



Thursday, November 26, 2020

## MACRO VIEW

With U.S. equity markets closed, the **TSX (+0.1%)** is trading flat, holding near nine-month highs as declines in energy stocks were offset by gains in major metal miners. **West Texas Intermediate crude oil (-0.9%)** prices dipped on signs of growing supplies, however, losses were capped by optimism that vaccines will end the coronavirus pandemic and increase demand for fuel. **Gold (+0.1%)** prices edged up as investors weigh depressing U.S. jobs data and surging COVID-19 cases globally. Canadian 10-year bond yields are slightly down at 0.70% in quiet morning trading. The Canadian dollar was little changed against the greenback as the recent rally in oil lost steam and ahead of an appearance by Bank of Canada Governor Tiff Macklem.

Average weekly earnings of non-farm payroll employees in Canada grew 6.9% year-on-year to C\$1,111 in September. The increase was led by arts, entertainment & recreation, information & cultural industries, and finance & insurance. Earnings declined in management of companies & enterprises, mining, and utilities.

## CANADIAN MARKETS

Diversified energy infrastructure company **AltaGas (ALA, -1.2%)** has come to the market with \$500 million of senior unsecured medium-term notes at a coupon of 2.075%, maturing in 7.5 years, and \$200 million of senior unsecured medium-term notes at a coupon of 2.477%, maturing in 10 years. The proceeds would go towards paying down its debt, to fund the redemption of its Series I preferred shares, and for general corporate purposes.

**Pinnacle Renewable (PL, -3.6%)**, which is a manufacturer and distributor of industrial wood pellets, announced that it has temporarily suspended operations at its facility in Houston, B.C. due to a fire-related incident in the facility yesterday. Three employees suffered minor injuries and were taken to a hospital as a precautionary measure. It has not yet released a date for the resumption of operations at the facility.

Sugar distributor **Rogers Sugar (RSI, +6.7%)** reported adjusted EBITDA of \$31.2 million vs. consensus of \$26.1 million while revenues of \$246 million also topped forecasts of \$207 million. The company saw a record sugar sales volume of 225,396 metric tonnes. Its Maple products segment posted a year-over-year (Y/Y) growth of 29.7% in volumes, driven by higher pandemic-related demand.

## U.S. MARKETS

**Walt Disney (DIS)** will be trimming 32,000 of its employees by the end of March. This is an increase from the 28,000 that was originally announced in September. The pandemic has severely impacted the entertainment giant's theme park and cruise ship businesses, leading it

## Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	17,331.46	0.11%	1.6%	1.6%
S&P 500	3,629.65	0.00%	12.3%	12.5%
NASDAQ	12,094.40	0.00%	34.8%	35.0%
Dow Jones	29,872.47	0.00%	4.7%	4.9%
Nikkei 225	26,537.31	0.91%	12.2%	17.1%
Euro Stoxx 50	3,518.32	0.18%	-6.1%	-0.1%
FTSE EM	2,560.06	0.81%	10.8%	11.0%

## Canadian Market Movers

WPM	Wheaton Precious	2.3%
OTEX	Open Text Corp	1.5%
SHOP	Shopify Inc	1.1%
K	Kinross Gold	1.0%
WCN	Waste Connection	0.9%
GIL	Gildan Activewea	-0.8%
CCO	Cameco Corp	-0.8%
BIP-U	Brookfield Infra	-1.2%
IPL	Inter Pipeline L	-1.5%
BAM/A	Brookfield Ass	-2.5%

\*As of November 26 2020 10:40 AM. Source: Bloomberg

## U.S. Market Movers

US Markets Closed Today

## Benchmark Bonds & Rates

	Chg <sup>1</sup>	Yld <sup>1</sup>	Dec-20 <sup>2</sup>	Mar-21 <sup>2</sup>
CA 2YR	0.00%	0.27%	0.35%	0.35%
CA 10YR	-0.02%	0.70%	0.70%	0.80%
US 2YR	0.00%	0.16%	0.25%	0.30%
US 10YR	0.00%	0.88%	0.80%	1.00%
	Rate <sup>1</sup>	Dec-20 <sup>2</sup>	Mar-21 <sup>2</sup>	
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 November 26 2020 10:40 AM.; 2 - CIBC

forecasts. Source: Bloomberg

to lay-off more than 14% of its workforce.

**ExxonMobil (XOM)** is reportedly in talks with **Total** regarding their LNG projects in Mozambique. The companies are discussing terms to cut costs while extracting more gas from a shared oil field.

