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See Disclosures And Disclaimers at the end of this report for disclosures, including potential conflicts of interest. Complete research on any equities mentioned in this report is available from your Investment Advisor.

Unless otherwise noted, all prices quoted in this report are as of the close of markets on November 24, 2020.

THE HANGOVER

In January, it seemed that little could go wrong for the North American economies. Low unemployment, inflation, interest rates, and a confident consumer, suggested the year would end as it began - strongly.

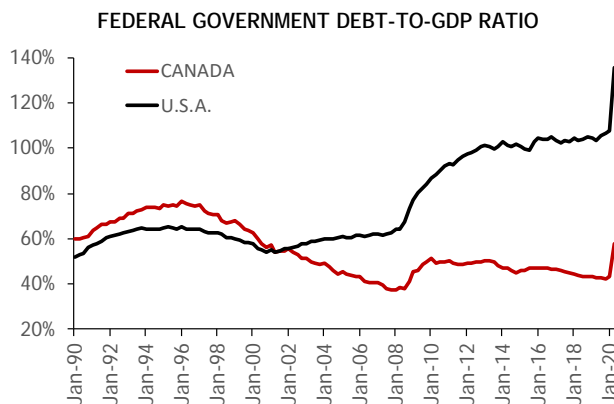
The outbreak of COVID-19 in China and the spread of the virus to the rest of the world has left the North American economies looking quite unlike they did in January. The economic damage caused by lockdowns imposed by governments on the free people

of the world may not easily be repaired. To be sure, entrepreneurs have been among the hardest hit by the economic downturn caused by the outbreak. With small businesses expected to be a substantial source of economic growth, this may weigh on GDP growth in 2021 and beyond. However, the announcement in November of the development of vaccines for COVID-19, each having demonstrated a success rate of over 90% in clinical trials, has been welcomed by investors. The resulting surge in the financial markets shows how important this has been in helping to restore confidence. However, everything has its price.

In response to the COVID-19 lockdowns, federal governments of the world's countries provided financial support for those sectors of their respective economies that were most severely affected. Whether it was CERB in Canada or the Paycheck Protection Program in the United States, this provided much-needed support to those who had been laid off by their employers and who had no other source of income. This enabled those who had been laid off to pay their bills but it has weakened sovereign balance sheets as deficits have soared. Consider that in Canada prior to 2020, the largest deficit ever posted by the Canadian government was \$55.6 billion. This was booked under prime minister Stephen Harper in response to the financial crisis. Due to COVID-19, Canada's expected deficit for 2020 is \$343.1 billion - more than six times that of 2009. For 2021, a deficit of over \$250 billion has been projected by the Parliamentary Budget Office. In the U.S., the deficit has reached a record US\$3.3 trillion. With President-elect Joe Biden pledging to continue massive spending due to COVID-19, an even higher deficit seems likely next year. Perhaps the recent sharp move up in Canada and the U.S. debt to GDP (a measure used to assess a nation's creditworthiness) might mean more fiscal restraint, however, this seems unlikely.

Record-low interest rates have made all this government spending possible and few are questioning the ability of governments to service their debt should interest rates begin to move back up and eventually normalize at their pre-financial-crisis levels. When the financial crisis began in 2007, Canadian and U.S. government 10-year bonds yielded 4.2% and 4.6%, respectively, and have fallen to respective levels of 0.67% and 0.84%. With governments so highly indebted, a move back to pre-crisis levels or even to half these levels could have serious consequences for the ability of governments to service their debt. The common belief is that central banks will act to keep rates low but for how long will they? Already there are those calling for rate hikes in 2021. Consider also that consumer and household debt levels are also extremely high, so higher rates would also make it harder for the consumer to continue sustaining current purchasing levels.

With such high levels of government debt in Canada and the U.S., it seems reasonable to expect that large tax hikes are coming, leaving corporations and consumers with less spending power. So although there are those who look to 2021 as a year that will take us back to where we were in January, the price of 2020's spending may prove otherwise. So, Canadians should maximize contributions to tax-sheltered accounts including RRSPs, RESPs, and TSFAs to protect portfolios from the hangover that should result from this unprecedented government spending.



