September 3rd, 2021

THE WEEK IN NUMBERS

(August 30th – September 3rd)

Research Services

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INDEX	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
Dow Jones Industrial	35,369.09	-86.71	-0.24%	15.56%	25.01%	21.8
S&P 500	4,535.43	26.06	0.58%	20.75%	31.27%	27.0
Nasdaq Composite	15,363.52	234.01	1.55%	19.21%	34.08%	32.1
S&P/TSX Composite	20,821.43	176.79	0.86%	19.43%	26.58%	16.1
Dow Jones Euro Stoxx 50	4,201.98	11.00	0.26%	18.28%	27.17%	20.9
FTSE 100 (UK)	7,138.35	-9.66	-0.14%	10.49%	22.01%	14.8
DAX (Germany)	15,781.20	-70.55	-0.45%	15.03%	20.86%	15.1
Nikkei 225 (Japan)	29,128.11	1,486.97	5.38%	6.14%	24.13%	15.6
Hang Seng (Hong Kong)	25,901.99	494.10	1.94%	-4.88%	3.58%	11.9
Shanghai Composite (China)	3,581.73	59.58	1.69%	3.13%	5.81%	11.6
MSCI World	3,163.68	30.01	0.96%	17.61%	30.42%	29.1
MSCI EAFE	2,389.45	39.99	1.70%	11.27%	25.83%	21.8

S&P TSX SECTORS	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	Trailing P/E
S&P TSX Consumer Discretionary	269.47	1.72	0.64%	15.58%	38.95%	19.0
S&P TSX Consumer Staples	744.61	1.15	0.15%	17.68%	15.99%	20.5
S&P TSX Energy	126.22	2.52	2.04%	38.69%	61.12%	9.8
S&P TSX Financials	377.91	-4.01	-1.05%	23.39%	38.18%	11.4
S&P TSX Health Care	64.80	-0.06	-0.09%	7.73%	30.20%	N/A
S&P TSX Industrials	387.17	16.08	4.33%	17.74%	31.08%	22.0
S&P TSX Info Tech.	242.60	6.17	2.61%	33.03%	43.66%	55.4
S&P TSX Materials	320.86	3.70	1.17%	0.07%	-6.02%	14.5
S&P TSX Real Estate	382.19	3.39	0.89%	28.06%	39.23%	10.9
S&P TSX Communication Services	197.76	0.88	0.45%	20.78%	20.73%	22.2
S&P TSX Utilities	341.94	1.60	0.47%	7.02%	17.13%	24.8

COMMODITIES	Last price	Change Week	% Change Week	% Change YTD	%Change 1 Year	NBF 2021E
Oil-WTI futures (US$/Barrels)	$69.24	0.50	0.73%	42.70%	67.37%	$65.50
Natural gas futures (US$/mcf)	$4.70	0.33	7.57%	85.15%	89.02%	$2.90
Gold Spot (US$/OZ)	$1,830.00	13.40	0.74%	-3.33%	-5.06%	$1,845
Copper futures (US$/Pound)	$4.33	0.01	0.25%	23.15%	46.30%	$4.60

CURRENCIES	Last price	Curr. Net Change	% Change Week	% Change YTD	%Change 1 Year	NBF Q4/21e
Cdn$/US$	0.7982	0.0064	0.81%	1.67%	4.79%	0.81
Euro/US$	1.1877	0.0084	0.71%	-2.75%	0.24%	1.19
Pound/US$	1.3861	0.0104	0.76%	1.37%	4.38%	1.39
US$/Yen	109.69	-0.13	-0.12%	6.25%	3.32%	110

Source: Refinitiv and NBF Research

Please see last page for NBF Disclosures

FIXED INCOME NUMBERS

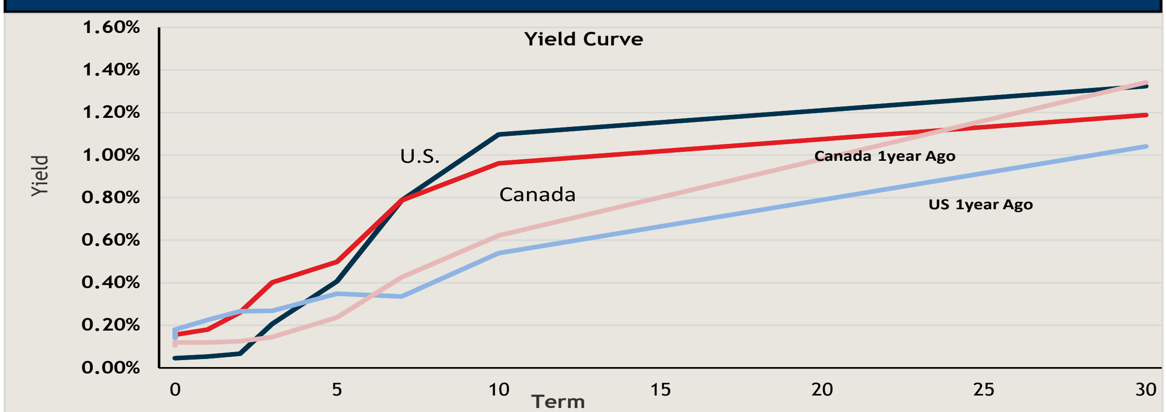
THE WEEK IN NUMBERS
(August 30th – September 3rd)

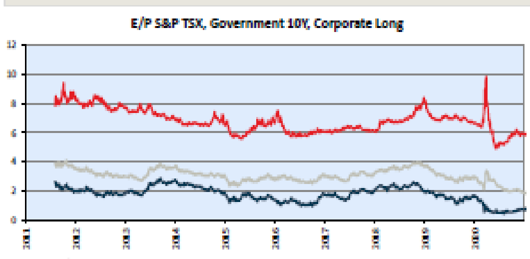
Canadian Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
CDA o/n	0.25%	0.0	CDA 5 year	0.79%	-7.6
CDA Prime	2.45%	0.0	CDA 10 year	1.19%	-11.2
CDA 3 month T-Bill	0.16%	-1.7	CDA 20 year	1.58%	-15.3
CDA 6 month T-Bill	0.18%	-2.0	CDA 30 year	1.75%	-16.9
CDA 1 Year	0.26%	-2.9	5YR Sovereign CDS	38.29	38.3
CDA 2 year	0.40%	-4.2	10YR Sovereign CDS	39.88	39.9

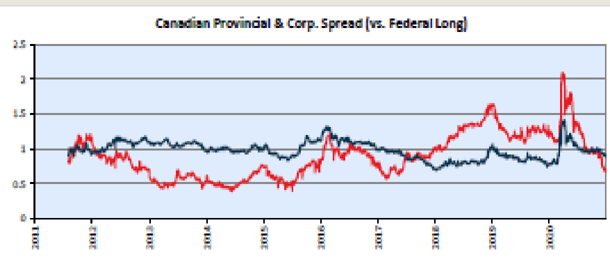
US Key Rate	Last	Change 1 month bps		Last	Change 1 month bps
US FED Funds	0-0.25%	0.0	US 5 year	0.79%	-6.5
US Prime	3.25%	0.0	US 10 year	1.32%	-11.7
US 3 month T-Bill	0.05%	-0.5	US 30 year	1.94%	-18.4
US 6 month T-Bill	0.05%	-0.5	5YR Sovereign CDS	10.46	10.5
US 1 Year	0.07%	-0.7	10YR Sovereign CDS	18.34	18.3
US 2 year	0.21%	-1.7			

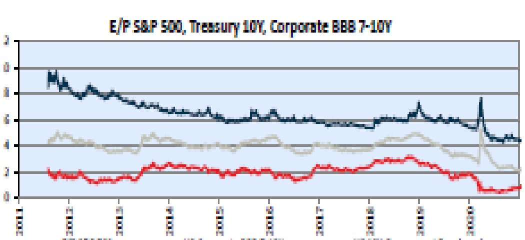
CANADIAN BOND - TOTAL RETURN	Change Week	Change Y-T-D
FTSE Universe Bond Index	0.66%	-1.98%
FTSE Short Term Bond Index	0.22%	-0.50%
FTSE Mid Term Bond Index	0.60%	-1.19%
FTSE Long Term Bond Index	1.22%	-5.08%

