



WEEKEND READING

Shedding the light on what's happening - our world - our finances - our times

If Patience Is a Virtue, How Much Does it Take?

The short answer is 3-5 years. Experience says if your money can't wait 3-5 years, return of is more important than return on the money. Don't put it at risk, but don't complain about losing purchasing power after taxes and inflation as is the case today. Where do we get this 3 to 5-year idea?

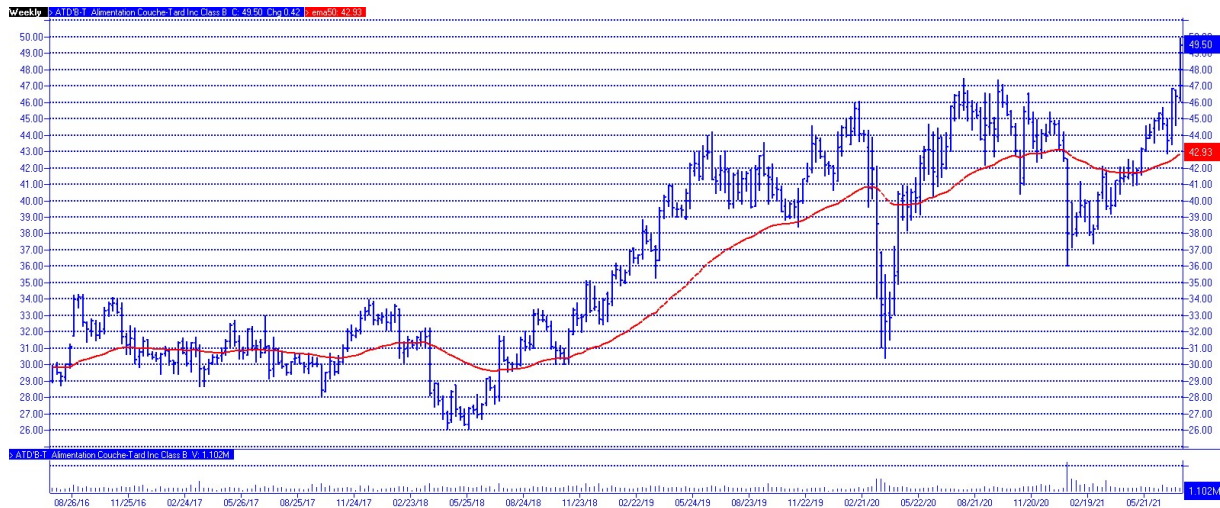
When Should You Invest | Don't Miss Out On Higher Earnings



Watch Anna's latest video here

<https://www.youtube.com/watch?v=msi56BM3RDs>

Alimentation Couche-Tard (ATD.B-TSX-\$49.52) Weekly – July/2016-Jul/2021



Couche-Tard closed July 2016 at \$29.51. Calendar year 2016 saw per share revenues of \$45.68, earnings of \$1.45 and 17 cents per share dividends. In 2021 it looks like they will generate \$63.85 revenues, earnings of \$3.80 and dividends at \$0.39 per share. 2016-2021 revenues are up +40%, earnings +2.6X and the dividend is up 2.3X. The stock price hit a new all-time high on Friday of \$49.96 (couldn't break \$50) +70% from 2016. Easy-peazy right? Just buy and hold on.

Well...the chart shows two years of doldrums from the lower left in July/2016 through to July/2018. We then see a surge to April/2019 followed by another year and a half of range bound \$40-\$45 pricing extending to Nov/2020. Even great companies can play hurry up and wait for lengthy periods of time, trying investor's patience. This explains our 3 to 5-year window. I'll add that ATD's dividend income went up each year. Getting paid to wait aids patience. Keeping a stable of horses vs. betting it all on *Flash* or *Blaze* smooths the results, increases the chance of winning sooner and most importantly increases the chances of keeping those winnings.

This approach is completely at odds with day trading, meme stock/Robin Hood, etc. attributed to age 20-something millennial investors. I won't be surprised to learn a few age 70-something Boomers are in on that action too. I welcome the entrance of a new crop of investors. After they've been taken to school by the markets, they'll understand our value and make excellent clients. Trust me, I've got plenty of scars.

NBF explains the recent enthusiasm for Couch-Tard's shares with a new target price of \$53.00. We have a 3 to 5-year target range of \$90 to \$125. Dividends could come in at \$0.70 per share +80% from today. Patience is a virtue indeed! None of this guaranteed.

<https://nbf.bluematrix.com/sellside/EmailDocViewer?encrypt=b880e006-b263-46a2-83f5-37e3ab512f94&mime=pdf&co=nbf&id=steven.hilberry@nbc.ca&source=mail>

DISCLOSURE: I hold Alimentation Couche-Tard personally, hold it for family members and for client portfolios over which I have trading authority. We have traded in the security within the past 60 days.