Source: Bloomberg;

## FIXED INCOME LIQUID ALTERNATIVES

Yields are low but that does not dampen the need for income. In the search for higher yields, no return comes without its risks and costs. Liquid alternatives can supplement a portfolio with enhanced yields and diversify its risks. Many fixed income portfolio managers are finding good value in credit and find they are not being well compensated for taking on duration.

Liquid alternatives (or liquid alts) were introduced to the Canadian market nearly two years ago with a wide set of possible investment strategies. Liquid alternatives can use leverage through borrowings, short selling and derivatives to manage their risk exposures to a degree unavailable to conventional mutual funds.

### Liquid alternative credit strategies

Many fixed income liquid alternative funds employ a leveraged long/short credit strategy. Funds may short long-duration government bonds and take long positions in shorter-duration corporate bonds to increase credit risk while keeping interest rate risk low.

Fixed income liquid alts may also take long positions in attractively priced credits while taking short positions in expensive credits in an effort to generate alpha without increasing credit risk. In a similar strategy, the funds may also engage in credit arbitrage where they take long and short positions in similar issuers or different issues from the same issuer to take advantage of value dislocations.

Depending how a portfolio manager utilizes these strategies, the fund may have a low correlation with a traditional fixed income portfolio but a higher correlation with equities.

### A warning on yield figures

Fund yields have the potential to mislead investors looking for income. A fund's current yield is commonly calculated as the most recent distribution divided by the net asset value (NAV) and then annualized. That figure represents the distribution to investors, not the yield generated on the underlying investments.

If a portion of the fund's distribution is return of capital, it is included in the fund's yield which can make the fund appear to have an artificially high income-generating capability. If the distribution is not reinvested in the fund, the value of the investment will decrease which may reduce the investment's ability to generate income in the future.

Some income-focused funds set a distribution target so clients receive a consistent level of income. The funds companies set the target at a rate they believe will be sustainable for the foreseeable future. With today's historically low interest rates, many funds with distribution targets are relying more heavily on return of capital.

### Performance fees

A performance fee is a fee calculated based on fund returns for a given period. Performance fees on liquid alts are typically between 10% and 20%. A fund normally must outperform a hurdle rate before the portfolio manager can charge its performance fee. A hurdle can be a fixed percentage, a benchmark or a combination of the two. Liquid alternatives generally use an index representative of its asset class and

investable universe or a money market index.

The high-water mark is the highest value a fund has reached on a total return basis at a previous performance fee valuation date. A high-water mark protects investors from paying performance fees on returns contributing towards a recovery following a loss. Investors paid performance fees when the fund appreciated initially and will not have to pay them again following a drawdown in the fund's value. Only once the fund's value has surpassed its high-water mark may the portfolio manager begin charging performance fees again. Not all funds use high-water marks.

It is important to understand how a particular fund calculates the performance fee before investing because not all methodologies are the same. Fee calculations are always described in a fund's prospectus and included in the management expense ratio (MER).

CI Marret Alternative Absolute Return Bond and Dynamic Credit Absolute Return II are examples of two liquid alts available in Canada.

|                  | CI Marret Alternative<br>Absolute Return<br>Bond  | Dynamic Credit<br>Absolute Return II   |
|------------------|---|--|
| Strategy         | Invests across global fixed income sectors with great flexibility to choose its credit quality and duration exposures | Invests across North American credit, primarily investment grade credit and keeps duration low (0.87 years as of October 31) |
| Inception Date   | November 2018   | August 2019  |
| Current Yield    | 2.80%   | 5.17%  |
| MER              | 1.15%   | 1.02%  |
| Management Fee   | 0.80%   | 0.80%  |
| Performance Fee  | 10%   | 20%  |
| Distributions    | Monthly   | \$0.0428 fixed monthly target  |
| YTD Return       | 7.32%   | 5.06%  |
| YTD Max Drawdown | -1.61%  | -9.66%   |

Source: Morningstar Direct and respective fund companies . As of October 31, 2020. All in CAD. Series F used. Monthly returns used for Year-to-date (YTD) return. Weekly returns used for YTD max drawdown.

