0.30	1.00	1.60	2.00
Q3	0.25	0.15	0.35	1.05	1.65	2.05
Q4	0.25	0.15	0.45	1.10	1.75	2.10
Q1/22	0.25	0.20	0.60	1.20	1.85	2.15
Q2	0.25	0.20	0.70	1.35	1.95	2.20
Q3	0.25	0.20	0.80	1.45	2.05	2.25
Q4	0.25	0.30	0.95	1.55	2.10	2.30
Q1/23	0.50	0.55	1.10	1.70	2.15	2.35
Q2	0.75	0.75	1.25	1.75	2.20	2.40

Source: NBF ECONOMIC AND STRATEGY GROUP.

IN THE NEWS



U.S. and Canadian News



Monday April 5th, 2021

- [U.S. services sector gauge scales record high; cost pressures mounting](#)
The ISM's non-manufacturing activity index rebounded to a reading of 63.7 last month also due to warmer weather. That was the highest in the survey's history and followed 55.3 in February. Economists had forecast the index rising to 59.0 in March.
- [U.S. factory orders decline in February](#)
The Commerce Department said factory orders dropped 0.8% after surging 2.7% in January. Economists had forecast factory orders slipping 0.5% in February. Orders increased 1.0% on a year-on-year basis.
- [Metro Vancouver home sales hit all-time record in March](#)
Residential home sales totaled 5,708 in March, up by more than 53 per cent from February and 126 per cent from March 2020. That's the highest-ever monthly sales total recorded in the region stretching from B.C.'s Lower Mainland to Whistler and the Sunshine Coast. Sales were up more than 72 per cent above the 10-year March average.
- [Transat shares sink after deal with Air Canada breaks down](#)
Transat AT shares plunged as much as 22.6 per cent in the first day of trading after Air Canada pulled the plug on its takeover of the Montreal-based tour operator over Europe's unwillingness to approve the deal.

Tuesday April 6th, 2021

- [U.S. job openings increase solidly in February](#)
Job openings, increased 268,000 to 7.4 million on the last day of February, the Labor Department said in its monthly Job Openings and Labor Turnover Survey, or JOLTS report. Hiring rose to 273,000 to 5.7 million. Economists had forecast job openings rising to 6.995 million in February.
- [IMF sees U.S. equity market rally continuing despite stretched valuations](#)
U.S. equity markets will continue booming in the short to medium term on strong economic growth and easy monetary conditions despite already stretched valuations according to the International Monetary Fund's (IMF) annual financial stability report.
- [Toronto home sales double in March, average price hits \\$1.1M](#)
There were 15,652 property sales across the Greater Toronto Area (GTA) last month, representing a 97 per cent jump from the same month a year earlier. The average selling price in March climbed 21.6 per cent year-over-year to \$1,097,565 amid a relative dearth of inventory as active listings slumped 0.7 per cent.

Wednesday April 7th, 2021

- [U.S. trade deficit hits record high as economy gains speed](#)
The trade deficit jumped 4.8% to a record \$71.1 billion in February. Economists had forecast a \$70.5 billion deficit. The goods trade gap was also the highest on record.
- [Biden tax plan replaces fossil fuel subsidies with incentives for clean energy](#)
The proposal is part of wider plan on taxes that includes boosting the corporate income tax rate from 21% to 28% to help pay for Biden's more than \$2 trillion infrastructure package.
- [U.S. still far from Fed's goals, with support needed 'for some time': minutes](#)
With their own forecasts projecting the strongest run of economic growth in nearly 40 years, "participants agreed that the economy remained far from the (Fed's) longer-run goals and that the path ahead remained highly uncertain," the Fed's minutes stated.
- [Canada trade surplus narrows as semiconductor chip shortage hits imports, exports](#)
Canada's trade surplus with the world narrowed in February to \$1.04 billion as a global shortage of semiconductor chips hit both imports and exports, Statistics Canada said. Analysts had predicted a surplus of \$1.00 billion after a revised \$1.21 billion surplus in January.

Thursday April 8th, 2021

- [U.S. weekly jobless claims unexpectedly rise](#)
Initial claims for state unemployment benefits totaled a seasonally adjusted 744,000 for the week ended April 3 compared to 728,000 in the prior week. Economists had forecast 680,000 applications in the latest week.
- [Fed's Powell warns on COVID, sees inflation unlikely](#)
Federal Reserve Chair Jerome Powell on Thursday signaled the central bank is nowhere near to reducing its support for the U.S. economy, noting that an expected rise in prices this year is likely to be temporary, and warning that an uptick in COVID-19 cases could slow the recovery..
- [OSFI proposes tougher mortgage stress test for uninsured borrowers](#)
The Office of the Superintendent of Financial Institutions (OSFI) launched a new consultation on its B-20 stress test. Under the proposal tabled, the minimum qualifying rate for uninsured mortgages would be the contract rate plus two percentage points or 5.25 per cent, whichever is higher.

