



Monday, September 21, 2020

MACRO VIEW

The TSX (-2.0%) and Wall Street's main stock indexes dropped as an increase in COVID-19 cases raised fears of a second round of lockdowns and a lack of fiscal stimulus raised fears of another hit to the economy. **West Texas Intermediate crude oil** (-4.4%) prices fell, weakened by the possible return of Libyan production and as rising coronavirus cases fueled worries about global demand. **Gold** (-3.1%) is slipping to its lowest in nearly two weeks on a stronger U.S. dollar, while investors looked for further stimulus measures to help the economy. North American bond yields declined with the U.S. 10-year at 0.65%, and the Canadian 10-year at 0.54%. The Canadian dollar weakened to a five-week low against the greenback as investors focus on rising COVID-19 cases, however data showed new housing prices increasing, slowing the Canadian dollar decline.

New house prices in Canada rose 0.5% versus 0.3% expected month-over-month in August. It was the fourth consecutive rise in new house prices and the largest since May 2017. Later this week, watch for the Liberal government's Throne speech on Wednesday and on Tuesday the U.S. House Financial Services Committee hearing, where Federal Reserve Chair Jerome Powell is expected to speak about the need for more economic stimulus.

CANADIAN MARKETS

TC Energy (TRP, -3.5%) announced that its President and CEO Russ Girling will retire at the end of this year. Girling will be replaced by the company's current COO Francois Poirier.

CI Financial (CIX, -2.5%) will acquire Ohio based registered investment advisory (RIA) firm, **Bowling Portfolio Management**, with US\$450 million in assets under management. This is the sixth RIA acquisition in the U.S. by CI Financial.

Bausch Health (BHC, -4.2%) said it acquired an option to purchase the ophthalmology assets of **Allegro Ophthalmics** including its lead investigational compound in retina, risuteganib. BHC will pay a total of US\$50 million for the option in two tranches. The first payment of US\$10 million is due upon signing and the second payment of US\$40 million will be made after Allegro raises additional funding.

Obsidian Energy (OBE, -3.5%) has commenced its bid to acquire **Bonterra Energy** (BNE, -1.6%). Obsidian will tender two shares for each tendered share of Bonterra. The proposal is open until January 4, 2021 and requires at least two-thirds of BNE shares to be tendered.

Wheaton Precious Metals (WPM, -2.5%) is planning to list its shares on the London Stock Exchange (LSE) by December 2020. Wheaton does not intend to raise capital with this listing and will retain its primary listing on the Toronto Stock Exchange (TSX) and dual listing on the New York Stock Exchange (NYSE).

Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	15,881.32	-1.96%	-6.9%	-6.9%
S&P 500	3,246.94	-2.18%	0.5%	2.9%
NASDAQ	10,541.84	-2.33%	17.5%	20.3%
Dow Jones	26,837.09	-2.97%	-6.0%	-3.7%
Nikkei 225	23,360.30	0.00%	-1.3%	5.0%
Euro Stoxx 50	3,163.89	-3.65%	-15.5%	-9.5%
FTSE EM	2,285.59	-1.92%	-1.1%	1.2%

Canadian Market Movers

SHOP	Shopify Inc	1.6%
CSU	Constellation So	0.0%
ATD/B	Alimen Couche-B	-0.3%
L	Loblaw Cos Ltd	-0.4%
MRU	Metro Inc/Cn	-0.4%
BHC	Bausch Health Co	-4.2%
SU	Suncor Energy	-4.4%
CNQ	Can Natural Res	-4.7%
TECK/B	Teck Resources	-4.9%
IPL	Inter Pipeline L	-5.2%

*As of September 21 2020 10:33 AM. Source: Bloomberg

U.S. Market Movers

PYPL	Paypal Holdings	1.7%
ORCL	Oracle Corp	1.6%
ALL	Allstate Corp	1.1%
NFLX	Netflix Inc	1.1%
WMT	Walmart Inc	0.3%
SPG	Simon Property	-5.7%
AXP	American Express	-5.8%
GM	General Motors C	-6.1%
GE	General Electric	-6.8%
SLB	Schlumberger Ltd	-7.1%

*As of September 21 2020 10:33 AM. Source: Bloomberg

Benchmark Bonds & Rates

	Chg ¹	Yld ¹	Dec-20 ²	Mar-21 ²
CA 2YR	-0.01%	0.26%	0.35%	0.35%
CA 10YR	-0.05%	0.54%	0.70%	0.80%
US 2YR	-0.01%	0.13%	0.25%	0.30%
US 10YR	-0.04%	0.65%	0.80%	1.00%
	Rate ¹	Dec-20 ²	Mar-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 September 21 2020 10:33 AM.; 2 - CIBC

forecasts. Source: Bloomberg

U.S. MARKETS

Trevor Milton, founder of electric truck maker **Nikola** (NKLA **-15.9%**) is stepping down from his position as Executive Chairman effective immediately. The announcement came after an inquiry was made by the Securities and Exchange Commission following allegations from short-seller, **Hindenburg Research**.

