INSIDE THIS ISSUE

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Unless otherwise noted, all prices quoted in this report are as of the close of markets on December 21, 2020.

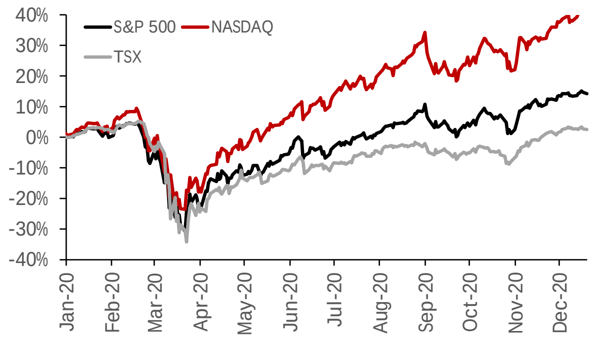
January 2021

LOOKING BACK AT 2020, THOUGHTS FOR 2021

When 2020 began, 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 be good.

The outbreak of COVID-19 in China and the spread of the virus to the rest of the world has left the global economies damaged but not broken. Despite the economic impact of the shutdowns imposed by governments on the free peoples of the world, it appears that corporate profits have not fared as badly as was initially suspected. The drop in financial markets to their lows in March saw the S&P 500, NASDAQ and the S&P/TSX Composite Index drop roughly 34%, 30% and 38% from their respective pre-COVID levels, making many investors skeptical when these markets initially began to recover. Since then, technology stocks appear to have been the big winners as the markets recovered and the work-from-home world increasingly shopped from home. A more resilient and well diversified U.S. economy saw U.S. equities outperform Canadian equities, despite uncertainty over a contentious U.S. presidential election.

FINANCIAL MARKETS' PERFORMANCE YTD 2020



Source: Bloomberg

Although the financial markets and corporate profit expectations seem to be recovering due to expectations of vaccine availability, in Canada certain sectors such as Financials, Communication Services, Real Estate and Energy have not fully recovered to their pre-COVID levels. In the U.S., Utilities, Real Estate, Financials and Energy still have not fully recovered. This may provide an opportunity for outperformance in portfolios in 2021. In 2021, investors need to be mindful of the staggering deficits run by most developed countries in 2020 in fighting COVID-19 and the even larger deficits expected for 2021. Eventually, this will have to be paid for and this means higher taxes sooner or later. At some point, this total dependency on government handouts to keep the economy going must come to an end – it should be the economy helping to fund the government, not the government funding the economy. How long this can continue depends on the willingness of central banks to maintain low interest rates to enable massive government borrowing and the ability of governments to pay the cost of servicing their soaring levels of debt.

With interest rates so low, it seems reasonable to assume that in 2021 rates will move higher but still remain low as watchful central banks balance this with the economic impact. A continued low-yield environment would provide little incentive for investors to increase exposure to fixed income securities in portfolios. Even though equities are trading above their longer-term valuations, yield-focused investors may be forced to look to equities to provide income in portfolios, given the present yield advantage of equities over bonds. However, with the still uncertain nature of the economy as the world deals with COVID-19 and the distribution of vaccines begins, investors should favour yields from those companies with businesses that, in uncertain times and good times, have more reliable revenue and earnings profiles. Financials and Utilities are among those sectors that meet this description. Interestingly, these are two of the sectors that CIBC World Markets recommends overweighting in portfolios as we head into an uncertain 2021.

CIBC RECOMMENDED SECTOR WEIGHTS

Financials	Overweight
Materials	Overweight
Utilities	Overweight
Communication Services	Marketweight
Consumer Discretionary	Marketweight
Consumer Staples	Marketweight
Industrials	Marketweight
Information Technology	Marketweight
Real Estate	Underweight
Healthcare	Underweight
Energy	Underweight

Source: CIBC World Markets

MICHAEL O'CALLAGHAN, MBA, CFA

IS THE 60/40 PORTFOLIO ON LIFE SUPPORT?

