

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

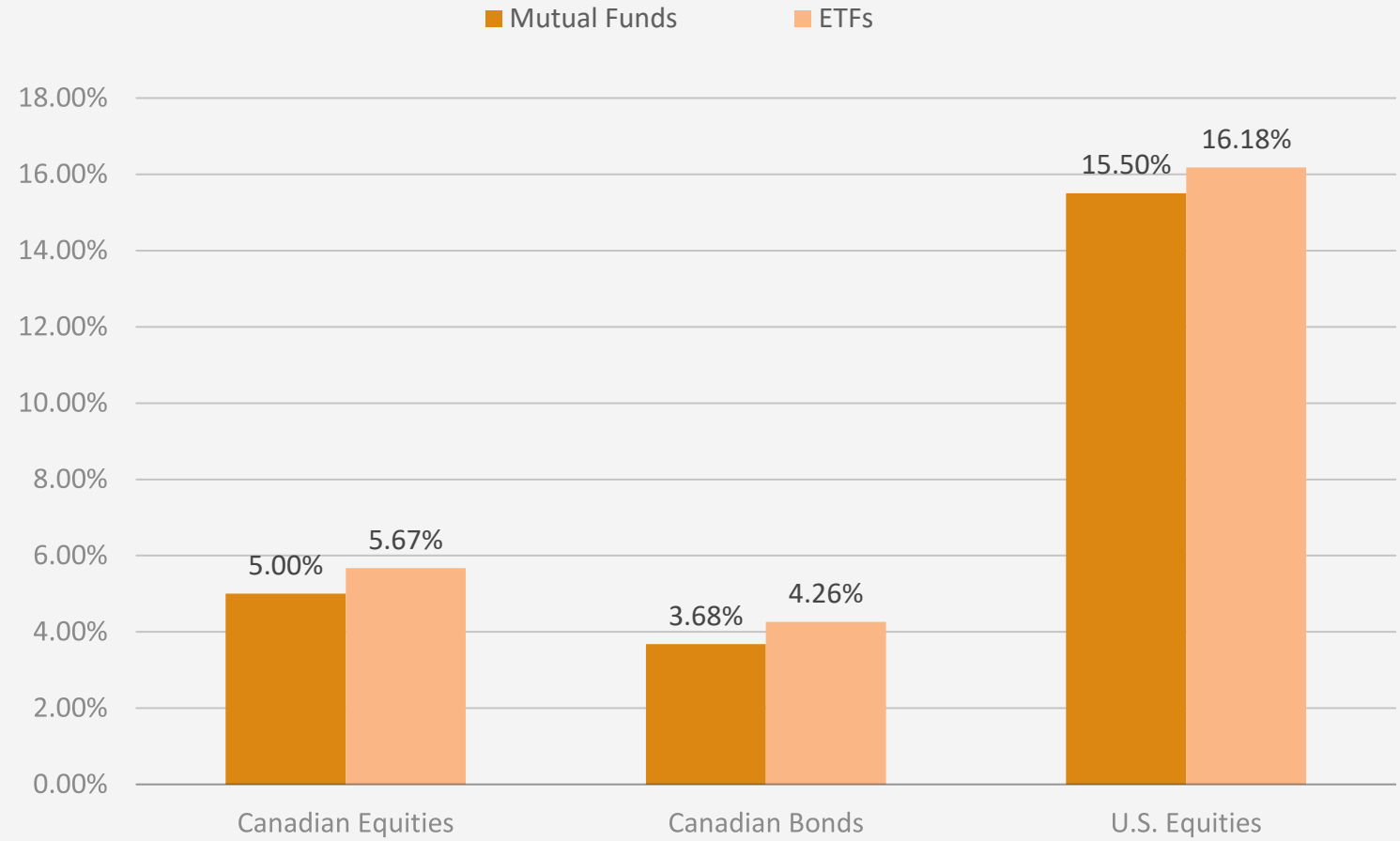


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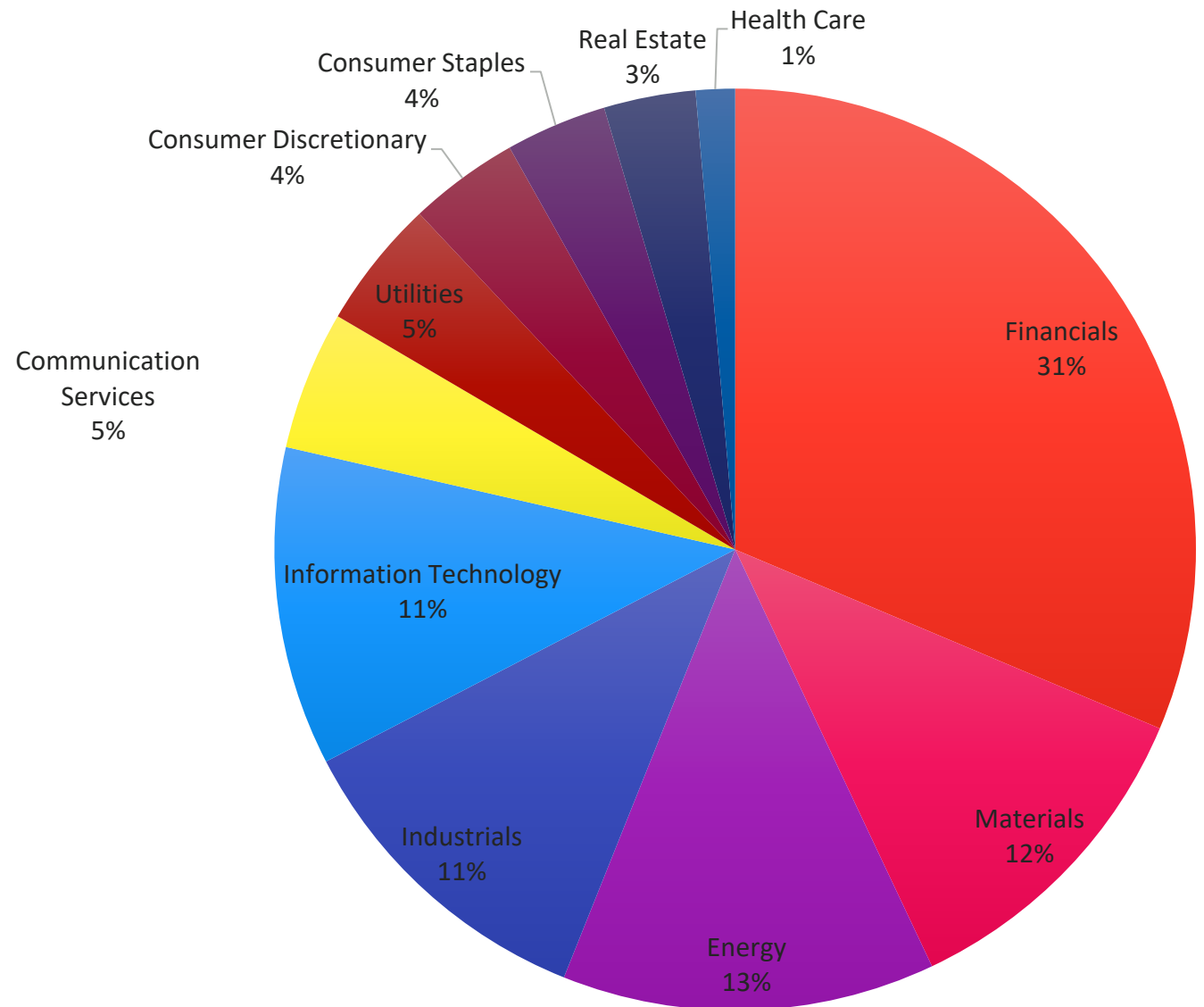
More on Those Fees

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. 44% 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 price changes for the last twelve months.



