NATIONAL BANK FINANCIAL

The Week at a Glance

July 2nd, 2021

THE WEEK IN NUMBERS

(June 28th – July 2nd)

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	34,786.35	352.51	1.02%	13.66%	34.69%	22.6
S&P 500	4,352.34	71.64	1.67%	15.87%	39.05%	28.3
Nasdaq Composite	14,639.33	278.94	1.94%	13.59%	43.42%	33.8
S&P/TSX Composite	20,226.11	-4.15	-0.02%	16.02%	29.47%	18.6
Dow Jones Euro Stoxx 50	4,084.31	-36.35	-0.88%	14.97%	23.02%	25.0
FTSE 100 (UK)	7,123.27	-12.80	-0.18%	10.26%	14.15%	17.8
DAX (Germany)	15,650.09	42.12	0.27%	14.08%	24.12%	19.0
Nikkei 225 (Japan)	28,783.28	-282.90	-0.97%	4.88%	29.97%	17.0
Hang Seng (Hong Kong)	28,310.42	-977.80	-3.34%	3.96%	12.68%	15.0
Shanghai Composite (China)	3,518.76	-88.80	-2.46%	1.32%	13.85%	12.4
MSCI World	3,046.09	21.15	0.70%	13.24%	36.74%	28.3
MSCI EAFE	2,315.50	-26.93	-1.15%	7.82%	28.09%	21.4

S&P TSX SECTORS	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
S&P TSX Consumer Discretionary	272.71	-0.29	-0.11%	16.97%	52.60%	27.0
S&P TSX Consumer Staples	696.85	18.75	2.77%	10.13%	11.90%	19.9
S&P TSX Energy	140.08	-1.79	-1.26%	53.92%	80.49%	25.5
S&P TSX Financials	371.61	-2.53	-0.68%	21.33%	43.85%	12.7
S&P TSX Health Care	71.24	-3.08	-4.14%	18.44%	31.93%	N/A
S&P TSX Industrials	354.18	1.64	0.47%	7.71%	30.91%	22.9
S&P TSX Info Tech.	214.35	1.67	0.79%	17.54%	27.45%	61.3
S&P TSX Materials	318.10	1.16	0.37%	-0.79%	4.92%	18.1
S&P TSX Real Estate	359.97	2.01	0.56%	20.61%	30.82%	15.5
S&P TSX Communication Services	193.23	3.02	1.59%	18.01%	23.71%	22.6
S&P TSX Utilities	329.80	1.13	0.34%	3.22%	16.86%	21.0

COMMODITIES	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	NBF 2021E
Oil-WTI futures (US$/Barrels)	$75.11	1.06	1.43%	54.80%	84.77%	$65.50
Natural gas futures (US$/mcf)	$3.69	0.19	5.55%	45.33%	112.80%	$2.90
Gold Spot (US$/OZ)	$1,787.00	10.40	0.59%	-5.60%	0.17%	$1,845
Copper futures (US$/Pound)	$4.29	-0.01	-0.15%	22.15%	57.03%	$4.60

CURRENCIES	Last price	Curr. Net Change	% Change Week	% Change YTD	%Change 1 Year	NBF Q4/21e
Cdn$/US$	0.8114	-0.0017	-0.21%	3.35%	10.08%	0.83
Euro/US$	1.1865	-0.0068	-0.57%	-2.85%	5.58%	1.22
Pound/US$	1.3836	-0.0041	-0.30%	1.19%	10.99%	1.41
US$/Yen	111.01	0.24	0.22%	7.53%	3.28%	107

Source: Refinitiv and NBF Research

Please see last page for NBF Disclosures

FIXED INCOME NUMBERS

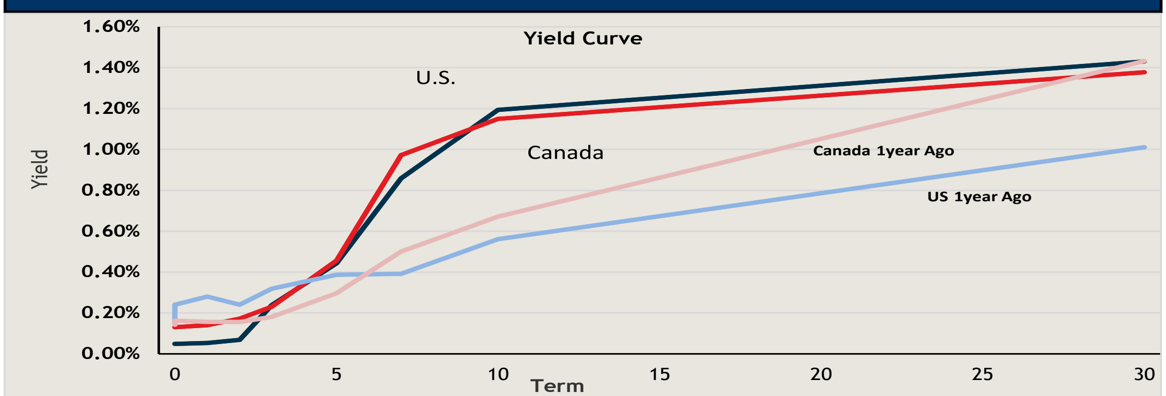
THE WEEK IN NUMBERS
(June 28th – July 2nd)

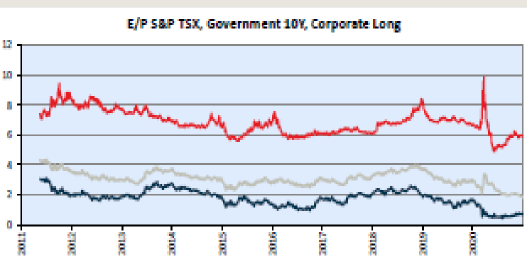
Canadian Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
CDA o/n	0.25%	0.0	CDA 5 year	0.97%	-9.1
CDA Prime	2.45%	0.0	CDA 10 year	1.38%	-14.9
CDA 3 month T-Bill	0.14%	-1.1	CDA 20 year	1.71%	-19.0
CDA 6 month T-Bill	0.17%	-1.5	CDA 30 year	1.84%	-20.2
CDA 1 Year	0.23%	-2.1	5YR Sovereign CDS	38.28	0.4
CDA 2 year	0.46%	-3.3	10YR Sovereign CDS	39.87	-0.1

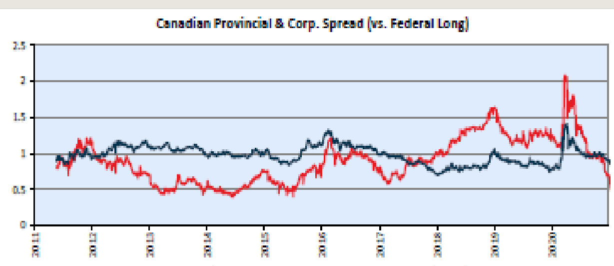
US Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
US FED Funds	0-0.25%	0.0	US 5 year	0.86%	-8.0
US Prime	3.25%	0.0	US 10 year	1.43%	-15.9
US 3 month T-Bill	0.05%	-0.2	US 30 year	2.05%	-22.8
US 6 month T-Bill	0.05%	-0.3	5YR Sovereign CDS	11.98	2.4
US 1 Year	0.07%	-0.5	10YR Sovereign CDS	20.97	3.0
US 2 year	0.24%	-1.5			

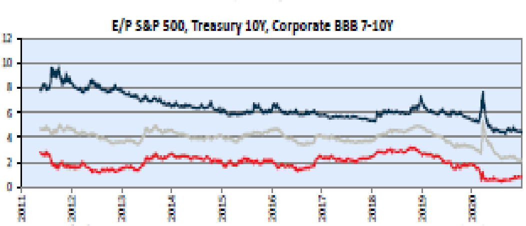
CANADIAN BOND - TOTAL RETURN	Change Week		Change Y-T-D
FTSE Universe Bond Index	0.18%		-3.46%
FTSE Short Term Bond Index	-0.10%		-0.52%
FTSE Mid Term Bond Index	0.04%		-3.00%
FTSE Long Term Bond Index	0.63%		-7.37%

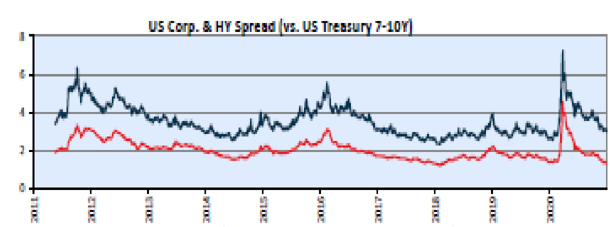
CURRENT YIELD CURVE











Source: Refinitiv & NBF

NBF Economy & Strategy Group

WEEKLY ECONOMIC WATCH

CANADA - Real GDP was surprisingly resilient in April, retracing just 0.3% m/m instead of 0.8% as expected by consensus. Adding to the good news, the prior month's growth figure was revised up from +1.1% to +1.3%. The decline in April left total output down 1.2% from its pre-pandemic level. Goods sector output expanded 0.5% in the first month of the second quarter as increases for construction (+2.4%) and mining/quarrying/oil & gas extraction (+1.4%) more than offset a 1.0% drop in the manufacturing segment. Services-producing industries, meanwhile, saw a 0.6% decrease in output with the sharpest pullbacks occurring in retail trade (-5.5%), accommodation/food services (-4.6%), and educational services (-1.3%).