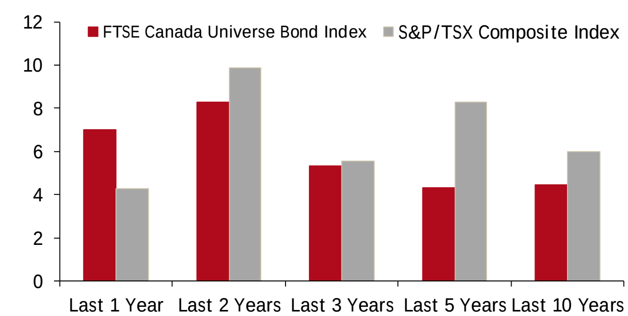
The Future Challenge

Given that the future of asset allocation may look fundamentally different from the recent past, is it time to start planning for what comes after the end of the 60/40 stock-bond portfolio asset mix? It would be wrong to assume that a 60/40 asset mix is a one-size-fits-all portfolio solution. It has been a starting point for investors since the creation of Modern Portfolio Theory in the 1950s and this traditional asset mix has produced one of the best risk-adjusted returns. The 60/40 split won't be the ideal benchmark for every long-term investor, as it is only a guide and the ratio will vary for each individual. The right asset allocation must fit one's objectives, risk-return profile, time horizon, age, retirement expectations, and other circumstances.

Weighing Portfolio Possibilities

This year's drama in markets has led many individual investors to reassess their approach to investing. Given this landscape, what's an investor to do? Many advisors don't advise abandoning the 60/40 strategy entirely. Instead, they suggest investors be more creative when deciding what goes into their stock and bond allocations.

Total Returns Percentage Change



Source: Bloomberg, FTSE Russell Debt Market Indices report. Data as of November 30, 2020.

Leaning more heavily on equities for higher returns will likely be the course many investors take in a market where investment grade bonds pay very low interest rates. However, there's still a lot you can do with how things are allocated within bonds and stocks, such as switching up geographies, sectors, types of securities, and the size of companies considered, etc. Perhaps the time has come to review a few investment options and explore different opportunities in this low interest rate environment.

Some money managers think the current situation calls for an increase in equity allocation, despite the added risk. Many of them are suggesting a split of 75% equities and 25% fixed income and cash. For younger investors, an 80/20 split in place of 60/40 is being suggested. Still, some investors aren't ready to write off 60/40 just yet. The market environment has changed with COVID-19 and most economists don't think that fixed-income rates will spike any time soon, although the possibility of a modest and gradual rate rise is a significant risk to investors.

Investors should keep in mind the possible impact that any increases in equity holdings may have on a portfolio should a severe stock market downturn occur. Monitoring the stock markets for rising threats to one's investments might provide time to move some money back to fixed-income securities before a full-scale stock market meltdown. With inflation still relatively low, keeping some cash on the sidelines and maintaining a portfolio of more-liquid investments should be one of the underlying principles to guide any investor in a low interest rate environment.

Assessing Investment Options

With low interest rates expected for the next few years, some money managers are rethinking portfolio allocation and getting more adventurous with fixed income strategies. Money managers may want to consider some of the following.

• Constructing a bond ladder, which is a series of bonds that mature at regular intervals over a period, allowing for a staggered reinvestment which allows for better overall yields.

• Investors seeking low interest rate risk can also consider a floating-rate ETF or mutual fund. The interest rates on these securities reset periodically based on market rates.

• Consider provincial or investment-grade corporates which will provide higher rates of return.

• Floating-rate notes are another option. When market rates rise, the expected coupons of the notes increase, meaning that their prices remain constant, protecting the principal investment.

Bond ETFs have simplified fixed income investing by bringing the bond market to the retail investor with a single security. Investors use ETFs to gain instant diversification, mitigating single security risk, at a lower cost than fully active alternatives. The amount of ETF options enables investors to efficiently access a variety of fixed income markets and make adjustments to duration and credit quality. With a single ticker, an investor can tap into thousands of bonds in a specific sector without having to hunt for inventory.

Mutual funds are another option for fixed income investors and are similar to ETFs in some ways. Like ETFs, bond funds offer diversification for a relatively small investment minimum. The main difference is that ETFs are predominately for passive investing strategies (there are some active ETFs listed as well), whereas, mutual funds are generally fully active. As a result, investors will pay more for the fully active manager than the index-tracking alternative. Investors have to ultimately decide if they believe active management can outperform on a net of fees basis.

