The Week at a Glance

July 9th, 2021

THE WEEK IN NUMBERS

(July 5th – July 9th)

Research Services

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INDEX	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
Dow Jones Industrial	34,870.16	83.81	0.24%	13.93%	35.65%	22.5
S&P 500	4,369.55	17.21	0.40%	16.33%	38.63%	28.5
Nasdaq Composite	14,701.92	62.59	0.43%	14.07%	39.38%	34.4
S&P/TSX Composite	20,257.95	31.84	0.16%	16.20%	30.12%	18.5
Dow Jones Euro Stoxx 50	4,068.09	-16.22	-0.40%	14.51%	24.74%	24.4
FTSE 100 (UK)	7,121.88	-1.39	-0.02%	10.24%	17.72%	17.6
DAX (Germany)	15,687.93	37.84	0.24%	14.35%	25.61%	18.8
Nikkei 225 (Japan)	27,940.42	-842.86	-2.93%	1.81%	24.02%	16.5
Hang Seng (Hong Kong)	27,344.54	-965.88	-3.41%	0.42%	4.33%	14.4
Shanghai Composite (China)	3,524.09	5.33	0.15%	1.47%	2.13%	12.3
MSCI World	3,053.12	7.03	0.23%	13.50%	36.26%	28.7
MSCI EAFE	2,313.37	-2.13	-0.09%	7.72%	28.12%	21.5

S&P TSX SECTORS	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
S&P TSX Consumer Discretionary	270.07	-2.64	-0.97%	15.84%	52.15%	26.6
S&P TSX Consumer Staples	697.17	0.32	0.05%	10.18%	10.83%	20.2
S&P TSX Energy	136.34	-3.74	-2.67%	49.81%	88.84%	24.9
S&P TSX Financials	368.80	-2.81	-0.76%	20.42%	45.77%	12.5
S&P TSX Health Care	69.37	-1.87	-2.62%	15.33%	33.12%	N/A
S&P TSX Industrials	355.69	1.51	0.43%	8.17%	30.01%	22.8
S&P TSX Info Tech.	217.67	3.32	1.55%	19.36%	27.04%	62.1
S&P TSX Materials	321.19	3.09	0.97%	0.18%	-0.02%	18.1
S&P TSX Real Estate	370.08	10.11	2.81%	24.00%	38.65%	15.9
S&P TSX Communication Services	194.52	1.29	0.67%	18.80%	28.15%	22.8
S&P TSX Utilities	332.74	2.94	0.89%	4.14%	20.59%	21.3

COMMODITIES	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	NBF 2021E
Oil-WTI futures (US$/Barrels)	$74.65	-0.51	-0.68%	53.85%	88.41%	$65.50
Natural gas futures (US$/mcf)	$3.69	-0.01	-0.22%	45.41%	107.53%	$2.90
Gold Spot (US$/OZ)	$1,809.40	26.80	1.50%	-4.42%	0.57%	$1,845
Copper futures (US$/Pound)	$4.35	0.07	1.56%	23.76%	53.78%	$4.60

CURRENCIES	Last price	Curr. Net Change	% Change Week	% Change YTD	%Change 1 Year	NBF Q4/21e
Cdn$/US$	0.8031	-0.0084	-1.04%	2.29%	9.13%	0.83
Euro/US$	1.1881	0.0017	0.14%	-2.72%	5.32%	1.22
Pound/US$	1.3899	0.0078	0.56%	1.65%	10.27%	1.41
US$/Yen	110.11	-0.93	-0.84%	6.65%	2.72%	107

Source: Refinitiv and NBF Research

Please see last page for NBF Disclosures

FIXED INCOME NUMBERS

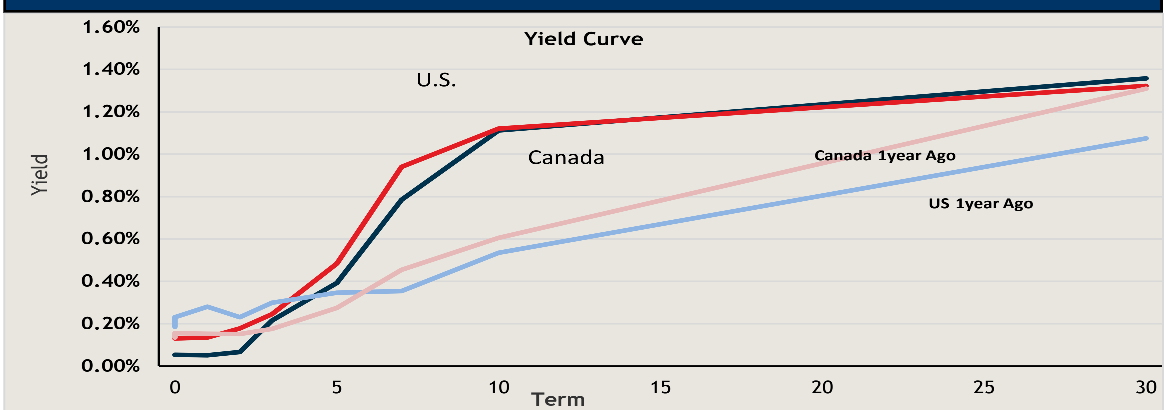
THE WEEK IN NUMBERS
(July 4th – July 9th)

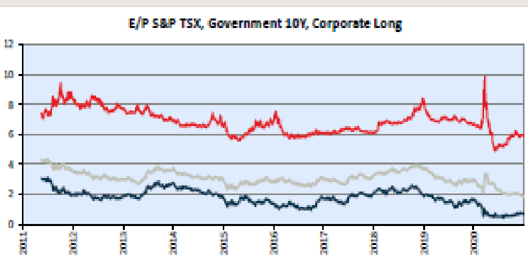
Canadian Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
CDA o/n	0.25%	0.0	CDA 5 year	0.94%	-8.5
CDA Prime	2.45%	0.0	CDA 10 year	1.33%	-14.1
CDA 3 month T-Bill	0.14%	-1.1	CDA 20 year	1.69%	-18.0
CDA 6 month T-Bill	0.18%	-1.5	CDA 30 year	1.81%	-19.5
CDA 1 Year	0.25%	-2.0	5YR Sovereign CDS	38.27	0.4
CDA 2 year	0.48%	-3.2	10YR Sovereign CDS	39.85	-0.1

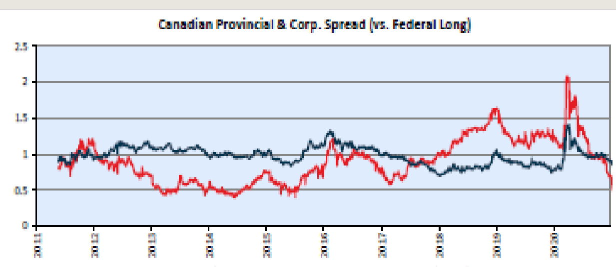
US Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
US FED Funds	0-0.25%	0.0	US 5 year	0.79%	-7.4
US Prime	3.25%	0.0	US 10 year	1.36%	-14.9
US 3 month T-Bill	0.05%	-0.2	US 30 year	1.99%	-21.7
US 6 month T-Bill	0.05%	-0.4	5YR Sovereign CDS	9.35	-0.2
US 1 Year	0.07%	-0.5	10YR Sovereign CDS	18.89	0.9
US 2 year	0.21%	-1.5			

