

August 27<sup>th</sup>, 2021

## THE WEEK IN NUMBERS (August 23<sup>rd</sup> – August 27<sup>th</sup>)

### Research Services

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INDEX	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
Dow Jones Industrial	35,455.80	335.72	0.96%	15.84%	24.44%	21.6
S&P 500	4,509.37	67.70	1.52%	20.06%	29.41%	26.7
Nasdaq Composite	15,129.50	414.84	2.82%	17.39%	30.14%	31.4
S&P/TSX Composite	20,644.64	305.62	1.50%	18.42%	23.39%	16.0
Dow Jones Euro Stoxx 50	4,190.98	43.48	1.05%	17.97%	25.82%	20.6
FTSE 100 (UK)	7,148.01	60.11	0.85%	10.64%	19.13%	14.8
DAX (Germany)	15,851.75	43.71	0.28%	15.55%	21.04%	15.1
Nikkei 225 (Japan)	27,641.14	627.89	2.32%	0.72%	19.10%	14.8
Hang Seng (Hong Kong)	25,407.89	558.17	2.25%	-6.70%	0.50%	12.6
Shanghai Composite (China)	3,522.16	94.82	2.77%	1.41%	5.14%	11.7
MSCI World	3,110.27	30.25	0.98%	15.62%	27.32%	28.8
MSCI EAFE	2,339.25	32.06	1.39%	8.93%	22.97%	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	267.75	0.74	0.28%	14.84%	37.39%	18.9
S&P TSX Consumer Staples	743.46	-6.52	-0.87%	17.49%	14.31%	20.5
S&P TSX Energy	123.70	10.37	9.15%	35.92%	51.65%	9.3
S&P TSX Financials	381.92	-2.33	-0.61%	24.70%	35.48%	11.5
S&P TSX Health Care	64.86	4.23	6.98%	7.83%	28.33%	N/A
S&P TSX Industrials	371.09	3.45	0.94%	12.85%	22.89%	20.7
S&P TSX Info Tech.	236.43	6.88	3.00%	29.65%	37.94%	53.9
S&P TSX Materials	317.16	15.23	5.04%	-1.08%	-5.81%	14.8
S&P TSX Real Estate	378.80	2.57	0.68%	26.92%	35.53%	10.7
S&P TSX Communication Services	196.88	0.51	0.26%	20.24%	19.29%	22.0
S&P TSX Utilities	340.34	-1.26	-0.37%	6.52%	15.79%	24.7

COMMODITIES	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	NBF 2021E
Oil-WTI futures (US\$/Barrels)	\$68.73	6.41	10.29%	41.65%	59.69%	\$65.50
Natural gas futures (US\$/mcf)	\$4.37	0.52	13.48%	72.12%	69.45%	\$2.90
Gold Spot (US\$/OZ)	\$1,818.70	37.70	2.12%	-3.93%	-5.35%	\$1,845
Copper futures (US\$/Pound)	\$4.25	0.11	2.70%	20.83%	43.20%	\$4.60

CURRENCIES	Last price	Curr. Net Change	% Change Week	% Change YTD	%Change 1 Year	NBF Q4/21e
Cdn\$/US\$	0.7928	0.0131	1.68%	0.98%	4.07%	0.83
Euro/US\$	1.1793	0.0097	0.83%	-3.44%	-0.24%	1.21
Pound/US\$	1.3761	0.0140	1.03%	0.64%	4.27%	1.42
US\$/Yen	109.82	0.02	0.02%	6.37%	3.07%	108

Source: Refinitiv and NBF Research

Please see last page for NBF Disclosures

**FIXED INCOME  
NUMBERS**

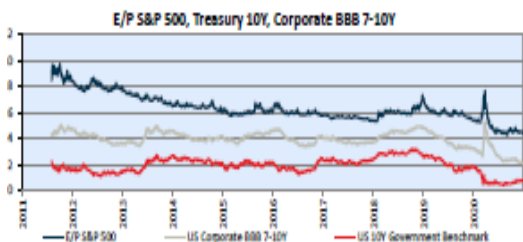
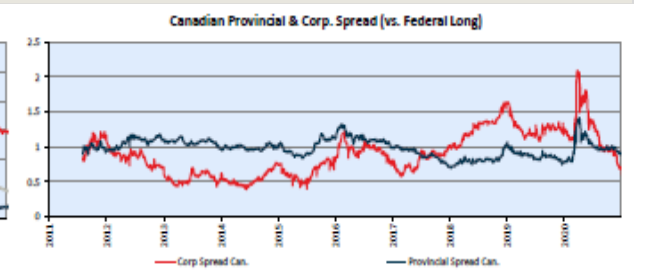
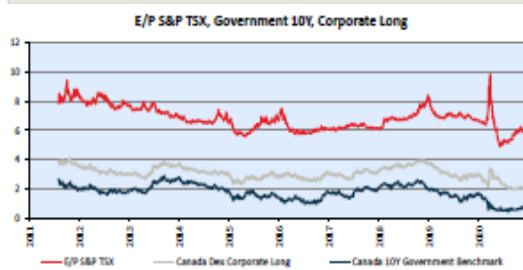
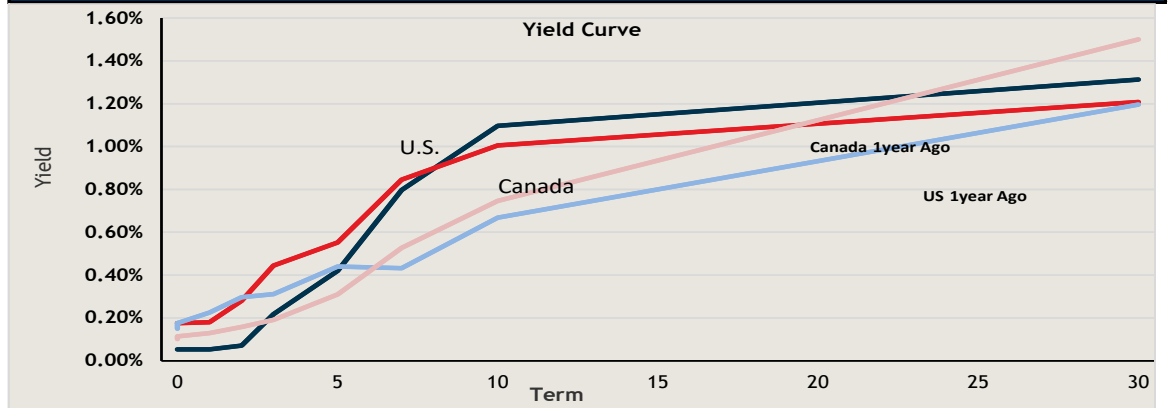
**THE WEEK IN NUMBERS  
(August 23<sup>rd</sup> – August 27<sup>th</sup>)**

Canadian Key Rate	Last	Change 1 month bps	Last	Change 1 month bps	
CDA o/n	0.25%	0.0	CDA 5 year	0.85%	-7.8
CDA Prime	2.45%	0.0	CDA 10 year	1.21%	-11.7
CDA 3 month T-Bill	0.18%	-1.7	CDA 20 year	1.60%	-15.9
CDA 6 month T-Bill	0.18%	-1.9	CDA 30 year	1.76%	-17.4
CDA 1 Year	0.28%	-2.9	5YR Sovereign CDS	38.28	38.3
CDA 2 year	0.44%	-4.4	10YR Sovereign CDS	39.88	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	0.80%	-7.0
US Prime	3.25%	0.0	US 10 year	1.31%	-12.4
US 3 month T-Bill	0.05%	-0.5	US 30 year	1.92%	-18.9
US 6 month T-Bill	0.05%	-0.5	5YR Sovereign CDS	10.48	10.5
US 1 Year	0.07%	-0.7	10YR Sovereign CDS	18.35	18.4
US 2 year	0.22%	-2.1			

