NATIONAL BANK FINANCIAL

The Week at a Glance

August 20th, 2021

THE WEEK IN NUMBERS

(August 16th – August 20th)

Research Services

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INDEX	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
Dow Jones Industrial	35,120.08	-395.30	-1.11%	14.75%	26.61%	21.3
S&P 500	4,441.67	-26.33	-0.59%	18.25%	31.20%	26.3
Nasdaq Composite	14,714.66	-108.23	-0.73%	14.17%	30.62%	30.8
S&P/TSX Composite	20,339.02	-179.05	-0.87%	16.67%	22.47%	16.3
Dow Jones Euro Stoxx 50	4,147.50	-82.20	-1.94%	16.74%	26.68%	20.6
FTSE 100 (UK)	7,087.90	-130.81	-1.81%	9.71%	17.87%	14.7
DAX (Germany)	15,808.04	-169.40	-1.06%	15.23%	23.21%	15.1
Nikkei 225 (Japan)	27,013.25	-963.90	-3.45%	-1.57%	18.06%	14.4
Hang Seng (Hong Kong)	24,849.72	-1,541.90	-5.84%	-8.75%	0.24%	12.5
Shanghai Composite (China)	3,427.33	-88.97	-2.53%	-1.32%	1.89%	11.7
MSCI World	3,063.22	-61.90	-1.98%	13.87%	28.21%	28.8
MSCI EAFE	2,309.06	-69.94	-2.94%	7.52%	22.44%	21.9

S&P TSX SECTORS	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
S&P TSX Consumer Discretionary	267.01	-5.10	-1.87%	14.52%	37.89%	18.8
S&P TSX Consumer Staples	749.98	9.58	1.29%	18.53%	13.73%	20.5
S&P TSX Energy	113.33	-7.85	-6.48%	24.52%	37.72%	8.8
S&P TSX Financials	384.25	-0.45	-0.12%	25.46%	42.48%	12.2
S&P TSX Health Care	60.63	-0.74	-1.21%	0.80%	19.35%	N/A
S&P TSX Industrials	367.64	2.77	0.76%	11.80%	22.68%	20.6
S&P TSX Info Tech.	229.55	3.85	1.71%	25.88%	34.76%	53.2
S&P TSX Materials	301.93	-17.02	-5.34%	-5.83%	-13.13%	14.3
S&P TSX Real Estate	376.23	-2.31	-0.61%	26.06%	34.10%	10.6
S&P TSX Communication Services	196.37	2.18	1.12%	19.93%	19.85%	21.8
S&P TSX Utilities	341.60	4.16	1.23%	6.92%	16.66%	24.7

COMMODITIES	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	NBF 2021E
Oil-WTI futures (US$/Barrels)	$62.32	-6.12	-8.94%	28.44%	46.36%	$65.50
Natural gas futures (US$/mcf)	$3.84	-0.02	-0.57%	51.20%	63.22%	$2.90
Gold Spot (US$/OZ)	$1,781.60	6.40	0.36%	-5.89%	-7.87%	$1,845
Copper futures (US$/Pound)	$4.13	-0.25	-5.80%	17.60%	39.14%	$4.60

CURRENCIES	Last price	Curr. Net Change	% Change Week	% Change YTD	%Change 1 Year	NBF Q4/21e
Cdn$/US$	0.7794	-0.0195	-2.44%	-0.73%	2.77%	0.83
Euro/US$	1.1704	-0.0087	-0.74%	-4.17%	-1.31%	1.21
Pound/US$	1.3625	-0.0238	-1.72%	-0.35%	3.13%	1.42
US$/Yen	109.79	0.22	0.20%	6.34%	3.78%	108

Source: Refinitiv and NBF Research

Please see last page for NBF Disclosures

FIXED INCOME NUMBERS

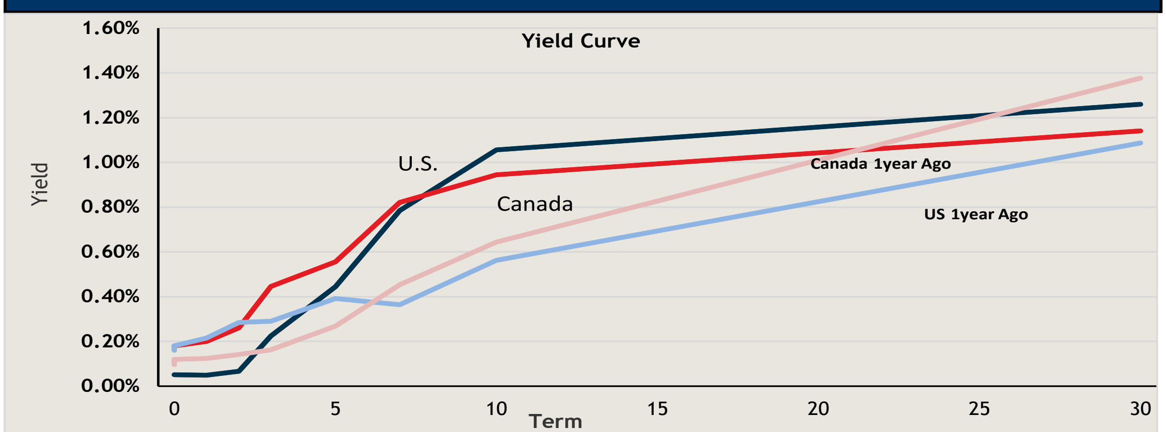
THE WEEK IN NUMBERS
(August 16th – August 20th)

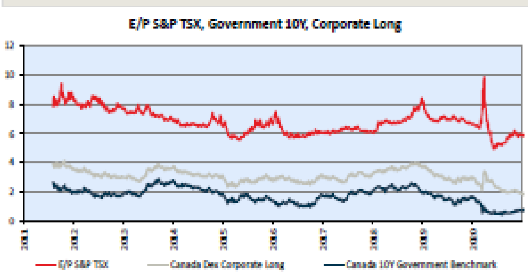
Canadian Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
CDA o/n	0.25%	0.0	CDA 5 year	0.82%	-7.9
CDA Prime	2.45%	0.0	CDA 10 year	1.14%	-11.5
CDA 3 month T-Bill	0.18%	-1.7	CDA 20 year	1.56%	-15.5
CDA 6 month T-Bill	0.20%	-1.9	CDA 30 year	1.72%	-17.0
CDA 1 Year	0.26%	-3.2	5YR Sovereign CDS	38.29	38.3
CDA 2 year	0.45%	-4.7	10YR Sovereign CDS	39.87	39.9

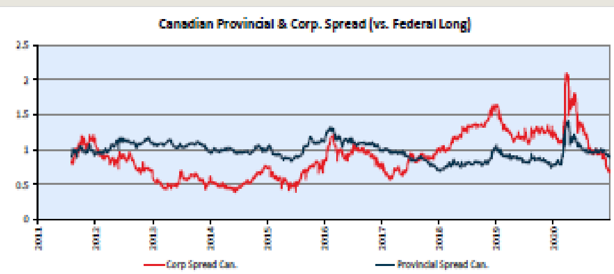
US Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
US FED Funds	0-0.25%	0.0	US 5 year	0.78%	-7.1
US Prime	3.25%	0.0	US 10 year	1.26%	-12.0
US 3 month T-Bill	0.05%	-0.5	US 30 year	1.88%	-18.3
US 6 month T-Bill	0.05%	-0.5	5YR Sovereign CDS	10.41	10.4
US 1 Year	0.07%	-0.7	10YR Sovereign CDS	19.11	19.1
US 2 year	0.22%	-2.2			

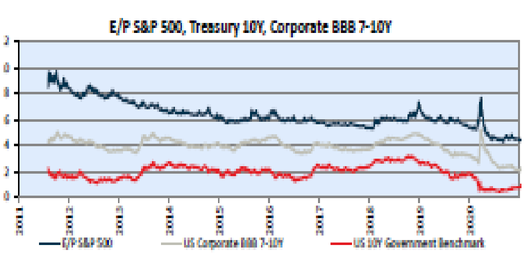
CANADIAN BOND - TOTAL RETURN	Change Week		Change Y-T-D
FTSE Universe Bond Index	0.23%		-2.14%
FTSE Short Term Bond Index	0.05%		-0.11%
FTSE Mid Term Bond Index	0.36%		-1.22%
FTSE Long Term Bond Index	0.34%		-5.33%