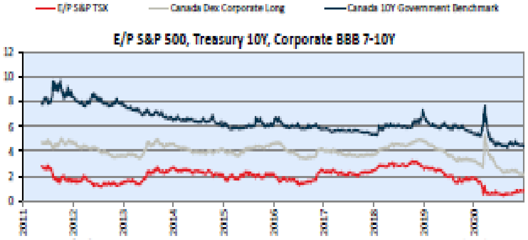
CANADIAN BOND - TOTAL RETURN	Change Week	Change Y-T-D
FTSE Universe Bond Index	0.81%	-2.68%
FTSE Short Term Bond Index	0.09%	-0.42%
FTSE Mid Term Bond Index	0.82%	-2.21%
FTSE Long Term Bond Index	1.69%	-5.80%

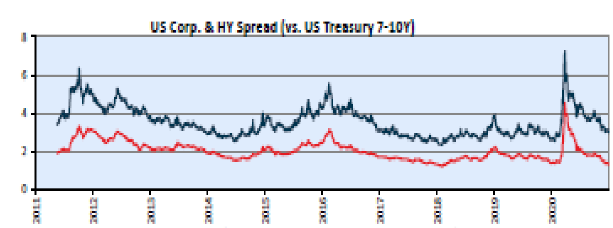
CURRENT YIELD CURVE











Source: Refinitiv & NBF

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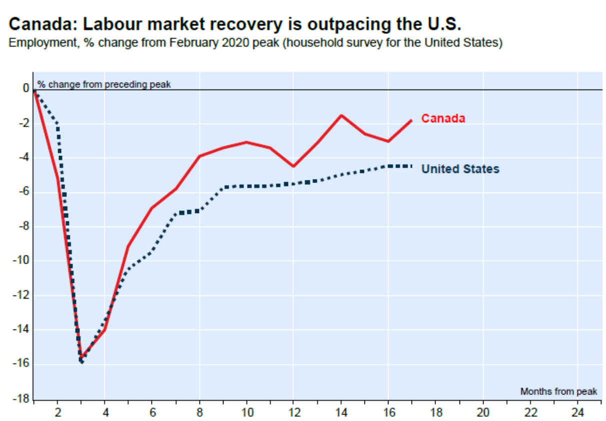
WEEKLY ECONOMIC WATCH

CANADA - Employment shot up by 231K in June according to the Labour Force Survey, sailing above consensus expectations calling for a 175K increase. This increase, combined with a six tick increase in the participation rate (65.2%), translated into a decline in the unemployment rate from 8.2% to 7.8%. The surge of employment in June was driven by workers in the private sector (+250.5K) and public sector (+43.2K) while self-employed (-63.1K) posted a pullback. Employment in the goods sector was down (-48.0K) stemming losses in construction (-23.4K), manufacturing (-12.0K) and natural resources (-9.8K) among others. Agriculture and utilities jobs were essentially flat. Services-producing industries, for their part, expanded by 278.6K jobs on increases in accommodation/food services (+100.9K), wholesale/retail trade (+78.0K), educational services (+26.0K), other services (+23.8K), professional services (+18.3K) among others while transportation/warehousing (-17.6K) posted a decline. Full time employment was down 33.2K while the ranks of part-timers leapt by 263.9K. On a regional basis, the three largest provinces experienced surges in employment. Ontario (117K) posted the largest jump while Quebec (+72K) and B.C. (+42.0K) posted respectable increases for their part. Alberta was essential flat (-0.2K) in the month. On a 12-month basis, hourly earnings for permanent workers rose from -1.6% to -0.1%.

According Statistics Canada's latest Labour Force Survey, the country has almost wiped away the third wave of the pandemic in one fell swoop. After posting back to back declines due to more severe sanitary measures, employment surged in the month of June and largely surpassed consensus expectations. Employment stood at a mere 1.8% from its pre-pandemic peak, in comparison to the U.S. which sorely lags at 4.5%. While high contact service sectors had been negatively impacted in the two prior months, their rebound this month reflects reopening's in several provinces such as Ontario, Quebec and British Columbia. Accommodation and food services and wholesale/retail trade were responsible for nearly the entirety of the increase in June. Recall that last month we mentioned that an outsized portion of job losses had occurred in part-time work which tends to be more concentrated in sectors subjugated by sanitary measures. The numbers for June show that not only did part-time work account for more than the entirety of job creation in the month (+263.9K), but also that youth employment (15-24 years old) rose by 164K in the month while returning students (20-24 years old), which had been severely lagging in May, now show an employment rate consistent with the historical average for June (68%). Perhaps the only element which tarnishes the latest LFS report can be found in employment for goods producing industries which posted a second consecutive decline. Nonetheless, provinces nationwide have now eased most restrictions and vaccination is progressing at a terrific pace. We expect more positive prints for the summer months as more people reintegrate the labour force.



Ahead of next week's monetary policy decision, the Bank of Canada's latest quarterly **Business Outlook Survey (BOS)** unsurprisingly showed business sentiment continuing to improve. The BOS indicator escalated further from its already impressive spring reading and was positive for the third consecutive report. Its 4.2 print was the highest on record by a fairly wide margin, though some of this was due to base-year effects. It is worth noting that the survey was conducted between mid- and late-May towards the tail-end end of the most recent restrictions/lockdowns that had been imposed in Canada's largest provinces. COVID containment measures in many jurisdictions have since been relaxed, which bodes well for business confidence over the summer and into the fall, provided that Canada's impressive vaccination campaign allows a permanent and broad-based re-opening of the economy.

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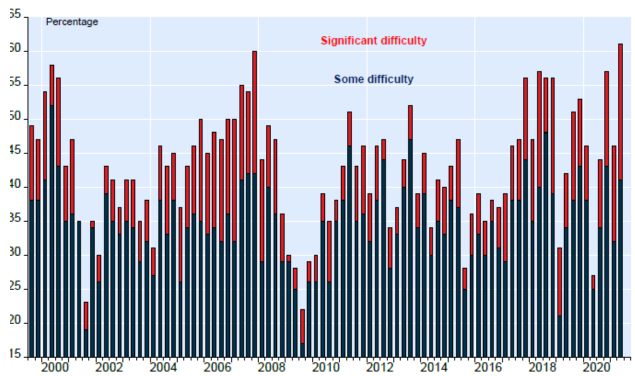
In the summer survey, a record number of firms reported improved indicators of future sales and not a single one reported signs of a deterioration in demand. Investment expectations were widespread, with many firms planning to play “catch-up”. Businesses also continued to report plans to invest in digitalization and information technologies, with the pandemic accelerating these plans for a number of firms. Meanwhile, hiring intentions were at record-high levels, as most businesses “across all regions and sectors” planned to hire. During the survey period, there was still substantial excess capacity among firms hardest hit by the pandemic. The percentage of firms that reported labour shortages (23%) was relatively modest relative to its long-term average (30.6%). However, many businesses reported that the intensity of labour shortages had increased from the extremely low levels of 12 months ago (balance of opinion of 30%, compared with the long-term median reading of 10%). This said, survey respondents noted supply chain issues with a wide range of raw materials and finished goods resulting in bottlenecks. Under the circumstances, the share of firms that said that they would have significant or some difficulty meeting unexpected demand reached an all-time high of 61%.

