

May 28<sup>th</sup>, 2021

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

### Research Services

Contact your Investment Advisor for more information regarding this document.

| INDEX                      | Last price | Change Week | % Change Week | % Change YTD | %Change 1 Year | Trailing P/E |
|----------------------------|------------|-------------|---------------|--------------|----------------|--------------|
| Dow Jones Industrial       | 34,529.45  | 321.61      | 0.94%         | 12.82%       | 35.94%         | 22.7         |
| S&P 500                    | 4,204.11   | 48.25       | 1.16%         | 11.93%       | 38.76%         | 27.6         |
| Nasdaq Composite           | 13,748.74  | 277.75      | 2.06%         | 6.68%        | 46.75%         | 32.2         |
| S&P/TSX Composite          | 19,852.18  | 324.88      | 1.66%         | 13.87%       | 30.07%         | 18.5         |
| Dow Jones Euro Stoxx 50    | 4,070.56   | 44.78       | 1.11%         | 14.58%       | 31.54%         | 24.8         |
| FTSE 100 (UK)              | 7,022.61   | 4.56        | 0.06%         | 8.70%        | 12.93%         | 17.6         |
| DAX (Germany)              | 15,519.98  | 82.47       | 0.53%         | 13.13%       | 31.74%         | 18.8         |
| Nikkei 225 (Japan)         | 29,149.41  | 831.58      | 2.94%         | 6.21%        | 33.00%         | 17.2         |
| Hang Seng (Hong Kong)      | 29,124.41  | 665.97      | 2.34%         | 6.95%        | 25.90%         | 14.4         |
| Shanghai Composite (China) | 3,600.78   | 114.23      | 3.28%         | 3.68%        | 26.51%         | 13.1         |
| MSCI World                 | 2,980.06   | 36.93       | 1.25%         | 10.78%       | 38.72%         | 27.5         |
| MSCI EAFE                  | 2,343.45   | 28.82       | 1.25%         | 9.12%        | 34.44%         | 21.0         |

| S&P TSX SECTORS                | Last price | Change Week | % Change Week | % Change YTD | %Change 1 Year | Trailing P/E |
|--------------------------------|------------|-------------|---------------|--------------|----------------|--------------|
| S&P TSX Consumer Discretionary | 275.14     | 5.55        | 2.06%         | 18.01%       | 57.41%         | 29.5         |
| S&P TSX Consumer Staples       | 691.35     | 7.83        | 1.15%         | 9.26%        | 11.55%         | 20.1         |
| S&P TSX Energy                 | 127.80     | 3.50        | 2.82%         | 40.42%       | 61.47%         | 22.6         |
| S&P TSX Financials             | 370.92     | 5.64        | 1.54%         | 21.11%       | 45.49%         | 13.0         |
| S&P TSX Health Care            | 73.30      | 6.07        | 9.03%         | 21.86%       | 21.22%         | N/A          |
| S&P TSX Industrials            | 354.98     | 9.20        | 2.66%         | 7.95%        | 32.52%         | 22.8         |
| S&P TSX Info Tech.             | 187.75     | 1.86        | 1.00%         | 2.96%        | 24.65%         | 54.3         |
| S&P TSX Materials              | 341.30     | 4.68        | 1.39%         | 6.45%        | 16.60%         | 19.5         |
| S&P TSX Real Estate            | 343.54     | 2.92        | 0.86%         | 15.11%       | 31.01%         | 15.0         |
| S&P TSX Communication Services | 188.68     | 2.04        | 1.09%         | 15.23%       | 16.47%         | 23.6         |
| S&P TSX Utilities              | 322.42     | -0.55       | -0.17%        | 0.91%        | 14.58%         | 20.6         |

| COMMODITIES                    | Last price | Change Week | % Change Week | % Change YTD | %Change 1 Year | NBF 2021E |
|--------------------------------|------------|-------------|---------------|--------------|----------------|-----------|
| Oil-WTI futures (US\$/Barrels) | \$66.64    | 3.06        | 4.81%         | 37.35%       | 97.69%         | \$59.50   |
| Natural gas futures (US\$/mcf) | \$2.99     | 0.09        | 2.99%         | 17.88%       | 63.82%         | \$2.75    |
| Gold Spot (US\$/OZ)            | \$1,904.50 | 27.80       | 1.48%         | 0.60%        | 11.16%         | \$1,845   |
| Copper futures (US\$/Pound)    | \$4.67     | 0.18        | 3.95%         | 33.00%       | 93.68%         | \$4.60    |

| CURRENCIES | Last price | Curr. Net Change | % Change Week | % Change YTD | %Change 1 Year | NBF Q4/21e |
|------------|------------|------------------|---------------|--------------|----------------|------------|
| Cdn\$/US\$ | 0.8282     | -0.0002          | -0.02%        | 5.49%        | 14.00%         | 0.83       |
| Euro/US\$  | 1.2190     | 0.0011           | 0.09%         | -0.19%       | 10.06%         | 1.23       |
| Pound/US\$ | 1.4191     | 0.0044           | 0.31%         | 3.79%        | 15.22%         | 1.40       |
| US\$/Yen   | 109.84     | 0.90             | 0.83%         | 6.39%        | 2.05%          | 109        |

Source: Refinitiv and NBF Research

Please see last page for NBF Disclosures

**FIXED INCOME  
NUMBERS**

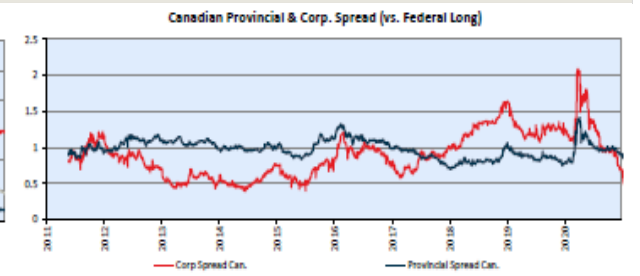
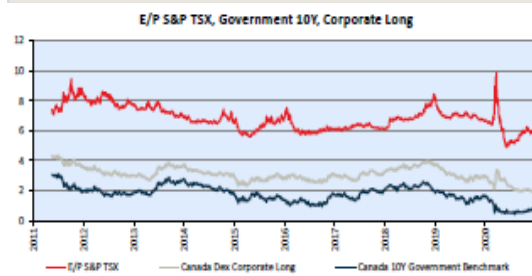
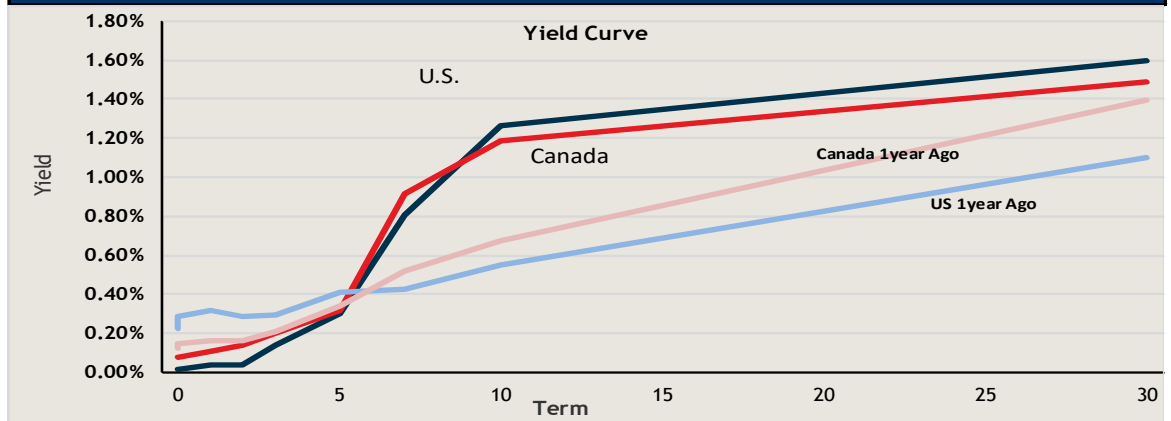
**THE WEEK IN NUMBERS  
(May 25<sup>th</sup> – May 28<sup>th</sup>)**

