CIBC PRIVATE WEALTH MANAGEMENT

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Unless otherwise noted, all prices quoted in this report are as of the close of markets on January 25, 2021.

February 2021

RIDING THE BLUE WAVE

Following the Georgia U.S. Senate seat wins, the Democrats now control both houses of the U.S. Congress as well as the White House. While several months ago, this may have been an unlikely possibility as an election outcome, it has now become a reality. In the past, the Democrats controlling the executive and legislative branches of the U.S. government would have resulted in an anxious market but COVID-19 has changed this. The largely social-lean of the Democratic policies are now the reason for many investors to remain bullish in 2021. What can investors really expect? For starters, additional and larger amounts of stimulus for U.S. citizens and support for businesses including not only direct stimulus cheques but also extensions to the expanded unemployment benefits. In early January, U.S. President Joe Biden unveiled a US$1.9 trillion stimulus package to kick-start the economy. As of the writing of this article, the proposal has not yet been approved by Congress but the Democrats are aggressively trying to move it forward. President Biden also unveiled another major spending initiative to be announced in February that will involve a large investment in U.S. infrastructure. While the stimulus is a near certainty, it is the less business-friendly initiatives such as more environmental regulations and higher corporate taxes that investors continue to wonder about. Will this be a priority for Biden or will he simply focus on COVID-19 and rebuilding the U.S.? While the Democrats control Congress, it is only by a very small margin and thus it is reasonable to think that passing less business-friendly measures will run into opposition unless there is bi-partisan support and that is unlikely.

Which sectors are best positioned to benefit directly from the “Blue Wave”? Renewable energy companies stand to profit from clean energy and environmental policies, which have been the basis of much of Biden’s platform. Through infrastructure spending, subsidies, and tax incentives, the renewable energy space will be well-positioned. Other areas in the industrial sector will also likely see strong demand for their services, specifically the engineering and construction companies that are involved in making existing structures and buildings more energy efficient. This could consist of HVAC conversion and retro-fitting or companies that offer more eco-friendly building materials. One of Biden’s first acts as President was to revoke the permit of the Keystone XL pipeline project and while this was disappointing to the companies involved and the industry as a whole, it was largely anticipated by the market. It does suggest that developing assets in the U.S., specifically liquids pipelines, will remain difficult with the new administration.

Another area that could benefit is the cannabis industry. A Democratic Congress will likely take an accelerated path to U.S. legalization at the federal level in late 2021 or 2022. Some Canadian cannabis producers stand to benefit given that over the past few years they have been able to develop their operations. That said, many U.S. suppliers are also well-positioned and will have fewer restrictions than the Canadian names. For the investors looking to play this through the Canadian producers, it is best to focus on the names that are listed on the Canadian and U.S. exchanges. These are the larger companies and they will be more easily accessible to U.S. institutional fund managers who will begin building positions as we get closer to legalization.

The technology sector will face some scrutiny regarding the amount of taxes it pays given that this is among the lowest of any U.S. sector. The breaking up of big technology companies has also been a goal of some far-left-leaning Democrats for some time. While it is possible, given the fact that the Democrats only control Congress by a slim margin and that Silicon Valley has a large amount of influence in the Democratic party, it would be difficult to pass overly strict regulations.

Another area to keep in mind is the matter of corporate income taxes. A rise in U.S. corporate tax could result in several changes for U.S. and Canadian companies. The shift in the U.S. corporate tax rates might result in a tax rate reversal where the rate advantage that U.S. companies currently have over Canadian companies is reversed. Ultimately, this could affect how corporations approach cross-border tax planning and affect transactions between business units and transfer pricing decisions. A likely outcome would be that income inclusion could shift back to Canada while tax deductions are harvested in the U.S. While there are several other potential tax complications from higher corporate taxes, the “Blue Wave” will not come crashing down on the market and destroy every large corporation in its path. In the end, the Democrats seem to be largely focused on supporting the economy through stimulus and fiscal spending during the pandemic and getting life back to normal in a swift but safe manner and that, overall, is constructive for the U.S.