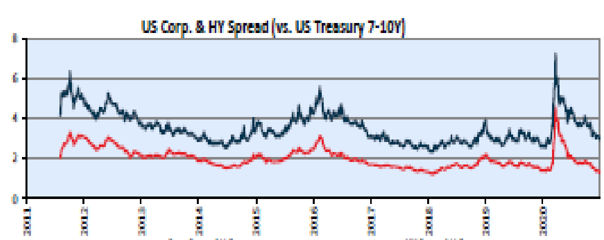
CURRENT YIELD CURVE











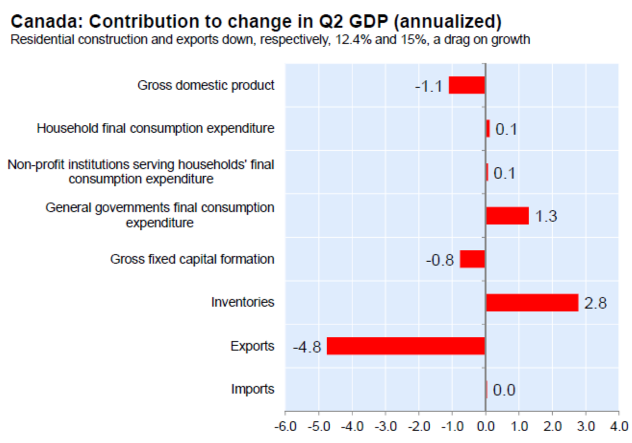
Source: Refinitiv & NBF

NBF Economy & Strategy Group

WEEKLY ECONOMIC WATCH

CANADA – Statistics Canada released its **GDP estimate for the Q2 2021**. The economy contracted at an annualized rate of 1.1%, below the consensus estimate of 2.5%. This left output 2.0% below its pre-pandemic level (2019Q4). Nominal GDP grew 7.9% on an annualized basis in the second quarter after expanding 18.6% in the first. The surge in nominal GDP is good news for the fiscal health of Canadian governments and businesses, which matched their record profits of the previous quarter. Domestic demand grew in the second quarter (+0.7%), with government spending (+6.1%), investment in machinery and equipment (+24.9%), and non-residential structures (+5.1%) registering gains while residential investment (-12.4%) and government investment (-7.7%) saw declines. Household consumption expenditure remained essentially stable (+0.2%), as an increase for services (+7.3%) was offset by a decrease for goods (-7.0%). Trade had a negative impact on GDP as exports (-15.0%) fell while the recovery in imports stalled (-0.1%). Inventory rebuilding began in the second quarter and contributed 2.8% to GDP. Disposable income jumped an annualized 9.2% in the quarter after springing 8.6% the quarter before, while consumption rose an annualized 2.9%. As a result, the savings rate went from 13.0% to 14.2%. Industry data showed output jumping 0.7% in June on a non-annualized basis. Increases were widespread across the sectors, with 15 of the 20 major industries surveyed recording gains. Statistics Canada also released an advance estimate for July GDP that showed a contraction of 0.4% m/m.

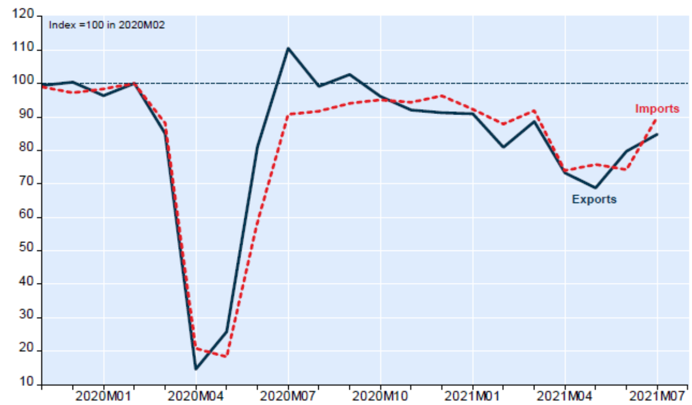
The 1.1% annualized drop in Canada's GDP in the second quarter came as a surprise given that monthly GDP by industry pointed to 2.5% quarterly growth a month ago (including June's preliminary estimate). This is the worst showing among the G-7 countries, an under-performance due to the health measures that have held back the economic recovery. Residential investment began its expected moderation while consumption put its recovery on pause. While the quarterly performance was disappointing, it should be noted that the overall Canadian economic recovery remains enviable, particularly in nominal terms, with another impressive gain this quarter. Canada's nominal GDP is now 5.1% above its pre-recession peak, which is tops in this regard among the G7. The jump in resource prices contributed to this development, boosting the terms of trade to their highest level since 2008. Despite the disappointing preliminary reading for July GDP, we continue to expect decent economic growth in Q3 seeing how commodity prices remain firm and easing of health measures should unleash consumers to spend again after months of forced frugality. The savings rate remained high in Q2 and this means that, since the start of the pandemic (six quarters), households have accumulated excess savings amounting to 11.4% of GDP. For a second consecutive summer, Canadians have mostly vacationed at home, which could also have benefited the national economy. It remains to be seen whether this semblance of normalcy can be maintained in the fourth quarter if there is a resurgence of Covid-19 cases and hospitalizations. In addition, growth could be affected by supply difficulties in the automotive sector that could last until the end of the year.



The **merchandise trade** surplus narrowed from C$2.56 billion in June (initially estimated at C$3.20 billion) to C$0.78 billion in July. Analysts expected a C$1.70 billion surplus. Nominal exports crept up 0.6% in the month, while nominal imports surged 4.2%. On the exports side, strong gains for aircraft/transportation equipment (+8.3%), electronics (+7.9%), motor vehicles/parts (+6.4%), and industrial machinery (+4.5%) were only partially offset by drops for forestry products (-12.7%) and consumer goods (-5.3%). Exports of energy products, for their part, progressed 1.9% m/m thanks to healthy gains for crude oil (+2.1%) and natural gas (+9.9%). In all, 7 of the 11 exports categories registered gains. Where imports are concerned, 9 of the 11 segments covered saw increases, most notably motor vehicles/parts (+21.1%), electronics (+8.5%), and energy products (+5.7%). The energy surplus stayed roughly unchanged at C$8.3 billion while the non-energy deficit expanded from C$5.8 billion to C$7.6 billion. The trade surplus with the United States narrowed from a 13-year high of C$7.9 billion to C$6.7 billion. The terms of trade deteriorated for only the second time in the past 15 months, slipping from a 13-year high reached in June. In real terms, exports fell 0.3% while imports rose 1.9%.

The merchandise trade surplus shrank more than expected in July as imports expanded the most in four months. About two thirds of the increase in inbound trade was due to a steep rebound in the motor vehicles/parts category; excluding the period immediately following the arrival of COVID-19 in Canada, the monthly increase in imports in that segment was the second largest in data going back to 1988. The improvement occurred after shortages of semi-conductor chips forced many auto assembly plants in Canada to reduce or stop production earlier this year. Seasonal factors were also at work, though factor closures for summer vacations had less of an impact than in the past. Despite July's gain, imports in the motor vehicles/parts segment remained 10.1% below their pre-crisis level. On a less upbeat note, imports of consumer goods retraced 5.3%, although that was due in large part to lower demand for vaccines, which resulted in a 15.8% drop in the pharmaceutical category. Still, imports of "vaccines for human medicine other than for influenza" were roughly 10 times what they were before the start of the vaccination campaign in the country. Looking at exports, the headline number would have been stronger had it not been for a 12.7% retreat in the forestry products/building equipment segment. This decline was somewhat expected given the significant drop in lumber prices in the month. Further drawbacks may be in store in this segment as activity on the North American real estate market starts to moderate. Excluding lumber, exports were up a healthy 2.0%.

Canada: Reprieve in chip shortages allows auto sector to recover
International exchanges of motor vehicles and parts, balance of payments basis



NBF Economics and Strategy (data via Statistics Canada)

The **current account surplus** widened in the second quarter from a revised surplus of $1.8 billion (originally reported at $1.2 billion) in Q1 to $3.6 billion. This follows a long series of current account deficits that ran from the fourth quarter of 2008 to the end of 2020. The goods and services trade balance recorded a $1.8-billion surplus in the second quarter. Exports of goods rose $0.9 billion to $153.2 billion in the quarter. Forestry products and building and packaging materials were the main contributors, followed by energy. However, these increases were largely due to higher prices. Lower exports of aircraft, motor vehicles/parts and other transportation equipment were recorded in the second quarter. Imports of goods edged up $0.5 billion to $151.6 billion on the back of both higher volumes and higher prices for basic and industrial chemical, plastic and rubber products and metal and non-metallic mineral products. As for trade in services, Canada's surplus fell $302 million to $136 million. Though the balance was substantially smaller than the previous four-quarter average of $334 billion, it prolonged its positive streak to five straight quarters. The transportation services deficit increased on higher imports of sea transport. With travel restrictions still in place, Canada's current account travel receipts and payments remained at historical lows, but with fewer visitors from abroad, the travel surplus shrank 12.1% in Q2. The primary income account surplus widened from $1.28 billion in Q1 to $2.96 billion in Q2. Lower interest payments on loans and deposits held by non-residents contributed to increase the investment account surplus $1.7 billion to $4.0 billion. Foreign direct investment generated a net outflow of funds totalling $10.2 billion in the second quarter as direct investment abroad ($22.2 billion) by exceeded direct investment in Canada ($12 billion).

