



Wednesday, October 14, 2020

MACRO VIEW

The **TSX (+0.1%)** and Wall Street's main indices are higher helped by the energy and technology sectors. **West Texas Intermediate crude oil (+1.9%)** prices held steady with concerns that fuel demand will continue to weaken as rising coronavirus cases across Europe and the United States, could delay economic growth. **Gold (+1.1%)** firmed with investors worried about the economic recovery and uncertainty surrounding the U.S. presidential election. North American bond yields inched down with the U.S. 10-year at 0.72%, and the Canadian 10-year at 0.58%. The Canadian dollar edged higher against the greenback as oil prices rose and ahead of comments by Bank of Canada Deputy Governor Timothy Lane.

The U.S. Producer Price Index increased more than expected in September by 0.4% versus a forecast of 0.2%, leading to the first year-over-year gain since March. Excluding food and energy, the index climbed 1.2%.

CANADIAN MARKETS

Bank of Nova Scotia (BNS, +0.0%) has sold its Antigua and Barbuda businesses to Eastern Caribbean Amalgamated Bank for an undisclosed sum. The businesses had two branches with less than 75 employees. BNS also updated the status of its deferral programs. The bank has approximately 5.3% of active loan deferral exposure at the end of September.

Royal Bank (RY, -0.1%) has launched an AI-based electronic trading platform, Aiden. The platform was jointly created by RBC Capital Markets and Borealis AI, an AI research center created by RBC. Aiden is currently available for U.S. and Canadian equities and the bank plans to expand the platform to other markets in the coming months.

Restaurant Brands (QSR, +1.2%) released preliminary Q3/20 results, it expects adjusted EBITDA in the range of US\$555 to US\$565 million and revenue of US\$1.32 to US\$1.34 billion. QSR also noted that the same-store sales (SSS) were down 5.4% and the organic revenue growth was down 7% to 9% in Q3/20.

A&W Revenue Royalties (AW.UN, +4.8%) reported Q3/20 SSS of -12.7%. A&W noted that the monthly distribution on its units and royalty payments from food services has resumed in July. A&W will pay a special cash distribution of \$0.30 per unit to the unitholders, payable on October 30th, 2020. Currently, 11 A&W restaurants remain temporarily closed, this is down from a peak of 230 restaurants.

Stelco (STLC, +2.2%) announced the completion of the Lake Erie Works blast furnace upgrade and the commencement of production. With the upgrade, the company expects increased hot metal production of up to 300,000 tons per annum and a reduction of \$30 per ton in cost to produce steel coils.

Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	16,529.90	0.12%	-3.1%	-3.1%
S&P 500	3,518.82	0.20%	8.9%	10.2%
NASDAQ	11,834.45	-0.25%	31.9%	33.4%
Dow Jones	28,660.51	-0.07%	0.4%	1.6%
Nikkei 225	23,626.73	0.11%	-0.1%	4.3%
Euro Stoxx 50	3,278.69	-0.02%	-12.5%	-7.1%
FTSE EM	2,391.72	0.23%	3.5%	4.7%

Canadian Market Movers

CNQ	Can Natural Res	2.5%
SU	Suncor Energy	2.2%
K	Kinross Gold	2.0%
AEM	Agnico Eagle Min	1.5%
ABX	Barrick Gold Crp	1.3%
T	Telus Corp	-1.1%
CAR-U	Can Apartment	-1.1%
RCI/B	Rogers Communi	-1.4%
FM	First Quantum	-1.5%
WEED	Canopy Growth Co	-1.5%

*As of October 14 2020 10:33 AM. Source: Bloomberg

U.S. Market Movers

QCOM	Qualcomm Inc	3.4%
SLB	Schlumberger Ltd	2.7%
KMI	Kinder Morgan In	2.4%
GE	General Electric	1.8%
MDT	Medtronic	1.8%
ABBV	Abbvie Inc	-1.2%
ADBE	Adobe Inc	-1.8%
F	Ford Motor Co	-2.3%
BAC	Bank Of America	-3.2%
WFC	Wells Fargo & Co	-3.9%

*As of October 14 2020 10:33 AM. Source: Bloomberg

Benchmark Bonds & Rates

	Chg ¹	Yld ¹	Dec-20 ²	Mar-21 ²
CA 2YR	0.00%	0.25%	0.35%	0.35%
CA 10YR	-0.01%	0.58%	0.70%	0.80%
US 2YR	0.00%	0.14%	0.25%	0.30%
US 10YR	-0.01%	0.72%	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 October 14 2020 10:33 AM.; 2 - CIBC

forecasts. Source: Bloomberg

U.S. MARKETS

Bank of America (BAC -3.2%) posted Q3/2020 earnings of US\$0.51 per share, which beat the consensus of US\$0.49 per share, however, this was down 16% year-over-year (Y/Y). The company's stock slipped on revenue that missed, coming in at US\$20.45 billion and falling short of the consensus estimate of US\$20.88 billion. With its large deposit base, Bank of America was impacted by the decline in interest rates, and saw a 17% drop in its net interest income Y/Y. The bank set aside \$1.4 billion for possible loan losses.

