

July 30th, 2021

THE WEEK IN NUMBERS (July 26th – July 30th)

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	34,935.47	-126.08	-0.36%	14.14%	32.77%	20.3
S&P 500	4,395.26	-16.53	-0.37%	17.02%	35.40%	26.7
Nasdaq Composite	14,672.68	-164.31	-1.11%	13.85%	38.58%	32.1
S&P/TSX Composite	20,287.80	99.37	0.49%	16.37%	24.47%	17.7
Dow Jones Euro Stoxx 50	4,089.30	-19.80	-0.48%	15.11%	27.46%	23.0
FTSE 100 (UK)	7,032.30	4.72	0.07%	8.85%	17.40%	16.0
DAX (Germany)	15,544.39	-124.90	-0.80%	13.31%	25.56%	16.9
Nikkei 225 (Japan)	27,283.59	-264.41	-0.96%	-0.59%	22.13%	15.4
Hang Seng (Hong Kong)	25,961.03	-1,360.95	-4.98%	-4.66%	5.06%	13.9
Shanghai Composite (China)	3,397.36	-153.04	-4.31%	-2.18%	3.36%	11.7
MSCI World	3,069.31	-3.07	-0.10%	14.10%	33.22%	28.5
MSCI EAFE	2,321.09	14.01	0.61%	8.08%	25.74%	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	270.09	3.32	1.24%	15.84%	43.40%	26.3
S&P TSX Consumer Staples	731.83	16.78	2.35%	15.66%	11.32%	20.6
S&P TSX Energy	124.29	-1.42	-1.13%	36.57%	62.30%	12.1
S&P TSX Financials	370.21	3.73	1.02%	20.88%	40.82%	12.5
S&P TSX Health Care	64.60	1.05	1.65%	7.40%	16.06%	N/A
S&P TSX Industrials	362.96	3.88	1.08%	10.38%	26.53%	20.5
S&P TSX Info Tech.	219.65	-4.30	-1.92%	20.45%	26.00%	55.0
S&P TSX Materials	326.08	14.90	4.79%	1.70%	-4.29%	17.0
S&P TSX Real Estate	372.78	2.78	0.75%	24.91%	33.92%	15.9
S&P TSX Communication Services	192.06	-0.61	-0.32%	17.30%	20.26%	22.4
S&P TSX Utilities	337.94	3.08	0.92%	5.77%	15.06%	21.7

COMMODITIES	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	NBF 2021E
Oil-WTI futures (US\$/Barrels)	\$73.77	1.70	2.36%	52.04%	84.79%	\$65.50
Natural gas futures (US\$/mcf)	\$3.93	-0.13	-3.30%	54.63%	114.65%	\$2.90
Gold Spot (US\$/OZ)	\$1,812.70	11.30	0.63%	-4.25%	-6.67%	\$1,845
Copper futures (US\$/Pound)	\$4.47	0.07	1.50%	27.28%	53.99%	\$4.60

CURRENCIES	Last price	Curr. Net Change	% Change Week	% Change YTD	%Change 1 Year	NBF Q4/21e
Cdn\$/US\$	0.8014	0.0055	0.69%	2.08%	7.60%	0.83
Euro/US\$	1.1860	0.0089	0.76%	-2.89%	0.12%	1.21
Pound/US\$	1.3897	0.0152	1.11%	1.64%	6.14%	1.42
US\$/Yen	109.71	-0.83	-0.75%	6.27%	4.77%	108

Source: Refinitiv and NBF Research

Please see last page for NBF Disclosures

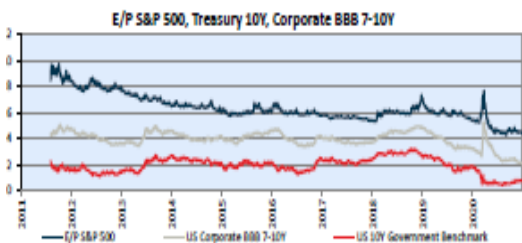
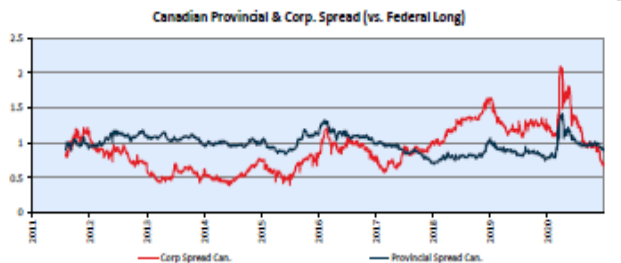
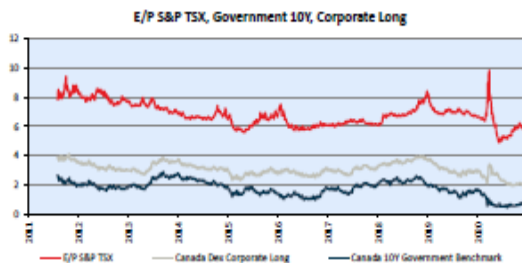
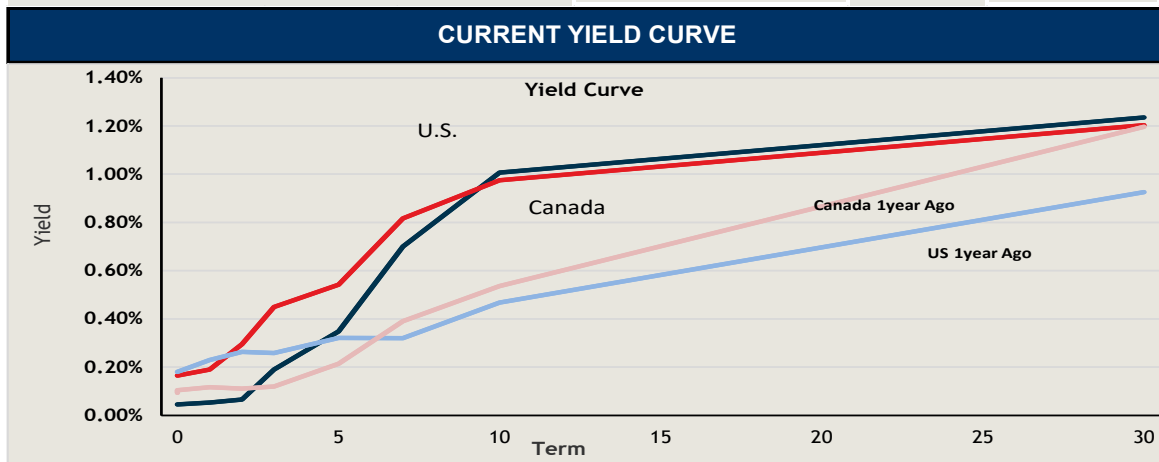
**FIXED INCOME
NUMBERS**

**THE WEEK IN NUMBERS
(July 26th – July 30th)**

Canadian Key Rate	Last	Change 1 month bps	Last	Change 1 month bps
CDA o/n	0.25%	0.0	CDA 5 year	0.82%
CDA Prime	2.45%	0.0	CDA 10 year	1.20%
CDA 3 month T-Bill	0.17%	-1.4	CDA 20 year	1.61%
CDA 6 month T-Bill	0.19%	-1.7	CDA 30 year	1.76%
CDA 1 Year	0.30%	-2.3	5YR Sovereign CDS	38.29
CDA 2 year	0.45%	-4.5	10YR Sovereign CDS	39.9

US Key Rate	Last	Change 1 month bps	Last	Change 1 month bps
US FED Funds	0-0.25%	0.0	US 5 year	0.70%
US Prime	3.25%	0.0	US 10 year	1.24%
US 3 month T-Bill	0.05%	-0.5	US 30 year	1.89%
US 6 month T-Bill	0.05%	-0.6	5YR Sovereign CDS	9.34
US 1 Year	0.07%	-0.7	10YR Sovereign CDS	18.89
US 2 year	0.19%	-2.5		

CANADIAN BOND - TOTAL RETURN	Change Week	Change Y-T-D
FTSE Universe Bond Index	0.35%	-2.45%
FTSE Short Term Bond Index	0.21%	-0.13%
FTSE Mid Term Bond Index	0.57%	-1.57%
FTSE Long Term Bond Index	0.34%	-5.95%

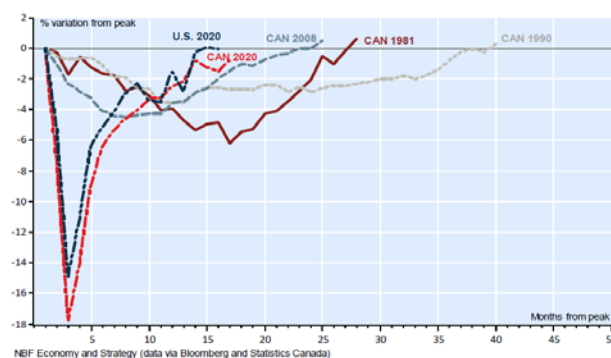


Source: Refinitiv & NBF

WEEKLY ECONOMIC WATCH

CANADA - Real GDP declined in May, losing 0.3% m/m, a result in line with consensus expectations. This was the second decline in a row for this indicator and it left total output down 1.5% from its pre-pandemic level (2020M02). Production fell in 12 of the 20 industrial sectors covered. Goods sector output contracted 0.4% on declines for construction (-2.3%) and manufacturing (-0.8%). Production in the mining/quarrying/oil & gas extraction sector, on the other hand, surged 2.0%. Services-producing industries experienced a 0.2% decrease in output with the steepest regressions occurring in retail trade (-2.7%), arts/entertainment/ recreation (-2.5%) and accommodation/food services (-2.4%). These retrenchments were only partially offset by increases for educational services (+2.0%) and healthcare (+0.6%). Statistics Canada's preliminary estimate for June showed real GDP progressing 0.7% m/m.

Canada: Production closing in on pre-COVID level at the end of Q2
Real GDP, % change from peak (including preliminary estimate for June)



The May GDP report showed trends similar to those observed in April, with several areas of the country forced to maintain strict health measures. Once again, the industries most affected by social distancing registered some of the steepest declines in output. The retail sector shrank as in-store shopping was still limited. Output in the accommodation/food services segment, meanwhile, suffered from restaurant closures. On the goods side, construction was held back by supply chain disruptions and high input costs (think wood products among others) while manufacturing was limited by shortages of semi-conductors for car production. The real estate sector also pulled back on the basis of slower activity in the housing market. Many of the sanitary measures which were standing in May have since been relaxed. Statistics Canada preliminary estimate for a positive June print should thus materialize. Looking at the quarterly perspective, including June's advance estimate, the second quarter is on track to show positive growth of 2.5% annualized.

The **Consumer Price Index** rose 0.3% in June (not seasonally adjusted), one tick below consensus expectations. In seasonally adjusted terms, headline prices edged up 0.1% on gains for four of the eight categories. Higher prices for shelter (+0.7%), health/personal care (+0.2%), recreation (+0.2%) and alcohol/tobacco (+0.2%) were only partially offset by lower prices for clothing/footwear (-0.4%), transportation (-0.2%) and food (-0.1%). Year on year, headline inflation clocked in at 3.1%, down from a 10-year high of 3.6% in May. On a 12-month basis, the core inflation measures preferred by the Bank of Canada were as follow: 1.7% for CPI-common (vs. 1.8% the prior month), 2.6% for CPI-trim (vs. 2.6%) and 2.4% for CPI-median (vs. 2.3%). The average of the three measures remained steady at 2.2%, which is above the midpoint of the BoC target range.

