MARKET BEAT

Tuesday, July 28, 2020

MACRO VIEW

The **TSX** (-0.1%) is flat on the back of weaker oil prices and global COVID-19 concerns, while Wall Street's main stock indices slid as investors focused on talks over a coronavirus relief deal, and with mixed earnings reports. **West Texas Intermediate crude oil** (-0.9%) prices fell as rising coronavirus cases reduced the outlook for demand. **Gold** (+0.4%) is trading mixed after a record run as the dollar regained some ground, with traders locking in profits. North American bond yields edged down with the U.S. 10-year at 0.58%, and the Canadian 10-year at 0.49%. The Canadian dollar weakened against the greenback as oil and gold prices fell, with the loonie pulling back from a nearly seven-week high.

CANADIAN MARKETS

George Weston (WN, -0.2%) reported adjusted EPS of $0.93 below consensus of $1.41, driven by the negative impact of COVID-19 on its operating performance, as well as higher net interest expense and other financing charges. Weston Foods sales declined by 14% year-over-year as the volumes in certain retail categories and food-service channels were impacted by the pandemic.

TFI International (TFII, +2.8%) reported net revenue of $1.03 billion in line with consensus estimates of $1.03 billion. Adjusted EBITDA came in at $232 million well ahead of consensus of $162 million. The beat was driven by the Package & Courier and Truckload divisions.

West Fraser Timber (WFT, +1.6%) reported adjusted EBITDA of $133 million (after paying lumber duties of $44 million) vs. consensus of $106 million. Lumber EBITDA increased by $49 million quarter-over-quarter (Q/Q) to $112 million, primarily driven by higher SYP lumber prices and SPF shipment volumes. It noted that it is currently operating as close to full capacity as possible in order to meet market demand.

MEG Energy (MEG, -3.0%) reported adjusted funds flow per share of $0.29 vs. consensus of $0.28. Bitumen production came in at 75,687 bbls/d, slightly ahead of consensus of 73,000 bbls/d. It reinstated its full-year production guidance at 78,000 to 80,000 bbls/d, down from its original guidance of 94,000 to 97,000 bbls/d.

Fiera Capital (FSZ, +2.8%) announced that its preliminary assets under management (AUM) at the end of June were $171 billion, up 8.2% compared to its AUM of $158.1 million at March-end. Net inflows were positive at $0.6 billion. It includes $450 million of sub-advisory mandates from Canoe Financial after Fiera sold the rights to manage $1.2 billion of its retail mutual funds to Canoe.

U.S. MARKETS

McDonald's (MCD, -2.2%) reported a quarterly EPS that came in below forecasts while revenue topped estimates. Global comparable-

Market Indicators

Index	Level*	Change	YTD	YTD (C$)
S&P/TSX	16,147.37	-0.09%	-5.4%	-5.4%
S&P 500	3,235.66	-0.12%	0.2%	3.3%
NASDAQ	10,489.67	-0.44%	16.9%	20.6%
Dow Jones	26,449.13	-0.51%	-7.3%	-4.4%
Nikkei 225	22,657.38	-0.26%	-4.2%	2.1%
Euro Stoxx 50	3,299.70	-0.10%	-11.9%	-5.0%
FTSE EM	2,275.00	0.70%	-1.6%	1.5%

Canadian Market Movers

BHC	Bausch Health Co	6.5%
WEED	Canopy Growth Co	5.8%
SAP	Saputo Inc	1.9%
RCI/B	Rogers Communi-B	1.2%
SHOP	Shopify Inc	1.1%
NTR	Nutrien Ltd	-1.4%
IMO	Imperial Oil	-1.5%
CVE	Cenovus Energy	-1.7%
TECK/B	Teck Resources	-2.1%
SU	Suncor Energy	-2.2%

*As of July 28 2020 10:32 AM. Source: Bloomberg

U.S. Market Movers

PFE	Pfizer Inc	2.9%
WBA	Walgreens Boots	2.7%
DUK	Duke Energy Corp	2.6%
GM	General Motors C	2.5%
BMY	Bristol-Myer Sqb	1.9%
TXN	Texas Instrument	-1.6%
CSCO	Cisco Systems	-1.7%
QCOM	Qualcomm Inc	-2.1%
MCD	Mcdonalds Corp	-2.2%
MMM	3M Co	-5.0%

*As of July 28 2020 10:32 AM. Source: Bloomberg

Benchmark Bonds & Rates

	Chg[1]	Yld[1]	Sep-20[2]	Dec-20[2]
CA 2YR	-0.01%	0.28%	0.35%	0.40%
CA 10YR	-0.04%	0.49%	0.85%	0.85%
US 2YR	-0.01%	0.14%	0.35%	0.40%
US 10YR	-0.03%	0.58%	0.90%	0.95%
		Rate[1]	Sep-20[2]	Dec-20[2]
CA Prime		2.45%	-	-
CA Overnight Tgt		0.25%	0.25%	0.25%
Fed Funds Tgt		0.25%	0.13%	0.13%

1 - As of July 28 2020 10:32 AM.; 2 - CIBC forecasts.
Source: Bloomberg

restaurant sales were worse-than-expected, falling 23.9% year-over-year. In the U.S., comparable-restaurant sales beat forecasts but were down 8.7% year-over-year.