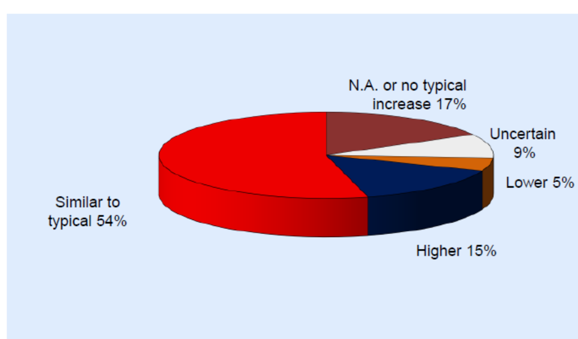
BOS: Unexpected demand would be difficult to meet for 61% of firms
An all-time high



NBF Economics and Strategy (data via Bank of Canada)

Wage growth expectations, too, hit record-high levels and were prevalent across all regions and sectors. Meanwhile, growth in input and output prices was still widespread but less so than in the spring survey. Regarding expectations about price increases beyond the next 12 months, 54% of respondents said that they foresaw similar to typical pre-pandemic price increases, 5% expected lower price increases, and only 15% expected prices to rise at a higher rate. The Bank noted that this “[was] consistent with firms anticipating that many of the cost pressures driving their output prices higher [would] be temporary”. Still, overall inflation expectations rose to a record-high level. More than half of the firms surveyed expected inflation between 2% and 3% (the upper half of the target band), while a third expected inflation above 3% over the next two years.

Output price growth rate expected after next year
For 54%, similar to typical pre-pandemic price increases; for only 15% a higher rate



NBF Economics and Strategy (data via Bank of Canada)

The Bank of Canada also released its quarterly **Canadian Survey of Consumer Expectations**. Of particular note were expectations for spending growth, which remained near a record high as strong vaccination rollouts bolstered optimism. More than 40% of Canadians have reported having saved more than usual because of the pandemic, suggesting that demand for goods and services has been pent up. Moreover, low mortgage rates, increasing savings and pandemic-induced shifts in behaviour continued to boost demand for housing. Meanwhile, near-term inflation expectations remained anchored at about 2%, though perceptions of wage growth and expected wage growth lagged slightly. Longer term, Canadians saw inflation at about 3% or higher. Finally, the overall labour market outlook improved but remained weaker than it was pre-pandemic.

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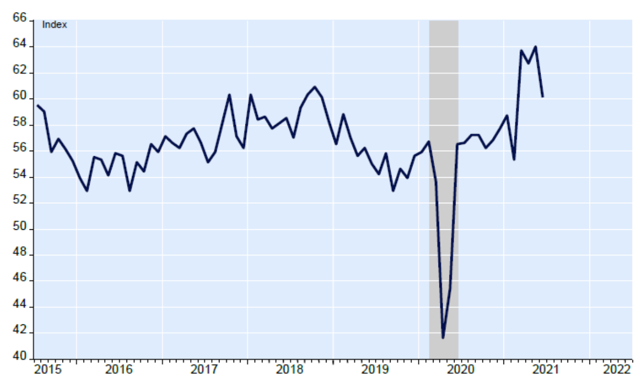
UNITED STATES - In June, the **ISM Services Index** dropped more than expected, sliding 3.9 points to 60.1 after hitting a record high the month before. The median economist forecast was for a dip of only 0.5 point. The business activity index slipped to 60.4 from 66.2 in May. The share of firms that reported stronger current activity fell 6.5 points while the share of that that reported weaker activity rose 5.6 points. Nonetheless, the index remained consistent with robust activity in the sector. The supplier delivery index fell 1.9 points to 68.5, suggesting that bottlenecks remained a major issue, albeit a somewhat less severe one than a month ago. The employment index dropped below the 50-point threshold for the first time in six months, losing 6 points to 49.3. Lack of qualified personnel to fill job openings contributed to the situation at a time when some firms were faced with former employees slow to return to their previous jobs. The new orders index (62.1) was significantly softer than 3 months ago (67.2) but nonetheless printed above the 60-point threshold for a fourth consecutive month. The report showed that inflation pressures continued to build. In June, the prices paid index printed above 70 for a fifth month in arrow. It came in at 79.5, its second highest reading since 2008.

United States: Services Index down 3.9 points in June
At 60.1, index undershot median economist forecast of 63.5



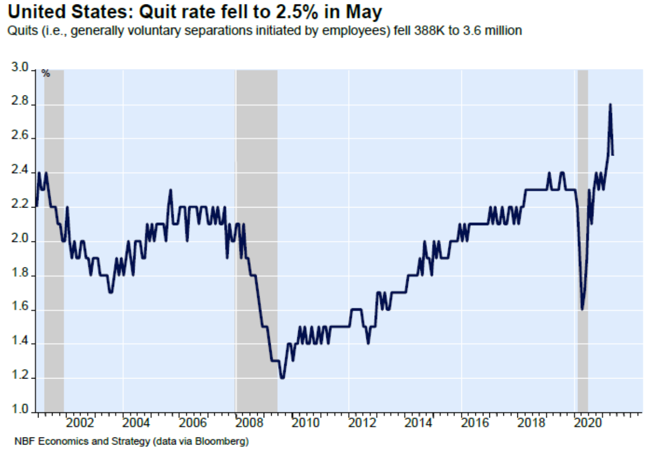
NBF Economics and Strategy (data via Bloomberg)

Initial jobless claims rose 2K to 373K in the week ending July 3. The previous week's level was revised up 7K from 364K to 371K. The latest report shows that new filings for jobless benefits were down 59% from the 904K reported in the week ending January 8. In the week ending June 26, the advance number for seasonally adjusted insured unemployment (i.e., continued claims) fell 145K to 3,339K from the previous week`s revised level. The jobless claims report shows that, in the week ending June 19, the total number of people who received benefits under all programs, including those introduced since the start of the health crisis (i.e., Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation), decreased 450K to 14.2 million.

Unemployment insurance data on regular state programs (S.A.)					
Week ending	**Jul. 3**	**June. 26**	**Change**	**June. 19**	**Prior year**
Initial claims	373,000	371,000	2,000	416,000	1,398,000
Initial claims (NSA)	369,661	366,514	3,147	398,284	1,391,178
4-wk moving average	394,500	394,750	-250	399,900	1,441,500
Week ending	**June. 26**	**June. 19**	**Change**	**June. 12**	**Prior year**
Insured unemployment	3,339,000	3,484,000	-145,000	3,412,000	16,780,000
4-wk moving average	3,440,750	3,485,250	-44,500	3,556,500	17,853,250
Persons claiming UI benefits under all programs (unadjusted)					
Week ending	**June. 19**	**June. 12**	**Change**		**Prior year**
Regular state	3,261,751	3,207,341	54,410		17,406,899
Federal employees	10,426	10,467	-41		14,241
Newly discharged veterans	6,619	6,203	416		13,069
Pandemic u. assistance	5,824,831	5,935,630	-110,799		14,454,749
Pandemic emergency UC	4,908,107	5,261,991	-353,884		967,323
Extended benefits	118,983	154,000	-35,017		8,010
State additional benefits	1,177	1,267	-90		2,238
STC/Workshare	77,113	81,750	-4,637		361,593
Total	14,209,007	14,658,649	-449,642		33,228,122

NBF Economics and Strategy (Source: Department of Labor)

According to the **Job Openings and Labor Turnover Survey**, the number of available jobs to be filled rose 16K from a downwardly revised 9.19 million in April to 9.21 million as at the last business day of May, a new record high. Job openings were up 42K in the private sector but declined 26K in the government sector. Total hiring was softer in May, falling to 5.93 million from 6.01 million the previous month. Total separations declined 485K to 5.32 million. Quits, which are generally voluntary separations initiated by employees, fell 388K to 3.6 million, which translated into a quits rate of 2.5% (vs. 2.8% the previous month). Layoffs and discharges fell 5.7% to 1.37 million, and other separations rose 3.9% to 346K.