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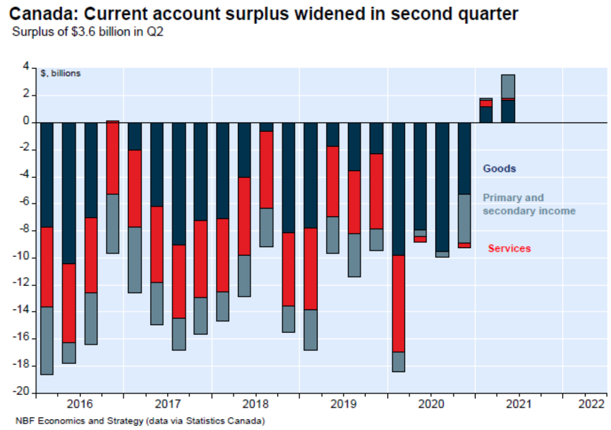
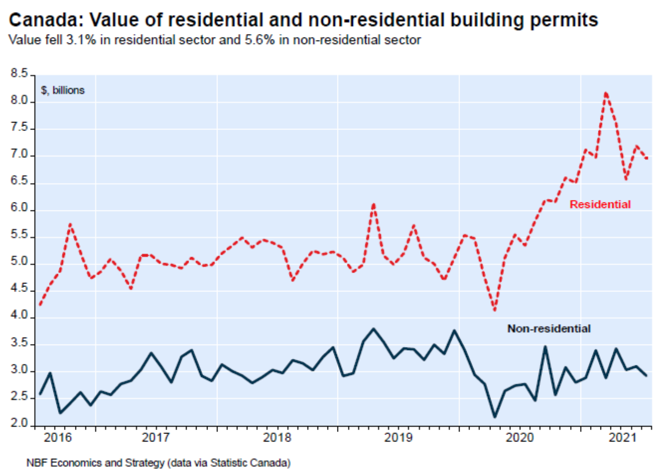


Manufacturing growth rebounded modestly in August from a five-month low struck in July. **Markit's manufacturing PMI** rose from 56.2 to 57.2 in August, matching its April reading. According to Markit, manufacturing production volumes rose at a sharp and accelerated pace in August. New orders benefited from stronger sales at both the international and domestic levels. Though employment rose at a softer rate than in July, its pace remained above its long-term average. The fact that demand mounted at a time when firms were facing both material shortages and port congestions contributed to push input price inflation higher.

Building permits fell 3.9% to $9.9 billion in July on the back of a $226 million decline in the residential sector (-3.1%) and a $175 million decline in the non-residential sector (-5.6%). According to Statistics Canada, all the provinces except British Columbia and Newfoundland and Labrador posted lower values, with the brunt of the national decline reported in Alberta (-23.4%). On a constant dollar basis (2012=100), building permits fell 3.8% to $7.0 billion. Still, the total number of residential building permits issued increased 0.9% in July to 25,554 units (seasonally adjusted). Permits fell 8.3% (-643 units) for single-family dwellings in the month and rose 4.0% (+759 units) for multi-units.



UNITED STATES - Non-farm payrolls rose 235K in August, a lot less than the median economists forecast calling for a +733K print. Partially compensating for this disappointing result, the prior month's results were upgraded by a sizeable 134K. The private sector added 243K jobs. Employment in the goods sector sprang 40K thanks to gains in manufacturing (+37K) and mining/logging (+6K). Construction payrolls, for their part, edged down 3K. Services-producing industries, meanwhile, expanded payrolls by 203K, with notable increase for professional/business services (+74K), transportation/warehousing (+53K), education/health (+35K) and other services (+37K). Employment in the public sector retraced 8K albeit after a massive 255K progression the prior month. Average hourly earnings rose 4.3% y/y in August, significantly more than the median economist forecast calling for a 3.9% increase and up from 4.1% the prior month.

Released at the same time, the household survey (similar in methodology to Canada's LFS) reported a 509K job gain in August. This increase, combined with stable participation rate (61.7%), meant the unemployment rate fell from 5.4% to 5.2%. Part-time employment advanced 423K, while full-time positions fell 30K.

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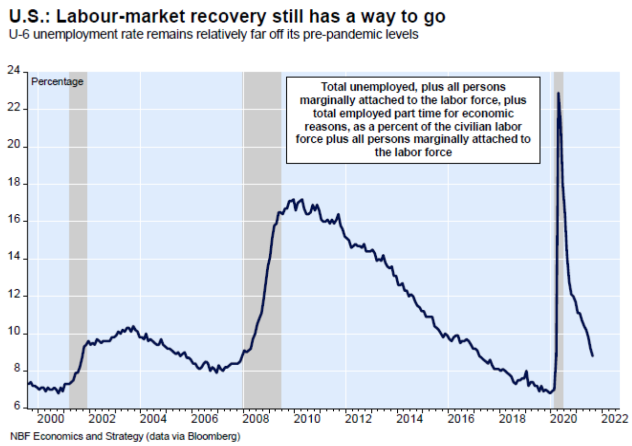
Non-farm payrolls came in much weaker than expected in August and that even after accounting for a sizeable revision to the prior months' numbers. The household survey showed bigger gains but nonetheless hinted at a slowdown in the job market recovery. The details of the report were rather disappointing, with private employment advancing much less than expected and full-time positions registering an outright decline. The sectors that had been most affected by social distancing measures – notably leisure/hospitality and education/health – registered only small gains, a sign that rising COVID-19 caseloads in the country are affecting the re-opening process. On a more optimistic note, long-term unemployment fell 246K in the month, a positive development since the consequences of joblessness tend to increase with duration. The headline unemployment rate also decreased but remained depressed by low participation rates. Indeed, if participation levels had been the same in August as in the pre-crisis period, the unemployment rate would have been closer to 7.5%. For a better idea of the labour market shortfall, we have to look at the U-6 unemployment rate, which remains relatively far off its pre-pandemic levels but is moving in the right direction (from 9.2% in July to 8.8% in August). There is, therefore, still some way to go for the labour market. Despite August's gain, non-farm payrolls remained 3.5% (or 5.3 million) below their pre-crisis level. Of the jobs still to be regained, around 4.7 million are in services, which may take some time to recover from the pandemic shock.



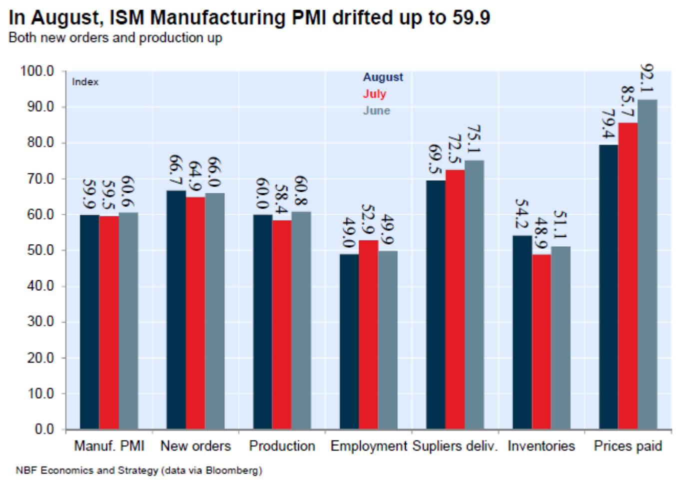
Far from us the idea of minimizing the jobs miss in August, but it is important to understand the reasons behind the slowdown in employment. We have already identified the Delta variant as one of the potential causes, but other factors are also at play. As we have often explained, employers are having a hard time attracting candidates, even with so many workers yet to find jobs after losing their livelihoods at the start of the pandemic. A recent NFIB survey showed fully 26% of firms identifying availability of qualified labour as their most important problem, a share much greater than the historical average for that indicator (12.3%). The reasons for this are multiple:

- residual fear of the virus among would-be candidates (this may not improve with Delta);
- closings of school and daycare centers, forcing many parents to stay home to mind children (it's not clear yet what the back-to-school strategy will be);
- mismatch of the skills most in demand with the skills of those who lost their jobs in the pandemic;
- Washington's generous enhancement of the UI benefits acting as a disincentive to work (these will be phased out in early September).
- An increase in the number of retirements during the pandemic

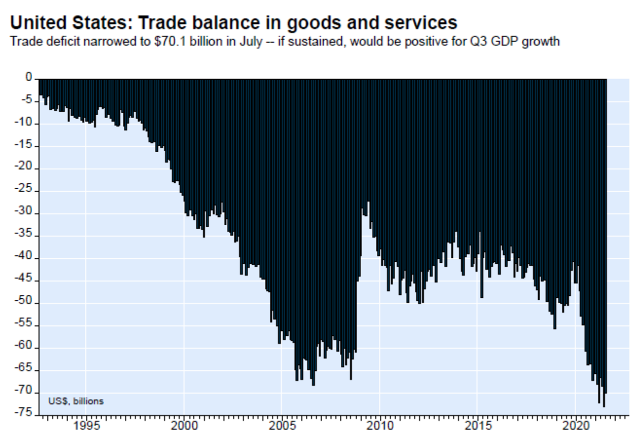
All these factors taken together suggest that the U.S. labour market is a lot tighter than might appear, giving those with a job as well as jobs seekers much more bargaining power. Pay increases are indeed starting to show in the data. Wage expectations at the bottom of the skill scale are also creeping up.

The average lowest wage (reservation wage) someone without a college degree would be willing to accept for a new job has shot up from $49K/year to $61K/ year since the beginning of the pandemic. Despite these mitigating factors, we think August employment gains won't be sufficient for the Fed to acknowledge "substantial further progress" at its September meeting. An announcement on the tapering of the QE program should thus be pushed back to later this year.

In August, the **ISM Manufacturing PMI** drifted up to 59.9 from 59.5 the prior month. Production was up 1.6 points to 60.0, regaining part of the ground lost in July (-2.4 points). New orders rose 1.8 points to 66.7, suggesting demand remained strong in the month. The inventories index rose to 54.2, which bodes well that inventories will contribute positively to Q3 GDP. The supplier delivery index slipped slightly but remained elevated at 69.5. This was surprising at a time where manufacturers continued to complain about supply chain delays and shortages. The employment index dipped into contraction territory, sliding 3.9 points to 49. The price paid index declined for a second month in a row: It fell from 92.1 in June to 85.7 in July and further to 79.4 in August.



In July, the **trade deficit** narrowed US$3.2 billion (4.4%) to US$70.1 billion from a revised deficit of US$73.2 billion in June. Imports of goods decreased US$2.9 billion to US$236.3 billion while imports of services increased US$2.4 billion to US$46.6 billion. As a result, total imports of goods and services stood at US$282.9 billion. On the other side of the ledger, exports increased US$2.7 billion to $148.6 billion for goods and US$0.1 billion to US$64.2 billion for services. Total goods and services exports reached US$212.8 billion, US$2.8 billion more than a month earlier. In real terms, the goods deficit fell US$4.8 billion to US$100.1 billion as exports increased US$1.5 billion and imports fell US$3.4 billion. The decline in imported goods might suggest that Americans grew more cautious about spending amid the spread of the Delta variant. However, we must not forget also that there were ongoing bottlenecks not only in global supply chains but also in shipping, as evidenced by the growing number of ships that were seen anchored off the coast of California. Though the global economy is recovering unevenly, it nonetheless continues to improve, and this is providing support for the growth of U.S. exports of industrial machinery, consumer goods, and autos.



According to **Wards Intelligence, auto sales** fell 14% in August from a year earlier. The slow selling pace does not reflect lack of demand but rather lack of availability of products. A combination of U.S. car factories having been shut down this spring to curb the spread of Covid-19 and production still being hampered by computer-chip shortages did translated into auto dealerships' inventories being already down significantly by the end of July. With Ford and GM recent announcement of production cut back, one can expect sales to remain depressed for longer this year.

The **Pending Home Sales Index** of the National Association of Realtors fell 1.8% in July after declining a revised 2.0% in June and rising 8.3% in May. Compared with a year earlier, the index was down 8.5% (seasonally adjusted). On a regional basis, pending sales rose 1.9% m/m in the West, but fell in all other regions. They were down 6.6% in the Northeast, 3.3% in the Midwest, and 0.9% in the South. The index is based on contracts signed a month earlier for existing single-family homes, condos, and co-ops and usually leads the Existing-Home Sales Index by a month or two.

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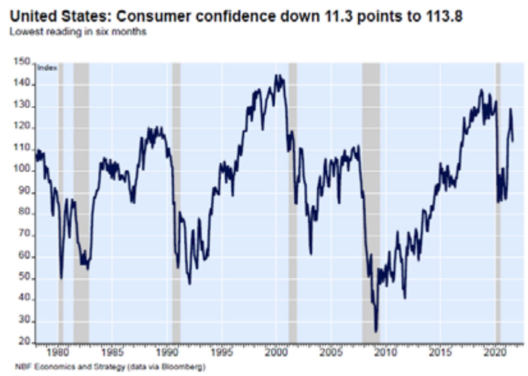
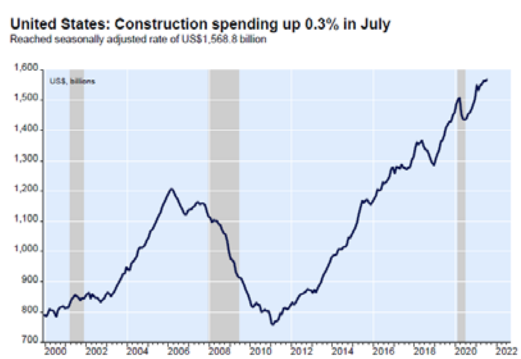
In June, the **S&P CoreLogic Case-Shiller home price index** for the country's largest 20 metropolitan areas jumped 1.8% (seasonally adjusted) month over month and 19.1% year over year. Month over month, home prices were up in all 20 cities, with increases ranging from 3.5% in Phoenix to 0.99% in New York.

The **Conference Board Consumer Confidence Index** declined from 125.1 in July to 113.8 in August, its lowest reading in six months. The cut-off date for the preliminary results was August 25. This was 11 days after the start of the U.S. evacuation from Afghanistan. Aside from the depressing media coverage from Afghanistan, this period also saw restrictions re-imposed to contain the spread of the Delta variant and news reports of hospitals being overwhelmed by the surge of new COVID cases. Consequently, it is easy to explain the less favourable view of current economic conditions and short-term growth prospects reported in the Conference Board survey. We might also add rising food and gas prices to the list of factors weighing on the consumer mood. According to the Conference Board, the Present Situation Index, which gauges the consumer view of current business and labour market conditions, fell 9.9 points to147.3 in the month. Meanwhile, the Expectations Index, which measures the consumer short-term outlook for income, business, and labour market conditions, fell from 103.8 in July to 91.4 in August.



One thing that augurs well for consumer spending in September is the tight labour market, provided the pandemic situation does not worsen significantly. In this regard, the percentage of respondents that considered jobs plentiful (54.6%) far outweighed the percentage (11.8%) that considered jobs hard to get.

In July, **construction spending** rose 0.3% to a seasonally adjusted rate of US$1,568.8 billion. Public expenditures rose 0.7% while spending in the private sector advanced 0.3%. Higher private outlays were attributable entirely to a 0.5% gain in the residential segment (+US$4.1 billion). In the private non-residential segment, spending fell 0.2% or US$0.4 billion. Relative to 12 months earlier, construction spending was up 9.0% in the month.