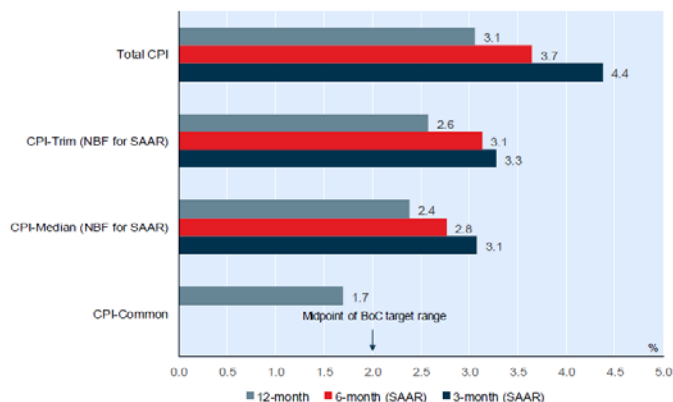
Canada: Headline inflation cools on negative base effects
Consumer Price Index



We continue to believe that inflation will be rather sticky in the medium term. With most industries essentially re-opened across the nation and extraordinary income support programs prolonged, businesses are reporting labour shortages and are having to raise wages to attract talent. Also noteworthy, households have accumulated the equivalent of 10% of GDP in excess savings over the past five quarters, which could translate into a spending bonanza at a time when supply constraints are an ongoing issue. In the longer term, we still see this cycle as much more conducive to above-target inflation, with both monetary and fiscal policy expected to remain very stimulative for some time. Protectionism/deglobalization and the ongoing ecological transition may also put upward pressure on prices going forward. In sum, to our eyes, underlying inflation should hold in the upper band of the BoC target range in 2021 and 2022.

Canada: Core inflation indices show strong momentum

Consumer price index

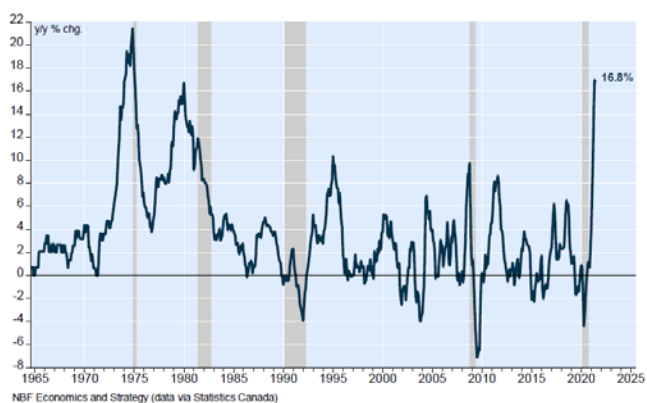


NBF Economics and Strategy (data via Statistics Canada)

Prices for products manufactured in Canada, as measured by the **Industrial Product Price Index (IPPI)**, held steady in June despite a 6.8% drop in the lumber/other wood products category (this followed a 118.0% ascent between 2020M11 and 2021M05). Excluding that segment, the price index advanced 0.6%. On a 12-month basis, the IPPI was up 16.8%. This was unchanged from May and the highest print recorded since January 1975.

Canada: Producer prices rising at fastest pace since the 1970s

Industrial Product Price Index. Last observation: June 2021.

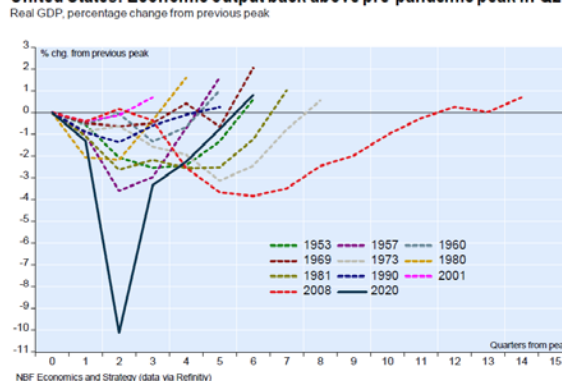


NBF Economics and Strategy (data via Statistics Canada)

The **Raw Materials Price Index** increased 3.9% in June after gaining 3.2% in May. This was the ninth consecutive monthly gain for this indicator. Year over year, the RMPI rose 38.1%, primarily on higher prices for crude energy products (+69.2%), canola (+74.6%) and live animals (+25.1%).

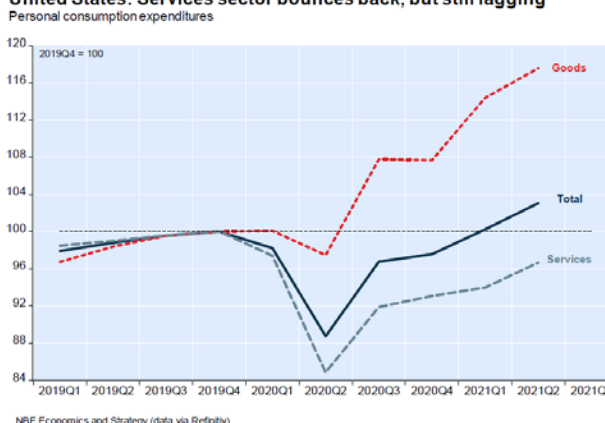
UNITED STATES - The Bureau of Economic Analysis put out its first estimate of **Q2 GDP growth**. The economy reportedly expanded an annualized 6.5% in the quarter, which was less than the +8.4% print expected by consensus. Following in the footsteps of three solid expansions in 2021Q1 (+6.3%), 2020Q4 (+4.5%) and 2020Q3 (+33.8%), this gain nonetheless hoisted economic output 0.8% above its pre-crisis level. In other words, it took six quarters to erase the losses caused by COVID-19, an interval similar to those observed after other post-war recessions (6.3 quarters on average).

United States: Economic output back above pre-pandemic peak in Q2



Domestic demand remained strong in the quarter as non-residential investment (+8.0% q/q annualized) and consumption (+11.8%) expanded at a healthy clip. For the first time since the onset of the pandemic, consumption on services (+12.0% q/q annualized) expanded at a faster rate than consumption on goods did (+11.6%), thanks to the progressive removal of social-distancing measures imposed to curb the spread of the coronavirus. However, service consumption remained 3.3% below its pre-crisis level, while spending on goods was 17.6% above its own.

United States: Services sector bounces back, but still lagging



Residential investment (-9.8% q/q annualized) and government expenditures (-1.5%), meanwhile, contracted after posting strong results in Q1. In the case of the former, the decline was due to a host of factors, including labour/material shortages in the construction industry, surging house prices, and waning of pent-up demand generated by the pandemic. In the case of the latter, weaker outlays simply reflected a return to more normal conditions after the rollout of stimulus money and a surge in health spending. Trade, too, weighed on growth in the quarter as imports (+7.8% q/q annualized) expanded at a faster pace than exports did (+6.0%). The rapid depletion of inventories acted as brake on growth as well.

Contributions to real GDP growth

	2021Q2	2021Q1
GDP	6.5	6.3
Consumption	7.8	7.4
Business Investm. Equip./Intell.	1.2	1.5
Business Investm. Struct.	-0.2	0.1
Residential Investment	-0.5	0.6
Government	-0.3	0.8
Domestic Demand	8.0	10.4
Exports	0.6	-0.3
Imports	-1.1	-1.3
Trade	-0.5	-1.6
Final Sales	7.5	8.8
Inventories	-1.1	-2.6

NBF Economics and Strategy (data via Bloomberg)

The personal consumption expenditures price index excluding food and energy climbed an annualized 6.1% in the first quarter, its steepest increase since 1983. Year on year, the index was up 3.4%, the most since 1991. The saving rate, for its part, fell from a record 20.8% in Q1 to a still-elevated 10.9% in Q2.

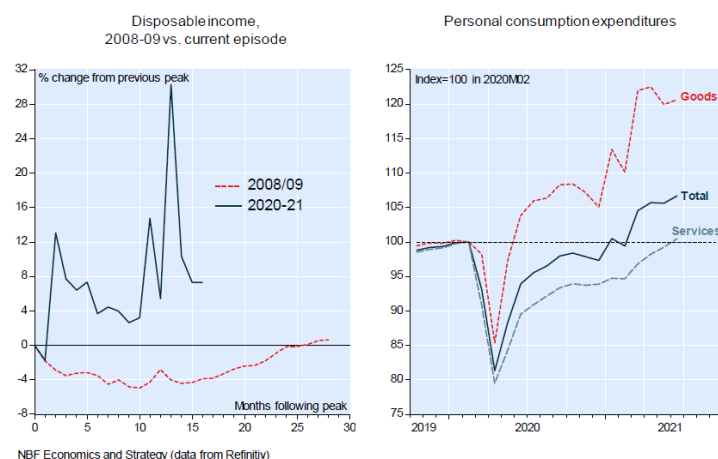
United States: Core inflation rose at fastest pace since 1983
Core personal consumption expenditures deflator (excluding food and energy)



In sum, GDP stats for the second quarter proved better than at first glance. Growth was certainly below expectations, but this was due in part to a decline in inventories, a negative contribution from trade, and the normalization of government spending. Final sales to the private domestic sector, which exclude these three categories and which are a better gauge of the underlying strength of the economy, advanced a whopping 9.9%. Looking ahead, growth should continue to decelerate while remaining above its pre-crisis trend for some time. The rise in COVID-19 cases caused in large part by the spread of the Delta variant is a clear downside risk, but we believe that the negative effects associated with rising caseloads will be lesser than in previous waves. The progress of the vaccination campaign in the United States—at time of writing about 49% of Americans were fully inoculated—should keep hospitalization rates lower than before and allow authorities to keep the economy open. This will permit consumers to put the excess savings they accumulated during the crisis to good use. Consumption on services, which suffered badly from distancing measures, should be the main beneficiary. Business investment, too, is likely to continue to contribute, judging from the latest data on orders of non-military equipment other than aircraft, a proxy for future capital spending (see comments on durable goods orders below). Inventory change is another factor to watch in the short-to-medium term. Inventories are abnormally low at present as businesses have faced supply problems of all kinds (scarcity of computer chips, high commodity prices, transport problems) while demand has rebounded sharply. Growth is likely to be supported by inventory rebuilding once these constraints dissipate.

Nominal personal income crept up 0.1% in June. As the labour market continued to recover, the wage/salary component of income progressed 0.8%. Income derived from government transfers, meanwhile, declined 2.7% on a drop in the “other” transfer segment (-8.4% to \$734.6 billion). Unemployment insurance benefits, for their part, retreated 11.0% (to \$437.9 billion), as some states withdrew from emergency programs such as the Pandemic Unemployment Compensation (-15.6% to \$208.7 billion). All this translated into a flat reading for disposable income.

U.S.: Disposable income still comfortably above pre-crisis levels



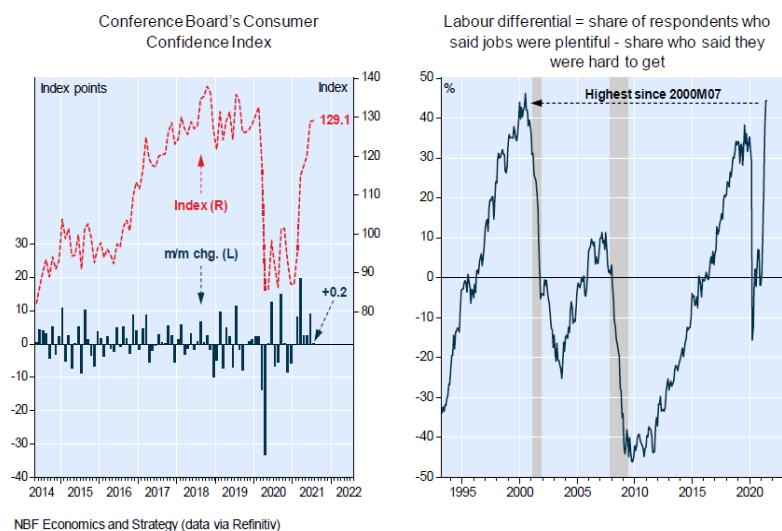
Nominal personal spending, for its part, progressed 1.0% in June and stood 6.7% above its pre-pandemic summit. While goods consumption stood 20.6% above its pre-crisis level, services consumption was just 0.3% above that mark. The latter segment, which typically holds up better in times of recession, was hit harder during lockdowns and was recovering more laboriously because of rules of physical distancing imposed to limit the spread of the virus.

