

U.S. EQUITY FUTURES	LAST	CHANGE	%CHG	COMMODITIES/ FX	LAST	CHANGE	
Dow Jones MINI futures	34,892.00	183.00	0.53%	CRUDE OIL WTI	\$71.71	-\$0.20	
S&P500 MINI futures	4,379.75	20.25	0.46%	NATURAL GAS	\$3.99	-\$0.01	
NASDAQ MINI futures	14,981.50	53.00	0.36%	GOLD	\$1,803.48	-\$3.21	
CANADA EQUITY MARKET	LAST	CHANGE	%CHG	COPPER	\$4.40	\$0.06	
S&P/TSX 60 futures	1,209.00	6.10	0.51%	CAD / USD	\$0.7952	-\$0.0005	
OVERSEAS MARKETS	LAST	CHANGE	%CHG	CAD / EUR	€ 0.6753	-€ 0.0006	
DJ EURO STOXX 50	4,100.37	41.32	1.02%	USD / EUR	€ 0.8492	-€ 0.0003	
FTSE 100 INDEX	7,021.93	53.63	0.77%	USD / JPY	¥110.49	¥0.35	
DAX GERMANY	15,659.95	145.41	0.94%	GOVERNMENT BONDS	2YR	5YR	10YR
CAC 40 Index	6,548.22	66.63	1.03%	CANADA (YLD%)	0.47%	0.80%	1.22%
NIKKEI 225 INDEX	27,548.00	Closed	Closed	U.S. (YLD%)	0.20%	0.73%	1.30%
HANG SENG INDEX	27,321.98	-401.86	-1.45%	Source: Refinitiv			
SHANGHAI COMPOSITE INDEX	3,550.40	-24.34	-0.68%				

Morning News

Nasdaq futures hit a record high this morning, helped by megacap technology stocks and strong earnings from social media companies Twitter and Snap, with investors eyeing business activity data later in the day. Twitter Inc gained more than 6% in premarket trading after it reported upbeat revenue growth, as the social media platform rolled out ad-targeting improvements to help brands reach potential customers. Snapchat-owner Snap Inc jumped 17% after it beat Wall Street estimates for users and revenue in the second quarter, notching the highest growth rates since late-2017. Strong results from the social media firms set a positive precedent for Facebook Inc, which rose almost 3% ahead of its second-quarter results next week. Other major tech names, including Amazon.com, Apple Inc, Microsoft Corp, and Google-owner Alphabet Inc, were up between 0.4% and 1.4%. The focus today will also be on IHS Markit's manufacturing and services sectors report for July, due at 09:45 a.m. ET.

Futures for Canada's main stock index rose as investors digested domestic retail sales data for May, while Air Canada reported a smaller second-quarter loss. Automotive supplier Magna International Inc said it entered a deal to buy automotive technology firm Veoneer Inc in a deal valued at about \$3.8 billion. Canadian retail sales fell 2.1% in May from April at \$53.78 billion, on lower sales at building material and garden equipment and supply dealers, as well as motor vehicle and parts dealers, Statistics Canada said this morning. Excluding autos and parts, sales fell 2.0%. Sales decreased in eight of 11 subsectors, representing 65.6% of retail trade. In volume terms, retail sales were down 2.7%. Analysts had, on average, forecast a 3.0% decline in overall sales in May, and for sales excluding autos to fall 2.2%. In a preliminary estimate, Statscan said June retail sales likely rose 4.4% as businesses reopened in the wake of a third wave of the COVID-19 pandemic.

European stocks were on track to close the week higher as optimism about the earnings season and the European Central Bank's pledge of continued monetary support outweighed risks of a resurgence in COVID-19 cases. Automakers were the top gainers in morning trade. Mercedes-Benz maker Daimler gained more than 3% after Kepler Cheuvreux upgraded its stock to "buy", saying its growth is not properly reflected in the share price. French car parts maker Valeo jumped 8% after it posted higher first-half sales and profit, and said it expected the shortage of key technology chips to ease. Peers Faurecia and Continental AG all rose more than 4% each. Euro zone business activity expanded at its fastest monthly pace in over two decades in July, IHS Markit's flash survey showed, but fears of another wave of infections hit business confidence. IHS Markit's Flash Composite Purchasing Managers' Index, seen as a good guide to economic health, climbed to 60.6 in July from 59.5, its highest reading since July 2000. It was ahead of the 50-mark separating growth from contraction and a Reuters poll estimate for 60.0. German Purchasing Managers' Index (PMI) hit its highest level in nearly a quarter of a century, creating inflationary bottlenecks. The flash composite PMI clocked a reading of 62.5 from 60.1 in June.