The Bottom Line

Money managers say there will be a greater shift towards the stock market in times of a low interest rates, therefore extra care may be needed when crafting the stocks portion of any portfolio. Diversified portfolio investment returns over the next few years are likely to be lower than historical averages but will still generate positive returns as the underlying starting conditions are different. There is no one-size-fits-all answer to allocating between stocks and bonds. The allocation should reflect one's risk tolerance and income needs.

ALLAN BISHOP

CANADIAN EQUITIES

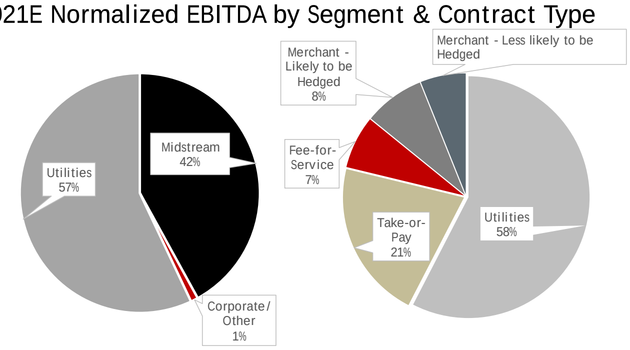
AltaGas Ltd. (ALA, $18.65, Outperformer) Price Target $22.00

As positive news surrounding several COVID-19 vaccines and progressing stimulus talks in the U.S. continue to boost investor sentiment, we believe it is an opportune time for investors to consider adding to their cyclical exposure. AltaGas, a diversified infrastructure company with midstream, power, and utility assets in Canada and the U.S., is well positioned among the Canadian energy infrastructure names.

The company's Utilities segment, which is expected to contribute 57% of 2021E normalized EBITDA, provides a predictable and stable earnings and cash flow stream. The Utilities segment is mostly insulated from earnings volatility, with approximately 70% of its earnings protected through fixed distribution charges and decoupled rate structures in Maryland and Virginia. Further growth is expected to be driven primarily by rate base growth (at a compound annual growth rate of 8% through 2025) through continued spending in accelerated replacement programs (ARP) and higher returns from rate case settlements and cost control initiatives.

The continued ramp-up of the Ridley Island Propane Export Terminal (RIPET), the first propane marine export facility in Canada which provides access to the liquefied petroleum gas (LPG) markets in Asia for North American producers at premium global pricing, is expected to drive long-term growth within AltaGas' Midstream segment. RIPET achieved record volumes of 43,000 barrels/day (bpd) in Q3/20, and moved closer to its target exit rate of 50,000 bpd in 2020, with 35% of estimated 2021 volumes under long-term take-or-pay agreements with an average remaining term of approximately seven years.

2021E Normalized EBITDA by Segment & Contract Type



Source: Company Reports

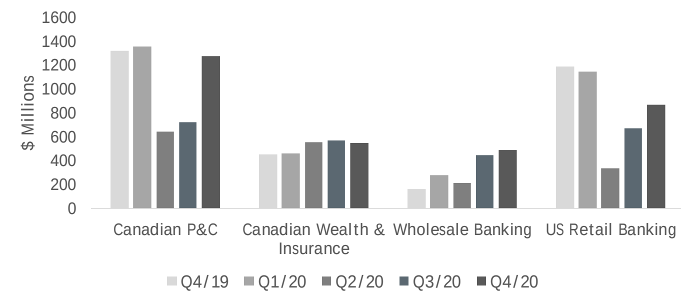
In December, AltaGas announced that it has closed its previously announced acquisition of an additional 37% interest in Petrogas, which has increased its ownership to 74%. CIBC analyst Rob Catellier notes that this deal will provide AltaGas with significant operating and strategic benefits, and will enhance run-rate leverage metrics, apart from being accretive to earnings and cash flow per share. Management has indicated that it will focus on non-core asset sales to lower its leverage to below 5x net debt/EBITDA. Mr. Catellier believes that a reduction in leverage will be the most meaningful driver of AltaGas' share price, as it will raise investor confidence, improve cost of capital and strengthen its balance sheet, thus providing flexibility, including the ability to contemplate a spin-off of the Midstream business.