As spending expanded at a faster pace than income, the **saving rate** slipped from 10.3% to a still-elevated 9.4%. Adjusted for inflation, disposable income shrank 0.5%, while spending sprang 0.5%. Still in June, the headline **PCE deflator** came in at 4.0% y/y, unchanged from the prior month and the highest since August 2008. The core PCE measure, meanwhile, rose one tick to a 30-year high of 3.5%.

Durable goods orders continued on their upward trend in June, climbing 0.8% m/m. Although weaker than the +3.0% print expected by consensus, this gain nonetheless hoisted total orders 11.6% clear of their pre-crisis level (February 2020). Orders in the transportation category advanced 2.1% thanks to strong showings for both civilian (+17.0%) and defence aircraft (+9.9%). Orders in the vehicles/parts segment, on the other hand, edged down 0.3%. Excluding transportation, orders progressed 0.3% and reached a new all-time high. Notable gains were recorded for computer/electronics (+1.0%) and machinery (+0.6%). The report showed, also, that orders of non-defence capital goods excluding aircraft, a proxy for future capital spending, grew 0.5% m/m, capping an 18.1% annualized expansion in Q2 as a whole. This suggests business investment has further room to improve in the third quarter of the year.

In July, the **Conference Board Consumer Confidence Index** rose for a sixth straight month, edging up 0.2 point to a post-pandemic high of 129.1. Renewed optimism among U.S. consumers is no doubt linked to re-opening of the sectors most affected by the pandemic but also to the deployment of generous fiscal aid by Washington. It is important to note, however, that the cut-off date for the survey was July 21, perhaps a tad too early for the index to reflect rising COVID-19 caseloads in several regions of the country.

United States: Confidence boosted by bright employment prospects



The present situation tracker recorded another strong rise, springing from 159.6 to a 16-month high of 160.3. This, however, was still well short of its pre-recession peak of 173.9. The percentage of respondents who deemed jobs plentiful crept up from 54.7% to an all-time high of 54.9%. Also, 26.4% of respondents had a favourable view of current business conditions, up from 25.2% the prior month. The expectations sub-index, which tracks consumer sentiment towards the next six months, stayed more or less unchanged at 108.4 (vs. 108.5 the prior month). While a smaller share of respondents expected business conditions to improve going forward (from 33.7% to 33.4%), a larger share had a positive outlook on employment (from 26.6% to 27.7%) and income (from 20.0% to 20.6%). Also, more people planned to buy a home (from 6.8% to 7.0%), an automobile (from 11.5% to 13.1%), and major appliances (from 49.8% to 56.8%). Consumer inflation expectations for the next 12 months stood at 6.6% in July, a tick below the multi-year high recorded the prior month.

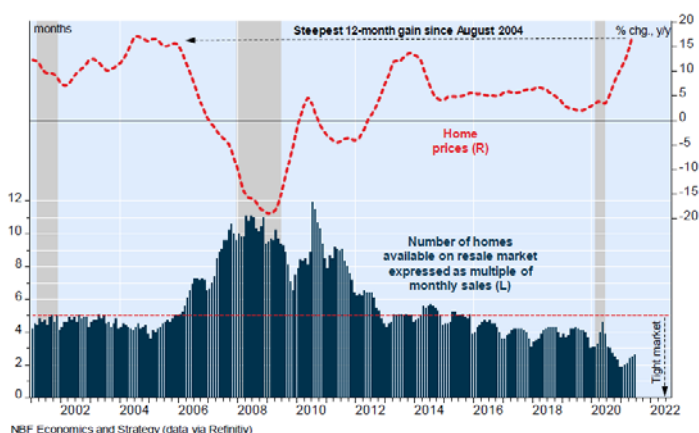
New-home sales decreased for a third consecutive month in June, retracing 6.6% m/m to a 14-month low of 676K (seasonally adjusted and annualized). This was significantly weaker than the median economist forecast (796K) and below the indicator's pre-pandemic peak (756K). Adding to the disappointment, the prior month's result was revised from 769K to 724K. The decrease in sales in June, combined with a rise in listings (from 330K to 353K), hoisted the inventory-to-sales ratio to 6.3 (from 5.5), roughly in line with its long-term average. The median transaction price, meanwhile, increased 6.1% y/y to \$361,800. For Q2 as a whole, new-home sales retreated an annualized 18.7%.

The steep drop in the number of transactions concluded on the new-home market in recent months—sales are down 31.9% since January—only confirms the already obvious signs of moderation in the housing sector. High prices could very well be dampening enthusiasm among buyers. In July, a record proportion of respondents to a University of Michigan poll deemed buying conditions for houses to be bad because prices were too high. Rising inventories could help alleviate some of the pressure on prices: New homes available on the market rose to 353K in June, their highest number since December 2008. Still, low borrowing costs, combined with a dearth of listings on the resale market, should keep demand (and prices) for new homes elevated going forward.

The **pending home sales index** retraced 1.9% m/m in June and an annualized 10.8% in the second quarter as a whole.

According to the **S&P CoreLogic Case-Shiller 20-City Index**, home prices rose a seasonally adjusted 1.81% m/m in May after climbing 1.66% in April. The gain, the 110th running, was the largest since April 2013. All the cities in the index saw higher prices in April, led by Phoenix (+3.47%), Tampa Bay (+2.66%), and Las Vegas (+2.58%). Year on year, the index was up 17.0% (+15.0% in April), the sharpest 12-month jump since August 2004.

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



The rapid rise in home prices, which reflects in part both low borrowing costs and lack of supply on the resale market, has attracted the attention of some Fed representatives. At the June 15-16 meeting of the central bank, “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 FOMC members even saw benefits to tapering purchases of mortgage-backed securities more sharply or sooner than purchases of Treasuries. Although ultimately rejected, this proposal clearly demonstrates the level of concern of some policymakers in the face of exploding real estate prices.

Initial jobless claims decreased from 424K to 400K in the week to July 24. Continued claims, meanwhile, remained essentially unchanged at 3,269K. Another 9.5 million or so people received benefits in the week ended July 9 under two emergency programs: Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation. Total continuing claims across all programs have dropped 1.7 million over the past five weeks. The phasing out of emergency benefits—a process that has already begun in some states and that will continue until September 6 in others—has certainly played a large role in this decline.

As fully expected, the **FOMC** voted unanimously to leave the target range for the federal funds rate unchanged at 0% to 0.25% at the conclusion of its two-day meeting. However, the central bank’s tweaking of its guidance on asset purchases came as somewhat of a surprise. The statement acknowledged that “further progress” had been made towards the Fed’s maximum employment and price stability goals. This change suggests that an announcement on QE tapering could be imminent. Until then, the Fed reiterated its commitment to increase its holdings of Treasuries by at least \$80 billion per month and of agency MBS by at least \$40 billion per month. As for the statement’s characterization of the economy outlook, there were no major changes made. As it did at its previous meeting, the FOMC acknowledged the strengthening of economic indicators but reiterated that the “path of the economy continues to depend on the virus.” The language on inflation was left unchanged with the statement reading as follows: “Inflation has risen, largely reflecting transitory factors.”

In his press conference's introductory statement, Fed Chair Jerome Powell re-emphasized the strength of the economic recovery in the country, placing particular stress on the rapid rise in household spending, a phenomenon he attributed in part to effective policy support. Although he recognized that demand for workers was "very strong" at the moment, he admitted that the labour market still had "ways to go", with Afro-Americans and Hispanics still bearing the brunt of the negative after-effects of the pandemic.

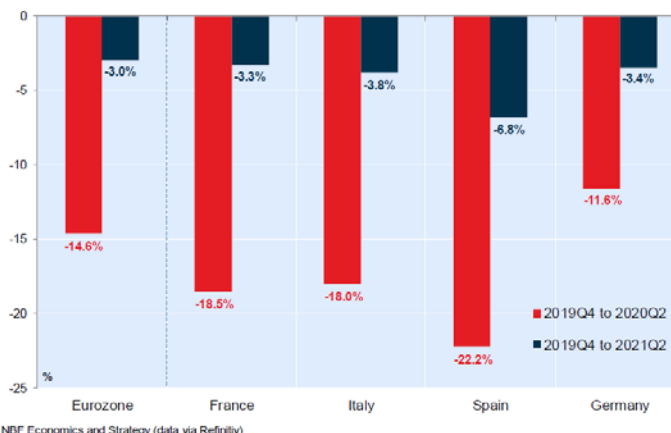
Powell's comments on inflation hinted at a relatively high degree of uncertainty about the future path of prices: "The process of re-opening the economy is unprecedented, as was the shutdown at the onset of the pandemic. As the re-opening continues, bottlenecks, hiring difficulties and other constraints could continue to limit how quickly supply can adjust, raising the possibility that inflation could turn out to be higher and more persistent than we expect [...] If we saw signs that the path of inflation or longer-terms inflation expectations were moving materially and persistently beyond levels consistent with our goals, we'd be prepared to adjust the stance of policy." While Powell later acknowledged that risk to inflation was tilted to the upside in the short term, he stressed that the recent rise was limited to specific categories closely linked to the re-opening process. For that reason, he "[had] some confidence that, in the medium term, inflation [would] move back down."

Although the Delta variant was not directly mentioned in the statement, Powell affirmed that the Fed had taken notice of its rapid spread in some areas. If anything, he sounded relatively optimistic about the risks that this rise could entail: "It will have significant health consequences for many [...] What we've seen though is with successive waves of COVID over the past year and some months now, there has tended to be less in the way of economic implication from each wave. And we will see whether that is the case with the Delta variety, but it's certainly not an unreasonable expectation [...] So we'll just be monitoring it carefully."

While the FOMC did not formally announce a reduction in its asset purchase program, the admission that the U.S. economy had made "further progress" towards the central bank's goals means that T-Day is drawing close. August's Jackson Hole Symposium seems like the right time to make the announcement, but it could be delayed until the September Fed meeting, depending on how strong the data proves that will come out over the next few weeks (i.e., how much of an impact the increase in COVID-19 caseloads has on the economy). Either way, we see a taper kicking off in the fourth quarter and likely extending into the fourth quarter of 2022 before the road is paved for a policy rate hike.

WORLD - The Eurostat flash estimate of Q2 GDP growth for the Eurozone came in at +8.3% annualized (+2.0% non-annualized). This stronger-than-expected result came in the wake of two consecutive negative results in 2021Q1 (-1.3% annualized) and 2020Q4 (-2.5% annualized) and marked the exit of the single currency area from a double-dip recession. The second quarter gain still left output 3.0% below its pre-crisis summit.

Eurozone: Strong growth in Q2 leaves output short of pre-crisis level
Change in real GDP since 2019Q4



After having been hit particularly hard during the pandemic, Spain (+11.5%) and Italy (+11.1% annualized) experienced the steepest rebound in Q2. The German economy expanded an annualized 6.1%, while growth in France (+3.8% annualized) lagged the eurozone's average. Looking ahead, the eurozone economy still faces some challenges as rising infection rates risk slowing the recovery. But with the vaccination campaign making progress, we expect sanitary measures to remain fairly lax, allowing the economic rebound to continue.

The **European Commission's Economic Sentiment Index** continued to improve in July, rising from 117.9 to 119.0. Not only did this top the 118.2 print expected by consensus and the indicator's pre-recession peak (104.0 in 2020M02), it was also the highest level recorded since data collection began in 1985. Confidence rose in just two of the five sectors surveyed: manufacturing (from 12.8 to an all-time high 14.6) and services (from 17.9 to a 14-year high 19.3). Alternatively, there were declines observed for consumers (from -3.3 to -4.4) and construction (from 5.2 to 4.0). At the national level, confidence improved in Germany (from 117.2 to an all-time high 117.5), France (from 112.7 to a 20-year high of 116.7), Italy (from 117.9 to a 21-year high of 119.6), and Spain (from 107.2 to 108.9). However, the surge in COVID-19 cases associated with the Delta variant in several European countries could weaken confidence in the coming months.

