



Thursday, July 30, 2020

MACRO VIEW

North American equity benchmarks are trading lower as investors catch a first glimpse at the U.S.'s GDP for Q2. Output fell by a record-shattering 32.9% quarter-over-quarter on an annualized basis, albeit slightly better than the consensus forecast of a 34.5% decrease. Separately, weekly initial jobless claims came in at 1.434 million compared to estimates of 1.445 million. In its announcement yesterday afternoon, the U.S. Fed left its policy rate unchanged and reaffirmed its commitment to shore up liquidity in the markets, noting that the path to recovery remains uncertain.

In commodity markets, the global uptick in coronavirus cases is putting downward pressure on **West Texas Intermediate crude oil** (-2.7%) and **Brent crude oil** (-2.3%) prices and casting doubt on whether it would be appropriate for OPEC and its allies to raise production starting this Saturday. **Gold** (-0.1%) prices are taking a breather this morning as the **U.S. Dollar Index** (-0.1%) resists falling further. In the bond markets, sovereign yields on multiple continents have moved lower. The U.S. 10-year rate is touching its lowest level since early March and the rest of the curve has flattened.

CANADIAN MARKETS

Agnico Eagle Mines (AEM, +1.0%) reported adjusted EPS that was ahead of consensus. Production came in ahead of estimates. Agnico maintained its production cost and capex outlook for 2020 and raised its full-year gold production guidance.

Methanex (MX, -7.3%) reported adjusted EBITDA that was in line with consensus, although it is significantly lower than the Q1/20 adjusted EBITDA as a result of lower average realized price and lower sales of methanol. Management noted that they have been seeing early signs of improvement in methanol demand.

Shaw Communications (SJR.B, +0.4%) announced the launch of Shaw Mobile. Shaw's Internet customers will now be able to add up to six wireless lines of unlimited nationwide talk and text for \$0/month.

TC Energy (TRP, -1.6%) reported comparable EBITDA that was below consensus while adjusted EPS was in line with estimates. Full-year guidance was mostly unchanged.

Waste Management (WM, -3.2%) reported revenue that was in line with consensus while adjusted EBITDA was ahead of estimates. The company expects revenues to decline by 4%-5% in 2020.

Crescent Point Energy (CPG, -7.4%) reported cash flow per share of \$0.21, in line with consensus. Production came in at 120,842 boe/d, beating consensus of 116,836 boe/d. **Husky Energy** (HSE, -4.0%) reported cash flow per share of \$0.02 vs. analyst expectations of a loss of \$0.10. It maintained its full-year guidance.

TORC Oil & Gas (TOG, -4.3%) reported cash flow per share that slightly

Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	16,091.55	-1.25%	-5.7%	-5.7%
S&P 500	3,210.57	-1.47%	-0.6%	2.9%
NASDAQ	10,446.91	-0.91%	16.4%	20.6%
Dow Jones	26,095.51	-1.67%	-8.6%	-5.3%
Nikkei 225	22,339.23	-0.26%	-5.6%	1.1%
Euro Stoxx 50	3,189.47	-3.35%	-14.8%	-7.3%
FTSE EM	2,271.39	-0.50%	-1.7%	1.8%

Canadian Market Movers

WEED	Canopy Growth Co	1.1%
AEM	Agnico Eagle Min	1.0%
KL	Kirkland Lake Go	0.8%
CSU	Constellation So	0.4%
DOL	Dollarama Inc	0.4%
TECK/B	Teck Resources	-3.9%
CNQ	Can Natural Res	-4.4%
IMO	Imperial Oil	-4.6%
GIL	Gildan Activewea	-5.3%
CVE	Cenovus Energy	-5.5%

*As of July 30 2020 10:32 AM. Source: Bloomberg

U.S. Market Movers

UPS	United Parcel-B	12.2%
QCOM	Qualcomm Inc	10.6%
PYPL	Paypal Holdings	3.7%
PG	Procter & Gamble	1.6%
FDX	Fedex Corp	0.8%
CVX	Chevron Corp	-4.7%
C	Citigroup Inc	-4.8%
DD	Dupont De Nemour	-4.9%
OXY	Occidental Pete	-7.0%
COP	Conocophillips	-8.9%

*As of July 30 2020 10:32 AM. Source: Bloomberg

Benchmark Bonds & Rates

	Chg ¹	Yld ¹	Sep-20 ²	Dec-20 ²
CA 2YR	0.00%	0.27%	0.35%	0.40%
CA 10YR	-0.02%	0.46%	0.85%	0.85%
US 2YR	-0.01%	0.12%	0.35%	0.40%
US 10YR	-0.03%	0.54%	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 30 2020 10:32 AM.; 2 - CIBC forecasts.

Source: Bloomberg

beat forecasts while production was also slightly ahead of consensus. **Whitecap Resources** (WCP, **-5.0%**) reported cash flow per share that beat estimates. Production was modestly ahead of consensus.

Lundin Mining (LUN, **-5.0%**) reported adjusted EPS and adjusted EBITDA that beat consensus estimates driven by lower-than-expected operating expenses. Lundin has lowered its 2020 copper and gold production guidance at its Candelaria mine.

U.S. MARKETS

Procter & Gamble (PG, **+1.6%**) posted a quarterly EPS and revenue beat helped by strong sales for the company's cleaning products due to COVID-19.