| Canadian Key Rate  | Last  | Change 1 month bps | Last               | Change 1 month bps |
|--------------------|-------|--------------------|--------------------|--------------------|
| CDA o/n            | 0.25% | 0.0                | CDA 5 year         | 0.91%              |
| CDA Prime          | 2.45% | 0.0                | CDA 10 year        | 1.49%              |
| CDA 3 month T-Bill | 0.11% | -1.0               | CDA 20 year        | 1.91%              |
| CDA 6 month T-Bill | 0.14% | -1.5               | CDA 30 year        | 2.04%              |
| CDA 1 Year         | 0.21% | -2.0               | 5YR Sovereign CDS  | 38.3               |
| CDA 2 year         | 0.32% | -3.2               | 10YR Sovereign CDS | 39.92              |

| US Key Rate       | Last    | Change 1 month bps | Last               | Change 1 month bps |
|-------------------|---------|--------------------|--------------------|--------------------|
| US FED Funds      | 0-0.25% | 0.0                | US 5 year          | 0.80%              |
| US Prime          | 3.25%   | 0.0                | US 10 year         | 1.60%              |
| US 3 month T-Bill | 0.02%   | -0.2               | US 30 year         | 2.28%              |
| US 6 month T-Bill | 0.04%   | -0.3               | 5YR Sovereign CDS  | 9.96               |
| US 1 Year         | 0.04%   | -0.5               | 10YR Sovereign CDS | 17.44              |
| US 2 year         | 0.14%   | -1.7               |                    |                    |

| CANADIAN BOND - TOTAL RETURN | Change Week | Change Y-T-D |
|------------------------------|-------------|--------------|
| FTSE Universe Bond Index     | 0.64%       | -4.48%       |
| FTSE Short Term Bond Index   | 0.09%       | -0.33%       |
| FTSE Mid Term Bond Index     | 0.33%       | -3.48%       |
| FTSE Long Term Bond Index    | 1.57%       | -10.16%      |

**CURRENT YIELD CURVE**



## WEEKLY ECONOMIC WATCH

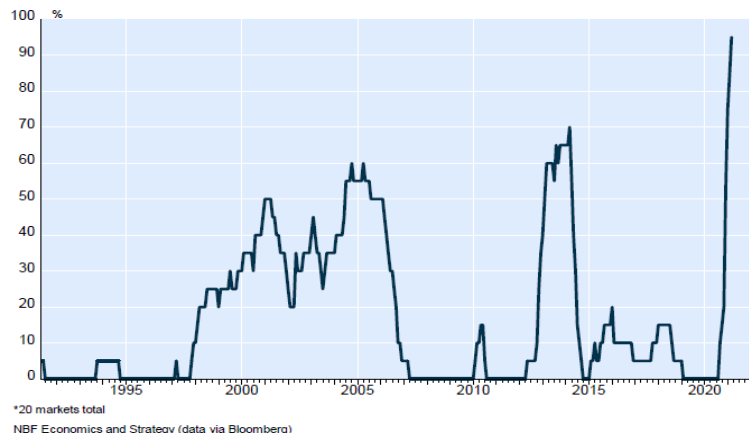
**CANADA** - In May, the **CFIB Business Barometer Index** climbed 2.8 points to 66.2, an improvement likely owed to the vaccine rollout gaining momentum. Most of the provinces registered heightened business confidence, with Ontario (+5.8 to 68.6) and Newfoundland & Labrador (+3.3 to 56.8) leading the pack. The exceptions included Nova Scotia (-7.4 to 64.6) and Manitoba (-2.4 to 67.1), where the epidemiological situations took a turn for the worse, and, to a lesser extent, British Columbia (-1.4 to 68.0). Of the 13 industry groups surveyed, eight saw optimism pick up in the month, notably transportation and information, arts and services (+6.0 to 66.0 and +5.7 to 64.6, respectively). Despite noticeable pullbacks in retail and agriculture (-5.6 to 60.1 and -5.4 to 65.8, respectively), all industry groups reported an index of business confidence of 60.0 or more, a first since 2014. Regarding employment, 16.7% of businesses reported that they planned on cutting full-time jobs in the next 3-4 months, well below the 22.3% that planned on hiring during this period. On average, businesses expected their prices to increase 3.3% in the coming year, the highest percentage on record.

**Canada: Businesses expecting steep price hikes in coming year**  
Average price change expectations for next 12 months, May 2021



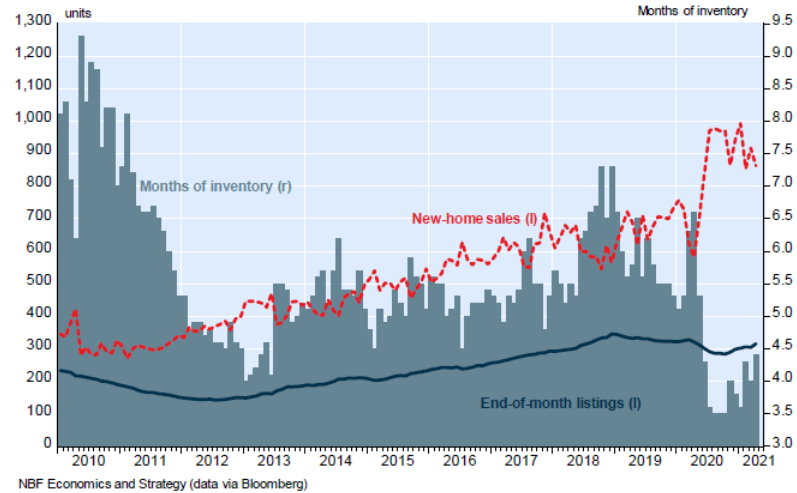
**UNITED STATES** - In March, the **S&P CoreLogic Case-Shiller 20 city Index** grew at its fastest annual pace (+13.3%) since 2013. Every city but Chicago (9.0%) registered double-digit increases from a year earlier, a first occurrence on record. Seasonally adjusted data showed that the index rose 1.6% m/m in March after climbing 1.3% in February. This was the 108th consecutive monthly gain for this indicator and its steepest jump since April 2013. The increase was generalized across all 20 cities, with Phoenix (+3.1%), Seattle (+2.9%) and San Diego (+2.6%) topping the list. The steep price growth in March was consistent with persistently high demand and low supply on the resale market. In April, the inventory of unsold properties listed for sale stood at only 2.4 months of supply. This was up from 2.1 in March but was still very low by historical terms and continued to reflect tight market conditions. (According to the National Association of Realtors, a ratio <5 is indicative of a tight market.).

**United States: Strong price growth widespread**  
Share of markets\* where prices rose 10% or more in past 12 months



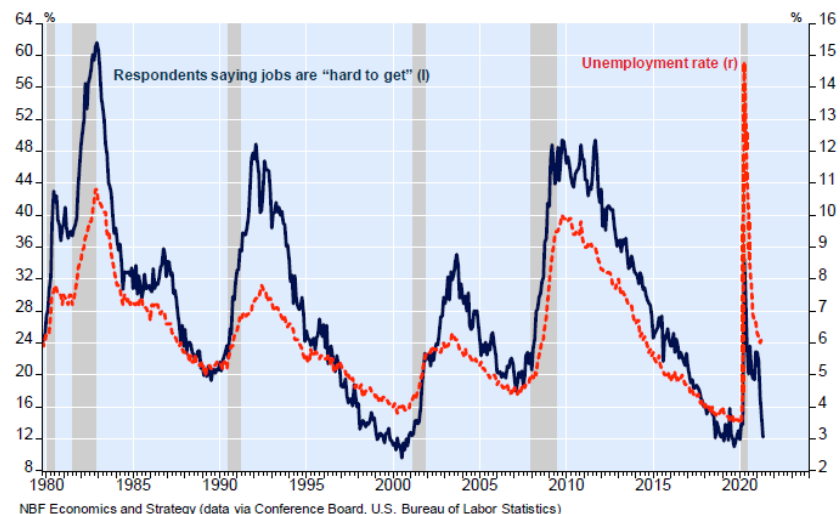
In April, seasonally adjusted new-home sales dropped 5.9% m/m (March’s total was subject to a substantial downward revision). The 863K sales in the month fell short of the 950K expected by consensus, a performance influenced by the mounting cost of building materials, which acted as a headwind on demand. Still, new-home sales remained above their pre pandemic peak of 756K and were up 48.3% from a year earlier when COVID 19 restrictions slowed down the market. As April sales declined while listings increased 4.0%, the inventory-to-sales ratio rose from 4.0 to 4.4, a tick above its February level.