Friday April 9th, 2021

- [U.S. producer inflation firms in March as prices increase broadly](#)
The producer price index for final demand jumped 1.0% last month after increasing 0.5% in February. In the 12 months through March, the PPI surged 4.2%. Economists had forecast the PPI increasing 0.5% in March and jumping 3.8% year-on-year.
- [Canada's recovery kicks into higher gear, adds 303,000 jobs](#)
The economy added 303,100 jobs in March. That's triple what economists were anticipating and follows a gain of 259,200 in February. The unemployment rate fell to 7.5 per cent, the lowest since the pandemic hit, from 8.2 per cent in February.

IN THE NEWS



International News

Monday April 5th, 2021

- [Indian shares tumble as virus worries return](#)

Total cases of COVID-19 in India jumped by more than 100,000 to surpass 12.5 million on Monday. Maharashtra state, home to the financial capital of Mumbai, imposed stringent curbs including a complete lockdown on weekends.

Tuesday April 6th, 2021

- [China's services sector recovery accelerates in March: Caixin PMI](#)

The Caixin/Markit services Purchasing Managers' Index (PMI) rose to 54.3, the highest since December, from 51.5 in February, well above the 50-mark that separates growth from contraction on a monthly basis.

- [Brazil PMIs show economic activity battered by pandemic in March - IHS Markit](#)

The headline Brazil services PMI fell to 44.1 in March from 47.1 in February, the fastest contraction since July, while the composite PMI including manufacturing fell to 45.1 from 49.6, the lowest since June.

- [UK car sales down by 12% in 2021 so far, grow in March](#)

British new car registrations fell by 12% in the first three months of 2021 compared with the same period a year earlier. Registrations in March alone totalled 283,964, an increase of 11.5% as the annual comparisons began to reflect the onset of the crisis last year.

- [Euro zone investor morale rises in April to highest since Aug 2018](#)

Sentix's index for the euro zone climbed to 13.1 from 5.0 in March. A Reuters poll had pointed to a reading of 7.5.

- [Japan's soft household spending, wages signal prolonged COVID-19 economic strains](#)

Household spending dropped 6.6% in February from a year earlier, after a 6.1% decline in January and compared with a median market forecast for a 5.3% fall. On the plus side, the month-on-month figures showed spending up 2.4%, rebounding from a 7.3% fall in January but lagged a forecast of a 2.8% gain.

Wednesday April 7th, 2021

- [Euro zone business activity expanded in March despite lockdowns](#)

IHS Markit's Services Purchasing Managers' Index (PMI) rose to 49.6 in March from February's 45.7, much higher than a flash estimate of 48.8. A composite PMI, combining manufacturing and services and seen as a good gauge of economic health, rose to 53.2 from 48.8, above the 52.5 preliminary estimate.

- [Japan's regulators to check high-risk trades after Archegos](#)

The Financial Services Agency (FSA) and the Bank of Japan (BOJ) will scrutinise how financial institutions that incurred losses had been managing transaction risks.

- [Indian shares rise 1% after central bank keeps rates steady](#)

Indian shares and bonds rose after central bank kept interest rates at record lows to support the economy on the back of a record surge in COVID-19 cases, and announced a secondary market government security purchase programme.

- [Japan's Toshiba considers \\$20 billion take-private deal](#)

Toshiba Corp is considering a \$20 billion offer from private equity firm CVC Capital Partners to take it private as the Japanese industrial conglomerate faces pressure from activist shareholders to improve governance.

Thursday April 8th, 2021

- [UK card spending rises to highest since Christmas](#)

British households' spending on credit and debit cards rose strongly to 88% of its pre-pandemic average in the week to April 1, its highest since the week before Christmas.

- [Strong domestic demand propels German industrial orders](#)

Orders for industrial goods increased by 1.2% on the month in seasonally adjusted terms, in line with forecast. Excluding major contracts, such as orders for planes, bookings for industrial goods even rose by 1.5% on the month.

- [IMF sees uncertainty around Argentina's economic policies](#)

There is still a lot of uncertainty about Argentina's economic policy path to make the country's debt sustainable, an official at the International Monetary Fund said.