**Northrop (NOC)** was awarded a contract to upgrade the Global Hawk program by the Air Force Life Cycle Management Center. The contract is valued at US\$4.8 billion and is expected to be completed by late 2030.

**AstraZeneca (AZN)** and Oxford University's joint COVID-19 vaccine candidate is under question by pharmaceutical experts in the U.S. One critic stated, "we believe that this product will never be licensed in the U.S.", based on current trial data, while AstraZeneca maintains that they follow the highest standards of testing and additional analysis is underway.

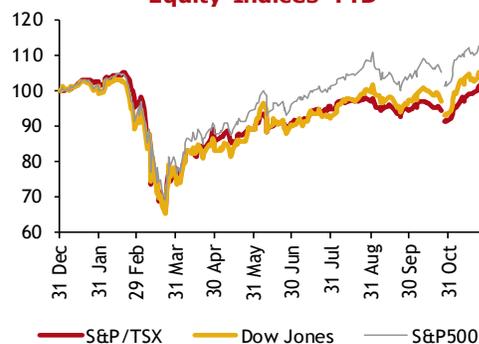
**Salesforce (CRM)** is reportedly discussing a deal to acquire software company **Slack (WORK)**. A deal could come as early as next week and would be Salesforce's largest acquisition ever.

## Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.768	0.001	-0.2%
US\$/€	0.840	-0.001	-5.8%
Gold	\$1,809.92	\$2.36	19.3%
Copper per 100 lb	\$336.65	\$3.60	18.9%
Oil (WTI)	\$45.15	-\$0.55	-26.1%
Oil (WCS)	\$34.62	\$1.36	-10.2%
Natural Gas (NYMEX)	\$2.90	\$0.12	32.3%
Natural Gas (AECO)	\$2.08	-\$0.05	21.6%

\*As of November 26 2020 10:40 AM. Source: Bloomberg

## Equity Indices YTD



## Earnings Releases

Name	Date	Est.	Act.
Salesforce.Com (CRM)	12/01	\$0.75	-- *
Bank Of Nova Sco (BNS)	12/01	\$1.22	--
Bank Of Montreal (BMO)	12/01	\$1.91	--
Hewlett Packa (HPE)	12/01	\$0.35	-- *
Netapp Inc (NTAP)	12/01	\$0.73	-- *
Royal Bank Of Ca (RY)	12/02	\$2.04	--
Synopsys Inc (SNPS)	12/02	\$1.56	-- *
Natl Bk Canada (NA)	12/02	\$1.52	--
Descartes Sys (DSG)	12/02	\$0.26	-- *
Pvh Corp (PVH)	12/02	\$0.15	-- *
Toronto-Dom Bank (TD)	12/03	\$5.04	--
Dollar General C (DG)	12/03	\$1.99	-- *
Can Impl Bk Comm (CM)	12/03	\$2.52	--

Source: Bloomberg \* = USD

## Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
11/26	CFIB Business Barometer (Nov)	53.3	--	55.7
11/30	Bloomberg Nanos Confidence	53	--	--
11/30	Current Account Balance (3Q)	-\$8.63b	--	--
11/30	Building Permits MoM (Oct)	17.00%	--	--
11/30	Industrial Product Price MoM (Oct)	-0.10%	--	--
11/30	Raw Materials Price Index MoM (Oct)	-2.20%	--	--
12/1	GDP MoM (Sep)	1.20%	--	--
12/1	Quarterly GDP Annualized (3Q)	-38.70%	--	--
12/1	GDP YoY (Sep)	-3.80%	--	--
12/1	MLI Leading Indicator MoM (Oct)	3.40%	--	--

Source: Bloomberg

## Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
11/30	MNI Chicago PMI (Nov)	61.1	59.2	--
11/30	Pending Home Sales MoM (Oct)	-2.20%	1.00%	--
11/30	Pending Home Sales NSA YoY (Oct)	21.90%	--	--
11/30	Dallas Fed Manf. Activity (Nov)	19.8	14.5	--
12/1	Markit US Manufacturing PMI (Nov F)	56.7	--	--
12/1	ISM Manufacturing (Nov)	59.3	57.6	--
12/1	ISM New Orders (Nov)	67.9	--	--
12/1	ISM Prices Paid (Nov)	65.5	--	--
12/1	ISM Employment (Nov)	53.2	--	--
12/1	Construction Spending MoM (Oct)	0.30%	0.80%	--

Source: Bloomberg

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AltaGas Ltd. (2a, 2c, 2e, 2g, 7) (ALA-TSX, C\$18.83)  
Pinnacle Renewable Energy Inc. (2g) (PL-TSX, C\$8.69)

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