BRAD BROWN, MBA, CFA

MULTI-ASSET ETFS IN CANADA

A Turbulent Year for Financial Markets in 2020

2020 will be remembered as a very turbulent year for financial markets. In the first quarter of 2020, the majority of equity markets in the world experienced severe double-digit loses linked to the many concerns derived as a result of the COVID-19 pandemic. However, global central bank's loose monetary policies and generous government fiscal stimulus, the development and eventual deployment of vaccines has since then driven stock markets to all-time highs. What is remarkable about 2020 is not so much the current record breaking equity levels we are now seeing but the sheer magnitude and speed to which equity levels have bounced from their maximum drawdowns back to their highest points.

Table 1 below shows the quarterly returns in 2020 of some major equity and credit markets in Canada and the United States. After reaching lows in March of 2020 the S&P/TSX Composite TR and S&P 500 TR indices quickly recovered. The dispersion in returns was nearly an astonishing 40% and 30% respectively for the TSX and S&P 500! In contrast the credit market exhibited much less dramatic and thus more subdued and stable performance during that same time frame. While we may or may not experience these wild swings in performance again, the events of 2020 is a stark reminder for investors about the challenges of market timing and the benefits of diversification across asset classes.

Table 1: 2020 Quarterly and Annual Rate of Returns of Major North American Indices

Index	Q1	Q2	Q3	Q4	2020
S&P/TSX Cap Comp TR	-20.9	17.0	4.7	9.0	5.6
S&P 500 TR (CAD)	-12.1	15.7	6.5	7.6	16.5
BBgBarc Can Agg TR	1.8	5.6	0.4	0.6	8.6
BBgBarc US Agg TR CAD-H	3.2	2.9	0.6	0.6	7.5

Source: Bloomberg

All-in-One ETF Solutions

Fund of Funds are popular mutual fund investment vehicles in Canada. They have been around for many years and widely marketed and distributed via the big bank's financial advisor channels. A Fund of Funds is a pooled fund that invests in other funds and sold as a one-ticket solution. A Fund of ETFs is the same concept. They are essentially in large part balanced investment strategies that invest in proprietary or third-party ETFs. They can be actively managed but most are passive and strategic in nature – utilizing low-cost index tracking ETFs to represent each asset class and rebalanced on a regular basis. The concept of an all-in-one investment solution is not new but makes it easier for investors to remain disciplined by not having to worry about timing the markets and stay well diversified at all times. There are now about 50 multi-asset class ETFs available in Canada. Vanguard was the first firm in Canada to officially launch and market their all-in-one suite of ETF solutions early in 2018 followed by BMO and iShares in 2019.

Vanguard Investments Canada

- 5 Portfolios: Conservative Income: 20%EQ/80%FI (VCIP), Conservative 40%EQ/60%FI (VCNS), Balanced 60%EQ/40%FI (VBAL), Growth 80%EQ/20%FI (VGRO) and All-Equity 100%EQ (VEQT)
- Underlying holdings: all Vanguard Canada ETFs
- Number of underlying holdings: 7 (4 for the All-Equity Portfolio)
- Management fee: 0.22%, MER 0.25%, approximate additional cost to manage Portfolios ranging from 0.8% to 0.10%[1]
- Reconstituted and rebalanced at the discretion of the sub-advisor
- Other: Vanguard Retirement Income Portfolio ETF (VRIF)
- Website resource

BMO Global Asset Management

- 3 Portfolios: Conservative: 40%EQ/60%FI (ZCON), Balanced 60%EQ/40%FI (ZBAL) and Growth 80%EQ/20%FI (ZGRO)
- Underlying holdings: all BMO ETFs
- Number of underlying holdings: all BMO Global Asset Management ETFs
- Management fee: 0.18%, MER 0.20%, approximate additional cost to manage Portfolios ranging from 0.7% to 0.08%
- Reconstituted annually and rebalanced quarterly
- Other: BMO Balanced ESG ETF (ZESG), BMO Tactical Dividend ETF (ZZZD) and BMO Monthly Income ETF (ZMI)
- Website resource