Friday April 9th, 2021

- [IMF, World Bank urged to aid middle-income country debt distress](#)

The International Monetary Fund and World Bank should do more to help address the growing debt challenges of middle-income countries and identify the "root causes of excessive and unsustainable debt," the institutions' Development Committee said.

- [Spain cuts 2021 growth forecast to 6.5% after first-quarter contraction](#)

The government now expects gross domestic product to grow 6.5% in 2021, down from a previous estimated range of 7.2%-9.8%.

- [German exports rise in February, lifted by China trade](#)

Seasonally adjusted exports increased by 0.9% on the month after an upwardly revised rise of 1.6% in January. Imports rose 3.6% after falling 3.5% in the prior month. A Reuters poll had pointed to a 1.0% increase in exports and a 2.4% rise in imports. The trade surplus shrank to 19.1 billion euros. On the year, exports to China increased by 25.7%. Separate data showed industrial output in February fell by 1.6%. A Reuters poll had pointed to a rise of 1.5%.

- [China factory gate prices rise by most in nearly 3 years as economic recovery quickens](#)

China's producer price index (PPI) rose 4.4% in annual terms, far above a 3.5% rise forecast in a Reuters poll and up sharply from a 1.7% increase in February.

- [Taiwan's March exports power ahead, outlook strong into Q2](#)

Exports rose 27.1% from a year earlier to \$35.89 billion in March, the highest monthly figure on record. Analysts had forecast a rise of 17.4% for March.

WEEKLY PERFORMERS – S&P/TSX

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Ivanhoe Mines Ltd	\$7.70	\$0.85	12.41%
Turquoise Hill Resources Ltd	\$23.47	\$2.56	12.24%
Lightspeed POS Inc	\$90.53	\$9.71	12.01%
Canfor Corp	\$30.26	\$3.16	11.66%
First Quantum Minerals Ltd	\$27.81	\$2.84	11.37%
Real Matters Inc	\$16.09	\$1.60	11.04%
OceanaGold Corp	\$2.12	\$0.20	10.42%
Interfor Corp	\$32.08	\$2.91	9.98%
Wesdome Gold Mines Ltd	\$9.55	\$0.86	9.90%
Dye & Durham Ltd	\$44.72	\$3.96	9.72%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
AcuityAds Holdings Inc	\$13.85	-\$3.54	-20.36%
OrganiGram Holdings Inc	\$3.82	-\$0.50	-11.57%
Aphria Inc	\$20.36	-\$2.39	-10.51%
Cascades Inc	\$14.42	-\$1.66	-10.32%
Crescent Point Energy Corp	\$4.92	-\$0.54	-9.89%
Canopy Growth Corp	\$36.29	-\$3.91	-9.73%
Vermilion Energy Inc	\$8.69	-\$0.78	-8.24%
Village Farms International Inc	\$16.02	-\$1.31	-7.56%
Westport Fuel Systems Inc	\$8.36	-\$0.64	-7.11%
Lithium Americas Corp	\$18.64	-\$1.29	-6.47%

Source: Refinitiv

WEEKLY PERFORMERS – S&P500

S&P500: LEADERS	LAST	CHANGE	%CHG
Twitter Inc	\$71.19	\$7.36	11.53%
Norwegian Cruise Line Holdings Ltd	\$30.54	\$2.82	10.17%
IPG Photonics Corp	\$238.71	\$20.91	9.60%
Tapestry Inc	\$44.93	\$3.90	9.51%
PVH Corp	\$110.50	\$9.52	9.43%
Carnival Corp	\$29.30	\$2.44	9.08%
Align Technology Inc	\$592.56	\$47.51	8.72%
Gap Inc	\$32.44	\$2.49	8.31%
Caesars Entertainment Inc	\$96.33	\$7.39	8.31%
Apple Inc	\$133.00	\$10.00	8.13%

S&P500: LAGGARDS	LAST	CHANGE	%CHG
Pioneer Natural Resources Co	\$147.19	-\$17.41	-10.58%
Occidental Petroleum Corp	\$24.59	-\$2.79	-10.19%
Cabot Oil & Gas Corp	\$17.38	-\$1.71	-8.96%
APA Corp (US)	\$17.26	-\$1.59	-8.44%
Diamondback Energy Inc	\$74.80	-\$6.42	-7.90%
Nov Inc	\$13.09	-\$1.10	-7.75%
HollyFrontier Corp	\$35.17	-\$2.85	-7.50%
Marathon Oil Corp	\$10.91	-\$0.88	-7.46%
Baker Hughes Co	\$20.11	-\$1.62	-7.46%
Enphase Energy Inc	\$151.35	-\$11.34	-6.97%