‘Neighborly Pharmacy - A growth story that's anything but generic’ – NBF July 15, 2021

NBF’s Food & Staples analyst Zachary Evershed initiates coverage of Canadian based **Neighborly Pharmacy (NBLY-TSX)** with the stock at \$27.95 and a \$32 target price. His comments note the May/2021 IPO at \$17.00 (which NBF underwrote/promoted). From a first day close of \$20.50 NBLY hit \$31.00, July 8, 2021. With no dividend and a high P/E, NBLY doesn’t fit our risk profiles. We have clients who like these kinds of stories.

<https://nbf.bluematrix.com/sellside/EmailDocViewer?encrypt=ee7bc2e8-1d56-4420-9ee9-30d7ed29b4a6&mime=pdf&co=nbf&id=steven.hilberry@nbc.ca&source=mail>

DISCLOSURE: I do not hold the stock personally, for family or for clients. We have not traded in the security.

Monday July 12, 2021: Extract from NBC’s Energy & FOREX Notes

- *Something that caught our eye outside of the normal scope of what we typically cover was that a company named Stellantis hosted an “EV Day” last week and we took a look through their presentation ([here](#)). The company does a lot of things, from making cars (including several brands under its broader umbrella) to manufacturing light commercial vehicles as well as components and things that go into cars, including batteries. What we took away from this is **an increasingly robust theme that even the seventh largest automaker globally has made battery designs that range between 300 to 500 miles (or 480 to 800 kms)**. As well, the plan includes the introduction of a hydrogen-electric commercial van by the end of 2021, and a solid state battery version by 2026. Now, the EV industry leader Tesla is already in that range, and this is only the 7th largest automaker (although they say they’re “head of the race” in terms energy density and cost), so this development on its own is pretty immaterial over the next few years, but it shows that **the EV industry is gearing up to replace ICE as soon as possible and poses a risk to longer-term crude demand**. Things like economics/cost as well as new demand for any kind of vehicle will continue to increase from emerging markets, not to mention that there’s ~6-7 million new cars sold globally every month with only 400-500k of these EVs right now (but is expected to grow), so this ICE/EV battle will definitely persist for a long while. For some light reading on the subject see Motor Mouth’s Friday article.*

<https://driving.ca/column/motor-mouth/motor-mouth-jeep-ram-and-dodge-go-green>

Stellantis Presentation link full text:

https://www.stellantis.com/content/dam/stellantis-corporate/investors/events/stellantis-ev-day-2021/ev_day_2021_presentation_slides.pdf

Motor Mouth Article link full text:

<https://driving.ca/column/motor-mouth/motor-mouth-jeep-ram-and-dodge-go-green>

Staying with batteries...

Lithium Americas Corp. - Lithium Americas Acquires Stake in Arena Minerals (NBCFM Research Flash)

<https://nbf.bluematrix.com/sellside/EmailDocViewer?encrypt=4b0459eb-4f6c-43ff-9779-8986e843e7ee&mime=pdf&co=nbf&id=steven.hilberry@nbc.ca&source=mail>

Wild Brain Ltd. (WILD-TSX \$2.53) – NBF OutPerform Rating

We couldn't resist the title. Wild Brain Ltd., formerly DHX Media Ltd, is a Canada-based creator, producer, distributor, licensor and broadcaster of kids and family television and film productions. With no dividend, microcap and short-term history WILD doesn't fit our risk parameters. The name alone sounds fun. Mind you 'Fun' is not a reason to risk hard-earned capital!

<https://nbf.bluematrix.com/sellside/EmailDocViewer?encrypt=07385b7a-63d3-411d-b1e5-3e0d4da71901&mime=pdf&co=nbf&id=steven.hilberry@nbc.ca&source=mail>

Speaking of Wild...

'Shopify – Tough Compares? Maybe not.' – NBF update July 15, 2021

NBF Increases their target from \$1,650 \$USD to a nice round \$2,000 \$USD.

<https://nbf.bluematrix.com/sellside/EmailDocViewer?encrypt=be04faa8-6dbd-4e88-83ad-4ec8e964f31c&mime=pdf&co=nbf&id=steven.hilberry@nbc.ca&source=mail>

