



Wednesday, July 08, 2020

MACRO VIEW

The **TSX (+0.7%)** is trending higher while Wall Street's main stock indices gain as investors focus on early signs of an economic rebound but gains are capped by fears of another lockdown with rising coronavirus cases. **West Texas Intermediate crude oil (+0.2%)** prices are mixed after data showed a build in U.S. crude stockpiles adding to oversupply fears, but hopes for a rapid economic recovery in China limited losses. **Gold (+0.9%)** broke through US\$1,800 an ounce for the first time since 2011 as investors preferred safe-haven assets. North American bond yields inched up with the U.S. 10-year at 0.66%, and the Canadian 10-year at 0.54%. The Canadian dollar edged higher against the greenback and is range-bound as investors fear a stalling economic recovery from COVID-19 and ahead of a fiscal update from Ottawa.

U.S. mortgage applications to purchase a home rose 5% for the week and were an impressive 33% higher than a year ago as homebuyers take advantage of record-low mortgage rates.

CANADIAN MARKETS

Online grocery company **Goodfood Market (FOOD, +12.0%)** reported revenue of \$86.6 million vs. consensus of \$81.9 million, driven by a growth in online grocery, combined with higher-order rates and basket sizes. Adjusted EBITDA turned positive for the first time and came in at \$6 million vs. consensus expectations of a loss of \$1.2 million.

Internet of Things investment firm **Quarterhill (QTRH, +0.0%)** announced the initial results of its \$20 million substantial issuer bid that it had formally launched on June 1, 2020. It noted that only 2.7 million shares were tendered and will be purchased for \$2.15/share. Management stated that they will pursue other opportunities to return capital to shareholders.

A&W Revenue Royalties Income Fund (AW.UN, +9.4%) announced that it is resuming payment of monthly distributions to its unitholders, after temporarily suspending distributions in April due to the COVID-19 pandemic. It will pay 10 cents/unit for June, down from 15.9 cents/unit paid in March. The fund also announced that the underlying operating company A&W Food Services will resume regular royalty payments this month.

CIBC has initiated coverage on West African gold mining company **Teranga Gold (TGZ, +4.5%)** with an Outperformer rating and a 12-to-18 month price target of \$18. The rating is based on the company's near-term production growth profile, free cash flow generation, and the prefeasibility study on its Sabodala-Massawa complex expected in July that could lead to a valuation re-rating in the near-term.

Mining company **Dundee Precious Metals (DPM, +5.0%)** produced 70.8K ounces of gold, 8.5M pounds of copper and 58.5K tonnes of complex concentrate smelted in Q2/20. It noted that it is on track to meeting its previously issued 2020 guidance. **Roxgold (ROXG, +3.6%)** produced

Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	15,697.10	0.65%	-8.0%	-8.0%
S&P 500	3,168.62	0.74%	-1.9%	2.3%
NASDAQ	10,439.84	0.93%	16.4%	21.4%
Dow Jones	26,006.45	0.45%	-8.9%	-5.0%
Nikkei 225	22,438.65	-0.78%	-5.1%	0.0%
Euro Stoxx 50	3,302.64	-0.57%	-11.8%	-7.0%
FTSE EM	2,254.31	1.64%	-2.5%	1.7%

Canadian Market Movers

FM	First Quantum	5.5%
KL	Kirkland Lake Go	4.1%
PPL	Pembina Pipeline	3.0%
DOL	Dollarama Inc	2.6%
CNQ	Can Natural Res	2.3%
BCE	Bce Inc	-0.6%
WN	Weston (George)	-0.9%
MRU	Metro Inc/Cn	-1.2%
RCI/B	Rogers Communi	-1.7%
BHC	Bausch Health Co	-2.6%

*As of July 8 2020 10:30 AM. Source: Bloomberg

U.S. Market Movers

BIIB	Biogen Inc	6.2%
BK	Bank Ny Mellon	2.4%
MET	Metlife Inc	2.1%
NVDA	Nvidia Corp	2.1%
COP	Conocophillips	2.1%
KO	Cocaola Co/The	-0.6%
AMT	American Tower C	-0.6%
AXP	American Express	-0.7%
KHC	Kraft Heinz Co/T	-0.7%
ALL	Allstate Corp	-2.5%

*As of July 8 2020 10:30 AM. Source: Bloomberg

Benchmark Bonds & Rates

	Chg ¹	Yld ¹	Sep-20 ²	Dec-20 ²
CA 2YR	0.01%	0.29%	0.35%	0.40%
CA 10YR	0.03%	0.54%	0.85%	0.85%
US 2YR	0.00%	0.16%	0.35%	0.40%
US 10YR	0.02%	0.66%	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 8 2020 10:30 AM.; 2 - CIBC forecasts.