CANADIAN BOND - TOTAL RETURN	Change Week	Change Y-T-D
FTSE Universe Bond Index	-0.49%	-2.62%
FTSE Short Term Bond Index	-0.06%	-0.18%
FTSE Mid Term Bond Index	-0.57%	-1.78%
FTSE Long Term Bond Index	-0.95%	-6.22%

**CURRENT YIELD CURVE**

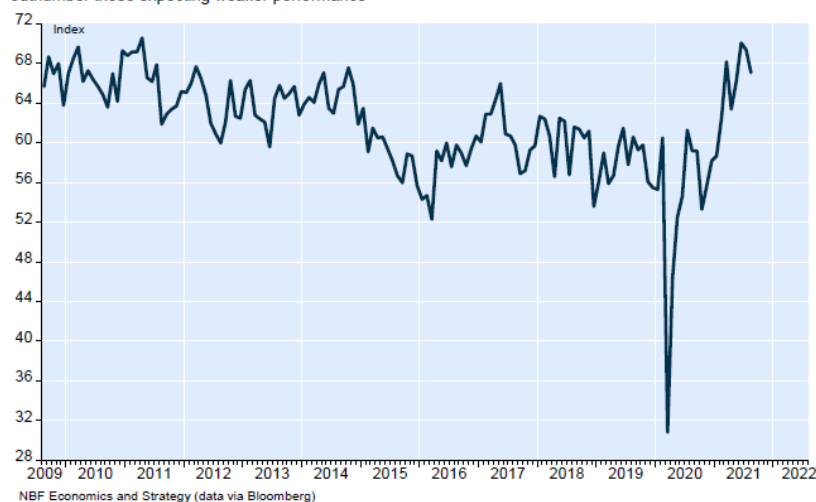


## WEEKLY ECONOMIC WATCH

**CANADA** — According to the **Canadian Federation of Independent Business's outlook survey**, confidence among small business owners remained elevated in August. Although the index fell 2.4 points in the month to 67.1, it remained well above its last 20-year average (62.6).

### Canada: Small business owners' confidence remains elevated

An index above 50 means owners expecting their business's performance to be stronger in the next year outnumber those expecting weaker performance



Statistics Canada reported that the **Industrial Product Price Index (IPPI)** fell 0.4% m/m in July, and was up 15.4% y/y, while the **Raw Materials Price Index (RMPI)** was up 2.2% m/m and 37.7% y/y.

**UNITED STATES** - In July, **durable goods orders** fell 0.1% to US\$257.2 billion after swelling 0.8% and 3.2% in June and May, respectively. Orders for vehicles and parts rose US\$2.96 billion or 5.8% to US\$53.8 billion, a gain that was more than offset by a 48.9% decline (US\$7.04 billion) in non-defence aircraft and parts orders to US\$7.4 billion from US\$14.4 billion in June. Excluding transportation, new orders rose 0.7% in the month. New orders for non-defence capital goods excluding aircraft (i.e., core capital goods), a closely watched proxy for business investment, were unchanged from the previous month. Shipments of manufactured durable goods increased 2.2%. Shipments of core capital goods were up 1.0% for a fifth consecutive monthly increase. This is a positive development that suggests that equipment spending, which has significantly contributed to growth since mid-2020, started the third quarter on strong footing. However, while supply chain issues continue to throttle production, the resurgence of COVID cases is casting a pall over the economic outlook.

### United States: Durable goods orders dipped 0.1% in July

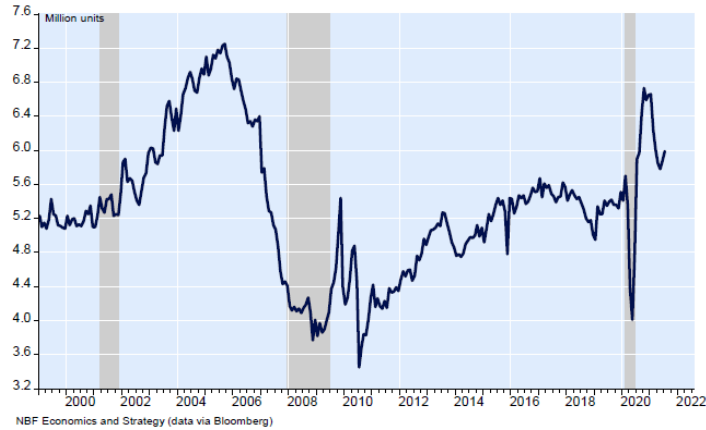
Excluding transportation, new orders rose 0.7% in month

	Percentage change			
	July	June	May	YOY
<b>NEW ORDERS</b>	-0.1	0.8	3.2	16.7
Ex. Transportation	0.7	0.6	0.6	15.2
Ex-defense	-1.2	0.9	2.8	17.5
Capital goods	-5.0	1.2	6.9	34.6
Non-defense	-8.0	1.6	6.0	40.5
Ex-aircraft	0.0	1.0	0.6	14.7
Defense	20.5	1.4	15.2	0.1
Transportation	-2.2	1.4	10.0	20.7
<b>SHIPMENTS</b>	2.2	1.6	0.4	9.7
Ex-transportation	1.2	1.2	0.8	13.2
ex-defense	2.0	1.6	0.6	9.5
Capital goods	1.1	1.7	-1.0	15.4
Non-defense capital goods	0.4	1.8	-0.6	15.3
ex-aircraft	1.0	0.6	1.0	12.2
<b>INVENTORIES</b>	0.6	0.9	1.0	6.2
<b>UNFIILLED ORDERS</b>	0.3	0.8	1.0	2.3
Inventory/Shipments	1.76	1.79	1.80	n/a

NBF Economics and Strategy (data via Bloomberg)

In July, **existing-home sales** rose 2% to a 5.99-million-unit pace. Sales were stronger than expected. The median analyst projection called for a 0.5% m/m decline for the month. Single-family homes accounted for all of the increase, with sales climbing 2.7% to a 5.28-million-unit pace.

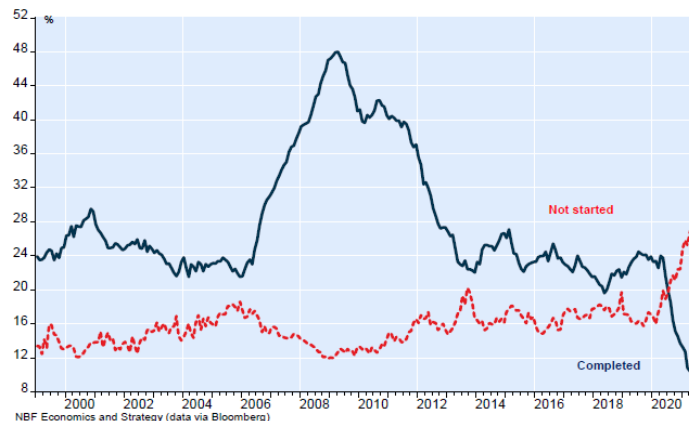
**Existing-home sales rose 2% to 5.99-million-unit pace**  
Single-family homes accounted for all of monthly increase



Still, compared with July 2020, sales of single-family homes were down 0.8%. Condo and co-op sales were a drag in the month. They fell 2.7% m/m to a 710K-unit pace in July but were nonetheless up 22.4% from 12 months earlier. Compared with July 2020, completed transactions for single-family homes, townhouses, condominiums and co-ops edged up 1.5%. The median price for an existing single-family home was US\$367K in July, up 18.6% from July 2020. Meanwhile, the median price for condos rose 14.1% to US\$307.1K. The number of homes available for sale grew for the fifth straight month in July to 1.32 million units, up 7.3% from June but down 12.0% from a year earlier (1.50 million). At the current pace of sales, it would take 2.6 months to sell all the homes on the market. Anything less than five months of supply is considered a tight market by realtors. It is fair to say that this was still a seller's market, as 89% of homes sold in July 2021 were on the market for less than a month. According to Freddie Mac, the average commitment rate for a 30-year, conventional, fixed-rate mortgage was 2.87% in July, 11 basis points lower than in June (2.98%).