DANIEL GODDARD, CFA  
Investment Strategy Group

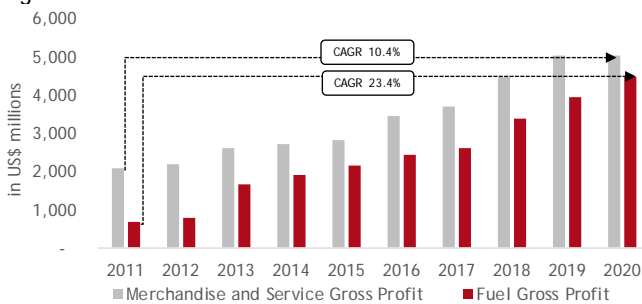
**CANADIAN EQUITIES**

**Alimentation Couche-Tard Inc. (ATD.B, \$43.05, Outperformer) Price Target \$52.00**

While many consumer names have been hit hard by the unprecedented levels of volatility in the consumer landscape as a result of the COVID-19 pandemic, Alimentation Couche-Tard (Couche-Tard) has proven to be a defensive name. Couche-Tard enjoys significant scale benefits as the second-largest convenience store operator in the U.S., the largest in Canada, and one of the largest in Europe, with a total network of about 14,500 stores (including franchisees and licensees).

It has a well-balanced gross profit mix between the merchandise and service (~52%) and fuel (~46%) segments. Over the past 10-year period, it has successfully managed to grow the gross profit of its merchandise and service, and fuel categories at a compounded annual growth rate (CAGR) of 10.4% and 23.4%, respectively. Although the company reported a decline in fuel revenues in its most recent quarter, due to lower fuel demand as a result of pandemic-related lockdown measures and lower fuel selling prices, it continued to realize healthy fuel margins across its network. Couche-Tard has a best-in-class fuel margin among its peers, benefiting from its exposure to the high-margin European market as well as higher margins in the U.S., which have historically trended higher over time. It has continued to deliver very strong same-store merchandise sales across its network through the course of the pandemic, driven mainly by an increase in purchases per customer visit, which has more than offset weakness in store traffic. Additionally, as the company continues to roll out the Fresh Food Fast program in North America, greater food penetration is expected to represent a key organic growth initiative.

Segmented Gross Profit



Source: Company Reports

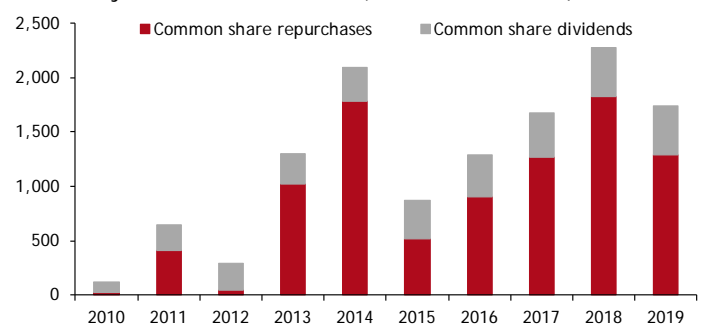
Acquisitions have been a significant part of Couche-Tard's growth strategy, especially in the U.S. where the convenience store sector remains fragmented. Since 2004, it has completed 60 acquisitions, adding more than 10,200 stores globally. It has the lowest leverage among its peers, leaving sufficient room for acquisitions or share repurchases. Recently it announced the acquisition of Circle K Hong Kong, which marked its entry into Asia. CIBC analyst Mark Petrie notes that given Couche-Tard's track record of strict discipline on acquisitions, this transaction could provide a strong platform from which to grow in Asia. He has an Outperformer rating on the shares and Couche-Tard remains one of his preferred names given its resilient business model, strong balance sheet, and growth levers from organic growth initiatives and M&A.

**Magna International Inc. (MGA, US\$63.34, Outperformer) Price Target: \$68.00**

After coronavirus-induced lockdowns put a significant halt to automotive light vehicle sales and manufacturing in North America and Europe during the spring, production volumes began to recover towards the end of the first half of the year and picked up pace during the summer. As one of the largest auto parts makers in the world, operating over 300 manufacturing facilities and nearly 100 product development, engineering, and sales centres spread across 27 countries, Magna International is poised to participate in this rebound.