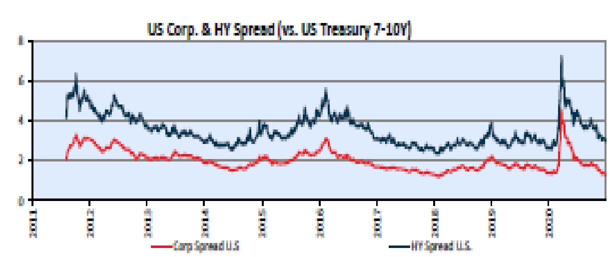
CURRENT YIELD CURVE









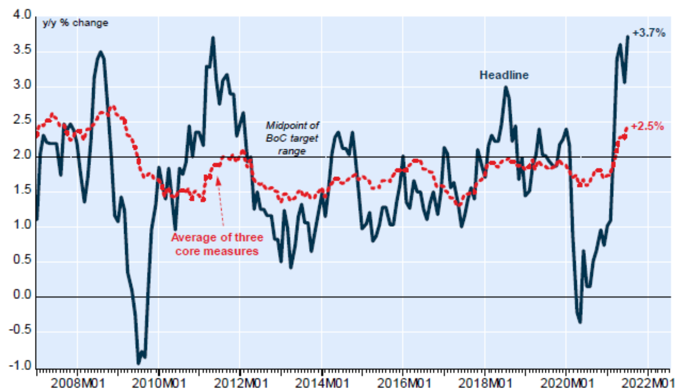


NBF Economy & Strategy Group

WEEKLY ECONOMIC WATCH

Canada – The **Consumer Price Index** surged 0.6% m/m in July (not seasonally adjusted), three ticks above consensus expectations. In seasonally adjusted terms, headline prices increased 0.5% on gains for 7 of the 8 categories. Price hikes in recreation (+0.8%), transportation (+0.7%), shelter (+0.5%), household ops (+0.5%), health/personal care (+0.4%), clothing and footwear (+0.4%) and food (+0.3%) dwarfed a small retreat for alcohol/tobacco (-0.1%). Year on year, headline inflation clocked in at 3.7%, up from 3.1 % in June and its strongest since May 2011. Still on a 12-month basis, core inflation measures were as follow: 1.7% for CPI-common (vs. 1.7% the prior month), 3.1% for CPI-trim (vs. 2.7%), and 2.6% for CPI-median (vs. 2.4%). The average of the three rose from 2.3% to 2.5%, its highest since March 2009.

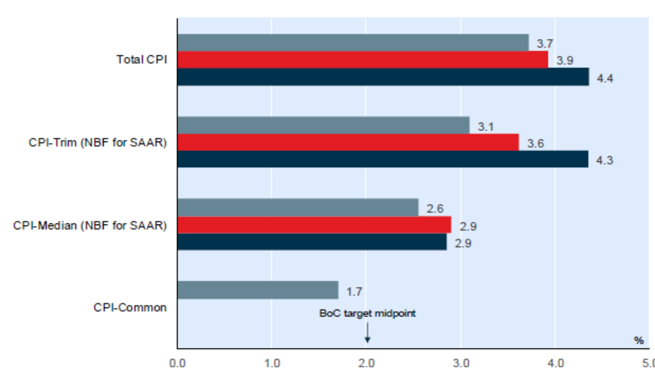
Canada: Headline inflation at highest since 2011
Consumer Price Index



NBF Economics and Strategy (data via Statistics Canada)

After a tepid print in June, the CPI surprised on the upside in July. While the base effect continued to affect annual inflation levels positively, the 4.4% annualized gain in headline prices recorded over the last three months suggests that other factors are also at play. The average of the three core measures, too, has moved further away from the midpoint of the central bank's target range. Our in-house replications of the CPI-median and CPI-trim are again showing decent prints this month (0.28% and 0.49%, respectively), keeping the 3-month annualized rates at 2.9% and 4.3%, respectively. Though recent price growth momentum may not be sustainable, we continue to believe that inflationary pressures should be somewhat sticky over the medium term. Income support programs have been extended through October and businesses across the country are faced with intensifying labour shortages, something that could exert upward pressure on wages. With the pandemic far from over, supply chain disruptions could also contribute in keeping core inflation at the upper end of the BoC's target range in 2021 and 2022.

Canada: Core inflation measures gathering momentum
Consumer Price Index



NBF Economics and Strategy (data via Statistics Canada)

Retail sales jumped 4.2% m/m in June, three ticks less than the 4.5% print expected by consensus. The prior month's result, meanwhile, was revised upwardly from -2.1% to -1.9%. Sales were up in 8 of the 11 subsectors in June, led by clothing (+49.1%), general merchandise (+7.4%) and furniture (+23.2%). Sales at auto dealers, meanwhile, rose 2.7%. Excluding the latter category, consumer outlays expanded 4.7%. In real terms, retail outlays were up a substantial 4.1% countrywide. Finally, Statistics Canada early estimate for July nominal sales showed a 1.7% decline.

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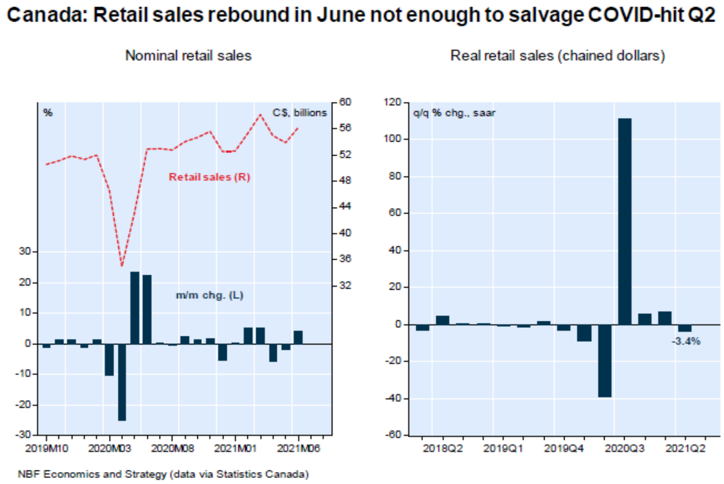
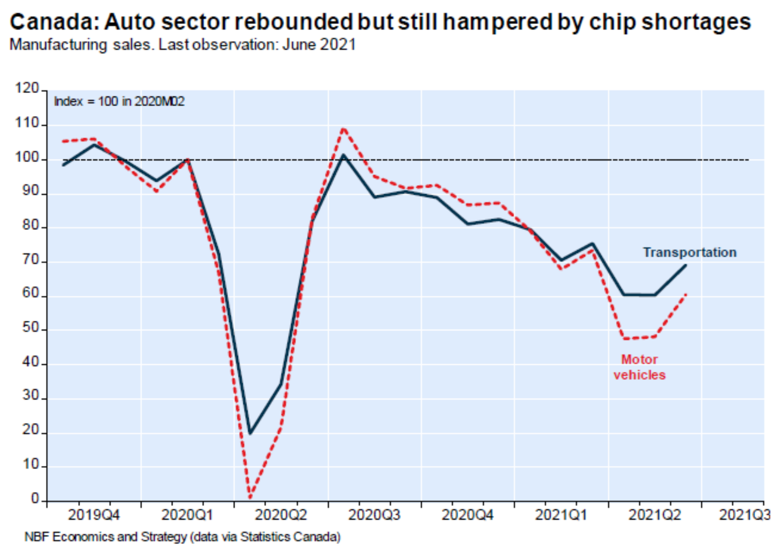


After having suffered from social distancing measures imposed to limit the spread of COVID-19 in April and May, Canadian retail sales bounced back in June. The sectors most impacted by sanitary restrictions saw significant increases in sales. While furniture stores likely did well due to some pent-up demand, building materials declined for a third consecutive month. The latter could be reflecting the cooling of feverish activity in the real estate sector and elevated prices for materials. Nonetheless, thanks to gains in a majority of sectors, total retail sales are now 8.0% above their pre-pandemic peak and 3.5% away from their all-time high registered in March. Looking at the quarterly perspective, after having progressed 6.8% in the first quarter of the year, real retail sales declined 3.4% in the second quarter of 2021. As such, the contribution from goods consumption to growth may have been disappointing in the second quarter of the year. Looking ahead, Statistics Canada early estimate for July is for a decline of 1.7%. While a decline after a strong print is typical, we expect Canadians to have shifted some of their spending towards services as availability increases. True, consumer outlays on goods should remain relatively strong considering the savings amassed by households during the crisis but reduced production of certain goods such as autos and electronics could limit growth for retail sales.

Manufacturing sales advanced 2.1% in June after retreating 1.9% April and 0.3% in May. Though slightly weaker than the median economist forecast calling for a +2.4% print, this gain still hoisted sales 4.3% above their pre-pandemic peak. The increase in June was due mainly to a sharp improvement in the transportation equipment segment (+14.5%). Specifically, shipments of motor vehicles sprang 25.6% after being impacted by semi-conductor shortages in the previous months. Without transportation, manufacturing sales expanded a more modest 0.6% m/m thanks in part to higher prices and greater demand for energy products, which boosted shipments in the petroleum/coal category 5.2%. Wood product manufacturing (-5.7%), on the other hand, registered its first monthly contraction since November, reflecting a cooldown in activity on the North American housing market. With the price effect removed, total factory sales were up 2.2% in June. For Q2 as a whole, sales by volume sank 14.1% on a 74.6% drop in the motor vehicles segment.