The **Federal Reserve released the minutes from its June 15-16 policy meeting**. The meeting marked a fairly hawkish shift in the policy outlook as three more FOMC participants (for a total of 7 out of 18) moved up their forecast for initial rate hikes to 2022 and the median dot moved to show a 0.625% fed funds rate by the end of 2023. Moreover, in the press conference following the announcement, Fed Chair Jerome Powell acknowledged that “talking about talking about” how QE should be adjusted had started. Here are a few salient passages from the minutes:

Regarding the economic situation:

- Participants observed that economic activity was expanding at a historically rapid pace, led by robust gains in consumer spending.
- That said, participants generally saw supply disruptions and labor shortages as constraining the expansion of economic activity this year.
- In light of the incoming data and the implications for their economic outlooks, a few participants mentioned that they expected the economic conditions set out in the Committee's forward guidance for the federal funds rate to be met somewhat earlier than they had projected in March.
- Several participants emphasized, however, that uncertainty around the economic outlook was elevated and that it was too early to draw firm conclusions about the paths of the labor market and inflation.

Regarding labour markets:

- Many participants remarked […] that the economy was still far from achieving the Committee's […] maximum-employment goal, and some participants indicated that recent job gains, while strong, were weaker than they had expected. A number of participants noted that the labor market recovery continued to be uneven across demographic and income groups and across sectors.
- Participants noted that their District contacts had reported having trouble hiring workers to meet demand, likely reflecting factors such as early retirements, concerns about the virus, childcare responsibilities, and expanded unemployment insurance benefits. Some participants remarked that these factors were making people either less able or less inclined to work in the current environment. Citing recent wage data and reports from business contacts, many participants judged that labor shortages were putting upward pressure on wages or leading employers to provide additional financial incentives to attract and retain workers, particularly in lower-wage occupations. Participants expected labor market conditions to continue to improve.

Regarding inflation:

- Inflation had risen, largely reflecting transitory factors.”
- Some participants commented that recent readings of inflation measures that exclude volatile components, such as trimmed mean measures, had been relatively stable at or just below 2 percent.
- However, participants remarked that the actual rise in inflation was larger than anticipated […] Participants attributed the upside surprise to more widespread supply constraints in product and labor markets than they had anticipated and to a larger-than-expected surge in consumer demand as the economy reopened […] Most participants observed that the largest contributors to the rise in measured inflation were sectors affected by supply bottlenecks or sectors where price levels were rebounding from levels depressed by the pandemic. Looking ahead, participants generally expected inflation to ease as the effect of these transitory factors dissipated, but several participants remarked that they anticipated that supply chain limitations and input shortages would put upward pressure on prices into next year.

- Although they generally saw the risks to the outlook for economic activity as broadly balanced, a substantial majority of participants judged that the risks to their inflation projections were tilted to the upside because of concerns that supply disruptions and labor shortages might linger for longer and might have larger or more persistent effects on prices and wages than they currently assumed. Several participants expressed concern that longer-term inflation expectations might rise to inappropriate levels if elevated inflation readings persisted. Several other participants cautioned that downside risks to inflation remained because temporary price pressures might unwind faster than currently anticipated and because the forces that held down inflation and inflation expectations during the previous economic expansion had not gone away or might reinforce the effect of the unwinding of temporary price pressures.

Regarding QE in general:

- The Committee's standard of "substantial further progress" was generally seen as not having yet been met, though participants expected progress to continue. Various participants mentioned that they expected the conditions for beginning to reduce the pace of asset purchases to be met somewhat earlier than they had anticipated at previous meetings in light of incoming data.
- Participants generally judged that, as a matter of prudent planning, it was important to be well positioned to reduce the pace of asset purchases, if appropriate, in response to unexpected economic developments, including faster-than- anticipated progress toward the Committee’s goals or the emergence of risks that could impede the attainment of the Committee’s goals.
- In coming meetings, participants agreed to continue assessing the economy’s progress toward the Committee’s goals and to begin to discuss their plans for adjusting the path and composition of asset purchases.

Regarding housing and MBS purchases:

- Several participants highlighted […] that low interest rates were contributing to elevated house prices and that valuation pressures in housing markets might pose financial stability risks.
- Several participants saw benefits to reducing the pace of these [MBS] purchases more quickly or earlier than Treasury purchases in light of valuation pressures in housing markets.
- Several other participants, however, commented that reducing the pace of Treasury and MBS purchases commensurately was preferable because this approach would be well aligned with the Committee's previous communications or because purchases of Treasury securities and MBS both provide accommodation through their influence on broader financial conditions. In coming meetings, participants agreed to continue assessing the economy's progress toward the Committee's goals and to begin to discuss their plans for adjusting the path and composition of asset purchases.

Bottom line:

There are a few key takeaways from the minutes that we think are worth highlighting. First, differences in policy outlook between FOMC participants are becoming more apparent. There seems to be a growing divergence regarding when tapering would be appropriate, how tapering should occur, and what should be tapered first (i.e., Treasuries vs. MBS). Second, like us, the Fed seems optimistic that the labour market will be poised for a strong bounce back once some of the temporary factors holding back labour supply abate later this summer and into the fall. Third, while the overall narrative continues to be that inflationary pressures are transitory, at least some participants are conceding that inflation risks are skewed to the upside. Moreover, some participants believe that this year’s inflation has brought us to a point consistent with the longer-run inflation goals (i.e. we are now starting to overshoot).

It is worth noting, also, that, although the job market remains the Fed’s main focal point, other elements related to financial stability, notably the red-hot housing market, now seem to be taken into account in assessing the appropriate path of monetary policy.

Overall, we still believe that a taper will be announced in the fall in the form of a reduction in asset purchases commencing later in the fourth quarter.

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WORLD - In the **Eurozone**, the **ECB** abandoned its "close to, but below, 2 per cent" inflation target in favour of a new 2% target. The central bank said that its new target was symmetric, "meaning negative and positive deviations of inflation from the target [were] equally undesirable", but that temporary overshoots or undershoots would be tolerated, when needed. This is an important departure from the conservative policy guidelines that was adopted at the time of the euro`s creation. Although the ECB reiterated that the Harmonised Index of Consumer Prices (HICP) remained an appropriate metric to guide monetary policy in judging whether the inflation target is meet, it will also take into account broader measures of inflation that include initial estimates of the cost of owner occupied housing. In the wake of its first strategy review since 2003, the ECB did not go so far as to commit to a flexible average inflation target as the Fed did. However, acknowledging that climate change had implications for price stability, the ECB committed to more systematically reflect environmental sustainability considerations in its monetary policy framework. The first regular monetary policy meeting of the Governing Council applying the new strategy will be held July 22, 2021.

In **China**, the **Caixin Composite PMI** fell 3.2 points to 50.6 in June from 53.8 in May. With the resurgence of Covid-19 cases, activity in the services sector slowed sharply, as suggested by the 4.8-point decline in the index from 55.1 in May to 50.3 in June. The Manufacturing Index, too, contributed to the overall weakness, slipping 0.7 point to 51.3 in the month. The State Council, the country's cabinet, stated that authorities would support the economy by making timely cuts to the reserve requirement ratios (RRR) that banks must maintain. Also in June, consumer prices fell 0.4% m/m, a fourth consecutive monthly decline. From a year earlier, consumer prices rose 1.1%, compared to 1.3% in May and 2.5% in June 2020.

HOUSING MARKET

Montreal: Residential market down from peak in June
According to the Quebec Professional Association of Real Estate Brokers (QPAREB), June home sales were down 6.7% from the record set in June of last year. Cumulative sales for the first half of 2021 were up 28.6% from the same period a year earlier, topping the previous peak of 2019.

On a seasonally adjusted basis, we estimate that sales were down 0.8% from the previous month, a fourth decline in five months. As a result, the number of transactions has fallen back to a level comparable to the pace we observed before the pandemic but remained high by historical standards. Meanwhile, listings of homes for sale were up 2.4% from May, a fourth consecutive monthly increase, while remaining low by historical standards. Overall, the ratio of end-of-month listings to sales has loosened slightly, but still showed a largely seller's market.