Eurozone: Sentiment hits all-time high before rise in COVID-19 cases
European Commission's Economic Sentiment Index. Last observation: July 2021

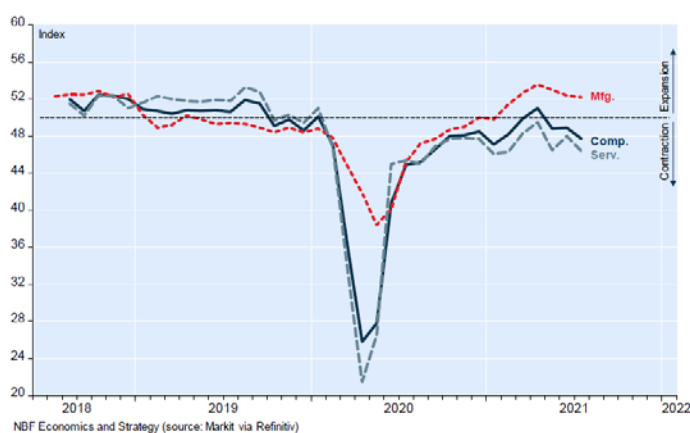


Still in the Eurozone, the **flash estimate for the consumer price index** showed that prices rose 2.2% y/y in July, three ticks more than in June and the most since October 2010. Energy prices spiked 14.1% from their level a year earlier, while the cost of food, alcohol and tobacco climbed 1.6%. The core CPI, which excludes these four items, slipped from 0.9% to 0.7%.

Again in the single currency area, the **unemployment rate** fell from 8.0% to a 13-month low of 7.7%.

In Japan, the July iteration of the **Jibun Bank/Markit flash PMI** showed private-sector activity contracting at the fastest pace since January. The composite index fell from 48.9 to 47.7, signalling a third straight deterioration in operating conditions amid a fresh wave of COVID-19 infections in the country. As is usually the case when social distancing measures are tightened, the services sector suffered the most. The corresponding sub-index sank deeper into contraction territory (<50), reaching a five-month low of 46.4. New business for service providers eased further "as continued restrictions on movement and businesses hampered activity." Weaker demand also led to the first reduction in headcounts since December 2020. The manufacturing sub-index (from 52.4 to 52.2), meanwhile, showed conditions improving for a sixth consecutive month, albeit at their slowest pace since February. Growth in output and new orders was the weakest in six months, as factories had to deal with a deterioration of the health backdrop and "ongoing delays in receiving raw materials."

Japan: COVID-19 caseloads rise, private sector falls deeper into contraction
Jibun Bank/Markit Flash PMI. Last observation: July 2021



IN THE NEWS



U.S. and Canadian News



Monday July 26th, 2021

- [U.S. new home sales drop to 14-month low in June](#)
New home sales fell 6.6% to a seasonally adjusted annual rate of 676,000 units last month, the lowest level since April 2020. May's sales pace was revised down to 724,000 units from the previously reported 769,000 units. Sales have now dropped for three straight months. Economists had forecast new home sales increasing 3% to rate of 800,000 units in June.
- [Inter Pipeline scraps Pembina deal, ready to talk with Brookfield](#)
In a release, Inter Pipeline announced that its board of directors will not stand by an earlier recommendation for shareholders to vote in favour of the all-stock takeover by Pembina. As a result, Inter Pipeline will pay a \$350-million break fee.

Tuesday July 27th, 2021

- [U.S. core capital goods orders and shipments rise solidly in June](#)
Orders for non-defense capital goods excluding aircraft, a closely watched proxy for business spending plans, rose 0.5% last month. These so-called core capital goods orders had gained 0.5% in May. Economists had on average forecast core capital goods orders advancing 0.7%. Orders for durable goods advanced 0.8% in June after rebounding 3.2% in May. They were supported by a 2.1% increase in orders for transportation equipment.
- [U.S. home prices rose in May at fastest pace in nearly 17 years](#)
The S&P/Case Shiller composite index of 20 metropolitan areas gained 17.0% through the 12 months ended in May, the largest annual price increase since August 2004. A poll of economists had forecast a 16.4% increase.
- [U.S. consumer confidence holds steady at a 17-month high in July](#)
The Conference Board said its consumer confidence index was little changed at a reading of 129.1 this month, the highest level since February 2020. Economists had forecast the index falling to 123.9.

Wednesday July 28th, 2021

- [U.S. goods trade deficit widens; inventories rise](#)
The goods trade deficit increased 3.5% to \$91.2 billion last month. Imports of goods advanced 1.5% to \$236.7 billion. There were increases in imports of food, industrial supplies and capital goods. Goods exports rose 0.3% to \$145.5 billion. Wholesale inventories increased 0.8% last month after rising 1.3% in May. Stocks at retailers gained 0.3% after dropping 0.8% in May.
- [U.S. auto sales pace to weaken further in July](#)
Retail sales are expected to reach 1.2 million units in the month, a 3.7% increase from the same period last year when adjusted for selling days, but a slump in expectations when compared to the preceding months.

- [U.S. economic recovery intact despite COVID-19 surge, Fed says](#)

The U.S. economic recovery remains on track despite a rise in coronavirus infections, the Federal Reserve said on Wednesday in a new policy statement that remained upbeat and flagged ongoing talks around the eventual withdrawal of monetary policy support.

- [Canada's annual inflation rate slows but remains above Bank of Canada target](#)

Inflation eased to 3.1% in June from 3.6% in May, lower than the 3.2% median forecast of analysts. The CPI common measure, which the Bank of Canada says is the best gauge of the economy's underperformance, dipped to 1.7% from 1.8%.

Thursday July 29nd, 2021

- [U.S. economy grows solidly in second quarter; weekly jobless claims fall](#)

Gross domestic product increased at a 6.5% annualized rate last quarter, the Commerce Department said in its advance estimate of second-quarter GDP. The economy grew at a revised 6.3% rate in the first quarter. Economists had forecast GDP rising at an 8.5% rate last quarter. With the second-quarter estimate, the government published revisions to GDP data, which showed the economy contracting 3.4% in 2020, instead of 3.5% as previously estimated. Initial claims for state unemployment benefits fell by 24,000 to a seasonally adjusted 400,000 for the week ended July 24. Economists had forecast 380,000 applications for the latest week.

- [U.S. pending home sales decline in June](#)
Pending Home Sales Index, based on contracts signed last month, fell 1.9% to 112.8. Economists had forecast pending home sales would increase 0.3%. Pending home sales for May were revised to show an increase of 8.3% instead of the 8.0% gain previously reported.
- [Bank of Canada's Macklem warns against overreacting to hot inflation](#)
Bank of Canada Governor Tiff Macklem took to the pages of a major newspaper to defend a three-month run of excessive consumer price gains.

Friday July 30th, 2021

- [U.S. consumer spending rises strongly in June; inflation increases](#)

Consumer spending rebounded 1.0% last month after dipping 0.1% in May. Consumer spending grew at a robust 11.8% annualized rate last quarter. The personal consumption expenditures (PCE) price index, excluding the volatile food and energy components, rose 0.4% in June after advancing 0.5% in May. In the 12 months through June, the so-called core PCE price index shot up 3.5%. Economists had forecast consumer spending increasing 0.7% and the core PCE price index surging 3.7% year-on-year.

- [Canada's economy rebounds, on track for 2.5% annualized growth](#)

Gross domestic product likely grew 0.7 per cent in June after a 0.3 per cent drop in May. May's decline was in line with expectations; coupled with the preliminary estimate for a rebound last month, growth is on pace to come in around 2.5 per cent in the quarter on an annualized basis.

IN THE NEWS



International News

Monday July 26th, 2021

- [China's new private tutoring rules put billions of dollars at stake](#)

The new rules released on Friday bars for-profit tutoring in core school subjects in an effort to boost the country's birth rate by lowering family living costs. The news sent shockwaves through the sector and parents struggled to understand how exactly the move would impact their children in a highly competitive education system.

- [Nikkei tracks global peers higher, but virus woes undermine mood](#)

Japanese shares ended higher, catching the tailwind from a bounce in global peers on positive corporate earnings, though gains were curbed by concerns that domestic COVID-19 infections could further dampen the country's economic recovery. Tokyo reported 1,763 cases on Sunday, up 75% from a week ago.

- [Japan's July factory activity grows at slowest pace in 5 months](#)

The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) slipped to a seasonally adjusted 52.2 in July from a final 52.4 in the previous month, in a sign of a softer improvement in operating conditions.

- [German business morale down on supply shortages, virus fears](#)

The Ifo institute said its business climate index fell to 100.8 from a revised figure of 101.7 in June and versus a Reuters poll forecast of 102.1.

Tuesday July 27th, 2021

- [IMF lifts growth forecasts for rich nations, dims outlook for developing world](#)

The International Monetary Fund maintained its 6% global growth forecast for 2021, upgrading its outlook for the United States and other wealthy economies but cutting estimates for a number of developing countries struggling with surging COVID-19 infections.

- [Tencent's WeChat suspends new user registration for security compliance](#)

Tencent's WeChat has temporarily suspended registration of new users in mainland China as it undergoes a technical upgrade "to align with relevant laws and regulations", China's dominant instant messaging platform said. Shares in Tencent plunged 9.0% in Hong Kong amid widespread market jitters over Chinese regulatory crackdowns on high-growth sectors.

- [BOJ's 2% inflation target has resulted in Japan's economy no longer in deflation](#)

The Bank of Japan's 2% inflation target has pulled Japan's economy out of deflation, Governor Haruhiko Kuroda said, adding that this was not a mistaken policy.

- [China's industrial profit growth slows in June on high raw material prices](#)

Industrial firms' profits rose 20% year-on-year in June to 791.8 billion yuan (US\$122.27 billion), after a 36.4% increase in May.

- [South Korea's Q2 GDP grows at fastest annual pace in a decade](#)

Gross domestic product (GDP) expanded 5.9% year-on-year in the April-June after rising 1.9% in the first quarter, just shy of 6.0% growth tipped in a Reuters survey.

Wednesday July 28th, 2021

- [Russians' real incomes grow in Q2 for first time since early 2020](#)

Real disposable incomes, which are inflation-adjusted incomes that exclude mandatory payments, increased 6.8% year-on-year in April-June, data from the Federal Statistics Service, or Rosstat, showed. Rosstat data also showed on the official jobless rate in Russia declined in June to 4.8%, its lowest since March 2020, from 4.9% a month earlier.

- [UK house prices fall in July as tax cut is scaled back](#)

House prices fell by 0.5% from June, their first fall since March, slowing the annual increase to 10.5% from June's leap of 13.4% which was the steepest rise in 17 years. Economists had expected a less marked cooling of the market, predicting prices would rise by 0.6% from June and by 12.1% in annual terms.

- [German consumer morale steady heading into August](#)

The GfK institute said its consumer sentiment index was unchanged at -0.3 points. The reading compared with a Reuters forecast for 1.0.

- [Australian CPI blows hot in Q2, core inflation far cooler](#)

consumer price index (CPI) rose 0.8% in the June quarter, from the previous quarter, just topping market forecasts of a 0.7% increase. The CPI climbed a sharp 3.8% on a year ago.

Thursday July 29th, 2021

- [German inflation hits 13-yr high, union demands "strong wage increases"](#)

Consumer prices, harmonised to make them comparable with inflation data from other European Union countries, rose by 3.1% in July compared with 2.1% in June. A Reuters poll had pointed to a reading of 2.9%.

- [UK mortgage lending booms but consumers stay wary about debt](#)

Mortgage borrowing leapt by a net 17.9 billion pounds (US\$25.0 billion) from May, the biggest monthly increase in Bank of England records which date back to 1993. Economists had pointed to a much smaller net increase of 7.9 billion pounds.

- [China's efforts to calm investor jitters help markets rebound](#)

China stepped up attempts to calm frayed investor nerves after a wild markets rout this week by telling foreign brokerages not to "overinterpret" its latest regulatory actions, setting the stage for a rebound in beaten-down stocks.