**United States: New-home market remained tight despite improvements**  
Months of inventory, new-home sales and end-of-month listings



In May, the **Conference Board Consumer Confidence Index** dipped 0.3 point to 117.2, its first decline since December 2020. This essentially flat print was characterized by increased confidence in the present situation (+12.4 points to 144.3) but decreased optimism about the future (-8.8 to 99.1). Where the current conditions subindex is concerned, the percentage of respondents who stated that jobs were “hard to get” fell to 12.2%, only three ticks above the pre-pandemic low, indicating that current labour shortages stemmed from the supply side rather than demand side. Also worth noting, the percentage of respondents who deemed that jobs were “plentiful” jumped from 36.3% in April to 46.8% in May, just four ticks shy of this indicator’s pre-pandemic peak (47.2%). For its part, the expectations subindex, which tracks consumer sentiment towards the coming six months, fell sharply from a revised 107.9 in April to 99.1 in May, marked by a 2.7-pp increase in the proportion of respondents who believed that business conditions will worsen over the next six months, a result likely influenced by the fading out of government support and high inflation expectations. The share of respondents who stated that they intended to buy a home in the next six months shrank 1.7 pp in May, the second sharpest monthly decline on record (tied with November 2019) behind the drop of December 2012. This could contribute to calm the housing market in the coming months.

**United States: Artificial employment shortages?**  
Unemployment rate and respondents saying jobs are “hard to get”



**Durable goods orders** fell in April. Total orders decreased 1.3% m/m, a far cry from the +0.8% print expected by consensus. The March result was revised up two ticks to 1.0%. Following the monthly decline for this indicator, total orders stood 6.6% above their February 2020 pre-pandemic level. The deterioration in April was due mainly to a 6.7% decline in the transportation category, where the vehicle/parts segment regressed 6.2%. Excluding transportation, orders rose 1.0% (three ticks above expectations) on gains for primary metals (+3.0%), machinery (+1.4%), fabricated metals (+0.9%), and computers/electronics (+0.4%). These were more than enough to offset the decline for electrical equipment (-0.9%). The report also showed that shipments of non defence capital goods excluding aircraft, a proxy for business investment spending, rose 0.9% in April after progressing 1.5% the prior month. Core shipments stood a solid 11.6% above their pre pandemic level. Core orders, which are indicative of future capital spending, sprang 2.3% in the month, topping their pre-pandemic level.

In April, **the pending home sales index** dropped 4.4% m/m as low inventories acted as a damper on the housing market. The index stood at 106.2, close to its pre-pandemic level of 110.8.

**Initial jobless claims** dropped 38K to a post-pandemic low of 406K in the week ending May 22nd. Continued claims, meanwhile, fell 96K to 3,642K, practically erasing last week's growth. Topping these up were the roughly 11.7 million people who received benefits in the week ended May 8 under two emergency programs: Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation.

The second estimate of **Q1 GDP growth** came in unchanged at 6.4% in annualized terms. The details of this report showed upward revisions in consumption, business investment in equipment and intellectual property products, and residential investment. These were offset by downward revisions to trade, inventories, government spending, and business investment in structures. Q1 growth still left U.S. GDP 0.9% below its pre-pandemic peak (2019Q4).

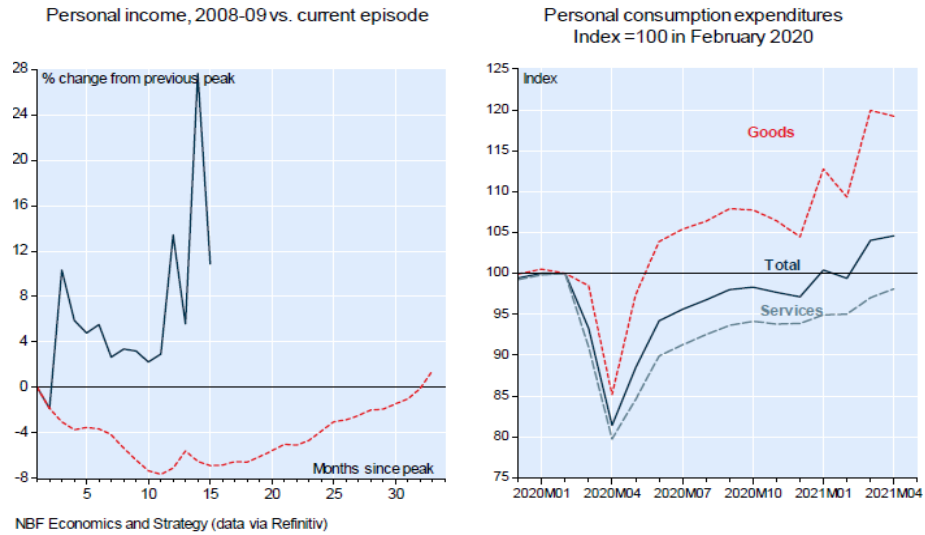
| <b>Contributions to Q1 real GDP growth</b> |                 |                 |
|--|-----------------|-----------------|
|  | <b>2nd est.</b> | <b>1st est.</b> |
| <b>GDP</b>                                 | <b>6.4</b>      | <b>6.4</b>      |
| Consumption                                | 7.4             | 7.0             |
| Business Investm. Equip./Intell.           | 1.5             | 1.4             |
| Business Investm. Struct.                  | -0.2            | -0.1            |
| Residential Investm.                       | 0.6             | 0.5             |
| Government                                 | 1.0             | 1.1             |
| <b>Domestic Demand</b>                     | <b>10.4</b>     | <b>9.9</b>      |
| Exports                                    | -0.3            | -0.1            |
| Imports                                    | -0.9            | -0.8            |
| <b>Trade</b>                               | <b>-1.2</b>     | <b>-0.9</b>     |
| Final Sales                                | 11.6            | 9.0             |
| <b>Inventories</b>                         | <b>-2.8</b>     | <b>-2.6</b>     |

NBF Economics and Strategy (data via Bloomberg)

**Nominal personal income** sank 13.1% in April after March's 20.9% increase, better than consensus expectations calling for a 14.2% drawback. The decline was expected as lump sum assistance checks were sent to households in the prior month. As a result, governments transfers dropped 41.6% from March's all time high to \$4,751 billion (seasonally adjusted at annual rates). As the labour market continued to recover, the wage/salary component of income progressed 1.0%. This improvement was obviously not enough to offset the decline in government transfers, and as a result disposable income decreased 14.6% in the month.

Nominal **personal spending**, for its part, improved 0.5% in April and stood 4.6% above its pre-pandemic peak. While goods consumption stood 18.6% above its pre crisis mark, services consumption was still 1.9% below its peak. The latter segment, which typically holds up better in times of recession, was hit harder during lockdowns and was recovering more laboriously because of rules of physical distancing imposed to limit the spread of the virus.