GTA: The slowdown continued in the residential market
According to the Toronto Regional Real Estate Board (TRREB), home sales in June increased by 28.5% compared to the same month last year, a moderation compared to the 160% registered in May. Cumulative unit sales for the first half of 2021 were up a whopping 95.7% from the same period last year and currently surpass the previous peak observed in 2016 before the implementation of macro-prudential measures.

On a seasonally adjusted basis, home sales decreased sharply by 9.1% from May, a third drop in a row. Although we are starting to see signs of a slowdown in the Toronto real estate market, activity remains high on a historical basis. The market experienced a torrid pace since the summer of 2020 while seeing weaker population growth. The pool of potential buyers in the GTA region may be starting to shrink and stronger population growth will be needed to support long-term sales. However, the market continues to be largely favourable to sellers.

Metro Vancouver: Moderation continued in the residential market
According to the Real Estate Board of Greater Vancouver (REBGV), June home sales were up 54% over 12 months compared to the same period last year. For the first half of 2021, sales were up cumulatively 119.5% and at their highest level for that period of the year since 2016.

Despite these stunning increases in sales, the market continued to moderate in June. We estimate that seasonally adjusted home sales dropped by 17.3% compared to May, a third monthly pullback over 10%. Despite signs of moderation, the level of activity remains high on a historical basis.

NBF Economy & Strategy Group

MONTHLY EQUITY MONITOR – JULY / AUGUST 2021

Highlights

- The run-up of equity markets continues to be supported by strong profit growth. Trailing earnings per share (EPS) for the MSCI ACWI are now back to their pre-pandemic level, just 18 months after the onset of the 2020 recession.

- Strong demand has enabled factories to raise prices in response to higher input costs from stressed global supply chains. We argued last month that this situation was likely to last through the second half of this year as companies scramble to replenish depressed inventories.

- At this juncture, it would seem that conditions remain in place for continuation of the reflation trade. Yet despite strong growth, higher inflation and central-bank commitments to keeping monetary policy accommodative for a while yet, the yield curve has flattened in recent weeks and long-term interest rates have come down.

- Are all bets already off for the reflation trade and is it time to turn defensive with so much good news already priced in? We don't think so, but there are a few items on our watch list for the coming weeks as this unique business cycle unfolds.

- Our asset mix is unchanged this month – overweight in equities and underweight in fixed income. Despite the recent run-up of inflation, we think the Federal Reserve remains comfortable keeping real rates negative to promote business investment and full-time employment. Our scenario assumes that inflation will ebb toward 3% by the end of the year and the pandemic will not worsen. ***(Full report)***

NBF Asset Allocation

	Benchmark (%)	NBF Recommendation (%)	Change (pp)
Equities			
Canadian Equities	20	23	
U.S. Equities	20	18	
Foreign Equities (EAFE)	5	4	
Emerging markets	5	9	
Fixed Income	45	42	
Cash	5	4	
Total	100	100	

NBF Economics and Strategy

NBF Market Forecast
Canada

Index Level		***Actual Jul-05-21***	***Q42021 (Est.) Target***
S&P/TSX		20,281	20,600
Assumptions			Q42021 (Est.)
Level:	Earnings *	955	1250
	Dividend	525	687
PE Trailing (implied)		21.2	16.5
			Q42021 (Est.)
10-year Bond Yield		1.40	1.75

** Before extraordinary items, source Thomson*

NBF Economics and Strategy

NBF Market Forecast
United States

Index Level		***Actual Jul-05-21***	***Q42021 (Est.) Target***
S&P 500		4,352	4,300
Assumptions			Q42021 (Est.)
Level:	Earnings *	164	190
	Dividend	59	68
PE Trailing (implied)		26.5	22.6
			Q42021 (Est.)
10-year Bond Yield		1.43	1.85

** S&P operating earnings, bottom up.*

IN THE NEWS

U.S. and Canadian News

Monday July 5th, 2021

- **Bank of Canada survey suggests broadening of economic recovery ahead**
  Most businesses reported an improvement in their sales prospects from a year-ago, and no firms reported signs of deterioration in demand. Still, about 40% of firms have current sales below pre-pandemic levels.
- **Brookfield to buy U.S. car parts maker DexKo Global for $3.4 billion**
  Brookfield Business Partners LP and its institutional partners said they would acquire U.S. car parts maker DexKo Global Inc from private equity firm KPS Capital Partners LP for $3.4 billion.

Tuesday July 6th, 2021

- **U.S. service sector activity cools in June**
  The Institute for Supply Management said its non-manufacturing activity index fell to 60.1 last month from 64.0 in May, which was the highest reading in the series' history. Economists had forecast the index easing to 63.5.
- **Toronto housing slumps in June as record-breaking activity fades**
  There were 11,106 property sales last month across the Greater Toronto Area (GTA). While that represents a 28.5 per cent surge compared to a year earlier, it's a seven per cent drop from May and a sharp comedown from March when more than 15,000 homes were sold. The average price for all homes sold across the GTA in June was $1,089,536; that represented a 17 per cent jump compared to a year earlier, and it was a modest drop from May when a new record of more than $1.1 million was set.

Wednesday July 7th, 2021

- **Fed discussed design for possible standing repo facility, minutes show**
  Federal Reserve officials continued to discuss in June how they could potentially structure a permanent facility for supporting U.S. money markets, according to minutes from the central bank's last policy meeting.
- **British Columbia's AAA rating stripped by S&P on rising debt**
  Canada's third-largest province will run a deficit this fiscal year that's "significantly larger" than expected when the pandemic began, which will likely lengthen the time to return to fiscal balance, S&P said, explaining the one-notch downgrade to AA+. The move comes less than two weeks after Fitch Ratings took a parallel rating action.

Thursday July 8th, 2021

- **U.S. jobless claims unexpectedly rise, overall trend points lower**
  Initial claims for state unemployment benefits rose 2,000 to a seasonally adjusted 373,000 for the week ended July 3. Economists had forecast 350,000 applications for the latest week.
- **U.S. consumer borrowing jumped by most on record in May**
  Total credit climbed US$35.3 billion from the prior month after an upwardly revised US$20 billion gain in April. On an annualized basis, borrowing rose 10 per cent in May. Economists had called for a US$18 billion gain.
- **Economy top issue for Canadians ahead of possible election**
  Just over one-quarter (28 per cent) of Canadians surveyed in a Nanos Research poll conducted for CTV News said the economy is their most important policy issue. Concerns about the federal deficit resonated with 16 per cent of people polled, ahead of even the pandemic itself, which ranked as the most pressing policy issue for just 10 per cent of respondents.

Friday July 9th, 2021

- **Biden's executive order to promote competition in the U.S. economy includes over 70 initiatives**
  President Joe Biden will sign an executive order that includes 72 initiatives he wants over a dozen agencies to undertake to promote competition throughout the U.S. economy.
- **U.S. blacklists 34 entities, including more than 10 from China**
  The United States added 34 entities to its economic blacklist, including more than 10 from China, a notice from the U.S. Department of Commerce said.
- **Canadian labour market bounces back strongly after lockdowns**
  The economy added 230,700 positions last month versus economists' expectations for an increase of 175,000. The nation had lost 275,000 jobs in April and May as governments shut down parts of the economy to contain a third wave of COVID-19 cases. The unemployment rate fell to 7.8 per cent from 8.2 per cent.

Click on title to view the full story.