In the midst of the first wave of the pandemic, Magna took the opportunity to implement a number of cost-cutting measures to its discretionary and structural spending. The company now expects about US\$200 million in annual savings to be fully realized by 2022. Magna's most recent quarterly results showed revenue that held fairly steady on a year-over-year basis, while its adjusted earnings before interest and taxes (EBIT) margin was well ahead of analysts' forecasts, even after excluding the effect of the federal wage subsidies it received. Confident in the near term, the company hiked its sales and adjusted EBIT margin estimates for the remainder of 2020. Magna also reinstated its share buyback program whereby it will repurchase up to 10% of its public float from now until November 2021. CIBC analyst Kevin Chiang notes that this will be the tenth consecutive year the company has engaged in share repurchases. Mr. Chiang anticipates Magna will prioritize its cash flow towards deleveraging its balance sheet back to a leverage ratio between 1x and 1.5x, but believes the company should have enough liquidity to make good on its intentions to buy back equity.

Share Buybacks and Dividends (in millions of USD)



Source: Company Reports

The COVID-19 pandemic has brought about changes in human behaviour that might even be slightly positive for Magna. The work-from-home trend has catalyzed a population migration towards rural and suburban areas, which may spur more car ownership. A general increase in germ-consciousness may also result in an aversion to public transit and greater demand for automobiles. Interestingly, since March 11 when the World Health Organization declared COVID-19 a pandemic, Magna's stock has risen by 56%, while the S&P/TSX Composite index has gained only 21%.

PUJA GHOSH, CFA, MBA, MSc & JOHNNY TAM, MASc, CFA  
Investment Strategy Group

| Company Name                                | Symbol | Stock Rating | Market Cap | Price 24-Nov-20 | Price Target | Adjusted EPS |        |        | P/E 2021E | Dividend Yield |
|---|--------|--------------|------------|-----------------|--------------|--------------|--------|--------|-----------|----------------|
|   |        |              |            |                 |              | 2020A        | 2021E  | 2022E  |           |                |
| Alimentation Couche-Tard Inc. <sup>-1</sup> | ATD.B  | OP           | \$48.2B    | \$43.05         | \$52.00      | \$1.98       | \$2.03 | \$1.83 | 16.3x     | 0.7%           |
| Magna International Inc. <sup>-2, 3</sup>   | MGA    | OP           | \$18.3B    | \$63.34         | \$68.00      | \$3.20       | \$5.94 | \$7.73 | 10.7x     | 2.5%           |

A - Actual for the fiscal year; E - Estimate for the fiscal year. 1 - Adjusted EPS are stated in US dollars (CS1.2998: US\$1.00); 2 - All figures are stated in US dollars; 3 - Adjusted EPS for 2020 is an estimate, not an actual. For a full description of the CIBC World Markets Inc. Research Rating System, please see page 6.

## MARKET RETURN DATA

| North American Indices        |        | Price Performance (% Change) |          |          |      |        | Price Performance (% Change - Annualized) |         |         |          |          |          |
|-------------------------------|--------|------------------------------|----------|----------|------|--------|---|---------|---------|----------|----------|----------|
|                               | 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             | 17,190 | 10.3                         | 4.1      | 13.1     | 0.7  | 0.9    | 6.4                                       | 2.3     | 5.0     | 2.9      | 3.1      | 3.4      |
| Total Return                  |        | 10.6                         | 4.9      | 15.0     | 3.8  | 4.3    | 9.8                                       | 5.6     | 8.3     | 6.0      | 6.2      | 6.1      |
| S&P/TSX Preferred Share Index | 604    | 4.7                          | 3.5      | 17.8     | -1.9 | 0.1    | -2.9                                      | -5.6    | -1.2    | -3.4     | -3.3     | N/A      |
| Total Return                  |        | 5.2                          | 4.9      | 21.3     | 3.7  | 6.2    | 2.7                                       | -0.4    | 4.2     | 1.7      | 1.9      | N/A      |
| S&P 500 Index                 | 3,622  | 10.8                         | 3.5      | 19.0     | 12.1 | 15.3   | 14.5                                      | 11.0    | 11.7    | 11.9     | 7.4      | 5.2      |
| Total Return                  |        | 10.9                         | 3.9      | 20.0     | 14.0 | 17.5   | 16.8                                      | 13.2    | 14.0    | 14.2     | 9.6      | 7.3      |
| Dow Jones Industrial Average  | 29,639 | 11.8                         | 4.3      | 16.8     | 3.9  | 5.7    | 7.7                                       | 6.9     | 10.8    | 10.4     | 7.0      | 5.4      |
| Total Return                  |        | 12.1                         | 4.7      | 18.0     | 6.1  | 8.1    | 10.3                                      | 9.4     | 13.5    | 13.2     | 9.7      | 8.0      |
| Nasdaq Composite Index        | 12,199 | 11.8                         | 3.6      | 28.5     | 36.0 | 40.8   | 29.0                                      | 21.1    | 19.0    | 17.2     | 12.0     | 8.0      |