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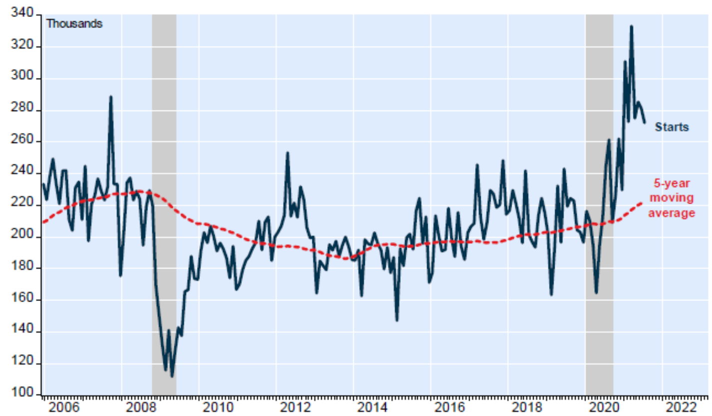
In June, **nominal wholesale trade** fell for just the third time in 14 months, retracing 0.8% to C$71.5 billion. Sales decreased in three of the seven subsectors surveyed: building materials/supplies (-5.4%), machinery/equipment (-3.5%), and food/beverages (-1.2%). These drops were only partially offset by gains for personal/household goods (+4.3%) and motor vehicles/parts (+3.1%). In volume terms, sales were down 1.4% in the month and 5.6% annualized in the second quarter as a whole.

Housing starts retreated 9.0K in July to 272.2K (seasonally adjusted and annualized). This was below consensus expectations calling for a 280K print but still high on a historical basis. (Starts in the country have averaged roughly 220K over the past five years.) In fact, it was the highest level of groundbreaking ever recorded in a month of July. Urban starts edged down from 250.6K to 249.0K as a gain in the single-family segment (from 60.0K to 64.2K) was more than offset by a pullback in the multifamily category (from 190.6K to 184.8K). Rural starts, meanwhile, retraced from 30.6K to 23.2K. At the provincial level, total starts increased in Ontario (from 88.5K to 96.5K), Nova Scotia (from 2.5K to 5.5K) and Alberta (from 30.4K to 32.4K) but fell in British Columbia (from 68.6K to 50.7K) and Manitoba (from 11.3K to 7.5K)..

Canada: Starts retraced in July but remained far above 5-year average
Housing starts, seasonally adjusted and annualized

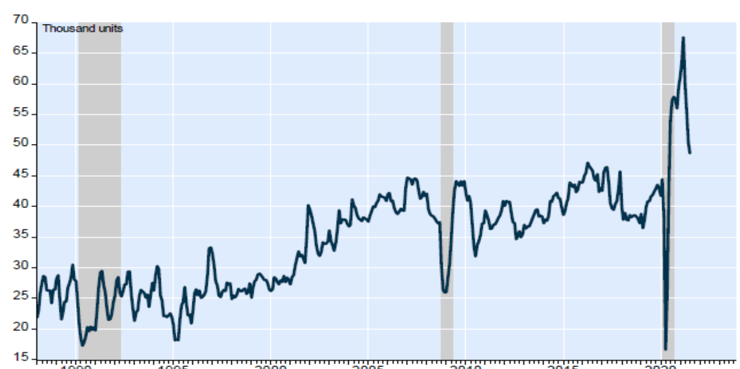


NBF Economics and Strategy (data via Statistics Canada)

Despite cooling in recent months, conditions on the resale market remain tight and inventories are low. This should continue to support residential construction in coming months. However, current start levels could prove hard to sustain in a context of reduced immigration, labour shortages in the construction industry, and sky-rocketing house prices. This is why we expect groundbreaking to slide towards 220K in 2022.

CREA's latest report on **home sales** provided further evidence of the slowdown in the country's real estate market after a period of frantic activity. Transactions fell 3.5% in seasonally adjusted terms in July, a fourth consecutive monthly decline. With this drop, transactions dipped below the 50K threshold for the first time in more than a year. Sales were down 15.2% from the record level reached in July of last year. New listings declined 8.8% countrywide from June to July but the decrease in sales was enough to offset the effect on inventory. Expressed as a multiple of monthly sales, the inventory of listed homes remained extremely low at 2.3. This reflected tight markets in Ontario, Quebec, Nova Scotia, British Columbia, and Prince Edward Island. Market conditions elsewhere were more balanced.

Canada: Housing market cooling after period of frantic activity
Seasonally adjusted home sales. Last observation: July 2021



NBF Economics and Strategy (data via CREA)

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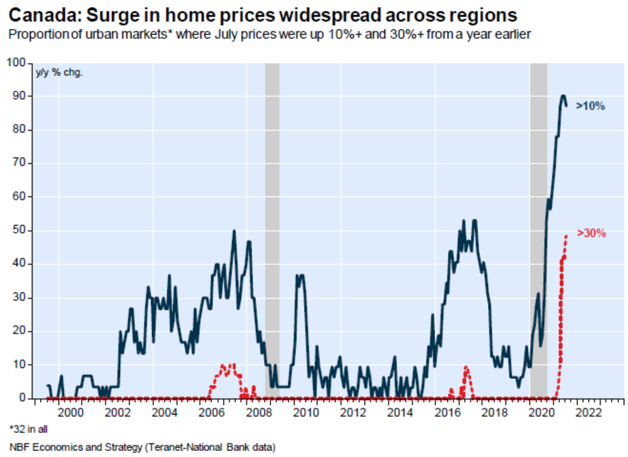
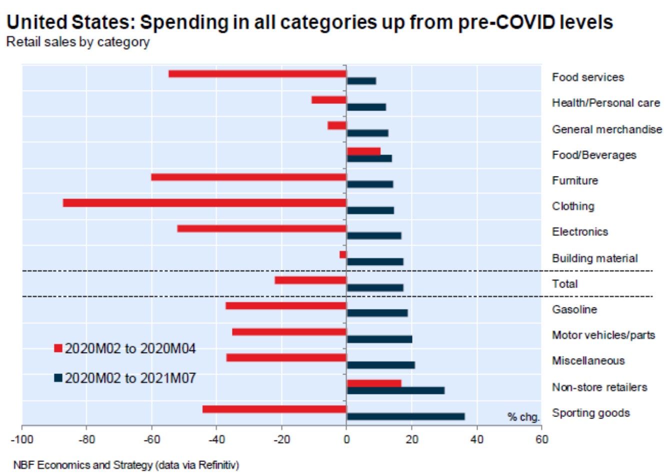
The **Teranet–National Bank Composite National House Price IndexTM** rose 2.0% in July. All 11 of the constituent markets were up in the month. From July 2020 to July 2021, the composite index advanced a record 17.8%, propelled by Halifax (33.4%), Hamilton (30.1%), Ottawa-Gatineau (28.9%), Montreal (21.4%), and Victoria (21.1%). The other six markets trailed the countrywide average: Toronto 17.4%, Vancouver 17.1%, Winnipeg 10.5%, Quebec City 10.3%, Calgary 7.5%, and Edmonton 6.5%. Rather extraordinarily, prices were up 10% or more from the same period last year in 87% of the 32 urban markets surveyed. In addition, price growth was equal or superior to 30% in an unprecedented 48% of the markets.



UNITED STATES - Retail sales fell 1.1% in July, more than the 0.3% drop expected by consensus. The negative surprise was only partially compensated by an upward revision to the prior month's result from +0.6% to +0.7%. Sales of motor vehicles/parts contracted 3.9% m/m but still stood 20.1% above their pre-pandemic level. Without autos, consumer outlays fell 0.4% on drops for non-store retailers (-3.1%), clothing (-2.6%), sporting goods (-1.9%), and building materials (-1.2%). These contractions were only partially offset by gains for miscellaneous items (+3.5%), gasoline stations (+2.4%), and eating/drinking establishments (+1.7%). In all, sales decreased in 8 of the 13 categories surveyed. Core sales, which are used to calculate GDP and exclude food services, auto dealers, building materials and gasoline stations, slipped 1.0% in the month.



Consumer outlays surprised on the downside in July. Auto sales fell amid high prices and limited inventories while non-store retailers suffered from the return of consumers to brick-and-mortar stores. Alternatively, gasoline station receipts benefited from rising pump prices. Spending at restaurants and bars, meanwhile, continued to recover as COVID-19 caseloads remained relatively low in the month.

The gradual reopening of the economy has encouraged American consumers to shift some of their spending towards services, a process that partly explains the leveling off of retail sales in recent months. Moderation is particularly evident in the categories that benefited the most from social distancing measures, such as sporting goods and non-store retailers. The segments most closely linked to the housing sector, namely, furniture and building materials, have experienced a slowdown as well, the meteoric rise in house prices having dampened the enthusiasm of potential buyers.