Economic Data

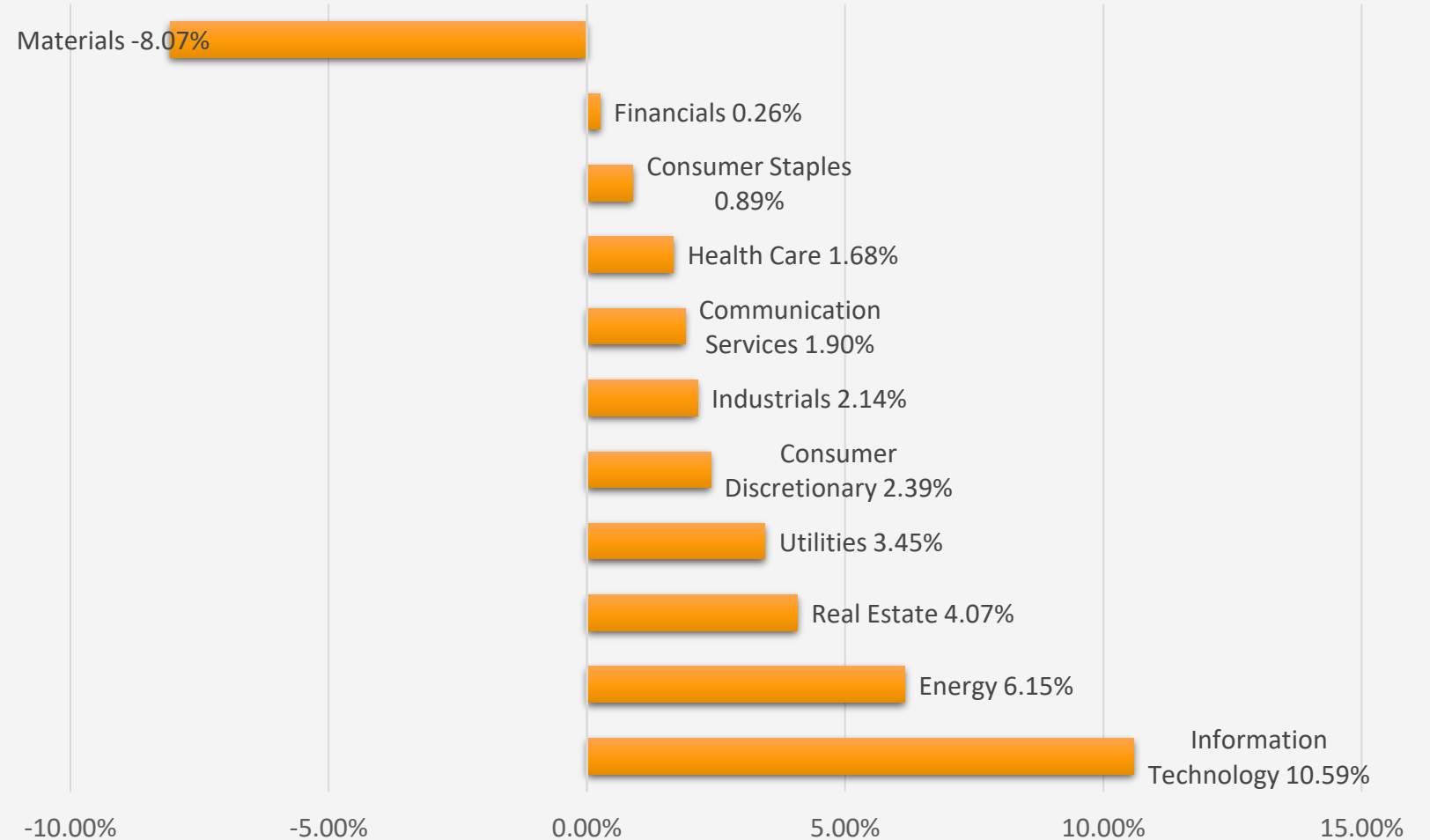
Review all the month's economic data in one place, plus explanations for what they mean and how to interpret them.

CANADIAN EQUITY PERFORMANCES

MONTHLY RETURNS

For June 2021, the S&P/TSX Composite gained 2.46% as the Index saw a resurgence of the Technology sector. Shopify, Canada's most valuable company, gained 22.46% to lead the way, and the retail crowd helped boost BlackBerry a further 22.18%, too. Energy also continued its momentum with the price of WTI Crude Oil easily settling above \$70 in June. That sector gained 6.15% thanks to outstanding performances by Exploration & Production (E&P) stocks like Vermilion Energy.

In what was clearly a bull-market-driven month, it's no surprise to see the Materials sector at the bottom. You'll find many gold stocks in this list, including Equinox Gold (24.27%) and Kinross Gold (18.92%). Apart from high gold prices usually indicating nervousness among market participants, gold stocks now are competing with the crypto crowd as an alternative store of value. Still, the sector has performed terribly in the last six months, and I would be surprised if there wasn't a reversal in the near future.



