

About This Newsletter

Thanks for signing up! Your interest is what's kept me writing for the last two years, distributing this free newsletter meant to give just a quick summary of how the biggest Canadian companies are performing. Lately, it's grown from simply providing the returns data on 200+ Canadian equities in an easy-to-read format to really getting into the details and trying to come up with good investment strategies most everyone can apply.

With that said, I am not a financial advisor, so please don't take it as advice and always do your own research. The path I've chosen is to simply provide relevant information that may be difficult for the average person to come by so that they can make the best decision for themselves. Investing is a very personal decision, and oftentimes it's wise to consult with a professional. Canadians can find one in their area by visiting [this link](#).

Know Your Options

It's important to know that your options extend well past mutual funds. Many people are stuck in these funds as a result of consulting with an advisor at their bank. The reason is not because it's in your best interest. Actually, these advisors are likely limited to *only* selling mutual funds by law, and the fees can hurt. For example, the average fee for a balanced fund at Royal Bank right now is 1.95%. Self-directed investors can design their own solutions modeled off these funds for a small fraction of the price. To use a simple example: let's say you are saving for your child's college fund. A \$20,000 investment earning 8% annually will be worth \$57,573 in 18 years with a 1.95% fee. For a 0.50% fee, it would be worth \$73,516.

WEEKEND

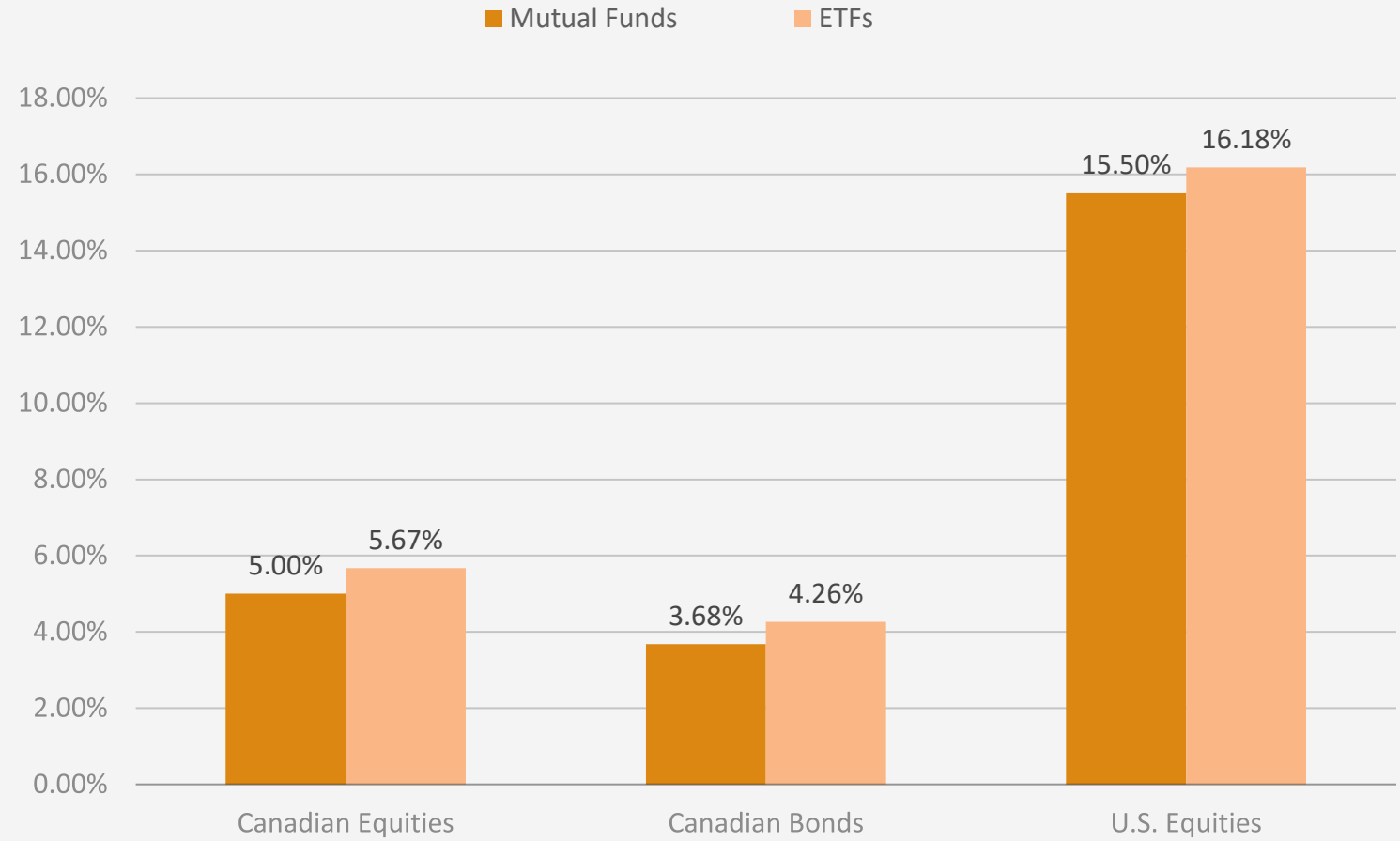


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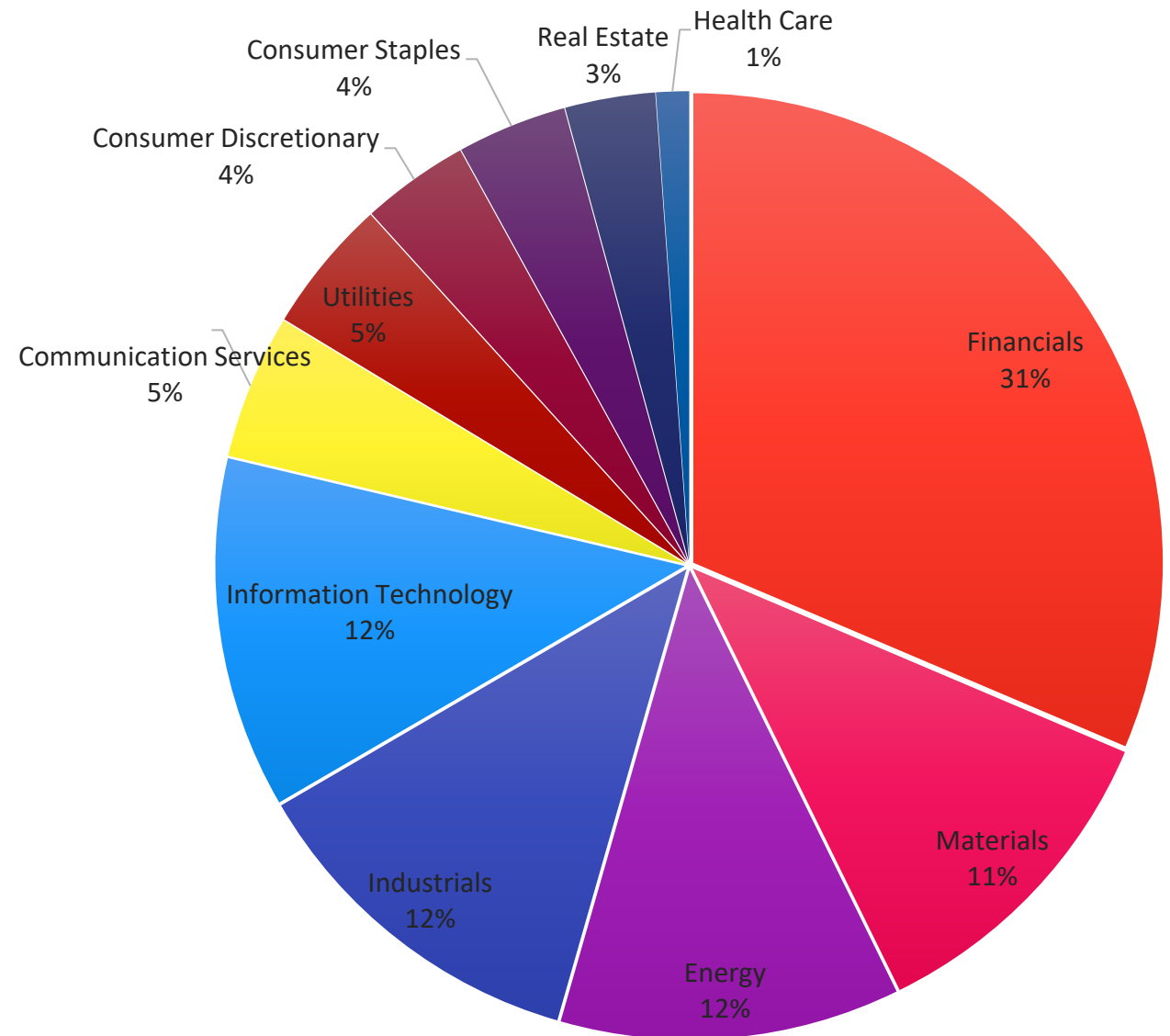
More on Those Fees

I'm fine for using mutual funds as a way of getting started, but only if your account balance is low. For the benefit of automatic purchases with a balance of only a few thousand dollars, the fees aren't going to be very high anyways. Problems begin when people become complacent, and all of a sudden they are paying 2% per year, every year, on balances in the tens of thousands. They add up fast. The chart below shows the 10-year returns of three Royal Bank mutual funds compared to identical low-fee exchange traded funds (ETFs). The differences for packaged funds (i.e. balanced solutions) are even wider, which is why investors should always consider a self-directed route if it suits their personality.



S&P/TSX Composite

It would be an understatement to simply say the Canadian stock market is undiversified. 43% is made up of Financials and loan-dependent Energy companies, while another 23% is split between the Industrials and Materials sectors. It's only recently that Information Technology has come into the mix, with Shopify routinely trading places with Royal Bank as Canada's most valuable publicly traded company. Defensive and alternative assets, namely in the Communication Services, Utilities, Consumer Staples, and Real Estate sectors, are almost an afterthought, but represent excellent opportunities for those looking to improve their chances of success. It is for this reason why many Canadians start with a low-fee Index fund like the iShares Core S&P/TSX Capped Composite Index ETF (XIC) and then supplement it with targeted investments in these sectors. It's a great way to build your own diversified portfolio and if you are committed to reviewing it just once per year, you are very likely to at least match the market but more importantly, save on fees.