IN THE NEWS

International News

Monday July 5th, 2021

- **Euro zone business activity soared in June as lockdowns lifted**
  IHS Markit's final composite Purchasing Managers' Index (PMI) jumped to 59.5 last month from May's 57.1, its highest level since June 2006. That was ahead of the 59.2 "flash" estimate.
- **Growth in China's June services hits 14-month low**
  The Caixin/Markit services Purchasing Managers' Index (PMI) fell to 50.3 in June, the lowest since April 2020 and down significantly from 55.1 in May. It held just above the 50-mark, which separates growth from contraction on a monthly.
- **Brazil PMIs show fastest service sector growth since 2013 -IHS Markit**
  IHS Markit's headline Brazil services PMI jumped to 53.9 from 48.3 in May, the fastest expansion since January 2013. This helped pull the composite PMI including manufacturing up to 54.6 in June from 49.2, the highest since October.
- **OPEC+ abandons oil policy meeting after Saudi-UAE clash**
  OPEC+ ministers called off oil output talks after clashing last week when the United Arab Emirates rejected a proposed eight-month extension to output curbs, meaning no deal to boost production has been agreed.

Tuesday July 6th, 2021

- **China steps up supervision of overseas-listed firms after Didi IPO drama**
  China will step up supervision of Chinese firms listed offshore, days after Beijing launched a cybersecurity investigation into ride-hailing giant Didi Global Inc on the heels of its U.S. stock market listing.
- **Euro zone retail sales rebound more than expected in May**
  The European Union's statistics office Eurostat said retail sales in the 19 countries sharing the euro increased 4.6% month-on-month in May and were 9.0% higher than a year earlier.
- **German industrial orders fall unexpectedly in May**
  The data published by the Federal Statistics Office showed orders for industrial goods fell by 3.7% on the month in seasonally adjusted terms, marking the first drop in new business this year. This confounded a Reuters forecast of a 1% rise and came after an upwardly revised increase of 1.2% in April.
- **Japan government expects economy to return to pre-COVID levels by year-end**
  In a mid-year review, the government now forecasts that during the fiscal year to end-March, the economy will expand 3.7% and at some point real gross domestic product (GDP) will exceed the 547 trillion yen ($4.9 trillion) marked in October-December 2019.

Wednesday Juy 7th, 2021

- **German industrial output falls 0.3% in May**
  The Federal Statistics Office said industrial output decreased by 0.3% on the month after an upwardly revised decline of 0.3% in April. A Reuters poll had pointed to a rise of 0.5%.
- **Russian inflation accelerates to 6.5% y/y in June, above forecast**
  The consumer price index (CPI) rose 6.5% in June in year-on-year terms after rising 6.0% in the previous month. The year-on-year increase in the CPI was above analysts' expectations for an increase of 6.3%. Month-on-month inflation was at 0.7%, the same level as in May.
- **UK housing boom cools as prices fall in June**
  Prices were 0.5% lower than in May. In annual terms, they stood 8.8% higher than in June 2020 after leaping by the most in 14 years in May when they rose 9.6%.

Thursday July 8th, 2021

- **ECB tweaks inflation target, bolsters climate role**
  In the key conclusion of the review, the central bank of the 19 countries that share the euro set its inflation target at 2% in the medium term, ditching a previous formulation of "below but close to 2%".
- **EU house prices post biggest annual increase since 2007**
  The House Price Index for countries in the euro area rose by 5.8% in the first three months from a year earlier, its largest increase since the fourth quarter of 2006.
- **German exports up 0.3% in May**
  Seasonally adjusted exports increased by 0.3% on the month after a downwardly revised rise of 0.2% in April. Imports rose 3.4% on the month, beating forecast of a 0.4% increase. A Reuters poll had pointed to a 0.6% rise in exports.

Friday July 9th, 2021

- **China's factory gate inflation slows, outlook dimmed by still-elevated prices**
  Data from the National Bureau of Statistics (NBS) showed the producer price index (PPI) increased 8.8% from a year earlier, compared with a 9.0% rise in May, and in line with analysts' expectations.
- **China cuts reserve requirement ratio for all banks**
  China has cut the reserve requirement ratio (RRR) for all banks by 50 bps, releasing around 1 trillion yuan (US$154 billion) in long-term liquidity to underpin a post-COVID economic recovery that is starting to lose momentum.
- **ECB debated reducing stimulus in June meeting**
  European Central Bank policymakers debated a cut in stimulus at their June 10 meeting as the recovery picked up pace but eventually found "broad agreement" to maintain an elevated level of support, the accounts of the meeting showed.
- **UK's economic rebound slowed in May despite looser COVID rules**
  Gross domestic product expanded by a monthly 0.8%, much faster than its typical pre-pandemic pace but down from April's 2.0% surge. It was also a lot weaker than the median forecast of 1.5%.

Click on title to view the full story.

WEEKLY PERFORMERS – S&P/TSX

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Boardwalk Real Estate Investment Trust	$44.59	$2.99	7.19%
West Fraser Timber Co Ltd	$93.46	$5.41	6.14%
Parex Resources Inc	$22.33	$1.23	5.83%
Brookfield Business Partners LP	$60.00	$3.11	5.47%
Cominar REIT	$11.39	$0.58	5.37%
H&R Real Estate Investment Trust	$17.00	$0.83	5.13%
ATS Automation Tooling Systems Inc	$37.02	$1.73	4.90%
Hudbay Minerals Inc	$8.65	$0.40	4.85%
InterRent Real Estate Investment Trust	$17.90	$0.81	4.74%
Canadian Apartment Properties Real Estate Inv	$61.29	$2.67	4.55%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Trillium Therapeutics Inc	$10.59	-$1.37	-11.45%
Crescent Point Energy Corp	$4.98	-$0.52	-9.45%
Real Matters Inc	$16.48	-$1.36	-7.62%
Denison Mines Corp	$1.40	-$0.11	-7.28%
Vermilion Energy Inc	$10.13	-$0.72	-6.64%
Badger Infrastructure Solutions Ltd	$35.27	-$2.24	-5.97%
First Majestic Silver Corp	$18.17	-$1.13	-5.85%
Canaccord Genuity Group Inc	$12.82	-$0.78	-5.74%
Ballard Power Systems Inc	$21.15	-$1.27	-5.66%
Westport Fuel Systems Inc	$5.95	-$0.35	-5.56%

Source: Refinitiv

WEEKLY PERFORMERS – S&P500

S&P500: LEADERS	LAST	CHANGE	%CHG
Oracle Corp	$87.76	$5.94	7.26%
Amazon.com Inc	$3,719.34	$208.36	5.93%
Mid-America Apartment Communities Inc	$180.70	$9.75	5.70%
Generac Holdings Inc	$436.37	$21.17	5.10%
Essex Property Trust Inc	$320.24	$14.38	4.70%
UDR Inc	$51.96	$2.24	4.51%
Avalonbay Communities Inc	$220.83	$9.50	4.50%
Weyerhaeuser Co	$35.82	$1.51	4.40%
Duke Realty Corp	$49.85	$2.04	4.27%
Equity Residential	$81.71	$3.26	4.16%

S&P500: LAGGARDS	LAST	CHANGE	%CHG
Diamondback Energy Inc	$89.42	-$8.64	-8.81%
Valero Energy Corp	$72.30	-$5.77	-7.39%
Occidental Petroleum Corp	$30.24	-$2.34	-7.18%
Carnival Corp	$24.26	-$1.80	-6.91%
Wynn Resorts Ltd	$113.87	-$7.63	-6.28%
Xilinx Inc	$135.59	-$8.97	-6.21%
Phillips 66	$82.70	-$5.20	-5.92%
Discovery Inc	$29.30	-$1.84	-5.91%
Halliburton Co	$22.38	-$1.40	-5.89%
Caesars Entertainment Inc	$96.86	-$5.55	-5.42%