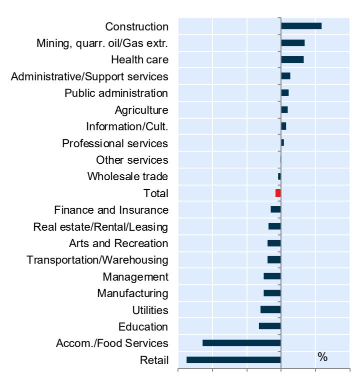
Canada: GDP still below pre-crisis level… but not for much longer
Real GDP, percentage change from peak

* Includes Statistics Canada's preliminary estimate for May
NBF Economy and Strategy (data via Bloomberg and Statistics Canada)

The Canadian economy shrank for the first time in 12 months in April as stiffer sanitary measures took a toll on activity. It should come as no surprise that the industries most affected by social-distancing measures registered some of the steepest declines. Indeed, the retail sector saw a significant deterioration as in-store shopping was curbed and food services suffered from the closing of dining areas in some regions. The drop in educational services, for its part, stemmed from the postponement of Ontario's spring break from March to April. Utilities were held back by warm weather while manufacturing was hit by shortages of semi-conductors used to produce motor vehicles. Although the real estate sector recorded a slight pullback in the month owing to slower activity in the housing market, other housing-related categories such as construction and agriculture/forestry/fishing/hunting (especially the lumber component) continued to manifest strength and remained largely above their pre-pandemic peaks. Strong global demand for commodities was reflected in the surge in mining, quarrying, and oil and gas extraction.

Canada: COVID-impacted industries continue to lag

Monthly change in output (%)



Change in output from February 2020

	April 2020	April 2021
All industries	**-17.6**	**-1.2**
Agriculture, forestry, fishing and hunting	-0.5	9.4
Mining, quarrying and oil and gas extraction	-12.8	-1.3
Utilities	-2.8	-5.0
Construction	-21.2	4.8
Manufacturing	-27.5	-3.7
Wholesale trade	-22.6	3.6
Retail trade	-29.6	2.1
Transportation and warehousing	-31.6	-18.8
Information and cultural industries	-7.7	1.4
Finance and insurance	-0.4	4.9
Real estate and rental and leasing	-5.2	2.9
Professional, scientific and technical services	-12.6	1.1
Management of companies and enterprises	-12.3	-21.0
management and remediation services	-27.7	-7.4
Educational services	-17.7	-0.3
Health care and social assistance	-21.3	2.2
Arts entertainment and recreation	-61.3	-52.9
Accommodation and food services	-64.4	-35.5
Other services (except public administration)	-38.0	-11.5
Public administration	-7.5	1.8

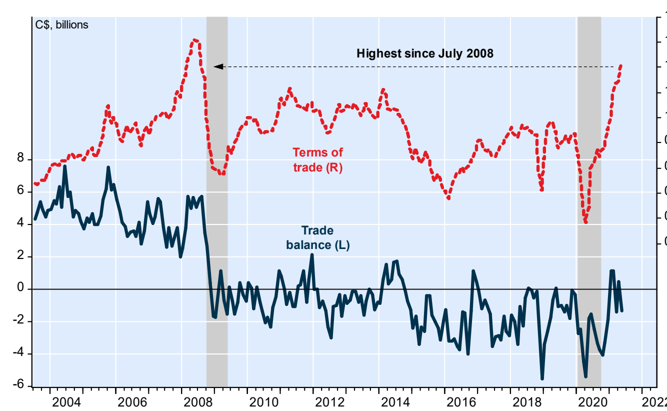
NBF Economics and Strategy (data via Statistics Canada)

NBF Economy & Strategy Group

Statistics Canada's preliminary estimate for May showed real GDP regressing 0.3% m/m as strict distancing rules were maintained in several provinces. Despite back-to-back pullbacks in April and May, GDP might still register a small gain in the second quarter as a whole. With around 70% of the population having now received at least one vaccine shot, nationwide re-openings are progressing nicely. This hints at strong expansion in June sufficient to offset prior weakness.

The merchandise trade balance moved from +C$0.46 billion in April (initially estimated at +C$0.59 billion) to -C$1.4 billion in May. Consensus expected a C$0.44 billion surplus. Nominal exports shrank 1.6% in the month, while nominal imports expanded 2.1%. On the exports side, pullbacks for consumer goods (-8.8%), motor vehicles/parts (-5.8%, a seventh decline in the past eight months due to shortages of semi-conductor chips), electronic/electrical equipment (-4.01%) and metal ores/non-metallic minerals (-5.0%) more than offset increases for forestry products/building equipment (+8.9%). In all, 8 of the 11 exports categories registered declines. Turning to imports, 7 of the 11 segments covered showed increases, notably metal/non-metallic mineral products (+17.7%), consumer goods (+4.8%) and motor vehicles/parts (+2.7%). The energy surplus traced up from C$6.8 billion to C$7.2 billion. The non-energy deficit, for its part, expanded from C$6.3 billion to C$8.6 billion. The trade surplus with the United States narrowed from C$6.6 billion to C$6.1 billion. The terms of trade continued to improve in the month and now sit at their highest level since July 2008 and not far off from the all-time record. In real terms, exports retraced 3.5%, while imports rose 2.9%.

Canada: Terms of trade at their highest level in over twelve years
Terms of trade vs. overall goods trade balance



NBF Economics and Strategy (data via Statistics Canada)

Looking forward, imports should continue to be strong thanks to demand stemming from nationwide reopening and one of the best vaccination campaigns in the world. Though exports should also pick up again as production capacity increases and global demand returns thanks to improving sanitary situations, we expect the trade balance to remain in deficit in the coming months.

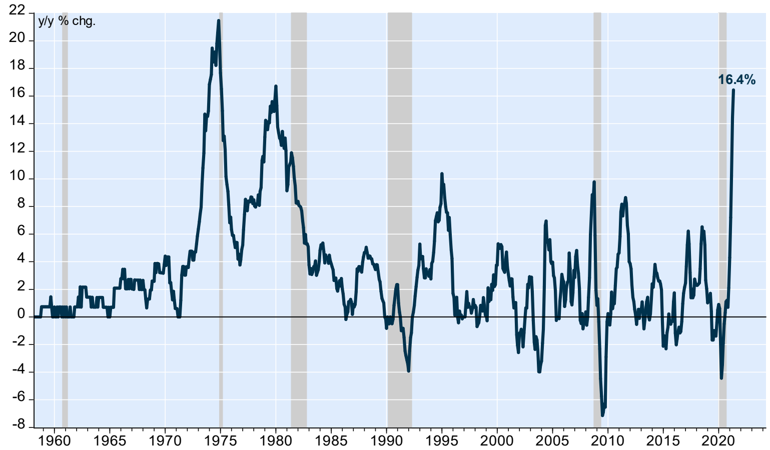
After reaching a record level in March (348.7K, seasonally adjusted and annualized), the number of residential building permits issued fell for a second month in a row in May, sliding 10.8% m/m to 274.3K. The decline reflected drops in both the single-detached (-8.1% to 77.2K) and multi-unit (-11.8% to 197.1K) categories. Despite the recent cooldown, total residential permits remained roughly 17% above their 2019 average.

Manufacturing growth softened to a 4-month low in June but remained solid overall. Markit's manufacturing PMI eased from 57.0 to 56.5 in the month, signaling a twelfth consecutive improvement in operating conditions for Canadian factories. Production and new orders increased solidly, although the rate of expansion eased slightly from that seen in the previous months. Sustained demand encouraged firms to add to their headcounts again in June, albeit at the slowest pace since February. Amid reports of material shortages and freight delays, supplier delivery times lengthened at the fourth most marked rate in the series history and input prices continued to rise sharply. Survey respondents noted higher prices for metals and lumber in particular. "In a bid to protect profit margins, firms raised their selling prices, and at the second quickest rate in the series history", the report said.

Prices for products manufactured in Canada, as measured by the Industrial Product Price Index (IPPI), rose 2.7% month over month in May. The increase was driven mostly by higher prices for lumber and other wood products (+17.9%), which had been on the rise since December 2020. On a 12-month basis, the IPPI was up 16.4%. This marked a 10th consecutive advance and was the largest increase since January 1980 (+16.7%).

NBF Economy & Strategy Group

Canada: Rise in producer prices accelerated once more in May
Industrial Product Price Index. Last observation: May 2021.