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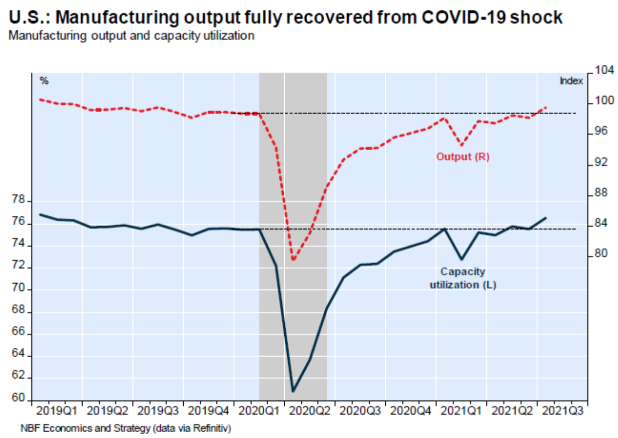
Looking ahead, the rapid rise in the number of COVID-19 cases could delay the rebalancing of consumer preferences towards services but should not lead to an outright drop in total consumption. Spending on goods should remain relatively strong in light of the savings amassed by households during the crisis.

Still in July, **industrial production** advanced 0.9%, nearly double the median economist forecast (+0.5%). The prior month's print, on the other hand, was revised down from +0.4% to +0.2%. July's gain left industrial production just 0.2% short of its pre-crisis level. Manufacturing output sprang 1.4% in the month, moving past its pre-crisis level for the first time. Production in the motor vehicles/parts segment rebounded sharply (+11.2%) after being hit by semiconductor shortages the prior month. Excluding autos, manufacturing output still expanded 0.7%, its 14th increase in 15 months. Production in the utilities segment, meanwhile, sank 2.7% after a severe heat wave on the west coast caused demand for electricity to spike the prior month. Mining output, for its part, progressed 1.2% as oil and gas well drilling prolonged its rebound month over month (+6.1%). That said, production in this segment remained 29.8% below its pre-crisis level.

Capacity utilization in the industrial sector improved from 75.4% in June to a 16-month high of 76.1% in July. In the manufacturing sector, it went from 75.5% to 76.6%, thus exceeding pre-pandemic levels.

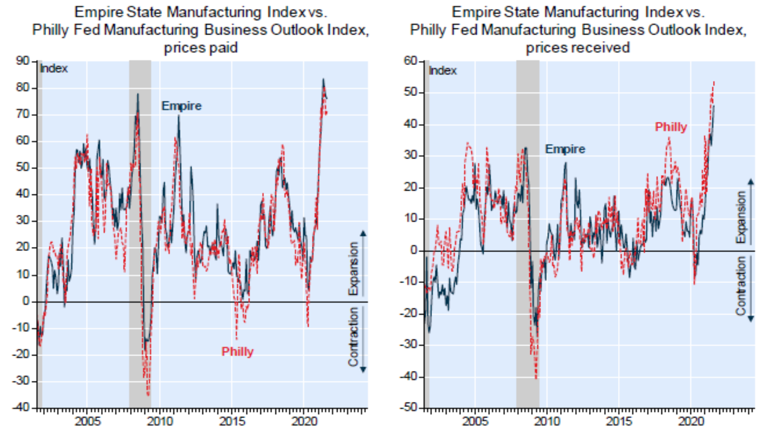


Initial jobless claims decreased from 377K to a post-pandemic low of 348K in the week to August 14. Continued claims, meanwhile, dropped from 2,899K to 2,820K, their lowest level since March 2020. Another 8.7 million or so people received benefits in the week ended July 30 under two emergency programs: Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation. Total continuing claims across all programs have dropped roughly 3.0 million over the past seven 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.

The **Empire State Manufacturing Index** fell from an all-time high of 43.0 in July to 18.3 in August. This was below consensus expectations (28.5) but still consistent with a decent pace of growth at factories operating in New York State and surrounding areas. The new orders and the shipment sub-indexes retreated from July's multi-year highs (33.2 to 14.8 and 43.8 to 4.4, respectively), with the latter even slipping to a six-month low. The employment gauge eased from 20.6 to 12.8 but still indicated that payrolls were expanding at a healthy clip. Supply chain pressures were still evident in the report. Delivery times lengthened further (from 20.2 to 28.3) and input prices continued to soar even though the sub-index slid from 76.8 to 76.1. In an attempt to protect their margins, manufacturers raised selling prices (from 39.4 to 46.0) at the fastest clip ever. Business optimism for the next six months continued to improve: The corresponding index sprang from 39.5 to 46.5. Capex (from 26.3 to 23.0) and technology spending intentions (from 14.1 to 15.0) remained roughly in line with their long-term average.

The **Philly Fed Manufacturing Business Outlook Index** painted a similar picture, with the headline index edging down from 21.9 in July to an eight-month low of 19.4 in August. The new orders sub-index progressed from 17.0 to 22.8 while the shipment gauge cooled from 24.6 to 18.9. The number of employee tracker (from 29.2 to 32.6) settled at a new record high, hinting at an acceleration in hiring. Prices paid (from 69.7 to 71.2) continued to rise at a steep clip and the record rise in prices received (from 46.8 to 53.9) suggests that some of the increase was passed onto clients.

United States: Factories passing price increases onto clients

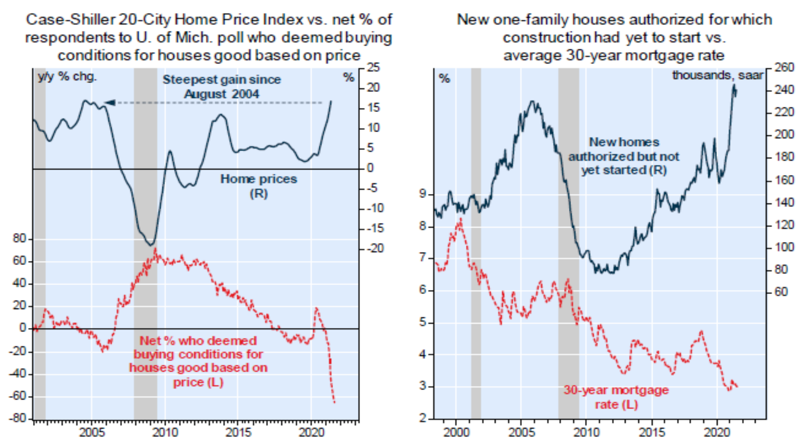


NBF Economics and Strategy (data via Refinitiv)

Housing starts softened from 1,650K in June to 1,534K in July (seasonally adjusted and annualized), undershooting by far the 1,600K print expected by analysts. The monthly drop reflected decreases in both the single-family category (-4.5% to 1,111K) and the multi-family category (-13.1% to 423K).

Building permits, for their part, crept up 2.6% in July to 1,635K. Permits issued for single-family units slid 1.7% to 1,048K, while applications for multi-family dwellings advanced 11.2% to 587K.

United States: Mixed outlook for residential construction



NBF Economics and Strategy (data via Bloomberg)

July's disappointing starts report provides further evidence of the slowdown in activity in the housing sector. Surging prices for building materials could very well be dampening enthusiasm among builders at present, though demand seems to be fading as well. In August, a record proportion of respondents to a University of Michigan poll deemed buying conditions for houses to be bad because prices were too high. In this regard, the Case-Shiller 20-City Home Price Index showed that prices rose 17.0% in May, the steepest increase since August 2004. No wonder then that the National Association of Home Builders has noted a significant decrease in traffic of potential buyers since May, with the corresponding index falling to a 13-month low in August. This is not to say that residential construction will collapse in the coming months. After all, borrowing costs remain pretty low on a historical basis and homebuilders still need to address sizeable work backlogs: Housing units authorized but not yet started continued to hover near a 40-year high in July (241K). However, the pandemic-fueled boom in the housing sector might very well be behind us now.

