



Monday, July 13, 2020

MACRO VIEW

The **TSX (+0.5%)** edged higher on positive economic data while Wall Street's main indices gained following an upbeat start to Q2 earnings. **West Texas Intermediate crude oil (-0.8%)** prices dipped on demand concerns after a record daily rise in global COVID-19 cases over the weekend, with traders waiting for an OPEC meeting expected to reduce output. **Gold (+0.5%)** prices rose, and are trading above the key US\$1,800/oz level, supported by a declining dollar and worries over surging COVID-19 cases. North American bond yields rose with the U.S. 10-year at 0.65%, and the Canadian 10-year at 0.58%. The Canadian dollar strengthened against the greenback as stock markets rallied and ahead of an interest rate decision from the Bank of Canada.

Canadian producer prices gained 0.4% in June from May, primarily on higher prices for energy and petroleum products, that jumped 11.7%, however, excluding energy and petroleum products, the industrial product price index fell 0.6% on lower prices for recreational vehicles, electronics and pulp and paper products.

CANADIAN MARKETS

Shaw Communications (SJR.B, +5.5%) reported adjusted EBITDA of \$609 million, ahead of consensus of \$580 million. Wireless postpaid net additions increased by 2,200 although 7,700 prepaid customers were lost. Wireless average billing per subscriber unit (ABPU) increased by 5.7% year-over-year (Y/Y) while wireless average revenue per subscriber unit (ARPU) increased by 2.6% Y/Y. In the Wireline segment, internet subscribers declined by 5,100 while video subscriber losses were 22,000.

Intertape Polymer (ITP, +6.8%) has provided its preliminary estimates for its Q2/20 results. It expects revenue to be \$267 million, exceeding its previously provided outlook of \$235 million to \$250 million. It also expects adjusted EBITDA to exceed the top end of its prior outlook range of \$34 million.

Torstar (TS.B, +5.7%) announced that NordStar Capital has raised its prior bid to acquire Torstar from \$0.63/share to \$0.74/share, following an unsolicited offer from a private investor group to acquire the company for \$0.72/share in cash with several contingencies. 93.2% of the trustees of Torstar's Voting Trust approve of NordStar's new bid.

Yamana Gold (YRI, +0.7%) produced 164,141 ounces of gold and 2.01 million ounces of silver in Q2/20. It noted that currently, its production is tracking above guidance. **B2Gold (BTG, +2.0%)** announced total gold production of 241,593 ounces in Q2/20. Gold revenue came in at US\$442 million, up 65% Y/Y. It reiterated its total annual production guidance of 1,000,000 to 1,055,000 ounces of gold.

Fiera Capital (FSZ, -0.6%) has announced a normal course issuer bid to buy back up to a maximum of 2 million shares through July 14, 2021.

Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	15,784.28	0.45%	-7.5%	-7.5%
S&P 500	3,213.79	0.90%	-0.5%	3.7%
NASDAQ	10,772.12	1.46%	20.1%	25.1%
Dow Jones	26,413.82	1.30%	-7.4%	-3.5%
Nikkei 225	22,784.74	2.22%	-3.7%	1.7%
Euro Stoxx 50	3,336.87	1.23%	-10.9%	-5.9%
FTSE EM	2,277.85	0.82%	-1.4%	2.7%

Canadian Market Movers

SJR/B	Shaw Comm-B	5.5%
TECK/B	Teck Resources-B	3.5%
NTR	Nutrien Ltd	2.8%
K	Kinross Gold	1.6%
FM	First Quantum	1.6%
GIL	Gildan Activewear	-1.5%
SU	Suncor Energy	-1.5%
POW	Power Corp Cda	-1.5%
BPY-U	Brookfield Prope	-1.9%
CVE	Cenovus Energy	-2.0%

*As of July 13 2020 10:30 AM. Source: Bloomberg

U.S. Market Movers

PFE	Pfizer Inc	3.7%
AAPL	Apple Inc	3.3%
NFLX	Netflix Inc	3.0%
NVDA	Nvidia Corp	2.3%
AMZN	Amazon.Com Inc	2.2%
SLB	Schlumberger Ltd	-1.5%
WFC	Wells Fargo & Co	-1.6%
BA	Boeing Co/The	-1.6%
SPG	Simon Property	-1.8%
OXY	Occidental Pete	-3.7%

*As of July 13 2020 10:30 AM. Source: Bloomberg

Benchmark Bonds & Rates

	Chg ¹	Yld ¹	Sep-20 ²	Dec-20 ²
CA 2YR	0.01%	0.30%	0.35%	0.40%
CA 10YR	0.02%	0.58%	0.85%	0.85%
US 2YR	0.01%	0.16%	0.35%	0.40%
US 10YR	0.00%	0.65%	0.90%	0.95%
	Rate ¹	Sep-20 ²	Dec-20 ²	
CA Prime	2.45%	-	-	
CA Overnight Tgt	0.25%	0.25%	0.25%	
Fed Funds Tgt	0.25%	0.13%	0.13%	

1 - As of July 13 2020 10:30 AM.; 2 - CIBC forecasts.

Source: Bloomberg

U.S. MARKETS

PepsiCo (PEP, +1.6%) posted quarterly results that topped consensus estimates on both earnings and revenue. The positive outcome was helped by a 4% increase in the organic sales of Pepsi's snack products.