BlackRock Canada (iShares)

- 5 Portfolios: Income Balanced: 25%EQ/75%FI (XINC), Conservative Balanced (XCNS), Balanced (XBAL) and Growth (XGRO) and Equity 100%EQ (XEQT)
- Underlying holdings: iShares ETFs (Canadian and US listed)
- Number of underlying holdings: 8 (4 for the All-Equity Portfolio)
- Management fee: 0.18%, MER 0.20%, approximate additional cost to manage Portfolios ranging from 0.10% to 0.11%
- Automatically rebalanced as needed based on drift, rebalancing will generally occur when asset classes deviate by 10% of target asset allocation weight
- Other: A total of 11 multi-asset class Portfolios including a suite of 4 ESG Portfolios (GCNS, GBAL, GGRO and GEQT), iShares Canadian Financial Monthly Income ETF (FIE) and iShares Diversified Monthly Income ETF (XTR)
- Website resource

Bottom Line

Multi-Asset Class ETFs offer simple and efficient ways for investors to gain exposure to broadly diversifed portfolios across regions and assets classes. The automatic rebalancing feature ensures by design investors remain disciplined by effectively reducing the weight of the asset classes that have been performing well while simultaneously buying the asset classes that have been underperforming (thereby locking in gains by selling high and buying low). These one-ticket solutions are ideal for small accounts or as a complement to the other investments already held within an existing portfolio. Please consult your with CIBC Wood Gundy Investment Advisor for guidance in selecting a suitable investment portfolio.

JOEL BERIAULT
Investment Strategy Group

1. For example, if the total cost of the combined individual underlying holdings equals 15bps and the MER of the Portfolio is 25bps then the additional cost to manage the Portfolio is 10bps

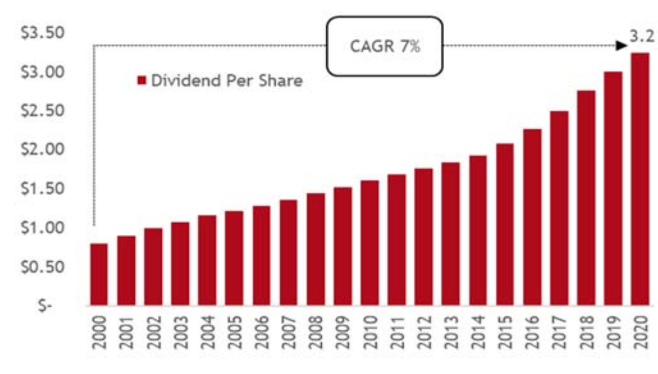
CANADIAN EQUITIES

TC Energy Corporation (TRP, $56.09, Outperformer) Price Target: $69.00

The energy sector was one of the worst-hit sectors last year, weighed down by pandemic-related subdued demand, a short-term OPEC+ price war, and ESG considerations. The TSX Energy Sector Index delivered a total return of -26.5% in 2020, of which -13% is attributable to the TSX Oil and Gas Storage & Transportation Sub Industry. TC Energy is a diversified energy infrastructure company that expects to generate approximately 95% of its comparable estimated 2020 EBITDA from long-term take-or-pay contracts and regulated assets.

TC Energy follows a disciplined capital allocation policy and remains committed to achieving its target of reinvesting 60% of its cash flows back into secured growth projects and returning the remaining 40% to its shareholders through dividends. In the event the company is unable to recognize a suitable investment opportunity, it accelerates the return of capital to the shareholders through dividend growth. TC Energy has a $25 billion secured capital program in the pipeline, of which approximately $11 billion worth of projects are expected to come into service by the end of 2022 and the remainder through 2023. According to Bloomberg Intelligence, these projects are expected to add a substantial amount to EBITDA and the cash flow, including an additional $1 billion in EBITDA by 2024 from a $9 billion investment in the Nova Gas Transmission Ltd. (NGTL) system expansion. These projects will enable TC Energy to achieve its dividend growth target of 8% to 10% through 2021 and 5% to 7% growth for the period beyond 2021. The company has been consistently increasing its dividend at a compounded annual growth rate (CAGR) of 7% over the past 20 years.