Source: Refinitiv

NBF RATINGS & TARGET PRICE CHANGES

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
Cineplex Inc.	CGX	Outperform	Outperform	**C$18.00**	**C$17.00**
Goodfood Market Corp.	FOOD	Outperform	Outperform	**C$12.00**	**C$13.00**
IGM Financial Inc.	IGM	Outperform	Outperform	**C$56.00**	**C$55.00**
Parex Resources Inc.	PXT	Outperform	Outperform	**C$36.00**	**C$35.00**
Richelieu Hardware Ltd.	RCH	Sector Perform	Sector Perform	**C$44.50**	**C$43.50**
Tervita Corporation	TEV		**Outperform**		**C$7.00**
Timbercreek Financial Corp.	TF	**Sector Perform**	**Restricted**	**C$9.75**	**Restricted**
Topaz Energy Corp.	TPZ	Outperform	Outperform	**C$20.00**	**C$18.00**
VerticalScope Holdings Inc.	FORA	**Outperform**		**C$36.00**	

STRATEGIC LIST - WEEKLY UPDATE

(July 5th – July 9th)

No Changes this Week:

Comments:

Financials (Market Weight)

Fairfax Financial Holdings Ltd.

NBF: Fairfax announced that Go Digit General Insurance Limited ("Digit") has entered into an agreement to issue common equity that will ultimately generate gains of ~US$1.8 billion to Fairfax. This represents an increase in Fairfax book value of ~US$61 per share, or ~12% of Q1 2021 book value. Moreover, NBF estimate FFH will now deliver an ROE of ~19% in 2021 (proforma the Digit transaction). Overall, the transaction reaffirms NBF's Outperform rating on FFH given i) NBF believes FFH will provide shareholders with long-term annual ROE of ~10%, and ii) this outlook deserves a valuation well above the current P/B of 0.87x. NBF applies a 1.0x P/B multiple to its Q1 2022 estimate (adjusted for the CAD/USD exchange rate) to arrive at its $700.00 price target. NBF will update its estimates and price target in a more detailed preview note soon.

Materials (Overweight)

Agnico Eagle Mines Ltd. (AEM)

NBF: Agnico Eagle released, in NBF's view, a very positive exploration update for the exploration drilling completed in 1H21. Overall, the company demonstrated a number of positive results from several key assets. The results give NBF confidence in the Company reporting a positive reserve and resource update in 1Q22. Highlights include:

- A new mineralized horizon has been discovered at the Odyssey Underground JV project (a 50/50 JV with Yamana Gold). This new horizon shows above resource grade mineralization at a depth of 2.1 km. Infill drilling of the East Gouldie zone is also returning several encouraging results over wide intercepts.
- Drilling in the Footwall Zone at the Kirkland Lake project continues to return high-grade Au-Cu mineralization, with a highlight hole of 21.2 gpt Au and 0.67% Cu over 14.8m at 1.19 km Agnico Eagle has seven rigs turning at Hope Bay now and results are showing expansion potential at various zones at Doris, with drilling programs ramping up at Madrid.
- At Meliadine, the company is finding encouraging results at depth at the Pump deposit, with one hole returning over 20 gpt at a depth 250m below the current resource envelope.
- The Kittila drill program returned a positive result at the Sisar Zone that supports the potential to significantly expand mineral resources at depth. A hole grading 10.7 gpt over 7.8m has proved to be the deepest intercept to date at 1.957 km vs. the known resource depth limit of 1.54 km. The shaft addition at Kittila is proving a smart move with the zones showing to continue at depth.
- Drilling at the Amelia deposit of Santa Gertrudis is validating and extending high-grade gold and silver continuity.

NBF maintained its Outperform rating and C$108.00 target price for Agnico Eagle.

Teck Resources Ltd. (TECK.b)

NBF: Teck Resources announced that wildfires in British Columbia have impacted rail service between Teck's steelmaking coal operations and west coast terminals, damaging the rail line near Lytton, BC, occurring on June 30th. To minimize the impact of the disruption, Teck is rerouting shipments to the Ridley Terminals in Prince Rupert, with limited rail traffic flow to the Lower Mainland terminals reinstated yesterday afternoon. As a result of the wildfires, Teck is lowering Q3/21 steelmaking coal sales by 300 - 500 kt HCC, with no impact expected in Q2/21 as the damage happened on the last day of the quarter. Assuming a 400 kt HCC impact to Q3 sales, we model a <1% impact to 2021E EBITDA at current prices. Recall, for Q3/21 sales, NBF currently models 6.5 mln t. Additionally, Teck is currently taking steps to mitigate the effect of the rail disruption on Highlight Valley Copper operations (9% of NAV), with no material effect on Q3 sales expected at this time. NBF's Outperform rating is supported by a step-wise improvement in Teck's coking coal operations in H2/21 following completion of the Neptune terminal expansion. Teck continues selling a portion of its coal into China at significant premiums providing an offset to currently depressed seaborne coking coal prices. Teck's strong balance sheet, cost reduction initiatives, organic growth within the copper division and long-term commitment to returning capital to shareholders are all supportive of a higher valuation than currently ascribed by the market. NBF rates Teck Outperform with a $36.00 target price.

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	$ 33.05	3.3	0.5		
Rogers Communications Inc.	RCIb.TO	13-Feb-20	$ 65.84	$ 66.69	3.0	0.5		
Consumer Discretionary							**3.8**	**Market Weight**
Dollarama Inc.	DOL.TO	19-Mar-20	$ 38.96	$ 57.18	0.4	0.6		
Gildan Activewear Inc.	GIL.TO	20-May-21	$ 42.72	$ 44.16	1.8	1.9		
Consumer Staples							**3.6**	**Market Weight**
Alimentation Couche-Tard Inc.	ATDb.TO	26-Jan-17	$ 30.09	$ 46.34	0.8	0.7		
Loblaw Companies Ltd.	L.TO	25-Mar-21	$ 68.50	$ 78.57	1.7	0.3		
Energy							**13.1**	**Overweight**
Cenovus Energy Inc.	CVE.TO	16-Jan-20	$ 12.26	$ 11.37	0.6	2.5		
Enbridge Inc.	ENB.TO	21-Jan-15	$ 59.87	$ 50.11	6.7	0.9		
Tourmaline Oil Corp.	TOU.TO	13-Aug-20	$ 16.68	$ 34.00	1.9	1.4		
Financials							**31.3**	**Market Weight**
Bank of Montreal	BMO.TO	25-Mar-21	$ 112.23	$ 126.12	3.4	1.1		
Element Fleet Management Corp	EFN.TO	02-Apr-20	$ 8.58	$ 14.31	1.8	1.2		
Fairfax Financial Holdings Ltd.	FFH.TO	20-Dec-18	$ 585.81	$ 548.49	2.3	0.9		
Intact Financial Corp.	IFC.TO	11-Jun-20	$ 130.04	$ 172.03	1.9	0.8		
Royal Bank of Canada	RY.TO	19-Jun-13	$ 60.69	$ 126.37	3.4	0.9		
Sun Life Financial	SLF.TO	10-Dec-20	$ 57.07	$ 63.29	3.5	1.4		
Health Care							**1.3**	**Market Weight**
Industrials							**11.4**	**Market Weight**
Lifeworks Inc.	LWRK.TO	26-Sep-19	$ 32.72	$ 34.25	2.3	0.7		
Stantec Inc.	STN.TO	20-May-21	$ 53.96	$ 56.45	1.2	0.7		
Toromont Industries Ltd	TIH.TO	05-Dec-19	$ 67.24	$ 104.71	1.6	0.8		
Information Technology							**11.2**	**Underweight**
Kinaxis Inc.	KXS.TO	19-Mar-20	$ 100.05	$ 169.07	0.0	0.7		
Open Text Corp.	OTEX.TO	26-Oct-16	$ 41.61	$ 64.15	1.5	0.9		
Materials							**11.7**	**Overweight**
Agnico Eagle Resources Ltd.	AEM.TO	17-Dec-14	$ 27.00	$ 76.52	2.3	0.5		
SSR Mining Inc.	SSRM.TO	30-Jan-20	$ 23.81	$ 20.12	1.2	0.6		
Teck Resources Ltd.	TECKb.TO	01-Nov-17	$ 27.15	$ 29.28	0.7	1.2		
REITs							**3.2**	**Underweight**
Canadian Apartment Properties REIT	CAR_u.TO	10-Dec-20	$ 49.82	$ 61.29	2.3	0.7		
RioCan REIT	REI_u.TO	23-Aug-18	$ 19.95	$ 23.00	4.3	1.2		
Utilities							**4.5**	**Underweight**
Capital Power Corp.	CPX.TO	22-Aug-19	$ 30.90	$ 41.38	4.9	1.2		
Innergex Renewable Energy Inc.	INE.TO	22-Aug-19	$ 15.00	$ 22.20	3.2	0.8		