China shares ended lower on Friday, trimming gains for the week, as consumer staples, healthcare, and real estate firms dropped while foreign investors turned net sellers under a key cross-border investment channel. Foreign investors snapped a four-day streak of net buying of A-shares, as they became net sellers through the Stock Connect scheme linking Hong Kong and mainland China. Shares in China's developers retreat as worries over tough regulations linger. Local governments should strictly control financing for property developers, including bank loans, and improve land pricing mechanisms, state television quoted Vice Premier Han Zheng as saying. Hong Kong stocks fell on Friday, dragged down by technology, education and property shares, as deepening concerns over Beijing's tighter regulations weighed on sentiment.

U.S Economic Calendar

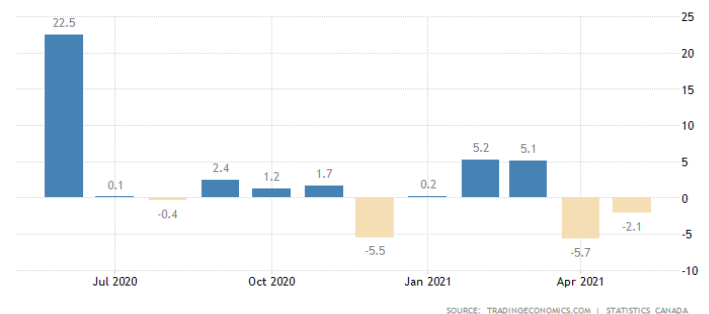
Local Time	Indicator Name	Period	Reuters Poll	Actual	Prior	Revised
09:45	Markit Comp Flash PMI	Jul				63.7
09:45	Markit Mfg PMI Flash	Jul	62.0			62.1
09:45	Markit Svcs PMI Flash	Jul	64.8			64.6

Canadian Economic Calendar

Local Time	Indicator Name	Period	Reuters Poll	Actual	Prior	Revised
08:30	Retail Sales MM	May	-3.0%	-2.1%	-5.7%	
08:30	Retail Sales Ex-Autos MM	May	-2.2%	-2.0%	-7.2%	

Chart of the day

Canada Retail Sales MoM



Top News

Canadian Stocks

NEWS

Veoneer Inc: Canadian auto parts maker **Magna International** on Thursday agreed to buy Swedish rival Veoneer for about \$3.8 billion in cash to boost its efforts to build driver assistance tech geared toward autonomous vehicles. "With the recent acquisition of Veoneer, we believe Magna is likely a fourth leading player with the opportunity to more directly compete with the big three," Jefferies analyst David Kelley wrote in a research note. Magna will buy out Veoneer's outstanding shares for \$31.25 each, and the acquisition represents an enterprise value of \$3.3 billion including debt, the companies said in a joint statement. The boards of both companies have approved the deal, which is expected to close by the end of this year.

Air Canada: The company posted a bigger-than-expected quarterly loss as the COVID-19 pandemic weighed on passenger demand, but forecast a slowdown in cash burn as rising vaccination rates and easing travel restrictions boost bookings. The Canadian carrier posted a net cash burn of about C\$8 million per day during the second quarter, lower than its earlier projections. It expects that number to further improve to between C\$3 million and C\$5 million per day in the third quarter. Excluding items, Air Canada lost C\$3.03 per share, according to Refinitiv data. Analysts on average expected a C\$2.76 loss. The airline's net loss was C\$1.17 billion, or C\$3.31 per share, in the quarter ended June 30, compared with a loss of C\$1.75 billion, or C\$6.44 per share, a year earlier. Its operating revenue rose 58.8% to C\$837 million in the quarter, but missed estimates of C\$848.2 million.