FEATURES



Canadian Equity Performances

Periodic returns for all S&P/TSX Composite constituents, plus returns, volatility, and momentum by sector



Canadian Dividend Ideas

3 Canadian Dividend Equities I've identified as having superior sales growth, earnings growth, dividend growth, and financial health, plus the latest supporting statistics.



Commodities Tracker

Keep track of commodity prices with this handy tracker that shows prices changes for the last twelve months.



Economic Data

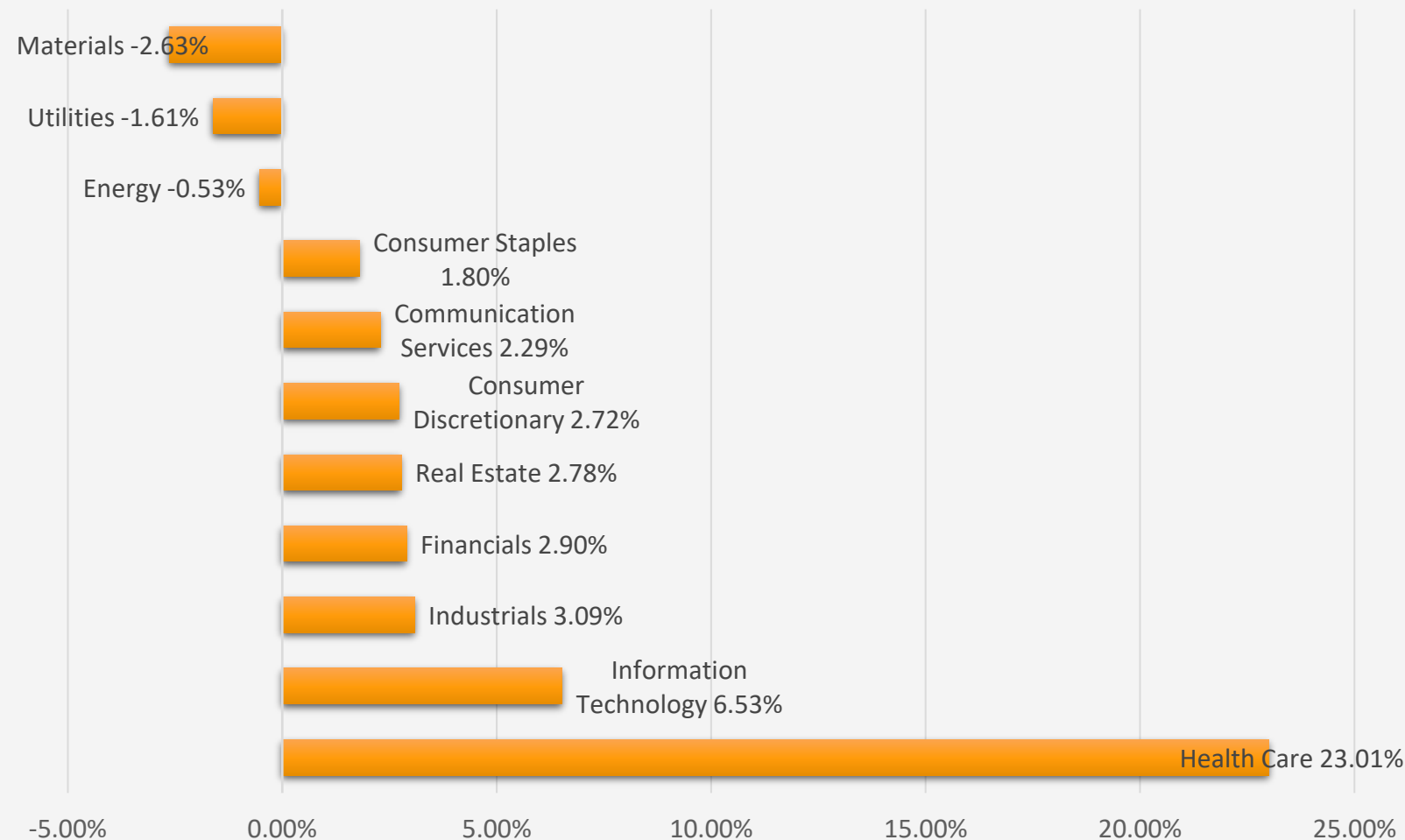
Review all the month's economic data in one place, plus explanations for what they mean and how to interpret them.

CANADIAN EQUITY PERFORMANCES

MONTHLY RETURNS

For August 2021, the S&P/TSX Composite gained 1.55% as Tech stocks rallied, posting an average 6.53% gain on the month thanks to a 26% gain by Kinaxis and a solid ~3% return by Shopify, the country's most valuable company by market cap. Consumer Discretionary, Real Estate, Financials, and Industrials were all strong, posting ~3% gains, while Energy fell slightly backwards. We continued to see weakness in the Materials and Utilities sectors though, as is common during bullish periods.

Real Estate stocks have momentum, gaining 12.20% over the last three months – second only to Technology stocks which have gained 17.59%. In my view, low forecasted interest rates are fueling growth in the Tech sector while in Canada at least, we seem to have a decent handle on COVID-19, leading to a resurgence in REITs. July's Consumer Price Index data reveals an average 0.40% monthly increase in Shelter costs over the last year – far above the 0.12% average in the twelve months prior. The sector seems attractive, especially for those seeking a higher income.



AVERAGE RETURNS BY SECTOR

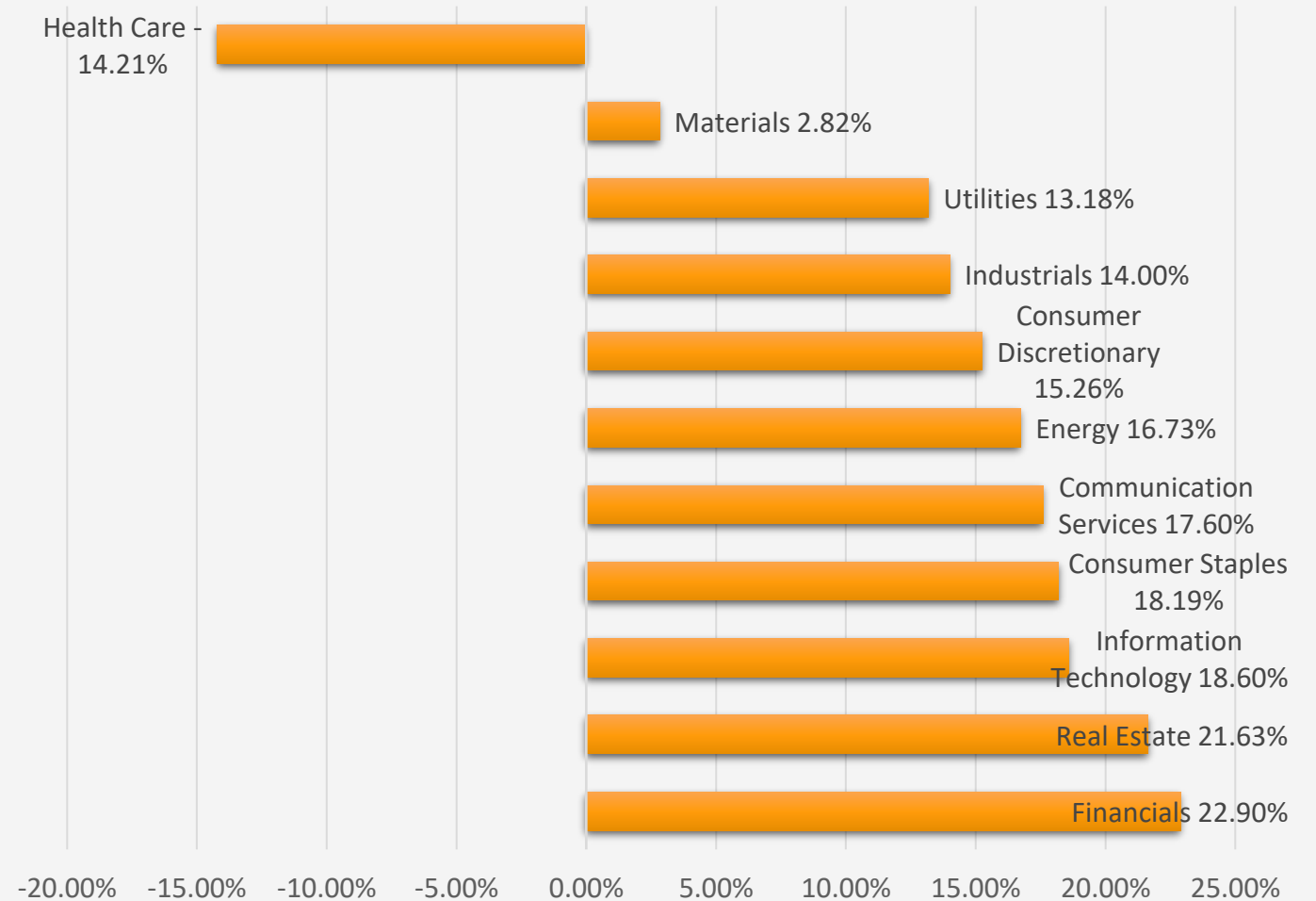
Periodic Average Sector Performances: S&P/TSX Composite Index Total Return

Sector	1M	3M	6M	1Y	2Y	3Y
Communication Services	2.29%	0.58%	10.92%	71.54%	108.12%	182.43%
Consumer Discretionary	2.72%	4.41%	11.62%	61.46%	44.73%	29.32%
Consumer Staples	1.80%	4.72%	13.52%	25.23%	38.75%	40.78%
Energy	-0.53%	-1.73%	13.86%	60.67%	36.92%	9.35%
Financials	2.90%	5.22%	22.15%	55.18%	57.75%	68.27%
Health Care	23.01%	7.00%	-9.77%	38.20%	663.54%	-3.87%
Industrials	3.09%	9.45%	17.87%	51.16%	75.29%	76.16%
Information Technology	6.53%	17.59%	14.30%	21.07%	77.22%	139.12%
Materials	-2.63%	-10.20%	0.76%	2.54%	42.49%	92.56%
Real Estate	2.78%	12.20%	24.66%	46.46%	27.85%	45.91%
Utilities	-1.61%	5.20%	10.37%	25.05%	43.68%	72.38%
S&P/TSX Composite Index	1.55%	4.89%	15.63%	28.32%	33.14%	38.94%

MOMENTUM

When assessing momentum, I first look at returns by sector over the last six months. I use median returns instead of average returns so that no single stock has much influence, and then I compare the worst-performing sector vs. the best-performing sector (excluding Canada's undeveloped Health Care sector). Generally speaking, I've noticed that when a large range (~35% or more) exists, investors and their advisors are more likely to engage in portfolio rebalancing. This is done through the selling of outperforming stocks and the purchasing of underperforming ones. My research shows the effect to be short-term and psychological, which helps explain the next three to six months of returns. As of now, the median six-month return for the Financials sector was 22.90% vs. 2.28% for the Materials sector for a total range of sector returns of 20.08%. Recall how last month, the gap was 40% while in June, it was 59%, so the gap has really closed due to the predicted paring of gains in the Energy sector.