Source: Refinitiv (Priced July 9, 2021 after market close)

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

Week Ahead

THE ECONOMIC CALENDAR

(July 12th – July 16th)

U.S. Indicators

Date	Time	Release	Period	Previous	Consensus	Unit
13-Jul	06:00	NFIB Business Optimism Idx	Jun	99.60		Index
13-Jul	08:30	Core CPI MM, SA	Jun	0.7%	0.4%	Percent
13-Jul	08:30	Core CPI YY, NSA	Jun	3.8%		Percent
13-Jul	08:30	**CPI MM, SA**	Jun	0.6%	0.4%	Percent
13-Jul	08:30	CPI YY, NSA	Jun	5.0%		Percent
13-Jul	08:30	Real Weekly Earnings MM	Jun	-0.1%		Percent
13-Jul	14:00	Federal Budget,$	Jun	-132.00B		USD
14-Jul	07:00	MBA Mortgage Applications	5 Jul, w/e	-1.8%		Percent
14-Jul	08:30	PPI Final Demand YY	Jun	6.6%		Percent
14-Jul	08:30	**PPI Final Demand MM**	Jun	0.8%	0.5%	Percent
14-Jul	08:30	PPI exFood/Energy YY	Jun	4.8%		Percent
14-Jul	08:30	PPI exFood/Energy MM	Jun	0.7%	0.5%	Percent
14-Jul	08:30	PPI ex Food/Energy/Tr YY	Jun	5.3%		Percent
14-Jul	08:30	PPI ex Food/Energy/Tr MM	Jun	0.7%		Percent
14-Jul	10:30	EIA Wkly Crude Stk	5 Jul, w/e			Barrel
15-Jul	08:30	NY Fed Manufacturing	Jul	17.40	18.00	Index
15-Jul	08:30	Import Prices MM	Jun	1.1%	1.2%	Percent
15-Jul	08:30	Export Prices MM	Jun	2.2%		Percent
15-Jul	08:30	Import Prices YY	Jun	11.3%		Percent
15-Jul	08:30	**Initial Jobless Clm**	5 Jul, w/e			Person
15-Jul	08:30	Jobless Clm 4Wk Avg	5 Jul, w/e	394.50k		Person
15-Jul	08:30	Cont Jobless Clm	28 Jun, w/e			Person
15-Jul	08:30	Philly Fed Business Indx	Jul	30.7	29.8	Index
15-Jul	09:15	**Industrial Production MM**	Jun	0.8%	0.8%	Percent
15-Jul	09:15	Capacity Utilization SA	Jun	75.2%	75.6%	Percent
15-Jul	09:15	Manuf Output MM	Jun	0.9%		Percent
15-Jul	09:15	Industrial Production YoY	Jun	16.32%		Percent
15-Jul	10:30	EIA-Nat Gas Chg Bcf	5 Jul, w/e	16B		Cubic foot
16-Jul	08:30	**Retail Sales MM**	Jun	-1.3%	0.0%	Percent
16-Jul	08:30	Retail Sales Ex-Autos MM	Jun	-0.7%	0.3%	Percent
16-Jul	08:30	Retail Control	Jun	-0.7%	0.2%	Percent
16-Jul	08:30	Retail Sales YoY	Jun	28.15%		Percent
16-Jul	10:00	**Business Inventories MM**	May	-0.2%	0.4%	Percent
16-Jul	10:00	Retail Inventories Ex-Auto Rev	May	0.9%		Percent
16-Jul	10:00	**U Mich Sentiment Prelim**	Jul	85.5	87.8	Index
16-Jul	16:00	Overall Net Capital Flows	May	101.2B		USD

Canadian Indicators

Date	Time	Release	Period	Previous	Consensus	Unit
12-Jul	06:00	Leading Index MM	Jun	0.19%		Percent
14-Jul	08:30	**Manufacturing Sales MM**	May	-2.1%		Percent
14-Jul	10:00	**BoC Rate Decision**	14 Jul	0.25%	0.25%	Percent
14-Jul	11:00	Refinitiv IPSOS PCSI	Jul	51.49		Index (diffusion)
16-Jul	08:15	**House Starts, Annualized**	Jun	275.9k		Number of
16-Jul	08:30	Securities Cdns C$	May	18.63B		CAD
16-Jul	08:30	Securities Foreign C$	May	9.95B		CAD
16-Jul	08:30	Wholesale Trade MM	May	0.4%		Percent

Source : Refinitiv

S&P/TSX QUARTERLY EARNINGS CALENDAR

Monday July 12th, 2021

None

Tuesday July 13th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Aritzia Inc	ATZ	Aft-mkt	0.181
Organigram Holdings Inc	OGI	Bef-mkt	(0.035)

Wednesday July 14th, 2021

None

Thursday July 15th, 2021

None

Friday July 16th, 2021

None

Source: Bloomberg, NBF Research
*Companies of the S&P/TSX index expected to report. Stocks from the Strategic List are in Bold.

S&P500 INDEX QUARTERLY EARNINGS CALENDAR

Monday July 12th, 2021

None

Tuesday July 13th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Conagra Brands Inc	CAG	07:30	0.519
Fastenal Co	FAST	07:00	0.409
First Republic Bank/CA	FRC	Bef-mkt	1.72
Goldman Sachs Group Inc/The	GS	07:30	9.849
JPMorgan Chase & Co	JPM	07:00	3.117
PepsiCo Inc	PEP	06:00	1.53

Wednesday July 14th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Bank of America Corp	BAC	06:45	0.774
BlackRock Inc	BLK	Bef-mkt	9.285
Citigroup Inc	C	08:00	2.022
Delta Air Lines Inc	DAL	Bef-mkt	(1.441)
PNC Financial Services Group I	PNC	06:45	2.663
Wells Fargo & Co	WFC		0.958

Thursday July 15th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Bank of New York Mellon Corp	BK	06:30	1.003
Cintas Corp	CTAS	Bef-mkt	2.308
Morgan Stanley	MS	07:30	1.641
People's United Financial Inc	PBCT		0.345
Progressive Corp/The	PGR	Bef-mkt	1.093
Truist Financial Corp	TFC	Bef-mkt	1.137
UnitedHealth Group Inc	UNH	Bef-mkt	4.412
US Bancorp	USB	Bef-mkt	1.114

Friday July 16th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Kansas City Southern	KSU	Bef-mkt	2.174
State Street Corp	STT	07:30	1.768

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

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