Shares of gene sequencing company, **Illumina** (ILMN **-5.5%**), fell on an announcement that it would be acquiring **Grail** in a US\$8 billion deal. Grail is the developer of a blood testing technology that helps to detect cancer early. Illumina will be using US\$3.5 billion in cash and US\$4.5 billion in stock to purchase Grail, and believes the acquisition will help to round-out its portfolio in the disease-testing space.

Oracle (ORCL **+1.6%**), **Walmart** (WMT **+0.3%**) and China-based **ByteDance** came to an agreement for the control of newly formed company, **TikTok Global**, following the ban of TikTok in the U.S. ByteDance will maintain a majority 80% interest in the new company, while Oracle will hold 12.5% of the shares, and Walmart will own the remaining 7.5%. As part of the deal, the owners of the new U.S.-based video sharing app agreed to publicly list TikTok Global on a U.S. stock exchange within the next 12 months.

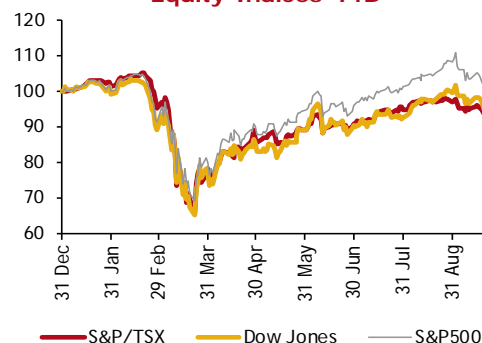
Shares of big banks **HSBC** (HSBC **-6.0%**), **JP Morgan** (JPM **-3.6%**) and **Deutsche Bank** (DBK **-7.0%**) sank amid rumours that they aided in the movement of suspicious funds. An investigation is being conducted by the International Consortium of Investigative Journalists, after more than US\$2 trillion of illegitimate funds were reportedly flagged by the banks' compliance officers over the past two decades.

Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.752	0.009	-2.3%
US\$/€	0.852	-0.010	-4.5%
Gold	\$1,891.29	-\$59.58	24.7%
Copper per 100 lb	\$304.50	-\$7.10	7.8%
Oil (WTI)	\$39.36	-\$1.75	-35.5%
Oil (WCS)	\$29.52	-\$0.84	-23.5%
Natural Gas (NYMEX)	\$1.88	-\$0.17	-14.2%
Natural Gas (AECO)	\$1.39	-\$0.20	-18.7%

*As of September 21 2020 10:33 AM. Source: Bloomberg

Equity Indices YTD



Earnings Releases

Name	Date	Est.	Act.
Nike Inc -CI B (NKE)	09/22	\$0.46	-- *
Autozone Inc (AZO)	09/22	\$25.22	-- *
Aurora Cannabis (ACB)	09/22	-\$5.99	--
General Mills In (GIS)	09/23	\$0.87	-- *
Cintas Corp (CTAS)	09/23	\$2.13	-- *
Costco Wholesale (COST)	09/24	\$2.83	-- *
Accenture Plc-A (ACN)	09/24	\$1.73	-- *
Carmax Inc (KMX)	09/24	\$1.05	-- *
Darden Restaurant (DRI)	09/24	\$0.05	-- *
Blackberry Ltd (BB)	09/24	\$0.02	-- *
Micron Tech (MU)	09/29	\$0.96	-- *
Ihs Markit Ltd (INFO)	09/29	\$0.69	-- *
Mccormick-N/V (MKC)	09/29	\$1.52	-- *

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
9/21	Bloomberg Nanos Confidence	52.9	--	53.1
9/24	CFIB Business Barometer (Sep)	59.2	--	--
9/28	Bloomberg Nanos Confidence	53.1	--	--
9/29	Industrial Product Price MoM (Aug)	0.70%	--	--
9/29	Raw Materials Price Index MoM (Aug)	3.00%	--	--
9/30	GDP MoM (Jul)	6.50%	--	--
9/30	GDP YoY (Jul)	-7.80%	--	--
10/1	MLI Leading Indicator MoM (Aug)	0.30%	--	--
10/1	Markit Canada Manufacturing PMI (Sep)	55.1	--	--
10/5	Bloomberg Nanos Confidence	--	--	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
9/21	Chicago Fed Nat Activity Index (Aug)	1.18	1.19	0.79
9/21	Household Change in Net Worth (2Q)	-\$6548b	--	--
9/22	Existing Home Sales (Aug)	5.86m	6.00m	--
9/22	Existing Home Sales MoM (Aug)	24.70%	2.40%	--
9/22	Richmond Fed Manufact. Index (Sep)	18	12	--
9/23	MBA Mortgage Applications	-2.50%	--	--
9/23	FHFA House Price Index MoM (Jul)	0.90%	0.40%	--
9/23	Markit US Manufacturing PMI (Sep P)	53.1	53.5	--
9/23	Markit US Services PMI (Sep P)	55	54.5	--
9/23	Markit US Composite PMI (Sep P)	54.6	--	--

Source: Bloomberg

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Bonterra Energy Corp. (2g) (BNE-TSX, C\$1.22)
 TC Energy Corporation (2a, 2e, 2g, 7) (TRP-TSX, C\$60.47)
 Wheaton Precious Metals Corp. (2g) (WPM-NYSE, US\$51.19)

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