Last month, I suggested how the Technology sector was looking more attractive, and at least for August, it was wise not to panic and sell. I maintain that viewpoint today, but am surprised at the continued poor performance of stocks in the Materials sector. These stocks first started appearing undervalued at the end of January when their six-month median return was -4.99% compared to 38.03% for Consumer Discretionary stocks. Since then, the S&P/TSX Capped Materials Index ETF (XMA) has only gained 2.69% compared to 20.27% for the market. Still, safer gold plays like Franco-Nevada have returned over 35%. So while I'm still willing to go down with the ship and pick Materials to outperform soon, it's still important to be selective according to your risk tolerance.

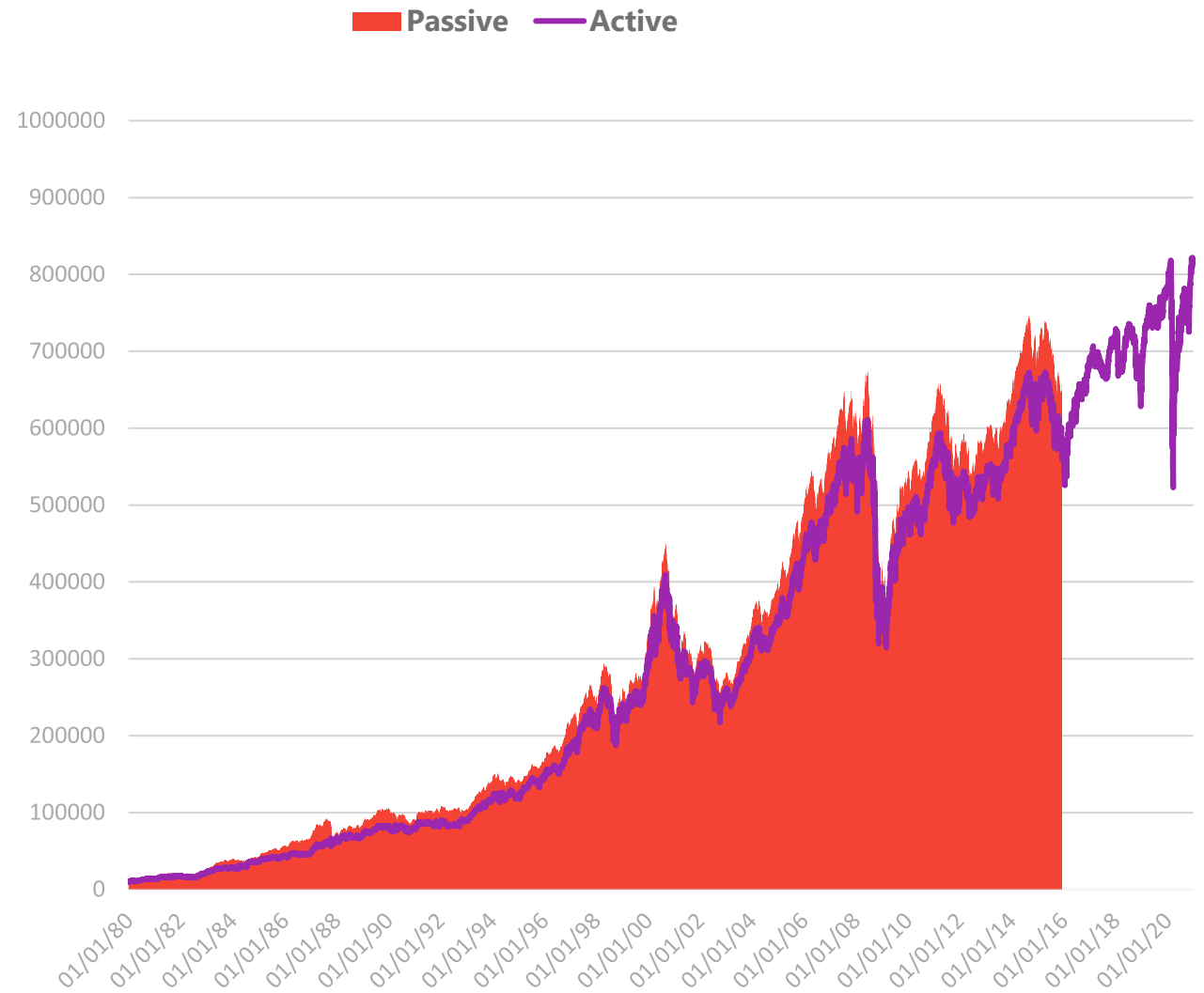


The Importance of Staying Invested

You may have heard the phrase “time in the market beats timing the market”. About a month ago, I put this to the test. I looked at S&P/TSX Composite Index returns from 1980 until 2020 and compared two different strategies. The first one had an investor put in a fixed amount each month into an Index fund, not paying any attention to whether the market was “overvalued” or “on sale”. The second investor chose to save up and purchase Index shares in bulk when the market dropped 10% from recent highs.

The graph to the right shows the results of this simulation. The first investor, the passive one who paid no attention to the market, turned \$10,000 into \$877,884, while the active investor turned it into \$818,938 - \$58,946 less. You can imagine the impact such a decision would have if more than \$10,000 was initially invested.

The lesson here is that when you try and outsmart the market, you can run into trouble. While I believe analyzing momentum across sectors, as I did on the previous page, can provide value, it’s in no way a suggestion to sell your stocks and wait for the market to fall. Instead, I believe it’s better to simply shift your sector allocations around a bit, take some of the abnormal profits you’ve earned in recent months, and use them to buy your favourite stocks in an underappreciated sector.



COMMUNICATION SERVICES

Company Name	1M	3M	6M	1Y	2Y	3Y
AcuityAds Holdings	1.18%	-23.31%	-64.10%	310.79%	686.56%	1093.72%
BCE	5.67%	11.58%	24.53%	24.52%	16.98%	46.20%
Cogeco Communications	-1.79%	0.53%	1.90%	21.47%	16.06%	92.47%
Corus Entertainment	7.94%	0.99%	20.97%	106.59%	36.89%	94.71%
Quebecor	-2.70%	-3.02%	-1.85%	0.46%	10.83%	27.87%
Rogers Communications	0.94%	4.85%	18.54%	22.52%	4.18%	4.41%
Shaw Communications	2.17%	4.54%	70.67%	59.03%	60.98%	61.93%
Telus	4.91%	8.50%	16.66%	26.89%	32.46%	38.10%
Communications Sector Average	2.29%	0.58%	10.92%	71.54%	108.12%	182.43%

CONSUMER DISCRETIONARY

Company Name	1M	3M	6M	1Y	2Y	3Y
Aritzia	12.68%	39.81%	37.48%	120.72%	143.10%	152.79%
BRP	1.13%	4.74%	15.26%	49.80%	123.09%	57.72%
Boyd Group Services	0.79%	18.99%	17.10%	18.88%	38.99%	91.04%
CCL Industries	0.66%	6.74%	8.10%	51.30%	22.71%	18.96%
Canada Goose Holdings	-8.61%	0.04%	-14.43%	52.58%	-1.69%	-38.43%
Canadian Tire	0.03%	-5.47%	18.18%	44.51%	51.92%	28.57%
Gildan Activewear	13.20%	12.63%	26.46%	93.36%	1.48%	33.81%
Great Canadian Gaming	-0.56%	0.75%	4.77%	66.38%	11.56%	-3.47%
Intertape Polymer Group	10.77%	6.33%	30.04%	111.91%	83.68%	87.10%
Linamar	-2.95%	-10.56%	1.17%	76.26%	80.06%	28.24%
Magna International	-4.23%	-15.92%	-5.65%	60.27%	57.90%	61.34%
Martinrea International	-4.58%	-11.30%	-18.17%	22.43%	22.66%	-9.91%
New Flyer Industries	12.29%	17.77%	5.08%	78.79%	15.16%	-31.89%
Restaurant Brands International	-4.77%	-2.68%	7.07%	17.70%	-17.47%	16.88%
Richelieu Hardware	4.57%	5.25%	24.80%	31.85%	80.48%	50.36%
Sleep Country Canada	16.19%	16.31%	30.47%	77.38%	74.18%	18.26%
Spin Master	0.94%	17.78%	73.65%	57.44%	18.70%	-5.68%
Westport Fuel Systems	-0.79%	-32.16%	-56.85%	130.73%	44.28%	6.93%
Winpak	4.98%	14.72%	16.27%	5.42%	-0.82%	-5.57%
Consumer Discretionary Average	2.72%	4.41%	11.62%	61.46%	44.73%	29.32%