UnitedHealth (UNH -2.1%) slipped despite releasing Q3/2020 earnings of US\$3.51 per share, which topped the consensus estimate of US\$3.09 per share. Revenue of US\$65.12 billion also beat out an expected US\$63.97 billion. The healthcare insurance company provided improved annual earnings guidance.

US Bancorp (USB +0.6%) reported Q3/2020 EPS of US\$0.99, topping a consensus estimate of US\$0.91 per share. Revenue for the quarter came in at US\$5.96 billion, beating out an expected US\$5.70 billion. The bank experienced lower net interest income and higher expenses during the quarter, but did see strength in its fee-based businesses.

Goldman Sachs (GS -0.0%) posted a profit of US\$9.68 per share for its third quarter, soaring past the consensus estimate of US\$5.57 per share. Revenue of US\$10.78 billion also beat out expectations, and was up 30% compared to the year-ago-quarter. The bank's earnings were bolstered by strong trading and consumer banking performance.

PNC Financial (PNC -0.4%) released Q3/2020 EPS of US\$3.39, up 15% Y/Y and well ahead of the consensus EPS of US\$2.12. Revenue also topped consensus expectations, coming in at US\$4.28 billion over an estimated US\$4.01 billion. PNC set aside US\$52 million to cover possible bad loans, compared to US\$2.46 billion in the prior quarter.

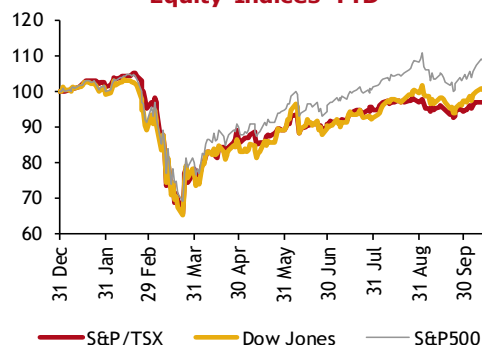
Allscripts Healthcare Solutions (MDRX +29.7%) announced that it will sell its CarePort patient care coordination business to **WellSky**. WellSky is owned by private equity firms, TPG and Leonard Green & Partners, and will purchase CarePort for US\$1.35 billion.

Currencies & Commodities

	Price*	Change	YTD
C\$/US\$	0.761	0.000	-1.2%
US\$/€	0.850	0.001	-4.6%
Gold	\$1,906.25	\$15.07	25.6%
Copper per 100 lb	\$304.45	\$0.00	7.8%
Oil (WTI)	\$40.92	\$0.72	-33.0%
Oil (WCS)	\$31.27	\$0.37	-18.9%
Natural Gas (NYMEX)	\$2.70	-\$0.16	23.3%
Natural Gas (AECO)	\$1.84	\$0.24	7.6%

*As of October 14 2020 10:33 AM. Source: Bloomberg

Equity Indices YTD



Earnings Releases

Name	Date	Est.	Act.
Unitedhealth Grp (UNH)	10/14	\$3.10	\$3.51 *
Bank Of America (BAC)	10/14	\$0.50	\$0.51 *
Wells Fargo & Co (WFC)	10/14	\$0.45	\$0.42 *
Goldman Sachs Gp (GS)	10/14	\$5.53	\$9.68 *
Progressive Corp (PGR)	10/14	\$1.71	\$1.88 *
Us Bancorp (USB)	10/14	\$0.91	\$0.99 *
Pnc Financial Se (PNC)	10/14	\$2.13	\$3.39 *
United Airlines (UAL)	10/14	-\$7.47	-- *
Aritzia Inc-Sub (ATZ)	10/14	-\$0.08	-- *
Morgan Stanley (MS)	10/15	\$1.28	-- *
Intuitive Surgic (ISRG)	10/15	\$2.03	-- *
Schwab (Charles) (SCHW)	10/15	\$0.47	-- *
Truist Financial (TFC)	10/15	\$0.88	-- *