Source: Refinitiv

NBF RATINGS & TARGET PRICE CHANGES

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
Air Canada	AC	Sector Perform	Outperform	C\$31.00	C\$26.00
Alamos Gold Inc.	AGI	Outperform	Outperform	C\$13.25	C\$14.50
Artemis Gold Inc.	ARTG	Outperform	Outperform	C\$9.75	C\$10.00
Aya Gold & Silver Inc.	AYA	Outperform	Outperform	C\$7.25	C\$7.50
B2Gold Corp.	BTO	Outperform	Outperform	C\$9.50	C\$10.25
BTB REIT	BTB.un	Restricted		Restricted	
Capstone Mining Corp.	CS	Outperform	Outperform	C\$5.65	C\$4.50
Centerra Gold Inc.	CG	Outperform	Outperform	C\$17.50	C\$20.00
Chorus Aviation Inc.	CHR	Sector Perform	Restricted	C\$4.85	Restricted
Cogeco Communications Inc.	CCA	Outperform	Outperform	C\$130.00	C\$126.00
Copper Mountain Mining Corporation	CMMC	Outperform	Outperform	C\$4.50	C\$3.25
Dundee Precious Metals Inc.	DPM	Outperform	Outperform	C\$12.25	C\$14.00
Eldorado Gold Corp.	ELD	Outperform	Outperform	C\$19.00	C\$20.50
Endeavour Mining Corporation	EDV	Outperform	Outperform	C\$53.00	C\$58.00
Enerplus Corporation	ERF	Outperform	Outperform	C\$10.00	C\$9.50
Equinox Gold Corp.	EQX	Outperform	Sector Perform	C\$15.50	C\$16.00
Ero Copper Corp.	ERO	Sector Perform	Sector Perform	C\$26.00	C\$24.00
Exchange Income Corporation	EIF	Restricted		Restricted	
EXFO Inc.	EXF	Sector Perform	Sector Perform	US\$4.50	US\$3.50
Filo Mining Corp.	FIL	Outperform	Outperform	C\$4.50	C\$3.50
First Majestic Silver Corp.	FR	Sector Perform	Sector Perform	C\$20.00	C\$21.50
First Quantum Minerals Ltd.	FM	Outperform	Outperform	C\$32.00	C\$29.00
Fortuna Silver Mines Inc.	FVI	Sector Perform	Sector Perform	C\$10.75	C\$13.50
Franco-Nevada Corporation	FNV	Sector Perform	Sector Perform	C\$185.00	C\$205.00
Golden Star Resources Ltd.	GSC	Outperform	Outperform	C\$6.50	C\$8.00
Hudbay Minerals Inc.	HBM	Sector Perform	Sector Perform	C\$12.50	C\$11.50
IAMGOLD Corporation	IMG	Outperform	Outperform	C\$5.50	C\$6.50
K92 Mining Inc.	KNT	Outperform	Outperform	C\$11.25	C\$12.25
Lundin Mining Corporation	LUN	Sector Perform	Sector Perform	C\$16.25	C\$15.50
MAG Silver Corp.	MAG	Outperform	Outperform	C\$27.00	C\$35.00
Marathon Gold Corporation	MOZ	Outperform	Outperform	C\$3.25	C\$3.50
Maverix Metals Inc	MMX	Sector Perform	Sector Perform	C\$7.50	C\$8.00
MTY Food Group Inc.	MTY	Sector Perform	Sector Perform	C\$55.00	C\$52.00
Mullen Group Ltd.	MTL	Outperform	Outperform	C\$14.50	C\$13.75
New Gold Inc.	NGD	Outperform	Outperform	C\$3.25	C\$4.00
Nexa Resources S.A.	NEXA	Sector Perform	Sector Perform	C\$15.50	C\$15.00
O3 Mining Inc.	OIII	Outperform	Outperform	C\$4.00	C\$4.75
OceanaGold Corporation	OGC	Outperform	Outperform	C\$3.25	C\$3.50
Osisko Development Corp.	ODV	Outperform	Outperform	C\$10.00	C\$11.00
Osisko Gold Royalties Ltd.	OR	Outperform	Outperform	C\$20.00	C\$23.00
Osisko Mining Inc.	OSK	Outperform	Outperform	C\$5.00	C\$6.25
Pan American Silver Corp.	PAAS	Sector Perform	Sector Perform	C\$50.00	C\$55.00
Pinnacle Renewable Energy Inc.	PL		Sector Perform		C\$11.30
Pretium Resources Inc.	PVG	Sector Perform	Sector Perform	C\$16.00	C\$17.00
Richelieu Hardware Ltd.	RCH	Sector Perform	Sector Perform	C\$43.50	C\$37.50
Roots Corporation	ROOT	Sector Perform	Sector Perform	C\$5.00	C\$3.00
Royal Gold Inc.	RGLD	Sector Perform	Sector Perform	US\$145.00	US\$150.00
Sabina Gold & Silver Corp.	SBB	Outperform	Outperform	C\$3.75	C\$4.00