CONSUMER STAPLES

Company Name	1M	3M	6M	1Y	2Y	3Y
Alimentation Couche-Tard Inc	1.37%	17.24%	33.84%	20.68%	23.43%	66.56%
Cott	9.28%	9.02%	24.44%	27.39%	37.99%	15.84%
Dollarama	-2.08%	9.68%	19.00%	13.38%	13.75%	17.93%
Empire Company	-0.41%	1.20%	16.17%	21.88%	14.41%	71.55%
George Weston	5.12%	16.04%	46.96%	47.39%	31.14%	42.55%
Jamieson Wellness	1.11%	-5.48%	3.87%	-4.52%	50.36%	43.75%
Loblaw	5.32%	21.03%	46.32%	34.42%	26.72%	73.30%
Maple Leaf Foods	11.37%	4.16%	5.76%	-2.76%	-8.66%	-6.74%
Metro	-0.28%	11.40%	22.49%	11.30%	17.86%	65.73%
North West Company	-1.51%	0.88%	17.39%	30.90%	26.90%	42.14%
Premium Brands	5.52%	11.05%	32.03%	42.92%	44.09%	48.02%
Saputo	-1.42%	-13.55%	-0.05%	11.23%	-8.29%	-6.64%
SunOpta	-9.67%	-21.86%	-40.24%	33.15%	283.85%	17.61%
Village Farm	1.41%	5.27%	-38.68%	65.80%	-11.01%	79.26%
Consumer Staples Average	1.80%	4.72%	13.52%	25.23%	38.75%	40.78%

ENERGY

Company Name	1M	3M	6M	1Y	2Y	3Y
ARC Resources	-4.56%	-2.47%	19.83%	41.56%	76.60%	-23.07%
Cameco	5.05%	-1.85%	16.73%	55.20%	102.08%	74.94%
Canadian Natural Resources	1.41%	-0.37%	23.13%	71.46%	49.47%	10.79%
Cenovus Energy	0.58%	3.92%	11.50%	70.51%	-7.21%	-9.30%
Crescent Point Energy	-0.66%	-10.43%	-2.89%	98.56%	9.68%	-40.85%
Denison Mines	19.26%	3.21%	18.38%	130.00%	163.93%	136.76%
Enbridge	2.67%	10.01%	19.59%	28.15%	28.31%	36.69%
Enerplus	-3.49%	-7.99%	18.87%	115.34%	-12.12%	-52.06%
Gibson Energy	-0.44%	-1.99%	8.34%	2.00%	12.36%	42.11%
Imperial Oil	-2.31%	-17.24%	21.46%	60.68%	9.03%	-10.98%
Inter Pipeline	0.30%	14.64%	13.09%	49.74%	-8.67%	0.01%
Keyera	-8.55%	2.07%	27.24%	37.51%	10.29%	4.32%

ENERGY (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
MEG Energy	1.01%	-4.17%	16.98%	112.30%	51.29%	-6.73%
NexGen Energy	12.52%	1.89%	27.59%	121.55%	228.51%	125.04%
Parex Resources	-5.17%	-7.95%	-6.69%	6.33%	-6.92%	1.23%
Parkland Fuel	-4.87%	-4.74%	-5.33%	5.19%	-3.29%	1.71%
Pembina Pipeline	-6.27%	0.45%	22.78%	27.97%	-9.56%	4.11%
PrairieSky Royalty	-1.00%	4.67%	8.27%	49.89%	-12.41%	-35.81%
Suncor Energy	-4.07%	-15.45%	-5.37%	16.57%	-34.63%	-51.28%
TC Energy	-1.51%	-0.28%	15.68%	4.13%	-2.18%	26.35%
Tourmaline Oil	-0.94%	15.13%	47.37%	109.18%	185.95%	73.66%
Vermilion Energy	-6.13%	-10.04%	5.65%	62.55%	-50.82%	-75.33%
Whitecap Resources	-4.97%	-10.72%	-3.35%	119.01%	69.52%	-17.34%
Energy Average	-0.53%	-1.73%	13.86%	60.67%	36.92%	9.35%

FINANCIALS

Company Name	1M	3M	6M	1Y	2Y	3Y
Bank of Montreal	1.64%	0.35%	22.90%	58.18%	50.87%	33.94%
Bank of Nova Scotia	0.36%	-2.69%	7.44%	46.01%	22.98%	20.94%
Brookfield Asset Management	4.22%	16.94%	36.91%	60.83%	56.67%	95.53%
CI Financial	7.65%	10.09%	39.87%	37.55%	39.18%	31.31%
CIBC	0.05%	4.19%	26.41%	47.24%	57.01%	39.34%
Canaccord Genuity Group	11.35%	14.67%	33.35%	99.07%	218.61%	136.50%
Canadian Western Bank	8.73%	0.85%	12.41%	38.34%	25.87%	16.72%
ECN Capital	-2.29%	21.57%	29.19%	102.29%	128.61%	193.84%
Equitable Group	2.13%	9.59%	13.56%	100.98%	59.88%	147.44%
Fairfax Financial	6.27%	-0.95%	7.73%	42.67%	-1.23%	-16.46%
Goeasy	14.49%	32.66%	59.28%	208.03%	282.72%	299.72%
Great-West Lifeco	3.97%	5.57%	22.89%	55.19%	52.34%	43.31%
Home Capital Group	1.80%	11.94%	24.03%	76.75%	52.17%	165.73%
IGM Financial	4.50%	4.74%	36.18%	53.73%	46.10%	54.06%

FINANCIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
Intact Financial	1.08%	5.78%	22.06%	25.70%	38.24%	78.55%
Laurentian Bank of Canada	0.21%	-1.77%	24.23%	59.11%	9.32%	8.67%
Manulife Financial	3.00%	-1.69%	-1.01%	33.73%	22.79%	18.75%
National Bank of Canada	4.87%	6.20%	26.91%	44.83%	71.46%	71.28%
Onex	-7.05%	0.87%	24.38%	40.34%	14.30%	-4.07%
Power Corp of Canada	9.34%	11.92%	45.48%	77.01%	77.70%	80.34%
Royal Bank of Canada	2.71%	5.24%	21.75%	34.31%	40.02%	39.92%
Sprott	-7.08%	-23.70%	-2.01%	-21.04%	20.70%	45.14%
Sun Life Financial	0.81%	1.28%	7.88%	23.58%	28.27%	40.46%
TD Bank	-1.23%	-4.83%	8.24%	31.32%	23.99%	18.24%
TMX Group	1.87%	5.19%	16.99%	4.82%	27.36%	72.46%
iA Financial	2.04%	1.74%	8.90%	54.08%	35.48%	43.40%
Financials Average	2.90%	5.22%	22.15%	55.18%	57.75%	68.27%

HEALTH CARE

Company Name	1M	3M	6M	1Y	2Y	3Y
Aurora Cannabis	6.85%	-16.73%	-30.46%	-27.33%	-89.37%	-91.14%
Bausch Health Companies	0.71%	-3.67%	-8.21%	69.79%	29.57%	21.96%
Canopy Growth	-8.13%	-28.23%	-48.19%	0.93%	-30.99%	-63.60%
Cronos Group	-9.45%	-18.63%	-33.87%	21.65%	-40.12%	-31.34%
OrganiGram Holdings	4.00%	-8.40%	-14.21%	103.61%	-39.86%	-48.71%
Sienna Senior Living	0.81%	-0.04%	17.21%	52.52%	-2.62%	9.69%
Trillium Therapeutics	166.30%	124.72%	49.35%	46.22%	4818.21%	176.02%
Health Care Average	23.01%	7.00%	-9.77%	38.20%	663.54%	-3.87%

INDUSTRIALS

Company Name	1M	3M	6M	1Y	2Y	3Y
ATS Automation Tooling Systems	21.46%	53.29%	62.64%	148.20%	148.34%	106.24%
Aecon Group	1.28%	14.15%	14.11%	47.50%	20.65%	32.56%
Air Canada	-1.88%	-10.42%	-2.35%	39.26%	-45.23%	-8.61%
Badger Infrastructure Solutions	-0.91%	-10.30%	-14.15%	-6.24%	-15.41%	24.87%
Ballard Power	5.25%	1.19%	-40.28%	-1.80%	254.33%	356.22%
Brookfield Business Partners	-2.27%	-3.11%	2.41%	31.11%	25.88%	-4.07%
CAE	-4.31%	-2.07%	8.17%	76.16%	5.67%	43.37%
CN Railway	9.47%	10.84%	7.79%	10.16%	25.53%	34.91%
CP Railway	-6.42%	-10.50%	-4.03%	13.30%	37.81%	62.58%
Cargojet	7.75%	16.86%	9.84%	18.19%	106.20%	184.32%
Element Financial	-2.59%	1.99%	12.49%	32.01%	35.28%	110.88%
Exchange Income	6.59%	12.46%	11.51%	46.11%	28.91%	63.99%
Finning International	2.49%	7.14%	0.24%	69.69%	52.42%	19.98%
GFL Environmental	2.28%	13.87%	12.61%	87.73%	104.79%	104.79%

INDUSTRIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
Mullen Group	-1.92%	3.99%	34.72%	41.11%	62.57%	-4.42%
Ritchie Bros. Auctioneers	6.57%	11.10%	15.85%	6.18%	55.86%	68.45%
Russel Metals	-1.53%	5.00%	41.48%	93.56%	96.25%	47.31%
SNC-Lavalin	2.95%	3.70%	33.69%	48.43%	109.48%	-33.64%
Stantec	4.84%	13.39%	22.35%	45.74%	116.67%	94.18%
TFI International	0.96%	18.25%	62.90%	159.40%	311.69%	223.31%
Thomson Reuters	11.91%	26.69%	36.63%	52.41%	69.56%	185.38%
Toromont Industries	0.62%	-1.05%	15.20%	45.78%	71.67%	70.54%
Transcontinental	-1.09%	9.52%	13.89%	66.39%	93.15%	-10.23%
WSP Global	11.24%	22.37%	50.32%	88.61%	135.88%	147.42%
Waste Connection	3.32%	12.68%	31.90%	25.90%	35.34%	64.02%
Westshore Terminals	4.32%	24.56%	24.59%	45.35%	14.31%	-4.28%
Industrials Average	3.09%	9.45%	17.87%	51.16%	75.29%	76.16%