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
10/15	Existing Home Sales MoM (Sep)	6.20%	--	--
10/16	Int'l Securities Transactions (Aug)	-8.52b	--	--
10/16	Manufacturing Sales MoM (Aug)	7.00%	-1.40%	--
10/19	Bloomberg Nanos Confidence	52.4	--	--
10/19	Wholesale Trade Sales MoM (Aug)	4.30%	--	--
10/19	BoC Overall Business Outlook Survey (3Q)	-7	--	--
10/19	BoC Business Outlook Future Sales (3Q)	-35	--	--
10/20	Teranet/National Bank HPI MoM (Sep)	0.60%	--	--
10/20	Teranet/National Bank HPI YoY (Sep)	5.70%	--	--
10/20	Teranet/National Bank HP Index (Sep)	240.43	--	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
10/14	MBA Mortgage Applications	4.60%	--	-0.70%
10/14	PPI Final Demand MoM (Sep)	0.30%	0.20%	0.40%
10/14	PPI Ex Food and Energy MoM (Sep)	0.40%	0.20%	0.40%
10/14	PPI Ex Food, Energy, Trade MoM (Sep)	0.30%	0.20%	0.40%
10/14	PPI Final Demand YoY (Sep)	-0.20%	0.20%	0.40%
10/14	PPI Ex Food and Energy YoY (Sep)	0.60%	1.00%	1.20%
10/14	PPI Ex Food, Energy, Trade YoY (Sep)	0.30%	0.50%	0.70%
10/14	Monthly Budget Statement (Sep)	\$82.8b	-\$124.0b	--
10/15	Empire Manufacturing (Oct)	17	14	--
10/15	Initial Jobless Claims	840k	825k	--

Source: Bloomberg

BRAD BROWN, CFA - SR. MANAGER, EQUITIES
JOHNNY TAM, MASC, CFA - ASSOCIATE

PUJA GHOSH, CFA, MBA, MSC. - ASSOCIATE
ALLAN BISHOP - DIRECTOR, FIXED INCOME

LAUREN ELLISON, CIM, CFP - ASSOCIATE
ANKUR JAIN - ASSOCIATE

IMPORTANT DISCLOSURES

Important disclosures, including potential conflicts of interest information, our system for rating investment opportunities and our dissemination policy can be obtained by writing to CIBC World Markets Inc. BCE Place, 161 Bay Street, 4th Floor, Toronto, Ontario M5J 2S8, Attention: Research Disclosures Request.

This report is issued and approved for distribution in Canada by CIBC World Markets Inc., a member of the Investment Industry Regulatory Organization of Canada and a member of the Canadian Investor Protection Fund. Any questions should be directed to your sales representative.

Every province in Canada and most countries throughout the world have their own laws regulating the types of securities and other investment products which may be offered to their residents, as well as the process for doing so. As a result, some of the securities discussed in this report may not be available to every interested investor. Accordingly, this report is provided for informational purposes only, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. No part of any report may be reproduced in any manner without the prior written permission of CIBC World Markets.

The information and any statistical data contained herein have been obtained from sources which we believe to be reliable, but we do not represent that they are accurate or complete, and they should not be relied upon as such. All opinions expressed and data provided herein are subject to change without notice. A CIBC World Markets company or its shareholders, directors, officers and/or employees, may have a long or short position or deal as principal in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. A CIBC World Markets company may have acted as initial purchaser or placement agent for a private placement of any of the securities of any company mentioned in this report, may from time to time solicit from or perform financial advisory, investment banking or other services for such company, or have lending or other credit relationships with the same. The securities mentioned in this report may not be suitable for all types of investors; their prices, value and/or income they produce may fluctuate and/or be adversely affected by exchange rates. Since the levels and bases of taxation can change, any reference in this report to the impact of taxation should not be construed as offering tax advice; as with any transaction having potential tax implications, clients should consult with their own tax advisors. Past performance is no guarantee of future results.

In preparing the advice given in this document, CIBC World Markets did not take into account the investment objectives, financial situation and particular needs of any particular client of CIBC World Markets. Before making an investment decision on the basis of any recommendation made in this document, the recipient should consider how appropriate the recommendation is to their particular investment needs, objectives and financial circumstances. To allow CIBC World Markets to take into consideration a recipient's objectives, financial situation and particular needs, CIBC World Markets requests that, prior to acting on any of the recommendations herein, you contact one of our client advisers to discuss your particular circumstances.

Although each company issuing this report is a wholly owned subsidiary of Canadian Imperial Bank of Commerce ("CIBC"), each is solely responsible for its contractual obligations and commitments, and any securities products offered or recommended to or purchased or sold in any client accounts (i) will not be insured by the Federal Deposit Insurance Corporation, the Canada Deposit Insurance Corporation or other similar deposit insurance, (ii) will not be deposits or other obligations of CIBC, (iii) will not be endorsed or guaranteed by CIBC, and (iv) will be subject to investment risks, including possible loss of the principal invested. The CIBC trademark is used under license.

