

Building your financial future

Cordeau Lemay

Wealth Advisory

May 31th, 2021



Earnings-Season Takeaways

The TSX marched towards a new record, just shy of the 20,000-point mark, while the S&P 500 eked out a small gain in May as inflation fears partially subsided. With Canadian bank earnings in full swing and no narrative-changing developments, it is a good opportunity to conduct a gauge check on the health of the corporate sector.

With the vast majority of the companies having already reported results, first-quarter earnings are set to more than double from a year ago for the TSX and rise by 50% for the S&P 500, the fastest pace since 2010. (1)

Not only have a larger share of companies topped projections (86% vs 74% historically), but actual results have also exceeded analyst estimates by a record 23% in the U.S. As a result, analysts have continued to revise their numbers higher.

The earnings story continues to be a positive one, with economic strength and improvements in profitability both driving numbers higher. This strong cyclical rebound in earnings will provide additional fuel for the bull market to extend its longevity, in our view.

1. Source Factset

Have a great week

Philippe

Trading Information

CL Disciplined Growth

Symbol:	NBN 1550
Fund Launch Date:	01/15/2021
Portfolio Manager:	Philippe Cordeau
Distribution Frequency:	Quarterly
Number of Holdings:	71
Dividend Yield	1,98%

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