3M (MMM, -5.0%) reported EPS and revenue that missed forecasts. The company noted that its quarterly results were heavily affected by the pandemic. 3M did not provide any guidance for the coming quarters due to the ongoing uncertainty.

Pfizer (PFE, +2.9%) posted a quarterly EPS and revenue beat and gave upbeat full-year guidance. Pfizer and **BioNTech** (BNTX, +1.0%) also announced the launch of a late-stage study on their COVID-19 vaccine. If the study proves to be successful the vaccine could seek approval by the U.S. Food and Drug Administration as early as October.

Raytheon Technologies (RTX, -1.6%) reported quarterly results that topped analysts' expectations on both earnings and revenue. The company noted that its results suffered from the pressure on the commercial aerospace industry. Raytheon noted that it continues to achieve cost synergies from its acquisition of Rockwell Collins.

Harley-Davidson (HOG, -7.8%) reported a quarterly loss of US$0.60 per share well below consensus estimates for a profit of US$0.04 per share. Revenue also came in below estimates. The company has been affected by the pandemic and has been considering different options to get the company back on track including the exiting of several international markets.

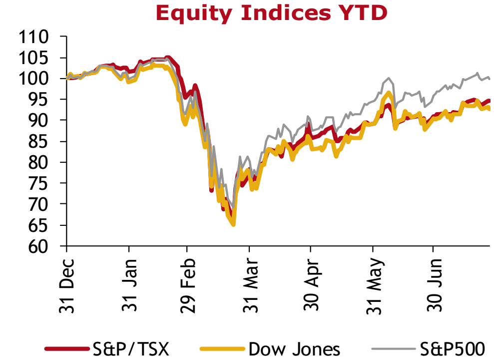
Garmin (GRMN, -1.4%) stated that its systems should be back up and running in the next few days after it was reported yesterday that the company was the victim of a cyberattack.

Currencies & Commodities

	Price*	Change	YTD
C$/US$	0.746	0.004	-3.0%
US$/€	0.854	-0.004	-4.3%
Gold	$1,944.04	$1.80	28.1%
Copper per 100 lb	$291.80	$2.05	3.5%
Oil (WTI)	$41.23	-$0.36	-32.5%
Oil (WCS)	$31.93	-$0.49	-17.2%
Natural Gas (NYMEX)	$1.79	$0.05	-18.5%
Natural Gas (AECO)	$1.52	-$0.01	-11.1%

*As of July 28 2020 10:32 AM. Source: Bloomberg

Equity Indices YTD



Earnings Releases

Name	Date	Est.	Act.	
Pfizer Inc (PFE)	07/28	$0.69	$0.78	*
Mcdonalds Corp (MCD)	07/28	$0.74	$0.66	*
Raytheon Technol (RTX)	07/28	$0.13	$0.40	*
3M Co (MMM)	07/28	$1.79	$1.78	*
S&P Global Inc (SPGI)	07/28	$2.68	$3.40	*
Altria Group Inc (MO)	07/28	$1.07	$1.07	*
Mondelez Inter-A (MDLZ)	07/28	$0.56	--	*
Sherwin-Williams (SHW)	07/28	$5.75	$7.10	*
Ecolab Inc (ECL)	07/28	$0.85	$0.65	*
Roper Technologi (ROP)	07/28	$2.68	$2.94	*
Centene Corp (CNC)	07/28	$2.37	$2.40	*
Msci Inc (MSCI)	07/28	$1.68	$1.77	*
Cummins Inc (CMI)	07/28	$0.93	$1.86	*

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
7/31	Building Permits MoM (Jun)	20.20%	--	--
7/31	GDP MoM (May)	-11.60%	3.50%	--
7/31	GDP YoY (May)	-17.10%	-14.60%	--
7/31	Industrial Product Price MoM (Jun)	1.20%	0.80%	--
7/31	Raw Materials Price Index MoM (Jun)	16.40%	7.00%	--
8/4	Bloomberg Nanos Confidence	48.4	--	--
8/4	MLI Leading Indicator MoM (Jun)	-1.90%	--	--
8/4	Markit Canada Manufacturing PMI (Jul)	47.8	--	--
8/5	Int'l Merchandise Trade (Jun)	-0.68b	--	--
8/7	Net Change in Employment (Jul)	952.9k	--	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
7/28	S&P CoreLogic CS 20-City MoM SA (May)	0.33%	0.30%	0.04%
7/28	S&P CoreLogic CS 20-City YoY NSA (May)	3.98%	4.00%	3.69%
7/28	S&P CoreLogic CS 20-City NSA Index (May)	224.08	224.73	224.76
7/28	S&P CoreLogic CS US HPI YoY NSA (May)	4.73%	--	4.46%
7/28	S&P CoreLogic CS US HPI NSA Index (May)	217.72	--	218.87
7/28	Conf. Board Consumer Confidence (Jul)	98.1	95	92.6
7/28	Conf. Board Present Situation (Jul)	86.2	--	94.2
7/28	Conf. Board Expectations (Jul)	106	--	91.5
7/28	Richmond Fed Manufact. Index (Jul)	0	5	10
7/29	MBA Mortgage Applications	4.10%	--	--

Source: Bloomberg

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Stock Prices as of

07/27/2020

George Weston Limited (2g) (WN-TSX, C$103.54)
TFI International Inc. (2g) (TFII-TSX, C$54.01)
West Fraser Timber Co. Ltd. (2g) (WFT-TSX, C$61.43)

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