Friday July 30th, 2021

- [Euro zone growth rebounds, inflation tops ECB target](#)

Eurostat said its initial estimate showed gross domestic product (GDP) in the 19 countries that use the euro had expanded 2.0% in April-June from the previous quarter. Compared to the same period a year earlier, GDP jumped 13.7%. Euro zone inflation accelerated to 2.2% in July from 1.9% in June - the highest rate since October 2018 and above the 2.0% mean expectation of economists.

WEEKLY PERFORMERS – S&P/TSX

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Celestica Inc	\$11.03	\$1.80	19.50%
Aurinia Pharmaceuticals Inc	\$16.76	\$2.47	17.28%
Turquoise Hill Resources Ltd	\$20.82	\$2.55	13.96%
Lithium Americas Corp	\$18.22	\$1.86	11.37%
Stelco Holdings Inc	\$41.20	\$3.97	10.66%
Equinox Gold Corp	\$8.68	\$0.83	10.57%
Yamana Gold Inc	\$5.59	\$0.47	9.18%
Iamgold Corp	\$3.41	\$0.28	8.95%
First Quantum Minerals Ltd	\$26.72	\$2.17	8.84%
Silvercrest Metals Inc	\$10.80	\$0.83	8.32%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Real Matters Inc	\$12.77	-\$2.62	-17.02%
Trillium Therapeutics Inc	\$8.16	-\$0.87	-9.63%
Shopify Inc	\$1,873.00	-\$195.45	-9.45%
MEG Energy Corp	\$7.96	-\$0.64	-7.44%
Brookfield Business Partners LP	\$55.10	-\$3.69	-6.28%
Suncor Energy Inc	\$24.56	-\$1.58	-6.04%
Canopy Growth Corp	\$23.63	-\$1.07	-4.33%
Primo Water Corp (MISSISSAUGA)	\$20.59	-\$0.73	-3.42%
ARC Resources Ltd	\$9.44	-\$0.26	-2.68%
CAE Inc	\$38.07	-\$0.93	-2.38%

Source: Refinitiv

WEEKLY PERFORMERS – S&P500

S&P500: LEADERS	LAST	CHANGE	%CHG
Advanced Micro Devices Inc	\$106.19	\$14.04	15.24%
Dexcom Inc	\$515.51	\$54.79	11.89%
Aon PLC	\$260.03	\$27.55	11.85%
PerkinElmer Inc	\$182.23	\$17.89	10.89%
Nucor Corp	\$104.02	\$9.69	10.27%
CBRE Group Inc	\$96.46	\$8.73	9.95%
Align Technology Inc	\$695.80	\$57.52	9.01%
Xilinx Inc	\$149.84	\$11.98	8.69%
KLA Corp	\$348.16	\$27.40	8.54%
Monolithic Power Systems Inc	\$449.26	\$35.00	8.45%

S&P500: LAGGARDS	LAST	CHANGE	%CHG
Citrix Systems Inc	\$100.75	-\$14.18	-12.34%
ETSY Inc	\$183.51	-\$25.35	-12.14%
Lamb Weston Holdings Inc	\$66.77	-\$8.73	-11.56%
PTC Inc	\$135.45	-\$17.24	-11.29%
PayPal Holdings Inc	\$275.53	-\$33.00	-10.70%
Humana Inc	\$425.86	-\$45.36	-9.63%
United Parcel Service Inc	\$191.36	-\$20.28	-9.58%
Newell Brands Inc	\$24.75	-\$2.58	-9.44%
Amazon.com Inc	\$3,327.59	-\$329.05	-9.00%
Willis Towers Watson PLC	\$206.08	-\$20.33	-8.98%

Source: Refinitiv

NBF RATINGS & TARGET PRICE CHANGES

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
Aecon Group Inc.	ARE	Outperform	Outperform	C\$23.50	C\$21.00
AltaGas Ltd.	ALA	Outperform	Outperform	C\$29.00	C\$26.00
Cascades Inc.	CAS	Outperform	Outperform	C\$21.00	C\$20.50
CES Energy Solutions Corp.	CEU	Outperform	Sector Perform	C\$2.70	C\$2.50
Equitable Group Inc.	EQB	Outperform	Outperform	C\$179.00	C\$178.00
Exchange Income Corporation	EIF	Outperform	Restricted	C\$46.00	C\$0.00
Fairfax Financial Holdings Ltd.	FFH	Outperform	Outperform	C\$775.00	C\$750.00
Falco Resources Ltd.	FPC	Restricted	UnderReview	C\$0.00	C\$0.00
First National Financial Corporation	FN	Sector Perform	Sector Perform	C\$56.00	C\$55.00
First Quantum Minerals Ltd.	FM	Outperform	Outperform	C\$37.50	C\$38.50
Fortis Inc.	FTS	Sector Perform	Sector Perform	C\$59.00	C\$60.00
GFL Environmental Inc.	GFL	Outperform	Outperform	C\$46.00	C\$44.00
Home Capital Group Inc.	HCG	Outperform	Outperform	C\$48.00	C\$46.00
iA Financial Corporation Inc.	IAG	Outperform	Outperform	C\$80.00	C\$76.00
Intact Financial Corporation	IFC	Outperform	Outperform	C\$212.00	C\$207.00
Kinross Gold Corp	K	Outperform	Sector Perform	C\$11.00	C\$11.00
Loblaw Companies Limited	L	Outperform	Outperform	C\$91.00	C\$84.00
Lundin Mining Corporation	LUN	Sector Perform	Sector Perform	C\$15.50	C\$17.00
MEG Energy Corp.	MEG	Sector Perform	Sector Perform	C\$14.50	C\$15.00
Metro Inc.	MRU	Sector Perform	Sector Perform	C\$66.00	C\$65.00
Nexa Resources S.A.	NEXA	Sector Perform	Sector Perform	C\$15.00	C\$15.50
North American Construction Group Ltd.	NOA	Outperform	Outperform	C\$25.00	C\$24.00
Ovintiv Inc.	OVV	Outperform	Outperform	US\$38.00	US\$41.00
Real Matters Inc.	REAL	Sector Perform	Outperform	C\$15.50	C\$35.00
Spartan Delta Corp.	SDE	Restricted	Outperform	C\$0.00	C\$8.00
Spin Master Corp.	TOY	Outperform	Outperform	C\$56.00	C\$53.00
Stingray Group Inc.	RAY.A	Outperform	Outperform	C\$10.00	C\$9.00
Suncor Energy Inc.	SU	Sector Perform	Sector Perform	C\$36.00	C\$41.00
TC Energy Corp.	TRP	Outperform	Outperform	C\$66.00	C\$67.00
Teck Resources Limited	TECK.B	Outperform	Outperform	C\$37.50	C\$38.50
TELUS Corp.	T	Outperform	Outperform	C\$30.00	C\$28.00
TFI International Inc.	TFII	Outperform	Outperform	C\$144.00	C\$137.00
Trican Well Service Ltd.	TCW	Sector Perform	Sector Perform	C\$3.50	C\$3.25
Whitecap Resources Inc.	WCP	Outperform	Outperform	C\$10.00	C\$9.50

STRATEGIC LIST - WEEKLY UPDATE

(July 26th – July 30th)

No Changes this Week

Comments:

Communication Services (Market Weight)

Telecommunication Services

NBF: Canada's 3500 MHz auction began on June 15, involved 15 of 23 participants acquiring 1,495 of 1,504 available 20-year licences, and yielded proceeds of just over \$8.9B for an average of \$2.26 per MHzPop (\$0.92 set-aside & \$3.19 non-set-aside). The clock framework nature of the auction, set-asides, relatively limited available spectrum in some markets, a 3800 MHz auction that doesn't come until 1Q23, and the goldilocks nature of 3500 MHz spectrum for 5G ultimately elevated pricing.

Quebecor Inc. (QBR.b)

NBF: Quebecor spent \$830M or \$0.86 per MHzPop (69% of Quebec set-aside & 40% of total) - \$357M Quebec (\$0.88 MHz Pop), \$238M Ontario (\$1.10 MHzPop), \$144M BC (\$0.68 MHzPop), \$63M Alberta (\$0.65 MHzPop) and \$28M Manitoba (\$0.79 MHzPop). It now holds 175 blocks of related spectrum (average 32 MHz) in 4 extra provinces besides 119 blocks in Quebec (average 43 MHz), as it plans to roll out wireless service in some urban & rural markets outside of Quebec and is interested in Shaw's mobile assets. NBF calculated incremental leverage of 41 bps for Quebecor. NBF did not change its target or rating.

Rogers Communications Inc. (RCI.b)

NBF: Rogers spent \$3.3B versus Bell-TELUS (network sharing arrangement) at \$4.0B. The Big 3 paid an average of \$3.28 per MHzPop. NBF estimates that in terms of spectrum available to be acquired by national carriers, Rogers picked up 44% and sits with 43% of total licences, Bell got 30% and has 37% of related spectrum, and TELUS got 26% and now has 20% of the total. NBF calculated incremental leverage of 56 bps for Rogers. NBF did not change its target or rating.

Consumer Staples (Market Weight)

Loblaw Companies Ltd. (L)

NBF: Q2 results: L reported Q2/21 adj. EPS of \$1.35 vs. NBF at \$1.19 and consensus at \$1.21; last year was \$0.72. NBF considers results to be solid given strong quarterly performance and improved outlook commentary. Consolidated revenue was \$12,491 million vs. NBF at \$11,942 million; last year was \$11,957 million. Food Retail revenue was \$8,878 million vs. NBF at \$8,587 million; last year was \$8,747 million. Food Retail sssg was at -0.1% vs. NBF at -2.3% and last year at 10.0%. Drug Retail (SC) revenue was \$3,404 million vs. NBF at \$3,143 million; last year was \$3,021 million. Total Drug Retail sssg was 9.6% vs. NBF at 3.8%; last year was -1.1%. Total adj. EBITDA was \$1,371 million vs. NBF at \$1,240 million and consensus at \$1,250 million; last year was \$1,008 million. The quarterly dividend was increased by 9% to \$0.365/share from \$0.335/share. New management appears to be more motivated to deliver consistent growth. Specifically, it has detailed plans to optimize the network and extract more benefit from its growth investments by focusing on sizable initiatives that can deliver results sooner. L expects low to mid-twenties percentage EPS growth y/y (up from low double digits), excl. the impact of a 53rd week in 2020. NBF upped their F2021 EPS to \$5.10, from \$4.84; and their F2022 EPS goes to \$5.70 from \$5.66.

Energy (Overweight)

Cenovus (CVE)

NBF: Q2 results: Average production of 765.9 mboe/d was in line with NBF and street expectations of 754.7 mboe/d and 757.0 mboe/d respectively, and was relatively flat q/q despite planned turnaround activities at Foster Creek, Sunrise, and in China and Indonesia. Notably, Lloyd Thermal production continues to exceed expectations, achieving a new record of 97.7 mbbbl/d in the quarter (NBF 95.6 mbbbl/d) which NBF thinks is a function of CVE operating influence. CFPS of \$0.90

The Week at a Glance

was in line with NBF expectations of \$0.93 but was 8% ahead of street estimates of \$0.83 (NBF highlighted CVE as its positive outlier in its Q2 preview). Relative to NBF estimates, Oil Sands and Downstream cash flow came in at \$1,411 million (NBF \$1,466 million) and \$291 million (NBF \$324 million), respectively. Realized pricing at FCCL was stronger than expected (FC: \$67.98/bbl vs. NBF \$61.27/bbl; CL: \$59.38/bbl vs. NBF \$53.94/bbl), but was partially offset by a higher than expected hedging loss of \$199 million (NBF \$53 million) associated with inventory risk management. On NBF current estimates, Cenovus trades at a discounted valuation of 3.4x 2022E EV/DACF relative to its senior/integrated peers at 4.0x and its three-year historical average of 7.1x. NBF continues to rank Cenovus as its top integrated pick, backstopped by execution, and its view that the company will continue to deliver on structural margin capture as asset optimization and integration continues. NBF reiterated its Outperform rating and target price of \$20.00/sh, which is based on an unchanged 2022E EV/DACF multiple of 6.0x.