'Stock Picking is Dead' – Bill Smead July 15, 2021

Value manager Bill Smead defends his (and our) approach to owning stocks

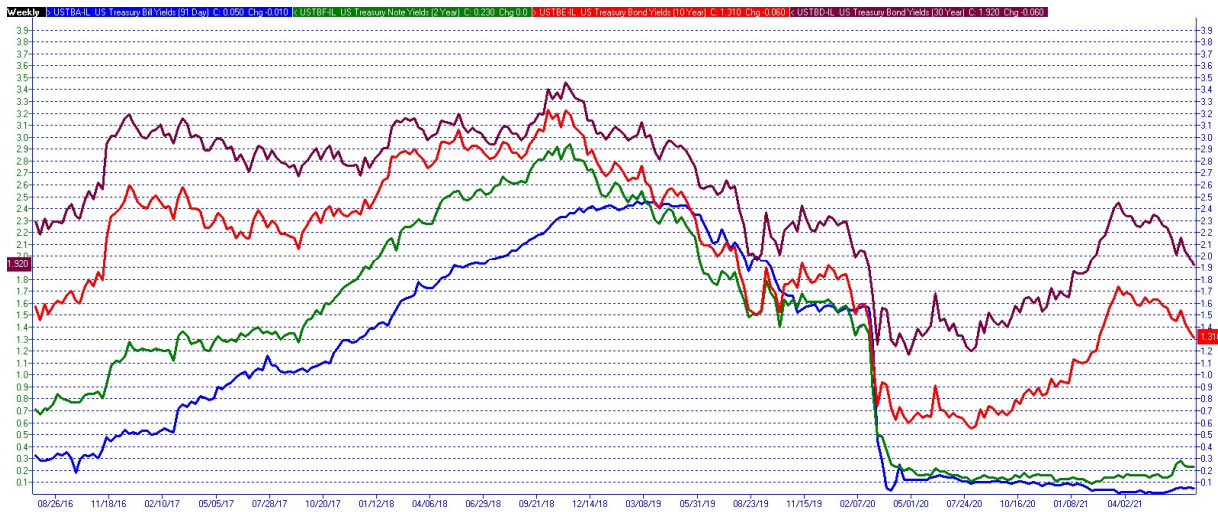
<https://advisoranalyst.com/2021/07/15/stock-picking-is-dead.html/>

NBF Monthly Fixed Income Monitor – July/August 2021

Where are interest rates headed? National Bank thinks up.

"... we think we'll be on track to see rates move higher and the curve modestly re-steepen when taper talks increasingly come into focus later this summer. We think the US economy is on solid enough footing that it can continue to prosper even with a less accommodative central bank. While it's always scary taking the opposite view of the prescient bond market, we've got conviction that: (a) there are legs to this recovery and (b) that inflation will in fact be more persistent than some foresee, which should entail an increasing inflation premium built back into the nominal rates curve."

Note the 10-year maturity (red) and 30 year maturity (burgundy) lines below. Those yields have dropped recently. Pundits predict these declines imply perdition. I agree that rates are likely headed higher.



See the full report in the PDF links

We'll close with another bit of NBF's predictions on the economy as a whole.

NBF Monthly Economic Monitor July 16, 2021

They lead off with this summary. Please see the full report

“After substantial progress in the struggle against Covid-19, the world faces a new enemy in the Delta variant. The new threat seems to have led many investors to question the possibility of vigorous recovery of the global economy and to go back to safe-haven vehicles such as USD-denominated bonds. Is the market justified in its fears for world output? Our answer to this question varies according to the degree of immunity attained in each region. In developed economies, where vaccination rollouts have been moving right along, Delta could bring a rise in new cases without overwhelming health-care systems. Since the main aim of public-health restrictions in developed countries has always been to avoid hospitalizations and fatalities rather than to prevent spread, current conditions are still consistent with a gradual reopening. The outlook for the emerging countries is not so upbeat. Their lag in vaccinations increases the risk that one or more of them will go where India went earlier this year. Though far-reaching restrictions are fairly rare in the emerging economies, the virus could still poop the party by forcing more localized restrictions. Despite a rise in uncertainty, we have left our global growth forecast unchanged for both 2021 (6.0%) and 2022 (4.5%).”

<https://nbf.bluematrix.com/sellside/EmailDocViewer?encrypt=d0b6bafb-a58c-473a-ab3f-557b7cfba956&mime=pdf&co=nbf&id=Institutional-SalesAll-Branches@bnc.ca&source=mail>



Have a Great Weekend!



FOR THE RECORD July 16, 2021

DOW INDUSTRIALS:	34,178
S&P 500:	4,182
S&P/TSX COMP:	19,336
WTI:	\$63.26
LOONIE IN \$USD:	\$0.7994 \$US

© NATIONAL BANK FINANCIAL. All rights reserved 2019.

[Terms of use](#) [Confidentiality](#) [ABC's of security](#)

The information contained herein was obtained from sources we believe to be reliable, but is not guaranteed by us and may be incomplete. The opinions expressed are based on our analysis and interpretation of this information and are not to be construed as a solicitation or offer to buy or sell the securities mentioned herein. The opinions expressed herein are those of the author and do not necessarily reflect those of National Bank Financial.

The securities or investment sectors mentioned herein are not suitable for all types of investors. Please consult your investment advisor to verify whether the securities or sectors suit your investor's profile as well as to obtain complete information, including the main risk factors, regarding those securities or sectors. This document is not a research analysis produced by the Research Department of National Bank Financial.

National Bank Financial is a subsidiary of National Bank of Canada. National Bank of Canada is a public company listed on the Toronto Stock Exchange (NA: TSX).

Sent by

Montreal office
National Bank Financial
Wealth Management
1155 Metcalfe 5th Floor
Montreal, Quebec H3B 4S9
Phone: 514 879-2222

Toronto office
National Bank Financial
Wealth Management
130 King Street West Suite 3200
Toronto, Ontario M5X 1J9
Phone: 416 889-3707



Regulated by
Investment Industry Regulation
Organization of Canada