NBF Economics and Strategy (data via Statistics Canada)

The Raw Materials Price Index increased 3.2% in May after gaining 1.0% in April. This was the eighth consecutive monthly gain for this indicator. Year over year, the RMPI rose 40.1%, primarily on higher prices for crude energy products (+87.2%). Prices for metal ores, concentrates and scrap (+27.0%), and crop products (+40.4%) contributed to the advance as well

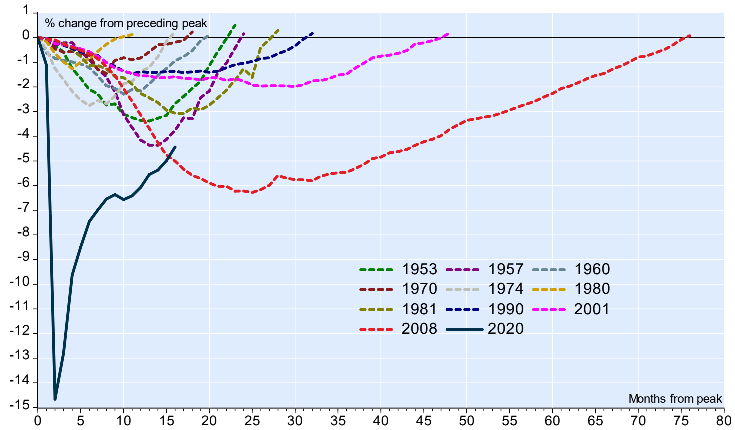
UNITED STATES - Nonfarm payrolls rose 850K in June, more than the +720K print expected by consensus. Adding to the good news, the prior months' results were upgraded by 15K. The private sector added 662K jobs. Employment in the goods sector crept up 20K as a small decline for construction (-7K) was more than offset by gains for manufacturing (+15K) and mining/logging (+12K). Services-producing industries, meanwhile, expanded payrolls by 642K, thanks in large part to a 343K jump in the leisure/hospitality category. Sizeable progressions were also observed for professional/business services (+72K), retail trade (+67K) and education/health (+59K). Employment in the public sector progressed no less than 188K as state/local administrations added 193K jobs. Average hourly earnings rose 3.6% y/y in June, up from 1.9% the prior month.

Released at the same time, the household survey (similar in methodology to Canada's LFS) reported a 18K drop in employment in June. The decrease, combined with an unchanged participation rate (61.6%), translated into a one-tick increase in the unemployment rate to 5.9%. Part-time employment surged 408K in the month, while full-time positions fell 183K.

The June employment reports were rather mixed. While establishment data came in stronger than expected, the household survey showed a decline in jobs. When combined, these reports hinted at a slow recovery in the job market in a context of economic reopening. As has been the case for several months now, the sectors that had been most affected by social distancing measures – notably leisure/hospitality and education/health – registered strong gains as COVID-19 caseloads continued to ease and several states gradually removed pandemic-related restrictions. Hiring outside of these segments, meanwhile, remained relatively tepid, especially if we exclude public sector employment. Since the measures put forward to stem the spread of the virus tend to affect part-time employment disproportionately, the improvement in the health situation in June had the opposite effect. Part time positions surged, while full-time employment took a step back. After two consecutive declines in April and May, long-term unemployment trended up in June, a negative development since the consequences of joblessness tend to increase with duration.

Full employment and low/stable inflation. These are the two elements on which the Federal Reserve sets its sights. To be fair, though, it seems the central bank has been far more concerned lately by the weakness of the former than by the strength of the latter. Is this asymmetric focus justified? And more importantly: Do recent employment gains constitute "substantial progress" in the eyes of the central bank? It is unlikely. After all, non-farm payrolls remain roughly 6.8 million (or 4.4%) below pre-crisis levels, a gap that bears monitoring by policymakers. Of the jobs still to be regained, roughly 6 million are in the services sector, which should progressively recover as the positive effects of mass vaccination begin to be felt more broadly.

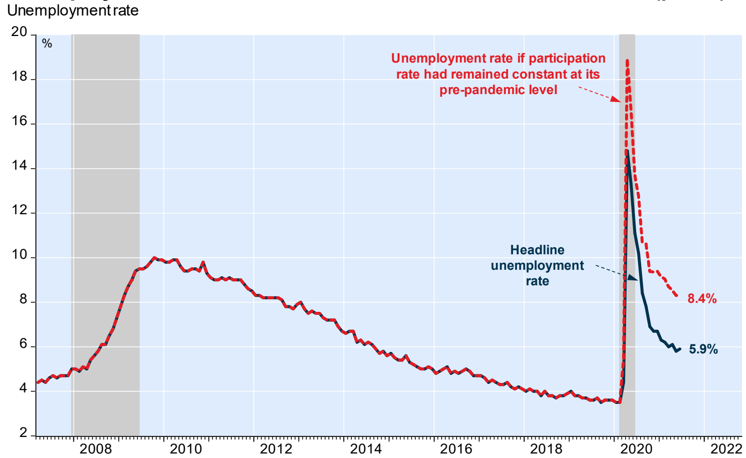
U.S: Labour market recovery still has a long way to go
Nonfarm payrolls, % change from preceding peak



NBF Economics and Strategy (data from Refinitiv)

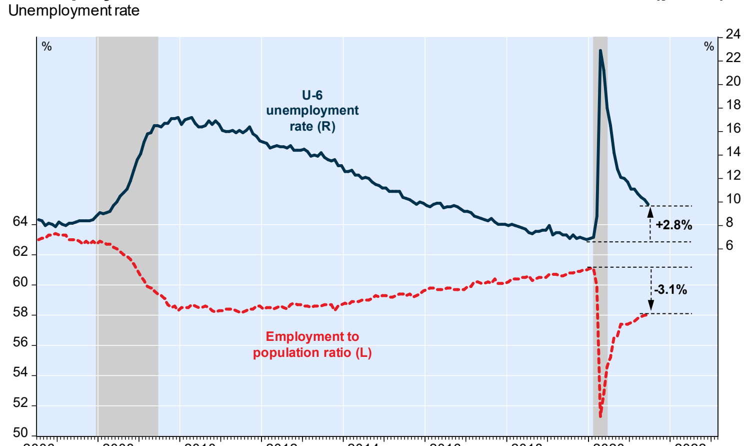
What's more, although the unemployment rate trended down over the past few months (but ticked up in June), its recent decline should be interpreted with caution. Indeed, the headline jobless gauge is embellishing the state of the labour market at the moment. Some of that is due to misclassifications but, for the most part, it has been caused by a sizeable drop in the participation rate. If participation levels had been the same in June as in the pre-crisis period, the unemployment rate would have been closer to 8.4%. Other measures of labour market slack such as the U-6 unemployment rate or the employment-to-population ratio remain light years away from pre-pandemic levels.

Unemployment rate underestimate slack on the labour market (part 1)
Unemployment rate



NBF Economics and Strategy (data from Refinitiv)

Unemployment rate underestimate slack on the labour market (part 2)
Unemployment rate

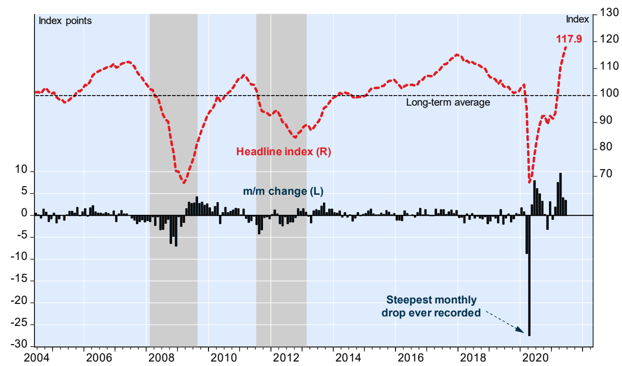


NBF Economics and Strategy (data via Refinitiv)

Credit Suisse U.S. Strategy

WORLD The European Commission's Economic Sentiment Index improved markedly in June, rising from 114.5 to 117.9. Not only did this top the 116.5 print expected by consensus and the indicator's pre-recession peak (104.0 in 2020M02), it was also the second-highest level recorded since data collection began in 1985. Confidence rose in all five sectors surveyed: manufacturing (from 11.5 to an all-time high 12.7), services (from 11.3 to a 14-year high 17.9), consumers (from -5.1 to a 41-month high -3.3), retail (from 0.5 to a 42-month high 4.5), and construction (from 4.9 to 5.1). At the national level, confidence improved in Germany (from 112.2 to an all-time high 117.2), France (from 110.9 to 112.2), and Italy (from 115.8 to 117.9). The progressive re-opening of the economy and ramping-up of the vaccination campaign should help lift sentiment further.

Eurozone: Economic sentiment surges to new all-time high
European Commission's Economic Sentiment Index. Last observation: June 2021

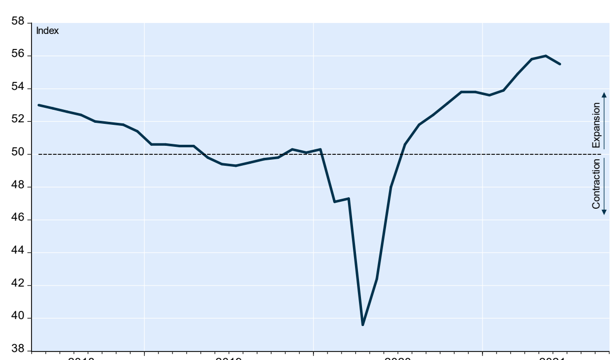


NBF Economics and Strategy (Source: European Commission via Refinitiv)

Operating conditions continued to improve at Chinese factories in June, albeit at a slower pace than in the prior month. Indeed, the Caixin manufacturing PMI eased to 51.3 from 52.0, with firms recording slower increases in both output and new orders. Production was hit by transport delays following a COVID-19 outbreak at a major port (Yantian), while foreign demand was still hampered by the pandemic. In this regard, new export orders were more or less stagnant in the month. Factory payrolls continued to expand marginally in an effort to expand capacity. Input price inflation, meanwhile, softened to a seven-month low, which in turn led to a slower increase in prices charged. Supplier delays lengthened "solidly", with firms mentioning that "a lack of stock at vendors and logistical delays related to the pandemic had hampered supplier performance."