Enbridge Inc. (ENB)

NBF: Q2/21 preview: NBF forecasts adj. EBITDA of ~\$3.23 bln, down ~14% from Q1/21 results, reflecting seasonally weaker Gas Distribution contributions, coupled with lower Liquids contributions as Mainline throughput dipped to ~2.6 mmbpd (Q1/21: 2.7 mmbpd) as a result of turnarounds. Overall, Mainline throughput continues to remain on track with the company's guidance, anticipated to ramp back up in H2/21 to achieve its full-year average throughput guidance of ~2.8 mmbpd. Meanwhile, in June the company announced pressure restrictions on its Texas Eastern Transmission (TETCO) system as a result of abnormalities discovered during routine maintenance and integrity work. Overall, ENB anticipates TETCO will return to full operating pressure near the end of Q3, prior to the start of the winter heating season, with an anticipated financial impact of <\$10 mln per month. Elsewhere, the company announced the sale of its non-core 38.9% minority interest in Noverco Inc. (ownership: 38.9% ENB, 61.1% Trencap L.P.) to Trencap for cash proceeds of \$1.14 bln, net of non-recourse debt assumed by Trencap, reflecting a transaction multiple of ~25.0x 2020 earnings. NBF \$51 target price is based on a risk-adjusted dividend yield of 6.5% applied to its 2022e dividend of \$3.51, a 13.0x multiple of its 2022e Free-EBITDA and its DCF/sh valuation of \$52.00.

Tourmaline Oil Corp. (TOU)

NBF: Q2 results: TOU reported Q2/21 results ahead of expectations, including average production of 410.3 mboe/d (22% liquids) and associated CFPS of \$1.89 (vs. consensus \$1.74). During the quarter, the company benefited from the strength of its gas market exposures (realizations positively +3% seasonally Q/Q & 40% Y/Y), while cash costs remained intact (-7% Q/Q; ahead of deconsolidated TPZ earnings), which resulted in a cash netback of \$18/boe (+8% Q/Q) net of hedging. Operations continue to track expectations, with its \$1.3 bln capital budget intact to bring 140 wells on stream through the duration of the year (13 rigs soon to be active) and deliver average production of ~435 mboe/d. Embedded within its program, its Gundy Phase 2 project is trending ahead of expectations and will be on stream in January 2022 to capitalize on seasonal gas prices and drive production towards 500 mboe/d by Q2/22. As highlighted within the context of its efficiencies & sustainability, the company has updated its five-year plan (commodity increased 5%; WTI: US\$60.65 & AECO: \$2.92 avg.), which continues to offer 7% annual PPS growth on the basis of a 47% payout ratio. This in turn supports aggregate free cash of \$7 bln through the plan (14% annualized yield), of which it should manifest \$5.50 per share of free cash in 2022e (16% yield). NBF maintained its Outperform Rating & \$40/sh Target Price. Best in breed, and it has structurally gapped away from the peers, which should continue to yield outsized returns and value. TOU is poised for 11% return profile (vs. peers 12%) on leverage of 0.1x D/CF (vs. peers 0.7x), while trades at 4.6x EV/DACF (vs. peers 3.7x).

Financials (Market Weight)

Element Fleet Management (EFN)

NBF: Q2 results: Adjusted EPS of \$0.20, in line with street (NBF \$0.21). In-line net revenue of \$235 million (street \$236 mln, NBF \$234 mln) met similarly in-line operating expenses of \$109 million (street implied \$109 mln, NBF \$106 mln). FCF per share of \$0.26 beat NBF \$0.24 forecast and increased 4% y/y and 13% q/q (up ~18% both y/y and q/q, ex. FX impacts). While FX, COVID impacts, and microchip shortages continue to weigh on financial results, NBF remains confident EFN will emerge from these temporary headwinds with strong revenue tailwinds given: 1) EFN continues to drive huge upticks in new client wins (market share gains and self-managed fleet conversions) and service penetration across all geographies (in particular US and CAN) as measured by vehicle unit adds. 2) These vehicle unit adds are already translating to recurring service revenue growth which spiked 13% q/q and 17% y/y in Q2 (including FX headwinds). 3) Future client demand is at all-time highs as order volumes in H1 2021 increased 56% y/y in the U.S. and CAN, 46% in ANZ, and 42% in MEX. 4) Management guiding to sequential service revenue increases in Q3 and Q4 (even with adjusting for FX) as utilization rates are only now (end of July) back to pre-pandemic levels. Usage-based service revenues in Q2-21 were the lowest in the past 10 quarters and remain more than 20% (or \$17 mln per quarter) below average quarterly levels in 2019. This is a massive tailwind. 5) Success of Mexico and ANZ organic growth playbook is clear positive for U.S. and Canada growth outlook. Mexico has doubled quarterly net revenues since the Q1-18 strategy launch while ANZ increased revenues over 35% since its launch in Q1-20. NBF reiterated its Outperform rating. NBF \$19 target price (unchanged) reflects an FCF

The Week at a Glance

Yield of ~6% on 2022 FCF estimates, in line with Canadian Financial peers that share similar fundamental attributes (e.g., defensiveness, organic revenue growth, expanding profitability, solid FCF generation, low credit risk and barriers to entry).

Fairfax Financial Holdings Ltd. (FFH)

NBF: Q2 results: Diluted EPS of \$43.25 (NBF: \$51.58, CE: \$11.10). FFH reported operating income of \$398 mln, ahead of NBF \$324 mln estimate on very strong underwriting performance and larger profits from associates such as Eurolife/Eurobank (assets in which FFH increased its stake post quarter). BVPS of \$540.62 increased ~9% q/q from \$497.23 (street \$524.10). LTM ROE sits at 24%, and NBF estimates FFH is on track for 2021 ROE of 25%. The miss to NBF EPS reflects the timing of Digit Insurance gains. FFH previously disclosed gains totaling \$1.8 bln related to its investment in Digit. In Q2-21, FFH booked \$425 mln of those gains and expects the remaining \$1.4 bln to flow through income in Q3-21 (NBF forecasts assumed the opposite timing). As a result, still large net (un)realized investment gains of \$1,290 mln missed NBF \$1,680 mln forecast. Notably, FFH repurchased 134,755 shares for treasury at an average cost of \$469/shr, below BVPS of \$540.62. In addition to gains on Digit, FFH reported net gains on long equity exposures of \$884 mln primarily on common stock performance. Notably, it does not appear FFH sold any portion of its BB position during Q2. Separately, non-insurance subs reported a pre-tax operating loss of \$44 mln primarily due to soft Thomas Cook performance (COVID restrictions on travel continue to weigh) and accrued performance fees payable from Fairfax India to the Fairfax parent. Notably, restaurants and retail delivered positive EBIT as COVID restrictions eased. NBF reiterated its Outperform rating and increased its target price to \$775 (from \$700 before preview and \$750 after preview).

Intact Financial Corp. (IFC)

NBF: Q2 results: Operating EPS of \$3.26, 37% above consensus & NBF at \$2.39. Strong underwriting profit (\$464 mln vs. Street at \$299 mln and NBF \$256 mln) on better-than-expected claims performance and Distribution EBITA (\$118 mln vs Street; NBF at \$86 mln) drove the beat. In addition, the RSA acquisition hit the ground running with high-single digit accretion in the month of June. Annualized OROE of 18.5% exceeded NBF 13.4% forecast and on an LTM basis, IFC generated a 19.8% OROE – reaffirming NBF thesis. NBF reiterated its Outperform rating and increased its target price to \$212 (was \$207). NBF \$212 target price implies a ~2.6x multiple (unchanged) on its BV estimate (ex. AOCI) in Q2-22 (plus 1.0x AOCI). IFC currently trades at ~2.2x P/B vs. the five-year average of ~2.4x. NBF maintained its view that IFC merits a premium valuation as NBF expects the company will i) successfully integrate and operate RSA's Canada and UK&I operations with synergy upside; and ii) produce roughly mid-teens OROE through 2022 and beyond. NBF 2021 NOIPS is \$11.11 (was \$9.99) and 2022 NOIPS is \$10.68 (was \$10.47), reflecting the big beat in Q2 2021.

Industrials (Market Weight)

Toromont Industries Ltd. (TIH)

NBF: Q2 results: Revenue for the quarter came in at \$1,127 mln (up 33% y/y on easy comps), stronger than \$1,011 mln from Street and \$1,034 mln from NBF. Adjusted EBITDA amounted to \$162.1 mln, higher than Street at \$157.0 mln and NBF at \$160.2 mln (margin was lower due to higher proportion of new sales – a good problem to have as it will increase the population of gear in the field that will need product support, over time). Adjusted EPS came in at \$1.03, beating Street forecast at \$0.98 (NBF was at \$1.02). Results reflect strong performance in both the Equipment Group and CIMCO with improved activity levels in most markets across regions. CFO excluding non-cash working capital came in at \$123.4 mln (vs. \$99.6 mln last year). Balance sheet is once again in a net cash position. Conference call takeaways: 1) given material backlog build, is the company seeing a pull-forward of demand? We don't believe so given the visibility of mining and construction opportunities; 2) supply chain is manageable as improved technology enables for better planning / management; 3) organic capacity to invest in the business (close to \$200 mln in inventory + rentals) provides top-line momentum for 2022E. Toromont retains a must-own status for industrial investors in Canada. NBF believes that paying a 22.7x P/E (only slightly above the general market) on 2022E forecasts is commensurate with TIH's positive attributes. NBF reiterated its Outperform rating on the shares with \$125.00 price target unchanged.

Materials (Overweight)

Agnico Eagle Resources Ltd. (AEM)

NBF: Q2 results: Agnico Eagle released its 2Q21 financial and operating results that proved better than expected. Overall, Adj EPS was a strong beat to consensus and to NBF estimates, and the company generated strong FCF. NBF has not made any changes to its model at this time and remains comfortable with its 2H21 outlook with no changes to guidance made. Attributable Net income was reported as US\$189.6 mln. Adjusting for mark-to-market gains on warrants and FX gains, among other items, yields an adjusted net earnings figure of US\$167.7 mln, or US\$0.69 per share, a strong beat to consensus at US\$0.59 and NBF US\$0.61 estimate. CFPS came in at US\$1.77 versus consensus at US\$1.36 and NBF US\$1.62. Versus NBF estimates, the beat on Adj EPS is explained primarily by higher production and sales and lower

The Week at a Glance

depreciation expense. Production costs in millions of dollars was in line with NBF estimate, though TCC on a per-ounce basis was lower due to the production beat. NBF calculates FCF during the quarter of US\$126 mln (after dividends paid of US\$67 mln), better than NBF estimates of US\$81 mln due to strong operations and a lower capex spend, with some offset from a negative change in working capital (-US\$25 mln). The company ended the quarter with US\$278 mln in cash and equivalents, up Q/Q from US\$126 mln. Production of 526 koz beat NBF 514 koz estimate and consensus at 513 koz. Sales were reported at 522 koz. Production benefited from previously telegraphed maintenance work going better than planned. Overall, H1 production was 49% of 2021 guidance (figures exclude Hope Bay), which remains unchanged at ~2.05mln oz, and NBF continues to expect a modestly back-half weighted year. Hope Bay is to produce 18-20 koz/quarter. NBF derives its C\$102.00 target from a 100% weighted 9.75x NTM EV/EBITDA target multiple, which implies a P/NAV of 2.05x. Agnico Eagle was trading at 8.2x and 7.7x NBF 2021 and 2022 estimates on an EV/EBITDA basis and 1.58x NAV on a cash-adjusted basis.