Toronto-Dominion Bank (TD, $71.50, Outperformer) Price Target: $84.00

Despite a tumultuous year, the Canadian financial sector proved to be a pillar of strength. Amongst Canada's big banks, Toronto-Dominion Bank (TD) remains a preferred name given its high degree of U.S. exposure, strong capital positioning and improving credit trends, making it a top pick of CIBC analyst Paul Holden.

TD's better-than-expected fourth-quarter performance demonstrated the strength of its business in the face of difficult economic conditions, with adjusted EPS managing to climb 1% year-over-year (Y/Y). TD's Canadian Wealth & Insurance business provided earnings growth of 21% Y/Y, while its Wholesale Banking profits soared 204%, primarily on elevated trading fee revenue (which is expected to level off). Although TD's U.S. Retail Banking division was hurt by the pandemic, with earnings declining 27%, Mr. Holden anticipates recovery through F2021 and F2022 of 14% and 16%, respectively. Lastly, TD's bread-and-butter Canadian retail operations saw profits rise 3% from Q4/2019.

Adjusted Segment Earnings by Quarter



Source: Company Reports

Bank credit losses were a key concern for investors when the pandemic unfolded, but Q4/2020 brought improving credit trends and lower provisions for credit losses. Mr. Holden forecasts a 10% increase to F2021 adjusted EPS and a 7% increase to F2022 adjusted EPS on lower credit loss provisions. A sizable reduction was also reported by the bank on deferred loan balances, pointing to an improving outlook on future losses.

TD's Common Equity Tier 1 ratio was reported at 13.1% in Q4/2020, increasing sequentially by more than any other bank and making it the industry leader. Having the strongest capital position gives TD unparalleled investment potential, which it plans to exercise by expanding its U.S. banking footprint. This would provide strategic benefits through an economic recovery and allow for improved scale.

Looking forward, TD is well aligned for growth through 2021 and beyond. Net interest income, a key earnings driver for TD, is expected to rebound from F2020 lows as future economic recovery fuels loan growth. There is potential for parked deposits to be invested as individuals gain confidence in financial markets, which in turn would boost fee income. Finally, TD garnered a 13.5% stake in the world's largest brokerage company, Charles Schwab, from its TD Ameritrade deal. The deal resulted in a host of synergies which should perfectly position Charles Schwab to thrive, ultimately benefitting TD's bottom line.

PUJA GHOSH, CFA, MBA, MSc & LAUREN ELLISON, CIM, CFP
Investment Strategy Group

Company Name	Symbol	Stock Rating	Market Cap	Price 21-Dec-20	Price Target	Adjusted EPS 2020A	Adjusted EPS 2021E	Adjusted EPS 2022E	P/E 2021E	Dividend Yield
AltaGas Ltd. – 1, 2	ALA	OP	$5.2B	$18.65	$22.00	$2.09	$2.92	--	6.4x	5.4%
Toronto-Dominion Bank	TD	OP	$130.4B	$71.50	$84.00	$5.45	$5.98	$6.98	12.0x	4.4%

A – Actual for the fiscal year; E – Estimate for the fiscal year. 1 – Adjusted Funds from Operations per share (AFFOPS) and P/AFFOPS are stated instead of Adjusted EPS and P/E respectively. 2 – AFFOPS 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	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
		Price Performance (% Change)				Price Performance (% Change - Annualized)						
S&P/TSX Composite	17,433	1.4	8.1	12.4	2.2	2.2	10.3	2.5	6.0	2.6	2.9	3.4
Total Return		1.7	9.0	14.1	5.6	5.6	13.9	5.7	9.3	5.8	6.0	6.2
S&P/TSX Preferred Share Index	616	2.0	5.8	16.2	0.1	0.1	-1.0	-4.9	-1.1	-3.2	-3.2	N/A
Total Return		2.4	7.3	19.5	6.2	6.2	4.8	0.4	4.2	2.0	2.0	N/A
S&P 500 Index	3,756	3.7	11.7	21.2	16.3	16.3	22.4	12.0	12.9	11.6	7.6	5.4
Total Return		3.8	12.1	22.2	18.4	18.4	24.8	14.2	15.2	13.9	9.9	7.5
Dow Jones Industrial Average	30,606	3.3	10.2	18.6	7.2	7.2	14.5	7.4	11.9	10.2	7.2	5.4
Total Return		3.4	10.7	19.8	9.7	9.7	17.3	9.9	14.7	13.0	10.0	7.9
Nasdaq Composite Index	12,888	5.7	15.4	28.1	43.6	43.6	39.4	23.1	20.8	17.1	12.5	8.6