The Week at a Glance

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
Sandstorm Gold Ltd.	SSL	Outperform	Outperform	C\$12.00	C\$13.50
Seven Generations Energy Ltd.	VII		Tender		C\$14.00
Sherritt International Corporation	S	Sector Perform	Sector Perform	C\$0.65	C\$0.60
SilverCrest Metals Inc.	SIL	Outperform	Outperform	C\$14.00	C\$17.25
SSR Mining Inc.	SSRM	Outperform	Outperform	C\$34.00	C\$39.00
Taseko Mines Limited	TKO	Sector Perform	Sector Perform	C\$3.00	C\$2.65
Transat A.T. Inc.	TRZ	Underperform	Restricted	C\$3.90	Restricted
Trilogy Metals Inc.	TMQ	Outperform	Outperform	C\$4.25	C\$4.00
Uni-Select Inc.	UNS	Outperform	Sector Perform	C\$14.00	C\$10.00
Wesdome Gold Mines Ltd.	WDO	Outperform	Outperform	C\$12.00	C\$15.00
Wheaton Precious Metals Corp.	WPM	Outperform	Outperform	C\$72.50	C\$85.00
Whitecap Resources Inc.	WCP	Outperform	Outperform	C\$8.50	C\$8.00
Yamana Gold Inc.	YRI	Sector Perform	Sector Perform	C\$7.00	C\$7.50

STRATEGIC LIST - WEEKLY UPDATE

(April 5th – April 9th)

No Changes this Week:

Comments:

Energy (Market Weight)

Tourmaline Oil Corp. (TOU)

NBF: Overall, the macro backdrop supports NBF thesis for a much more stable and investable natural gas price complex, with the benchmark & basis pricing at significantly economic levels with little seasonal volatility, which should support significant value in the gas peers. In NBF's view the gas peers offer significant value through a +50% margin profile while trading in the 3.5x 2022E EV/DACF range, and confidence in their investability (as opposed to tradability) and associated multiple expansion should be supported as the market proves its resilience. NBF continues to advocate for high-graded exposure within the group, in the likes of TOU and ARX, while thematic & opportunistic value can be found in the likes of AAV (option-value to energy transition), BIR (massive FCF), KEL (outsized growth) and SDE (option-value to consolidation). NBF rates Tourmaline Outperform with a C\$37.50 target price.

Materials (Overweight)

Base Metals

NBF: NBF updated its near-term metal price assumptions in line with spot for the remainder of 2021 and 2022, trending to its long-term fundamental price assumptions (unchanged) by 2025. The most notable increase was 2021/2022 copper prices to US\$4.00/lb (from US\$3.55/lb previously). Overall, base metal commodity prices continue to reflect high speculative interest based on a positive longer-term outlook given increased copper-intensive green energy technologies, a continued reopening of the economy and as a general hedge against inflation - a view largely in line with our long-term fundamental thesis. Given there remains some uncertainty as to the extent countries can contain new waves of infection in the near term until successful vaccines are rolled out, fiscal and monetary support measures will be imperative to maintaining economic recovery and prices will remain volatile in the near term. Equity valuations remain in line with historical ranges despite the strong copper price outlook and current low interest rate environment. NBF's base metal coverage is currently implying a copper price of US\$3.03/lb (producers: US\$3.28/lb, developers: US\$2.55/lb) compared to US\$2.81/lb at the start of the year, while copper prices have rallied from US\$3.60/lb to US\$4.10/lb over the same period.