SSR Mining (SSRM)

NBF: SSR Mining announced it has sold its non-core royalty portfolio and deferred payments to EMX Royalty Corporation (EMX: TSX.V, not covered) for total consideration of US\$100 mln. This includes US\$33 mln in cash, US\$33 mln in EMX stock, and US\$34 mln in deferred compensation payments to be delivered upon achievement of clearly defined project development milestones. The initial US\$66 mln consideration is to be paid upon closing of the transaction, which is expected in 4Q21. Upon closing, SSR could hold about 12% of EMX. NBF views this deal as modestly positive on a per-share basis as it carried the assets and deferred payments at a value of about US\$50 mln or US\$0.23/sh. NBF derives its C\$35.00 target price for SSR Mining from a 100% weighted 6.75x NTM EV/EBITDA target multiple, which implies a 1.15x P/NAV multiple. SSR Mining is trading at 4.2x NBF 2021 estimates on an EV/EBITDA basis and 0.65x NAV.

Teck Resources Limited (TECK.b)

NBF: Q2 results: NBF has incorporated Q2/21 results, including Adj. EBITDA of \$989 mln, Adj. EPS of \$0.64 per share and CFPS of \$1.46 per share. Overall, Q2 financials would have been in line with Consensus accounting for a shipment of Highland Valley concentrate that slipped into Q3. NBF has incorporated revised production and opex guidance across all business units as well as increased growth and water treatment capex at Teck's coal operations. Higher operating costs are a primarily resulting from logistical challenges as a result of BC wildfires. Construction activities continue to ramp-up at QB2, with overall progress expected to reach 60% in August. Teck now estimates US\$5.8 bln including COVID-19 related impacts - comparable to NBF modeled US\$6 bln (100%) (was US\$5.7 bln) with initial production in Q4/22 compared to Teck guidance of initial production by H2/22. Teck ended Q2/21 with \$312 mln in cash, \$6.9 bln in long-term debt and US\$3.5 bln available on its credit facilities as of July 26th. Teck ended the quarter with ND/EBITDA of 2.2x and NBF sees leverage decreasing to ~1.5x by year-end 2021. Importantly, Teck has no cash flow based covenants on its US\$5.0 bln credit facilities. NBF reduced its target price to \$37.50 (was \$38.50) and reiterated its Outperform rating supported by currently strong coking coal prices, Teck's strong balance sheet, cost reduction initiatives, organic growth within the copper division and commitment to returning capital to shareholders.

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	\$ 32.64	3.3	0.5			
Rogers Communications Inc.	RCIb.TO	13-Feb-20	\$ 65.84	\$ 63.68	3.1	0.5			
Consumer Discretionary								3.8	Market Weight
Dollarama Inc.	DOL.TO	19-Mar-20	\$ 38.96	\$ 58.68	0.3	0.6			
Gildan Activewear Inc.	GIL.TO	20-May-21	\$ 42.72	\$ 43.01	1.8	1.9			
Consumer Staples								3.6	Market Weight
Alimentation Couche-Tard Inc.	ATDb.TO	26-Jan-17	\$ 30.09	\$ 50.29	0.7	0.7			
Loblaw Companies Ltd.	L.TO	25-Mar-21	\$ 68.50	\$ 84.40	1.7	0.3			
Energy								13.1	Overweight
Cenovus Energy Inc.	CVE.TO	16-Jan-20	\$ 12.26	\$ 10.41	0.7	2.4			
Enbridge Inc.	ENB.TO	21-Jan-15	\$ 59.87	\$ 49.18	6.9	0.9			
Tourmaline Oil Corp.	TOU.TO	13-Aug-20	\$ 16.68	\$ 34.06	1.9	1.4			
Financials								31.3	Market Weight
Bank of Montreal	BMO.TO	25-Mar-21	\$ 112.23	\$ 123.53	3.4	1.1			
Element Fleet Management Corp	EFN.TO	02-Apr-20	\$ 8.58	\$ 14.28	1.9	1.2			
Fairfax Financial Holdings Ltd.	FFH.TO	20-Dec-18	\$ 585.81	\$ 525.54	2.4	0.9			
Intact Financial Corp.	IFC.TO	11-Jun-20	\$ 130.04	\$ 170.00	2.0	0.8			
Royal Bank of Canada	RY.TO	19-Jun-13	\$ 60.69	\$ 126.18	3.5	0.9			
Sun Life Financial	SLF.TO	10-Dec-20	\$ 57.07	\$ 64.98	3.4	1.4			
Health Care								1.3	Market Weight
Industrials								11.4	Market Weight
Lifeworks Inc.	LWRK.TO	26-Sep-19	\$ 32.72	\$ 35.49	2.2	0.7			
Stantec Inc.	STN.TO	20-May-21	\$ 53.96	\$ 58.08	1.1	0.7			
Toromont Industries Ltd	TIH.TO	05-Dec-19	\$ 67.24	\$ 105.43	1.6	0.8			
Information Technology								11.2	Underweight
Kinaxis Inc.	KXS.TO	19-Mar-20	\$ 100.05	\$ 161.86	0.0	0.7			
Open Text Corp.	OTEX.TO	26-Oct-16	\$ 41.61	\$ 64.80	1.5	0.9			
Materials								11.7	Overweight
Agnico Eagle Resources Ltd.	AEM.TO	17-Dec-14	\$ 27.00	\$ 80.71	2.3	0.4			
SSR Mining Inc.	SSRM.TO	30-Jan-20	\$ 23.81	\$ 20.31	1.2	0.6			
Teck Resources Ltd.	TECKb.TO	01-Nov-17	\$ 27.15	\$ 28.48	0.8	1.1			
REITs								3.2	Underweight
Canadian Apartment Properties REIT	CAR_u.TO	10-Dec-20	\$ 49.82	\$ 62.35	2.3	0.7			
RioCan REIT	REI_u.TO	23-Aug-18	\$ 19.95	\$ 22.59	4.3	1.2			
Utilities								4.5	Underweight
Capital Power Corp.	CPX.TO	22-Aug-19	\$ 30.90	\$ 42.30	5.0	1.2			
Innergex Renewable Energy Inc.	INE.TO	22-Aug-19	\$ 15.00	\$ 21.75	3.4	0.8			

Source: Refinitiv (Priced July 30, 2021 after market close)

THE ECONOMIC CALENDAR

(August 2nd – August 6th)

U.S. Indicators

<u>Date</u>	<u>Time</u>	<u>Release</u>	<u>Period</u>	<u>Previous</u>	<u>Consensus</u>	<u>Unit</u>
2-Aug	09:45	Markit Mfg PMI Final	Jul	63.1		Index (diffusion)
2-Aug	10:00	Construction Spending MM	Jun	-0.3%	0.3%	Percent
2-Aug	10:00	ISM Manufacturing PMI	Jul	60.6	60.8	Index
3-Aug	10:00	Factory Orders MM	Jun	1.7%	1.1%	Percent
3-Aug	10:00	Factory Ex-Transp MM	Jun	0.7%		Percent
4-Aug	07:00	MBA Mortgage Applications	26 Jul, w/e	5.7%		Percent
4-Aug	08:15	ADP National Employment	Jul	692k	721k	Person
4-Aug	09:45	Markit Comp Final PMI	Jul	59.7		Index (diffusion)
4-Aug	09:45	Markit Svcs PMI Final	Jul	59.8		Index (diffusion)
4-Aug	10:00	ISM N-Mfg PMI	Jul	60.1	60.4	Index
4-Aug	10:30	EIA Wkly Crude Stk	26 Jul, w/e	-4.089M		Barrel
5-Aug	08:30	International Trade \$	Jun	-71.2B	-72.7B	USD
5-Aug	08:30	Initial Jobless Clm	26 Jul, w/e	400k		Person
5-Aug	08:30	Jobless Clm 4Wk Avg	26 Jul, w/e	394.50k		Person
5-Aug	08:30	Cont Jobless Clm	19 Jul, w/e	3.269M		Person
5-Aug	10:30	EIA-Nat Gas Chg Bcf	26 Jul, w/e	36B		Cubic foot
6-Aug	08:30	Non-Farm Payrolls	Jul	850k	900k	Person
6-Aug	08:30	Private Payrolls	Jul	662k	800k	Person
6-Aug	08:30	Manufacturing Payrolls	Jul	15k	31k	Person
6-Aug	08:30	Government Payrolls	Jul	188k		Person
6-Aug	08:30	Unemployment Rate	Jul	5.9%	5.7%	Percent
6-Aug	08:30	Average Earnings MM	Jul	0.3%	0.3%	Percent
6-Aug	08:30	Average Earnings YY	Jul	3.6%	3.9%	Percent
6-Aug	08:30	Average Workweek Hrs	Jul	34.7	34.8	Hour
6-Aug	10:00	Wholesale Sales MM	Jun	0.8%		Percent
6-Aug	15:00	Consumer Credit	Jun	35.28B		USD

Canadian Indicators

<u>Date</u>	<u>Time</u>	<u>Release</u>	<u>Period</u>	<u>Previous</u>	<u>Consensus</u>	<u>Unit</u>
3-Aug	09:30	Markit Mfg PMI SA	Jul	56.5		Index (diffusion)
4-Aug	08:15	Reserve Assets Total	Jul	89,053M		USD
4-Aug	08:30	Building Permits MM.	Jun	-14.8%		Percent
5-Aug	08:30	Trade Balance C\$	Jun	-1.39B		CAD
5-Aug	08:30	Exports C\$	Jun	49.53B		CAD
5-Aug	08:30	Imports C\$	Jun	50.92B		CAD
6-Aug	08:30	Employment Change	Jul	230.7k		Person
6-Aug	08:30	Unemployment Rate	Jul	7.8%		Percent
6-Aug	10:00	Ivey PMI	Jul	67.7		Net balance

Source : Refinitiv

Canadian Markets are closed Monday August 2nd for Civic Day

S&P/TSX QUARTERLY EARNINGS CALENDAR

Monday August 2nd, 2021

None

Tuesday August 3rd, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Bausch Health Companies Inc	BHC	BMO	0.98
Canaccord Genuity Group Inc	CF	AMC	0.59
Cargojet Inc	CJT	BMO	1.043
Centerra Gold Inc	CG	BMO	0.2975
Dream Industrial Real Estate Investment Trust	DIR_u	AMC	0.18833
Finning International Inc	FTT	AMC	0.44889
Gibson Energy Inc	GEI	AMC	0.53033
Great-West Lifeco Inc	GWO	AMC	0.7892
Innergex Renewable Energy Inc	INE	AMC	0.10333
Sleep Country Canada Holdings Inc	ZZZ	AMC	0.32
Stella-Jones Inc	SJ	BMO	1.47125
Sunopta Inc	SOY	BMO	
Trisura Group Ltd	TSU	AMC	0.28667

Wednesday August 4th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Artis Real Estate Investment Trust	AX_u	AMC	0.33833
B2Gold Corp	BTO	AMC	0.03667
Colliers International Group Inc	CIGI	BMO	0.87833
Crombie Real Estate Investment Trust	CRR_u	AMC	0.28167
Equinox Gold Corp	EQX.A	AMC	
Ero Copper Corp	ERO	AMC	0.74
First Capital Real Estate Investment Trust	FCR_u	AMC	0.26333
Granite Real Estate Investment Trust	GRT_u	AMC	0.99875
Iamgold Corp	IMG	AMC	0.16444
IGM Financial Inc	IGM	AMC	0.95667
Killam Apartment REIT	KMP_u	AMC	0.263
Manulife Financial Corp	MFC	AMC	0.78057
NFI Group Inc	NFI	BMO	-0.01333
Parex Resources Inc	PXT	AMC	1.06444
Spin Master Corp	TOY	AMC	0.2
SSR Mining Inc	SSRM	BMO	0.365
Stantec Inc	STN	AMC	0.58909
Sun Life Financial Inc	SLF	AMC	1.47087
TMX Group Ltd	X	AMC	1.72143
Waste Connections Inc	WCN	AMC	0.76875
Westshore Terminals Investment Corp	WTE	AMC	0.37