INFORMATION TECHNOLOGY

Company Name	1M	3M	6M	1Y	2Y	3Y
BlackBerry	13.23%	15.97%	9.39%	107.04%	54.03%	1.36%
CGI	-0.64%	5.07%	18.69%	23.07%	7.99%	31.59%
Celestica	8.52%	15.54%	13.46%	15.21%	38.54%	-25.42%
Constellation Software	6.99%	24.63%	29.95%	42.04%	66.07%	116.95%
Descartes Systems Group	9.30%	40.00%	32.77%	24.29%	109.50%	117.13%
Enghouse Systems	8.68%	15.04%	11.09%	-13.28%	66.99%	60.15%
Kinaxis	26.45%	49.25%	18.87%	2.78%	163.61%	107.63%
LifeWorks	-1.23%	5.03%	8.22%	27.05%	12.35%	37.14%
Open Text	6.81%	22.25%	23.17%	19.00%	36.82%	41.68%
Real Matters	-9.16%	-29.44%	-26.93%	-55.81%	12.20%	112.19%
Shopify	2.86%	30.15%	18.60%	40.35%	281.29%	929.89%
Information Technology Average	6.53%	17.59%	14.30%	21.07%	77.22%	139.12%

MATERIALS

Company Name	1M	3M	6M	1Y	2Y	3Y
Agnico Eagle Mines	-9.50%	-14.58%	2.82%	-31.28%	-10.09%	68.24%
Alamos Gold	-1.78%	-8.87%	11.08%	-26.32%	8.12%	77.37%
B2Gold	-6.69%	-20.32%	-10.32%	-42.55%	5.97%	65.54%
Barrick Gold	-5.54%	-10.42%	9.09%	-32.36%	2.48%	100.69%
Canfor	12.41%	-9.07%	4.31%	59.20%	76.76%	-10.00%
Cascades	-1.14%	14.96%	-4.87%	15.80%	45.92%	26.44%
Centerra Gold	-5.28%	-2.86%	-22.05%	-43.10%	-19.32%	75.09%
Dundee Precious Metals	2.91%	-9.30%	-0.78%	-16.28%	51.93%	179.87%
ERO Copper	-4.82%	-14.70%	6.46%	20.16%	18.61%	174.08%
Eldorado Gold	-5.15%	-22.71%	-17.03%	-25.77%	-9.64%	777.78%
Endeavour Mining	3.77%	5.73%	25.10%	-13.75%	20.18%	57.43%
Endeavour Silver	-9.88%	-34.84%	-20.93%	8.81%	68.95%	103.78%
Equinox Gold	4.61%	-20.14%	-14.99%	-47.45%	11.72%	67.48%

MATERIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
First Majestic Silver	-4.70%	-24.87%	-29.67%	-0.46%	11.43%	122.24%
First Quantum Minerals	-1.63%	-11.50%	-4.16%	103.64%	222.53%	60.93%
Fortuna Silver Mines	-6.58%	-34.20%	-42.11%	-41.68%	0.73%	-7.36%
Franco-Nevada	-7.77%	3.37%	35.65%	-5.43%	44.02%	127.77%
Hudbay Minerals	-13.36%	-14.88%	-14.51%	33.37%	75.62%	29.06%
IAMGOLD	-12.02%	-31.03%	-20.42%	-46.52%	-39.64%	-43.61%
Interfor	4.69%	-13.58%	2.93%	67.58%	114.49%	27.58%
Ivanhoe Mines	9.94%	14.51%	29.54%	97.45%	173.35%	338.30%
Kinross Gold	-6.62%	-21.30%	-2.74%	-33.04%	17.13%	98.81%
Kirkland Lake Gold	-5.70%	-2.59%	22.18%	-26.32%	-20.15%	112.86%
Labrador Iron Ore Royalty	-11.25%	0.56%	28.74%	83.89%	118.61%	149.03%
Lithium Americas	37.71%	34.46%	4.42%	142.79%	483.60%	300.99%
Lundin Mining	-10.29%	-20.12%	-29.32%	27.18%	67.44%	74.28%

MATERIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
MAG Silver	-2.50%	-6.79%	-1.11%	9.23%	42.14%	140.78%
Methanex	9.99%	7.90%	-5.56%	59.66%	12.98%	-48.16%
New Gold	-25.49%	-40.63%	-26.14%	-29.25%	1.61%	18.29%
NovaGold Resources	-6.85%	-26.06%	-14.70%	-34.22%	-8.26%	89.79%
Nutrien	3.40%	3.94%	13.47%	64.79%	24.30%	17.38%
OceanaGold	-2.88%	-8.88%	28.26%	-21.59%	-26.02%	-38.86%
Osisko Gold Royalties	-9.41%	-10.09%	22.15%	-2.75%	-8.25%	51.76%
Osisko Mining	-6.92%	-14.20%	5.64%	-25.41%	-15.18%	43.41%
Pan American Silver	-6.09%	-19.25%	-21.61%	-29.70%	35.97%	65.41%
Pretium Resources	9.97%	-6.78%	3.61%	-23.42%	-26.58%	18.22%
SSR Mining	3.79%	-4.83%	17.92%	-23.84%	-2.57%	87.57%
Sandstorm Gold	-18.33%	-23.18%	5.43%	-32.02%	-2.09%	60.02%
Seabridge Gold	0.44%	-1.65%	4.78%	-8.42%	8.22%	53.78%

MATERIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
Silvercorp Metals	-10.48%	-29.16%	-24.85%	-50.51%	-1.55%	60.65%
Silvercrest Metals	-6.67%	-15.58%	-4.82%	-22.16%	23.08%	218.99%
Stella-Jones	-4.31%	-6.42%	-5.52%	-3.71%	13.11%	0.51%
Teck Resources	-0.11%	-3.10%	7.36%	89.16%	25.75%	-2.09%
Torex Gold Resources	0.50%	-20.11%	-8.66%	-30.07%	-34.13%	59.86%
Turquoise Hill Resources	-9.13%	-11.75%	-1.97%	31.39%	226.21%	-37.56%
Wesdome Gold Mines	-1.66%	11.50%	45.15%	-13.94%	70.70%	278.35%
West Fraser Timber	8.86%	4.58%	12.58%	40.80%	113.68%	17.16%
Wheaton Precious	-1.00%	-0.37%	26.15%	-17.31%	48.69%	164.95%
Yamana Gold	-0.36%	-10.61%	11.45%	-29.68%	19.63%	60.33%
Materials Average	-2.63%	-10.20%	0.76%	2.54%	42.49%	92.56%

REAL ESTATE

Company Name	1M	3M	6M	1Y	2Y	3Y
Allied Properties REIT	-4.98%	-1.46%	15.07%	22.71%	-11.36%	10.17%
Altus Group Income Fund	12.99%	12.66%	19.46%	25.10%	74.64%	124.90%
Artis REIT	-1.36%	4.95%	5.27%	39.17%	2.33%	8.30%
Boardwalk REIT	3.27%	21.93%	29.75%	60.11%	12.75%	2.95%
CT REIT	2.69%	7.46%	15.81%	29.81%	32.33%	52.89%
Canadian Apartment Properties REIT	-1.80%	10.99%	21.19%	39.42%	20.40%	43.03%
Chartwell Retirement Residences	-1.37%	-0.45%	20.48%	30.04%	-3.95%	-1.18%
Choice Properties REIT	1.92%	3.57%	20.37%	23.35%	19.28%	40.48%
Colliers International Group	9.76%	32.66%	33.29%	112.64%	96.15%	65.77%
Cominar REIT	-4.64%	8.49%	25.52%	60.76%	-3.32%	-70.59%
Crombie REIT	-1.07%	7.98%	26.98%	45.18%	27.45%	60.74%
Dream Office REIT	4.85%	7.84%	19.61%	28.39%	-6.59%	9.41%
Dundee Industrial REIT	3.66%	21.19%	31.81%	56.17%	47.15%	96.20%
First Capital REIT	-0.24%	1.50%	17.46%	36.88%	-11.18%	0.59%

REAL ESTATE (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
FirstService	0.83%	19.68%	21.63%	44.26%	71.41%	113.79%
Granite REIT	5.73%	12.91%	27.23%	21.89%	54.34%	88.97%
H&R REIT	-1.01%	5.05%	23.71%	73.31%	-16.65%	-1.13%
InterRent REIT	-2.46%	12.98%	29.57%	43.79%	14.07%	63.27%
Killam REIT	4.19%	13.60%	21.85%	28.58%	12.57%	50.86%
NorthWest Healthcare Properties REIT	2.05%	4.39%	8.97%	19.49%	30.40%	44.15%
RioCan REIT	-0.44%	6.70%	20.87%	56.72%	-3.15%	7.46%
SmartCentres REIT	1.67%	5.74%	19.16%	58.79%	10.40%	19.37%
Summit Industrial Income REIT	13.11%	34.29%	60.95%	87.07%	80.95%	179.87%
Tricon Capital Group	7.29%	24.19%	30.81%	48.92%	71.67%	52.79%
WPT Industrial REIT	14.89%	26.05%	49.76%	68.92%	74.23%	84.72%
Real Estate Average	2.78%	12.20%	24.66%	46.46%	27.85%	45.91%

UTILITIES

Company Name	1M	3M	6M	1Y	2Y	3Y
ATCO	-5.83%	-1.71%	16.91%	11.65%	-3.36%	22.27%
Algonquin Power & Utilities	-1.46%	6.97%	1.50%	12.90%	22.50%	65.45%
AltaGas	-4.00%	6.75%	33.77%	57.07%	54.99%	24.09%
Boralex	-1.10%	4.60%	-12.61%	16.44%	93.00%	115.16%
Brookfield Infrastructure Partners	5.53%	9.06%	9.60%	26.64%	21.07%	56.03%
Brookfield Renewable Partners	4.07%	6.17%	-5.54%	30.15%	101.58%	166.85%
Canadian Utilities	-1.08%	3.21%	21.57%	14.99%	2.70%	30.50%
Capital Power	2.58%	14.29%	29.85%	60.66%	60.83%	90.90%
Emera	2.35%	6.97%	21.46%	17.14%	12.94%	65.76%
Fortis Canada	3.05%	6.36%	20.08%	14.96%	13.03%	50.83%
Hydro One	1.95%	3.21%	18.26%	20.47%	36.95%	83.23%
Innergex Renewable Energy	-7.54%	-0.99%	-15.11%	-7.95%	45.58%	69.76%
Northland Power	-4.43%	3.56%	0.20%	17.47%	76.94%	115.38%
Superior Plus	-4.98%	-1.47%	14.80%	29.55%	44.22%	36.71%
TransAlta	-4.65%	13.49%	11.56%	49.34%	48.22%	68.91%
TransAlta Renewables	-10.26%	2.76%	-0.38%	29.35%	67.75%	96.22%
Utilities Average	-1.61%	5.20%	10.37%	25.05%	43.68%	72.38%

CANADIAN DIVIDEND IDEAS

Summit Industrial Income (SMU.UN)



1.