United Parcel Service (UPS, **+12.2%**) reported EPS and revenue that topped expectations. The beat was helped by the rise in e-commerce home deliveries. UPS did not provide any full-year guidance.

Qualcomm (QCOM, **+10.6%**) reported an EPS and revenue beat. QCOM also reached a patent dispute settlement and signed a new long-term global patent license agreement with **Huawei**.

Comcast (CMSCA, **+0.2%**) posted an EPS and revenue beat as weakness in its advertising revenue was offset by strength in the company's broadband segment.

Eli Lilly (LLY, **-5.4%**) reported an EPS beat but missed on revenue due to delays in patients beginning new therapies. LLY also noted that it has begun a mid-stage study for one of its experimental COVID-19 treatments.

Cigna (CI, **-2.3%**) reported quarterly earnings of US\$5.81, coming in above the estimated US\$5.15. Revenue also came in above estimates. The company benefitted from many surgeries and other medical procedures being delayed by the coronavirus.

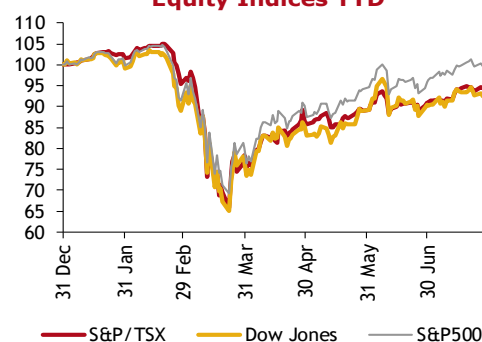
Dunkin' Brands (DNKN, **-6.1%**) reported EPS of US\$0.49 which beat estimates of US\$0.48. Revenue was also above estimates. Dunkin' and Baskin-Robbins' U.S. comparable-store sales were better than consensus estimates but fell 18.7% year-over-year and 6.0% year-over-year, respectively.

Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.743	0.012	-3.5%
US\$/€	0.848	-0.001	-4.9%
Gold	\$1,947.27	-\$23.52	28.3%
Copper per 100 lb	\$287.95	-\$3.95	2.1%
Oil (WTI)	\$38.86	-\$2.41	-36.4%
Oil (WCS)	\$30.50	-\$1.01	-20.9%
Natural Gas (NYMEX)	\$1.88	\$0.02	-14.2%
Natural Gas (AECO)	\$1.59	-\$0.02	-7.0%

*As of July 30 2020 10:32 AM. Source: Bloomberg

Equity Indices YTD



Earnings Releases

Name	Date	Est.	Act.
Linde Plc (LIN)	07/30	\$1.65	\$1.90
Eli Lilly & Co (LLY)	07/30	\$1.61	\$1.89 *
United Parcel-B (UPS)	07/30	\$1.07	\$2.13 *
Cigna Corp (CI)	07/30	\$5.14	\$5.81 *
Southern Co (SO)	07/30	\$0.67	\$0.78 *
Northrop Grumman (NOC)	07/30	\$5.32	\$6.01 *
Newmont Corp (NEM)	07/30	\$0.31	-- *
Dupont De Nemour (DD)	07/30	\$0.59	\$0.70 *
Xcel Energy Inc (XEL)	07/30	\$0.48	\$0.54 *
Yum! Brands Inc (YUM)	07/30	\$0.55	\$0.82 *
Willis Towers Wa (WLTW)	07/30	\$1.62	\$1.80 *
Xilinx Inc (XLNX)	07/30	\$0.47	-- *
Alexion Pharm (ALXN)	07/30	\$2.58	\$3.11 *

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
7/30	CFIB Business Barometer (Jul)	54.6	--	61.3
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	--	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
7/30	Revisions: GDP ()	0	0	0
7/30	GDP Annualized QoQ (2Q A)	-5.00%	-34.50%	-32.90%
7/30	Personal Consumption (2Q A)	-6.80%	-34.50%	-34.60%
7/30	GDP Price Index (2Q A)	1.40%	-0.10%	-1.80%
7/30	Core PCE QoQ (2Q A)	1.70%	-0.90%	-1.10%
7/30	Initial Jobless Claims	1416k	1445k	1434k
7/30	Continuing Claims	16197k	16200k	17018k
7/30	Bloomberg Consumer Comfort	44.7	--	44.3
7/31	Revisions: Personal Income & Spending ()	0	0	0
7/31	Personal Income (Jun)	-4.20%	-0.60%	--

Source: Bloomberg

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07/29/2020

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 Crescent Point Energy Corp. (1b, 2a, 2e, 2g, 7) (CPG-TSX, C\$2.24)
 Lundin Mining Corporation (2g) (LUN-TSX, C\$8.00)
 Methanex Corporation (2g) (MEOH-NASDAQ, US\$20.12)
 Shaw Communications Inc. (2a, 2c, 2e, 2g, 7, 13) (SJR.B-TSX, C\$24.16)
 TC Energy Corporation (2a, 2e, 2g, 7) (TRP-TSX, C\$61.36)
 TORC Oil & Gas Ltd. (2g) (TOG-TSX, C\$1.75)
 Waste Management (2g) (WM-NYSE, US\$109.65)
 Whitecap Resources Inc. (2g) (WCP-TSX, C\$2.30)

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