



Tuesday, August 04, 2020

MACRO VIEW

The **TSX (+1.0%)** rose supported by firmer gold prices while Wall Street's main stock indices are slightly higher with focus on continued U.S.-China tensions and COVID-19. **West Texas Intermediate crude oil (-0.2%)** prices slipped on fears that a new wave of COVID-19 infections could limit an increase in fuel demand, just as major producers rise output. **Gold (+0.8%)** prices are steady, near record highs as worries over the global economic fallout from COVID-19, offset pressure from a stronger U.S. dollar. North American bond yields edged down with the U.S. 10-year at 0.52%, and the Canadian 10-year at 0.44%. The Canadian dollar weakened against the greenback as investors weighed rising coronavirus cases and increased tensions between the United States and China.

Canadian Manufacturing PMI increased to 52.9 in July 2020 from 47.8 in June. It is the first expansion in factory activity in five months and the sharpest since January last year, as the economy reopens. U.S. Factory Orders increased more than expected in June by US\$25.5 billion or 6.2% in June versus 5% expected. It was the second consecutive month of increases in factory orders as markets recover from lockdowns.

CANADIAN MARKETS

Endeavour Silver (EDR, -1.2%) reported an adjusted EPS loss of US\$0.02 vs. consensus expectations of an EPS loss of US\$0.03. It produced 596,545 oz silver and 5,817 oz gold in Q2, which had been pre-released earlier. It did not provide any guidance for the second half of the year due to the uncertainty related to COVID-19.

CI Financial (CIX, -1.4%) announced that it is acquiring Illinois-based private wealth management firm Balasa Dinverno Foltz (BDF). The financial terms were not disclosed. With this acquisition, CI's U.S. wealth management business has surpassed the US\$10 billion mark to roughly US\$11 billion in assets.

Onex (ONEX, -1.7%) announced the sale of 32 million shares of SIG Combibloc Group (SIGN, +2.2%) in a secondary offering at CHF 15.50/share, resulting in gross proceeds of US\$540 million. The placement is expected to close on August 6, 2020, subject to certain closing conditions.

Exchange Income (EIF, -1.4%) announced that it has acquired Window Installation Specialists (WIS) for US\$45 million. WIS specializes in the sales, installation, and service of pre-glazed fenestration products. The purchase price was financed by US\$38 million in cash from EIF's credit facility and the issuance of US\$7 million in common shares.

U.S. MARKETS

Google's parent company **Alphabet (GOOGL, -0.2%)** has issued its largest-ever debt offering which amounts to US\$10 billion. The offering

Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	16,334.64	1.02%	-4.3%	-4.3%
S&P 500	3,299.66	0.15%	2.1%	5.3%
NASDAQ	10,912.54	0.09%	21.6%	25.4%
Dow Jones	26,669.97	0.02%	-6.5%	-3.7%
Nikkei 225	22,573.66	1.70%	-4.6%	0.9%
Euro Stoxx 50	3,256.99	0.27%	-13.0%	-6.1%
FTSE EM	2,291.31	1.01%	-0.9%	2.2%

Canadian Market Movers

WEED	Canopy Growth Co	6.9%
SHOP	Shopify Inc	5.9%
BHC	Bausch Health Co	5.3%
IPL	Inter Pipeline L	4.6%
NTR	Nutrien Ltd	4.3%
AEM	Agnico Eagle Min	-1.4%
KL	Kirkland Lake Go	-1.5%
CP	Canadian Pacific	-1.9%
ATD/B	Alimen Couche	-2.0%
WPM	Wheaton Precious	-2.2%

*As of August 4 2020 10:30 AM. Source: Bloomberg

U.S. Market Movers

OXY	Occidental Pete	3.4%
SPG	Simon Property	3.3%
BA	Boeing Co/The	2.5%
COP	Conocophillips	2.0%
F	Ford Motor Co	1.9%
NKE	Nike Inc L B	-1.4%
MSFT	Microsoft Corp	-1.4%
BLK	Blackrock Inc	-1.6%
AMGN	Amgen Inc	-1.7%
AIG	American Interna	-4.6%

*As of August 4 2020 10:30 AM. Source: Bloomberg

Benchmark Bonds & Rates

	Chg ¹	Yld ¹	Sep-20 ²	Dec-20 ²
CA 2YR	-0.01%	0.26%	0.35%	0.40%
CA 10YR	-0.03%	0.44%	0.85%	0.85%
US 2YR	0.00%	0.11%	0.35%	0.40%
US 10YR	-0.04%	0.52%	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 August 4 2020 10:30 AM.; 2 - CIBC forecasts.

Source: Bloomberg

includes US\$1 billion in 5-year debt at a coupon rate of 0.45%.

Twitter (TWTR, +0.2%) announced that it may be forced to pay a US\$250 million fine following a Federal Trade Commission accusation regarding the illegal use of data for ad targeting.

BP (BP, +6.5%) reported a quarterly loss that was worse than expectations. Revenue also came in below estimates, down nearly 58% year-over-year. BP also announced it would be cutting its dividend by 50% and keeping it at that level until it can further de-lever its balance sheet.