Operations

The majority of assets owned by Summit Industrial Income REIT are warehouse and distribution centers, currently accounting for about 85% of total square footage. They're well-diversified, too, as tenants include Maple Leaf Foods, FedEx, and Volkswagen Group Canada. Commercial leases average about 3.5 years, and properties are mostly spread out across four provinces.

3.

Sales, Earnings, & Financial Health

Summit recently released its second quarter results showing an improving occupancy rate (98.2% to 98.8%) and an 18% increase in sales, mostly driven from steadily increasing rents and portfolio growth. Net operating income and funds from operations were up 19% and 17%, respectively. Summit has access to approximately \$800 million in liquidity and is accessing the unsecured debt market on very favorable terms lately.

2.

Dividends

In 2013, Summit began paying distributions monthly and have grown them every year since, albeit at a relatively slow pace. This time five years ago in August 2016, Summit paid trailing annual dividends totaling \$0.5004 and today, the rate is \$0.5480 for annualized growth of 1.83%. Current yield is only 2.61%, but the last twelve month's payout ratio is only 10.2% and it's been one of the more reliable REITs on the TSX in recent years.

4.

Verdict

Full disclosure, I'm an owner of Summit Industrial Income REIT and I feel it's a great option for the "new normal" way of life I'm expecting after the pandemic ends. Dividends aren't high, nor is the growth, but that's okay with me as I'm happy with the capital appreciation. E-commerce is a trend that isn't slowing down, and since high demand for industrial space is likely to continue into the long-run, Summit appears well-positioned.

Metro (MRU)



1.

Operations

Metro is active in the food and pharmacy retail businesses in Quebec and Ontario, operating 950 food stores and 650 drugstores under various banners such as Super C, Food Basics, and Jean Coutu. The company has recently transitioned to a new automated Fresh distribution center in Toronto, and has set up a dedicated store for online grocery in Montreal.

3.

Sales, Earnings, & Financial Health

During the pandemic, sales have been a difficult one to forecast and much like inflation data, year-over-year comparisons may not be very meaningful. For example, latest quarterly revenue fell 2% versus last year but was up 9.4% over 2019 levels. Food same-store sales were down 3.6% but were up 11.4% annualized since 2019. Five-year CAGR for revenue and earnings are both around 7%.

2.

Dividends

Metro shares are currently yielding 1.55%, but it's the dividend growth that ought to get investors excited. Their annual run rate is now \$1 per share, and they have increased their dividends for 19 consecutive years now (the last 13 have seen double-digit increases). Policy calls for the payout range to be between 30% and 40% of last year's adjusted earnings, up from the prior guidance between 20% and 30% - still in a safe range, and great for dividend investors.

4.

Verdict

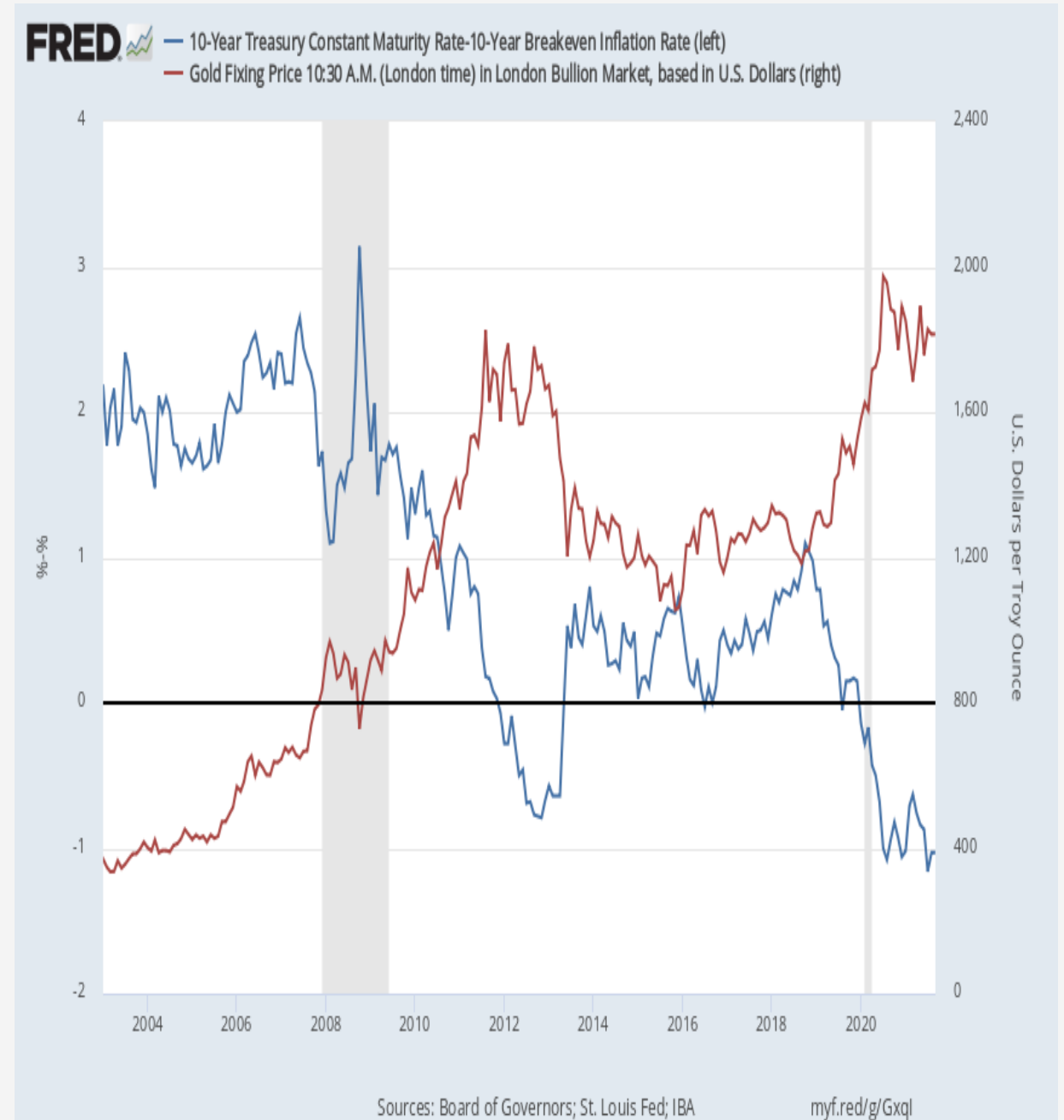
I'm an owner of Metro shares and have no plans to sell them, as I like the stability of grocery store stocks during downturns. I usually target the Consumer Staples sector to be over 20% of my portfolio, as this serves to provide decent returns with less downside risk. Considering that Metro is the 10th least-volatile TSX stock (out of 225) in the last 3 years and has the 81st best return, I'm happy with the trade-off.

Gold: I'm Not Backing Down Yet

Credit to [Lyn Alden](#) for regularly identifying this almost perfect inverse correlation between real 10-year treasury yields (which is nominal yields adjusted for the expected ten-year inflation rate) and the price of gold. Real yields gained 13 basis points in August, going from -1.16% on July 30 to -1.03%. Going against the long-term trend, however, was gold, which only slightly fell by about \$14 per ounce.

Whether or not this is material enough to create a “buy” opportunity for is anyone’s guess, but it is worth noting that the current 10-year nominal yield of 1.32% is forecasted to fall to 1.26% by the end of the year. While this isn’t much, the key will be inflation. Currently, expectations are for inflation to be at 2.32% over the next ten years, which is about as high as it’s been in eight years. If inflation momentum continues (U.S. inflation is up 5.4% over the last year), I believe this makes a strong bullish case for gold. And if I’m wrong, then that means the economy is probably on solid footing and other stocks in your portfolio will be just fine.

For his part, Federal Reserve Chairman Jerome Powell remains adamant that higher inflation is transitory. In his latest speech, Powell notes how increases in durable goods and energy prices have contributed to a substantial part of the headline number. However, he also notes how notoriously difficult is to distinguish between transitory and longer-lasting inflation. With that said, I think it’s best to try and play both sides – keep invested in the market, but allocating about 5 to 10% of your portfolio to gold as a hedge makes sense too.



COMMODITIES TRACKER

Energy Price Tracker

Commodity	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	1-Year Change
Brent Oil	45.28	40.95	37.46	47.59	51.80	55.88	66.13	63.54	66.66	69.63	75.13	75.14	72.99	61.20%
Carbon Emissions	28.64	26.91	23.70	29.13	32.72	32.95	37.28	42.55	48.82	51.84	56.68	53.25	60.51	111.28%
Crude Oil WTI	42.61	40.22	35.79	45.34	48.52	52.20	61.50	59.16	63.48	66.32	73.47	73.72	68.50	60.76%
Gasoline RBOB	1.28	1.20	1.05	1.25	1.41	1.57	1.88	1.95	2.07	2.14	2.24	2.33	2.28	78.33%
Heating Oil	1.20	1.15	1.08	1.36	1.48	1.60	1.86	1.77	1.92	2.04	2.13	2.19	2.13	77.58%
Natural Gas	2.63	2.53	3.35	2.88	2.54	2.56	2.77	2.61	2.93	3.01	3.65	3.92	4.38	66.43%