| International Indices |        | Price Performance (% Change) |          |          |       |        | Price Performance (% Change - Annualized) |         |         |          |          |          |
|-----------------------|--------|------------------------------|----------|----------|-------|--------|---|---------|---------|----------|----------|----------|
|                       | 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    | 260    | 14.4                         | 7.1      | 11.9     | -6.2  | -4.3   | 3.9                                       | -0.0    | -0.1    | 3.5      | 1.3      | 0.0      |
| FTSE Eurotop 100      | 2,825  | 14.4                         | 5.6      | 8.1      | -10.4 | -8.8   | 1.6                                       | -1.6    | -1.3    | 2.4      | 0.4      | -1.2     |
| FTSE 100 (England)    | 6,266  | 12.4                         | 5.1      | 3.1      | -16.9 | -14.7  | -5.3                                      | -5.1    | -0.3    | 1.3      | 1.0      | 0.1      |
| Dax (Germany)         | 13,291 | 15.0                         | 2.7      | 14.7     | 0.3   | 0.4    | 8.7                                       | 0.7     | 3.1     | 7.1      | 6.5      | 3.7      |
| CAC 40 (France)       | 5,519  | 20.1                         | 11.5     | 17.5     | -7.7  | -6.5   | 5.0                                       | 0.9     | 2.2     | 4.3      | 1.3      | -0.4     |
| MSCI World            | 2,583  | 12.7                         | 5.2      | 20.3     | 9.5   | 12.7   | 12.5                                      | 7.5     | 8.8     | 8.0      | 5.1      | 3.9      |
| MSCI Emerging Markets | 1,205  | 9.2                          | 9.4      | 29.5     | 8.1   | 15.9   | 10.1                                      | 2.4     | 8.2     | 1.1      | 4.0      | 6.7      |
| Total Return          |        | 2,841                        | 9.3      | 9.8      | 31.4  | 10.5   | 18.8                                      | 13.1    | 5.3     | 11.1     | 4.0      | 6.9      |
| MSCI EAFE             | 2,054  | 15.4                         | 7.5      | 19.1     | 0.8   | 4.0    | 6.5                                       | 0.6     | 3.4     | 3.0      | 1.7      | 1.8      |
| Total Return          |        | 8,943                        | 15.5     | 8.1      | 20.3  | 3.5    | 6.8                                       | 9.9     | 3.8     | 6.7      | 6.3      | 5.0      |
| Nikkei 225 (Japan)    | 26,434 | 15.0                         | 14.2     | 20.8     | 11.7  | 13.5   | 8.7                                       | 5.2     | 6.0     | 10.3     | 3.9      | 3.0      |
| Hang Seng (Hong Kong) | 26,341 | 9.3                          | 4.6      | 14.7     | -6.6  | -0.0   | -0.3                                      | -3.4    | 3.7     | 1.4      | 3.9      | 3.2      |
| ASX 200 (Australia)   | 6,518  | 10.0                         | 7.5      | 13.2     | -2.5  | -4.8   | 7.2                                       | 3.0     | 4.8     | 3.6      | 2.3      | 3.5      |
| Taiwan Weighted       | 13,723 | 9.4                          | 9.0      | 25.4     | 14.4  | 19.4   | 17.8                                      | 9.1     | 10.5    | 5.1      | 5.4      | 4.9      |
| Sensex 30 (India)     | 44,655 | 12.7                         | 15.6     | 37.7     | 8.2   | 9.5    | 11.1                                      | 10.4    | 11.3    | 8.6      | 11.4     | 12.8     |