The JP Morgan/Markit World Manufacturing PMI eased from an 11-year high of 56.0 in May to a still-elevated 55.5 in June, marking a twelfth consecutive month of growth for global factories. New orders remained robust and production continued to expand, albeit at the slowest pace in four months. "Stressed global supply chains continued to disrupt production schedules and delay input deliveries resulting in sharp price increases," the report indicated. To be sure, supplier delivery times lengthened the most since the series' inception in January 1998 and input prices rose to an extent among the greatest in the survey's history. With input prices surging, factories were forced to increase selling prices abruptly. Faced with growing work backlogs, purchasing managers expanded payrolls the most since February 2018. Out of 30 nations covered, 22 saw operating conditions improve, led by the Netherlands, Germany, Ireland, the United Kingdom, Italy, the United States. and France. Indian factories, however, fell back into contraction territory as the epidemiological situation in the country remained worrisome.

World: Manufacturing sector continued to expand at healthy clip
JPMorgan/Markit Global Manufacturing PMI. Last observation: June 2021

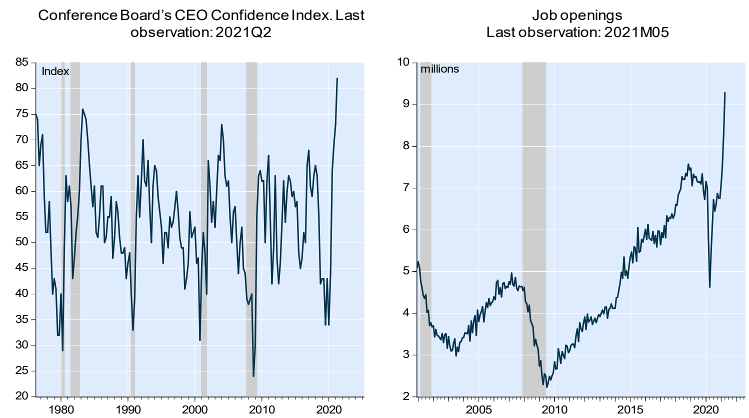


NBF Economics and Strategy (Source: Markit via Refinitiv)

NBF Economic & Strategy Group

These measures should be evidence enough of slack for the Fed to feel comfortable with its current policy stance, right? Well, not so fast. It is important to understand why labour markets are underperforming. The current employment shortfall is caused not by lack of demand on the part of would-be employers; CEO confidence stood at an all-time high in Q2 and job openings were at a record level.

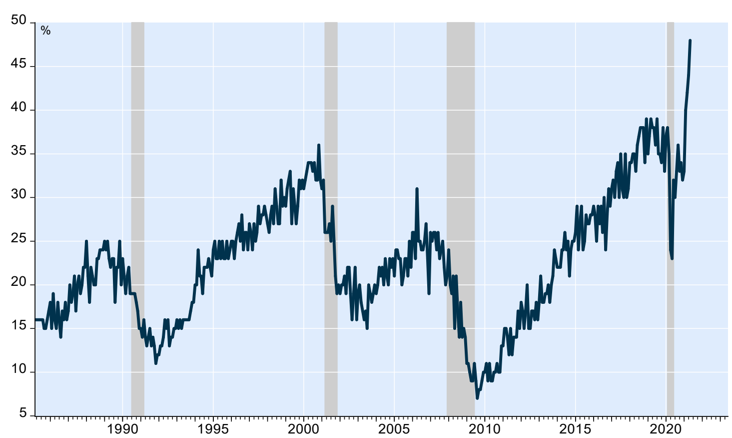
Slow job recovery caused by SUPPLY problems, not weak demand (part 1)



NBF Economics and Strategy (data via Bloomberg and Refinitiv)

Employers seem rather to have trouble attracting candidates. As many as 48% of American small businesses polled by the NFIB in May said they were unable to fill one or more vacant positions.

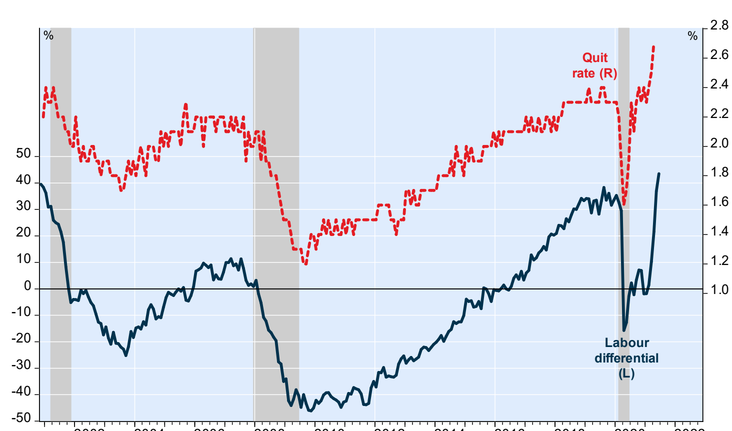
Slow job recovery caused by SUPPLY problems, not weak demand (part 2)
Percentage of small businesses having difficulty filling one or more open positions



NBF Economics and Strategy (data via Refinitiv)

Workers seem aware of the increase in labour demand on the part of enterprises. Encouraged by their employment prospects, they are indeed quitting their jobs at an unprecedented **rate.**

U.S.: Consumers see best employment prospects in a generation
Quit rate (total nonfarm) vs. Conference Board labour differential*



*Share of respondents to the Conference Board's consumer survey who said jobs were plentiful - share of those who said they were hard to get

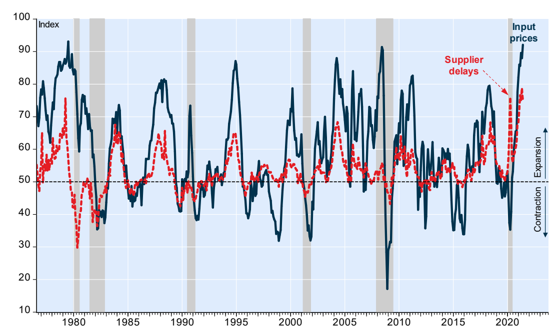
NBF Economics and Strategy (data via Refinitiv)

NBF Economic & Strategy Group

So, supply issues really seem to be the problem here. But how could this be at a time when payrolls remain so depressed compared with pre-crisis levels? Residual fear of the virus and school closures might certainly be keeping some people at home. Skills mismatch could also be at work. Another important factor restraining supply of workers in our opinion is generous benefits from Washington. In sectors where wages are relatively low, the unemployment handouts provided by the state act as a disincentive to return to work and are creating what we call "artificial" labour shortages. These could persist until bonifications to unemployment insurance are gradually phased out. This process has already started in some states but will last until September in others. In the meantime, employers might be forced to raise wages in an effort to lure workers back onto the job market. This is already happening in some sectors.

In June, the ISM Manufacturing PMI slipped 0.6 point to 60.6, a level still consistent with a healthy expansion in the sector. Output growth accelerated (60.8 vs. 58.5 the prior month), and new orders placed at factories piled up at a fast pace, albeit slightly less vigorous than in the preceding month (66.0 vs. 67.0). The export orders sub-index (56.2 vs. 55.4) rose for the third month in a row as improvement in the epidemiological situation in advanced economies allowed foreign demand to recover. Purchasing managers operating in several sectors complained of severe supply-chain constraints limiting their production capacity. Indeed, while supplier delays shortened a tad (75.1, down from a multi-year high of 78.8 the prior month), they remained quite long by historical standards. Input price inflation, meanwhile, was the most acute since July 1979 (92.1 vs. 88.0 the prior month), reflecting a scarcity of raw materials. Another issue raised by managers was widespread labour shortages, a factor that might explain why employment stagnated (49.9 vs. 50.9 the prior month) despite elevated demand and still-lengthy order backlogs (64.5 vs. an all-time high of 70.6 the prior month). Of the 18 manufacturing industries surveyed, 17 reported growth in June.

United States: Most acute factory price pressures since 1979 oil crisis
ISM manufacturing PMI. Last observation: June 2021

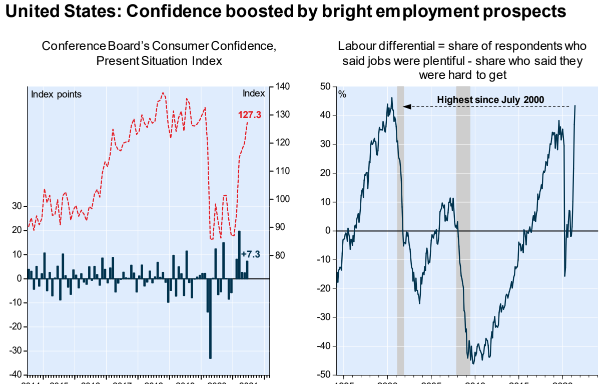


NBF Economics and Strategy (data via Bloomberg)

In June, the Conference Board Consumer Confidence Index rose for a fifth straight month, jumping 7.3 points to a post-pandemic high of 127.3. Renewed optimism among U.S. consumers is certainly linked to the marked improvement in the health situation in the country, but also to the deployment of generous fiscal aid by Washington. The present situation sub-index recorded another strong advance, springing from 148.7 to a 15-month high of 157.7. This, however, was still short of its pre-recession peak of 166.7. The percentage of respondents who deemed jobs plentiful jumped from 48.5% to a 21-year high of 54.4%. Also, 24.5% of respondents had a favourable view of current business conditions, up from 19.9% the prior month.