Source: Bloomberg

32,812 ounces of gold in Q2/20, in line with its Q1/20 production of 32,380 ounces. It maintained its 2020 guidance.

U.S. MARKETS

According to Bloomberg, **Medtronic** (MDT, +0.0%) has put out an offer to acquire medical device company **Intersect ENT** (XENT, +32.4%). According to sources, the discussions are in the early stages.

Allstate (ALL, -2.5%) has acquired insurance company **National General** (NGHC, +64.6%) for US\$4 billion in cash or US\$34.50/share. The deal is expected to close in early 2021.

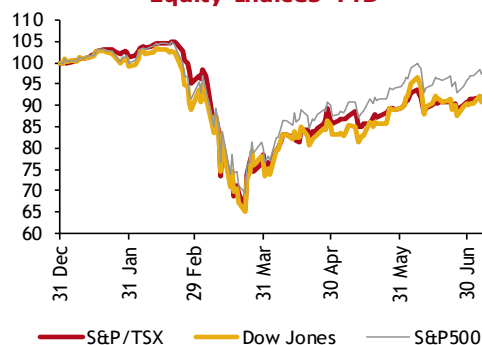
Biogen (BIIB, +6.2%) has submitted an application to the U.S. Food and Drug Administration for its Alzheimer's drug aducanumab. If the drug is approved it could be the first treatment that could meaningfully change the course of Alzheimer's in patients.

Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.738	-0.006	-4.1%
US\$/€	0.882	0.006	-1.1%
Gold	\$1,815.74	\$20.88	19.7%
Copper per 100 lb	\$281.65	\$1.95	-0.1%
Oil (WTI)	\$40.68	\$0.08	-33.4%
Oil (WCS)	\$33.30	\$0.22	-13.7%
Natural Gas (NYMEX)	\$1.84	-\$0.03	-15.9%
Natural Gas (AECO)	\$1.54	\$0.08	-9.9%

*As of July 8 2020 10:30 AM. Source: Bloomberg

Equity Indices YTD



Earnings Releases

Name	Date	Est.	Act.
Walgreens Boots (WBA)	07/09	\$1.17	-- *
Aritzia Inc-Sub (ATZ)	07/09	-\$0.17	--
Richelieu Hardw (RCH)	07/09	\$0.25	--
Shaw Comm-B (SJR/B)	07/10	\$0.30	--
Pepsico Inc (PEP)	07/13	\$1.24	-- *
Jpmorgan Chase (JPM)	07/14	\$0.99	-- *
Citigroup Inc (C)	07/14	\$0.33	-- *
Wells Fargo & Co (WFC)	07/14	-\$0.01	-- *
Fastenal Co (FAST)	07/14	\$0.36	-- *
First Republic B (FRC)	07/14	\$1.15	-- *
Delta Air Li (DAL)	07/14	-\$4.36	-- *
Unitedhealth Grp (UNH)	07/15	\$5.06	-- *
Goldman Sachs Gp (GS)	07/15	\$3.81	-- *

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
7/9	Housing Starts (Jun)	193.5k	185.0k	--
7/10	Net Change in Employment (Jun)	289.6k	550.0k	--
7/10	Full Time Employment Change (Jun)	219.4	--	--
7/10	Part Time Employment Change (Jun)	70.3	--	--
7/10	Unemployment Rate (Jun)	13.70%	12.50%	--
7/10	Hourly Wage Rate Permanent Employees	10.00%	9.00%	--
7/10	Participation Rate (Jun)	61.40%	--	--
7/13	Bloomberg Nanos Confidence	46.2	--	--
7/13	Bloomberg July Canada Economic Survey	0	0	0
7/15	Manufacturing Sales MoM (May)	-28.50%	--	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
7/8	MBA Mortgage Applications	-1.80%	--	2.20%
7/8	Consumer Credit (May)	-\$68.779b	-	--
7/9	Initial Jobless Claims	1427k	1375k	--
7/9	Continuing Claims	19290k	18750k	--
7/9	Bloomberg Consumer Comfort	43.3	--	--
7/9	Wholesale Trade Sales MoM (May)	-16.90%	4.50%	--
7/9	Wholesale Inventories MoM (May F)	-1.20%	-1.20%	--
7/10	PPI Final Demand MoM (Jun)	0.40%	0.40%	--
7/10	PPI Ex Food and Energy MoM (Jun)	-0.10%	0.10%	--
7/10	PPI Ex Food, Energy, Trade MoM (Jun)	0.10%	0.10%	--

Source: Bloomberg

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Stock Prices as of 07/07/2020

Quarterhill Inc. (2g) (QTRH-NASDAQ, US\$1.51)

Dundee Precious Metals Incorporated (2g) (DPM-TSX, C\$9.22)

Teranga Gold Corp. (2a, 2c, 2e, 2g) (TGZ-TSX, C\$12.95)

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