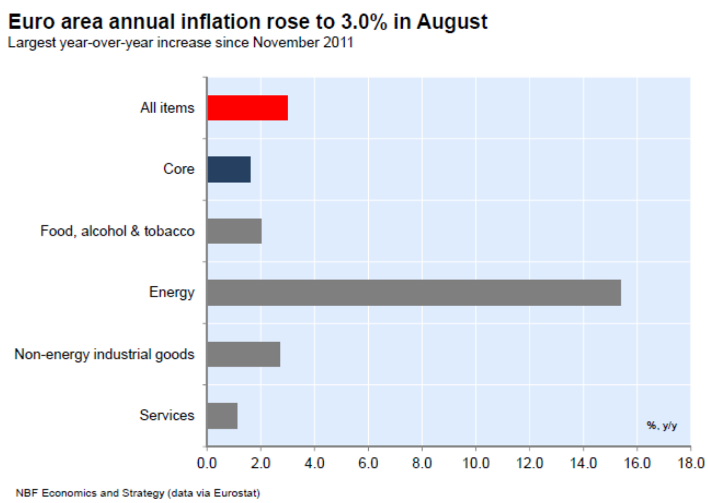
Initial jobless claims fell 14K to a seasonally adjusted 340K in the week ended August 28. The four-week moving average, which smooths week-to-week volatility, fell to 355K. The advance number for seasonally adjusted insured unemployment (i.e., continued claims) fell 160K to 2,748K in the week ending August 21. The jobless claims report shows that, in the week ended August 14, 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 12.2 million, an increase of 178.5K.

In August, the ISM Services PMI drifted down 2.4 points from its highest reading on record (64.1 in July) to 61.7

NBF Economic & Strategy Group

WORLD - The **J.P. Morgan Global Manufacturing PMI composite index** fell to a six-month low of 54.1 in August. Of the 31 countries for which data were available, ten registered PMI readings below the 50 threshold. Manufacturing activity declined across the major Asian economies as virus lockdowns, port congestions and higher input costs impacted production. The manufacturing indices were particularly low in Vietnam (40.2), Malaysia (43.2) and Indonesia (43.7). Even the Caxin China PMI dipped into contraction territory in August (49.2). However, growth continued in many of the largest countries covered, including the United States, Japan, Germany, the UK, France, India, South Korea and Brazil.

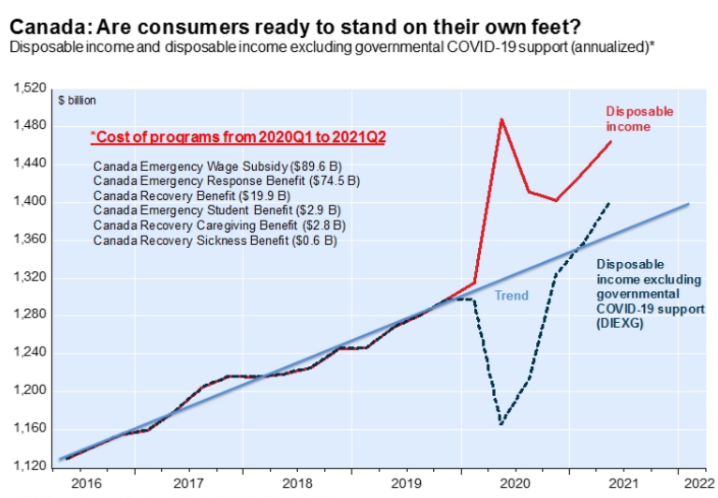
According to the Eurostat flash estimate, inflation rose 3.0% y/y in August in the **Euro Area**. We need to look back as far as November 2011 to see such a high print for inflation. Excluding energy, food, alcohol and tobacco, the price index rose 1.6% y/y. In August, only four countries in the Eurozone had inflation below 2%, compared with 16 back in March.



CANADA WATCH

Are consumers ready to stand on their own feet?

Unless additional extensions are announced, the remaining extraordinary income support programs that were put in place during the pandemic will end in the coming weeks. Against this backdrop, many wonder about the risks of an income shock for households. Are consumers ready to stand on their own feet? The economic accounts data published this week suggest that this is the case. As the Hot Chart shows, disposable income excluding government programs (DIEXG) related to the COVID-19 pandemic was already above its historical trend in Q2 after registering a 14.1% annualized jump during the quarter. Job creation so far in the third quarter suggests that the upward trend in DIEXG has continued. This, combined with the large amount of excess savings already accumulated by households (11.4% of GDP, see note) sets the stage for robust consumption and a rebound in real GDP growth after the Q2 disappointment.



IN THE NEWS

U.S. and Canadian News

Monday August 30th, 2021

- **U.S. pending home sales drop for second straight month in July**
  The National Association of Realtors (NAR) said its Pending Home Sales Index, based on contracts signed last month, fell 1.8% after dropping a revised 2.0% in June. Economists had forecast pending home sales would increase 0.4%.

Tuesday August 31st, 2021

- **U.S. consumer confidence drops to six-month low in August**
  The Conference Board said its consumer confidence index dropped to a reading of 113.8 this month, the lowest since February, from 125.1 in July. Economists had forecast the index falling to 124.0.
- **U.S. June home prices rise at record annual pace**
  The S&P CoreLogic Case-Shiller composite index of 20 metropolitan areas gained 19.1% through the 12 months ended in June from an upwardly revised 17.1% in the 12 months through May, marking the largest annual price increase in the survey's two decades. Economists had forecast an increase of 18.5%. On a month-to-month basis, the 20-city composite index rose 1.8% from May, in line with estimates from economists.
- **Canada's economy posts surprise contraction in Q2 amid election campaign**
  The Canadian economy shrank 1.1% in the second quarter on an annualized basis, far below analyst expectations of a gain of 2.5%. It was the first quarterly contraction since the second quarter of 2020. The economy most likely contracted 0.4% in July, Statscan said in a preliminary estimate, following a 0.7% gain in June, which was in line with analyst expectations.

Wednesday September 1st, 2021

- **U.S. private payrolls rise moderately in August -ADP**
  Private payrolls increased by 374,000 jobs last month after rising 326,000 in July, the ADP National Employment Report showed. Economists had forecast private payrolls would increase by 613,000 jobs.
- **U.S. manufacturing sector edges up in August**
  The Institute for Supply Management (ISM) said its index of national factory activity inched up to 59.9 last month from a reading of 59.5 in July. Economists had forecast the index falling to 58.6.
- **Construction spending rises in July amid abroad gains**
  The Commerce Department said that construction spending increased 0.3% after being unchanged June. Construction spending rose 9.0% on a year-on-year basis in July.
- **Canadian factory activity climbs to 4-month high on rising demand**
  The IHS Markit Canada Manufacturing Purchasing Managers' Index (PMI) rose to a seasonally adjusted 57.2 in August from 56.2 in July. It was the PMI's highest level since April and the 14th straight month above 50.
- **U.S. July budget deficit hits $302 billion as spending remains high**
  The U.S. government posted a July budget deficit of $302 billion, a record for that month, as COVID-19 relief spending stayed elevated while receipts returned to a more normal pace after a delayed July tax deadline last year. The Treasury Department said the July deficit compared to a year-earlier $63 billion budget gap. The U.S. deficit for the first 10 months of fiscal 2021 came to $2.540 trillion, down 10% from the year-earlier record of $2.807 trillion.

Thursday September 2nd, 2021

- **U.S. weekly jobless claims drop**
  Initial claims for state unemployment benefits dropped 14,000 to a seasonally adjusted 340,000 for the week ended Aug. 28, the lowest level since mid-March 2020. Economists had forecast 345,000 applications for the latest week.
- **U.S. trade deficit shrinks in July as imports fall**
  The Commerce Department said that the trade gap fell 4.3% to $70.1 billion. Data for June was revised to show the deficit at $73.2 billion instead of $75.7 billion as previously reported.
- **U.S. factory orders increase in July despite supply constraints**
  The Commerce Department said that factory orders increased 0.4% in July after advancing 1.5% in June. Economists had forecast factory orders gaining 0.3%.
- **Canada trade surplus narrowed in July as imports outpaced exports**
  Canada's surplus with the world was $778 million in July, down from a downwardly revised $2.6 billion surplus in June, the largest in nearly 13 years. Analysts had on average forecast a surplus of $1.40 billion in July.

Friday September 3rd, 2021

- **U.S. consumer sentiment plummets in early August to decade low**
  The University of Michigan said its preliminary consumer sentiment index fell to 70.2 in the first half of this month from a final reading of 81.2 in July. That was the lowest level since 2011. Economists had forecast the index would remain unchanged at 81.2.
- **U.S. service sector growth slows in August, supply constraints easing a bit**
  The Institute for Supply Management said its non-manufacturing activity index slipped to 61.7 last month after racing to 64.1 in July, which was the highest reading in the series' history. Economists had forecast the index falling to 61.5.
- **Toronto home prices hit $1.1M with supply at decade low**
  Data from the Toronto Regional Real Estate Board (TRREB) showed 8,596 homes changed hands in August, down 19.9 per cent from a year earlier, while new listings plunged 43 per cent. Sales were down 8.2 per cent from the prior month. Meanwhile, the average selling price of a home in the Greater Toronto Area jumped 12.6 per cent from a year earlier to $1,070,911.