Teck Resources Ltd. (TECK.b)

NBF: In addition to revised commodity price assumptions, NBF made additional revisions to its estimates for Teck Resources. NBF accounted for slightly higher costs in Q1/21 in the coal division, included the \$60 mln settlement payment for the Fisheries Act in Q2/21 and given inefficiencies continued at Fort Hills, allowed for lower production/elevated costs throughout Q1/21 – these changes accounted for 70% of the reduction in NAV with commodity price assumptions (specifically lower coking coal assumptions in 2021 partially offset by higher copper prices) accounting for the remaining impact. NBF revised its 2021e/2022e EBITDA to C\$3,933M/C\$4,561M from C\$4,391M/C\$4,376M. NBF revised its 2021e/2022e EPS to C\$2.70/C\$3.50 from C\$3.36/\$3.27. NBF revised its 2021e/2022e CFPS to C\$5.91/C\$6.83 from C\$.69/C\$6.52. NBF maintained its Outperform rating and C\$30.00 target price on Teck Resources. The target price is based on a revised 1.0x NAV (50%); 7.0x EV/2021 CF (25%); 7.0x EV/2022 CF (25%) (Was 1.00x NAV (50%); 6.5x EV/2021 CF (25%); 6.5x EV/2022 CF (25%))

Precious Metals

NBF: NBF updated estimates across its coverage universe following the conclusion of the 4Q20 reporting season. It also adjusted its models for information from conference calls, discussions with management, guidance and project updates, as well as several technical reports. NBF reset its price deck for all metals and FX rates, using the closing price for gold and silver as of April 5, 2021 for 2Q21-4Q22 (US\$1,735/oz for gold and US\$25.00/oz for silver) and loading in actual 1Q21 prices and FX rates. NBF has also adopted the base metal price deck changes of its Base Metals team. NBF's prior 2021 and 2022 gold and silver prices were US\$1,935/oz and US\$27.00/oz respectively, which were set in early January based

on spot prices at the time. NBF made no changes to its long-term (LT) gold and silver prices of US\$1,475/oz and US\$19.00/oz, respectively, which continue to start in 2025. NBF's Economics & Strategy team is currently forecasting the CAD to strengthen to 1.20 by year-end 2021 from the current spot of 1.26. For many in NBF's coverage universe, 4Q20 was defined by a continuation of returning to normalized levels of production and spending after 1H20 challenges related to COVID. Guidance updates are generally all calling for a lower production first half in 2021, with continued capital spending catch-up, which results in expectations of higher AISC in 1H21 vs. 2H21. Overall, this results in a heavier weighting of FCF in the second half. Reserve and resource updates also reflected the challenges related to COVID, with many companies reporting a drop in reserves Y/Y due to delays in exploration programs. NBF's analysis shows that generally its coverage universe is set to generate strong FCF in 2021, assuming current spot prices. On a consolidated basis, NBF's coverage universe could generate US\$7.1 billion in after-tax FCF (after dividends) and return about US\$4.9 billion in capital through dividends in 2021, a rise of 107% Y/Y.

Agnico Eagle Mines Ltd. (AEM)

NBF: NBF maintained its Outperform rating and lowered its target price to C\$98.00 from C\$109.00. The revised target price is based on 11.00x EV/EBITDA NTM (100%) (Was 9.75x EV/EBITDA NTM (100%)).

SSR Mining Inc. (SSRM)

NBF: 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\$237 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 6.9%, 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 Çöpler 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 four- to five-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. NBF maintained its Outperform rating and lowered its target price to C\$34.00 from C\$39.00. The revised target price is based on 7.50x EV/EBITDA NTM (100%) (Unchanged).