Still in July, **new-home sales** rose 1.0% to a seasonally adjusted annual rate of 708K after declining three consecutive months. (June's sales were revised up to 701K units from a previously reported 676K.) Gains in the number of new homes sold in the South and West more than offset declines registered in the Northeast and Midwest. The seasonally adjusted estimate of new houses for sale at the end of the month rose 5.5% to 367K, its highest mark since November 2008. Although the report showed a large increase in new-housing inventory, the jump was spurred by a record rise in homes yet to be built. These accounted for a record 28.6% of that inventory, compared with a median reading of 15.7% since January 1999. Completed houses made up only 9.8% of the new supply at the end of July (vs. a 24.6% historical median). Expensive building materials, scarce land and hard-to-find workers have certainly contributed to delay home starts and to stretch lead times to completion. In July, the median price for a new home sprang more than US\$60K (18.4%) from the year before to a record US\$390,500. At the current sales pace, it would take 6.2 months to clear the supply of houses on the market, up from 6.0 months a month earlier.

**Homes yet to be started and homes completed as percentage of inventory of new houses for sale at end of July**



In August, **Markit's flash composite PMI** fell 5.4 points to 55.4 from 59.9 in July. Since striking a series high of 68.7 in May, the index has been on a soft downslope. Although the pace of business expansion was the slowest year to date, survey participants generally remained optimistic about their business outlook for the coming year. The Manufacturing PMI printed above the 60-point threshold for a fifth month in a row. However, at 61.2, it was down 2.2 points from the month before and at its lowest in four months. Once more, material shortages and difficulties retaining employees and filling job openings contributed to slow down output growth. If we add to these headwinds the spread of the Delta variant in the population, it comes as no surprise that the Service Activity Index dove 5.7 points to 55.2 from 59.9 the previous month. (In May, it was at 70.4.) The PMI report pointed to downshifting growth and, unfortunately, confirmed that prices charged for goods and services continued to rise at a mounting rate.

**Initial jobless claims** rose 4K to 353K in the week ending August 21. The previous week's level was revised up 1K to 349K. Still, the four-week moving average, which smooths out volatility in the weekly figures, fell to a new pandemic low of 367K. The advance number for seasonally adjusted insured unemployment (i.e., continued claims) fell 3K to 2,862K in the week ending August 14. The jobless claims report shows that, in the week ending August 7, the total number of people receiving benefits under all programs, including those introduced since the start of the health crisis (i.e., Pandemic Unemployment Assistance and Pandemic Emergency Unemployment Compensation), rose to 12.0 million, an increase of 182K.

**Nominal personal income** rose 1.1% in July, or US\$225.9 billion. As the labour market continued to recover, the wage/salary component of income progressed 1% (US\$98.5 billion). Income derived from government transfers, meanwhile, rose 3.4% (US\$135.6 billion). However the "other" transfer segment fell US\$15.3 billion (17.2%). Extending their down trend, unemployment insurance benefits, for their part, retreated 12.1% to US\$380.5 billion. This is well below the US\$574.2 billion in benefits that were distributed in January. Excluding price changes and taxes, real personal disposable income increased by 0.7% m/m. Nominal **personal spending**, for its part, rose by 0.3% m/m, following an upwardly revised June reading of 1.1% (from 1.0% originally). According to the Bureau of Economic Analysis, the US\$42.2 billion increase in spending reflected a jump of US\$102.6 billion in spending for services and a decrease of US\$60.4 billion in spending for goods. The headline **PCE deflator** rose by 0.4% m/m and 4.2% y/y. Excluding food and energy, the core PCE deflator rose 0.3% m/m and held steady at 3.6% y/y. Excluding price effects, spending in real term edged lower by 0.1% m/m, with real services gaining 0.6%, but goods falling 1.6% m/m.

With financial markets focused on the Fed's taper timeline, **Powell's opening remarks at the Jackson Hole Symposium** confirmed what most members of the FOMC have been signaling over recent weeks. That is, a tapering of the Fed's massive bond-buying should be expected later this year. However, his remarks stopped short of signalling that a taper was locked in or imminent (i.e. September). To us, this is the key quote from Powell's prepared remarks that encapsulates his policy stance: ***"At the FOMC's recent July meeting, I was of the view, as were most participants, that if the economy evolved broadly as anticipated, it could be appropriate to start reducing the pace of asset purchases this year. The intervening month has brought more progress in the form of a strong employment report for July, but also the further spread of the Delta variant. We will be carefully assessing incoming data and the evolving risks. Even after our asset purchases end, our elevated holdings of longer-term securities will continue to support accommodative financial conditions."*** Powell remained dovish on inflation, spending much of the speech breaking down why he views above-target inflation as transitory and, while he's optimistic on the labour market outlook, noted that we still have "substantial slack" remaining. As it stands, our view that we will get an announcement of a planned taper as early as September remains intact, assuming August jobs numbers don't disappoint. That, we believe, will give way to a paring of bond purchases shortly thereafter.

The Bureau of Economic Analysis released its second estimate of **Q2 GDP growth**. Growth was revised up 0.1 percentage point to 6.6%. Upward revisions to non-residential fixed investment, exports, and PCE were partly offset by downward revisions to private inventory investment, residential fixed investment, state and local government spending, and federal government spending. Imports were revised down. The price index for gross domestic purchases was also revised. On a quarter-over-quarter basis, it rose 5.8% in Q2, an uptick of 0.1 percentage point. The PCE price index quarterly increase was adjusted up 0.1 percentage point as well to reach 6.5%. Finally, the core PCE inflation second estimate was left unchanged at 6.1%.

United States: Second estimate of Q2 GDP growth

Revised up 0.1 percentage point to 6.6%

Q/Q annualized variation (%)	Contribution to change in GDP				
	2Q Second	Advance	Difference	2021 Q1	2020 Q4
Real GDP	6.6	6.5	0.1	6.3	4.5
Personal consumption	7.80	7.78	0.02	7.44	2.26
Goods	2.95	2.68	0.27	5.69	-0.07
Durables	0.99	0.87	0.12	3.5	0.1
Nondurables	1.96	1.81	0.15	2.19	-0.17
Services	4.85	5.10	-0.25	1.75	2.34
Gross pvt dom. investment	-0.67	-0.57	-0.10	-0.37	4.01
Fixed investment	0.63	0.57	0.06	2.25	2.92
Nonresidential	1.21	1.06	0.15	1.65	1.57
Residential	-0.58	-0.49	-0.09	0.6	1.34
Change in inventories	-1.30	-1.13	-0.17	-2.62	1.1
Net exports	-0.24	-0.44	0.20	-1.56	-1.65
Exports	0.70	0.64	0.06	-0.3	2.07
Imports	-0.94	-1.09	0.15	-1.26	-3.73
Govt. consumption	-0.33	-0.27	-0.06	0.77	-0.09
Federal	-0.37	-0.36	-0.01	0.78	-0.22
State and local	0.04	0.09	-0.05	-0.01	0.14

NBF Economics and Strategy (data via Bloomberg)

**WORLD** - In August, operating conditions in the Eurozone's private sector continued to show strong momentum. Despite facing supply chain constraints, manufacturing output kept growing at a solid pace (59.2) and the **Markit Manufacturing PMI flash estimate** (61.5) printed above the 60-mark threshold for a sixth month running. The service sector was marginally softer than the prior month's 15-year high of 59.8, edging down 0.1 percentage point to 59.7. Consequently, the headline IHS Markit Eurozone Composite PMI fell less than a point to 59.5 from a 15-year high of 60.2.

Within the Eurozone, Germany continued to lead the expansion. At 60.6, the Flash Germany PMI Composite Output Index remained above 60 for a third straight month. Though the index was down 1.8 points in the month, it was still one of the highest readings in the history of the series going back to 1998. The Germany Service PMI fell 0.3 point to 61.5 from 61.8 in July. This was a lot less than the Manufacturing PMI's 3.2-point decline from 65.9 to 62.7.

In France, growth moderated further from its peak in June. The index came in at 55.9 in August, compared with 57.4 two months earlier. The slowdown reflected weaker rates of expansion in both manufacturing (57.3) and services (56.4).