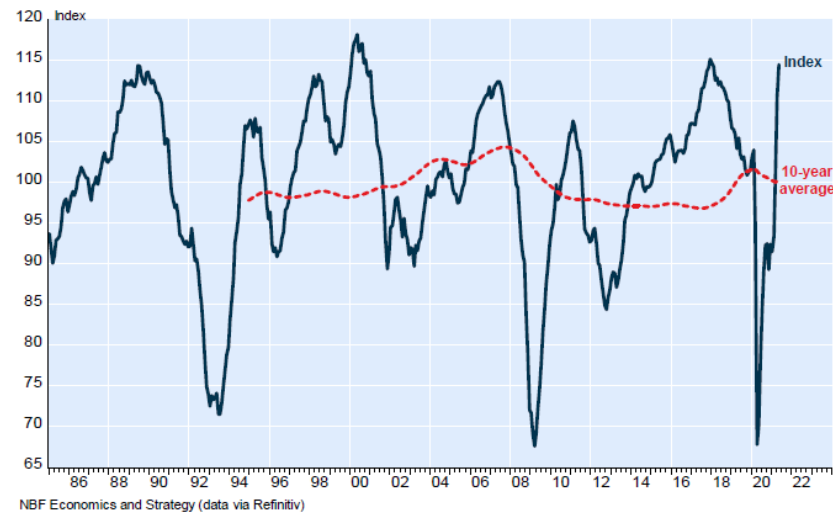
**U.S.: Income remains well above pre-pandemic levels**



As income dropped with spending remaining essentially unchanged, the saving rate drew back from an 11-month high of 27.7% to a still elevated 14.9%. Adjusted for inflation, disposable income contracted 15.1% m/m, while spending edged down 0.1%. Also in April, the headline PCE deflator came in at 3.6% y/y (one tick above expectations) and up from 2.4% in the prior month. The core PCE measure, for its part, clocked in at 3.1% y/y, two ticks stronger than consensus and up from 1.9% in the month of March.

**WORLD** - The **European Commission’s Economic Sentiment Index** rose 4 points to 114.5 in May following a steep improvement in April, reaching its highest level since January 2018. This increase was due to improved confidence in all sectors surveyed, markedly services (+8.8 to 11.7). On a country level, Italy (+11.0 to 115.8), Poland (+5.1 to 106.7) and France (+5.0 to 110.8) registered the largest gains. The progressive re-opening of the economy and ramping up of the vaccination campaign should help maintain optimism in the coming months.

**Eurozone: Economic confidence climbs further in May**



In **Japan**, the **unemployment rate** climbed from 2.6% in March to 2.8% in April, its first hike in 6 months amid a worsening epidemiological situation and a trailing vaccination campaign. The state of emergency was further extended on Friday in the country’s virus hot spots and is now scheduled to end on June 20.



## IN THE NEWS



U.S. and Canadian News



### Monday May 24<sup>th</sup>, 2021

- [Fed's Brainard says she expects pricing pressures to subside over time](#)

The recent inflation spike seen in some areas of the economy should settle down after prices recover from the lows reached at the start of the pandemic and temporary imbalances between supply and demand are addressed, Federal Reserve Board Governor Lael Brainard said.

### Tuesday May 25<sup>th</sup>, 2021

- [U.S. home prices rose more than expected in March](#)

The S&P/Case Shiller composite index of 20 metropolitan areas gained 13.3% through the 12 months ended in March on a seasonally adjusted basis, the largest annual price increase since December 2013. Economists had forecast a 12.3% increase. On month-to-month basis, the 20-city composite index rose 1.6% from February. Economists had been expecting a 1.2% increase.

- [U.S. new home sales drop in April; March sales revised sharply lower](#)

New home sales dropped 5.9% to a seasonally adjusted annual rate of 863,000 units last month. March's sales pace was revised lower to 917,000 units from the previously reported 1.021 million units. Economists had forecast new home sales at a rate of 970,000 units in April.

- [U.S. consumer confidence little changed in May](#)

The Conference Board said its Consumer Confidence Index dipped to a reading of 117.2 this month, following a reading of 117.5 in April. Economists had forecast a reading of 119.2 in May.

- [Canada's Algoma Steel to go public via merger with blank-check firm Legato](#)

Canadian steelmaker Algoma Steel is becoming a publicly listed company through a merger agreed with New York-based blank-check firm Legato Merger Corp in a deal that will value the combined company at more than \$1 billion.

### Wednesday May 26<sup>th</sup>, 2021

- [U.S. mortgage applications tick down as refinance activity declines](#)

The Mortgage Bankers Association (MBA) said its seasonally adjusted Purchase Index decreased 4.2% in the week ended May 21 from a week earlier, reflecting a 7.2% decline in applications for refinancing.

- [Amazon agrees to buy MGM Studios for US\\$8.45B](#)

Amazon.com Inc. agreed to buy the Metro-Goldwyn-Mayer movie company for US\$8.45 billion, a bet that a nearly century-old Hollywood icon can feed an insatiable demand for streaming content.

### Thursday May 27<sup>th</sup>, 2021

- [U.S. weekly jobless claims drop sharply; second-quarter GDP growth unrevised at 6.4 pct](#)

Initial claims for state unemployment benefits totaled a seasonally adjusted 406,000 for the week ended May 22, compared to 444,000 in the prior week. That was the lowest since mid-March 2020. Economists had forecast 425,000 applications for the latest week. Gross domestic product increased at a 6.4% annualized rate last quarter, the government said in its second estimate for the first three months of the year. That was unrevised from the estimate reported last month and followed a 4.3% growth rate in the fourth quarter.

- [U.S. Republicans unveil \\$928 billion infrastructure counteroffer](#)

U.S. Senate Republicans unveiled a new infrastructure offer on Thursday that would spend \$928 billion over eight years to revitalize America's roads, bridges and broadband systems, still well below President Joe Biden's last proposal.

- [Biden to push \\$6 trillion U.S. budget for next fiscal year](#)

President Joe Biden will seek \$6 trillion in U.S. federal spending for the 2022 fiscal year, rising to \$8.2 trillion by 2031, the New York Times reported, a day before the White House is expected to unveil its budget proposal.

- [U.S. core capital goods orders, shipments increase strongly in April](#)

Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, jumped 2.3% last month. These so-called core capital goods orders increased 1.6% in March. Economists had forecast core capital goods orders rising 1.0%. Orders shot up 14.7% year-on-year in April.

- [Bank of Canada seen cutting bond purchases further as lockdowns ease](#)

Canada's trailblazing central bank is likely to cut its bond-buying program again this year, possibly as soon as July, as provinces ease curbs to contain the coronavirus pandemic and inflation pressures build, analysts said.

### Friday May 28<sup>th</sup>, 2021

- [U.S. consumer inflation surges in April](#)

Consumer prices as measured by the personal consumption expenditures (PCE) price index, excluding the volatile food and energy components, increased 0.7% last month after gaining 0.4% in March. In the 12 months through April, the so-called core PCE price index vaulted 3.1%. That followed a 1.9% year-on-year gain in March. Economists had forecast the core PCE price index rising 0.6% in April and surging 2.9% year-on-year.

- [U.S. consumer sentiment declined in May](#)

The University of Michigan's Consumer Sentiment Index fell to a final reading of 82.9 from April's final level of 88.3, though it was little changed from May's preliminary reading of 82.8.

- [Finance Department says preliminary deficit of \\$314 billion for last fiscal year](#)

The early deficit figure for the 12-month period between April 2020 to March 2021 compares to a deficit of \$21.8 billion over the preceding fiscal year.

## IN THE NEWS



### International News

#### **Monday May 24<sup>th</sup>, 2021**

- **[Erdogan Aims Again at Central Bank With Deputy Governor Ousting](#)**

Turkey's President Recep Tayyip Erdogan has ousted another central bank official, the latest of his sudden decisions this year to restructure leadership of the bank. The move comes two months after Erdogan fired the bank's third governor in less than two years, Naci Agbal, a surprise that shocked investors and set its markets into a nosedive.

#### **Tuesday May 25<sup>th</sup>, 2021**

- **[Japan's PM fine-tunes spending plans as way out of COVID-19 slump](#)**

Japanese Prime Minister Yoshihide Suga on Tuesday unveiled a plan for targeted government spending, steering a careful course between the twin aims of reviving economic growth after a coronavirus-induced slump and balancing the budget..