NBF STRATEGIC LIST

Company	Symbol	Addition Date	Addition Price	Last Price	Yield (%)	Beta	% SPTSX	NBF Sector Weight
Communication Services							4.8	Market Weight
Quebecor Inc.	QBRb.TO	29-Nov-18	\$ 28.70	\$ 34.58	3.2	0.5		
Rogers Communications Inc.	RCIb.TO	13-Feb-20	\$ 65.84	\$ 60.47	3.3	0.5		
Consumer Discretionary							4.0	Market Weight
Canadian Tire Corp.	CTCa.TO	04-Oct-18	\$ 151.25	\$ 183.45	2.5	1.3		
Dollarama Inc.	DOL.TO	19-Mar-20	\$ 38.96	\$ 56.63	0.4	0.6		
Consumer Staples							3.6	Market Weight
Alimentation Couche-Tard Inc.	ATDb.TO	26-Jan-17	\$ 30.09	\$ 41.37	0.8	0.7		
Loblaw Companies Ltd.	L.TO	25-Mar-21	\$ 68.50	\$ 70.20	1.9	0.3		
Energy							12.8	Market Weight
Cenovus Energy Inc.	CVE.TO	16-Jan-20	\$ 12.26	\$ 9.51	0.7	2.5		
Enbridge Inc.	ENB.TO	21-Jan-15	\$ 59.87	\$ 46.22	7.2	0.9		
Tourmaline Oil Corp.	TOU.TO	13-Aug-20	\$ 16.68	\$ 23.92	2.6	1.4		
Financials							31.6	Overweight
Bank of Montreal	BMO.TO	25-Mar-21	\$ 112.23	\$ 114.89	3.7	1.1		
Element Fleet Management Corp	EFN.TO	02-Apr-20	\$ 8.58	\$ 14.17	1.8	1.3		
Fairfax Financial Holdings Ltd.	FFH.TO	20-Dec-18	\$ 585.81	\$ 570.42	2.3	0.9		
Intact Financial Corp.	IFC.TO	11-Jun-20	\$ 130.04	\$ 158.96	2.1	0.8		
Royal Bank of Canada	RY.TO	19-Jun-13	\$ 60.69	\$ 117.11	3.7	0.9		
Sun Life Financial	SLF.TO	10-Dec-20	\$ 57.07	\$ 64.36	3.4	1.4		
Health Care							1.5	Market Weight
Industrials							12.3	Market Weight
Morneau Shepell Inc.	MSI.TO	26-Sep-19	\$ 32.72	\$ 32.33	2.4	0.7		
Toromont Industries Ltd	TIH.TO	05-Dec-19	\$ 67.24	\$ 97.64	1.6	0.7		
WSP Global Inc.	WSP.TO	10-Sep-20	\$ 88.54	\$ 124.54	1.2	1.0		
Information Technology							9.5	Underweight
Kinaxis Inc.	KXS.TO	19-Mar-20	\$ 100.05	\$ 154.97	0.0	0.7		
Open Text Corp.	OTEX.TO	26-Oct-16	\$ 41.61	\$ 61.87	1.6	0.9		
Materials							12.1	Overweight
Agnico Eagle Resources Ltd.	AEM.TO	17-Dec-14	\$ 27.00	\$ 76.13	2.3	0.4		
SSR Mining Inc.	SSRM.TO	30-Jan-20	\$ 23.81	\$ 19.64	1.3	0.6		
Teck Resources Ltd.	TECKb.TO	01-Nov-17	\$ 27.15	\$ 24.82	0.8	1.1		
REITs							3.2	Underweight
Canadian Apartment Properties REIT	CAR_u.TO	10-Dec-20	\$ 49.82	\$ 56.16	2.5	0.7		
RioCan REIT	REI_u.TO	23-Aug-18	\$ 19.95	\$ 20.19	4.8	1.2		
Utilities							4.7	Underweight
Capital Power Corp.	CPX.TO	22-Aug-19	\$ 30.90	\$ 37.78	5.4	1.2		
Innergex Renewable Energy Inc.	INE.TO	22-Aug-19	\$ 15.00	\$ 22.48	3.2	0.8		

Source: Refinitiv (Priced April 9, 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

THE ECONOMIC CALENDAR

(April 12th – April 16th)