According to the report, growth in the rest of the Eurozone as a whole was the fastest in 21 years, with both manufacturing and services recording elevated rates of expansion.

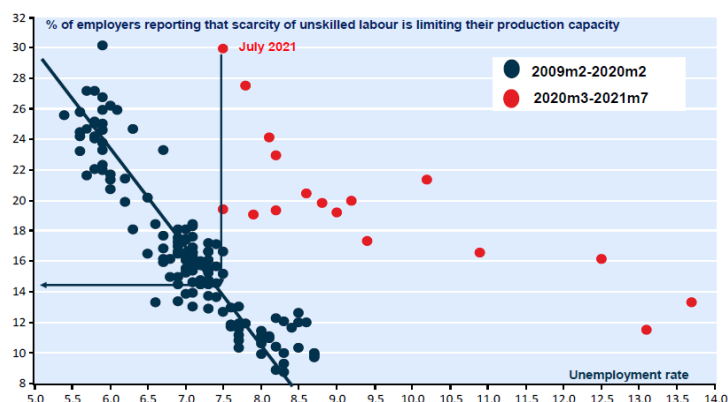
## CANADA WATCH

### Are income support programs holding back the recovery?

One of the issues that keeps coming up in this Federal election campaign is Canada's labour shortage. Since 2009, the Canadian Federation of Independent Business has conducted a monthly survey of its members on this issue. In July, as many as 30% of small businesses reported that a shortage of unskilled labour was an obstacle to their business. This reading is essentially the same level as the record registered in October 2018. At that time, the unemployment rate stood at only 5.9%, well below the 7.5% calculated by Statistics Canada a month ago. As the Hot Chart shows, when the unemployment rate was around the current level in the previous cycle, only 15% of businesses reported that labor shortages were an issue. That's half as many as today. It's true that part of the reason for this anomaly may be some mismatch between the type of jobs offered by companies and the profile of workers on the sidelines. But there is much more than that. In our view, the generosity of income support programs has been a disincentive to return to work. It is abnormal that there is a difficulty in recruiting unskilled labour when it is the low-wage jobs that have not yet been recovered (see report). As government started to decrease the generosity in August and programs are supposed to come to an end by November, businesses should see some improvements in recruiting in the months ahead.

Canada: Are income support programs holding back the recovery?

Unskilled labour scarcity indicator vs. unemployment rate



NBF Economics and Strategy (data via CFIB and Statistics Canada)

## FOREX - September 2021

### Highlights

- A sudden increase in new cases of covid-19 around the world has triggered volatility in currency markets. A more uncertain economic outlook has undermined risk appetite and increased investor interest in the U.S. dollar. At this writing, the broad USD index is already up 3% from its June lows. The Federal Reserve will need to be careful when communicating its intentions on tapering quantitative easing in the coming weeks if it wants to avoid excessive appreciation of the greenback.
- The Canadian dollar has taken a beating in recent weeks, depreciating nearly 10 cents against the U.S. dollar. In addition to concerns about covid-19, some have attributed the loonie's fall to a large negative terms-of-trade shock in the third quarter of 2021, due to the collapse in lumber prices. But other commodities are still up so far in the third quarter, more than offsetting the decline in forest product prices. In addition, the recovery in Canadian employment still suggests above-trend growth for the national economy, with new covid cases remaining relatively low. Nonetheless, the evolution of the pandemic has led us to delay an appreciation of the of the loonie. We expect a rate of C\$1.22 to the USD once the current wave of coronavirus has passed.
- Foreign vacationers (especially Americans) who visited Europe this summer were probably pleased with the state of the exchange rate. Some of the depreciation of the euro follows the trend we have seen in other major currencies. We expect some appreciation of the euro, but we remain cautious about the factors mentioned above that could have a negative impact on the current account and the value of the EUR. [\(full report\)](#)

### NBF Currency Outlook

Currency		Current	Forward Estimates				ppp <sup>(1)</sup>
		August 23, 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	
Canadian Dollar	(USD / CAD)	1.27	1.27	1.24	1.22	1.23	1.21
United States Dollar	(CAD / USD)	0.79	0.79	0.81	0.82	0.81	-
Euro	(EUR / USD)	1.17	1.18	1.19	1.21	1.20	1.42
Japanese Yen	(USD / JPY)	110	109	110	110	111	103
Australian Dollar	(AUD / USD)	0.72	0.73	0.75	0.77	0.76	0.68
Pound Sterling	(GBP / USD)	1.37	1.38	1.39	1.41	1.40	1.43
Chinese Yuan	(USD / CNY)	6.49	6.50	6.48	6.46	6.45	4.2
Mexican Peso	(USD / MXN)	20.4	20.8	20.0	19.0	19.5	9.5
Broad United States Dollar <sup>(3)</sup>		114.3	114.5	112.9	110.8	111.9	-

1) PPP data from OECD, based in Local Currency per USD

2) Current Account Balance data from IMF, as a % of GDP (2020 & 2021 IMF estimates)

3) Federal Reserve Broad Index (26 currencies)

### Canadian Dollar Cross Currencies

Currency		Current	Forward Estimates			
		August 23, 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Euro	(EUR / CAD)	1.49	1.50	1.48	1.48	1.48
Japanese Yen	(CAD / JPY)	87	86	89	90	90
Australian Dollar	(AUD / CAD)	0.91	0.93	0.93	0.94	0.93
Pound Sterling	(GBP / CAD)	1.74	1.75	1.72	1.72	1.72
Chinese Yuan	(CAD / CNY)	5.12	5.12	5.23	5.30	5.24
Mexican Peso	(CAD / MXN)	16.1	16.4	16.1	15.6	15.9

## IN THE NEWS



U.S. and Canadian News



### Monday August 23<sup>rd</sup>, 2021

#### [Pfizer to Acquire Trillium Therapeutics for \\$2.3B](#)

Pfizer has strengthened its oncology pipeline with a deal to acquire the clinical stage immuno-oncology company Trillium Therapeutics for \$2.26 billion.

#### [Bitcoin price rises past \\$50,000 as rebound continues](#)

Bitcoin's price surged past \$50,000 on Monday for the first time since May, continuing its rebound from a months-long slump.

#### [Lyft falls after court says gig worker push is unconstitutional](#)

SShares of Lyft traded lower Monday after a California court ruled that Prop 22, a ballot measure that exempted gig workers from state labor law, was unconstitutional.

#### [Delta variant, supply woes crimp business activity in August -IHS Markit survey](#)

U.S. business activity growth slowed for a third straight month in August as capacity constraints, supply shortages and the rapidly spreading Delta variant of the coronavirus weaken the momentum of the rebound from last year's pandemic-induced recession.

#### [Home sales rose for the second straight month in July, as demand outpaced slightly stronger supply](#)

Sales of existing homes in July rose 2% from June to a seasonally adjusted, annualized rate of 5.99 million units, according to the National Association of Realtors.

### Tuesday August 24<sup>th</sup>, 2021

#### [Scotiabank, BMO kick off Canadian bank results with profit beats](#)

Bank of Nova Scotia (Scotiabank) and Bank of Montreal kicked off Canadian lenders' third-quarter reporting on Tuesday by exceeding profit expectations, driven by lower provisions for credit losses than estimated and as their Canadian banking units improved from a tough quarter a year ago.

#### [U.S. new home sales increase in July](#)

Sales of new U.S. single-family homes increased in July, but housing market momentum is slowing amid surging prices that are being driven by an acute shortage of properties on the market.

#### [Canada July factory sales most likely fell 1.2%](#)

Canadian factory sales most likely fell by 1.2% in July, pulled down by lower sales in the wood product and petroleum and coal product industries, Statistics Canada said in a flash estimate on Tuesday. The estimate was calculated based on a weighted response rate of 69.2%. The average weighted response rate for the survey over the previous 12 months has been 92.5%.