20-year Dividend Per Share Growth



Source: Company Reports, $ in Canadian dollars

TC Energy has suspended the project to build the Keystone XL (KXL) pipeline after U.S. President Biden formally revoked its permit. The company will cease capitalizing costs, including interest on the project during construction, effective January 20, 2021, and will evaluate the carrying value of its investment in KXL. The carrying value for the project as of Q3/20 was US$1.7 billion. CIBC analyst Rob Catellier noted that while the cancellation of the KXL project is disappointing for the company and the industry, the company's growth prospects remain robust and the dividend growth outlook is intact.

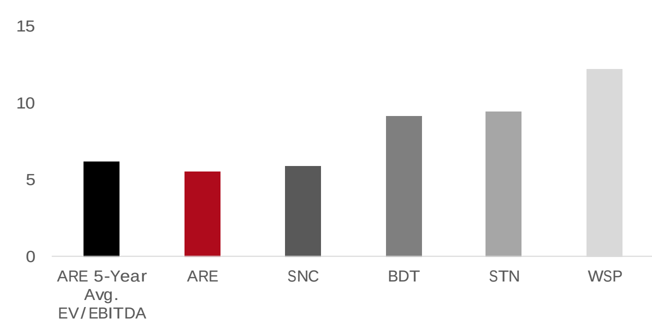
Aecon Group Inc. (ARE, $17.15, Outperformer) Price Target: $23.00

With the rollout of a COVID-19 vaccine underway in Canada and a pathway to economic recovery beginning to emerge, we believe cyclical businesses such as construction are favorably poised. Aecon Group Inc. is an industry-leading provider of infrastructure development and construction services in Canada. Its business has shown resiliency through the pandemic and is well-positioned to succeed through 2021 and beyond given its robust pipeline of projects.

Q3/20 brought respectable results for Aecon, with revenue beating consensus expectations and climbing modestly year-over-year. Higher pandemic-related costs were improved upon, with construction margins increasing 250 basis points from the previous quarter. Aecon holds a 100% interest in Bermuda Skyport Corporation Limited (Skyport), the entity responsible for the Bermuda airport's operations and maintenance, as well as the execution of the Bermuda International Airport Redevelopment Project. While Aecon's interest in Skyport dragged on recent performance due to COVID-19-related travel restrictions, CIBC analyst Jacob Bout believes a breakeven capacity of 10%-15% has since been achieved. An eventual return to normal travel activity would serve to enhance and diversify revenue for Aecon.

Mr. Bout anticipates that 2021 will be a strong year for Aecon given its solid $6.7 billion work backlog. For the first time, Aecon is slated to be working on two nuclear reactor projects simultaneously, which typically carry high margins. Notably, none of Aecon's backlogged projects have been cancelled due to the pandemic, and it has a healthy future infrastructure pipeline of $40+ billion in project pursuits. In addition to the existing backlog, governments are expected to continue infrastructure spending to help stimulate economies, providing an added opportunity for Aecon.

EV/EBITDA (Trailing 12-Month) vs. Peers



Source: Bloomberg

Finally, Aecon boasts an attractive relative valuation, trading at a generous discount based on trailing EV/EBITDA compared to its Canadian construction peers and to its historical five-year average. Aecon's likelihood of benefiting from continued government stimulus spending coupled with its strong pipeline and relatively inexpensive valuation make it, in our view, a positive addition to many portfolios.