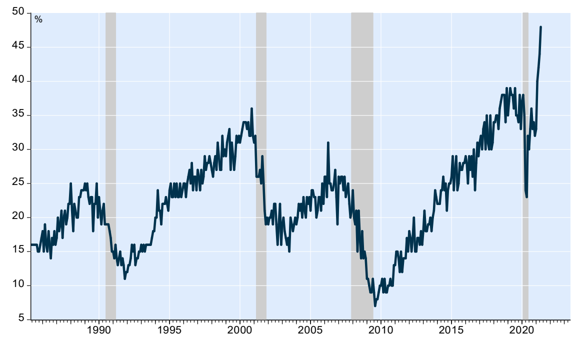
The expectations sub-index, which tracks consumer sentiment towards the next six months, sprang 6.1 points to 107.0 as a larger share of respondents expected better business conditions (from 31.0% to 33.3%) and higher income (from 16.2% to 18.6%). More people also planned to buy a home (from 5.3% to 6.1%), an automobile (from 10.0% to 10.7%) or major appliances (from 44.3% to 48.1%).

United States: Confidence boosted by bright employment prospects



Employers seem rather to have trouble attracting candidates. As many as 48% of American small businesses polled by the NFIB in May said they were unable to fill one or more vacant positions.

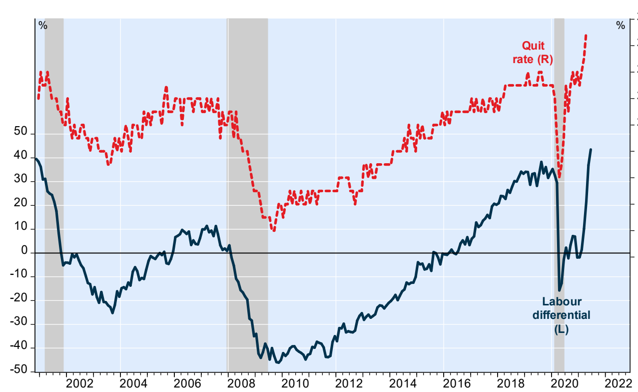
Slow job recovery caused by SUPPLY problems, not weak demand (part 2)
Percentage of small businesses having difficulty filling one or more open positions



NBF Economics and Strategy (data via Refinitiv)

Workers seem aware of the increase in labour demand on the part of enterprises. Encouraged by their employment prospects, they are indeed quitting their jobs at an unprecedented rate.

U.S.: Consumers see best employment prospects in a generation
Quit rate (total nonfarm) vs. Conference Board labour differential*



*Share of respondents to the Conference Board's consumer survey who said jobs were plentiful - share of those who said they were hard to get

NBF Economics and Strategy (data via Refinitiv)

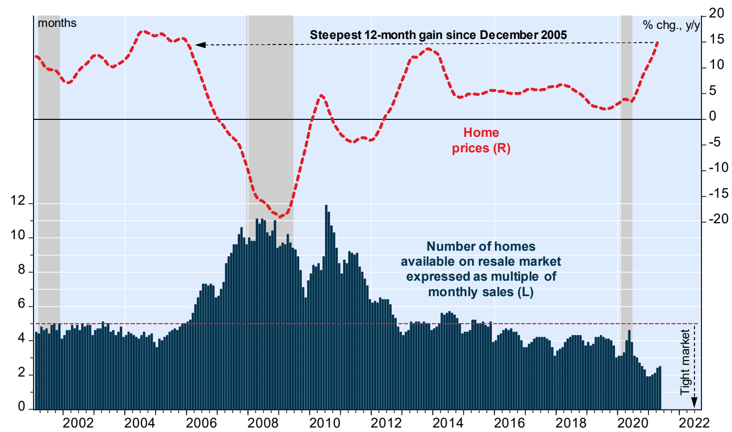
So, supply issues really seem to be the problem here. But how could this be at a time when payrolls remain so depressed compared with pre-crisis levels? Residual fear of the virus and school closures might certainly be keeping some people at home. Skills mismatch could also be at work. Another important factor restraining supply of workers in our opinion is generous benefits from Washington. In sectors where wages are relatively low, the unemployment handouts provided by the state act as a disincentive to return to work and are creating what we call “artificial” labour shortages. These could persist until bonifications to unemployment insurance are gradually phased out. This process has already started in some states but will last until September in others. In the meantime, employers might be forced to raise wages in an effort to lure workers back onto the job market. This is already happening in some sectors.

In June, the ISM Manufacturing PMI slipped 0.6 point to 60.6, a level still consistent with a healthy expansion in the sector. Output growth accelerated (60.8 vs. 58.5 the prior month), and new orders placed at factories piled up at a fast pace, albeit slightly less vigorous than in the preceding month (66.0 vs. 67.0). The export orders sub-index (56.2 vs. 55.4) rose for the third month in a row as improvement in the epidemiological situation in advanced economies allowed foreign demand to recover. Purchasing managers operating in several sectors complained of severe supply-chain constraints limiting their production capacity. Indeed, while supplier delays shortened a tad (75.1, down from a multi-year high of 78.8 the prior month), they remained quite long by historical standards. Input price inflation, meanwhile, was the most acute since July 1979 (92.1 vs. 88.0 the prior month), reflecting a scarcity of raw materials. Another issue raised by managers was widespread labour shortages, a factor that might explain why employment stagnated (49.9 vs. 50.9 the prior month) despite elevated demand and still-lengthy order backlogs (64.5 vs. an all-time high of 70.6 the prior month). Of the 18 manufacturing industries surveyed, 17 reported growth in June.

NBF Economic & Strategy Group

According to the S&P CoreLogic Case-Shiller 20-City Index, home prices rose a seasonally adjusted 1.62% m/m in April after climbing 1.52% in March. The gain, the 109th running, was the largest since April 2013. All the cities in the index saw higher prices in April, led by San Diego (+2.96%), Phoenix (+2.89%), and Dallas (+2.44%). Year on year, the index was up 14.9% (+13.4% in March), the sharpest 12-month jump since December 2005. The rapid rise in home prices in recent months is consistent with low borrowing costs and greater demand on the resale market. Aside from a resurgence in sales, lack of supply, also, has contributed to boost prices. The number of homes on the market in May was equivalent to just 2.5 months of sales. (According to the National Association of Realtors, <5 is indicative of a tight market.)

United States: Surging home prices have caught Fed's attention
S&P CoreLogic 20-City National Home Price Index vs. inventory-to-sales ratio in resale market



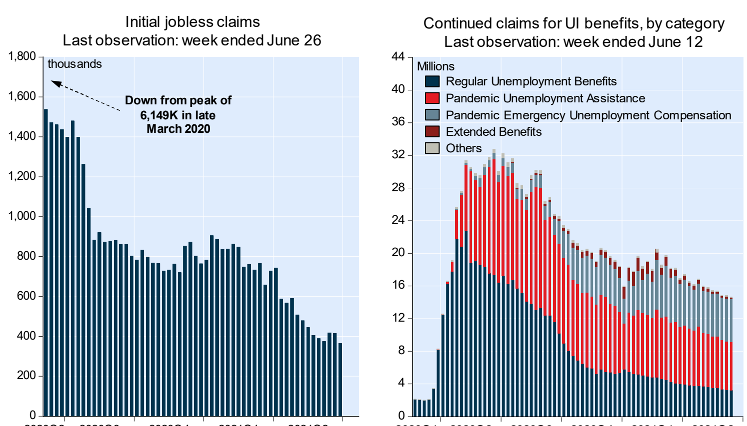
NBF Economics and Strategy (data via Refinitiv)

Rising home prices seem to have caught the attention of Fed officials. In an interview with the Financial Times this week, Eric Rosengren, President of the Boston Federal Reserve, stated that a boom-and-bust cycle in the housing market could threaten financial stability. Echoing these comments, Robert Kaplan, President of the Dallas Fed, suggested that the central bank might have to re-assess its support of the housing market via its monthly purchase of mortgage-backed securities ($40 billion per month).

In May, the pending home sales index shot up 8.0% m/m, the strongest monthly progression in nearly a year. On a 12-month basis, the index was up 13.9%.

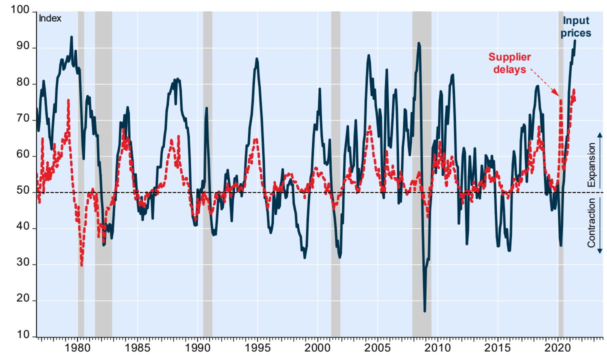
Initial jobless claims dropped from an upwardly revised 415K to a post-pandemic low of 364K in the week to June 26. Continued claims, meanwhile, edged up from 3,413K to 3,469K. Finally, roughly 11.2 million people received benefits in the week ended June 11 under two emergency programs: Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation.