NBF Research

RATING AND TARGET PRICE CHANGES

Magnet Forensics Inc. - A Prominent Player in Digital Forensics; Target: C\$35; Rating: Outperform

IAMGOLD Corporation - Operating Results & Revised Outlook; Target C\$5 (Was C\$6)

Newmont Corporation - Q2 Earnings Estimate Revisions; Target C\$104 (Was C\$105)

Canadian Life Insurance Companies - Q2/21 Preview: a rebound quarter expected; Target -GWO \$37 (Was \$36)

Dialogue Health Technologies - Expecting Continued Growth; Tele / Virtual Health Drivers...; Target: C\$18 (Was C\$20.50)

Saputo Inc. - Q1 F2022 Preview: Market challenges continue; looking for signs of improved execution; Target: C\$40 (Was C\$41)

DAILY BULLETIN HIGHLIGHTS

MAGNET FORENSICS INC.: A Prominent Player in Digital Forensics

MAGT (TSX)	C\$27.25	Event: Initiating Coverage
Target:	C\$35.00 (Initiating)	Key Takeaways: We are initiating coverage on Magnet Forensics Inc. (MAGT: TSX) with an Outperform rating and C\$35 target price.
Stock Rating:	Outperform (Initiating)	Magnet Forensics plays in the Digital Forensics space with its core "AXIOM" product that enables investigators to retrieve and analyze various types of artifacts across different platforms (PC, Smartphone, Cloud or IoT). The comprehensive platform and artifact coverage powered by Artificial Intelligence (AI) identifies and classifies each artifact, greatly improving the efficiency and effectiveness of the digital forensic process.
Est. Total Return:	28.4%	From a financial perspective, Magnet Forensics is unique in terms of its high revenue growth (32.5% organic growth in F20A) and its strong profitability (95% gross margin and 30% adj. EBITDA margin in F20A) while still at a very early stage of its growth trajectory.

Canadian Life Insurance Companies - Q2/21 Preview: a rebound quarter expected

Event: The Canadian life insurers begin reporting Q2/21 results on July 29, 2021

Top News

Canadian Stocks

Key Takeaways:

The group is entering Q2/21 earnings season on a weak note, having underperformed the market (and the Big-6 banks) by ~800 bps (~700 bps) since Q1/21 reporting season. Last quarter's lacklustre results, highlighted by a mix of macro-related accounting noise, big drops in regulatory capital ratios and some earnings disappointments are a primary cause. Our top picks in the space are SLF and IAG. We believe SLF can rebound after a disappointing Q1/21, especially in its Asset Management business, which experienced material AUM growth in the current quarter. We believe IAG will benefit from strong performance in its auto-related businesses, including the recently acquired IAS business. Finally, as it relates to recent capital trends, we estimate both companies have relatively large adjusted excess capital positions

OTHER COMMENTS

AIR CANADA - Q2 results - net cash burn better than expected; improving cash burn trends continues into Q3

MEG Energy Corp. - Deleveraging Gaining Momentum

Choice Properties REIT - Consistency & stability continue in Q2

Precision Drilling Corporation - Turning Up

Andlauer Healthcare Group Inc. - Expecting a Transitory, Covid Vaccine-Related, Boost to Results

Marathon Gold Corporation - Berry Infill Post Shallow Highlight Intercepts

Mullen Group Ltd. - T&L Carry the Load in In-Line Quarter

Newmont Corporation Q2 Earnings Beat

Rogers Sugar Inc. - Expecting Y/Y Improvements in Both Segments

Sleep Country Canada Holdings Inc. - Q2 2021 Preview: Momentum to taper sequentially

Research Flash

Aecon Group Inc. - Q2/21 results first look - strong quarter; so are the awards

Altius Renewable Royalties Corp. sees an additional \$20 mln investment in Apex through GBR

Eldorado Gold Corporation - Investing in Val D'Or

IAMGOLD Corporation - Ops Outlook Revised Down & Cote Cost Creeps

K92 Mining Inc. - Kora Does Not Disappoint as Intercepts Extend High Grade Regions

Newmont Corporation - Trimming the Equity Portfolio

Precision Drilling Corporation - Q2/21 Results: On the Fairway

RioCan Real Estate Investment Trust concludes CFO search and appoints Dennis Blasutti as new CFO

Canadian stocks ratings and target changes across the street

Abc Technologies Holdings Inc ABCT.TO: Scotiabank cuts target price to C\$14 from C\$14.5

Americas Gold and Silver Corporation USA.TO: Cormark Securities ups PT to C\$3 from C\$2

Boyd Group Services Inc BYD.TO: Scotiabank raises price target to C\$265 from C\$245

CGI Inc GIBa.TO: BMO raises target price to C\$128 from C\$121

Choice Properties REIT CHP_u.TO: BMO raises target price to C\$15.25 from C\$14.50