- **[Mexico swings to trade surplus in April, powered by record exports](#)**

Mexico posted a \$249 million trade surplus last month after logging a deficit of nearly \$3.4 billion in March. April's exports were up by more than 74% from the same month in 2020.

- **[Summer boom beckons for German economy after winter COVID blues](#)**

Ifo business climate index readout showed a jump to 99.2, up from April's revised 96.6 and beating the 98.2 forecast of analysts. In the first quarter, GDP contracted by 1.8% quarter on quarter and by 3.1% on the year.

- **[UK retail sales slip back after post-lockdown surge](#)**

The Confederation of British Industry said its monthly balance for whether sales were above or below normal for the time of year dropped to -3 in May from +16 in April.

- **[Vonovia to make agreed \\$22 bln takeover offer for Deutsche Wohnen](#)**

Europe's largest residential property group Vonovia SE said it agreed to take over its closest German rival Deutsche Wohnen for about 18 billion euros to better shoulder future investments in heat insulation.

#### **Wednesday May 26<sup>th</sup>, 2021**

- **[China renews push to allow land rights as collateral to modernise farms](#)**

Chinese regulators stepped up efforts to finance the modernisation of farms and widen the range of collateral to back bank loans to the agricultural sector to include rights to the use of some communal land.

- **[Japan cuts economic view in May on spending downgrade](#)**

The world's third-largest economy likely grew at a slower-than-initially-expected pace in the current quarter due to ramifications of the coronavirus emergency curbs, following a sharp decline in the first quarter. The government will release revised first-quarter GDP figures on June 8.

#### **Thursday May 27<sup>th</sup>, 2021**

- **[German consumer morale improves less than expected heading into June - GfK](#)**

The GfK institute said its consumer sentiment index, based on a survey of around 2,000 Germans, edged up to -7.0 from a revised -8.6 in the previous month. The reading missed a forecast for a bigger rise to -5.2.

- **[Brazil's unemployment hits historic high 14.7% in the first quarter](#)**

Brazil's unemployment rate rose to a historic high of 14.7% in the first quarter of the year as a record number of people out of work and other indicators pointed to general weakness across the labor market. The official unemployment rate rose from 13.9% in the three months through December.

- **[China's industrial profits growth slows in April amid high commodity prices](#)**

Profits at China's industrial firms rose 57% year-on-year in April to 768.63 billion yuan (US\$120.22 billion), down from 92.3% in March. For the January-April period, industrial firms' profits grew 106% from the same period a year earlier.

#### **Friday May 28<sup>th</sup>, 2021**

- **[China securities regulator paying great attention to commodity price fluctuations](#)**

The China Securities Regulatory Commission (CSRC) pays great attention to commodity price fluctuations and has been cracking down on irregularities in the futures market, amid worry about higher prices being passed on to consumers.

- **[French GDP revision shows economy contracted again in Q1](#)**

France's economy contracted 0.1% in the first quarter of 2021, revised official data showed, marking a slip into recession as it struggled to recover from a pandemic-induced downturn. The unusually sharp downwards revision from an initially reported expansion of 0.4% in January-March reflected a poorer than expected performance in the construction sector.



**WEEKLY PERFORMERS – S&P/TSX**

| <b>S&amp;P/TSX: LEADERS</b>     | <b>LAST</b> | <b>CHANGE</b> | <b>%CHG</b> |
|---------------------------------|-------------|---------------|-------------|
| Aurora Cannabis Inc             | \$11.54     | \$2.38        | 25.98%      |
| Cronos Group Inc                | \$10.81     | \$1.88        | 21.05%      |
| BlackBerry Ltd                  | \$12.14     | \$1.84        | 17.86%      |
| OrganiGram Holdings Inc         | \$3.84      | \$0.55        | 16.72%      |
| Lithium Americas Corp           | \$18.49     | \$2.39        | 14.84%      |
| Canopy Growth Corp              | \$31.45     | \$3.74        | 13.50%      |
| Village Farms International Inc | \$11.75     | \$1.28        | 12.23%      |
| Aurinia Pharmaceuticals Inc     | \$17.54     | \$1.80        | 11.44%      |
| Tilray Inc                      | \$20.20     | \$1.84        | 10.02%      |
| First Quantum Minerals Ltd      | \$30.05     | \$2.71        | 9.91%       |

| <b>S&amp;P/TSX: LAGGARDS</b> | <b>LAST</b> | <b>CHANGE</b> | <b>%CHG</b> |
|------------------------------|-------------|---------------|-------------|
| Finning International Inc    | \$30.00     | -\$2.40       | -7.41%      |
| Sunopta Inc                  | \$15.08     | -\$0.88       | -5.51%      |
| Wesdome Gold Mines Ltd       | \$11.14     | -\$0.51       | -4.38%      |
| Dye & Durham Ltd             | \$40.99     | -\$1.84       | -4.30%      |
| Capital Power Corp           | \$38.44     | -\$1.52       | -3.80%      |
| Ritchie Bros Auctioneers Inc | \$72.16     | -\$2.80       | -3.74%      |
| Trillium Therapeutics Inc    | \$9.63      | -\$0.37       | -3.70%      |
| Kinaxis Inc                  | \$136.99    | -\$4.58       | -3.24%      |
| Home Capital Group Inc       | \$34.80     | -\$1.14       | -3.17%      |
| B2Gold Corp                  | \$6.18      | -\$0.19       | -2.98%      |

Source: Refinitiv

## WEEKLY PERFORMERS – S&P500

| <b>S&amp;P500: LEADERS</b>         | <b>LAST</b> | <b>CHANGE</b> | <b>%CHG</b> |
|------------------------------------|-------------|---------------|-------------|
| Royal Caribbean Cruises Ltd        | \$93.27     | \$10.45       | 12.62%      |
| Norwegian Cruise Line Holdings Ltd | \$31.90     | \$3.20        | 11.15%      |
| Ulta Beauty Inc                    | \$345.36    | \$29.28       | 9.26%       |
| Ford Motor Co                      | \$14.53     | \$1.20        | 9.00%       |
| Carnival Corp                      | \$29.56     | \$2.39        | 8.80%       |
| NVIDIA Corp                        | \$649.78    | \$50.11       | 8.36%       |
| MGM Resorts International          | \$42.87     | \$3.17        | 7.98%       |
| Dexcom Inc                         | \$369.39    | \$27.30       | 7.98%       |
| TransDigm Group Inc                | \$648.84    | \$47.84       | 7.96%       |
| L Brands Inc                       | \$69.87     | \$5.08        | 7.84%       |

| <b>S&amp;P500: LAGGARDS</b> | <b>LAST</b> | <b>CHANGE</b> | <b>%CHG</b> |
|-----------------------------|-------------|---------------|-------------|
| Dollar Tree Inc             | \$97.50     | -\$11.08      | -10.20%     |
| Cabot Oil & Gas Corp        | \$16.40     | -\$1.41       | -7.92%      |
| HP Inc                      | \$29.23     | -\$2.43       | -7.68%      |
| Biogen Inc                  | \$267.48    | -\$15.71      | -5.55%      |
| Ball Corp                   | \$82.16     | -\$4.62       | -5.32%      |
| Amgen Inc                   | \$237.94    | -\$13.07      | -5.21%      |
| Mckesson Corp               | \$192.39    | -\$10.29      | -5.08%      |
| NRG Energy Inc              | \$32.15     | -\$1.67       | -4.94%      |
| HollyFrontier Corp          | \$32.47     | -\$1.52       | -4.47%      |
| Baker Hughes Co             | \$24.40     | -\$1.14       | -4.46%      |