United States: Initial jobless claims fell to post-pandemic low



NBF Economics and Strategy (data via Refinitiv and Bloomberg)

United States: Most acute factory price pressures since 1979 oil crisis
ISM manufacturing PMI. Last observation: June 2021

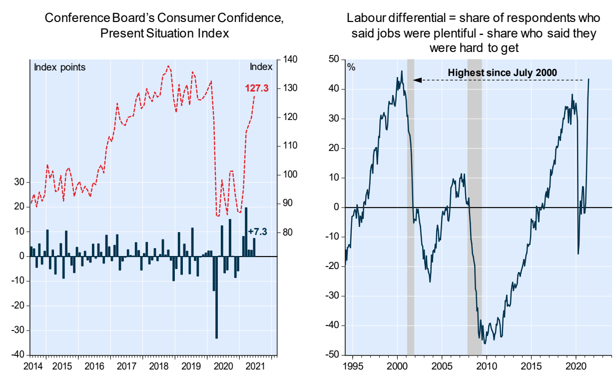


NBF Economics and Strategy (data via Bloomberg)

In June, the Conference Board Consumer Confidence Index rose for a fifth straight month, jumping 7.3 points to a post-pandemic high of 127.3. Renewed optimism among U.S. consumers is certainly linked to the marked improvement in the health situation in the country, but also to the deployment of generous fiscal aid by Washington. The present situation sub-index recorded another strong advance, springing from 148.7 to a 15-month high of 157.7. This, however, was still short of its pre-recession peak of 166.7. The percentage of respondents who deemed jobs plentiful jumped from 48.5% to a 21-year high of 54.4%. Also, 24.5% of respondents had a favourable view of current business conditions, up from 19.9% the prior month.

The expectations sub-index, which tracks consumer sentiment towards the next six months, sprang 6.1 points to 107.0 as a larger share of respondents expected better business conditions (from 31.0% to 33.3%) and higher income (from 16.2% to 18.6%). More people also planned to buy a home (from 5.3% to 6.1%), an automobile (from 10.0% to 10.7%) or major appliances (from 44.3% to 48.1%).

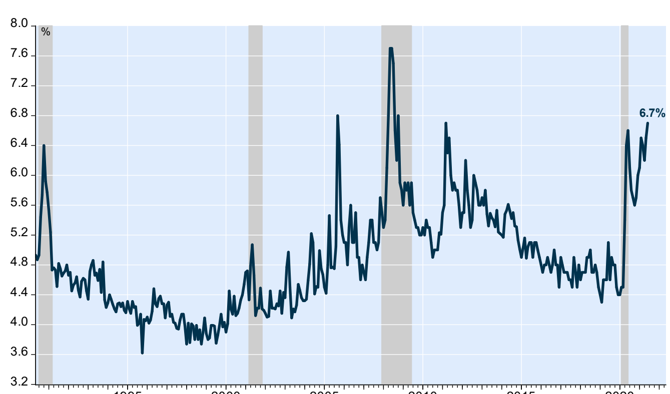
United States: Confidence boosted by bright employment prospects



NBF Economics and Strategy (data via Refinitiv)

Also of note, consumer inflation expectations for the next 12 months stood at their joint-highest level since October 2008 (6.7%).

U.S.: Consumer inflation expectations at joint highest since late 2008
Conference Board Consumer Confidence Index, inflation expectations for next 12 months



NBF Economics and Strategy (data via Bloomberg)

IN THE NEWS

U.S. and Canadian News

Monday June 28th, 2021

- **McConnell ups pressure on Biden, Democrats over infrastructure**
  U.S. Senate Republican leader Mitch McConnell urged President Joe Biden to get the two top Democrats in Congress to abandon a plan to link a $1.2 trillion bipartisan infrastructure deal to a larger reconciliation package that Republicans reject.
- **GTA rent prices slighly higher in May as market recovers from pandemic**
  The average rental rate per square foot in the GTA for all property types rose to $1,999 in May, up $22 from the previous month, according to data by Bullpen Research & Consulting and TorontoRentals.com.

Tuesday June 29th, 2021

- **U.S. home prices rose in April at fastest pace in 15 years**
  The S&P/Case Shiller composite index of 20 metropolitan areas gained 14.9% through the 12 months ended in April, the largest annual price increase since December 2005. Economists had forecast a 14.5% increase. On month-to-month basis, the 20-city composite index rose 1.6% from March. Economists had been expecting a 1.7% increase.
- **U.S. consumer confidence races to more than one-year high in June**
  The Conference Board said its consumer confidence index jumped to a reading of 127.3 this month, the highest level since February 2020, from 120.0 in May. Economists had forecast the index at 119.0.

Wednesday June 30th, 2021

- **U.S. private payrolls increase solidly; pending home sales rebound**
  Private payrolls increased by 692,000 jobs in June. Data for May was revised lower to show 886,000 jobs added instead of the initially reported 978,000. Economists had forecast private payrolls would increase by 600,000 jobs. A separate report from the National Association of Realtors on Wednesday showed contracts to buy previously owned homes rebounded 8% in May.
- **Canadian economy slides in April and May, but summer rebound expected**
  Canada's real gross domestic product decreased 0.3% in April from March, beating analyst estimates of a decline of 0.8%, while May GDP was most likely down 0.3%. The May number is a preliminary estimate.
- **Cogeco to expand U.S. presence with US$1.1B deal for WideOpenWest's Ohio operations**
  Cogeco Communications Inc. is bolstering its presence south of the border after announcing its U.S. subsidiary will acquire WideOpenWest Inc.'s Ohio telecom business for US$1.1 billion.

Thursday July 1st, 2021

- **U.S. labor market recovery gaining steam; worker shortages an obstacle**
  Initial claims for state unemployment benefits dropped 51,000 to a seasonally adjusted 364,000 for the week ended June 26. That was the lowest number since March 2020.
- **U.S. manufacturing sector grows moderately**
  The Institute for Supply Management (ISM) said its index of national factory activity slipped to 60.6 last month, the lowest reading since January, from 61.2 in May. Economists had forecast the index dipping to 61.0 in June.
- **Construction spending unexpectedly falls in May**
  The Commerce Department said that construction spending dropped 0.3% after edging up 0.1% in April. Economists had forecast construction spending rising 0.4%.

Friday July 2nd, 2021

- **U.S. jobs jump by most in 10 months as economy gains steam**
  Nonfarm payrolls jumped by 850,000 last month, bolstered by strong job gains in leisure and hospitality. The unemployment rate edged up to 5.9 per cent because more people voluntarily left their jobs and the number of job seekers rose.
- **U.S. trade deficit widens in May on rising imports**
  The Commerce Department said that the trade gap rose 3.1% to $71.2 billion in May. Economists had forecast a $71.4 billion deficit.
- **U.S. factory orders rebound strongly in May**
  The Commerce Department said that factory orders surged 1.7% in May after slipping 0.1% in April. Economists had forecast factory orders rebounding 1.6%. Orders increased 17.2% on a year-on-year basis.
- **Canadian manufacturing growth hits 4-month low amid material shortages**
  The IHS Markit Canada Manufacturing Purchasing Managers' index (PMI) dipped to a seasonally adjusted 56.5 in June from 57.0 in May. It was the lowest reading since February but holding well above the 50 threshold which shows growth in the sector.
- **Canada posts unexpected trade deficit in May as exports falter**
  Canada posted a surprise trade deficit of C$1.39 billion in May, missing analyst expectations of a small surplus, as imports increased and exports fell. Analysts had predicted a surplus of C$370 million following a revised C$460 million surplus in April.

Click on title to view the full story.

IN THE NEWS

International News

Monday June 28th, 2021

- **China central bank to make monetary policy flexible, targeted, appropriate**
  China will make its monetary policy flexible, targeted and appropriate, while keeping interbank liquidity reasonable, the central bank said as authorities seek to consolidate a post-COVID-19 economic recovery.
- **China's industrial profit growth slows amid high raw material prices**
  Profits at China's industrial firms rose 36.4% in May from a year earlier to 829.92 billion yuan (US$128.58 billion) official data showed. That was a slowdown from the 57% surge reported in April.
- **Germany's Jan-April oil imports drop by 10.8% year on year**
  German crude oil imports in January through April fell 10.8% year on year as the COVID-19 pandemic and related lockdowns hit industry but year-on-year losses were lower than in January-March.
- **Russian central bank says it could raise rates by 25-100 bps in July**
  Russia's central bank will consider raising its benchmark interest rate by between 25 and 100 basis points from the current 5.5% at its next rate-setting meeting on July 23 to rein in inflation.

Tuesday June 29th, 2021

- **German inflation slows but remains above ECB target in June**
  Consumer prices, harmonised to make them comparable with inflation data from other European Union countries, rose by 2.1% in June, down from 2.4% in May. The June reading was in line with a Reuters forecast. The national consumer price index slowed to 2.3% in June from 2.5% in May.
- **UK house prices jump by 13.4% in 12 months to June**
  British house prices rose by 13.4% in June compared with the same month last year, the biggest annual increase since November 2004. In monthly terms, house prices were 0.7% higher than in May. Economists had expected prices to rise by 13.7% in annual terms and by 0.7% from May.
- **BOJ to trim JGB buying, seen taking more hands-off approach**
  The Bank of Japan (BOJ) trimmed the amount of Japanese government bonds it will purchase in the coming quarter and also shifted its announcement to a quarterly schedule.
- **Japan's retail sales rise for 3rd month, but overall trend still soft**
  Retail sales jumped 8.2% in May from a year earlier, the third straight month of growth, a larger rise than the median market forecast for a 7.9% gain. Separate data showed the nationwide seasonally adjusted unemployment rate was up at 3.0%, above the previous month's 2.8% and a median forecast of 2.9%.