| Index Returns In Canadian Dollars |        | Price Performance (% Change) |          |          |      |        | Price Performance (% Change - Annualized) |         |         |          |          |          |
|-----------------------------------|--------|------------------------------|----------|----------|------|--------|---|---------|---------|----------|----------|----------|
|                                   | 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                 | 17,190 | 10.3                         | 4.1      | 13.1     | 0.7  | 0.9    | 6.4                                       | 2.3     | 5.0     | 2.9      | 3.1      | 3.4      |
| Total Return                      |        | 10.6                         | 4.9      | 15.0     | 3.8  | 4.3    | 9.8                                       | 5.6     | 8.3     | 6.0      | 6.2      | 6.1      |
| S&P 500 Index                     | 4,700  | 7.7                          | 3.0      | 11.8     | 12.1 | 12.7   | 13.1                                      | 11.2    | 11.1    | 14.5     | 8.1      | 4.3      |
| Total Return                      |        | 7.9                          | 3.4      | 12.8     | 14.0 | 14.8   | 15.3                                      | 13.4    | 13.3    | 16.9     | 10.4     | 6.4      |
| Dow Jones Industrial Average      | 38,462 | 8.8                          | 3.7      | 9.7      | 3.8  | 3.2    | 6.4                                       | 7.1     | 10.2    | 13.0     | 7.7      | 4.5      |
| Total Return                      |        | 9.1                          | 4.2      | 10.9     | 6.1  | 5.6    | 8.9                                       | 9.6     | 12.9    | 15.9     | 10.5     | 7.1      |
| Russell 2000                      | 2,362  | 15.1                         | 15.9     | 22.7     | 9.1  | 9.5    | 7.6                                       | 5.8     | 8.1     | 12.2     | 7.6      | 6.4      |
| Nasdaq Composite Index            | 15,830 | 8.8                          | 3.1      | 20.8     | 35.9 | 37.5   | 27.4                                      | 21.3    | 18.3    | 20.0     | 12.8     | 7.1      |
| Bloomberg Euro 500                | 403    | 14.2                         | 6.7      | 13.3     | -0.2 | 1.5    | 5.5                                       | 0.3     | 1.9     | 5.1      | 2.1      | 0.8      |
| EURO STOXX 50                     | 5,418  | 17.9                         | 6.3      | 15.9     | -0.7 | -0.0   | 6.5                                       | -0.4    | 1.8     | 4.3      | 0.9      | -0.8     |
| Total Return                      |        | 17.9                         | 6.5      | 16.9     | 1.2  | 2.0    | 9.1                                       | 2.1     | 4.5     | 7.3      | 3.9      | 1.9      |
| MSCI World                        | 3,352  | 9.6                          | 4.7      | 13.0     | 9.5  | 10.1   | 11.1                                      | 7.7     | 8.2     | 10.6     | 5.8      | 3.0      |
| MSCI Emerging Markets             | 1,564  | 6.2                          | 8.9      | 21.7     | 8.1  | 13.2   | 8.7                                       | 2.6     | 7.5     | 3.5      | 4.7      | 5.9      |
| Total Return                      |        | 6.3                          | 9.2      | 23.5     | 10.5 | 16.1   | 11.7                                      | 5.5     | 10.5    | 6.4      | 7.6      | 8.8      |
| MSCI EAFE                         | 2,665  | 12.2                         | 7.0      | 11.9     | 0.8  | 1.6    | 5.2                                       | 0.8     | 2.8     | 5.4      | 2.4      | 0.9      |
| Total Return                      |        | 12.4                         | 7.5      | 13.1     | 3.4  | 4.4    | 8.5                                       | 4.0     | 6.1     | 8.9      | 5.7      | 4.0      |
| MSCI Far East                     | 5,002  | 9.4                          | 9.5      | 10.6     | 5.6  | 5.5    | 5.9                                       | 2.1     | 4.8     | 6.7      | 2.8      | 0.9      |