ANKUR JAIN & LAUREN ELLISON, CIM, CFP
Investment Strategy Group

Company Name	Symbol	Stock Rating	Market Cap	Price 25-Jan-21	Price Target	Adjusted EPS 2020E	Adjusted EPS 2021E	Adjusted EPS 2022E	P/E 2020E	Dividend Yield
TC Energy Corporation	TRP	OP	$53.0B	$56.09	$69.00	$3.98	$3.96	$4.23	14.1x	5.8%
Aecon Group Inc. - [1]	ARE	OP	$1.1B	$17.15	$23.00	$172.52	$230.60	$282.88	NM	3.7%

A – Actual for the fiscal year; E – Estimate for the fiscal year; NM – Not Meaningful. 1 – Adjusted EBITDA (in C$ millions) and EV/EBITDA are stated instead of EPS and P/E, respectively. For a full description of the CIBC World Markets Inc. Research Rating System, please see page 6.

MARKET RETURN DATA

		Price Performance (% Change)				Price Performance (% Change - Annualized)						
North American Indices	Price	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
S&P/TSX Composite	17,337	-0.6	11.3	7.2	-0.6	0.1	5.6	2.8	6.2	2.5	2.5	3.2
Total Return		-0.3	12.1	8.9	-0.3	3.5	9.1	6.1	9.5	5.6	5.6	5.9
S&P/TSX Preferred Share Index	629	2.0	9.0	12.1	2.0	2.6	0.5	-4.6	1.5	-3.0	-3.0	N/A
Total Return		2.6	10.5	15.3	2.6	8.8	6.4	0.7	7.1	2.1	2.2	N/A
S&P 500 Index	3,714	-1.1	13.6	13.5	-1.1	15.2	17.2	9.6	13.9	11.2	7.4	5.1
Total Return		-1.0	14.0	14.5	-1.0	17.2	19.4	11.7	16.2	13.5	9.6	7.2
Dow Jones Industrial Average	29,983	-2.0	13.1	13.4	-2.0	6.1	9.5	4.7	12.7	9.7	7.0	5.2
Total Return		-2.0	13.7	14.6	-2.0	8.5	12.1	7.1	15.5	12.4	9.7	7.8
Nasdaq Composite Index	13,071	1.4	19.8	21.6	1.4	42.8	34.0	20.8	23.2	17.1	12.3	8.1

		Price Performance (% Change)				Price Performance (% Change - Annualized)						
International Indices	Price	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
Bloomberg Euro 500	263	-0.9	15.8	11.4	-0.9	-3.9	4.4	-0.4	2.6	2.9	0.9	0.1
FTSE Eurotop 100	2,853	-1.0	15.6	8.6	-1.0	-7.8	2.3	-1.8	1.4	1.8	0.0	-1.1
FTSE 100 (England)	6,407	-0.8	14.9	8.6	-0.8	-12.1	-4.1	-5.3	1.0	0.9	0.7	0.1
Dax (Germany)	13,433	-2.1	16.2	9.1	-2.1	3.5	9.6	0.6	6.5	6.6	5.9	3.5
CAC 40 (France)	5,399	-2.7	17.5	12.9	-2.7	-7.0	4.0	-0.5	4.1	3.0	0.6	-0.5
MSCI World	2,662	-1.1	16.1	15.5	-1.1	13.6	14.5	6.3	11.2	7.4	4.8	3.9
MSCI Emerging Markets	1,330	3.0	20.5	23.2	3.0	25.2	12.5	2.0	12.4	1.7	3.6	6.5
Total Return	3,146	3.1	21.0	24.2	3.1	28.3	15.6	4.8	15.4	4.6	6.4	9.4
MSCI EAFE	2,124	-1.1	19.3	16.7	-1.1	6.5	7.7	-0.5	5.9	2.3	1.2	1.8
Total Return	9,262	-1.1	19.6	17.7	-1.1	9.4	11.0	2.7	9.4	5.6	4.5	4.9
Nikkei 225 (Japan)	27,663	0.8	20.4	27.4	0.8	19.2	15.4	6.2	9.6	10.5	3.4	3.5
Hang Seng (Hong Kong)	28,284	3.9	17.3	15.0	3.9	7.5	0.6	-4.9	7.5	1.9	4.0	2.9
ASX 200 (Australia)	6,607	0.3	11.5	11.5	0.3	-5.8	6.1	3.1	5.7	3.3	2.0	3.5
Taiwan Weighted	15,138	2.8	20.7	19.5	2.8	31.7	23.5	10.9	13.2	5.2	5.8	4.8
Sensex 30 (India)	46,286	-3.1	16.8	23.1	-3.1	13.7	13.0	8.8	13.2	9.7	10.8	12.6