Click on title to view the full story.

IN THE NEWS

International News

Monday August 30th, 2021

- **German inflation hits fresh 13-year high in August**
  Consumer prices, harmonised to make them comparable with inflation data from other European Union countries, rose 3.4% compared with 3.1% in July, preliminary figures showed. The August reading was in line with a Reuters poll and marked the highest since July 2008.
- **Brazil's government posts $3.8 billion deficit in July**
  Brazil's central government reported a primary budget deficit of 19.8 billion reais (US$3.8 billion) in July, more than the 17.3 billion reais deficit forecast in a Reuters poll of economists.
- **Japan's retail sales extend gains but COVID-19 challenges persist**
  Retail sales advanced 2.4% in July from the same month a year earlier, slightly faster than economists' median forecast for a 2.1% rise. It followed a 0.1% increase in June.

Tuesday August 31st, 2021

- **India's economic growth accelerates to 20.1% y/y in April-June**
  India's economy grew at a record 20.1% year-on-year in April-June quarter, official data showed. The read-out for June quarter was in line with the 20.0% growth forecast of analysts and much higher than 1.6% growth rate for the previous year. The economy had contracted 24.4% in the same quarter a year earlier.
- **Euro zone inflation surges to 10-year-high, in headache for ECB**
  Consumer inflation in the 19 countries sharing the single currency accelerated to 3% this month from 2.2% in July, far above expectations for 2.7% and moving well clear of the ECB's 2% target.
- **German unemployment falls further in August as recovery continues**
  The Labour Office said the number of people out of work fell by 53,000 in seasonally adjusted terms to 2.538 million. A Reuters poll had forecast a fall of 40,000. The seasonally-adjusted jobless rate fell to 5.5%, the lowest since March 2020.
- **Japan's July factory output slips as COVID-19 hits car production**
  Factory output dropped 1.5% in July from the previous month. That meant output fell back below pre-coronavirus pandemic levels again after surging 6.5% in the prior month, though it was stronger than a 2.5% drop forecast in a Reuters poll of economists.
- **China's economy under pressure as factory activity slows in Aug, services contract**
  The official manufacturing Purchasing Manager's Index (PMI) fell to 50.1 in August from 50.4 in July, holding just above the 50-point mark that separates growth from contraction. Analysts had expected it to slip to 50.2. The official non-manufacturing PMI in August was 47.5, well down from July's 53.3.

Wednesday September 1st, 2021

- **Euro zone Aug factory growth strong - as were price rises, PMI shows**
  IHS Markit's final manufacturing Purchasing Managers' Index (PMI) fell to 61.4 in August from July's 62.8, below an initial 61.5 "flash" estimate.
- **Euro zone unemployment falls as expected in July**
  Eurostat said the unemployment rate in the 19 countries sharing the euro fell to 7.6% of the workforce, in line with economists' consensus, from 7.8% in June.
- **China new home price growth slowest in five months**
  New home prices in 100 cities climbed 0.2% in August from a month earlier, slowing from a 0.35% gain in July. On an annual basis, China's new home prices grew 3.51% in August, slowing from July's 3.81% increase, the slowest clip since December 2020.
- **Hong Kong retail sales rise 2.9% as pandemic threat eases**
  Retail sales in July rose 2.9% from a year earlier to HK$27.2 billion (US$3.50 billion). July's increase compared with 5.8% growth in June. In volume terms, retail sales in July grew 0.9% from a year earlier, compared with a revised 2.9% surge the previous month.

Thursday September 2nd, 2021

- **Chaotic U.S. exit likely to crush Afghan economy**
  Fitch now expects the country's real gross domestic product (GDP) to shrink by 9.7% this financial year, with a further drop of 5.2% seen next year. It had previously forecast growth of 0.4% for this year.
- **Moody's downgrades Peru, citing 'polarized and fractured political environment'**
  Rating agency Moody's Investors Service downgraded Peru's rating to 'Baa1' on Wednesday, citing a "continuously polarized and fractured political environment," which it says has increased political risk and "materially weakened policymaking capacity."

Friday September 3rd, 2021

- **China securities regulator tightens scrutiny over network security, fund management**
  China's securities regulator published rules governing network security for the securities and futures industry. In a separate announcement, the China Securities Regulatory Commission said it would increase scrutiny over staff at fund companies to strengthen internal control mechanisms.
- **China's new stock exchange plans fuel fears of a bourse war**
  China's plans to launch a new exchange in Beijing, announced by President Xi Jinping, boosted shares in Chinese brokerages but knocked down Shenzhen start-up board ChiNext and shares of Hong Kong's bourse amid fears of rising competition.
- **Euro zone business activity strong in Aug but supply issues weighed**
  IHS Markit's final composite Purchasing Managers' Index (PMI), dropped to 59.0 last month from July's 15-year high of 60.2 but below a 59.5 "flash" estimate.
- **Japan PM Suga decides to step down**
  Japanese Prime Minister Yoshihide Suga said he had decided not to run in the ruling Liberal Democratic Party's leadership race.

Click on title to view the full story.

WEEKLY PERFORMERS – S&P/TSX

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Nexgen Energy Ltd	$7.14	$1.57	28.19%
Denison Mines Corp	$1.75	$0.33	23.24%
Cameco Corp	$27.04	$4.58	20.39%
Lithium Americas Corp	$27.70	$4.04	17.08%
BRP Inc	$125.59	$17.57	16.27%
Canadian National Railway Co	$159.01	$19.80	14.22%
Lightspeed Commerce Inc	$150.19	$18.35	13.92%
Parex Resources Inc	$20.86	$2.05	10.90%
Interfor Corp	$28.95	$2.69	10.24%
Equinox Gold Corp	$9.45	$0.84	9.76%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Russel Metals Inc	$33.17	-$1.96	-5.58%
Westport Fuel Systems Inc	$4.90	-$0.28	-5.41%
Centerra Gold Inc	$9.35	-$0.49	-4.98%
Nuvei Corp	$153.56	-$7.73	-4.79%
Air Canada	$24.02	-$1.01	-4.04%
Sunopta Inc	$12.06	-$0.46	-3.67%
First Quantum Minerals Ltd	$25.67	-$0.97	-3.64%
Village Farms International Inc	$11.67	-$0.37	-3.07%
Suncor Energy Inc	$23.47	-$0.73	-3.02%
Manulife Financial Corp	$24.42	-$0.68	-2.71%

Source: Refinitiv

WEEKLY PERFORMERS – S&P500

S&P500: LEADERS	LAST	CHANGE	%CHG
Cabot Oil & Gas Corp	$17.81	$2.18	13.95%
Quanta Services Inc	$116.00	$12.65	12.24%
Baxter International Inc	$82.71	$8.74	11.82%
Moderna Inc	$416.70	$34.48	9.02%
Catalent Inc	$140.35	$10.50	8.09%
ServiceNow Inc	$678.63	$46.23	7.31%
Equinix Inc	$882.83	$58.02	7.03%
Iron Mountain Inc	$49.38	$3.01	6.49%
Duke Realty Corp	$53.62	$3.03	5.99%
Prologis Inc	$138.99	$7.68	5.85%

S&P500: LAGGARDS	LAST	CHANGE	%CHG
Wells Fargo & Co	$44.17	-$5.64	-11.32%
Capital One Financial Corp	$157.26	-$18.54	-10.55%
Synchrony Financial	$47.38	-$4.57	-8.80%
Autodesk Inc	$288.75	-$26.89	-8.52%
Discover Financial Services	$122.99	-$10.49	-7.86%
LyondellBasell Industries NV	$95.73	-$7.15	-6.95%
Abbvie Inc	$111.62	-$7.96	-6.66%
NXP Semiconductors NV	$212.99	-$13.52	-5.97%
Norwegian Cruise Line Holdings Ltd	$24.62	-$1.54	-5.89%
Regions Financial Corp	$19.71	-$1.21	-5.78%