### Wednesday August 25<sup>th</sup>, 2021

#### [Royal Bank of Canada beats quarterly profit expectations](#)

Royal Bank of Canada benefited from a continued strong performance in its capital-markets business. rNet income in the division rose 19 per cent to \$1.13 billion in the fiscal third quarter, helped by record corporate and investment-banking revenue, according to a statement Wednesday. Overall profit topped analysts' estimates

#### [National Bank reports \\$839M third-quarter profit, beats expectations](#)

National Bank of Canada topped expectations as it reported its third-quarter profit rose to \$839 million. The Montreal-based bank says the profit amounted to \$2.36 per diluted share for the quarter ended July 31, up from \$602 million or \$1.66 per diluted share a year ago.

Revenue totalled \$2.3 billion, up from \$2.0 billion in the same quarter last year.

#### [U.S. core capital goods orders flat in July; shipments increase](#)

New orders for key U.S.-made capital goods were steady in July, but an acceleration in shipments suggested business investment in equipment could offset an anticipated slowdown in consumer spending and keep the economy on a solid growth path in the third quarter.

#### [Dick's Sporting Goods shares rise after second-quarter sales surge 21%, retailer raises forecast](#)

Dick's Sporting Goods shares rose Wednesday after the retailer reported sales growth of 21% for the fiscal second quarter and raised its outlook for the year.

### Thursday August 26<sup>th</sup>, 2021

#### [Toronto-Dominion Bank profit beats on loan loss reserve release](#)

Toronto-Dominion Bank reported higher third-quarter profit on Thursday that beat analysts' estimates, as it recovered reserves set aside for loan losses and saw growth in its Canadian and U.S. retail banking divisions.

#### [U.S. second-quarter economic growth revised slightly higher; weekly jobless claims rise](#)

The U.S. economy grew a bit faster than initially thought in the second quarter, lifting the level of gross domestic product above its pre-pandemic peak, as massive fiscal stimulus and vaccinations against COVID-19 boosted spending.

#### [CIBC beats profit expectations](#)

Canadian Imperial Bank of Commerce beat analysts' estimates for quarterly profit on Thursday, as it released reserves set aside for loan losses and saw higher volumes and fees in its Canadian and U.S. banking and wealth management divisions.

### Friday August 27<sup>th</sup>, 2021

#### [Key inflation gauge rises 3.6% from a year ago to tie biggest jump since the early 1990s](#)

n inflation measure that the Federal Reserve uses to set policy rose 3.6% in July from a year ago, meeting Wall Street expectations but also tying the highest level in about 30 years.



## IN THE NEWS



### International News

#### Monday August 23<sup>rd</sup>, 2021

- [Euro zone business boom roared on in August](#)  
Business activity in the euro zone grew strongly again this month, only dipping from July's two-decade high monthly pace, as a rapid vaccination drive against the coronavirus allowed more firms to reopen and customers to venture out, a survey showed.
- [UK growth slows to six-month low as post-lockdown shortages bite](#)  
Britain's post-lockdown economic rebound slowed sharply in August as companies struggled with unprecedented shortages of staff and materials, though strong inflation pressures cooled a bit, a survey showed on Monday.  
[Sainsbury's shares jump 14% on report of possible bids](#)  
Sainsbury's shares surged 14% on Monday after a report that private equity firms could launch bids worth more than 7 billion pounds (\$9.6 billion) for Britain's second biggest supermarket chain.
- [China halts over 40 IPOs amid regulatory probe into law firm, broker](#)  
Chinese bourses have halted more than 40 initial public offerings (IPOs) in Shanghai and Shenzhen amid a regulatory probe into several intermediaries in the deals, according to official exchange disclosures.

#### Tuesday August 24<sup>th</sup>, 2021

- [Delta blow knocks wind out of Asia's economic recovery](#)  
Asia's robust economic recovery from last year's coronavirus low is losing momentum as a surge in COVID-19 cases sees shops empty again and factories close, dimming prospects for corporate profit growth after a blockbuster half year.  
[German consumers, state spending drive Q2 economic recovery](#)  
The German economy grew more than expected in the second quarter as the easing of COVID-19 curbs spurred consumers to dip into record savings piled up during the winter lockdown and the state pressed on with a huge debt-financed stimulus push.
- [UK retail sales surge in August, price pressures up too](#)  
British retailers reported the biggest surge in spending in almost seven years this month and orders hit a new high but stocks fell to the lowest levels on record, putting pressure on prices, industry data showed on Tuesday.
- [Samsung to invest \\$206 bln by 2023 for post-pandemic growth](#)  
Samsung Group will invest 240 trillion won (\$206 billion) in the next three years to expand its footprint in biopharmaceuticals, artificial intelligence, semiconductors and robotics in the post-pandemic era, Samsung Electronics Co Ltd said.

#### Wednesday August 25<sup>th</sup>, 2021

- [BOJ policymaker warns of global impact from chip crunch, Asia factory closures](#)  
A shortage of semiconductor chips may persist for the rest of this year if the coronavirus pandemic keeps Southeast Asian factories shut, a Bank of Japan policymaker said, highlighting supply constraints as among key risks to the global economy..
- [German exports to China fall for first time in nearly a year](#)  
German exports to China declined for the first time in nearly a year in July, easing by 3.9% year-on-year to 8.4 billion euros (\$9.9 billion), the statistics office said on Wednesday.  
[German business morale falls on rising COVID cases, bottlenecks](#)  
German business morale fell for the second month running in August, as supply bottlenecks and rising COVID-19 cases drove companies to take a dimmer view of the coming months in Europe's largest economy, a survey showed on Wednesday.

#### Thursday August 26<sup>th</sup>, 2021

- [German consumer morale drops heading into September](#)  
The mood among German consumers darkened heading into September as accelerating inflation and rising COVID-19 cases made them more hesitant to buy, a survey showed on Thursday.
- [China says maintaining 'normal communication' with U.S. on trade](#)  
China is maintaining "normal communication" with the United States on trade, the Chinese government said on Thursday, one of the few areas the world's two largest economies have refrained from confronting each other over this year.
- [China urges financial support for retail, catering, trading firms](#)  
Financial institutions in China including banks and insurers should do more to help struggling offline retail, accommodation, catering and trading firms in the wake of recent domestic coronavirus outbreaks, the commerce ministry said on Thursday.
- [S.Korea lifts interest rates from record low as debt threats grow](#)  
The Bank of Korea raised its policy rate for the first time in almost three years on Thursday, becoming the first major Asian central bank to shift away from pandemic-era monetary settings as ballooning consumer debt created new threats for the economy.

#### Friday August 27<sup>th</sup>, 2021

- [French consumer confidence holding up despite COVID curbs](#)  
French consumers were only marginally less confident about their economic prospects in August despite a surge in coronavirus cases and new rules requiring a health pass to enter many retail outlets, a monthly survey showed on Friday.

## WEEKLY PERFORMERS – S&P/TSX

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Trillium Therapeutics Inc	\$21.85	\$14.04	179.77%
Nuvei Corp	\$161.29	\$27.50	20.55%
Nexgen Energy Ltd	\$5.57	\$0.80	16.77%
Crescent Point Energy Corp	\$4.50	\$0.63	16.28%
Enerplus Corp	\$7.36	\$1.01	15.91%
Methanex Corp	\$45.25	\$5.99	15.26%
Capstone Mining Corp	\$5.54	\$0.73	15.18%
BlackBerry Ltd	\$14.23	\$1.87	15.13%
Stelco Holdings Inc	\$49.52	\$6.19	14.29%
Teck Resources Ltd	\$28.82	\$3.58	14.18%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Real Matters Inc	\$11.83	-\$0.65	-5.21%
Dollarama Inc	\$57.81	-\$2.89	-4.76%
Boyd Group Services Inc	\$244.78	-\$9.00	-3.55%
Toronto-Dominion Bank	\$83.30	-\$2.83	-3.29%
FirstService Corp	\$233.08	-\$7.20	-3.00%
Toromont Industries Ltd	\$105.75	-\$3.10	-2.85%
CGI Inc	\$110.33	-\$2.94	-2.60%
North West Company Inc	\$35.97	-\$0.86	-2.34%
Intact Financial Corp	\$173.30	-\$3.87	-2.18%
TransAlta Renewables Inc	\$19.87	-\$0.44	-2.17%