International Indices	Price	1 Month	3 Months	6 Months	YTD	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years	20 Years
		Price Performance (% Change)				Price Performance (% Change - Annualized)						
Bloomberg Euro 500	265	2.2	11.4	11.0	-4.1	-4.1	8.1	0.5	1.4	3.2	1.2	0.2
FTSE Eurotop 100	2,882	2.0	9.8	6.8	-8.5	-8.5	5.6	-1.1	0.2	2.2	0.3	-1.0
FTSE 100 (England)	6,461	3.1	10.1	4.7	-14.3	-14.3	-2.0	-5.6	0.7	0.9	0.9	0.2
Dax (Germany)	13,719	3.2	7.5	11.4	3.5	3.5	14.0	2.0	5.0	7.1	6.4	3.9
CAC 40 (France)	5,551	0.6	15.6	12.5	-7.1	-7.1	8.3	1.5	3.7	3.9	1.1	-0.3
MSCI World	2,690	4.1	13.6	22.2	14.1	14.1	19.5	8.5	10.1	7.7	5.2	4.0
MSCI Emerging Markets	1,291	7.2	19.3	29.8	15.8	15.8	15.6	3.7	10.2	1.2	4.1	7.0
Total Return	3,052	7.4	19.8	31.4	18.7	18.7	18.8	6.6	13.2	4.0	7.0	9.9
MSCI EAFE	2,148	4.6	15.7	20.6	5.4	5.4	11.7	1.5	4.6	2.6	1.6	1.8
Total Return	9,361	4.7	16.1	21.8	8.3	8.3	15.2	4.8	8.0	6.0	5.0	5.0
Nikkei 225 (Japan)	27,444	3.8	18.4	23.1	16.0	16.0	17.1	6.4	7.6	10.4	3.6	3.5
Hang Seng (Hong Kong)	27,231	3.4	16.1	11.5	-3.4	-3.4	2.6	-3.1	4.4	1.7	4.1	3.0
ASX 200 (Australia)	6,587	1.1	13.3	11.7	-1.5	-1.5	8.0	2.8	4.5	3.3	2.2	3.7
Taiwan Weighted	14,733	7.4	17.7	26.8	22.8	22.8	23.1	11.4	12.1	5.1	5.6	5.8
Sensex 30 (India)	47,751	6.9	25.4	36.8	15.8	15.8	15.1	11.9	12.8	8.8	11.4	13.2