Source: Refinitiv

NBF RATINGS & TARGET PRICE CHANGES

Company	Symbol	Current Rating	Previous Rating	Current Target	Previous Target
Alimentation Couche-Tard Inc.	ATD.B	Outperform	Outperform	**C$56.00**	**C$54.00**
BRP Inc.	DOO	Outperform	Outperform	**C$135.00**	**C$125.00**
Canadian Western Bank	CWB	Sector Perform	Sector Perform	**C$41.00**	**C$40.00**
EXFO Inc.	EXF		**Tender**	**US$0.00**	**US$6.25**
Laurentian Bank	LB	Sector Perform	Sector Perform	**C$47.00**	**C$46.00**
mdf commerce inc.	MDF	**Sector Perform**	**Restricted**	**C$13.50**	**C$0.00**
Park Lawn Corporation	PLC	**Outperform**	**Restricted**	**C$44.50**	**C$0.00**
Softchoice Corporation	SFTC	**Sector Perform**		**C$40.00**	**-**
Thomson Reuters Corporation	TRI	Sector Perform	Sector Perform	**C$162.00**	**C$145.00**

STRATEGIC LIST - WEEKLY UPDATE

(August 30th – September 3rd)

No Changes this Week

Comments:

Consumer Staples (Market Weight)

Alimentation Couche-Tard Inc. (ATD.B)

NBF: ATD reported Q1/F22 adj. EPS of $0.71, above NBF at $0.66 and cons. at $0.65; last year was $0.71 (adj.). NBF considers these results to be slightly positive; strong fuel margins more than offset marginally soft merchandising gross profit and heightened SG&A (vs. NBF). A gain on disposal of assets aided EPS by $0.03 vs. in their view. Total revenue was $13.6 bln vs. NBF at $13.5 bln and cons. at $13.2 bln; last year was $9.7 bln. Adj. EBITDA was $1,360 mln vs. NBF at $1,287 mln; last year was $1,361 mln. ATD continues to deliver above-industry fuel margins, particularly in the U.S. Specifically, ATD's U.S. fuel margins have historically exceeded benchmark OPIS data by 0.8 c/g over the last five years; the beat over the last five quarters averaged 8.0 c/g, suggesting strong momentum. Note that a $0.01 increase in U.S. fuel margin adds ~$0.08 to annual EPS. ATD credits healthy fuel margins to favourable market conditions and improved product costs (fuel rebranding and procurement initiatives). Fuel volumes, while improving y/y, remain challenged vs. pre-pandemic levels given work from home and changes in local restrictions (due to the delta variant). While management continues to see ongoing business challenges, chiefly in supply chain, pervasive cost inflation and labour availability, it expects to mitigate inflationary pressures through various initiatives (including cost optimization measures). Management communicated its financial aspirations of achieving $6.3 bln of EBITDA by F2023 (60%/40% organic/M&A contributions). Without future deals, ATD's F2023 EBITDA target would be $5.1 bln (NBF/cons. at $4.9 bln). If they increased their estimates to management's view (excl. future deals), their F2023 EPS would go to $2.65 from $2.46. NBF maintained their Outperform rating and increased the target price to Cdn$56 from Cdn$54.

Energy (Overweight)

Tourmaline (TOU)

NBF: On Strategy: TOU is the class of the space, and offers a robust and improving value proposition, while on strip pricing offers visibility to a 33% return proposition (vs. peers 37%) on leverage of -0.2x D/CF (vs. peers 0.2x), while trades at 3.1x 2022e EV/DACF (vs. peers 2.5x) on strip. Compounding our thesis, a notably improved gas price landscape (broadly more resilient & investable) and visibility for strength into the winter season sees TOU arguably pricing in a ~50% discount to strip, immense and opportunistic value. Our $40/sh target price is based on a 2022e EV/DACF multiple of 5.5x (unchanged). TOU announced a secondary offering of TPZ common equity, issuing 7.0 mln TPZ common shares at a price of $15.45 per common share to raise aggregate gross proceeds of $108 mln for the parent company. The offering represents a ~5% interest in the shares outstanding of TPZ, and subsequent to the offering, TOU will retain a <40% interest in TPZ (from ~45%). This is on strategy for the company and continues to validate the value proposition of each entity, as it relates to: TOU – Crystallizing returns from its TPZ interest to further pad its balance sheet, and support visibility to return of capital. TPZ – Positively supporting shareholder value through increased float & liquidity, which should positively translate to its cost of capital over the long term (notably index inclusion as its float-adjusted market cap naturally expands). NBF recently added TPZ to NBF Dividend All-Stars and further detailed its conviction in TPZ's value strategy. As it relates to TOU, its execution remains flawless, having established the largest enterprise of its kind, while strategically controlling its destiny through multiple value initiatives that should continue to yield significant returns for investors.

Financials (Market Weight)

Canadian Banks

NBF: Q3/2021 Earnings Recap: Five of the Big-6 banks reported net credit reversals this quarter. $1.4 bln of aggregate impaired loan PCLs (16 bps avg. loss rate) were dwarfed by $1.8 bln of aggregate releases of performing loan PCLs. As a group, year-to-date performing PCL releases represent 35% of total performing PCL additions recorded between Q2/20-Q4/20. Banks that have released a relatively larger proportion of "peak COVID" provision build include BNS (51%), RY (39%) and CM (37%), while BMO (21%), NA (22%) and TD (29%) have been relatively more restrained in this regard. The average Canadian P&C segment reported Pre-Tax Pre-Provision (PTPP) growth of 15%, a figure flattered by a prior-year period that represented the nadir of this segment's pandemic performance. Loan growth is also steadily improving. Sequential mortgage growth averaging 3% was surpassed by commercial growth averaging 4%. Encouragingly, we saw "green shoots", with most banks reporting (small) sequential growth in higher-margin card (+3% Q/Q avg.) and other personal loan balances (+1% Q/Q). Overall, Canadian banking growth metrics surpassed performance delivered by analogous segments in the U.S. (and elsewhere). Success in Canada, though, can be viewed as a double-edge sword, as it has attracted the attention of politicians. Banks are moving past periods of belt tightening, with this quarter's 6% Y/Y expense growth marking a 9-quarter high. Granted, the bulk of NIX inflation is tied to variable compensation. Excluding these costs, expenses grew at a modest 2%. Guidance from most banks suggests that low single-digit NIX growth will be targeted, which is how NBF has modelled its 2022E. At 13.0%, the sector's CET 1 ratio translates to ~$45 bln of excess capital (excl. ECL), representing 7% of the sector's market capitalization. Although the weight of excess capital wasn't apparent relative to a Q3/21 sector ROE average of 17.9%, deployment plans are an investor focus. Banks that are currently sporting (forecasted) sub-40% payout ratios over the next 12 months include BMO, NA and RY. As it relates to buyback potential, NBF believes expectations need to be moderated. If anything, the political dynamic could dissuade banks from being more active with buybacks than they were pre-COVID. A credit-tailwind that is still blowing, improving growth dynamics and potentially positive capital news in a few months coupled with an undemanding 10.9x forward P/E multiple makes bank stocks attractive. NBF maintained a positive outlook for the banks, with BMO, CM and RY as its top picks. However, in the near term, NBF believes the stocks could be range-bound due to global trends (e.g., U.S. Fed tapering) and local ones. The local issue it expects to weigh on bank stocks is the upcoming Federal Election, where the Liberal party platform contains several elements that are potentially negative to the banking industry.

Utilities (Underweight)

Innergex Renewable Energy Inc. (INE)

NBF: INE Closes ~$251 mln equity issuance to fund acquisition of Hydro assets. INE and HQI US Holding LLC, a subsidiary of Hydro-Québec (HQ), have entered into a joint purchase agreement with Atlantic Power to acquire Curtis Palmer, a 60 MW run-of-river hydroelectric portfolio in New York. The assets consist of the 12 MW Curtis Mills and 48 MW Palmer Falls facilities. The total cost of the acquisition is US$310 mln ($387.5 mln), with an earn-out provision subject to the evolution of NYISO market pricing. INE will own 50% of the assets with HQ owning the remaining 50%. The transaction is expected to close in Q4'21E. INE raised ~$251 mln to fund M&A and other growth initiatives. INE issued ~12.96 mln shares at $19.40/sh (15% O/A option exercised), of which ~2.58 mln shares were issued to HQ in a private placement at $19.40/sh for total gross proceeds of ~$251 mln. The private placement will allow HQ to maintain its 19.9% ownership. INE plans to use $194 mln of the proceeds to fund the acquisition, with the remainder for general corporate purposes & future growth initiatives. With an avg. annual EBITDA of ~$53 mln and FCF of ~$49 mln, the acquisition is accretive on near-term metrics (7.3x EV/EBITDA and 12.7% CAFD yield through '25E vs. INE at 13.6x and 4.0% pre-deal, respectively). This should help reduce INE's payout ratio by ~10%. The two facilities have a PPA with Niagara Mohawk Power Corp that expires upon the earlier of either Dec. 31, '27 or the delivery of cumulative 10,000 GWh (expected in 2026). Following the expiry of the PPA, the facilities can sell energy, RECs and capacity in the NYISO market. With an average annual capacity factor of 63%, the assets produce more than most run-of-river hydro facilities. Although the price should be lower than the ~US$130/MWh the facility now receives, the market is healthy and the asset should benefit from HQ's presence in New York. NBF maintained its $27/sh target and Outperform rating. NBF target is based on cost of equity of 4.75%. NBF reiterates their Outperform rating as they believe INE trades at a discount to its peer group, baking in an implied ~6% discount on future cash flows.