Source: Refinitiv

## WEEKLY PERFORMERS – S&P500

S&P500: LEADERS	LAST	CHANGE	%CHG
Penn National Gaming Inc	\$83.56	\$15.91	23.52%
Caesars Entertainment Inc	\$104.24	\$18.60	21.72%
Devon Energy Corp	\$30.36	\$4.66	18.13%
Las Vegas Sands Corp	\$43.91	\$6.36	16.94%
Occidental Petroleum Corp	\$25.66	\$3.71	16.90%
APA Corp (US)	\$18.74	\$2.67	16.61%
Wynn Resorts Ltd	\$101.05	\$12.75	14.44%
Baker Hughes Co	\$23.07	\$2.64	12.92%
Halliburton Co	\$20.55	\$2.34	12.85%
MGM Resorts International	\$43.32	\$4.92	12.81%

S&P500: LAGGARDS	LAST	CHANGE	%CHG
Dollar Tree Inc	\$90.89	-\$11.78	-11.47%
Gap Inc	\$26.51	-\$1.76	-6.23%
J M Smucker Co	\$123.57	-\$7.71	-5.87%
Autozone Inc	\$1,548.49	-\$92.27	-5.62%
Autodesk Inc	\$315.64	-\$18.74	-5.60%
Illumina Inc	\$464.58	-\$22.13	-4.55%
Kellogg Co	\$63.28	-\$2.88	-4.35%
Pfizer Inc	\$46.60	-\$2.12	-4.35%
Campbell Soup Co	\$41.40	-\$1.88	-4.34%
General Mills Inc	\$57.73	-\$2.57	-4.26%

Source: Refinitiv

## NBF RATINGS & TARGET PRICE CHANGES

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
Aya Gold & Silver Inc.	AYA	<b>Restricted</b>		<b>Restricted</b>	
Bank of Montreal	BMO	Outperform	Outperform	<b>C\$149.00</b>	<b>C\$139.00</b>
Bank of Nova Scotia	BNS	Sector Perform	Sector Perform	<b>C\$86.00</b>	<b>C\$84.00</b>
Barrick Gold Corporation	ABX	Outperform	Outperform	<b>C\$37.00</b>	<b>C\$38.00</b>
Bird Construction Inc.	BDT	<b>Outperform</b>	<b>Sector Perform</b>	<b>C\$11.50</b>	<b>C\$10.00</b>
Canadian Imperial Bank of Commerce	CM	Outperform	Outperform	<b>C\$168.00</b>	<b>C\$159.00</b>
Chartwell Retirement Residences	CSH.un	<b>Outperform</b>	<b>Restricted</b>	<b>C\$15.00</b>	<b>Restricted</b>
Pivotree Inc.	PVT	Outperform	Outperform	<b>C\$9.00</b>	<b>C\$13.00</b>
Royal Bank of Cda	RY	Outperform	Outperform	<b>C\$144.00</b>	<b>C\$140.00</b>
Sabina Gold & Silver Corp.	SBB	Outperform	Outperform	<b>C\$3.00</b>	<b>C\$3.50</b>
Surge Energy Inc.	SGY	Sector Perform	Sector Perform	<b>C\$8.50</b>	<b>C\$1.00</b>
Toronto-Dominion Bank	TD	Sector Perform	Sector Perform	<b>C\$89.00</b>	<b>C\$91.00</b>

## STRATEGIC LIST - WEEKLY UPDATE

(August 23<sup>rd</sup> – August 27<sup>th</sup>)

**No Changes this Week:**

**Comments:**

**Financials (Market Weight)**

### Canadian Banks and LifeCos

**NBF:** On August 25<sup>th</sup> Prime Minister (and Liberal Leader) Justin Trudeau announced a proposed surtax on banks and insurance companies during a campaign stop. The proposal is outlined [HERE](#) and entails a 3% surtax on all earnings over \$1 bln. Combined with a proposed “Canada Recovery Dividend”, the Liberals expect to collect \$2.5 bln per year over the next four years, beginning in 2022/2023. For perspective, NBF has applied the surtax to annualized 2021 results and determined that the average bank’s 2021 earnings would have been 2% lower, whereas NBF estimates a negligible impact on the lifecos. A key assumption to NBF’s analysis is that it has applied the surtax to Canadian-sourced pre-tax earnings. NBF notes that the cumulative (and theoretical) increase to taxes paid by these companies amounts to \$1.3 bln. Assuming the 3% surtax is applied to total bank pre-tax profits, the estimated increase to taxes paid would be \$2.5 bln, which wouldn’t leave room for the Canada Recovery Dividend. As mentioned above, the Liberals are also proposing a “Canada Recovery Dividend” to be paid by large banks and insurers. The Liberal party press release indicates that the amount of dividends paid by “applicable institutions” will be determined in consultation with the Superintendent of Financial Institutions, and once determined, be paid out over a four-year period. Once again, NBF believes the banks could be most impacted as their excess capital positions have expanded by tens of billions over the past two years. In contrast, lifecos’ LICAT ratios have not only declined during the pandemic, the determination of capital that is both excess and deployable is not a straightforward process. This part of the Liberal proposal is the most confusing, as it equates to a special dividend paid to the Federal Government out of shareholders’ equity. If NBF’s estimated increase in taxes calculated above is correct, that special dividend could amount to over \$1 bln per annum over the next four years.

### Bank of Montreal (BMO)

**NBF:** BMO reported Q3/21 adjusted EPS of \$3.44 vs. NBF \$2.81 and consensus \$2.93. The beat was driven by higher net revenues (+42c) with about half coming from securities gains and the other half from core revenue outperformance. PCLs also contributed 19c to EPS outperformance. The Canadian P&C business generated a second consecutive quarter of double digit PTPP growth, while the U.S. delivered a third (in USD). Operating leverage was approximately 5% in each segment. In terms of volume growth, Canada outperformed. Mortgages continue to grow (i.e., up 3% Q/Q), as do commercial loans (i.e., up 2% Q/Q), with credit card balances generating a surprise rebound (i.e., up 4% Q/Q). In the U.S., growth was pretty flat, though excluding Paycheck Protection Program Loans, balances were up 3% Q/Q. In both regions, the bank anticipates mid-single digit growth, though NBF doesn’t expect much change in the loan mix until mid-late 2022. BMO achieved a record efficiency ratio of 55.7% this quarter (56.2% YTD), surpassing the 58% target it aimed to achieve by 2021. This quarter, the bank’s NIX ratio benefited from heady 10% revenue growth (7% excl. elevated securities gains) that allowed for 8% expense growth. NBF notes that expenses excluding variable compensation were up 3% Y/Y, indicative of a resumption of internal investment that NBF believes is important as the banking environment continues to accelerate. BMO’s 2022E payout ratio is well below its 40-50% target range. Once permitted by OSFI, BMO indicated that it will probably aim to get back within its target range “fairly quickly”. The midpoint of the range implies ~38% dividend upside. NBF increased its estimates to reflect lower PCLs and higher net revenues. As a result, NBF’s target price goes to \$149.00 from \$139.00, and is derived by applying a 11.5x multiple to NBF 2022E EPS.