Metals Price Tracker

Commodity	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	1-Year Change
Aluminum	1,771.50	1,739.75	1,853.50	2,042.25	2,003.12	1,972.88	2,163.00	2,194.25	2,420.25	2,350.05	2,519.50	2,597.75	2,709.25	52.94%
Gold	1,991.40	1,907.80	1,892.40	1,784.80	1,899.60	1,850.30	1,728.80	1,713.80	1,773.20	1,903.60	1,771.60	1,812.30	1,818.10	-8.70%
High Grade Copper	3.08	3.04	3.06	3.44	3.52	3.56	4.09	4.00	4.46	4.68	4.30	4.48	4.38	42.05%
Iron Ore 62%	122.53	123.98	120.19	124.62	155.84	168.13	165.61	166.90	179.63	207.01	214.55	177.18	159.25	29.97%
Palladium	2,215.70	2,217.35	2,237.20	2,273.90	2,325.95	2,329.50	2,374.60	2,455.50	2,500.00	2,617.00	2,780.50	2,656.20	2,466.50	11.32%
Platinum	937.05	903.25	847.10	972.20	1,079.50	1,098.10	1,205.25	1,191.10	1,203.10	1,183.75	1,067.20	1,048.40	1,012.10	8.01%
Silver	28.86	23.72	23.90	22.66	26.47	26.95	26.44	24.53	25.92	28.01	26.19	25.55	24.01	-16.82%
Uranium	30.95	29.90	29.40	29.15	30.00	30.10	28.45	31.35	29.25	31.50	32.45	34.10	33.70	8.89%
US Steel Coil	518.00	615.00	699.00	800.00	1,005.00	1,149.00	1,264.00	1,348.00	1,505.00	1,665.00	1,810.00	1,888.00	1,945.00	275.48%

Softs Price Tracker

Commodity	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	1-Year Change
Cotton #2	65.26	65.81	68.98	72.24	78.24	80.61	89.02	80.77	88.34	82.09	85.05	89.39	92.52	41.77%
Orange Juice	113.80	113.70	117.95	128.75	123.25	110.60	106.75	110.60	108.03	118.65	118.55	132.95	134.55	18.23%
Coffee	129.80	110.95	104.40	120.70	128.25	122.95	136.85	123.50	141.55	162.35	159.35	179.55	193.45	49.04%
Sugar #11	12.66	13.07	14.36	14.51	15.49	15.83	17.53	14.77	17.05	17.36	17.63	17.91	19.84	56.71%
Cocoa	2,723.00	2,546.00	2,293.00	3,008.00	2,603.00	2,531.00	2,701.00	2,348.00	2,382.50	2,412.00	2,360.00	2,366.00	2,560.00	-5.99%
Lumber	928.00	612.20	495.60	636.80	873.10	887.00	995.60	1,009.10	1,502.30	1,309.50	716.00	621.20	483.40	-47.91%

Meats & Grains Price Tracker

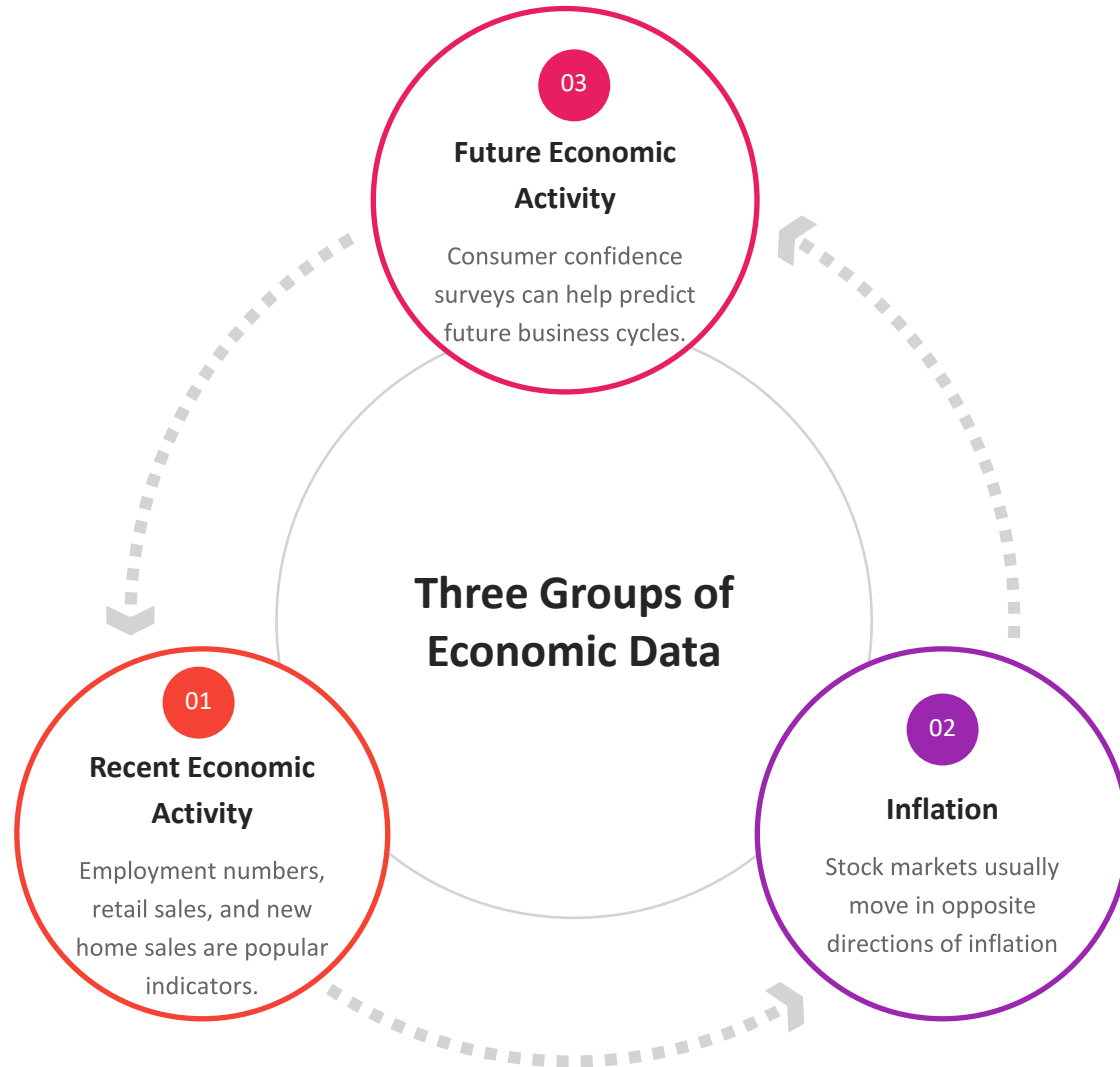
Commodity	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	Jul 2021	Aug 2021	1-Year Change
Live Cattle	104.50	108.55	105.98	110.18	112.95	115.05	113.10	120.98	116.29	115.88	122.50	127.20	118.95	13.83%
Feeder Cattle	140.30	141.35	137.40	141.05	138.95	137.73	138.68	143.88	133.03	151.35	154.63	161.80	158.35	12.87%
Lean Hogs	53.60	72.80	65.57	67.57	70.28	69.80	87.15	101.05	109.76	117.25	107.47	88.03	88.80	65.67%
Class III Milk	19.77	19.53	21.59	23.27	15.80	16.12	15.63	17.60	17.63	18.97	16.91	16.29	16.65	-15.78%
Oats	274.25	285.75	297.25	284.75	360.75	349.50	376.50	378.75	404.80	377.50	384.00	448.10	496.25	80.95%
Rough Rice	12.49	12.48	12.53	12.56	12.40	13.46	12.75	13.18	13.68	13.30	13.18	13.66	13.13	5.12%
US Corn	348.50	379.00	398.50	419.75	484.00	547.00	555.50	564.25	740.00	656.75	720.00	544.80	534.00	53.23%
US Soybeans	952.50	1,021.75	1,056.88	1,168.75	1,310.25	1,364.38	1,407.88	1,436.75	1,535.62	1,528.50	1,402.50	1,348.38	1,294.00	35.85%
US Wheat	546.50	578.12	598.50	581.00	641.75	662.62	660.12	618.75	735.30	664.00	678.62	703.50	723.62	32.41%

ECONOMIC DATA

Economic Data: Three Groups

Analyzing and interpreting economic data is so important in understanding how debt and equity markets function. For example, it appears as though we are entering into a period of higher inflation, and if this is correct, we know that commodity-driven sectors are more likely to outperform sectors which rely on high amounts of discretionary spending. This is because the value of financial assets is eroded, and consumers tend to direct their money toward things they need rather than things they want.

Use this section to stay apprised of the key economic reports that come out each month. Along with the results, I'll also provide a definition of what each indicator measures and how it may be interpreted.



Measures of Recent Economic Activity

Gross Domestic Product	GDP is the total amount of goods and services produced in a country. It is reported in both nominal and inflation-adjusted numbers. It's an important metric used to understand whether an economy is expanding or contracting, and is made up of the sum of personal consumption expenditures, gross private investment, government purchases, and net exports.
New and Existing Home Sales	New and existing home sales, as well as industry data on housing starts and building permits, can help investors assess the overall strength of the housing market. They may help predict demand for purchases of durable goods like furniture, appliances, and other goods and services related to home maintenance.
Retail Sales	Retail sales are reported in two ways: total and core, which exclude automobile sales. Considered to be a pace indicator for an economy, retail sales growth estimates is one of the leading indicators for consumer spending, which is the biggest component of a country's GDP. High retail sales numbers usually correlate with higher stock market prices.
Industrial Surveys	Industrial surveys, such as surveys of purchasing managers, indicate activity levels in both manufacturing and non-manufacturing sectors. In Canada, the Ivey Purchasing Managers Index (PMI) standardizes this activity on a scale of 1-100. A reading above 50 generally indicates expansion, while below 50 indicates a contraction.
Trade Balance	The trade balance is the difference between net exports and imports, which, as described above, is a component of GDP. While a trade deficit (more imports than exports) is often seen as a negative signal because of its effect on GDP, the higher imports usually indicates stronger consumer demand for goods and services, which has a positive effect.

Measures of Inflation & Future Economic Activity

Consumer Price Index

By far, the most reported on measure of inflation is the Consumer Price Index (CPI). It measures price changes of a fixed basket of goods and services that may or may not be representative of your actual spending habits. Higher inflation rates are generally associated with lower stock market prices, though not always.