NBF STRATEGIC LIST

Company	Symbol	Addition Date	Addition Price	Last Price	Yield (%)	Beta	% SPTSX	NBF Sector Weight
Communication Services							**4.9**	**Market Weight**
Quebecor Inc.	QBRb.TO	29-Nov-18	$ 28.70	$ 31.79	3.5	0.5		
Rogers Communications Inc.	RCIb.TO	13-Feb-20	$ 65.84	$ 63.49	3.1	0.5		
Consumer Discretionary							**3.8**	**Market Weight**
Dollarama Inc.	DOL.TO	19-Mar-20	$ 38.96	$ 56.86	0.4	0.6		
Gildan Activewear Inc.	GIL.TO	20-May-21	$ 42.72	$ 50.05	1.6	1.9		
Consumer Staples							**3.6**	**Market Weight**
Alimentation Couche-Tard Inc.	ATDb.TO	26-Jan-17	$ 30.09	$ 50.42	0.7	0.7		
Loblaw Companies Ltd.	L.TO	25-Mar-21	$ 68.50	$ 89.81	1.6	0.3		
Energy							**13.1**	**Overweight**
Cenovus Energy Inc.	CVE.TO	16-Jan-20	$ 12.26	$ 10.98	0.6	2.5		
Enbridge Inc.	ENB.TO	21-Jan-15	$ 59.87	$ 50.12	6.7	0.9		
Tourmaline Oil Corp.	TOU.TO	13-Aug-20	$ 16.68	$ 35.18	1.8	1.4		
Financials							**31.3**	**Market Weight**
Bank of Montreal	BMO.TO	25-Mar-21	$ 112.23	$ 127.73	3.3	1.1		
Element Fleet Management Corp	EFN.TO	02-Apr-20	$ 8.58	$ 14.42	1.8	1.2		
Fairfax Financial Holdings Ltd.	FFH.TO	20-Dec-18	$ 585.81	$ 567.02	2.2	0.9		
Intact Financial Corp.	IFC.TO	11-Jun-20	$ 130.04	$ 173.04	1.9	0.8		
Royal Bank of Canada	RY.TO	19-Jun-13	$ 60.69	$ 129.48	3.3	0.9		
Sun Life Financial	SLF.TO	10-Dec-20	$ 57.07	$ 64.69	3.4	1.4		
Health Care							**1.3**	**Market Weight**
Industrials							**11.4**	**Market Weight**
Cargojet Inc.	CJT.TO	12-Aug-21	$ 187.63	$ 208.00	0.5	0.7		
Lifeworks Inc.	LWRK.TO	26-Sep-19	$ 32.72	$ 34.80	2.2	0.7		
Toromont Industries Ltd	TIH.TO	05-Dec-19	$ 67.24	$ 107.06	1.3	0.8		
Information Technology							**11.2**	**Underweight**
Kinaxis Inc.	KXS.TO	19-Mar-20	$ 100.05	$ 204.65	0.0	0.7		
Open Text Corp.	OTEX.TO	26-Oct-16	$ 41.61	$ 68.66	1.6	0.9		
Materials							**11.7**	**Overweight**
Agnico Eagle Resources Ltd.	AEM.TO	17-Dec-14	$ 27.00	$ 73.72	2.4	0.5		
SSR Mining Inc.	SSRM.TO	30-Jan-20	$ 23.81	$ 21.09	1.2	0.6		
Teck Resources Ltd.	TECKb.TO	01-Nov-17	$ 27.15	$ 30.78	0.7	1.2		
REITs							**3.2**	**Underweight**
Canadian Apartment Properties REIT	CAR_u.TO	10-Dec-20	$ 49.82	$ 62.15	2.3	0.7		
RioCan REIT	REI_u.TO	23-Aug-18	$ 19.95	$ 22.56	4.3	1.2		
Utilities							**4.5**	**Underweight**
Capital Power Corp.	CPX.TO	22-Aug-19	$ 30.90	$ 43.58	5.0	1.2		
Innergex Renewable Energy Inc.	INE.TO	22-Aug-19	$ 15.00	$ 20.45	3.5	0.8		

Source: Refinitiv (Priced September 3, 2021 after market close)

Week Ahead

THE ECONOMIC CALENDAR

(September 6th – September 10th)

U.S. Indicators

Date	Time	Release	Period	Previous	Consensus	Unit
8-Sep	07:00	MBA Mortgage Applications	30 Aug, w/e	-2.4%		Percent
8-Sep	10:00	**JOLTS Job Openings**	Jul	10.073M		Person
8-Sep	15:00	Consumer Credit	Jul	37.69B	25.00B	USD
9-Sep	08:30	**Initial Jobless Clm**	30 Aug, w/e	340k		Person
9-Sep	08:30	Jobless Clm 4Wk Avg	30 Aug, w/e	355.00k	335.00k	Person
9-Sep	08:30	Cont Jobless Clm	23 Aug, w/e	2.748M	2.744M	Person
9-Sep	10:30	EIA-Nat Gas Chg Bcf	30 Aug, w/e	20B		Cubic foot
9-Sep	11:00	EIA Wkly Crude Stk	30 Aug, w/e	-7.169M		Barrel
10-Aug	08:30	PPI Final Demand YY	Aug	7.8%	8.2%	Percent
10-Aug	08:30	**PPI Final Demand MM**	Aug	1.0%	0.6%	Percent
10-Aug	08:30	PPI exFood/Energy YY	Aug	6.2%	6.6%	Percent
10-Aug	08:30	PPI exFood/Energy MM	Aug	1.0%	0.5%	Percent
10-Aug	08:30	PPI ex Food/Energy/Tr YY	Aug	6.1%		Percent
10-Aug	08:30	PPI ex Food/Energy/Tr MM	Aug	0.9%		Percent
10-Aug	10:00	Wholesale Invt(y), R MM	Jul	0.6%	0.6%	Percent

Canadian Indicators

Date	Time	Release	Period	Previous	Consensus	Unit
8-Sep	10:00	**BoC Rate Decision**	8 Sep	0.25%	0.25%	Percent
8-Sep	10:00	Ivey PMI	Aug	59.8		Net balance
8-Sep	10:00	Ivey PMI SA	Aug	56.4		Net balance
10-Aug	08:30	Capacity Utilization	Q2	81.7%		Percent
10-Aug	08:30	**Employment Change**	Aug	94.0k	75.0k	Person
10-Aug	08:30	**Unemployment Rate**	Aug	7.5%	7.3%	Percent
10-Aug	08:30	Full Time Employment Chng SA	Aug	83.0k		Person
10-Aug	08:30	Part Time Employment Chng SA	Aug	11.0k		Person
10-Aug	08:30	Participation Rate	Aug	65.2%		Percent

Source : Refinitiv

U.S. and Canadian Markets are Closed Sep 6th for Labour Day

S&P/TSX QUARTERLY EARNINGS CALENDAR

Monday September 6th, 2021

None

Tuesday September 7th, 2021

None

Wednesday September 8th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Descartes Systems Group Inc	DSG	AMC	0.245
Transcontinental Inc	TCL.a	NTS	0.564

Thursday September 9th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Dollarama Inc	**DOL**	**07:00**	**0.50167**
Empire Company Ltd	EMP.a	06:30	0.72889
North West Company Inc	NWC	BMO	0.53

Friday September 10th, 2021

None

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

S&P500 INDEX QUARTERLY EARNINGS CALENDAR

Monday September 6th, 2021

None

Tuesday September 7th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Copart Inc	CPRT	AMC	0.91433

Wednesday September 8th, 2021

None

Thursday September 9th, 2021

None

Friday September 10th, 2021

COMPANY*	SYMBOL	TIME	EPS ESTIMATE
Kroger Co	KR	BMO	0.54781

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

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