| Commodities                    |           | Price as of |           |           |            |         | Yields as of           |           |          |           |           |            |
|--------------------------------|-----------|-------------|-----------|-----------|------------|---------|------------------------|-----------|----------|-----------|-----------|------------|
|                                | 30-Nov-20 | -1 Month    | -3 Months | -6 Months | -12 Months | YTD (%) |                        | 30-Nov-20 | -1 Month | -3 Months | -6 Months | -12 Months |
| Gold Spot (US\$/oz)            | 1,777     | 1,879       | 1,968     | 1,730     | 1,464      | 17.1%   | Canada 3-month T-Bills | 0.12      | 0.09     | 0.15      | 0.18      | 1.65       |
| Silver (US\$/oz)               | 22.64     | 23.66       | 28.14     | 17.87     | 17.03      | 26.8%   | Canada 5yr Notes       | 0.43      | 0.40     | 0.39      | 0.40      | 1.49       |
| Brent Crude Oil                | 47.59     | 37.46       | 45.28     | 35.33     | 62.43      | -27.9%  | Canada 10yr Notes      | 0.67      | 0.66     | 0.62      | 0.53      | 1.46       |
| West Texas Intermediate Oil    | 45.34     | 35.79       | 42.61     | 35.49     | 55.17      | -25.7%  | Canada 30yr Bonds      | 1.17      | 1.25     | 1.16      | 1.12      | 1.56       |
| NYMEX Natural Gas              | 2.88      | 3.35        | 2.63      | 1.85      | 2.28       | 31.7%   | U.S. 3-month T-Bills   | 0.07      | 0.09     | 0.09      | 0.12      | 1.57       |
| Spot Nat. Gas (AECO Hub - USD) | 2.21      | 2.51        | 1.99      | 1.44      | 2.06       | 29.2%   | U.S. 5yr Notes         | 0.36      | 0.38     | 0.27      | 0.30      | 1.63       |
| Lumber                         | 636.80    | 495.60      | 928.00    | 367.10    | 416.60     | 57.1%   | U.S. 10yr Notes        | 0.84      | 0.87     | 0.70      | 0.65      | 1.78       |
| Copper 3-month                 | 3.44      | 3.05        | 3.02      | 2.44      | 2.66       | 22.8%   | U.S. 30yr Bonds        | 1.57      | 1.66     | 1.47      | 1.41      | 2.21       |
| Nickel 3-month                 | 7.27      | 6.87        | 6.97      | 5.59      | 6.20       | 14.3%   |                        |           |          |           |           |            |
| Aluminum 3-month               | 0.93      | 0.84        | 0.82      | 0.70      | 0.80       | 13.0%   |                        |           |          |           |           |            |
| Zinc 3-month                   | 1.27      | 1.14        | 1.14      | 0.90      | 1.03       | 22.8%   |                        |           |          |           |           |            |

| Currencies                 |          | Performance (% Change) |          |          |           |      | S&P/TSX GICs         |                              |
|----------------------------|----------|------------------------|----------|----------|-----------|------|----------------------|------------------------------|
|                            | Price    | 1 Month                | 3 Months | 6 Months | 12 Months | YTD  | Sectors              | Price Performance (% Change) |
| CAD/USD                    | 0.7692   | 2.5                    | 0.4      | 6.0      | 2.2       | -0.1 | Consumer Discret.    | 14.4                         |
| EURO/CAD                   | 1.5513   | -0.0                   | -0.4     | 1.3      | 6.0       | 6.5  | Consumer Staples     | 2.6                          |
| EURO/USD                   | 1.1927   | 2.4                    | -0.1     | 7.3      | 8.3       | 6.4  | Energy               | 18.6                         |
| USD/YEN                    | 104.3100 | -0.3                   | -1.5     | -3.1     | -4.7      | -4.0 | Integrated Oil & Gas | 38.6                         |
| Trade Weighted U.S. Dollar | 91.8690  | -2.3                   | -0.3     | -6.6     | -6.5      | -4.7 | Oil&Gas Expl. & Prod | 33.0                         |
|                            |          |                        |          |          |           |      | Pipeline             | 10.9                         |
|                            |          |                        |          |          |           |      | Financials           | 16.3                         |
|                            |          |                        |          |          |           |      | Banks                | 14.9                         |
|                            |          |                        |          |          |           |      | Insurance            | 15.9                         |
|                            |          |                        |          |          |           |      | Real Estate          | 12.6                         |
|                            |          |                        |          |          |           |      | Health Care          | 35.0                         |
|                            |          |                        |          |          |           |      | Industrials          | 7.7                          |
|                            |          |                        |          |          |           |      | Information Tech.    | 14.4                         |
|                            |          |                        |          |          |           |      | Materials            | -4.8                         |
|                            |          |                        |          |          |           |      | Gold                 | -12.5                        |
|                            |          |                        |          |          |           |      | Base Metals          | 19.0                         |
|                            |          |                        |          |          |           |      | Fertilizers          | 18.4                         |
|                            |          |                        |          |          |           |      | Communication Serv.  | 7.5                          |
|                            |          |                        |          |          |           |      | Utilities            | 5.4                          |