Wednesday June 30th, 2021

- **China manufacturing slows as supply shortages roil Asia industry**
  China's June official manufacturing Purchasing Manager's Index (PMI) eased slightly to 50.9 versus 51.0 in May. It exceeded analysts' forecast for a slowdown to 50.8.
- **Euro zone inflation eases before expected march higher**
  Inflation in the 19 countries sharing the euro slipped to 1.9% in June from 2.0% in May, in line with forecasts and right on the ECB's target of "below but close to 2%".
- **Brazil's unemployment rate stuck at historic high 14.7%**
  Brazil's unemployment rate held steady at a historic high of 14.7% in the three months through April, with the rate of deterioration in the labor market continuing to slow gradually from a year ago.
- **More work needed to secure broader agreement on G7 tax initiatives**
  Britain believes that there is more work needed to secure broader agreement on international tax commitments made by G7 wealthy democracies in the coming weeks and months.

Thursday July 1st, 2021

- **BoE's Bailey: don't over-react to temporary jump in inflation**
  Bank of England Governor Andrew Bailey said it was important not to over-react to a rise in inflation that was likely to prove temporary during Britain's economic recovery from the COVID-19 crisis.
- **Euro zone factory growth, input costs rose at record pace in June -PMI**
  IHS Markit's final manufacturing Purchasing Managers' Index (PMI) rose to 63.4 in June from May's 63.1, above an initial 63.1 "flash" estimate and the highest reading since the survey began in June 1997.
- **Brazil manufacturing PMI in June hits four-month high - IHS Markit**
  The headline PMI rose to 56.4 in June from 53.7 in May, IHS Markit said, the highest since February.
- **Brazil posts $10.4 bln trade surplus in June**
  Brazil posted a $10.4 billion trade surplus in June, close to the consensus forecast for a $10.7 billion surplus and up sharply from a $6.5 billion surplus in the same month last year.

Friday July 2nd, 2021

- **Euro zone producer prices accelerate in May**
  Eurostat said prices at factory gates in the 19 countries sharing the euro rose 1.3% month-on-month for a 9.6% year-on-year increase.
- **ECB's Lagarde says euro zone recovery still fragile**
  The euro zone economy is beginning to rebound from a pandemic-induced slump but the recovery remains fragile, the European Central Bank's President Christine Lagarde said in an interview.
- **South Korea inflation hovers near 9-year peak, stoking rate-hike expectations**
  Consumer prices rose 2.4% from the same month a year prior, slightly missing analysts' 2.5% forecast and a tad off May's 2.6% - the fastest growth since April 2012.

Click on title to view the full story.

WEEKLY PERFORMERS – S&P/TSX

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Mullen Group Ltd	$13.47	$1.14	9.25%
Cargojet Inc	$186.60	$13.90	8.05%
Trisura Group Ltd	$172.18	$12.07	7.54%
Alimentation Couche-Tard Inc	$46.82	$3.16	7.24%
Cogeco Communications Inc	$121.39	$7.39	6.48%
Nuvei Corp	$104.21	$6.34	6.48%
NovaGold Resources Inc	$10.52	$0.62	6.26%
Kinaxis Inc	$165.10	$9.60	6.17%
Boralex Inc	$39.11	$1.92	5.16%
Innergex Renewable Energy Inc	$22.64	$1.11	5.16%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Aurinia Pharmaceuticals Inc	$15.71	-$1.89	-10.74%
Trillium Therapeutics Inc	$11.96	-$1.10	-8.42%
OrganiGram Holdings Inc	$3.36	-$0.25	-6.93%
Denison Mines Corp	$1.51	-$0.10	-6.21%
Aurora Cannabis Inc	$10.61	-$0.64	-5.69%
Cronos Group Inc	$10.29	-$0.62	-5.68%
Canopy Growth Corp	$28.70	-$1.66	-5.47%
Westport Fuel Systems Inc	$6.30	-$0.36	-5.41%
Tilray Inc	$21.23	-$1.14	-5.10%
Enerplus Corp	$8.77	-$0.45	-4.88%

Source: Refinitiv

WEEKLY PERFORMERS – S&P500

S&P500: LEADERS	LAST	CHANGE	%CHG
Advanced Micro Devices Inc	$94.70	$9.08	10.60%
Xilinx Inc	$144.56	$12.44	9.42%
NVIDIA Corp	$819.48	$58.24	7.65%
NRG Energy Inc	$41.41	$2.92	7.59%
Skyworks Solutions Inc	$191.32	$12.62	7.06%
ETSY Inc	$197.57	$12.77	6.91%
Qorvo Inc	$195.67	$12.32	6.72%
Enphase Energy Inc	$186.41	$11.02	6.28%
Cabot Oil & Gas Corp	$17.84	$1.02	6.06%
Regeneron Pharmaceuticals Inc	$583.64	$33.09	6.01%

S&P500: LAGGARDS	LAST	CHANGE	%CHG
Walgreens Boots Alliance Inc	$48.17	-$3.99	-7.65%
Carnival Corp	$26.06	-$2.07	-7.36%
Norwegian Cruise Line Holdings Ltd	$29.00	-$2.03	-6.54%
Live Nation Entertainment Inc	$87.29	-$5.31	-5.73%
Valero Energy Corp	$78.07	-$4.02	-4.90%
Boeing Co	$236.68	-$11.70	-4.71%
International Business Machines Corp	$140.02	-$6.82	-4.64%
Alaska Air Group Inc	$60.71	-$2.56	-4.05%
Zions Bancorporation NA	$53.26	-$2.22	-4.00%
Incyte Corp	$83.58	-$3.25	-3.74%

Source: Refinitiv

NBF RATINGS & TARGET PRICE CHANGES

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
Akumin Inc.	AKU.U	Sector Perform	Sector Perform	**US$3.50**	**US$3.25**
Alaris Equity Partners Income Trust	AD.un	Outperform	Outperform	**C$23.50**	**C$22.50**
Alimentation Couche-Tard Inc.	ATD.B	Outperform	Outperform	**C$53.00**	**C$49.00**
Brookfield Business Partners L.P.	BBU.un	Outperform	Outperform	**US$60.00**	**US$56.00**
Canadian National Railway	CNR	Sector Perform	Sector Perform	**C$140.00**	**C$143.00**
Canadian Pacific Railway	CP	Sector Perform	Sector Perform	**C$98.00**	**C$102.00**
Cogeco Communications Inc.	CCA	Outperform	Outperform	**C$143.00**	**C$130.00**
Lithium Americas Corp.	LAC	Outperform	Outperform	**US$18.65**	**US$23.00**
Mullen Group Ltd.	MTL	Outperform	Outperform	**C$15.50**	**C$15.25**
Sigma Lithium Resources Corp.	SGMA	Outperform	Outperform	**C$7.50**	**C$6.25**
Tricon Residential Inc.	TCN	Outperform	Outperform	**C$16.00**	**C$14.50**

STRATEGIC LIST - WEEKLY UPDATE

(June 28th – July 2nd)

No Changes this Week:

Comments:

Communication Services (Market Weight)

Rogers Communications Inc. (RCI.b)

NBF: Quarterly Preview: Rogers reports Q2 results July 21. NBF forecasts Revenues of $3570M, EBITDA $1395M, Adj. EPS $0.77 vs. $0.60 & FCF $367M, with consensus at $3505M, $1390M, $0.77 & $359M, respectively. The cash tax level was telegraphed to be $175M with this to step down during 2H. Since its 1Q21, Rogers saw Shaw shareholders vote on 5/21/21 to approve its takeover and the deal got Alberta Court approval on 5/25/21, while the CRTC outlined its Wireless Review conclusions on 4/15/21 and final TPIA decision on 5/25/21 to help reassert regulatory clarity and certainty. NBF expects a $25M retroactive TPIA charge to come below the 2Q21 EBITDA. NBF maintained its Outperform and $75.00 target which has upside. Target's based on 2021E DCF ($78) & PF2022E NAV ($72 ahead of multiple expansion). The stock has returned to a level not seen since February last year. Regularity clarity has helped along with a lapping of more acute COVID pressure. As we watch for the economic recovery to push ahead, attention for Rogers is also on the regulatory review of its Shaw takeout.

Consumer Staples (Market Weight)

Alimentation Couche-Tard Inc. (ATD.B)

NBF: ATD reported Q4/F21 adjusted EPS of $0.52, above NBF $0.39 and consensus at $0.42; last year was $0.47. NBF considers the results to be positive, although not as strong as headline-adjusted EPS may suggest. Strong fuel margins and solid SG&A control (aided by $41 million in government grants, about $0.03 to EPS) more than offset marginally soft merchandising gross profit (vs. NBF; it was up y/y). Total revenue was $12.2 bln vs. NBF at $12.0 bln and cons. at $11.7 bln; last year was $9.7 bln. Total merchandise gross profit was $1,214 mln vs. NBF at $1,235 mln; last year was $1,069 mln. Fuel and other gross profit was $1,120 mln vs. NBF at $961 mln; last year was $1,199 mln. Historically, NBF has discounted fuel margin strength; however, given that ATD has exceeded our U.S. fuel margin estimates in four consecutive quarters, NBF believes the market will give more credit for fuel performance (at least until the gap between actual results and industry data narrows). Management credits healthy fuel margins to favourable market conditions and improved product costs (fuel rebranding and procurement initiatives). While fuel volumes remain challenged vs. pre-pandemic levels, it sees a return to more normal driving behaviour, particularly in the U.S. NBF revised its estimates upwards, largely reflecting solid fuel margins; as a result, NBF models F2022 EPS of $2.34 vs. $2.11 previously and F2023 EPS of $2.54 vs. $2.36 previously. Management indicated that it remains active on the M&A front, particularly in the U.S. and Asia (Southeast Asia). Management reiterated interest in adjacent channels, including dollar stores, grocery, travel and QSR. NBF estimates that ATD has up to $20 bln of acquisition capacity assuming average deal parameters (would take net debt to EBITDA to ~3.7x, including synergies). NBF maintained its Outperform rating and increased its target price to $53.00 from $49.00.