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
		Price Performance (% Change)				Price Performance (% Change - Annualized)						
S&P/TSX Composite	17,433	1.4	8.1	12.4	2.2	2.2	10.3	2.5	6.0	2.6	2.9	3.4
Total Return		1.7	9.0	14.1	5.6	5.6	13.9	5.7	9.3	5.8	6.0	6.2
S&P 500 Index	4,796	2.0	7.1	13.6	14.4	14.4	18.5	12.6	11.2	14.4	8.3	4.5
Total Return		2.2	7.6	14.6	16.5	16.5	20.8	14.8	13.4	16.8	10.6	6.6
Dow Jones Industrial Average	39,078	1.6	5.7	11.2	5.5	5.5	10.9	7.9	10.2	13.0	7.9	4.5
Total Return		1.7	6.2	12.4	7.9	7.9	13.5	10.5	12.8	15.8	10.7	7.1
Russell 2000	2,521	6.8	25.6	28.5	16.4	16.4	17.1	9.3	9.9	12.5	8.1	6.4
Nasdaq Composite Index	16,456	4.0	10.7	20.1	41.3	41.3	34.9	23.8	18.9	20.1	13.2	7.7
Bloomberg Euro 500	414	2.8	11.4	13.2	2.7	2.7	8.2	1.6	2.2	4.9	2.0	0.7
EURO STOXX 50	5,545	2.4	11.3	12.0	1.6	1.6	8.8	1.7	2.5	4.1	0.8	-1.0
Total Return		2.4	11.4	12.6	3.7	3.7	11.4	4.2	5.1	7.1	3.8	1.7
MSCI World	3,435	2.5	9.0	14.6	12.2	12.2	15.7	9.1	8.4	10.4	5.9	3.2
MSCI Emerging Markets	1,649	5.4	14.5	21.7	14.0	14.0	11.9	4.2	8.5	3.7	4.8	6.1
Total Return		5.7	14.9	23.2	16.8	16.8	15.0	7.1	11.4	6.6	7.6	9.1
MSCI EAFE	2,742	2.9	11.0	13.1	3.7	3.7	8.2	2.1	2.9	5.2	2.3	1.0
Total Return		3.0	11.4	14.2	6.5	6.5	11.6	5.3	6.3	8.7	5.6	4.1
MSCI Far East	5,122	2.4	10.5	13.7	8.2	8.2	9.1	3.5	4.5	6.6	2.5	1.4

Commodities	31-Dec-20	-1 Month	-3 Months	-6 Months	-12 Months	YTD (%)
	Price as of					
Gold Spot (US$/oz)	1,898	1,777	1,886	1,781	1,517	25.1%
Silver (US$/oz)	26.40	22.64	23.24	18.21	17.85	47.9%
Brent Crude Oil	51.80	47.59	40.95	41.15	66.00	-21.5%
West Texas Intermediate Oil	48.52	45.34	40.22	39.27	61.06	-20.5%
NYMEX Natural Gas	2.54	2.88	2.53	1.75	2.19	16.0%
Spot Nat. Gas (AECO Hub - USD)	1.95	2.21	1.36	1.41	1.71	14.0%
Lumber	873.10	636.80	612.20	435.70	405.30	115.4%
Copper 3-month	3.52	3.44	3.03	2.73	2.80	25.8%
Nickel 3-month	7.54	7.27	6.58	5.81	6.36	18.5%
Aluminum 3-month	0.90	0.93	0.80	0.73	0.82	9.4%
Zinc 3-month	1.25	1.27	1.09	0.93	1.03	21.1%

Yields	31-Dec-20	-1 Month	-3 Months	-6 Months	-12 Months
	Yields as of				
Canada 3-month T-Bills	0.06	0.12	0.14	0.20	1.66
Canada 5yr Notes	0.39	0.43	0.36	0.37	1.69
Canada 10yr Notes	0.68	0.67	0.56	0.53	1.70
Canada 30yr Bonds	1.21	1.17	1.11	0.99	1.76
U.S. 3-month T-Bills	0.06	0.07	0.09	0.13	1.54
U.S. 5yr Notes	0.36	0.36	0.28	0.29	1.69
U.S. 10yr Notes	0.91	0.84	0.68	0.66	1.92
U.S. 30yr Bonds	1.64	1.57	1.46	1.41	2.39

Currencies	Price	1 Month	3 Months	6 Months	12 Months	YTD
		Performance (% Change)				
CAD/USD	0.7859	2.2	4.7	6.7	2.1	2.1
EURO/CAD	1.5555	0.3	-0.4	2.0	6.8	6.8
EURO/USD	1.2216	2.4	4.2	8.7	8.9	8.9
USD/YEN	103.2500	-1.0	-2.1	-4.3	-4.9	-4.9
Trade Weighted U.S. Dollar	89.9370	-2.1	-4.2	-7.7	-6.7	-6.7