Industrial Product Price Index

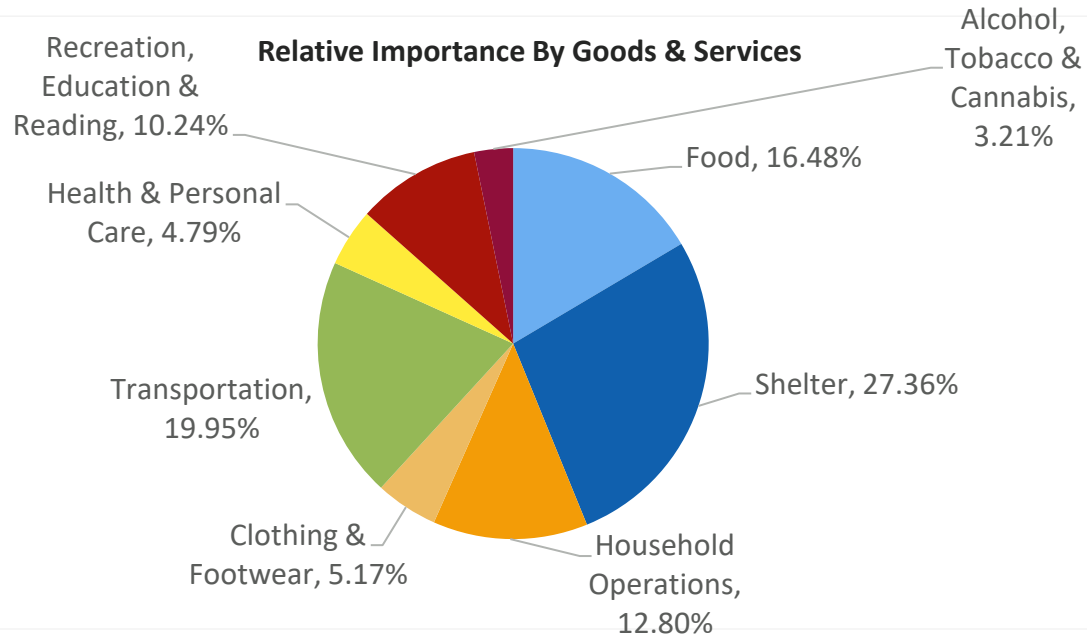
The Industrial Product Price Index (IPPI) measures price changes for major commodities sold by manufacturers operating in Canada. In the U.S., the Producers Price Index (PPI) measures what producers pay for a broad range of goods and commodities. These are both considered to be leading indicators of the CPI.

Consumer Confidence Surveys

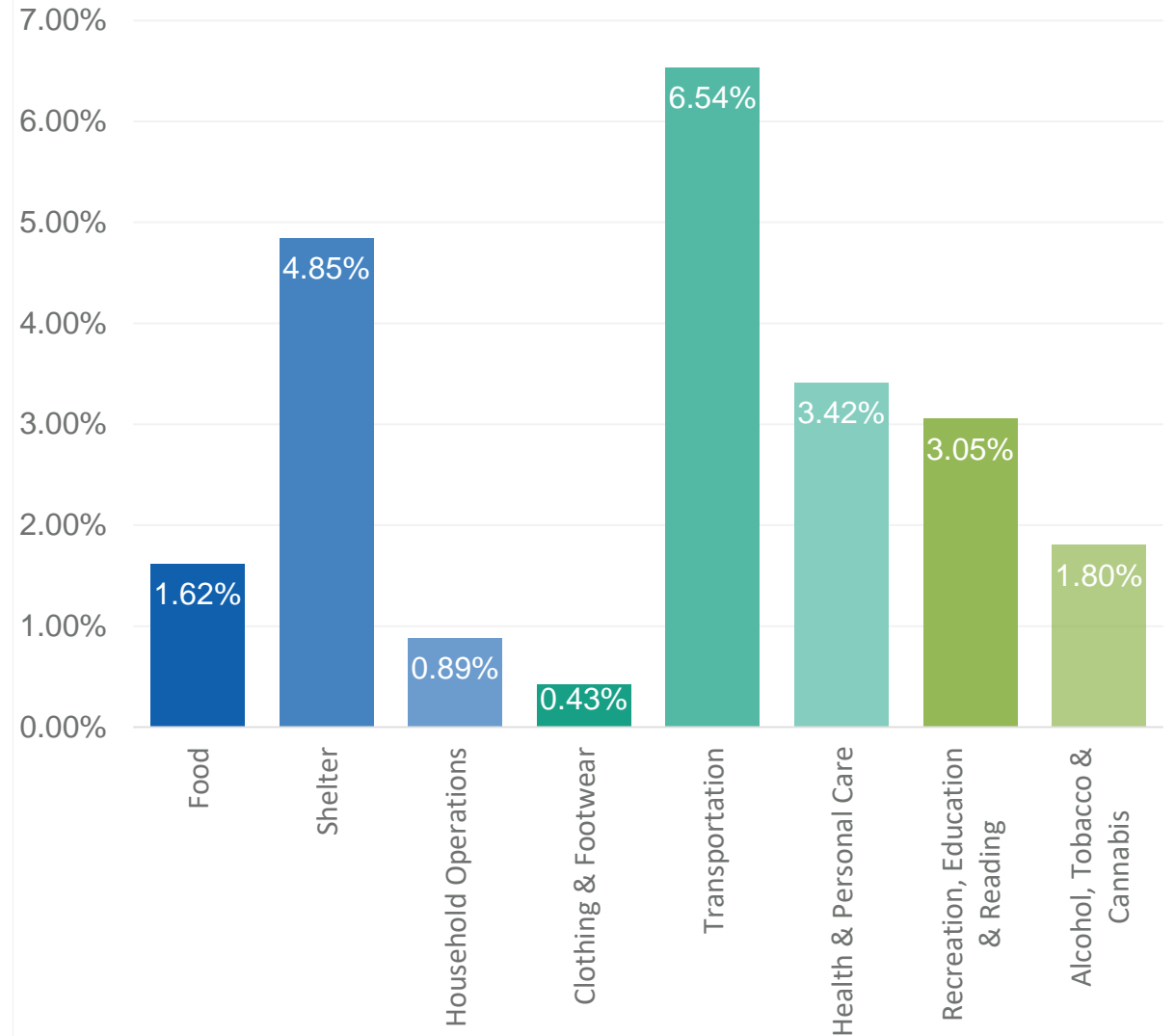
In the absence of any hard data, consumer confidence surveys are used to get an idea of how the average consumer perceives the economy. Survey topics include business and employment conditions as well as if there are any anticipated household income changes. Confidence surveys are considered to be reliable indicators of future activity.

Canadian Consumer Price Index

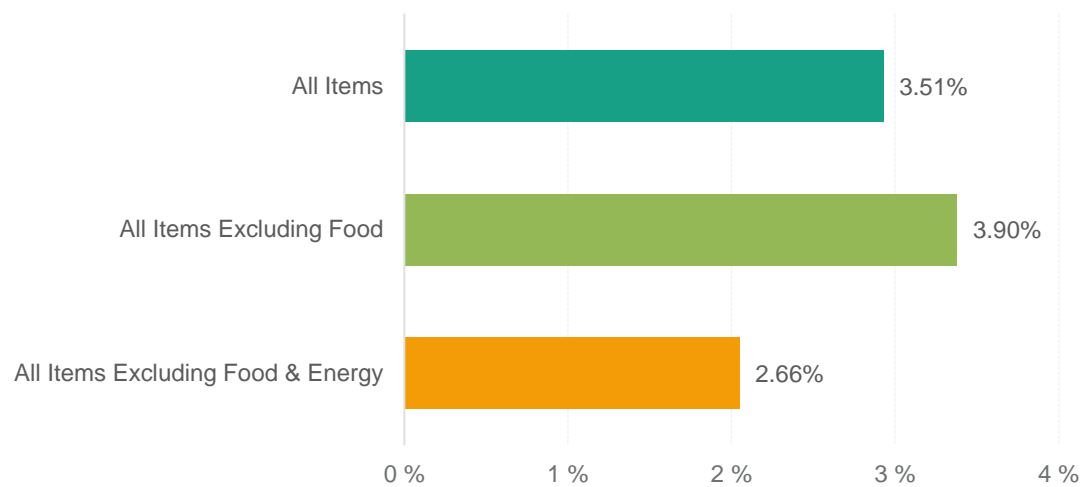
Relative Importance By Goods & Services



Seasonally Adjusted Annual Price Changes By Sub-Category



Headline Numbers: Annual Changes



CANADIAN ECONOMIC REPORTS

JULY EMPLOYMENT CHANGE

Canadian jobs fell short of expectations in July, adding 94K jobs (including 83K full-time), or 0.5% over June's numbers, on expectations of 178K. The report shows the country continues to rebound but at a slower pace. Virtually all gains were made in services sectors such as in restaurants, however, the number of long-term employed people (those not working for at least six months) remains about 240K higher than before the pandemic. These work environments are high contact and high risk, so there's a good chance many of these workers may never return and will seek employment elsewhere, provided they have the necessary skills. Assuming some don't, and considering the time it takes to train for a new line of work, I suspect jobs growth will eventually slow to a crawl.

IVEY PMI

The Ivey Purchasing Managers' Index, which measures the activity level of purchasing managers in Canada, came in at 54.4 in June compared to last month's 71.9 – a startling decline. According to the [Ivey website](#), PMI panel members indicate whether their organizations' activity is higher than, the same as, or lower than the previous month across five categories: purchases, employment, inventories, supplier deliveries, and prices. While still above 50, which is the minimum point indicating that there is an increase in activity, this lower reading indicates the slowest level of growth in six months.

01



02



03



04



GROSS DOMESTIC PRODUCT

June GDP numbers showed the Canadian economy expanded by 0.7%, perfectly aligning with economists' expectations and countering the 0.3% contractions seen in the last two months. However, second-quarter GDP shrank by an annualized 1.1%, which surprised most economists, and July's numbers are currently estimated to come in at a 0.4% contraction. It seems as though the housing and construction markets have cooled off, and it's difficult to make heads or tails of the supply chain disruptions in the auto sector. As of the Bank of Canada's latest monetary report dated July 14, the Bank is still forecasting growth of 6% this year, slowing to 4.5% in 2022 and 3.25% in 2023.

RETAIL SALES

As expected, retail sales bounced back in June as an easing of COVID-19 restrictions drove activity. Core retail sales, which exclude auto sales, rose 4.7% on a 4.6% forecast. Total retail sales grew by 4.2% on a 4.4% forecast. Clothing stores gained 49%, but supermarket store spending fell 3.5%. This isn't completely surprising given the timing, but I would suggest that after several consecutive months of fewer restrictions, growth rates will revert closer to their historical averages.