On Wednesday, the **Federal Reserve** published the minutes of its two-day policy meeting on July 27-28. The key theme shining through was the vastly varying viewpoints on the appropriate trajectory of monetary policy and the short- to medium-term economic outlook. While participants agreed that the overall "substantial further progress" threshold for tapering had not been met by July, some thought that might come soon while others did not see a taper beginning for "some time". Meanwhile, there seemed to be some dissention also regarding the inflation outlook. While some participants held steadfast to the "transitory" narrative, others expressed concern that inflation pressures might be longer lasting and that inflation expectations could become unanchored. It will likely to be a while still before either side is able to declare victory on this debate. Here are a few of the noteworthy passages from the minutes:

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- On inflation: "While participants generally expected inflation pressures to ease as the effect of these transitory factors dissipated, several participants remarked that larger-than-anticipated supply chain disruptions and increases in input costs could sustain upward pressure on prices into 2022 […] Several participants indicated that the recent increases in survey-based measures signaled a risk that longer-term inflation expectations might be moving up above levels consistent with the Committee's goals."
- On employment: "Participants generally noted that supply-side factors related to the pandemic—such as caregiving needs, ongoing fears of the virus, increased retirements, and expanded unemployment insurance payments—continued to weigh on labor force participation and employment growth. A majority of participants anticipated that most of these factors would ease in the coming months. Several participants also commented that the pandemic might have caused longer-lasting changes in the labor market and that the pre-pandemic labor market conditions may not be the right benchmark against which the Committee should assess the progress toward its maximum-employment objective."
- On "substantial further progress": "All participants assessed that the economy had made progress toward the Committee's maximum-employment and price-stability goals since the adoption of the guidance on asset purchases in December. Most participants judged that the Committee's standard of "substantial further progress" toward the maximum-employment goal had not yet been met. At the same time, most participants remarked that this standard had been achieved with respect to the price-stability goal."
- On QE taper: "Looking ahead, most participants noted that, provided that the economy were to evolve broadly as they anticipated, they judged that it could be appropriate to start reducing the pace of asset purchases this year."
- On taper timing: "Various participants commented that economic and financial conditions would likely warrant a reduction in coming months. Several others indicated, however, that a reduction in the pace of asset purchases was more likely to become appropriate early next year"
- On taper pacing: "Many participants saw potential benefits in a pace of tapering that would end net asset purchases before the conditions currently specified in the Committee's forward guidance on the federal funds rate were likely to be met […] Several participants noted that an earlier start to tapering could be accompanied by more gradual reductions in the purchase pace."
- On separating QE and rate hikes: "Participants indicated that the standards for raising the target range for the federal funds rate were distinct from those associated with tapering asset purchases and remarked that the timing of those actions would depend on the course of the economy."

Given the differing viewpoints on inflation and employment, the outlook for QE remains murky. As has been made clear in recent Fed speeches, a number of participants think that a taper should be imminent. Presumably for those less concerned about inflation and still observing significant labour market slack, there does not seem to be any urgency for a taper to get underway. All told, it is not clear that a majority of the committee would come to an agreement on QE by September. However, another very strong jobs report might be enough to reach consensus. At this point, we estimate a taper announcement could be in store for September but that it is increasingly likely that it will be pushed back to November. The major risk to that outlook, of course, is the COVID-19 situation. This was highlighted in the minutes: "The spread of the delta variant may temporarily delay the full reopening of the economy and restrain hiring and labor supply." Indeed, as has been the case for the last year and a half, the public health situation will be in the driver's seat when it comes to monetary policy.

WORLD - The **Japanese economy** avoided falling back into recession in Q2 and instead expanded 1.3% from the prior quarter in annualized terms, beating analyst expectations for 0.7% growth. This increase still left total output down 1.5% from its pre-crisis (2019Q4) level. Despite the emergency measures put in place in several regions to limit the spread of COVID-19, domestic demand advanced 2.6% in annualized terms in the second quarter on gains for private consumption (+3.4% q/q annualized), business investment (+7.0%), and residential investment (+8.6%). Net exports, meanwhile, acted as a drag on growth but only because imports (+21.9% q/q annualized)) grew at a faster pace than exports did (+12.3%). With COVID caseloads continuing to rise and vaccine rollouts proceeding at a rather slow pace, we expect restrictions will remain in place in Japan for much of the third quarter. This could obviously weigh on growth going forward.

IN THE NEWS

U.S. and Canadian News

Monday August 16th, 2021

- **Canada home sales, average price fall on month in July**
  Canadian home sales fell 3.5% in July from June, with the average selling price declining for the fourth straight month, data from the Canadian Real Estate Association showed on Monday. The national average selling price was C$661,788 ($527,069) in July, down 2.5% from June but up 15.6% from a year earlier, the industry group said..
- **Canada June factory sales up 2.1% on autos, petroleum**
- Canadian factory sales jumped by 2.1% in June from May as production ramped up in the auto industry, and on higher sales in the petroleum and coal industry, Statistics Canada said on Monday. Excluding vehicles and parts, manufacturing sales were up 1.0%

  .**N.Y. Fed's Empire State manufacturing business index declines in August**
  The New York Federal Reserve said on Monday its barometer of manufacturing business activity in New York State declined more than expected in August after growing at a record-setting pace in the month before.
  The regional Fed's "Empire State" index on current business conditions fell around 25 points to 18.3, lower than a reading of 29.0 forecast by analysts polled by Reuters. The index had hit a record high of 43 in July.

Tuesday August 17th, 2021

U.S. retail sales fall 1.1% in July, vs 0.3% drop expected
Shoppers in the U.S. cut back their purchases in July even more than expected as worries over the delta variant of Covid-19 dampened activity and government stimulus dried up. Retail sales for the month fell 1.1%, worse than the Dow Jones estimate of a 0.3% decline.

Walmart raises forecast as people return to stores; online sales slow
Walmart Inc (WMT.N)increased its annual U.S. same-store sales forecast after beating analysts' estimates on Tuesday, as shoppers coming out of lockdown bought more clothes, travel gear and back-to-school merchandise. As store sales rose, however, the pace of Walmart's online growth slowed dramatically to 6% from 37% in the first quarter.

Canada housing starts down 3.2% on month in July
Canadian housing starts fell 3.2% in July compared with the previous month as a drop in multiple urban starts outweighed an increase in single-detached urban ones, data from the national housing agency showed on Tuesday..

KKR to sell industrial properties for $2.2 billion to Canadian realty group
Private equity firm KKR & Co said on Tuesday it had agreed to sell a 14.5 million square feet industrial property portfolio for about $2.2 billion to Oxford Properties Group, a real estate investor based in Canada.

Wednesday August 18th, 2021

- **Target earnings top estimates, and retailer raises forecast as back-to-school spending kicks in**
  Target said Wednesday fiscal second-quarter sales rose in every merchandise category from apparel to grocery — even when compared with last year's pandemic-fueled record pace, helping the retailer top earnings estimates. With back-to-school spending off to a promising start, the big-box retailer raised its forecast for the year.
- **Canada's annual inflation rate in July accelerates to 3.7%, fastest since 2011**
  Canada's annual inflation rate accelerated to 3.7% in July, the fastest rate since 2011, up from a year-over-year increase of 3.1% in June, due to both the base-year effect and higher shelter costs, Statistics Canada said on Wednesday.
- **U.S. mortgage applications drop as mortgage rates edge above 3%**
  Mortgage applications declined last week, especially for refinancing, as mortgage rates rose back over 3% for the first time in about a month.
- **Lowe's forecasts full-year sales ahead of estimates**
  Lowe's Cos Inc forecast full-year sales above estimates on Wednesday, as higher spending on big-ticket items offsets some of the slowdown in demand from the company's core do-it-yourself (DIY) customers.

  Minutes reveal a Fed split over job market, bond-buying taper
  Federal Reserve officials felt the U.S. central bank's employment benchmark for decreasing its support for the economy "could be reached this year," but appeared to disagree on other key aspects of where monetary policy should turn next, according to minutes from last month's policy meeting

Thursday August 19th, 2021

Macy's, Kohl's raise annual sales forecasts as shoppers return to stores
Macy's Inc and Kohl's Corp raised their full-year sales and profit forecasts on Thursday, as U.S. shoppers coming back to stores splurge on perfumes, shoes and apparel with vaccinations helping a return to pre-pandemic lifestyles.

- **Ontario cuts deficit forecast as Canadian province's outlook improves**
  The province projected a budget deficit of $32.4 billion for the 2021-2022 fiscal year, compared to the $33.1 billion deficit forecast in a budget in March.

Friday August 20th, 2021

- **Canada retail sales jump in June, but seen falling in July**
  Canadian retail sales surged 4.2% in June from May, led by a strong rebound in demand for clothing and accessories, while July retail sales likely fell 1.7%, data showed on Friday.

Click on title to view the full story.

IN THE NEWS

International News

Monday August 16th, 2021

- **China economy under pressure as factory output, retail sales growth slow sharply**
  China's factory output and retail sales growth slowed sharply and missed expectations in July, as new COVID-19 outbreaks and floods disrupted business operations, adding to signs the economic recovery is losing momentum. Industrial production in the world's second largest economy increased 6.4% year-on-year in July, data from the National Bureau of Statistics (NBS) showed on Monday. Analysts had expected output to rise 7.8% after growing 8.3% in June.
- **Bank of England to wait until 2023 before raising rates**
  The Bank of England (BoE) will wait until 2023 before raising Bank Rate from a record low of 0.10%, a Reuters poll found, but economists said there was a chance an increase may come sooner than that on elevated inflation and a strong economic recovery.
- **HSBC snaps up Axa Singapore assets for $575 mln in Asia expansion**
  HSBC Holdings HSBA.L has agreed to acquire French insurer Axa's AXAF.PA Singapore assets for $575 million, part of its strategy of scaling up its wealth-management business in Asia to boost fee income.
  HSBC said in a statement that the combined unit comprising HSBC Life Singapore and Axa Singapore would be the seventh-largest life insurer and the fourth-largest retail health insurer in Singapore, with over 600,000 policies in-force covering life, health and property and casualty insurance.