| 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)      |  | 2.7%                                 | 1.3%     | 4.4%     | 5.7%      | 6.3% |
| Income (10/20/60/10)                   |  | 3.7%                                 | 1.8%     | 5.9%     | 6.4%      | 7.0% |
| Income & Growth (20/25/50/5)           |  | 5.1%                                 | 2.5%     | 7.8%     | 7.1%      | 7.5% |
| Growth (40/25/35/0)                    |  | 6.9%                                 | 3.5%     | 10.2%    | 8.5%      | 8.5% |
| Aggressive Growth (60/25/15/0)         |  | 8.7%                                 | 4.4%     | 12.5%    | 9.6%      | 9.2% |

| Bond Returns                      |  | Total Return % Change |          |          |           |      |
|-----------------------------------|--|-----------------------|----------|----------|-----------|------|
|                                   |  | 1 Month               | 3 Months | 6 Months | 12 Months | YTD  |
| FTSE Canada Bond Universe Index   |  | 1.0                   | 0.6      | 2.4      | 7.0       | 8.3  |
| FTSE Canada Long Term Bond Index  |  | 2.4                   | 0.9      | 3.7      | 8.7       | 11.5 |
| FTSE Canada Mid Term Bond Index   |  | 0.5                   | 0.5      | 2.1      | 8.2       | 9.4  |
| FTSE Canada Short Term Bond Index |  | 0.2                   | 0.4      | 1.5      | 4.9       | 5.0  |

All data is sourced from Bloomberg unless otherwise noted. Data as of November 30, 2020.  
Data source: Bloomberg

## CIBC World Markets Interest Rate Outlook

| Interest Rates (%) - End of Qtr |        | Nov 24,<br>2020 | Mar/21 | Jun/21 |
|---------------------------------|--------|-----------------|--------|--------|
| 3-month T-Bill                  | Canada | 0.10            | 0.25   | 0.35   |
|                                 | U.S.   | 0.07            | 0.25   | 0.25   |
| 10-year Gov't Bond Yield        | Canada | 0.72            | 0.80   | 0.85   |
|                                 | U.S.   | 0.88            | 1.00   | 1.10   |
| US\$/C\$                        |        | 0.77            | 0.76   | 0.75   |

Source: CIBC World Markets Inc.

## CIBC World Markets Economic Outlook

| Economic Outlook             |        | 2019A | 2020F | 2021F |
|------------------------------|--------|-------|-------|-------|
| Real GDP Growth (% Chg)      | Canada | 1.7   | -5.5  | 4.1   |
|                              | U.S.   | 2.2   | -3.7  | 3.4   |
| Consumer Price Index (% Chg) | Canada | 1.9   | 0.7   | 1.7   |
|                              | U.S.   | 1.8   | 1.2   | 2.4   |

Source: CIBC World Markets Inc.

## PRICE TARGET CALCULATIONS

**Alimentation Couche-Tard Inc. (ATD.B):** CIBC analysts Mark Petrie and John Zamparo's price target is derived by applying a 22.0x EPS multiple to their 2022 estimates, assuming U.S. fuel margins of 23¢/gal, which is the average margin over the last three years.

**Magna International Inc. (MGA):** CIBC analyst Kevin Chiang applies a blended 6.0x EV/EBITDA and 11.0x P/E multiple to his 2021 estimates to derive his price target.

## 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 11/24/2020:

Alimentation Couche-Tard Inc. (2g, 6c, 7, 12) (ATD.B-TSX, C\$43.05)

Magna International Inc. (2a, 2c, 2g, 6c, 7) (MGA-TSX, C\$63.34)

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| Abbreviation               | Rating         | Description  |
|----------------------------|----------------|--|
| <b>Stock Ratings</b>       |                |  |
| 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.                         |
| <b>Sector Weightings**</b> |                |  |
| 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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