### Royal Bank of Canada (RY)

**NBF:** RY reported Q3/21 core cash EPS of \$3.00 vs. NBF estimate of \$2.77 and consensus estimate of \$2.71. The beat was the result of lower PCLs (+\$0.26) offset by lower net revenues (-\$0.02). Canadian banking, RY’s largest segment, had an excellent quarter, generating 52% of Q3/21 PTPP. Growth of this metric reached double-digits (i.e., 13%), underpinned by 6% operating leverage. Management stated that the segment should exceed its 1-2% operating leverage target over the next 4-5 quarters. Separately, the bank’s revenue growth of 8% Y/Y could be sustainable over the next several quarters, as the bank generates strong volume growth and advances cross-selling efforts. On the latter point, management indicated that 25% of net client inflows into the retail bank are going into mutual funds. For the second consecutive quarter, RY reported net credit reversals. While NBF had forecasted such an outcome, the actual reversal figure of \$540 mln was much greater than anticipated. NBF notes that YTD performing provision reversals of \$995 mln represent 40% of total additions

## *The Week at a Glance*

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to the performing ACL that took place during peak COVID (i.e., Q2/20-Q4/20). This ratio is second only to BNS (53%), of the four banks that have reported Q3/21 results. Nonetheless, RY indicated that sufficient provision reversal capacity remained to potentially yield a total PCL ratio below historical levels throughout 2022. Excluding variable compensation, Q3/21 expenses were down 1% Y/Y, the fourth consecutive quarter around that mark. RY indicated that it has many initiatives aimed at controlling expenses and that while costs will likely increase from the current run-rate, growth will likely be in the low-single digits. NBF increased its 2022E primarily to reflect lower PCLs. NBF's target price goes to \$144.00 from \$140.00 and is derived using a 12x multiple on NBF 2022E EPS.

## NBF STRATEGIC LIST

Company	Symbol	Addition Date	Addition Price	Last Price	Yield (%)	Beta	% SPTSX	NBF Sector Weight	NOTES*	
<b>Communication Services</b>								<b>4.9</b>	<b>Market Weight</b>	
Quebecor Inc.	QBRb.TO	29-Nov-18	\$ 28.70	\$ 31.52	3.5	0.5				
Rogers Communications Inc.	RCIb.TO	13-Feb-20	\$ 65.84	\$ 64.01	3.1	0.5				
<b>Consumer Discretionary</b>								<b>3.8</b>	<b>Market Weight</b>	
Dollarama Inc.	DOL.TO	19-Mar-20	\$ 38.96	\$ 57.81	0.3	0.6				
Gildan Activewear Inc.	GIL.TO	20-May-21	\$ 42.72	\$ 48.76	1.6	1.9				
<b>Consumer Staples</b>								<b>3.6</b>	<b>Market Weight</b>	
Alimentation Couche-Tard Inc.	ATDb.TO	26-Jan-17	\$ 30.09	\$ 51.21	0.7	0.7				
Loblaw Companies Ltd.	L.TO	25-Mar-21	\$ 68.50	\$ 88.12	1.6	0.3				
<b>Energy</b>								<b>13.1</b>	<b>Overweight</b>	
Cenovus Energy Inc.	CVE.TO	16-Jan-20	\$ 12.26	\$ 10.53	0.7	2.5				
Enbridge Inc.	ENB.TO	21-Jan-15	\$ 59.87	\$ 49.74	6.8	0.9				
Tourmaline Oil Corp.	TOU.TO	13-Aug-20	\$ 16.68	\$ 34.09	2.0	1.4				
<b>Financials</b>								<b>31.3</b>	<b>Market Weight</b>	
Bank of Montreal	BMO.TO	25-Mar-21	\$ 112.23	\$ 126.94	3.3	1.1				
Element Fleet Management Corp	EFN.TO	02-Apr-20	\$ 8.58	\$ 13.87	1.9	1.2				
Fairfax Financial Holdings Ltd.	FFH.TO	20-Dec-18	\$ 585.81	\$ 563.63	2.3	0.9				
Intact Financial Corp.	IFC.TO	11-Jun-20	\$ 130.04	\$ 173.30	1.9	0.8				
Royal Bank of Canada	RY.TO	19-Jun-13	\$ 60.69	\$ 132.28	3.3	0.9				
Sun Life Financial	SLF.TO	10-Dec-20	\$ 57.07	\$ 65.69	3.4	1.4				
<b>Health Care</b>								<b>1.3</b>	<b>Market Weight</b>	
<b>Industrials</b>								<b>11.4</b>	<b>Market Weight</b>	
Cargojet Inc.	CJT.TO	12-Aug-21	\$ 187.63	\$ 207.65	0.5	0.7				
Lifeworks Inc.	LWRK.TO	26-Sep-19	\$ 32.72	\$ 35.36	2.2	0.7				
Toromont Industries Ltd	TIH.TO	05-Dec-19	\$ 67.24	\$ 105.75	1.3	0.8				
<b>Information Technology</b>								<b>11.2</b>	<b>Underweight</b>	
Kinaxis Inc.	KXS.TO	19-Mar-20	\$ 100.05	\$ 199.63	0.0	0.7				
Open Text Corp.	OTEX.TO	26-Oct-16	\$ 41.61	\$ 68.73	1.6	0.9				
<b>Materials</b>								<b>11.7</b>	<b>Overweight</b>	
Agnico Eagle Resources Ltd.	AEM.TO	17-Dec-14	\$ 27.00	\$ 73.92	2.4	0.5				
SSR Mining Inc.	SSRM.TO	30-Jan-20	\$ 23.81	\$ 20.95	1.2	0.6				
Teck Resources Ltd.	TECKb.TO	01-Nov-17	\$ 27.15	\$ 28.82	0.7	1.2				
<b>REITs</b>								<b>3.2</b>	<b>Underweight</b>	
Canadian Apartment Properties REIT	CAR_u.TO	10-Dec-20	\$ 49.82	\$ 61.31	2.4	0.7				
RioCan REIT	REI_u.TO	23-Aug-18	\$ 19.95	\$ 22.51	4.3	1.2				
<b>Utilities</b>								<b>4.5</b>	<b>Underweight</b>	
Capital Power Corp.	CPX.TO	22-Aug-19	\$ 30.90	\$ 43.51	5.0	1.2				
Innergex Renewable Energy Inc.	INE.TO	22-Aug-19	\$ 15.00	\$ 19.97	3.6	0.8			<b>R</b>	

Source: Refinitiv (Priced August 27, 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

NBCFM

THEMATIC  
RESEARCH

## NATIONAL BANK'S DIVIDEND ALL-STARS H2 2021 UPDATE

National Bank analysts collectively cover ~305 TSX-listed equities, of which more than half offer investors income in the form of dividends or distributions. We put together a portfolio that contains 21 of NBF's favourite yield ideas, the group spanning a variety of industries, sizes, and liquidity, but sharing three investment criteria:

1. Dividend/distribution yield of approximately 4% or greater;
2. Low risk of the current payout proving unsustainable / dividends ideally growing;
3. Generally positive bias regarding the prospects of the company and/or share price

### Takeaways

- [NBF's Dividend All-Stars portfolio for 2021](#) (initially published on February 16) returned income of 3% and realized an average price return of 21% for a total return of 24% versus the S&P/TSX Composite's 12% over the same period (2% income & 10% price for the index).
- There are eight additions and four subtractions to the portfolio with Alaris Equity Partners, Allied Properties REIT, Canadian Imperial Bank of Commerce (CIBC), Dexterra Group, Dream Industrial REIT, IGM Financial, Lundin Mining and Topaz Energy added; while BSR REIT, Royal Bank of Canada, Summit Industrial REIT, and WPT Industrial were removed.
- The average yield of All-Star equities is elevated at 5.2% and payout easily funded for each with most having the capacity to grow dividends/distributions. The average payout ratio of the portfolio is 61% and the average payout measure (AFFO, FCF, etc.) yield is ~10%.
- For investors seeking stable, predictable, elevated income the following portfolio reflects NBF's favourite ideas for the remainder of 2021.