Source: Refinitiv

## NBF RATINGS & TARGET PRICE CHANGES

| Company                             | Symbol | Current Rating    | Previous Rating   | Current Target    | Previous Target   |
|-------------------------------------|--------|-------------------|-------------------|-------------------|-------------------|
| ATS Automation Tooling Systems Inc. | ATA    | Outperform        | Outperform        | <b>C\$38.00</b>   | <b>C\$33.00</b>   |
| Bank of Montreal                    | BMO    | Outperform        | Outperform        | <b>C\$136.00</b>  | <b>C\$128.00</b>  |
| Canadian Imperial Bank of Commerce  | CM     | Outperform        | Outperform        | <b>C\$156.00</b>  | <b>C\$140.00</b>  |
| Capital Power Corporation           | CPX    | <b>Restricted</b> | <b>Outperform</b> | <b>Restricted</b> | <b>C\$45.00</b>   |
| Kelt Exploration Ltd.               | KEL    | Outperform        | Outperform        | <b>C\$4.50</b>    | <b>C\$4.00</b>    |
| Killam Apartment REIT               | KMP.UN | <b>Restricted</b> | <b>Outperform</b> | <b>Restricted</b> | <b>C\$22.00</b>   |
| New Look Vision Group Inc.          | BCI    |                   | <b>Restricted</b> |                   | <b>Restricted</b> |
| Royal Bank of Cda                   | RY     | Outperform        | Outperform        | <b>C\$137.00</b>  | <b>C\$130.00</b>  |
| Saputo Inc.                         | SAP    | Sector Perform    | Sector Perform    | <b>C\$40.00</b>   | <b>C\$39.00</b>   |
| Spartan Delta Corp.                 | SDE    | Outperform        | Outperform        | <b>C\$7.25</b>    | <b>C\$6.75</b>    |
| TELUS International (CDA) Inc.      | TIXT   | <b>Outperform</b> |                   | <b>US\$40.00</b>  |                   |
| TFI International Inc.              | TFII   | Outperform        | Outperform        | <b>C\$129.00</b>  | <b>C\$115.00</b>  |
| Thinkific Labs, Inc.                | THNC   | <b>Outperform</b> |                   | <b>C\$20.00</b>   |                   |
| Toronto-Dominion Bank               | TD     | Sector Perform    | Sector Perform    | <b>C\$89.00</b>   | <b>C\$87.00</b>   |

## STRATEGIC LIST - WEEKLY UPDATE

(May 25<sup>th</sup> – May 28<sup>th</sup>)

**No Changes this Week:**

**Comments:**

### Communication Services (Market Weight)

#### Telecom Services:

**NBF:** About 22 months after its decision to surprisingly materially lower final rates for Aggregated Wholesale High-Speed Access Services (AWHSAS) or Third Party Internet Access (TPIA) and make its decision retroactive to 2016, the CRTC, following successful industry appeals, reversed course in a dramatic fashion as it ultimately reverted to setting its final rates at the higher interim levels set in 2016. It acknowledged it was correcting errors that led to uncertainty and it was simply easier to fall back on the prior interim rates instead of "completing a fulsome revision of all the costs studies [that] would prolong the period of regulatory and market uncertainty". Incumbents will be mostly thrilled and wholesalers entirely disappointed. The lower 2019 rates were setting up NBF telecom coverage for a growing aggregate retroactive charge that NBF estimated at over \$545M - Rogers \$225M, Bell \$165M, Quebecor \$80M, Cogeco \$55M, Shaw \$15M (had booked a related charge of \$10M in its 4Q19 which can now get largely reversed), and TELUS \$6M (wholesale activity is a lot lower out West). Any retroactive charges to be reported with the next quarterly results will be significantly reduced. We'll note that some access rates are being set slightly below the interim 2016 rates. For Bell, the decrease is -6% instead of -42% and -7% instead of -25% for TELUS. All capacity rates have been reverted to the interim 2016 level except Bell's which was reduced -7% versus the 2016 level. NBF thinks the Rogers charge may end up being closer to \$25M, with Bell maybe around \$40M or lower given that NBF believes that wholesalers were likely getting some discounts over the past two years. There's another part of the decision which relates to Disaggregated Wholesale High-Speed Access Services (DWHSAS) or access to fibre. As NBF reflects on the recent MVNO decision and now this remarkable reversal on TPIA, it sees a regulator and government that are entirely supportive of facilities-based competition and seemingly easing off what appeared to be more aggressive rhetoric towards the industry and a harder posture on regulatory oversight. A purely light touch going forward isn't to be expected and election posturing will inevitably occur in the fall, but investors can look at the Canadian telecom sector with less fear of regulatory risk and uncertainty.

### Financials (Overweight)

#### Bank of Montreal (BMO)

**NBF:** Q2/21 Results: BMO reported Q2/21 adjusted EPS of \$3.13 vs. NBF \$2.44 and consensus \$2.77. The beat was driven by higher net revenues (+\$0.46), lower PCLs (+\$0.18), lower expenses (+\$0.04) and a lower tax rate (+\$0.05). Despite a quarter that exceeded all our expectations, the stock reaction was flat. One main issue was guidance for flat NII on a full-year basis, despite a 2% YTD increase. Lower excess liquidity levels, a weaker USD and fading prepayment income (e.g. Canadian mortgages, U.S. PPP loans) are factors. However, NBF believes the biggest drag is tied to the Capital Markets business, where H2/20 NII was up >40% Y/Y (or ~\$500 mln) due largely to frothy FICC trading conditions that are fading (e.g. FICC was down 31% Q/Q during Q2/21). NBF believes the outlook for relatively stronger performance in the P&C businesses is more important. Consistent improvement in fee income, along with a rebound in commercial lending (especially) could put BMO in a relatively stronger position in "core banking" performance. NBF believes this positioning will help the stock's relative performance in the second half. NBF estimates increased to reflect lower PCLs and higher non-interest income. As a result, NBF target price went to \$136.00 from \$128.00, and is derived by applying a 11.5x multiple to its 2022E EPS.

#### Royal Bank (RY)

**NBF:** Q2/21 Results: RY reported Q2/21 core cash EPS of \$2.79 vs. NBF estimate of \$2.51 and consensus estimate of \$2.51. The beat was the result of lower PCLs (+22c), higher net revenues (+20c), partially offset by higher than expected taxes (-11c) and higher NIX (-3c). RY's 12.8% CET 1 ratio was slightly ahead of expectations. Importantly, the bank quantified a 55-70 bps CET 1 boost anticipated during Q3/21, owing to model refinements. Another \$10 bln of RWAs (~20 bps CET 1 benefit) may evaporate as RY could reverse the impact of negative credit migration that took place last year. All told, the bank has upwards of ~\$12 bln of (pro forma) excess capital above an 11% CET 1 ratio, which prompts deployment

## *The Week at a Glance*

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questions. RY's answers were clear, and NBF believes, positive. In terms of returning capital to shareholders if/when OSFI removes distribution restrictions, RY could target the upper end of its 40-50% payout ratio range (implying ~20% of upside from its current dividend). An accelerated buyback program is also part of the plan. In terms of organic growth, the bank is targeting initiatives to increase RWA consumption relative to pre-COVID levels. These include mid-market commercial lending in the U.S., accommodating commercial/wholesale drawdowns and expansion of the Global Capital Markets business. In terms of M&A, RY said that it is "focused" and "picky", which doesn't sound aggressive (i.e., good). NBF increased its 2022E primarily to reflect lower PCLs and higher fee income. NBF target price went to \$137.00 from \$130.00 and is derived using a 12x multiple on its 2022E EPS.

