



Tuesday, January 26, 2021

MACRO VIEW

The TSX (-0.5%) is lower while Wall Street's main indices are mixed. **West Texas Intermediate crude oil (-0.2%)** prices gave back gains from reports of a blast in Saudi Arabia while mounting new coronavirus cases weighed on fuel demand. **Gold (-0.1%)** slipped with a stronger dollar while investors wait on signals of policy decisions from the U.S. Federal Reserve. North American bond yields are mixed in morning trade with the U.S. 10-year at 1.04%, and the Canadian 10-year at 0.83%. The Canadian dollar strengthened against the greenback, recovering from an earlier eight-day low.

U.S. home prices gained 9.1% in November year-over-year versus 8.7% expected. It was the biggest jump since May 2014, fueled by historically low mortgage rates.

CANADIAN MARKETS

Metro (MRU, -1.3%) reported Q1/21 adjusted EBITDA of \$399 million, below consensus at \$415 million, and generated revenue of \$4.28 billion, below the street estimates at \$4.39 billion. It reported same-store sales of 10% for food and 1.3% for pharmacy. MRU paid out \$56 million in dividends and bought back \$112 million in shares.

Empire Co. (EMP.A, -2.4%) announced seven new locations for its FreshCo discount banner. Six of the locations are in Alberta and one in Northern Ontario. FreshCo has 37 confirmed locations in Western Canada. Store closure and conversion costs are estimated to be approximately \$11.7 million before tax and will be charged to earnings in 3Q/21.

Altus Group (AIF, +0.2%) has been selected by Invesco Real Estate to provide data management software and services that will help transform how Invesco manages its €13 billion pan-European portfolios with 177 assets across 15 countries.

BBTV Holdings (BBTV, +4.9%) expects Q4/20 revenue to be up over 35% year-over-year (Y/Y) and the gross profits to be up over 10% Y/Y. It also forecasts adjusted EBITDA to be break-even to positive for the quarter. The company also noted that the due date on its convertible notes has been pushed from December 31, 2021, to July 1, 2022.

Enerplus (ERF, -1.1%) will acquire a pure-play Williston Basin private company, Bruin E&P, for total cash consideration of US\$465 million. The acquisition includes approximately 24,000 barrels of oil equivalent (boe) per day of existing production, 84 million boe of proved plus probable reserves, and an inventory of 149 drilling locations.

U.S. MARKETS

American Express (AXP, -2.6%) posted Q4/2020 earnings of US\$1.76 per share beating the consensus estimate of US\$1.31 per share, however,

Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	17,820.08	-0.48%	2.2%	2.2%
S&P 500	3,853.74	-0.04%	2.6%	2.4%
NASDAQ	13,669.13	0.24%	6.1%	5.9%
Dow Jones	31,001.74	0.13%	1.3%	1.1%
Nikkei 225	28,546.18	-0.96%	4.0%	3.5%
Euro Stoxx 50	3,600.35	1.33%	1.3%	0.8%
FTSE EM	2,857.14	-1.28%	7.0%	6.8%

Canadian Market Movers

WEED	Canopy Growth Co	7.1%
CCO	Cameco Corp	2.0%
K	Kinross Gold	0.9%
SJR/B	Shaw Comm-B	0.5%
BHC	Bausch Health Co	0.4%
IMO	Imperial Oil	-1.6%
MG	Magna Intl	-1.7%
CVE	Cenovus Energy	-2.4%
CNQ	Can Natural Res	-2.4%
FM	First Quantum	-2.6%

*As of January 26 2021 10:36 AM. Source: Bloomberg

U.S. Market Movers

GE	General Electric	5.9%
RTX	Raytheon Technol	4.3%
MMM	3M Co	2.8%
JNJ	Johnson&Johnson	2.5%
NFLX	Netflix Inc	1.3%
SO	Southern Co	-1.7%
GM	General Motors C	-1.7%
LMT	Lockheed Martin	-2.0%
AXP	American Express	-2.7%
VZ	Verizon Communic	-2.9%

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Benchmark Bonds & Rates

	Chg ¹	Yld ¹	Mar-21 ²	Jun-21 ²
CA 2YR	0.00%	0.18%	0.35%	0.40%
CA 10YR	0.01%	0.83%	0.80%	0.85%
US 2YR	0.01%	0.12%	0.30%	0.30%
US 10YR	0.01%	1.04%	1.00%	1.10%
	Rate ¹	Mar-21 ²	Jun-21 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 January 26 2021 10:36 AM.; 2 - CIBC

forecasts. Source: Bloomberg

this was 13.3% lower year-over-year. Revenue of US\$9.35 billion was in line with the consensus estimate, with online spending partially offsetting lower levels of travel and entertainment-related spending.

General Electric (GE, +5.9%) released fourth-quarter EPS of US\$0.08, which fell slightly short of the consensus EPS of US\$0.09. GE's revenue and free cash flow came in above Wall Street's estimates. The industrial conglomerate forecasted that it will generate between US\$2.5 to US\$4.5 billion in free cash flow in 2021, pending the recovery of the airline industry.

Private equity firm **Apollo Global (APO, +3.9%)** announced that its CEO Leon Black would be stepping down. The announcement follows an independent review of Leon Black's relationship with the convicted criminal and financier Jeffrey Epstein. The review found that Black was not involved in any of the late Epstein's criminal activities.