Tuesday August 17th, 2021

- **Euro zone growth confirmed at 2% in Q2, employment rises**
  The euro zone economy grew 2% in the second quarter, the European Union statistics office said on Tuesday, confirming its earlier reading as the easing of coronavirus restrictions spurred economic activity after a brief recession.In a separate release Eurostat also said that employment in the 19-nation bloc grew 0.5% in the April-June period compared to the previous quarter, in line with forecasts of economists polled by Reuters.
  UK payrolls move closer to pre-pandemic level, pay jumps
- The number of employees on British company payrolls has moved closer to pre-pandemic levels and pay growth hit a record high, albeit distorted by the effects of coronavirus lockdowns, official data showed on Tuesday.
  As Britain's economy extends its recovery from last year's slump, payrolls rose by 182,000 in July to 28.9 million - 201,000 below the level before the COVID-19 pandemic hit.
- .

Wednesday August 18th, 2021

- **Euro zone inflation confirmed above ECB target in July**
  Euro zone inflation accelerated
  to 2.2% in July, its highest rate in nearly three years and above the European Central Bank's target of 2.0%, final data released on Wednesday by the EU statistics office showed,
  confirming its earlier estimate.
- **Just a blip? UK inflation slows more sharply than expected**
  British inflation fell to the Bank of England’s 2% target last month in an unexpectedly sharp slowdown that economists said was most likely a blip as the reopening of the economy after lockdown drives prices higher.
  Carlsberg raises guidance as beer volumes recover
- Danish brewer Carlsberg raised its full-year earnings guidance on Wednesday after reporting second-quarter sales above expectations as beer volumes exceeded pre-pandemic levels.

Thursday August 19th, 2021

- **Hong Kong shares end lower as tech stocks weigh**
  Hong Kong shares ended lower on Thursday, dragged by internet stocks as China further tightened its regulatory oversight on the country’s tech sector.
- **China shares fall as growth concerns linger**
  China shares ended lower on Thursday, dragged by consumer staples and financial stocks, as a gloomy economic outlook soured investor sentiment..
- **Euro zone bond yields dip as Fed seen coy on taper**
  Euro zone government bond yields dropped across the board on Thursday, tracking U.S. Treasuries, after minutes from a U.S. Federal Reserve meeting showed that the world’s most important central bank is not yet ready to slow down its asset purchases.
- **Goldman Sachs to buy Dutch asset manager NNIP for around $2 billion**
  Goldman Sachs said on Thursday it will buy Dutch insurer NN Group's asset management arm for around 1.7 billion euros ($1.98 billion) in the biggest acquisition by the U.S. company since David Solomon became chief executive in 2018.

Friday August 20th, 2021

- **UK July retail sales drop amid soccer frenzy and COVID 'pingdemic'**
  British retail sales unexpectedly fell in July, official data showed on Friday, suggesting at least some consumers skipped shopping to follow England's run in the Euro 2020 soccer tournament, or stayed at home due to rising COVID-19 cases.
- **German economy on track for stronger growth in Q3**
  The German economy is on track for a lasting, probably stronger recovery in the third quarter driven by lively domestic demand after gross domestic product expanded by 1.5% on the quarter from April to June, the finance ministry said on Friday.

Click on title to view the full story.

WEEKLY PERFORMERS – S&P/TSX

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Canaccord Genuity Group Inc	$14.73	$0.70	4.99%
WSP Global Inc	$167.10	$7.76	4.87%
Dollarama Inc	$60.70	$2.64	4.55%
Constellation Software Inc	$2,149.76	$92.69	4.51%
Northland Power Inc	$41.83	$1.78	4.44%
Boyd Group Services Inc	$253.78	$10.74	4.42%
Bausch Health Companies Inc	$35.85	$1.40	4.06%
Brookfield Renewable Partners LP	$50.05	$1.95	4.05%
Badger Infrastructure Solutions Ltd	$35.15	$1.36	4.02%
Village Farms International Inc	$11.61	$0.44	3.94%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Labrador Iron Ore Royalty Corp	$40.28	-$9.07	-18.38%
Hudbay Minerals Inc	$6.88	-$1.43	-17.21%
Vermilion Energy Inc	$7.40	-$1.49	-16.76%
OrganiGram Holdings Inc	$3.04	-$0.57	-15.79%
Lundin Mining Corp	$9.69	-$1.60	-14.17%
Turquoise Hill Resources Ltd	$17.14	-$2.67	-13.48%
Westport Fuel Systems Inc	$4.87	-$0.71	-12.72%
Capstone Mining Corp	$4.81	-$0.68	-12.39%
First Quantum Minerals Ltd	$23.46	-$3.12	-11.74%
Teck Resources Ltd	$25.24	-$3.35	-11.72%

Source: Refinitiv

WEEKLY PERFORMERS – S&P500

S&P500: LEADERS	LAST	CHANGE	%CHG
Kroger Co	$46.94	$4.13	9.65%
Lowe's Companies Inc	$208.21	$17.70	9.29%
Bath & Body Works Inc	$66.26	$5.46	8.98%
ABIOMED Inc	$348.11	$26.46	8.23%
Synopsys Inc	$316.88	$23.76	8.11%
Ball Corp	$94.63	$5.95	6.71%
Regeneron Pharmaceuticals Inc	$663.27	$38.48	6.16%
Netflix Inc	$546.88	$30.96	6.00%
Rollins Inc	$39.33	$2.18	5.87%
Dexcom Inc	$518.99	$27.58	5.61%

S&P500: LAGGARDS	LAST	CHANGE	%CHG
Occidental Petroleum Corp	$21.95	-$3.84	-14.89%
DXC Technology Co	$35.44	-$5.79	-14.04%
Freeport-McMoRan Inc	$32.80	-$5.30	-13.91%
Marathon Oil Corp	$10.72	-$1.38	-11.40%
Phillips 66	$65.95	-$7.94	-10.75%
PVH Corp	$104.55	-$12.07	-10.35%
APA Corp (US)	$16.07	-$1.81	-10.12%
Diamondback Energy Inc	$68.18	-$7.46	-9.86%
Halliburton Co	$18.21	-$1.92	-9.54%
Boeing Co	$212.67	-$21.79	-9.29%

Source: Refinitiv

NBF RATINGS & TARGET PRICE CHANGES

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
AG Growth International Inc.	AFN	**Sector Perform**	**Outperform**	**C$35.00**	**C$46.00**
Agnico Eagle Mines Ltd.	AEM	Outperform	Outperform	**C$97.00**	**C$102.00**
Alimentation Couche-Tard Inc.	ATD.B	Outperform	Outperform	**C$54.00**	**C$53.00**
American Hotel Income Properties REIT LP	HOT.un	Sector Perform	Sector Perform	**C$5.00**	**C$4.75**
Automotive Properties Real Estate Investment T	APR.un	Outperform	Outperform	**C$14.00**	**C$13.50**
Aya Gold & Silver Inc.	AYA	Outperform	Outperform	**C$13.25**	**C$11.50**
Barrick Gold Corporation	ABX	Outperform	Outperform	**C$37.00**	**C$38.00**
Boardwalk REIT	BEI.un	Outperform	Outperform	**C$56.00**	**C$51.50**
CES Energy Solutions Corp.	CEU	Outperform	Outperform	**C$2.75**	**C$2.70**
Chartwell Retirement Residences	CSH.un	**Restricted**		**Restricted**	
Chemtrade Logistics Income Fund	CHE.un	Outperform	Outperform	**C$9.50**	**C$10.50**
Doman Building Materials Group Ltd.	DBM	Outperform	Outperform	**C$12.00**	**C$13.50**
Eldorado Gold Corp.	ELD	Outperform	Outperform	**C$18.50**	**C$20.00**
Exchange Income Corporation	EIF	Outperform	Outperform	**C$47.00**	**C$46.00**
Falco Resources Ltd.	FPC	**UnderReview**	**Restricted**	**UnderReview**	**Restricted**
Farmers Edge Inc.	FDGE	**Sector Perform**	**Outperform**	**C$10.00**	**C$20.00**
H&R Real Estate Investment Trust	HR.un	Outperform	Outperform	**C$19.50**	**C$19.00**
Home Capital Group Inc.	HCG	Outperform	Outperform	**C$58.00**	**C$48.00**
IAMGOLD Corporation	IMG	Outperform	Outperform	**C$4.00**	**C$5.00**
Innergex Renewable Energy Inc.	INE	**Restricted**		**Restricted**	
Lion Electric Co. (The)	LEV	Outperform	Outperform	**US$19.00**	**US$20.00**
Nevada Copper Corp.	NCU	Sector Perform	Sector Perform	**C$0.15**	**C$0.30**
NorthWest Healthcare Properties REIT	NWH.un	Sector Perform	Sector Perform	**C$14.00**	**C$13.50**
Park Lawn Corporation	PLC	**Restricted**		**Restricted**	
Pretium Resources Inc.	PVG	**Outperform**	**Sector Perform**	**C$16.00**	**C$14.50**
SmartCentres REIT	SRU.un	Sector Perform	Sector Perform	**C$32.00**	**C$31.00**
Spartan Delta Corp.	SDE	**Outperform**	**Restricted**	**C$8.00**	**Restricted**
Surge Energy Inc.	SGY	**Sector Perform**	**Restricted**	**C$1.00**	**Restricted**
Taiga Motors Corp.	TAIG	Outperform	Outperform	**C$18.00**	**C$19.00**
Tidewater Midstream and Infrastructure Ltd.	TWM	**Outperform**	**Restricted**	**C$1.75**	**Restricted**
Tricon Residential Inc.	TCN	Outperform	Outperform	**C$18.00**	**C$16.00**
Vermilion Energy Inc.	VET	Sector Perform	Sector Perform	**C$13.50**	**C$14.00**
Xebec Adsorption Inc.	XBC	Sector Perform	Sector Perform	**C$4.50**	**C$5.00**