S&P/TSX GICs Sectors	1 Month	3 Months	6 Months	12 Months	YTD	Index Weight (%)
	Price Performance (% Change)					
Consumer Discret.	5.5	20.4	29.8	14.4	14.4	3.9
Consumer Staples	-0.9	-6.0	2.2	2.8	2.8	3.8
Energy	-0.0	13.0	2.4	-30.8	-30.8	11.1
Integrated Oil & Gas	6.5	38.1	0.3	-46.4	-46.4	1.9
Oil&Gas Expl. & Prod	4.1	39.8	31.5	-30.0	-30.0	2.2
Pipeline	-4.1	0.4	-5.3	-25.8	-25.8	6.5
Financials	1.7	15.4	18.6	-2.9	-2.9	29.9
Banks	2.2	16.1	19.5	-1.6	-1.6	20.3
Insurance	0.2	14.1	19.9	-11.2	-11.2	4.3
Real Estate	-2.8	8.4	11.5	-13.0	-13.0	3.1
Health Care	-10.4	29.9	11.1	-23.6	-23.6	1.2
Industrials	2.6	6.7	20.8	15.3	15.3	12.4
Information Tech.	3.1	7.6	11.4	80.3	80.3	10.3
Materials	2.9	-4.0	4.4	19.5	19.5	14.4
Gold	0.5	-15.7	-10.7	19.9	19.9	9.2
Base Metals	12.1	31.5	70.9	17.4	17.4	0.7
Fertilizers	-4.5	17.3	40.4	-1.5	-1.5	1.4
Communication Serv.	-1.7	2.4	3.2	-8.3	-8.3	4.9
Utilities	0.5	4.6	14.9	10.6	10.6	5.1

Strategic Asset Allocation (in C$) (Global Equity/Cdn. Equity/Bonds/Cash)		1 Month	3 Months	6 Months	12 Months	YTD
		Performance (% Change - Before Fees)				
Capital Preservation	(5/15/60/20)	0.6%	2.2%	3.6%	7.0%	7.0%
Income	(10/20/60/10)	0.8%	3.1%	5.0%	7.9%	7.9%
Income & Growth	(20/25/50/5)	1.1%	4.4%	7.2%	8.7%	8.7%
Growth	(40/25/35/0)	1.6%	6.2%	10.1%	10.3%	10.3%
Aggressive Growth	(60/25/15/0)	2.0%	8.0%	13.0%	11.5%	11.5%

Bond Returns	1 Month	3 Months	6 Months	12 Months	YTD
	Total Return % Change				
FTSE Canada Bond Universe Index	0.4	0.6	1.1	8.7	8.7
FTSE Canada Long Term Bond Index	0.4	0.8	0.5	11.9	11.9
FTSE Canada Mid Term Bond Index	0.6	0.6	1.7	10.1	10.1
FTSE Canada Short Term Bond Index	0.2	0.5	1.2	5.3	5.3

All data is sourced from Bloomberg unless otherwise noted. Data as of December 31, 2020.
Data source: Bloomberg

CIBC World Markets Interest Rate Outlook

Interest Rates (%) – End of Qtr		Dec 21, 2020	Mar/21	Jun/21
3-month T-Bill	Canada	0.11	0.25	0.35
	U.S.	0.08	0.25	0.25
10-year Gov't Bond Yield	Canada	0.72	0.80	0.85
	U.S.	0.93	1.00	1.10
US$/C$		0.78	0.77	0.76

Source: CIBC World Markets Inc.

CIBC World Markets Economic Outlook

Economic Outlook		2020F	2021F	2022F
Real GDP Growth (% Chg)	Canada	-5.6	4.0	5.1
	U.S.	-3.5	4.1	3.6
Consumer Price Index (% Chg)	Canada	0.7	1.7	1.9
	U.S.	1.2	2.3	2.3

Source: CIBC World Markets Inc.

PRICE TARGET CALCULATIONS

AltaGas Ltd. (ALA): CIBC analyst Rob Catellier's price target is calculated by applying a 10.5x EV/EBITDA multiple to his 2021 estimate.

Toronto-Dominion Bank (TD): CIBC analyst Paul Holden's price target is derived by applying a 12x P/E multiple to his fiscal 2022 EPS estimate of $6.98.

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Stock Prices as of 12/21/2020:

AltaGas Ltd. (2a, 2c, 2e, 2g, 7) (ALA-TSX, C$18.65)

Toronto-Dominion Bank (2a, 2c, 2e, 2g, 3a, 3c, 6c, 7) (TD-TSX, C$71.50)

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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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