Johnson & Johnson (JNJ, +2.5%) released Q4/2020 earnings of US\$1.86 per share topping the consensus estimate of US\$1.82 per share. Revenue of US\$22.48 billion also beat out an expected US\$21.62 billion. Johnson & Johnson provided upbeat full-year guidance.

3M (MMM, +2.8%) reported Q4/2020 earnings of US\$2.38 per share, which beat the consensus of US\$2.15 per share. Revenue of US\$8.58 billion also topped the consensus estimate on higher demand for 3M's healthcare-related products such as face masks.

Verizon (VZ, -2.9%) posted a profit of US\$1.21 per share for its fourth quarter, surpassing the consensus expectation of US\$1.17 per share. Revenue of US\$34.70 billion came in above consensus, however, the telecom company saw a lower increase in its subscriber base than expected.

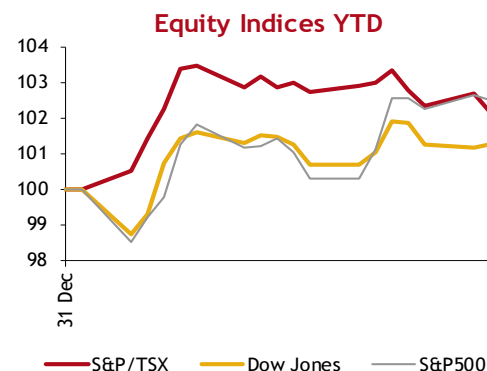
Drugmaker **Regeneron Pharmaceuticals (REGN, +0.3%)** and **Eli Lilly (LLY, -0.2%)** separately reported positive trial results for their respective COVID-19 antibody treatments.

Raytheon Technologies (RTX, +4.3%) reported better-than-expected fourth-quarter earnings of US\$0.74 per share, ahead of analysts' estimates of US\$0.70 per share. Revenue of US\$16.42 billion also topped estimates.

Currencies & Commodities

	Price*	Change	YTD
CS\$/US\$	0.787	-0.004	0.2%
US\$/€	0.821	0.004	0.3%
Gold	\$1,855.10	-\$0.79	-2.3%
Copper per 100 lb	\$362.30	-\$0.65	3.0%
Oil (WTI)	\$52.67	-\$0.10	8.6%
Oil (WCS)	\$39.19	\$0.17	18.1%
Natural Gas (NYMEX)	\$2.63	\$0.02	3.4%
Natural Gas (AECO)	\$2.18	\$0.09	11.8%

*As of January 26 2021 10:36 AM. Source: Bloomberg



Earnings Releases

Name	Date	Est.	Act.
Microsoft Corp (MSFT)	01/26	\$1.64	-- *
Johnson&Johnson (JNJ)	01/26	\$1.83	\$1.86 *
Verizon Communic (VZ)	01/26	\$1.17	\$1.21 *
Nextera Energy (NEE)	01/26	\$0.40	\$0.40 *
Texas Instrument (TXN)	01/26	\$1.33	-- *
Starbucks Corp (SBUX)	01/26	\$0.55	-- *
Adv Micro Device (AMD)	01/26	\$0.47	-- *
Raytheon Technol (RTX)	01/26	\$0.70	\$0.74 *
General Electric (GE)	01/26	\$0.09	\$0.08 *
3M Co (MMM)	01/26	\$2.15	\$2.38 *
Can Natl Railway (CNR)	01/26	\$1.42	--
American Express (AXP)	01/26	\$1.29	\$1.76 *
Lockheed Martin (LMT)	01/26	\$6.42	\$6.38 *

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
1/28	CFIB Business Barometer (Jan)	58.2	--	--
1/28	Building Permits MoM (Dec)	12.90%	-5.00%	--
1/29	GDP MoM (Nov)	0.40%	0.40%	--
1/29	GDP YoY (Nov)	-3.50%	-3.10%	--
1/29	Industrial Product Price MoM (Dec)	-0.60%	1.40%	--
1/29	Raw Materials Price Index MoM (Dec)	0.60%	2.50%	--
2/1	Bloomberg Nanos Confidence	56.6	--	--
2/1	MLI Leading Indicator MoM (Dec)	1.40%	--	--
2/1	Markit Canada Manufacturing PMI (Jan)	57.9	--	--
2/5	Net Change in Employment (Jan)	-62.6k	--	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
1/26	FHFA House Price Index MoM (Nov)	1.50%	0.80%	1.00%
1/26	S&P CoreLogic CS 20-City MoM SA (Nov)	1.61%	1.00%	1.42%
1/26	S&P CoreLogic CS 20-City YoY NSA (Nov)	7.95%	8.70%	9.08%
1/26	S&P CoreLogic CS US HPI YoY NSA (Nov)	8.41%	8.85%	9.49%
1/26	Conf. Board Consumer Confidence (Jan)	88.6	89	89.3
1/26	Conf. Board Present Situation (Jan)	90.3	--	84.4
1/26	Conf. Board Expectations (Jan)	87.5	--	92.5
1/26	Richmond Fed Manufact. Index (Jan)	19	19	14
1/27	MBA Mortgage Applications	-1.90%	--	--
1/27	Durable Goods Orders (Dec P)	1.00%	1.00%	--

Source: Bloomberg

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01/25/2021

Altus Group Limited (2g) (AIF-TSX, C\$50.27)

Empire Company Limited (2g, 9, 13) (EMP.A-TSX, C\$36.88)

Enerplus Corporation (2g) (ERF-TSX, C\$4.28)

Metro Inc. (2a, 2e, 2g) (MRU-TSX, C\$56.94)

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