STRATEGIC LIST - WEEKLY UPDATE

(August 16th – August 20th)

No Changes this Week:

Comments:

Consumer Discretionary (Market Weight)

Dollarama Inc. (DOL)

NBF: DOL reports Q2/F22 results on September 9, 2021 at 7:00 a.m. ET. NBF projects Q2/F22 EPS of $0.50, in line with consensus; last year was $0.46. NBF's expectation of about 10% y/y EPS growth is predicated on revenue growth, SG&A leverage and share repurchases over the last 12 months. NBF forecasts sssg of -0.7% versus last year at 5.4% (excluding temporarily closed stores). NBF's sssg projection is based on basket growth of -6.5% y/y (tough y/y comparisons; was 41.7% in Q2/F21) and transaction growth of 6.3% y/y (easy y/y comparisons; was -25.7% in Q2/F21). NBF anticipates sequential pressure from COVID-19 related restrictions; Ontario (40% of DOL's store network) was impacted by a ban on the sale of non-essential goods (early April to June 11, 2021). NBF estimates that non-essential goods represent >60% of the product offering at Dollarama as management indicated that most consumables are essential. While Q2/F22 was largely impacted by renewed restrictions, investors will shift their focus to evolving consumer behaviour as economies reopened towards the end of the quarter. Looking forward, NBF projects solid earnings growth through F2022, primarily aided by ongoing sales growth, SG&A leverage, and buybacks. That said, the outlook isn't assured, and there are several headwinds, including the lapping of: (a) Strong Halloween sales in Q3/F21; (b) Strong Christmas sales in Q4/F21; and (c) Weaker impulse purchases (lower-margin items). Last quarter, management indicated that it was seeing inflation across both inbound shipping and product costs. DOL has levers to mitigate the impact of inflation, including pricing action and refreshing its merchandise. NBF continues to hold a positive view on DOL's shares given its defensive growth orientation, supported by a strong cash flow profile, solid balance sheet, and resilient sales performance. Over the medium term, NBF believes that DOL will be well-positioned to grow earnings given anticipated favourable sssg, eventual inflation/higher price points, and growth in its international business. NBF maintained its Outperform rating and $65.00 target price.

Consumer Staples (Market Weight)

Alimentation Couche-Tard Inc. (ATD.b)

NBF: ATD will report Q1/F22 results on August 31, 2021. A webcast is scheduled for September 1, 2021 at 8:00 a.m. ET. NBF projects EPS of $0.66 versus consensus at $0.63; last year was $0.71. NBF's expected ~7% y/y EPS decrease largely reflects the expectation of lower y/y fuel margins in the U.S. (>40 c/g in Q1/F21), more than offset by higher merchandising gross profit, improving volumes trends (y/y) and share repurchases (~US$300 mln in repurchases during Q1). ATD recently announced plans to acquire an independent c-store and fuel network in Atlantic Canada under the Esso, Wilsons Gas Stops and Go! Store brands. The deal includes 79 COCO c-store locations, 147 dealer locations and a marine fuel terminal in Nova Scotia. Financial details were not provided, but NBF anticipates incremental earnings contribution (<1% to EPS growth). More importantly, the acquisition aids ATD in progressing towards its near-to-medium-term financial aspirations ($6.3 bln in EBITDA by F2023; incl. 40% M&A contribution). NBF maintained its Outperform rating and increased its target price by $1 to $54.00 to reflect the advancement of its valuation period. NBF's positive view on ATD is based on the expectation that the company will drive growth over several years through optimizing its network, delivering positive merchandising performance, and executing on further acquisitions.

Materials (Overweight)

Agnico Eagle Mines Ltd. (AEM)

NBF: NBF updated its model for Agnico's 2Q21 operating and financial results released on July 28th, and made minor adjustments to its 2H21 and future years estimates. NBF's 2021 production increased 1% while AISC decreased 1%, with the changes driven primarily by the stronger than expected Q2 results. NBF now models full year 2021 production of 2.08 million ounces, comparable to guidance of 2.05 million ounces (figures exclude Hope Bay) with an H1/H2 split of 49%/51%. NBF lowered its production estimate in 2023 because of minor tweaks made to Agnico's Southern Business Unit (Mexican operations). Agnico plans to re-integrate Nunavut-based workers, who were previously on paid leave during the pandemic, by the end of Q3. Management expects ~$4 mln per quarter in savings as a result. NBF continues to model $1 mln per quarter for COVID-19 costs, assuming screening and other relief costs to continue through 2022. NBF also adjusted its tax expense for H2 to be aligned with company messaging for a ~40% effective tax rate, now at the lower end of previous guidance for 40-45%. While NBF's NTM estimates remain materially unchanged, its target price was reduced to $97.00 from $102.00 because NBF lowered its target multiple to better align with recent industry trends. NBF now derives its target from a 100% weighted 9.25x (was 9.75x) NTM EV/EBITDA target multiple, which implies a P/NAV of 1.95x.

SSR Mining Ltd. (SSRM)

NBF: SSR Mining announced infill and step-out drill results from 194 drill holes from the Ardich area, near the Çöpler mine in Turkey. Overall, results show potential expansion to the west, south and southeast at a comparable weighted average grade to the November 2020 PEA resource. NBF calculated weighted average grades from infill drilling of 2.09g/t and step-out drilling 2.46g/t both of which compare well, in NBF's view, versus the Ardich M&I Resource grade of 2.35g/t. Ardich is modeled as part of NBF's Çöpler Mine Complex, which overall accounts for C$14.46/sh or 46.4% of NBFe NAV for SSR Mining. A maiden reserve for Ardich is expected in 2022, and permitting is underway with first production targeted for 2023. Moreover, the company sees potential for structural continuity with the Cakmaktepe deposit, which is about 1.5 km to the southeast. In NBF's view, if proven, this could potentially lower operating costs and boost economic returns by combining the projects into a single larger operation. Overall, NBF views the results as encouraging in terms of value creation potential. At this time NBF is not making any estimate changes. NBF maintained its Outperform rating and $35.00 target price.

Teck Resources Ltd. (TECK.b)

NBF: On August 18th Teck Resources announced that the wildfire evacuation order issued by the District of Logan Lake announced on August 15th has been lifted. Operations at Highland Valley copper (9% of NAV) have restarted and are currently ramping up to full production. NBF estimates that the suspension of operations will have a <0.2% impact 2021E EBITDA. Teck reported no damage to infrastructure, noting that 2021 production guidance will be updated as necessary after the risk of further effect of operations from wildfires subsides. 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 to seaborne coking coal prices, which are also improving. 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 maintained its Outperform rating and $37.50 target price.