### **Utilities (Underweight)**

#### **Innergex Renewable Energy Inc. (INE)**

**NBF:** The sell-off in green stocks continued into May, in part with rising bond yields and inflation concerns. This has a direct impact on valuation (NBF had previously adjusted its targets to account for higher bond yields), but the impact of inflation on cash flows is more complex, yet limited. Most of the IPPs in NBF's coverage have some spot exposure (or contracts ending in the next few years), but the majority of assets are under long-term contracts. While inflation can lead to higher construction costs for new projects, NBF believes rising power prices will provide an offset and benefit existing assets (when it comes time to repower or recontract). In any case, over the last few days, bond yields have fallen to the lowest levels we have seen for the last couple of months (Cda 10-year at 1.45%), and this should help the stocks. Last week, the IEA released "Net Zero by 2050" (highlighted in NBF's ESG weekly), in advance of the November meeting of the UN Framework Convention on Climate Change (UNFCCC), COP 26. The report highlights a need to accelerate global investment into the energy sector to \$5 trillion/year by 2030, to meet net zero-emission (NZE) goals and limit the average global temperature increase to 1.5oC. NBF believes the meeting could be a catalyst for the sector, raising the profile of the investment opportunity as the UN pushes for Energy Compacts (NZE commitments) from public and private entities on a local and regional basis. With some stocks down >35% from the peak in January and with the market trading at record highs, NBF believes the sector offers a compelling entry point. Valuations are back to pre-pandemic levels, with a sector Beta of 1 by NBF's math. While inflation could be a headwind in the short run, it should support the value of existing assets. Accelerated investment into renewable energy should also support the value of existing assets and development pipelines and improve opportunities for repowering and recontracting. NBF's top three picks - BLX, NPI and INE - have the best combination of relative valuation and duration risk. NBF maintained its Outperform rating and \$26.00 target price on INE.



## NBF STRATEGIC LIST

| Company                            | Symbol   | Addition Date | Addition Price | Last Price | Yield (%) | Beta | % SPTSX | NBF Sector Weight | NOTES*               |  |
|------------------------------------|----------|---------------|----------------|------------|-----------|------|---------|-------------------|----------------------|--|
| <b>Communication Services</b>      |          |               |                |            |           |      |         | <b>4.9</b>        | <b>Market Weight</b> |  |
| Quebecor Inc.                      | QBRb.TO  | 29-Nov-18     | \$ 28.70       | \$ 32.83   | 3.4       | 0.5  |         |                   |                      |  |
| Rogers Communications Inc.         | RCIb.TO  | 13-Feb-20     | \$ 65.84       | \$ 62.37   | 3.2       | 0.5  |         |                   |                      |  |
| <b>Consumer Discretionary</b>      |          |               |                |            |           |      |         | <b>4.1</b>        | <b>Market Weight</b> |  |
| Dollarama Inc.                     | DOL.TO   | 19-Mar-20     | \$ 38.96       | \$ 52.84   | 0.4       | 0.6  |         |                   |                      |  |
| Gildan Activewear Inc.             | GIL.TO   | 20-May-21     | \$ 42.72       | \$ 43.70   | 1.7       | 1.9  |         |                   |                      |  |
| <b>Consumer Staples</b>            |          |               |                |            |           |      |         | <b>3.6</b>        | <b>Market Weight</b> |  |
| Alimentation Couche-Tard Inc.      | ATDb.TO  | 26-Jan-17     | \$ 30.09       | \$ 44.18   | 0.8       | 0.7  |         |                   |                      |  |
| Loblaw Companies Ltd.              | L.TO     | 25-Mar-21     | \$ 68.50       | \$ 74.34   | 1.8       | 0.3  |         |                   |                      |  |
| <b>Energy</b>                      |          |               |                |            |           |      |         | <b>12.9</b>       | <b>Market Weight</b> |  |
| Cenovus Energy Inc.                | CVE.TO   | 16-Jan-20     | \$ 12.26       | \$ 9.81    | 0.7       | 2.4  |         |                   |                      |  |
| Enbridge Inc.                      | ENB.TO   | 21-Jan-15     | \$ 59.87       | \$ 46.47   | 7.2       | 0.9  |         |                   |                      |  |
| Tourmaline Oil Corp.               | TOU.TO   | 13-Aug-20     | \$ 16.68       | \$ 29.43   | 2.2       | 1.4  |         |                   |                      |  |
| <b>Financials</b>                  |          |               |                |            |           |      |         | <b>31.4</b>       | <b>Overweight</b>    |  |
| Bank of Montreal                   | BMO.TO   | 25-Mar-21     | \$ 112.23      | \$ 126.83  | 3.4       | 1.1  |         |                   |                      |  |
| Element Fleet Management Corp      | EFN.TO   | 02-Apr-20     | \$ 8.58        | \$ 13.66   | 1.9       | 1.3  |         |                   |                      |  |
| Fairfax Financial Holdings Ltd.    | FFH.TO   | 20-Dec-18     | \$ 585.81      | \$ 567.40  | 2.3       | 0.9  |         |                   |                      |  |
| Intact Financial Corp.             | IFC.TO   | 11-Jun-20     | \$ 130.04      | \$ 164.04  | 2.0       | 0.8  |         |                   |                      |  |
| Royal Bank of Canada               | RY.TO    | 19-Jun-13     | \$ 60.69       | \$ 125.62  | 3.4       | 0.9  |         |                   |                      |  |
| Sun Life Financial                 | SLF.TO   | 10-Dec-20     | \$ 57.07       | \$ 65.07   | 3.4       | 1.4  |         |                   |                      |  |
| <b>Health Care</b>                 |          |               |                |            |           |      |         | <b>1.3</b>        | <b>Market Weight</b> |  |
| <b>Industrials</b>                 |          |               |                |            |           |      |         | <b>11.9</b>       | <b>Market Weight</b> |  |
| Lifeworks Inc.                     | LWRK.TO  | 26-Sep-19     | \$ 32.72       | \$ 33.48   | 2.3       | 0.7  |         |                   |                      |  |
| Stantec Inc.                       | STN.TO   | 20-May-21     | \$ 53.96       | \$ 54.04   | 1.2       | 0.7  |         |                   |                      |  |
| Toromont Industries Ltd            | TIH.TO   | 05-Dec-19     | \$ 67.24       | \$ 109.76  | 1.6       | 0.7  |         |                   |                      |  |
| <b>Information Technology</b>      |          |               |                |            |           |      |         | <b>9.1</b>        | <b>Underweight</b>   |  |
| Kinaxis Inc.                       | KXS.TO   | 19-Mar-20     | \$ 100.05      | \$ 136.99  | 0.0       | 0.7  |         |                   |                      |  |
| Open Text Corp.                    | OTEX.TO  | 26-Oct-16     | \$ 41.61       | \$ 56.75   | 1.7       | 0.9  |         |                   |                      |  |
| <b>Materials</b>                   |          |               |                |            |           |      |         | <b>13.1</b>       | <b>Overweight</b>    |  |
| Agnico Eagle Resources Ltd.        | AEM.TO   | 17-Dec-14     | \$ 27.00       | \$ 86.98   | 2.0       | 0.5  |         |                   |                      |  |
| SSR Mining Inc.                    | SSRM.TO  | 30-Jan-20     | \$ 23.81       | \$ 22.39   | 1.1       | 0.6  |         |                   |                      |  |
| Teck Resources Ltd.                | TECKb.TO | 01-Nov-17     | \$ 27.15       | \$ 29.80   | 0.7       | 1.2  |         |                   |                      |  |
| <b>REITs</b>                       |          |               |                |            |           |      |         | <b>3.2</b>        | <b>Underweight</b>   |  |
| Canadian Apartment Properties REIT | CAR_u.TO | 10-Dec-20     | \$ 49.82       | \$ 55.28   | 2.5       | 0.7  |         |                   |                      |  |
| RioCan REIT                        | REI_u.TO | 23-Aug-18     | \$ 19.95       | \$ 21.24   | 4.5       | 1.2  |         |                   |                      |  |
| <b>Utilities</b>                   |          |               |                |            |           |      |         | <b>4.6</b>        | <b>Underweight</b>   |  |
| Capital Power Corp.                | CPX.TO   | 22-Aug-19     | \$ 30.90       | \$ 38.44   | 5.4       | 1.2  |         |                   | R                    |  |
| Innervex Renewable Energy Inc.     | INE.TO   | 22-Aug-19     | \$ 15.00       | \$ 20.25   | 3.5       | 0.8  |         |                   |                      |  |