		Price Performance (% Change)				Price Performance (% Change - Annualized)						
Index Returns In Canadian Dollars	Price	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
S&P/TSX Composite	17,337	-0.6	11.3	7.2	-0.6	0.1	5.6	2.8	6.2	2.5	2.5	3.2
Total Return		-0.3	12.1	8.9	-0.3	3.5	9.1	6.1	9.5	5.6	5.6	5.9
S&P 500 Index	4,755	-0.8	9.0	8.4	-0.8	11.4	15.7	11.0	11.8	13.9	8.2	4.3
Total Return		-0.7	9.5	9.3	-0.7	13.4	17.9	13.2	14.0	16.3	10.4	6.4
Dow Jones Industrial Average	38,387	-1.8	8.6	8.3	-1.8	2.7	8.1	6.0	10.7	12.4	7.8	4.4
Total Return		-1.7	9.1	9.4	-1.7	5.0	10.6	8.5	13.4	15.2	10.6	6.9
Russell 2000	2,655	5.3	29.4	33.7	5.3	24.3	16.1	11.0	12.8	13.0	8.0	6.4
Nasdaq Composite Index	16,734	1.7	15.0	16.1	1.7	38.2	32.2	22.4	20.9	20.0	13.1	7.2
Bloomberg Euro 500	408	-1.4	15.7	9.3	-1.4	1.8	6.0	0.1	3.0	4.2	1.6	0.6
EURO STOXX 50	5,408	-2.5	17.7	7.7	-2.5	1.3	6.6	-0.7	3.1	2.9	0.3	-1.0
Total Return		-2.4	17.9	8.2	-2.4	3.3	9.1	1.8	5.8	5.9	3.3	1.7
MSCI World	3,408	-0.8	11.4	10.2	-0.8	9.9	13.0	7.7	9.2	10.0	5.6	3.1
MSCI Emerging Markets	1,702	3.2	15.6	17.6	3.2	21.1	11.1	3.3	10.3	4.3	4.4	5.6
Total Return		3.4	16.1	18.6	3.4	24.2	14.1	6.2	13.3	7.2	7.2	8.5
MSCI EAFE	2,719	-0.8	14.5	11.4	-0.8	3.1	6.3	0.8	4.0	4.8	1.9	1.0
Total Return		-0.8	14.8	12.3	-0.8	5.8	9.6	4.1	7.4	8.3	5.3	4.1
MSCI Far East	5,105	-0.3	11.7	16.7	-0.3	7.7	7.5	2.5	6.0	6.5	2.2	1.4

	Price as of					
Commodities	29-Jan-21	-1 Month	-3 Months	-6 Months	-12 Months	YTD (%)
Gold Spot (US$/oz)	1,848	1,898	1,879	1,976	1,589	-2.7%
Silver (US$/oz)	26.99	26.40	23.66	24.39	18.04	2.2%
Brent Crude Oil	55.88	51.80	37.46	43.30	58.16	7.9%
West Texas Intermediate Oil	52.20	48.52	35.79	40.27	51.56	7.6%
NYMEX Natural Gas	2.56	2.54	3.35	1.80	1.84	1.0%
Spot Nat. Gas (AECO Hub - USD)	2.28	1.95	2.51	1.54	1.35	16.9%
Lumber	887.00	873.10	495.60	585.80	435.50	1.6%
Copper 3-month	3.56	3.52	3.05	2.91	2.53	1.2%
Nickel 3-month	8.02	7.54	6.87	6.25	5.83	6.5%
Aluminum 3-month	0.90	0.90	0.84	0.78	0.78	-0.1%
Zinc 3-month	1.17	1.25	1.14	1.05	1.00	-6.2%