This report may also be distributed by any party authorized to do so by CIBC World Markets Inc. CIBC Wood Gundy is a division of CIBC World Markets, a subsidiary of CIBC and Member CIPF.

© 2020 CIBC World Markets Inc. All rights reserved. Unauthorized use, distribution, duplication or disclosure without the prior written permission of CIBC World Markets is prohibited by law and may result in prosecution.

CIBC Private Wealth Management consists of services provided by CIBC and certain of its subsidiaries, including CIBC Wood Gundy, a division of CIBC World Markets Inc. CIBC Private Wealth Management is a registered trademark of CIBC, used under license. "Wood Gundy" is a registered trademark of CIBC World Markets Inc. Insurance services are available through CIBC Wood Gundy Financial Services Inc. In Quebec, insurance services are available through CIBC Wood Gundy Financial Services (Quebec) Inc. If you are currently a CIBC Wood Gundy client, please contact your Investment Advisor.

Important Disclosure Footnotes for Companies Mentioned in this Report that Are Covered by CIBC World Markets Corp./Inc.:

Stock Prices as of

10/13/2020

Restaurant Brands International Inc. (2g, 7) (QSR-NYSE, US\$59.05)

Bank of Nova Scotia (2a, 2c, 2e, 2g, 3a, 3c, 7) (BNS-TSX, C\$56.17)

Royal Bank of Canada (2a, 2c, 2e, 2g, 3a, 3c, 7) (RY-TSX, C\$97.30)

Key To Important Disclosure Footnotes:

- 1 CIBC World Markets Corp. makes a market in the securities of this company.
- 2a This company is a client for which a CIBC World Markets company has performed investment banking services in the past 12 months.
- 2b CIBC World Markets Corp. has managed or co-managed a public offering of securities for this company in the past 12 months.
- 2c CIBC World Markets Inc. has managed or co-managed a public offering of securities for this company in the past 12 months.
- 2d CIBC World Markets Corp. has received compensation for investment banking services from this company in the past 12 months.
- 2e CIBC World Markets Inc. has received compensation for investment banking services from this company in the past 12 months.
- 2f CIBC World Markets Corp. expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.
- 2g CIBC World Markets Inc. expects to receive or intends to seek compensation for investment banking services from this company in the next 3 months.
- 3a This company is a client for which a CIBC World Markets company has performed non-investment banking, securities-related services in the past 12 months.
- 3b CIBC World Markets Corp. has received compensation for non-investment banking, securities-related services from this company in the past 12 months.

- 3c CIBC World Markets Inc. has received compensation for non-investment banking, securities-related services from this company in the past 12 months.
- 4a This company is a client for which a CIBC World Markets company has performed non-investment banking, non-securities-related services in the past 12 months.
- 4b CIBC World Markets Corp. has received compensation for non-investment banking, non-securities-related services from this company in the past 12 months.
- 4c CIBC World Markets Inc. has received compensation for non-investment banking, non-securities-related services from this company in the past 12 months.
- 5a The CIBC World Markets Corp. analyst(s) who covers this company also has a long position in its common equity securities.
- 5b A member of the household of a CIBC World Markets Corp. research analyst who covers this company has a long position in the common equity securities of this company.
- 6a The CIBC World Markets Inc. fundamental analyst(s) who covers this company also has a long position in its common equity securities.
- 6b A member of the household of a CIBC World Markets Inc. fundamental research analyst who covers this company has a long position in the common equity securities of this company.
- 6c One or more members of Investment Strategy Group who was involved in the preparation of this report, and/or a member of their household(s), has a long position in the common equity securities of this company.
- 7 CIBC World Markets Corp., CIBC World Markets Inc., and their affiliates, in the aggregate, beneficially own 1% or more of a class of equity securities issued by this company.
- 8 A partner, director or officer of CIBC World Markets Inc. or any analyst involved in the preparation of this research report has provided services to this company for remuneration in the past 12 months.
- 9 A senior executive member or director of Canadian Imperial Bank of Commerce ("CIBC"), the parent company to CIBC World Markets Inc. and CIBC World Markets Corp., or a member of his/her household is an officer, director or advisory board member of this company or one of its subsidiaries.
- 10 Canadian Imperial Bank of Commerce ("CIBC"), the parent company to CIBC World Markets Inc. and CIBC World Markets Corp., has a significant credit relationship with this company.
- 11 The equity securities of this company are restricted voting shares.
- 12 The equity securities of this company are subordinate voting shares.
- 13 The equity securities of this company are non-voting shares.
- 14 The equity securities of this company are limited voting shares.