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NBF STRATEGIC LIST

Company	Symbol	Addition Date	Addition Price	Last Price	Yield (%)	Beta	% SPTSX	NBF Sector Weight	NOTES*
Communication Services							**4.9**	**Market Weight**	
Quebecor Inc.	QBRb.TO	29-Nov-18	$ 28.70	$ 30.99	3.6	0.5			
Rogers Communications Inc.	RCIb.TO	13-Feb-20	$ 65.84	$ 63.70	3.2	0.5			
Consumer Discretionary							**3.8**	**Market Weight**	
Dollarama Inc.	DOL.TO	19-Mar-20	$ 38.96	$ 60.70	0.3	0.6			
Gildan Activewear Inc.	GIL.TO	20-May-21	$ 42.72	$ 48.68	1.6	1.9			
Consumer Staples							**3.6**	**Market Weight**	
Alimentation Couche-Tard Inc.	ATDb.TO	26-Jan-17	$ 30.09	$ 52.15	0.7	0.7			
Loblaw Companies Ltd.	L.TO	25-Mar-21	$ 68.50	$ 88.96	1.6	0.3			
Energy							**13.1**	**Overweight**	
Cenovus Energy Inc.	CVE.TO	16-Jan-20	$ 12.26	$ 9.54	0.7	2.5			
Enbridge Inc.	ENB.TO	21-Jan-15	$ 59.87	$ 48.55	7.0	0.9			
Tourmaline Oil Corp.	TOU.TO	13-Aug-20	$ 16.68	$ 29.95	2.1	1.4			
Financials							**31.3**	**Market Weight**	
Bank of Montreal	BMO.TO	25-Mar-21	$ 112.23	$ 127.91	3.3	1.1			
Element Fleet Management Corp	EFN.TO	02-Apr-20	$ 8.58	$ 13.90	1.9	1.2			
Fairfax Financial Holdings Ltd.	FFH.TO	20-Dec-18	$ 585.81	$ 569.95	2.3	0.9			
Intact Financial Corp.	IFC.TO	11-Jun-20	$ 130.04	$ 177.17	1.9	0.8			
Royal Bank of Canada	RY.TO	19-Jun-13	$ 60.69	$ 131.72	3.3	0.9			
Sun Life Financial	SLF.TO	10-Dec-20	$ 57.07	$ 66.52	3.3	1.4			
Health Care							**1.3**	**Market Weight**	
Industrials							**11.4**	**Market Weight**	
Cargojet Inc.	CJT.TO	12-Aug-21	$ 187.63	$ 195.16	0.5	0.7			
Lifeworks Inc.	LWRK.TO	26-Sep-19	$ 32.72	$ 36.00	2.2	0.7			
Toromont Industries Ltd	TIH.TO	05-Dec-19	$ 67.24	$ 108.85	1.3	0.8			
Information Technology							**11.2**	**Underweight**	
Kinaxis Inc.	KXS.TO	19-Mar-20	$ 100.05	$ 188.09	0.0	0.7			
Open Text Corp.	OTEX.TO	26-Oct-16	$ 41.61	$ 68.37	1.6	0.9			
Materials							**11.7**	**Overweight**	
Agnico Eagle Resources Ltd.	AEM.TO	17-Dec-14	$ 27.00	$ 72.01	2.4	0.5			
SSR Mining Inc.	SSRM.TO	30-Jan-20	$ 23.81	$ 19.71	1.3	0.6			
Teck Resources Ltd.	TECKb.TO	01-Nov-17	$ 27.15	$ 25.24	0.8	1.2			
REITs							**3.2**	**Underweight**	
Canadian Apartment Properties REIT	CAR_u.TO	10-Dec-20	$ 49.82	$ 60.85	2.4	0.7			
RioCan REIT	REI_u.TO	23-Aug-18	$ 19.95	$ 21.86	4.4	1.2			
Utilities							**4.5**	**Underweight**	
Capital Power Corp.	CPX.TO	22-Aug-19	$ 30.90	$ 42.74	5.2	1.2			
Innergex Renewable Energy Inc.	INE.TO	22-Aug-19	$ 15.00	$ 19.92	3.7	0.8			**R**

Source: Refinitiv (Priced August 20, 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

(August 23rd – August 27th)

U.S. Indicators

Date	Time	Indicator Name	Period	Prior	Consensus	Unit
23-Aug	08:30	National Activity Index	Jul	0.09		Index
23-Aug	09:45	Markit Comp Flash PMI	Aug	59.9		Index
23-Aug	09:45	Markit Mfg PMI Flash	Aug	63.4	63.0	Index
23-Aug	09:45	Markit Svcs PMI Flash	Aug	59.9	59.5	Index
23-Aug	10:00	Existing Home Sales	Jul	5.86M	5.83M	Number of
23-Aug	10:00	Exist. Home Sales % Chg	Jul	1.4%		Percent
24-Aug	08:00	Build Permits R Numb	Jul	1.635M		Number of
24-Aug	08:00	Build Permits R Chg MM	Jul	2.6%		Percent
24-Aug	10:00	New Home Sales-Units	Jul	0.676M	0.700M	Number of
24-Aug	10:00	New Home Sales Chg MM	Jul	-6.6%		Percent
25-Aug	07:00	MBA Mortgage Applications	20 Aug, w/e	-3.9%		Percent
25-Aug	07:00	MBA 30-Yr Mortgage Rate	20 Aug, w/e	3.06%		Percent
25-Aug	08:30	Durable Goods	Jul	0.9%	-0.2%	Percent
25-Aug	08:30	Durables Ex-Transport	Jul	0.5%	0.5%	Percent
25-Aug	08:30	Durables Ex-Defense MM	Jul	1.1%		Percent
26-Aug	08:30	Corporate Profits Prelim	Q2	1.7%		Percent
26-Aug	08:30	GDP 2nd Estimate	Q2	6.5%	6.7%	Percent
26-Aug	08:30	GDP Sales Prelim	Q2	7.7%		Percent
26-Aug	08:30	GDP Cons Spending Prelim	Q2	11.8%		Percent
26-Aug	08:30	GDP Deflator Prelim	Q2	6.1%		Percent
26-Aug	08:30	Core PCE Prices Prelim	Q2	6.1%		Percent
26-Aug	08:30	PCE Prices Prelim	Q2	6.4%		Percent
26-Aug	08:30	Initial Jobless Clm	16 Aug, w/e	348k		Person
26-Aug	08:30	Jobless Clm 4Wk Avg	16 Aug, w/e	377.75k		Person
27-Aug	08:30	Personal Income MM	Jul	0.1%	0.2%	Percent
27-Aug	08:30	Personal Consump Real MM	Jul	0.5%		Percent
27-Aug	08:30	Consumption, Adjusted MM	Jul	1.0%	0.3%	Percent
27-Aug	08:30	Core PCE Price Index MM	Jul	0.4%	0.4%	Percent
27-Aug	08:30	Core PCE Price Index YY	Jul	3.5%	3.6%	Percent
27-Aug	08:30	PCE Price Index MM	Jul	0.5%		Percent
27-Aug	08:30	PCE Price Index YY	Jul	4.0%		Percent
27-Aug	08:30	Adv Goods Trade Balance	Jul	-92.05B		USD
27-Aug	08:30	Wholesale Inventories Adv	Jul	1.1%		Percent
27-Aug	08:30	Retail Inventories Ex-Auto Adv	Jul	0.5%		Percent
27-Aug	10:00	U Mich Sentiment Final	Aug	70.2	70.9	Index
27-Aug	10:00	U Mich Conditions Final	Aug	77.9		Index
27-Aug	10:00	U Mich Expectations Final	Aug	65.2		Index

Canadian Indicators

Date	Time	Indicator Name	Period	Prior	Consensus	Unit
26-Aug	06:00	Business Barometer	Aug	69.43		Index
26-Aug	08:30	Average Weekly Earnings YY	Jun	-0.08%		Percent
27-Aug	08:30	Producer Prices MM	Jul	0.0%		Percent
27-Aug	08:30	Producer Prices YY	Jul	16.8%		Percent
27-Aug	08:30	Raw Materials Prices MM	Jul	3.9%		Percent
27-Aug	08:30	Raw Materials Prices YY	Jul	38.1%		Percent
27-Aug	11:00	Budget Balance, C$	Jun	-13.98B		CAD
27-Aug	11:00	Budget, Year-To-Date, C$	Jun	-23.76B		CAD

Source : Refinitiv

S&P500 INDEX QUARTERLY EARNINGS CALENDAR

Monday August 23rd, 2021

None

Tuesday August 24th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Advance Auto Parts Inc	AAP	BMO	3.033
Intuit Inc	INTU	AMC	1.586

Wednesday August 25th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Best Buy Co Inc	BBY		1.907
salesforce.com Inc	CRM	AMC	0.922
Autodesk Inc	ADSK	AMC	1.124
NetApp Inc	NTAP	AMC	0.954
Ulta Beauty Inc	ULTA	AMC	2.442

Thursday August 26th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Dollar General Corp	DG	BMO	2.57
J M Smucker Co/The	SJM	BMO	1.863
Dollar Tree Inc	DLTR	BMO	1.01
Gap Inc/The	GPS	AMC	0.46

Friday August 27th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
HP Inc	HPQ	AMC	0.835

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

S&P/TSX QUARTERLY EARNINGS CALENDAR

Monday August 23rd, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Dye & Durham Ltd	DND	AMC	0.19

Tuesday August 24th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Bank of Nova Scotia/The	BNS	BMO	1.902
Bank of Montreal	BMO	BMO	2.936

Wednesday August 25th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Royal Bank of Canada	RY	BMO	2.708
National Bank of Canada	NA	BMO	2.126

Thursday August 26th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Canadian Imperial Bank of Comm	CM	BMO	3.406
Toronto-Dominion Bank/The	TD	BMO	1.918

Friday August 27th, 2021

None

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

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