NBF DIVIDEND ALL-STARS H2 2021 PORTFOLIO					
Equity	Ticker	Share/Unit Price	Dividend / Distribution	Yield	Analyst
Alaris Equity Partners	AD.UN	\$17.54	\$1.32	7.5%	Evershed
Allied Properties REIT	AP.UN	\$42.55	\$1.70	4.0%	Kornack
AltaGas	ALA	\$25.45	\$1.00	3.9%	Kenny
BCE	BCE	\$65.11	\$3.50	5.4%	Shine
Capital Power	CPX	\$42.74	\$2.19	5.1%	Kenny
Choice Properties REIT	CHP.UN	\$15.04	\$0.74	4.9%	Woolley
CIBC	CM	\$147.61	\$5.84	4.0%	Dechaine
Crombie REIT	CRR.UN	\$18.24	\$0.89	4.9%	Woolley
CT REIT	CRT.UN	\$17.65	\$0.84	4.8%	Woolley
Dexterra Group	DXT	\$7.00	\$0.35	5.0%	Evershed
Dream Industrial REIT	DIR.UN	\$16.61	\$0.70	4.2%	Kornack
Enbridge	ENB	\$48.55	\$3.34	6.9%	Kenny
Exchange Income	EIF	\$42.80	\$2.28	5.3%	Doerksen
IGM Financial	IGM	\$45.46	\$2.25	5.0%	Gloyn
Keyera Corp.	KEY	\$29.48	\$1.92	6.5%	Kenny
KP Tissue	KPT	\$10.25	\$0.72	7.0%	Evershed
Lundin Mining	LUN	\$9.69	\$0.56	5.8%	Nagle
Mullen Group	MTL	\$12.90	\$0.48	3.7%	Robertson
TC Energy	TRP	\$58.75	\$3.48	5.9%	Kenny
Topaz Energy	TPZ	\$15.15	\$0.84	5.5%	Payne
Transcontinental	TCLA	\$24.50	\$0.90	3.7%	Shine
<b>Average</b>				<b>5.2%</b>	

Source: NBF, Bloomberg | Priced as of August 20, 2021

[Click here for the complete report](#)



# THE ECONOMIC CALENDAR

(August 30<sup>th</sup> – September 3<sup>rd</sup>)

## U.S. INDICATORS

Date	Time	Indicator Name	Period	Prior	Consensus	Unit
30-Aug	10:00	Pending Homes Index	Jul	112.8		Index
30-Aug	10:00	Pending Sales Change MM	Jul	-1.9%		Percent
31-Aug	09:00	Monthly Home Price MM	Jun	1.7%		Percent
31-Aug	09:00	Monthly Home Price YY	Jun	18.0%		Percent
31-Aug	09:00	Monthly Home Price Index	Jun	337.4		Index
31-Aug	09:00	CaseShiller 20 MM SA	Jun	1.8%	1.7%	Percent
31-Aug	09:00	CaseShiller 20 MM NSA	Jun	2.1%		Percent
31-Aug	09:00	CaseShiller 20 YY	Jun	17.0%	18.0%	Percent
31-Aug	10:00	Consumer Confidence	Aug	129.1	123.5	Index
01-Sep	08:15	ADP National Employment	Aug	330k	500k	Person
01-Sep	09:45	Markit Mfg PMI Final	Aug	61.2		Index
01-Sep	10:00	Construction Spending MM	Jul	0.1%		Percent
01-Sep	10:00	ISM Manufacturing PMI	Aug	59.5	58.6	Index
01-Sep	10:00	ISM Mfg Prices Paid	Aug	85.7		Index
01-Sep	10:00	ISM Manuf Employment Idx	Aug	52.9		Index
01-Sep	10:00	ISM Manuf New Orders Idx	Aug	64.9		Index
02-Sep	07:30	Challenger Layoffs	Aug	18.942k		Person
02-Sep	08:30	International Trade \$	Jul	-75.7B	-75.1B	USD
02-Sep	08:30	Goods Trade Balance (R)	Jul	-86.38B		USD
02-Sep	08:30	Initial Jobless Clm	23 Aug, w/e	353k		Person
02-Sep	08:30	Jobless Clm 4Wk Avg	23 Aug, w/e	366.50k		Person
02-Sep	08:30	Cont Jobless Clm	16 Aug, w/e	2.862M		Person
02-Sep	08:30	Labor Costs Revised	Q2	1.0%	1.0%	Percent
02-Sep	08:30	Productivity Revised	Q2	2.3%	2.4%	Percent
02-Sep	10:00	Durable Goods, R MM	Jul	-0.1%		Percent
02-Sep	10:00	Factory Orders MM	Jul	1.5%		Percent
02-Sep	10:00	Durables Ex-Transpt R MM	Jul	0.7%		Percent
02-Sep	10:00	Factory Ex-Transp MM	Jul	1.4%		Percent
03-Sep	08:30	Non-Farm Payrolls	Aug	943k	665k	Person
03-Sep	08:30	Private Payrolls	Aug	703k	700k	Person
03-Sep	08:30	Manufacturing Payrolls	Aug	27k		Person
03-Sep	08:30	Government Payrolls	Aug	240k		Person
03-Sep	08:30	Unemployment Rate	Aug	5.4%	5.2%	Percent
03-Sep	08:30	Average Earnings MM	Aug	0.4%	0.4%	Percent
03-Sep	08:30	Average Earnings YY	Aug	4.0%	4.0%	Percent
03-Sep	09:45	Markit Comp Final PMI	Aug	55.4		Index
03-Sep	09:45	Markit Svcs PMI Final	Aug	55.2		Index
03-Sep	10:00	ISM N-Mfg PMI	Aug	64.1	61.3	Index
03-Sep	10:00	ISM N-Mfg Bus Act	Aug	67.0		Index
03-Sep	10:00	ISM N-Mfg Employment Idx	Aug	53.8		Index
03-Sep	10:00	ISM N-Mfg New Orders Idx	Aug	63.7		Index
03-Sep	10:00	ISM N-Mfg Price Paid Idx	Aug	82.3		Index

## CANADIAN INDICATORS

Date	Time	Indicator Name	Period	Prior	Consensus	Unit
30-Aug	08:30	Current Account C\$	Q2	1.18B		CAD
31-Aug	08:30	GDP QQ	Q2	1.4%		Percent
31-Aug	08:30	GDP QQ Annualized	Q2	5.6%		Percent
31-Aug	08:30	GDP YY	Q2	0.33%		Percent
31-Aug	08:30	GDP MM	Jun	-0.3%		Percent
01-Sep	09:30	Markit Mfg PMI SA	Aug	56.2		Index
02-Sep	08:30	Building Permits MM.	Jul	6.9%		Percent
02-Sep	08:30	Trade Balance C\$	Jul	3.23B		CAD
02-Sep	08:30	Exports C\$	Jul	53.76B		CAD
02-Sep	08:30	Imports C\$	Jul	50.53B		CAD
03-Sep	08:15	Reserve Assets Total	Aug	90,199M		USD
03-Sep	08:30	Labor Productivity Rate	Q2	-1.7%		Percent

Source : Refinitiv

## S&P500 INDEX QUARTERLY EARNINGS CALENDAR

### Monday August 30<sup>th</sup>, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Catalent Inc	CTLT	BMO	1.031

### Tuesday August 31<sup>st</sup>, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
PVH Corp	PVH	AMC	1.199

### Wednesday August 1<sup>st</sup>, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Campbell Soup Co	CPB	BMO	0.471
Brown-Forman Corp	BF/B	BMO	0.397

### Thursday August 2<sup>nd</sup>, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Copart Inc	CPRT		0.908
Hormel Foods Corp	HRL	BMO	0.397
Cooper Cos Inc/The	COO	AMC	3.278
Broadcom Inc	AVGO	AMC	6.849
Hewlett Packard Enterprise Co	HPE	AMC	0.422

### Friday August 3<sup>rd</sup>, 2021

None

Source: Refinitiv, NBF Research

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

## S&P/TSX QUARTERLY EARNINGS CALENDAR

### Monday August 30<sup>th</sup>, 2021

None

### Tuesday August 31<sup>st</sup>, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Alimentation Couche-Tard Inc	ATD/B	AMC	0.651

### Wednesday September 1<sup>st</sup>, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Laurentian Bank of Canada	LB	BMO	1.083

### Thursday September 2<sup>nd</sup>, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
BRP Inc	DOO	BMO	1.351

### Friday September 3<sup>rd</sup>, 2021

None

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