Choice Properties REIT CHP_u.TO: Canaccord Genuity raises target to C\$16 from C\$15.50

Choice Properties REIT CHP_u.TO: CIBC raises target price to C\$15.25 from C\$14.25

Choice Properties REIT CHP_u.TO: RBC raises target price to C\$15.50 from C\$14.50

CI Financial Corp CIX.TO: RBC raises target price to C\$26 from C\$25

Dialogue Health Technologies CARE.TO: National Bank of Canada cuts PT to C\$18 from C\$20.5

ECN Capital Corp ECN.TO: RBC raises target price to C\$12 from C\$11

Equitable Group Inc EQB.TO: RBC cuts target price to C\$161 from C\$169

Fairfax Financial Holdings Ltd FFH.TO: Cormark Securities raises PT to C\$700 from C\$675

First National Financial Corp FN.TO: RBC cuts target price to C\$52 from C\$53

Great-West Lifeco Inc GWO.TO: National Bank of Canada raises target to C\$37 from C\$36

Greenlane Renewables Inc GRN.TO: H.C. Wainwright initiates coverage with buy rating

Greenlane Renewables Inc GRN.TO: H.C. Wainwright initiates coverage with C\$4 PT

Home Capital Group Inc HCG.TO: RBC raises target price to C\$47 from C\$45

IAMGOLD Corp IMG.TO: Canaccord Genuity cuts target price to C\$3.75 from C\$4.50

Top News

Canadian Stocks

IAMGOLD Corp IMG.TO: National Bank of Canada cuts target price to C\$5 from C\$6
IAMGOLD Corp IMG.TO: TD Securities cuts target price to C\$6 from C\$7.5
IGM Financial Inc IGM.TO: RBC raises target price to C\$52 from C\$51
Intact Financial Corp IFC.TO: RBC raises target price to C\$196 from C\$190
Magnet Forensics Inc MAGT.TO: National Bank of Canada initiates with C\$35 target price
Magnet Forensics Inc MAGT.TO: National Bank of Canada initiates with outperform rating
MEG Energy Corp MEG.TO: National Bank of Canada cuts target price to C\$14.50 from C\$15
Mullen Group Ltd MTL.TO: BMO raises target price to C\$18 from C\$17
Mullen Group Ltd MTL.TO: CIBC raises target price to C\$15.50 from C\$14.75
Newmont NGT.TO: National Bank of Canada cuts target price to C\$104 from C\$105
Onex Corp ONEX.TO: RBC raises target price to C\$118 from C\$112
Power Corporation of Canada POW.TO: RBC raises target price to C\$44 from C\$40
Precision Drilling Corp PD.TO: Atb Capital Markets raises target to C\$80 from C\$77
Precision Drilling Corp PD.TO: Evercore ISI raises target price to C\$70 from C\$69
Precision Drilling Corp PD.TO: RBC raises target price to C\$65 from C\$62
Real Matters Inc REAL.TO: BMO cuts price target to C\$18 from C\$20
Rogers Communications Inc RCib.TO: Cormark Securities raises target to C\$74 from C\$71
Sabina Gold & Silver Corp SBB.TO: Canaccord Genuity raises target to C\$4.25 from C\$3.75
Saputo Inc SAP.TO: National Bank of Canada cuts target price to C\$40 from C\$41
Sprott Inc SII.TO: RBC cuts target price to C\$54 from C\$58
TMX Group Ltd X.TO: RBC raises target price to C\$158 from C\$152
Winpak Ltd WPK.TO: BMO cuts price target to C\$45 from C\$48
Winpak Ltd WPK.TO: Scotiabank cuts price target to C\$51 from C\$52

S&P/TSX Earnings Calendar

Company	Symbol	Time	Consensus EPS Estimate
Air Canada	AC	Bef-mkt	(2.737)

Source: Bloomberg

Morning news

ABB Ltd: The engineering company doubled its full year sales guidance thanks to resurgent global industrial demand and said it is forging ahead with plans to float its fast growing electric vehicle charging business next year. Sales of its high-speed electric vehicle chargers for buses and cars have seen an average growth rate of 50% since 2016, benefiting from a global boom in battery-powered vehicles. Chief Executive Bjorn Rosengren said the business could be listed early next year to help accelerate its growth. Announcing its second quarter 2021 earnings, ABB said its revenues rose 21% from 2020's coronavirus driven nadir to reach \$7.45 billion, beating estimates of \$7.24 billion. Net profit rose 136% to \$752 million. ABB now expects full-year comparable revenues to rise by just below 10%, above its previous view for a 5% increase.

