



Friday, September 18, 2020

MACRO VIEW

North American equity benchmarks are trading flat to higher. The U.S. Department of Commerce announced this morning that it will ban U.S. business transactions with Chinese social media apps TikTok and WeChat starting on Sunday, meaning Americans will no longer be able to download the apps. In macro data releases, Canada's retail sales in July grew by 0.6% month-over-month but missed analysts' forecasts of 1.0%. Excluding automobiles, retail sales declined by 0.4% compared to estimates of a 0.5% increase.

Shifting to commodities, **West Texas Intermediate crude oil (+0.3%)** prices are little changed but they have already had a very positive week due to the impact of Hurricane Sally in the U.S. and also comments from yesterday's OPEC meeting saying that the group will clamp down on countries not complying with production curbs. **Gold (+0.3%)** is trading higher even as government bond yields and the **U.S. Dollar Index (+0.0%)** hold steady. Lastly, the **Yen (+0.3%)** is outperforming on the currency matrix at the moment.

CANADIAN MARKETS

Itasca Capital's (ICL, +34.8%) investee company, 1347 Investors LLC has agreed to acquire sawmill related assets in Kenora, Ontario for \$11.5 million in cash. After the acquisition, the company will change its name to "GreenFirst Forest Products Inc.". The assets consist of a sawmill and related equipment along with approximately 114 acres of land.

Keyera (KEY, -2.0%) will shut down their AEF facility for six weeks later this fall for preventative maintenance. The decision came after a recent performance issue that caused the facility to run at a reduced capacity. Keyera noted that this outage is not expected to have a material impact on its financials as demand for iso-octane is typically lower in Q4.

Kinross Gold (K, +4.6%) provided guidance for the next three years. Kinross expects production to increase steadily by 20% to 2.9 million gold equivalent ounces in 2023. Kinross also expects its production cost of sales and capital expenditures to decline which will increase free cash flow. Board has approved quarterly dividends of US\$0.03 representing 1.3% dividend yield on yesterday's close.

SSR Mining (SSRM, +1.9%) updated its full-year 2020 guidance after its merger with Alacer Gold. SSR expects to produce 680,000 to 760,000 gold equivalent ounces from its four mines at all-in-sustaining costs of US\$965 to US\$1,040 per ounce. Capex is expected to be US\$226 million and exploration spending is expected to be US\$42 million for the year.

U.S. MARKETS

Unity Technologies is looking to raise US\$1.2 billion in its initial public offering (IPO). The company provides customers with a platform to create and operate interactive 3D content and calls its product offering

Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	16,296.32	0.31%	-4.5%	-4.5%
S&P 500	3,355.73	-0.04%	3.9%	5.4%
NASDAQ	10,876.06	-0.31%	21.2%	23.0%
Dow Jones	27,882.86	-0.07%	-2.3%	-0.9%
Nikkei 225	23,360.30	0.18%	-1.3%	4.2%
Euro Stoxx 50	3,297.12	-0.59%	-12.0%	-5.6%
FTSE EM	2,334.58	0.30%	1.0%	2.5%

Canadian Market Movers

K	Kinross Gold	4.6%
SHOP	Shopify Inc	3.9%
CCL/B	Ccl Inds B	3.3%
TECK/B	Teck Resources-B	2.8%
FM	First Quantum	2.2%
SU	Suncor Energy	-1.1%
AEM	Agnico Eagle Min	-1.3%
CCO	Cameco Corp	-1.7%
IMO	Imperial Oil	-1.8%
PPL	Pembina Pipeline	-1.9%

*As of September 18 2020 10:36 AM. Source: Bloomberg

U.S. Market Movers

UPS	United Parcel-B	2.2%
NFLX	Netflix Inc	1.5%
BLK	Blackrock Inc	1.5%
FDX	Fedex Corp	1.2%
CRM	Salesforce.Com	1.1%
COP	Conocophillips	-1.2%
XOM	Exxon Mobil Corp	-1.3%
SPG	Simon Property	-1.4%
DD	Dupont De Nemour	-1.5%
BKNG	Booking Holdings	-1.6%

*As of September 18 2020 10:36 AM. Source: Bloomberg

Benchmark Bonds & Rates

	Chg ¹	Yld ¹	Dec-20 ²	Mar-21 ²
CA 2YR	0.00%	0.27%	0.35%	0.35%
CA 10YR	0.01%	0.58%	0.70%	0.80%
US 2YR	0.00%	0.13%	0.25%	0.30%
US 10YR	0.00%	0.69%	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 18 2020 10:36 AM.; 2 - CIBC

forecasts. Source: Bloomberg

the best of its kind. The company will be offering 25 million shares in its IPO, with a target price range of US\$44 to US\$48. Unity will join the New York Stock Exchange and will trade under the ticker "U".