Utilities (Underweight)

Innergex Renewable Energy Inc. (INE)

NBF: INE has an agreement to acquire the remaining 50% interest in its Chilean JV, Energía Llaima SpA, in a stock transaction valued at ~C$88 mln (~US $71 mln). The JV has a ~148 MW (net) interest in three hydro facilities and a ~19 MW (net) interest in a solar thermal facility in Chile, as well as a development pipeline which includes an 82 MW hydro facility and 227 MW of prospective hydro, solar and wind projects. Overall, the acquisition should increase INE's net installed capacity by ~84 MW. The price for the remaining interest in the JV (i.e., ~US$71 mln), is considerably below the ~US$110 mln INE paid for its initial 50% stake in the assets and should be paid in stock (an estimated 4.1 mln shares could be issued). The acquisition should be accretive to free cash flow, contributing C$4.5 mln, equivalent to a 5.1% FCF yield. INE currently trades at a 4.0% FCF yield on NBF 2022E. NBF believes that Hydro-Quebec could subscribe to roughly 0.8 mln shares to maintain its ownership stake in INE at 19.9%. Although the deal is relatively small, it could add up to >$0.50 /sh in value and follows on recent news of progress for the 332 MW Boswell Springs wind project. This progress should help to build confidence, following the setback from Texas events in Q1. Moreover, with the completion of the acquisition, INE's financial statements will be simplified (no more equity accounting for this asset) and its payout ratio should see some relief. NBF maintained its Outperform rating and $26.00 target price which is based on a 5.25% cost of equity and includes $3/sh of growth. INE maintains 2021E guidance and expects to grow EBITDA (on a normalized basis) by ~12%. For Q2E results, NBF believes INE should see strong results from hydro in B.C., offset by some weakness in Quebec wind and hydro.

NBF STRATEGIC LIST

Company	Symbol	Addition Date	Addition Price	Last Price	Yield (%)	Beta	% SPTSX	NBF Sector Weight
Communication Services							**4.9**	**Market Weight**
Quebecor Inc.	QBRb.TO	29-Nov-18	$ 28.70	$ 33.23	3.3	0.5		
Rogers Communications Inc.	RCIb.TO	13-Feb-20	$ 65.84	$ 66.27	3.0	0.5		
Consumer Discretionary							**4.0**	**Market Weight**
Dollarama Inc.	DOL.TO	19-Mar-20	$ 38.96	$ 56.92	0.4	0.6		
Gildan Activewear Inc.	GIL.TO	20-May-21	$ 42.72	$ 46.25	1.7	1.9		
Consumer Staples							**3.6**	**Market Weight**
Alimentation Couche-Tard Inc.	ATDb.TO	26-Jan-17	$ 30.09	$ 46.82	0.8	0.7		
Loblaw Companies Ltd.	L.TO	25-Mar-21	$ 68.50	$ 77.14	1.8	0.3		
Energy							**13.0**	**Overweight**
Cenovus Energy Inc.	CVE.TO	16-Jan-20	$ 12.26	$ 11.98	0.6	2.5		
Enbridge Inc.	ENB.TO	21-Jan-15	$ 59.87	$ 50.15	6.7	0.9		
Tourmaline Oil Corp.	TOU.TO	13-Aug-20	$ 16.68	$ 35.61	1.8	1.4		
Financials							**31.7**	**Market Weight**
Bank of Montreal	BMO.TO	25-Mar-21	$ 112.23	$ 127.09	3.3	1.1		
Element Fleet Management Corp	EFN.TO	02-Apr-20	$ 8.58	$ 14.92	1.8	1.2		
Fairfax Financial Holdings Ltd.	FFH.TO	20-Dec-18	$ 585.81	$ 537.00	2.4	0.9		
Intact Financial Corp.	IFC.TO	11-Jun-20	$ 130.04	$ 169.72	2.0	0.8		
Royal Bank of Canada	RY.TO	19-Jun-13	$ 60.69	$ 126.03	3.4	0.9		
Sun Life Financial	SLF.TO	10-Dec-20	$ 57.07	$ 63.71	3.4	1.4		
Health Care							**1.4**	**Market Weight**
Industrials							**11.6**	**Market Weight**
Lifeworks Inc.	LWRK.TO	26-Sep-19	$ 32.72	$ 33.41	2.3	0.7		
Stantec Inc.	STN.TO	20-May-21	$ 53.96	$ 56.19	1.2	0.7		
Toromont Industries Ltd	TIH.TO	05-Dec-19	$ 67.24	$ 108.36	1.6	0.8		
Information Technology							**9.4**	**Underweight**
Kinaxis Inc.	KXS.TO	19-Mar-20	$ 100.05	$ 165.10	0.0	0.7		
Open Text Corp.	OTEX.TO	26-Oct-16	$ 41.61	$ 64.04	1.6	0.9		
Materials							**12.7**	**Overweight**
Agnico Eagle Resources Ltd.	AEM.TO	17-Dec-14	$ 27.00	$ 76.05	2.3	0.5		
SSR Mining Inc.	SSRM.TO	30-Jan-20	$ 23.81	$ 19.69	1.3	0.6		
Teck Resources Ltd.	TECKb.TO	01-Nov-17	$ 27.15	$ 28.56	0.7	1.2		
REITs							**3.1**	**Underweight**
Canadian Apartment Properties REIT	CAR_u.TO	10-Dec-20	$ 49.82	$ 58.62	2.4	0.7		
RioCan REIT	REI_u.TO	23-Aug-18	$ 19.95	$ 22.18	4.3	1.2		
Utilities							**4.5**	**Underweight**
Capital Power Corp.	CPX.TO	22-Aug-19	$ 30.90	$ 40.66	5.0	1.2		
Innergex Renewable Energy Inc.	INE.TO	22-Aug-19	$ 15.00	$ 22.64	3.3	0.8		

Source: Refinitiv (Priced July 2, 2021 after market close)

* R = Restricted Stocks - Stocks placed under restriction while on The NBF Strategic List will remain on the list, but noted as Restricted in accordance with compliance requirements

Week Ahead

THE ECONOMIC CALENDAR

(July 5th – July 9th)

U.S. Indicators

Date	Time	Release	Period	Previous	Consensus	Unit
6-Jul	09:45	Markit Comp Final PMI	Jun	63.9		Index (diffusion)
6-Jul	09:45	Markit Svcs PMI Final	Jun	64.8		Index (diffusion)
6-Jul	10:00	**ISM N-Mfg PMI**	Jun	64.0	63.0	Index
7-Jul	07:00	MBA Mortgage Applications	28 Jun, w/e	-6.9%		Percent
7-Jul	10:00	**JOLTS Job Openings**	May	9.286M		Person
8-Jul	08:30	**Initial Jobless Clm**	28 Jun, w/e			Person
8-Jul	08:30	Jobless Clm 4Wk Avg	28 Jun, w/e			Person
8-Jul	08:30	Cont Jobless Clm	21 Jun, w/e			Person
8-Jul	10:30	EIA-Nat Gas Chg Bcf	28 Jun, w/e			Cubic foot
8-Jul	11:00	EIA Wkly Crude Stk	28 Jun, w/e			Barrel
8-Jul	15:00	Consumer Credit	May	18.61B		USD
8-Jul	10:00	Wholesale Sales MM	May	0.8%		Percent

Canadian Indicators

Date	Time	Release	Period	Previous	Consensus	Unit
5-Jul	10:30	Business Outlook Future Sales	Q2	52%		Percent
6-Jul	08:15	Reserve Assets Total	Jun	89,205M		USD
7-Jul	10:00	Ivey PMI	Jun	59.8		Net balance
9-Jul	08:30	Avg hrly wages Permanent employee YY	Jun	-1.44%		Percent
9-Jul	08:30	**Employment Change**	Jun	-68.0k		Person
9-Jul	08:30	**Unemployment Rate**	Jun	8.2%		Percent
9-Jul	08:30	Full Time Employment Chng SA	Jun	-13.8k		Person
9-Jul	08:30	Part Time Employment Chng SA	Jun	-54.2k		Person
9-Jul	08:30	Participation Rate	Jun	64.6%		Percent

Source : Refinitiv

U.S. Markets are closed Monday July 5th for Indepence Day

S&P/TSX INDEX QUARTERLY EARNINGS CALENDAR

Monday July 5th, 2021

None

Tuesday July 6th, 2021

None

Wednesday July 7th, 2021

None

Thursday July 8th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Richelieu Hardware Ltd	RCH	Bef-mkt	0.467

Friday July 9th, 2021

None

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

Nothing in the S&P500 Earnings Calendar

Disclosures

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

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

NBF is a member of the Canadian Investor Protection Fund.

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

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