Honeywell International: The company reported a better-than-expected quarterly profit and raised its full-year forecasts, helped by improving sales in its aerospace unit as air travel rebounds from a pandemic-prompted slowdown. Honeywell said it now expects full-year sales to be between \$34.6 billion and \$35.2 billion, up from its prior forecast of \$34.0 billion to \$34.8 billion. The company also raised its full-year profit forecast in the range of \$7.95 to \$8.10 per share, from \$7.75 to \$8 per share previously. Excluding items, Honeywell earned \$2.02 per share above analysts' average estimate of \$1.94, while net sales rose 17.8% to \$8.81 billion in the quarter.

Intel Corp: The chipmaker said on Thursday it still faces supply chain constraints and gave an annual sales forecast that implied a weak end of the year. The 2021 forecast of \$73.5 billion in adjusted sales was higher than Wall Street expectations, appeared driven by a strong second quarter ended June 26 and a modestly better-than-expected third-quarter, implying a weak fourth quarter. Intel raised its previous annual forecast \$1 billion from its earlier \$72.5 billion and beat expectations of \$72.80 billion, according to Refinitiv IBES data. Intel expects adjusted third-quarter revenue of about \$18.2 billion, only modestly above estimates of \$18.09 billion, according to Refinitiv data. On an adjusted basis, the company earned \$1.28 per share in the second quarter, compared with estimates of \$1.06, according to Refinitiv data.

Schlumberger NV: The company reported a rise in second-quarter profit, as a rebound in crude prices revived demand for the company's oilfield services and related equipment. "While the rise of the COVID-19 Delta variant and resurgence of related disruptions could impact the pace of economic reopening, industry projections of oil demand reflect the anticipation of a wider vaccine-enabled recovery, improving road mobility, and the impact of various economic stimulus programs", Schlumberger Chief Executive Officer Olivier Le Peuch said in a statement. The world's largest oilfield services provider said net income was \$431 million, or 30 cents per share, for the three months June 30, compared with \$299 million, or 21 cents per share, in the first quarter.

Snap Inc: The company on Thursday beat Wall Street estimates for users and revenue in the second quarter, notching the highest growth rates since late 2017 as new features on its messaging app Snapchat attracted more users. Daily active users rose 23% to 293 million during the quarter ended June 30, above analysts' estimates of 290.3 million, according to IBES data from Refinitiv. User growth beat the company's prior best of 22%. Snap's revenue jumped 116% to \$982 million, well above the expectation of \$845.9 million. Previously, its strongest growth rate was 66%. Snap forecast third-quarter revenue between \$1.07 billion and \$1.09 billion, and it expects daily active users to grow 21% to 301 million, both exceeding expectations. Analysts are expecting revenue of \$1.01 billion and daily active users of 298.5 million.

Twitter Inc: The company on Thursday reported higher revenue growth than Wall Street had expected, as the social media platform rolled out ad targeting improvements to help brands reach potential customers. Advertising revenue totaled \$1.05 billion, up 87% from the year-ago quarter, and beat Wall Street estimates of \$909.9 million. Total revenue, which also includes revenue the company earns from data licensing, rose 74% year-over-year to \$1.19 billion, beating analyst estimates of \$1.07 billion. Twitter forecast third quarter total revenue to be between \$1.22 billion to \$1.3 billion, roughly in line with or slightly ahead of consensus analyst estimates of \$1.17 billion.