U.S. Indicators

<u>Date</u>	<u>Time</u>	<u>Release</u>	<u>Period</u>	<u>Previous</u>	<u>Consensus</u>	<u>Unit</u>
12-Apr	14:00	Federal Budget,\$	Mar	-311.00B		USD
13-Apr	06:00	NFIB Business Optimism Idx	Mar	95.80		Index
13-Apr	08:30	Core CPI MM, SA	Mar	0.1%	0.2%	Percent
13-Apr	08:30	Core CPI YY, NSA	Mar	1.3%	1.5%	Percent
13-Apr	08:30	CPI MM, SA	Mar	0.4%	0.5%	Percent
13-Apr	08:30	CPI YY, NSA	Mar	1.7%	2.4%	Percent
14-Apr	08:30	Import Prices MM	Mar	1.3%	1.0%	Percent
14-Apr	08:30	Export Prices MM	Mar	1.6%	1.0%	Percent
14-Apr	08:30	Import Prices YY	Mar	3.0%		Percent
14-Apr	10:30	EIA Wkly Crude Stk	5 Apr, w/e			Barrel
15-Apr	08:30	NY Fed Manufacturing	Apr	17.40	16.25	Index
15-Apr	08:30	Initial Jobless Clm	5 Apr, w/e			Person
15-Apr	08:30	Jobless Clm 4Wk Avg	5 Apr, w/e			Person
15-Apr	08:30	Cont Jobless Clm	29 Mar, w/e			Person
15-Apr	08:30	Philly Fed Business Indx	Apr	51.8	41.3	Index
15-Apr	08:30	Retail Sales MM	Mar	-3.0%	4.7%	Percent
15-Apr	08:30	Retail Sales Ex-Autos MM	Mar	-2.7%	3.0%	Percent
15-Apr	08:30	Retail Sales YoY	Mar	6.48%		Percent
15-Apr	09:15	Industrial Production MM	Mar	-2.2%	1.6%	Percent
15-Apr	09:15	Capacity Utilization SA	Mar	73.8%	75.4%	Percent
15-Apr	09:15	Industrial Production YoY	Mar	-4.25%		Percent
15-Apr	10:00	Business Inventories MM	Feb	0.3%	0.4%	Percent
15-Apr	10:00	Retail Inventories Ex-Auto Rev	Feb	1.2%		Percent
15-Apr	10:00	NAHB Housing Market Indx	Apr	82	84	Index
15-Apr	10:30	EIA-Nat Gas Chg Bcf	5 Apr, w/e			Cubic foot
15-Apr	16:00	Overall Net Capital Flows	Feb	106.3B		USD
16-Apr	08:30	Building Permits: Number	Mar	1.720M	1.750M	Number of
16-Apr	08:30	Build Permits: Change MM	Mar	-8.8%		Percent
16-Apr	08:30	Housing Starts Number	Mar	1.421M	1.613M	Number of
16-Apr	08:30	House Starts MM: Change	Mar	-10.3%		Percent
16-Apr	10:00	U Mich Sentiment Prelim	Apr	84.9	88.6	Index

Canadian Indicators

<u>Date</u>	<u>Time</u>	<u>Release</u>	<u>Period</u>	<u>Previous</u>	<u>Consensus</u>	<u>Unit</u>
12-Apr	06:00	Leading Index MM	Mar	0.14%		Percent
12-Apr	10:30	Business Outlook Future Sales	Q1	48%		Percent
15-Apr	08:30	Manufacturing Sales MM	Feb	3.1%		Percent
16-Apr	08:30	Securities Cdns C\$	Feb	3.54B		CAD
16-Apr	08:30	Securities Foreign C\$	Feb	1.27B		CAD
16-Apr	08:30	Wholesale Trade MM	Feb	4.0%		Percent

Source : Refinitiv

S&P/TSX QUARTERLY EARNINGS CALENDAR

Monday April 12th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Aphria Inc	APHA	Bef-mkt	(0.061)

Tuesday April 13th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Organigram Holdings Inc	OGI	Bef-mkt	(0.045)

Wednesday April 14th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Cogeco Communications Inc	CCA		2.017
Shaw Communications Inc	SJR/B	Aft-mkt	0.335

Thursday April 15th, 2021

None

Friday April 16th, 2021

None

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 April 12th, 2021

None

Tuesday April 13th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Fastenal Co	FAST	07:00	0.371

Wednesday April 14th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
First Republic Bank/CA	FRC	Bef-mkt	1.523
Goldman Sachs Group Inc/The	GS	07:30	9.744
JPMorgan Chase & Co	JPM	07:00	2.978
Wells Fargo & Co	WFC	08:00	0.669

Thursday April 15th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Bank of America Corp	BAC	06:45	0.645
BlackRock Inc	BLK	Bef-mkt	8.052
Citigroup Inc	C	08:00	2.44
Delta Air Lines Inc	DAL	Bef-mkt	(2.849)
JB Hunt Transport Services Inc	JBHT	Aft-mkt	1.212
PepsiCo Inc	PEP	06:00	1.122
PPG Industries Inc	PPG	Aft-mkt	1.565
Progressive Corp/The	PGR		1.763
Truist Financial Corp	TFC	Bef-mkt	1.071
UnitedHealth Group Inc	UNH	Bef-mkt	4.398
US Bancorp	USB	Bef-mkt	0.953

Friday April 16th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Bank of New York Mellon Corp/T	BK	06:30	0.871
Citizens Financial Group Inc	CFG	Bef-mkt	0.957
Kansas City Southern	KSU	Bef-mkt	1.962
Morgan Stanley	MS	07:30	1.649
PNC Financial Services Group I	PNC	06:45	2.697
State Street Corp	STT	07:30	1.338

Source: Bloomberg, NBF Research

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

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