Source: Refinitiv (Priced May 28, 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

(May 31<sup>st</sup> – June 4<sup>th</sup>)

## U.S. Indicators

| <u>Date</u> | <u>Time</u> | <u>Release</u>                 | <u>Period</u> | <u>Previous</u> | <u>Consensus</u> | <u>Unit</u>       |
|-------------|-------------|--------------------------------|---------------|-----------------|------------------|-------------------|
| 1-Jun       | 09:45       | Markit Mfg PMI Final           | May           | 61.5            |                  | Index (diffusion) |
| 1-Jun       | 10:00       | Construction Spending MM       | Apr           | 0.2%            | 1.0%             | Percent           |
| 1-Jun       | 10:00       | <b>ISM Manufacturing PMI</b>   | May           | 60.7            | 60.8             | Index             |
| 3-Jun       | 07:30       | Challenger Layoffs             | May           | 22.913k         |                  | Person            |
| 3-Jun       | 08:15       | <b>ADP National Employment</b> | May           | 742k            | 545k             | Person            |
| 3-Jun       | 08:30       | <b>Initial Jobless Clm</b>     | 24 May, w/e   |                 |                  | Person            |
| 3-Jun       | 08:30       | Jobless Clm 4Wk Avg            | 24 May, w/e   |                 |                  | Person            |
| 3-Jun       | 08:30       | Cont Jobless Clm               | 17 May, w/e   |                 |                  | Person            |
| 3-Jun       | 09:45       | Markit Comp Final PMI          | May           | 68.1            |                  | Index (diffusion) |
| 3-Jun       | 09:45       | Markit Svcs PMI Final          | May           | 70.1            |                  | Index (diffusion) |
| 3-Jun       | 10:00       | <b>ISM N-Mfg PMI</b>           | May           | 62.7            | 62.9             | Index             |
| 3-Jun       | 10:30       | EIA-Nat Gas Chg Bcf            | 24 May, w/e   |                 |                  | Cubic foot        |
| 3-Jun       | 11:00       | EIA Wkly Crude Stk             | 24 May, w/e   | -1.662M         |                  | Barrel            |
| 4-Jun       | 08:30       | <b>Non-Farm Payrolls</b>       | May           | 266k            | 621k             | Person            |
| 4-Jun       | 08:30       | Private Payrolls               | May           | 218k            | 600k             | Person            |
| 4-Jun       | 08:30       | Manufacturing Payrolls         | May           | -18k            |                  | Person            |
| 4-Jun       | 08:30       | Government Payrolls            | May           | 48k             |                  | Person            |
| 4-Jun       | 08:30       | <b>Unemployment Rate</b>       | May           | 6.1%            | 5.9%             | Percent           |
| 4-Jun       | 08:30       | Average Earnings MM            | May           | 0.7%            | 0.2%             | Percent           |
| 4-Jun       | 08:30       | Average Earnings YY            | May           | 0.3%            |                  | Percent           |
| 4-Jun       | 08:30       | Average Workweek Hrs           | May           | 35.0            | 35.0             | Hour              |
| 4-Jun       | 10:00       | <b>Factory Orders MM</b>       | Apr           | 1.1%            |                  | Percent           |
| 4-Jun       | 10:00       | Factory Ex-Transp MM           | Apr           | 1.7%            |                  | Percent           |

## Canadian Indicators

| <u>Date</u> | <u>Time</u> | <u>Release</u>                       | <u>Period</u> | <u>Previous</u> | <u>Consensus</u> | <u>Unit</u>       |
|-------------|-------------|--------------------------------------|---------------|-----------------|------------------|-------------------|
| 31-May      | 08:30       | Current Account C\$                  | Q1            | -7.26B          |                  | CAD               |
| 31-May      | 08:30       | <b>Producer Prices MM</b>            | Apr           | 1.6%            |                  | Percent           |
| 31-May      | 08:30       | Producer Prices YY                   | Apr           | 10.0%           |                  | Percent           |
| 31-May      | 08:30       | Raw Materials Prices MM              | Apr           | 2.3%            |                  | Percent           |
| 31-May      | 08:30       | Raw Materials Prices YY              | Apr           | 34.7%           |                  | Percent           |
| 1-Jun       | 08:30       | <b>GDP QQ</b>                        | Q1            | 2.3%            |                  | Percent           |
| 1-Jun       | 08:30       | GDP QQ Annualized                    | Q1            | 9.6%            |                  | Percent           |
| 1-Jun       | 08:30       | GDP Implicit Price QQ                | Q1            | 1.1%            |                  | Percent           |
| 1-Jun       | 08:30       | GDP YY                               | Q1            | -3.23%          |                  | Percent           |
| 1-Jun       | 08:30       | GDP MM                               | Mar           | 0.4%            |                  | Percent           |
| 1-Jun       | 09:30       | <b>Markit Mfg PMI SA</b>             | May           | 57.2            |                  | Index (diffusion) |
| 2-Jun       | 08:30       | Building Permits MM.                 | Apr           | 5.7%            |                  | Percent           |
| 3-Jun       | 08:15       | Reserve Assets Total                 | May           | 84,237M         |                  | USD               |
| 4-Jun       | 08:30       | Avg hrly wages Permanent employee YY | May           | -1.60%          |                  | Percent           |
| 4-Jun       | 08:30       | <b>Employment Change</b>             | May           | -207.1k         |                  | Person            |
| 4-Jun       | 08:30       | <b>Unemployment Rate</b>             | May           | 8.1%            |                  | Percent           |
| 4-Jun       | 10:00       | Ivey PMI                             | May           | 59.9            |                  | Net balance       |

Source : Refinitiv

U.S. Markets are closed Monday May 31 for Memorial Day

## S&P/TSX QUARTERLY EARNINGS CALENDAR

### Monday May 31<sup>st</sup>, 2021

None

### Tuesday June 1<sup>st</sup>, 2021

| COMPANY*                    | SYMBOL | TIME    | EPS ESTIMATE |
|-----------------------------|--------|---------|--------------|
| Bank of Nova Scotia/The     | BNS    | 06:00   | 1.757        |
| Canaccord Genuity Group Inc | CF     | Aft-mkt | 0.623        |
| Canopy Growth Corp          | WEED   | Bef-mkt | (0.273)      |

### Wednesday June 2<sup>nd</sup>, 2021

| COMPANY*                    | SYMBOL | TIME    | EPS ESTIMATE |
|-----------------------------|--------|---------|--------------|
| Descartes Systems Group Inc | DSG    | Aft-mkt | 0.183        |
| Laurentian Bank of Canada   | LB     | Bef-mkt | 0.891        |

### Thursday June 3<sup>rd</sup>, 2021

| COMPANY*   | SYMBOL | TIME | EPS ESTIMATE |
|------------|--------|------|--------------|
| Saputo Inc | SAP    |      | 0.391        |

### Friday June 4<sup>th</sup>, 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 May 31<sup>st</sup>, 2021

None

### Tuesday June 1<sup>st</sup>, 2021

None

### Wednesday June 2<sup>nd</sup>, 2021

| COMPANY*               | SYMBOL | TIME    | EPS ESTIMATE |
|------------------------|--------|---------|--------------|
| Advance Auto Parts Inc | AAP    | Bef-mkt | 3.082        |
| PVH Corp               | PVH    | Aft-mkt | 0.834        |

### Thursday June 3<sup>rd</sup>, 2021

| COMPANY*           | SYMBOL | TIME    | EPS ESTIMATE |
|--------------------|--------|---------|--------------|
| Broadcom Inc       | AVGO   | Aft-mkt | 6.448        |
| Cooper Cos Inc/The | COO    | 16:15   | 3.074        |
| J M Smucker Co/The | SJM    | 07:00   | 1.638        |

### Friday June 4<sup>th</sup>, 2021

None

Source: Bloomberg, NBF Research

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

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