The Week at a Glance

Thursday August 5th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Aurinia Pharmaceuticals Inc	AUP	AMC	-0.365
Badger Infrastructure Solutions Ltd	BDGI	AMC	0.148
Ballard Power Systems Inc	BLDP	AMC	-0.0525
BCE Inc	BCE	BMO	0.77923
Brookfield Infrastructure Partners LP	BIP	07:00	0.83
Brookfield Renewable Partners LP	BEP_u	BMO	0.43143
Canadian Natural Resources Ltd	CNQ	BMO	2.17324
Cascades Inc	CAS	BMO	0.23714
CCL Industries Inc	CCLb	17:30	0.78
Chartwell Retirement Residences	CSH_u	AMC	0.17
Cominar REIT	CUF_u	BMO	0.272
Constellation Software Inc	CSU	AMC	11.49333
Denison Mines Corp	DML	AMC	-0.00333
Dream Office Real Estate Investment Trust	D_u	AMC	0.38167
Enerplus Corp	ERF	AMC	0.70616
Gildan Activewear Inc	GIL	BMO	0.5014
goeasy Ltd	GSY	AMC	2.452
Inter Pipeline Ltd	IPL	AMC	0.43067
Interfor Corp	IFP	AMC	6.06
Jamieson Wellness Inc	JWEL	AMC	0.26667
Keyera Corp	KEY	BMO	0.859
Kinaxis Inc	KXS	AMC	0.14444
Labrador Iron Ore Royalty Corp	LIF	AMC	1.8
Lightspeed POS Inc	LSPD	BMO	-0.16
Maple Leaf Foods Inc	MFI	BMO	0.23
Onex Corp	ONEX	BMO	0.16
Open Text Corp	OTEX	16:00	0.73375
Parkland Corp	PKI	AMC	0.47286
Pembina Pipeline Corp	PPL	AMC	1.00263
Premium Brands Holdings Corp	PBH	BMO	1.00375
Primo Water Corp (MISSISSAUGA)	PRMW	BMO	0.125
Quebecor Inc	QBRb	BMO	0.62222
RioCan Real Estate Investment Trust	REI_u	BMO	0.38333
Ritchie Bros Auctioneers Inc	RBA	AMC	0.615
Russel Metals Inc	RUS	AMC	1.135
Saputo Inc	SAP	NTS	0.26857
Silvercorp Metals Inc	SVM	AMC	0.16333
Sprott Inc	SII	BMO	0.39667
Thomson Reuters Corp	TRI	BMO	0.43046
Torex Gold Resources Inc	TXG	BMO	0.855
Westport Fuel Systems Inc	WPRT	AMC	-0.0234

The Week at a Glance

Friday August 6th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Boralex Inc	BLX	BMO	-0.0165
Brookfield Business Partners LP	BBU_u	BMO	1.92
Canopy Growth Corp	WEED	BMO	-0.25571
Cronos Group Inc	CRON	NTS	-0.07429
Magna International Inc	MG	BMO	1.36371
Power Corporation of Canada	POW	AMC	0.92875

Source: Refinitive, 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 August 2nd, 2021**

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
American Water Works Company Inc	AWK	AMC	1.08
Arista Networks Inc	ANET	AMC	2.54291
Diamondback Energy Inc	FANG	AMC	2.17383
Eastman Chemical Co	EMN	AMC	2.32811
Global Payments Inc	GPN	BMO	1.89919
Leggett & Platt Inc	LEG	AMC	0.54
Loews Corp	L	BMO	
Monster Beverage Corp	MNST	NTS	0.67894
Mosaic Co	MOS	AMC	0.97687
NXP Semiconductors NV	NXPI	AMC	2.31241
Pioneer Natural Resources Co	PXD	AMC	2.55087
Realty Income Corp	O	AMC	0.87063
SBA Communications Corp	SBAC	AMC	0.68
Simon Property Group Inc	SPG	AMC	2.37819
Take-Two Interactive Software Inc	TTWO	AMC	0.89652
TransDigm Group Inc	TDG	BMO	2.95977
Vornado Realty Trust	VNO	AMC	0.70627
Williams Companies Inc	WMB	AMC	0.28025
Wynn Resorts Ltd	WYNN	NTS	-1.60918

Tuesday August 3rd, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Activision Blizzard Inc	ATVI	AMC	0.75419
Akamai Technologies Inc	AKAM	AMC	1.38485
AMETEK Inc	AME	BMO	1.10193
Amgen Inc	AMGN	AMC	4.09057
Assurant Inc	AIZ	AMC	2.50429
Caesars Entertainment Inc	CZR	AMC	-0.18125
Clorox Co	CLX	BMO	1.35193
Conocophillips	COP	BMO	1.08575
Cummins Inc	CMI	BMO	4.04876
DaVita Inc	DVA	AMC	2.17429
Devon Energy Corp	DVN	AMC	0.52415
Discovery Inc	DISCA	07:00	0.85086
Dupont De Nemours Inc	DD	BMO	0.94821
Eaton Corporation PLC	ETN	BMO	1.57039
Eli Lilly and Co	LLY	BMO	1.8925
Expeditors International of Washington Inc	EXPD	BMO	1.60123
Fidelity National Information Services Inc	FIS	BMO	1.55317
FMC Corp	FMC	AMC	1.77925
Franklin Resources Inc	BEN	BMO	0.76711
Gartner Inc	IT	BMO	1.72838

The Week at a Glance

Healthpeak Properties Inc	PEAK	AMC	0.38865
Henry Schein Inc	HSIC	BMO	0.97008
Host Hotels & Resorts Inc	HST	AMC	0.0388
Incyte Corp	INCY	07:00	0.742
IPG Photonics Corp	IPGP	BMO	1.4094
Jacobs Engineering Group Inc	J	BMO	1.52871
L3harris Technologies Inc	LHX	BMO	3.17516
Leidos Holdings Inc	LDOS	BMO	1.58083
Live Nation Entertainment Inc	LYV	AMC	-1.17142
Marriott International Inc	MAR	BMO	0.45068
Microchip Technology Inc	MCHP	AMC	1.90642
Occidental Petroleum Corp	OXY	AMC	0.03432
ONEOK Inc	OKE	AMC	0.74841
Paycom Software Inc	PAYC	AMC	0.83669
Phillips 66	PSX	BMO	0.5992
Progressive Corp	PGR	NTS	1.08093
Prudential Financial Inc	PRU	AMC	3.10939
Public Service Enterprise Group Inc	PEG	BMO	0.70319
Public Storage	PSA	AMC	2.93046
Ralph Lauren Corp	RL	BMO	0.87413
Sealed Air Corp	SEE	BMO	0.779
Under Armour Inc	UAA	06:55	0.0592
Unum Group	UNM	16:15	1.11808
Verisk Analytics Inc	VRSK	AMC	1.32567
Waters Corp	WAT	BMO	2.24639
WEC Energy Group Inc	WEC	BMO	0.79173
Willis Towers Watson PLC	WLTW	BMO	1.96771
Xylem Inc	XYL	06:55	0.62369
Zebra Technologies Corp	ZBRA	BMO	4.10444
Zimmer Biomet Holdings Inc	ZBH	06:30	1.86819

Wednesday August 4th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Albemarle Corp	ALB	AMC	0.8382
Allstate Corp	ALL	AMC	3.17125
Amerisourcebergen Corp	ABC	BMO	2.0501
ANSYS Inc	ANSS	AMC	1.56333
Atmos Energy Corp	ATO	AMC	0.71733
Booking Holdings Inc	BKNG	AMC	-1.991
Borgwarner Inc	BWA	BMO	0.81447
CDW Corp	CDW	BMO	1.80182
Charles River Laboratories International Inc	CRL	BMO	2.38023
CVS Health Corp	CVS	BMO	2.06423
DXC Technology Co	DXC	16:15	0.74073
Electronic Arts Inc	EA	AMC	0.6583
Emerson Electric Co	EMR	BMO	0.98147

The Week at a Glance

Entergy Corp	ETR	BMO	1.40531
EOG Resources Inc	EOG	AMC	1.55858
ETSY Inc	ETSY	AMC	0.62915
Exelon Corp	EXC	BMO	0.6752
Federal Realty Investment Trust	FRT	AMC	1.16207
Fleetcor Technologies Inc	FLT	AMC	2.93058
Fox Corp	FOXA	AMC	0.57967
General Motors Co	GM	BMO	2.23336
Howmet Aerospace Inc	HWM	BMO	0.21718
Kraft Heinz Co	KHC	BMO	0.72194
Lincoln National Corp	LNC	AMC	2.42339
Lumen Technologies Inc	LUMN	AMC	0.41583
Marathon Oil Corp	MRO	AMC	0.17225
Marathon Petroleum Corp	MPC	BMO	0.388
Mckesson Corp	MCK	AMC	4.13791
MetLife Inc	MET	AMC	1.62277
MGM Resorts International	MGM	AMC	-0.40736
NiSource Inc	NI	BMO	0.1274
Qorvo Inc	QRVO	AMC	2.45232
Royal Caribbean Cruises Ltd	RCL	BMO	-4.39036
Trane Technologies PLC	TT	BMO	1.91
Trimble Inc	TRMB	AMC	0.60108
Vulcan Materials Co	VMC	BMO	1.65525
Western Digital Corp	WDC	AMC	1.50346
Western Union Co	WU	AMC	0.475

Thursday August 5th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
ABIOMED Inc	ABMD	BMO	1.05429
AES Corp	AES	BMO	0.29571
Alliant Energy Corp	LNT	AMC	0.55429
Ameren Corp	AEE	AMC	0.79255
American International Group Inc	AIG	AMC	1.203
Aptiv PLC	APTIV	BMO	0.67296
Ball Corp	BLL	BMO	0.82712
Becton Dickinson and Co	BDX	BMO	2.44127
Cardinal Health Inc	CAH	BMO	1.19967
CenterPoint Energy Inc	CNP	BMO	0.24975
Consolidated Edison Inc	ED	AMC	0.62162
Corteva Inc	CTVA	AMC	1.26417
DENTSPLY SIRONA Inc	XRAY	BMO	0.64969
DISH Network Corp	DISH	BMO	0.89225
Duke Energy Corp	DUK	BMO	1.09663
Evergy Inc	EVRG	BMO	0.716
Expedia Group Inc	EXPE	AMC	-0.69512

The Week at a Glance

HanesBrands Inc	HBI	BMO	0.3942
Huntington Ingalls Industries Inc	HII	BMO	2.50508
Illumina Inc	ILMN	AMC	1.35835
International Flavors & Fragrances Inc	IFF	AMC	1.48687
Iron Mountain Inc	IRM	BMO	0.351
Kellogg Co	K	BMO	1.02841
Moderna Inc	MRNA	BMO	5.955
Motorola Solutions Inc	MSI	AMC	1.92073
News Corp	NWSA	AMC	0.02717
NRG Energy Inc	NRG	BMO	1.4042
Parker-Hannifin Corp	PH	BMO	4.33577
Penn National Gaming Inc	PENN	07:00	0.90771
Pinnacle West Capital Corp	PNW	BMO	1.62546
PPL Corp	PPL	BMO	0.24333
Quanta Services Inc	PWR	BMO	1.03807
Regency Centers Corp	REG	AMC	0.822
Regeneron Pharmaceuticals Inc	REGN	BMO	17.52689
Resmed Inc	RMD	AMC	1.2775
Sempra Energy	SRE	07:00	1.57569
ViacomCBS Inc	VIAC	BMO	0.96292
Zoetis Inc	ZTS	BMO	1.08353

Friday August 6th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Berkshire Hathaway Inc	BRKa	BMO	3780.17
Dominion Energy Inc	D	BMO	0.76567
Norwegian Cruise Line Holdings Ltd	NCLH	07:00	-1.97027
Ventas Inc	VTR	BMO	0.71463

Source: Refinitive, NBF Research

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

Disclosures

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

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

NBF is a member of the Canadian Investor Protection Fund.

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

© 2019 National Bank Financial Inc. All rights reserved. Any reproduction, in whole or in part, is strictly prohibited without the prior written consent of National Bank Financial Inc. ® The NATIONAL BANK FINANCIAL MARKETS and N logos are registered trademarks of National Bank of Canada used under license by authorized third parties.