	Yields as of				
Yields	29-Jan-21	-1 Month	-3 Months	-6 Months	-12 Months
Canada 3-month T-Bills	0.07	0.06	0.09	0.17	1.64
Canada 5yr Notes	0.42	0.39	0.40	0.32	1.28
Canada 10yr Notes	0.89	0.68	0.66	0.47	1.27
Canada 30yr Bonds	1.47	1.21	1.25	0.93	1.43
U.S. 3-month T-Bills	0.05	0.06	0.09	0.08	1.54
U.S. 5yr Notes	0.42	0.36	0.38	0.20	1.31
U.S. 10yr Notes	1.07	0.91	0.87	0.53	1.51
U.S. 30yr Bonds	1.83	1.64	1.66	1.19	2.00

		Performance (% Change)				
Currencies	Price	1 Month	3 Months	6 Months	12 Months	YTD
CAD/USD	0.7820	-0.5	4.2	4.9	3.5	-0.5
EURO/CAD	1.5513	-0.3	-0.0	-1.8	5.7	-0.3
EURO/USD	1.2131	-0.7	4.2	3.0	9.4	-0.7
USD/YEN	104.7900	1.5	0.1	-1.0	-3.3	1.5
Trade Weighted U.S. Dollar	90.5840	0.7	-3.7	-3.0	-7.0	0.7

Strategic Asset Allocation (in C$)		Performance (% Change - Before Fees)				
(Global Equity/Cdn. Equity/Bonds/Cash)		1 Month	3 Months	6 Months	12 Months	YTD
Capital Preservation	(5/15/60/20)	-0.7%	2.6%	1.1%	3.9%	-0.7%
Income	(10/20/60/10)	-0.8%	3.8%	2.1%	4.7%	-0.8%
Income & Growth	(20/25/50/5)	-0.8%	5.5%	3.8%	5.6%	-0.8%
Growth	(40/25/35/0)	-0.7%	7.9%	6.2%	7.3%	-0.7%
Aggressive Growth	(60/25/15/0)	-0.7%	10.2%	8.7%	8.9%	-0.7%

	Total Return % Change				
Bond Returns	1 Month	3 Months	6 Months	12 Months	YTD
FTSE Canada Bond Universe Index	-1.1	0.3	-1.3	4.4	-1.1
FTSE Canada Long Term Bond Index	-3.0	-0.4	-4.8	3.1	-3.0
FTSE Canada Mid Term Bond Index	-0.5	0.6	0.2	6.5	-0.5
FTSE Canada Short Term Bond Index	0.1	0.6	0.9	4.3	0.1

S&P/TSX GICs	Price Performance (% Change)					Index
Sectors	1 Month	3 Months	6 Months	12 Months	YTD	Weight (%)
Consumer Discret.	-2.6	17.6	21.5	14.3	-2.6	3.8
Consumer Staples	-5.3	-3.7	-8.9	-6.8	-5.3	3.7
Energy	2.7	21.8	4.1	-27.2	2.7	11.6
Integrated Oil & Gas	-0.4	47.1	7.7	-42.7	-0.4	1.9
Oil&Gas Expl. & Prod	-2.6	34.8	25.9	-21.4	-2.6	2.2
Pipeline	6.2	12.9	-2.6	-24.4	6.2	6.9
Financials	-0.8	17.3	17.6	-5.0	-0.8	30.2
Banks	-0.4	17.0	19.4	-2.5	-0.4	20.5
Insurance	2.4	18.9	22.2	-9.7	2.4	4.5
Real Estate	1.3	10.8	9.8	-15.7	1.3	3.2
Health Care	35.3	63.7	48.6	6.0	35.3	1.6
Industrials	-2.9	7.2	11.0	7.1	-2.9	12.2
Information Tech.	-0.7	17.1	4.3	63.6	-0.7	10.3
Materials	-3.5	-5.4	-11.0	18.1	-3.5	13.3
Gold	-4.9	-16.3	-26.0	10.9	-4.9	8.3
Base Metals	-3.9	28.2	60.9	47.2	-3.9	0.6
Fertilizers	2.8	16.3	44.4	11.5	2.8	1.5
Communication Serv.	0.5	6.1	2.4	-10.4	0.5	5.0
Utilities	2.6	8.7	11.4	5.6	2.6	5.3