Emerson Electric (EMR, -0.7%) reported quarterly profits of US\$0.80 per share, beating consensus estimates of US\$0.60 per share. Revenue also came in above estimates. The beat was helped by cost-saving initiatives. Emerson raised its 2020 earnings guidance.

Sony (SNE, +2.2%) reported earnings and revenue that topped consensus estimates as the company saw increased demand for its gaming unit due to the lockdowns.

Take-Two Interactive (TTWO, +4.7%) reported revenue that surged past forecasts. However, EPS fell short of estimates. The beat was helped by strong demand for its games as the pandemic forced people to stay at home. The company also raised its full-year outlook.

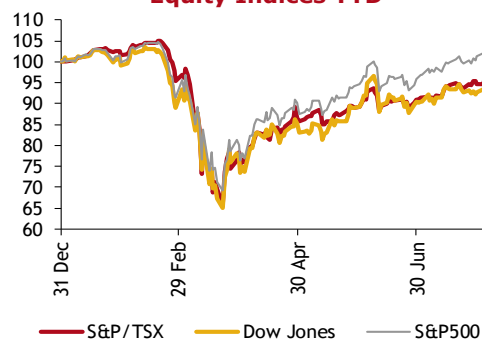
Regeneron Pharmaceuticals (REGN, -0.8%) announced that its drug antibody combination has prevented and treated COVID-19 in recent studies using animals. The treatment is currently in late-stage human trials to assess the treatment's viability in preventing and treating COVID-19.

Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.747	0.000	-3.0%
US\$/€	0.852	-0.002	-4.5%
Gold	\$1,983.26	\$6.35	30.7%
Copper per 100 lb	\$288.90	-\$2.30	2.4%
Oil (WTI)	\$41.08	\$0.07	-32.7%
Oil (WCS)	\$30.16	-\$0.55	-21.8%
Natural Gas (NYMEX)	\$2.14	\$0.04	-2.4%
Natural Gas (AECO)	\$1.63	\$0.09	-4.7%

*As of August 4 2020 10:30 AM. Source: Bloomberg

Equity Indices YTD



Earnings Releases

Name	Date	Est.	Act.
Devon Energy Co (DVN)	08/04	-\$0.27	--
Walt Disney Co (DIS)	08/04	-\$0.63	-- *
Fidelity Nationa (FIS)	08/04	\$1.09	\$1.15 *
Activision Blizz (ATVI)	08/04	\$0.69	-- *
Exelon Corp (EXC)	08/04	\$0.42	\$0.55 *
Emerson Elec Co (EMR)	08/04	\$0.59	\$0.80 *
Allstate Corp (ALL)	08/04	\$1.58	-- *
Wec Energy Group (WEC)	08/04	\$0.70	\$0.76 *
Zimmer Biomet Ho (ZBH)	08/04	-\$0.74	\$0.05 *
Microchip Tech (MCHP)	08/04	\$1.44	-- *
Prudentl Finl (PRU)	08/04	\$1.71	-- *
Transdigm Group (TDG)	08/04	\$0.95	\$1.54 *
Great-West Lifec (GWO)	08/04	\$0.60	--

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
8/4	Bloomberg Nanos Confidence	48.4	--	49.8
8/4	MLI Leading Indicator MoM (Jun)	-1.90%	--	-1.40%
8/4	Markit Canada Manufacturing PMI (Jul)	47.8	--	52.9
8/5	Int'l Merchandise Trade (Jun)	-0.68b	-0.57b	--
8/7	Net Change in Employment (Jul)	952.9k	350.0k	--
8/7	Full Time Employment Change (Jul)	488.1	--	--
8/7	Part Time Employment Change (Jul)	464.8	--	--
8/7	Unemployment Rate (Jul)	12.30%	11.20%	--
8/7	Hourly Wage Rate Permanent Employees Yo'	6.80%	5.20%	--
8/7	Participation Rate (Jul)	63.80%	64.50%	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
8/4	Factory Orders (Jun)	8.00%	5.00%	6.20%
8/4	Factory Orders Ex Trans (Jun)	2.60%	--	4.40%
8/4	Durable Goods Orders (Jun F)	7.30%	7.30%	7.60%
8/4	Durables Ex Transportation (Jun F)	3.30%	3.30%	3.60%
8/4	Cap Goods Orders Nondef Ex Air (Jun F)	3.30%	--	3.40%
8/4	Cap Goods Ship Nondef Ex Air (Jun F)	3.40%	--	3.30%
8/5	MBA Mortgage Applications	-0.80%	--	--
8/5	ADP Employment Change (Jul)	2369k	1200k	--
8/5	Trade Balance (Jun)	-\$54.6b	-\$50.2b	--
8/5	Markit US Services PMI (Jul F)	49.6	49.6	--

Source: Bloomberg

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08/03/2020

Endeavour Silver Corp. (2a, 2e, 2g, CD59) (EDR-TSX, C\$5.83)

Onex Corporation (2g, 3a, 12) (ONEX-TSX, C\$59.54)

Exchange Income Corporation (2a, 2c, 2e, 2g) (EIF-TSX, C\$26.61)

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