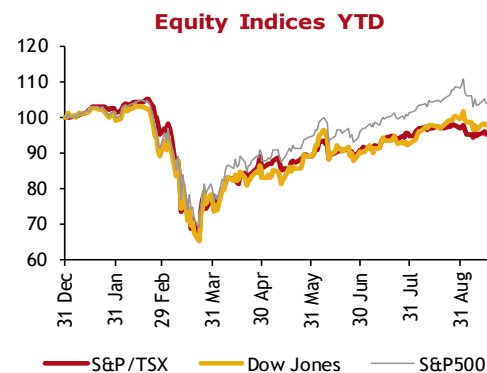
The U.S. Commerce Department announced that it will be limiting some WeChat functions and blocking new downloads of TikTok effective Sept 20th. The push to block the use of the popular Chinese apps comes shortly after Oracle (ORCL -0.7%) shared that it would be partnering with ByteDance for TikTok's U.S. operations. The U.S. Commerce Department says that while the current block will prevent further downloads of the app, they are still considering blocking the use of TikTok outright.

In an effort to increase the size of its 5G network, Swedish technology company Ericsson AB (ERIC +1.2%) has agreed to purchase CradlePoint Inc. The deal will assign a value of US\$1.1 billion to CradlePoint, which will be purchased in cash by Ericsson. Ericsson called the acquisition an integral part of its strategy to expand its 5G footprint.

Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.759	0.002	-1.4%
US\$/€	0.844	0.000	-5.4%
Gold	\$1,953.49	\$9.01	28.8%
Copper per 100 lb	\$307.15	\$0.05	8.7%
Oil (WTI)	\$41.25	\$0.28	-32.4%
Oil (WCS)	\$29.66	-\$0.41	-23.1%
Natural Gas (NYMEX)	\$2.02	-\$0.02	-7.9%
Natural Gas (AECO)	\$1.59	-\$0.23	-7.0%

*As of September 18 2020 10:36 AM. Source: Bloomberg



Earnings Releases

Name	Date	Est.	Act.
Nike Inc -CL B (NKE)	09/22	\$0.46	-- *
Autozone Inc (AZO)	09/22	\$24.73	-- *
Aurora Cannabis (ACB)	09/22	-\$4.55	--
General Mills In (GIS)	09/23	\$0.87	-- *
Cintas Corp (CTAS)	09/23	\$2.13	-- *
Accenture Plc-A (ACN)	09/24	\$1.73	-- *
Costco Wholesale (COST)	09/24	\$2.83	-- *
Carmax Inc (KMX)	09/24	\$1.03	-- *
Darden Restaurant (DRI)	09/24	\$0.05	-- *
Blackberry Ltd (BB)	09/24	\$0.02	-- *
Micron Tech (MU)	09/29	\$0.98	-- *
Ihs Markit Ltd (INFO)	09/29	\$0.69	-- *
Mccormick-N/V (MCK)	09/29	\$1.52	-- *

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
9/18	Teranet/National Bank HPI MoM (Aug)	0.30%	--	0.60%
9/18	Teranet/National Bank HPI YoY (Aug)	5.50%	--	5.70%
9/18	Teranet/National Bank HP Index (Aug)	239.01	--	240.43
9/18	Wholesale Trade Sales MoM (Jul)	18.50%	3.50%	4.30%
9/18	Retail Sales MoM (Jul)	23.70%	1.00%	0.60%
9/18	Retail Sales Ex Auto MoM (Jul)	15.70%	0.50%	-0.40%
9/21	Bloomberg Nanos Confidence	52.9	--	--
9/24	CFIB Business Barometer (Sep)	59.2	--	--
9/28	Bloomberg Nanos Confidence	--	--	--
9/29	Industrial Product Price MoM (Aug)	0.70%	--	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
9/18	Current Account Balance (2Q)	-\$104.2b	-\$160.0b	-\$170.5b
9/18	Leading Index (Aug)	1.40%	1.30%	1.20%
9/18	U. of Mich. Sentiment (Sep P)	74.1	75	78.9
9/18	U. of Mich. Current Conditions (Sep P)	82.9	83.1	87.5
9/18	U. of Mich. Expectations (Sep P)	68.5	67.2	73.3
9/18	U. of Mich. 1 Yr Inflation (Sep P)	3.10%	3.00%	2.70%
9/18	U. of Mich. 5-10 Yr Inflation (Sep P)	2.70%	--	2.60%
9/21	Chicago Fed Nat Activity Index (Aug)	1.18	1.19	--
9/21	Household Change in Net Worth (2Q)	-\$6548b	--	--
9/22	Existing Home Sales (Aug)	5.86m	6.00m	--

Source: Bloomberg

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Stock Prices as of

09/17/2020

Keyera Corporation (2a, 2c, 2e, 2g, 7) (KEY-TSX, C\$21.51)

Kinross Gold Corporation (2g) (KGC-NYSE, US\$9.35)

SSR Mining Inc. (2g, 7) (SSRM-NASDAQ, US\$22.45)

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