Analog Devices (ADI, -3.1%) has acquired **Maxim Integrated** (MXIM, +12.3%) in a US\$20.91 billion all-stock deal. Shareholders of analog will own 69% of Maxim with the remainder being owned by Maxim shareholders. The deal represents a premium of about 22% from Friday's close. Analog has also raised its revenue guidance for the current quarter.

Biotech companies **Pfizer** (PFE, +3.7%) and **BioNTech** (BNTX, +11.4%) both announced that the U.S. Food and Drug Administration has granted their COVID-19 vaccine candidates fast-track status. This status allows for expedited review of their treatments.

AMC Entertainment (AMC, +0.4%) will be receiving US\$300 million of new financing in a deal with its creditors. The majority of the funds are coming from its bondholders who will swap their current debt for new debt at approximately US\$0.73 on the dollar. Some of those bondholders will lend AMC US\$200 million with an additional US\$100 million coming from private equity firm, Silver Lake.

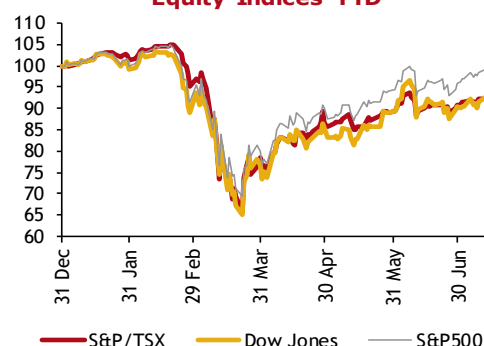
Electric vehicle maker **Tesla** (TSLA, +12.2%) has lowered the price of its model Y SUV by US\$3000. The adjustment comes 4 months after the SUV was introduced and follows price cuts to the model X, model S, and model 3.

Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.739	-0.005	-4.1%
US\$/€	0.880	0.006	-1.3%
Gold	\$1,806.85	\$8.10	19.1%
Copper per 100 lb	\$296.65	\$6.90	5.2%
Oil (WTI)	\$40.23	-\$0.32	-34.1%
Oil (WCS)	\$31.76	-\$0.52	-17.7%
Natural Gas (NYMEX)	\$1.81	\$0.00	-17.5%
Natural Gas (AECO)	\$1.46	-\$0.06	-14.6%

*As of July 13 2020 10:30 AM. Source: Bloomberg

Equity Indices YTD



Earnings Releases

Name	Date	Est.	Act.
Pepsico Inc (PEP)	07/13	\$1.25	\$1.32 *
Jpmorgan Chase (JPM)	07/14	\$1.05	-- *
Citigroup Inc (C)	07/14	\$0.38	-- *
Wells Fargo & Co (WFC)	07/14	-\$0.07	-- *
Fastenal Co (FAST)	07/14	\$0.36	-- *
First Republic B (FRC)	07/14	\$1.11	-- *
Delta Air Li (DAL)	07/14	-\$4.29	-- *
Unitedhealth Grp (UNH)	07/15	\$5.19	-- *
Goldman Sachs Gp (GS)	07/15	\$4.04	-- *
Us Bancorp (USB)	07/15	\$0.32	-- *
Pnc Financial Se (PNC)	07/15	\$0.69	-- *
Bank Ny Mellon (BK)	07/15	\$0.92	-- *
Cogeco Communica (CCA)	07/15	\$1.87	--

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
7/13	Bloomberg Nanos Confidence	46.2	--	46.1
7/13	Bloomberg July Canada Economic Survey	0	0	0
7/15	Manufacturing Sales MoM (May)	-28.50%	9.00%	--
7/15	Existing Home Sales MoM (Jun)	56.90%	65.00%	--
7/15	Bank of Canada Rate Decision	0.25%	0.25%	--
7/16	Int'l Securities Transactions (May)	49.04b	--	--
7/16	ADP Releases Payroll Data ()	0	0	0
7/17	Wholesale Trade Sales MoM (May)	-21.60%	7.40%	--
7/20	Bloomberg Nanos Confidence	46.1	--	--
7/20	Teranet/National Bank HPI MoM (Jun)	1.10%	--	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
7/13	Monthly Budget Statement (Jun)	-\$8.5b	-\$863.0b	--
7/14	NFIB Small Business Optimism (Jun)	94.4	97.8	--
7/14	Real Avg Weekly Earnings YoY (Jun)	7.40%	--	--
7/14	Real Avg Hourly Earning YoY (Jun)	6.50%	--	--
7/14	CPI MoM (Jun)	-0.10%	0.50%	--
7/14	CPI Ex Food and Energy MoM (Jun)	-0.10%	0.10%	--
7/14	CPI YoY (Jun)	0.10%	0.60%	--
7/14	CPI Ex Food and Energy YoY (Jun)	1.20%	1.10%	--
7/14	CPI Index NSA (Jun)	256.394	257.706	--
7/14	CPI Core Index SA (Jun)	265.441	265.8	--

Source: Bloomberg

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B2Gold Corporation (2g) (BTG-NYSE, US\$5.92)
 Intertape Polymer Group Inc. (2g) (ITP-TSX, C\$12.69)
 Shaw Communications Inc. (2a, 2c, 2e, 2g, 7, 13) (SJR.B-TSX, C\$22.46)
 Yamana Gold Inc. (2g) (AUY-NYSE, US\$5.51)

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