All data is sourced from Bloomberg unless otherwise noted. Data as of January 29, 2021.
Data source: Bloomberg

CIBC World Markets Interest Rate Outlook

Interest Rates (%) – End of Qtr		Jan 25, 2021	Mar/21	Jun/21
3-month T-Bill	Canada	0.07	0.10	0.15
	U.S.	0.08	0.10	0.20
10-year Gov't Bond Yield	Canada	0.81	0.70	0.85
	U.S.	1.03	1.00	1.20
US$/C$		0.79	0.77	0.76

Source: CIBC World Markets Inc.

CIBC World Markets Economic Outlook

Economic Outlook		2021F	2022F
Real GDP Growth (% Chg)	Canada	4.0	5.1
	U.S.	4.1	3.6
Consumer Price Index (% Chg)	Canada	2.0	1.8
	U.S.	2.3	2.5

Source: CIBC World Markets Inc.

PRICE TARGET CALCULATIONS

TC Energy Corp. (TRP): CIBC analyst Rob Catellier's price target is calculated by applying a 12.0x EV/EBITDA multiple to his 2022 estimate.

Aecon Group Inc. (ARE): CIBC analyst Jacob Bout's price target is derived by applying a 6.5x EBITDA multiple to his fiscal 2021 estimate.

DISCLOSURES AND DISCLAIMERS

Important Disclosure Footnotes for Companies Mentioned in this Report that Are Covered by CIBC World Markets Corp./Inc.:

Stock Prices as of 01/25/2021:

TC Energy Corp. (2a, 2e, 2g, 7) (TRP-TSX, C$56.09)

Aecon Group Inc. (2g) (ARE-TSX, C$17.15)

Key To Important Disclosure Footnotes:

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2e CIBC World Markets Inc. has received compensation for investment banking services from this company in the past 12 months.

2f CIBC World Markets Corp. expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.

2g CIBC World Markets Inc. expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.

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4a This company is a client for which a CIBC World Markets company has performed non-investment banking, non-securities-related services in the past 12 months.

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Abbreviation	Rating	Description
Stock Ratings		
OP	Outperformer	Stock is expected to outperform the sector during the next 12-18 months.
NT	Neutral	Stock is expected to perform in line with the sector during the next 12-18 months.
UN	Underperformer	Stock is expected to underperform the sector during the next 12-18 months.
NR	Not Rated	CIBC does not maintain an investment recommendation on the stock.
R	Restricted	CIBC World Markets is restricted*** from rating the stock.
Sector Weightings**		
O	Overweight	Sector is expected to outperform the broader market averages.
M	Market Weight	Sector is expected to equal the performance of the broader market averages.
U	Underweight	Sector is expected to underperform the broader market averages.
NA	None	Sector rating is not applicable.

**Broader market averages refer to the S&P 500 in the U.S. and the S&P/TSX Composite in Canada.
"Speculative" indicates that an investment in this security involves a high amount of risk due to volatility and/or liquidity issues.
***Restricted due to a potential conflict of interest.
"CC" indicates Commencement of Coverage. The analyst named started covering the security on the date specified.

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