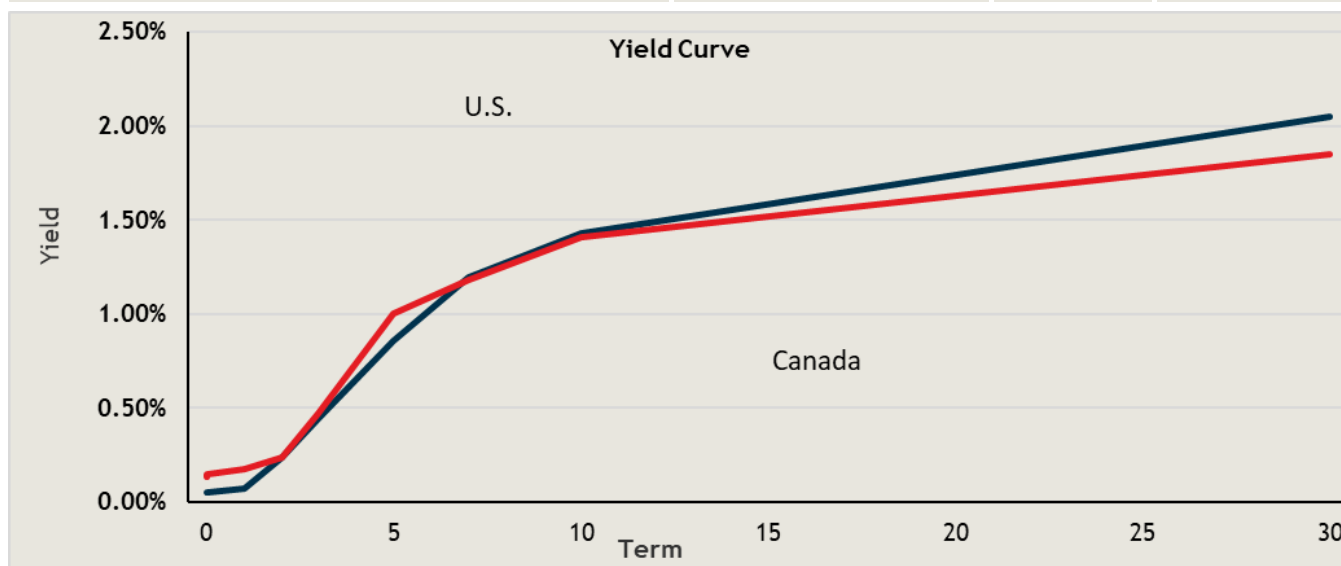
S&P500 Earnings Calendar

Company	Symbol	Time	Consensus EPS Estimate
American Express Co	AXP	07:00	1.624
Honeywell International Inc	HON		1.947
Kimberly-Clark Corp	KMB	07:30	1.737
NextEra Energy Inc	NEE	Bef-mkt	0.683
Regions Financial Corp	RF	Bef-mkt	0.523
Roper Technologies Inc	ROP	Bef-mkt	3.667
Schlumberger NV	SLB	07:00	0.258

Top News

Fixed Income

Canadian Key Rate	Last	Change bps		Last	Change bps
CDA o/n	0.25%	0.0	CDA 5 year	1.00%	2.7
CDA Prime	2.45%	0.0	CDA 10 year	1.41%	3.2
CDA 3 month T-Bill	0.15%	1.0	CDA 20 year	1.74%	1.9
CDA 6 month T-Bill	0.17%	-0.8	CDA 30 year	1.85%	1.2
CDA 1 Year	0.24%	1.0	5YR Sovereign CDS	38.27	-0.2
CDA 2 year	0.47%	1.4	10YR Sovereign CDS	39.85	-0.4
US Key Rate	Last	Change bps		Last	Change bps
US FED Funds	0-0.25%	0.0	US 5 year	0.86%	0.0
US Prime	3.25%	0.0	US 10 year	1.43%	0.0
US 3 month T-Bill	0.05%	0.0	US 30 year	2.05%	0.0
US 6 month T-Bill	0.05%	0.0	5YR Sovereign CDS	10.67	0.0
US 1 Year	0.07%	0.0	10YR Sovereign CDS	19.93	-0.1
US 2 year	0.24%	0.0			
Preferred Shares Indicators			Last	Daily %	YTD
S&P Preferred Share Index			683.63	0.10%	10.89%
BMO Laddered Preferred Shares (ETF)			11.33	0.18%	15.38%



Source: Refinitiv

NBF - Market View: And now, please welcome to the stage... the B-52s

No, not the Band but the Bond... a new Ontario 2052 Canadian dollar benchmark long bond to be precise. Canada's provinces aren't letting summer vacation interfere with their borrowing plans. Even though requirements appear biased lower and borrowing programs are appropriately advanced, expect provinces to seize on available issuing windows. That's likely to include the establishment of a new 30-year CAD benchmark from Ontario.

[Click here for full comments](#)

NBF COVID-19 Daily Monitor

This monitor will provide daily updates on the evolution of COVID-19 in selected countries using data available as of 8 am EDT. We will also assess the impact of the pandemic on labour markets using "big data" and an update of our financial conditions index for Canada.

[Click here for full comments](#)

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