AVERAGE RETURNS BY SECTOR

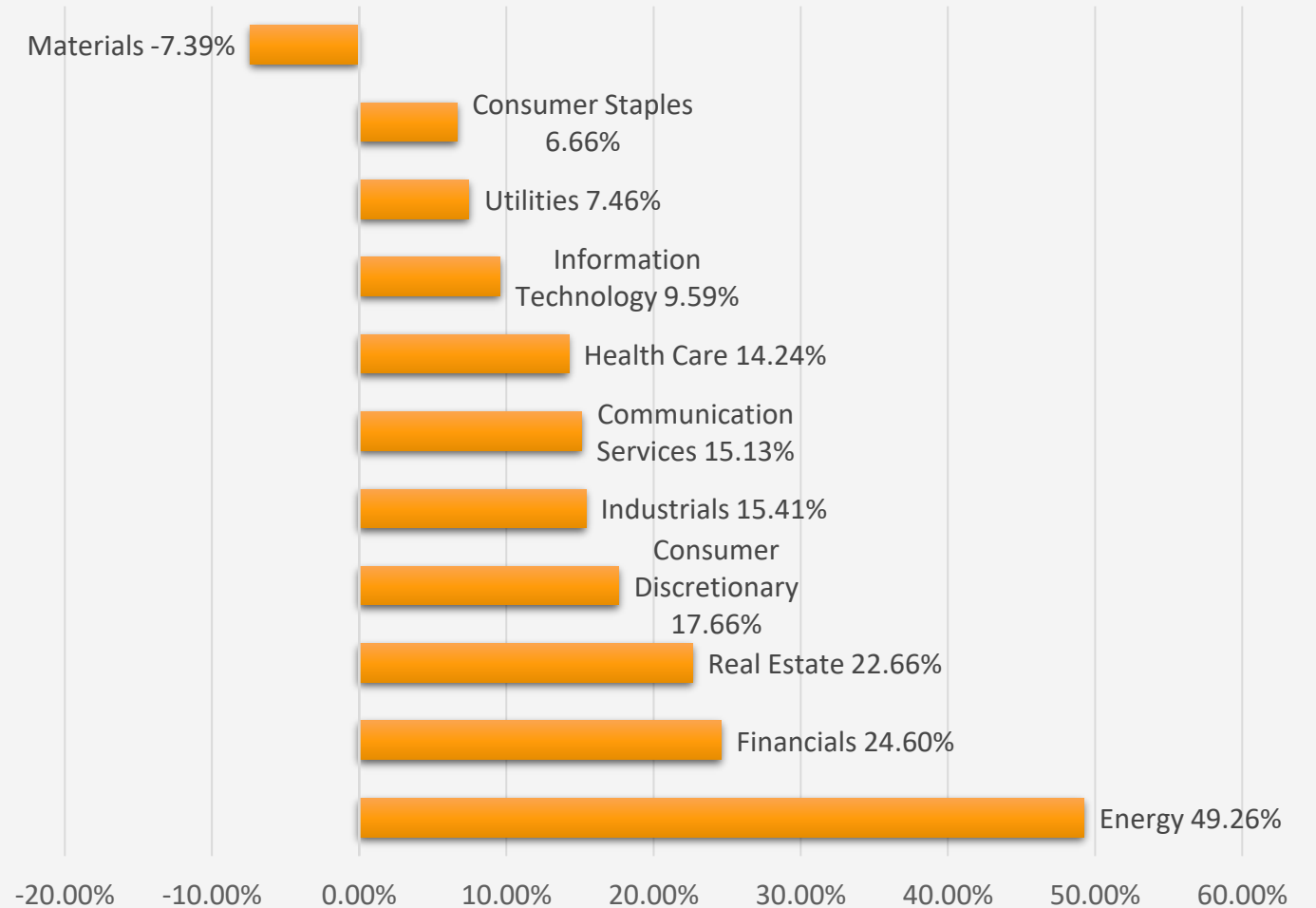
Periodic Average Sector Performances: S&P/TSX Composite Index Total Return

Sector	1M	3M	6M	1Y	2Y	3Y
Communication Services	1.90%	4.88%	21.62%	166.09%	102.68%	157.35%
Consumer Discretionary	2.39%	4.76%	19.15%	83.49%	43.39%	33.08%
Consumer Staples	0.89%	-0.29%	9.55%	32.20%	38.86%	33.46%
Energy	6.15%	16.49%	54.00%	91.61%	30.88%	10.00%
Financials	0.26%	10.77%	28.21%	60.54%	52.42%	65.60%
Health Care	1.68%	-5.89%	21.31%	30.56%	310.02%	12.37%
Industrials	2.14%	6.24%	17.86%	53.07%	62.00%	81.50%
Information Technology	10.59%	12.11%	12.33%	17.92%	85.50%	135.49%
Materials	-8.07%	5.90%	-3.11%	27.76%	54.46%	74.98%
Real Estate	4.07%	10.69%	21.66%	42.68%	20.50%	37.69%
Utilities	3.45%	2.57%	6.99%	30.28%	45.97%	68.65%
S&P/TSX Composite Index	2.46%	8.60%	17.40%	33.85%	31.15%	36.30%

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 Energy sector was 49.26% vs. -7.39% for the Materials sector for a total range of sector returns of 56.65%.

Last month, two of the sectors I suggested overweighting were Materials and Technology. Obviously, only one of those worked out. Still, I think Materials is smart to overweight given that the price of gold is still near \$1,800. The gains gold stocks made in May were essentially wiped out in June, and it could be one with a lot of lot of upside this month. The same can be said for Consumer Staples and Utilities. Couche-Tard just reported an excellent quarter, and now has had four consecutive months in the green. Also, Fortis is one of the least volatile stocks in the entire S&P/TSX Composite over the last three years (second only to BCE). Given the uncertainty ahead, taking a bit of risk off the table makes a lot of sense.

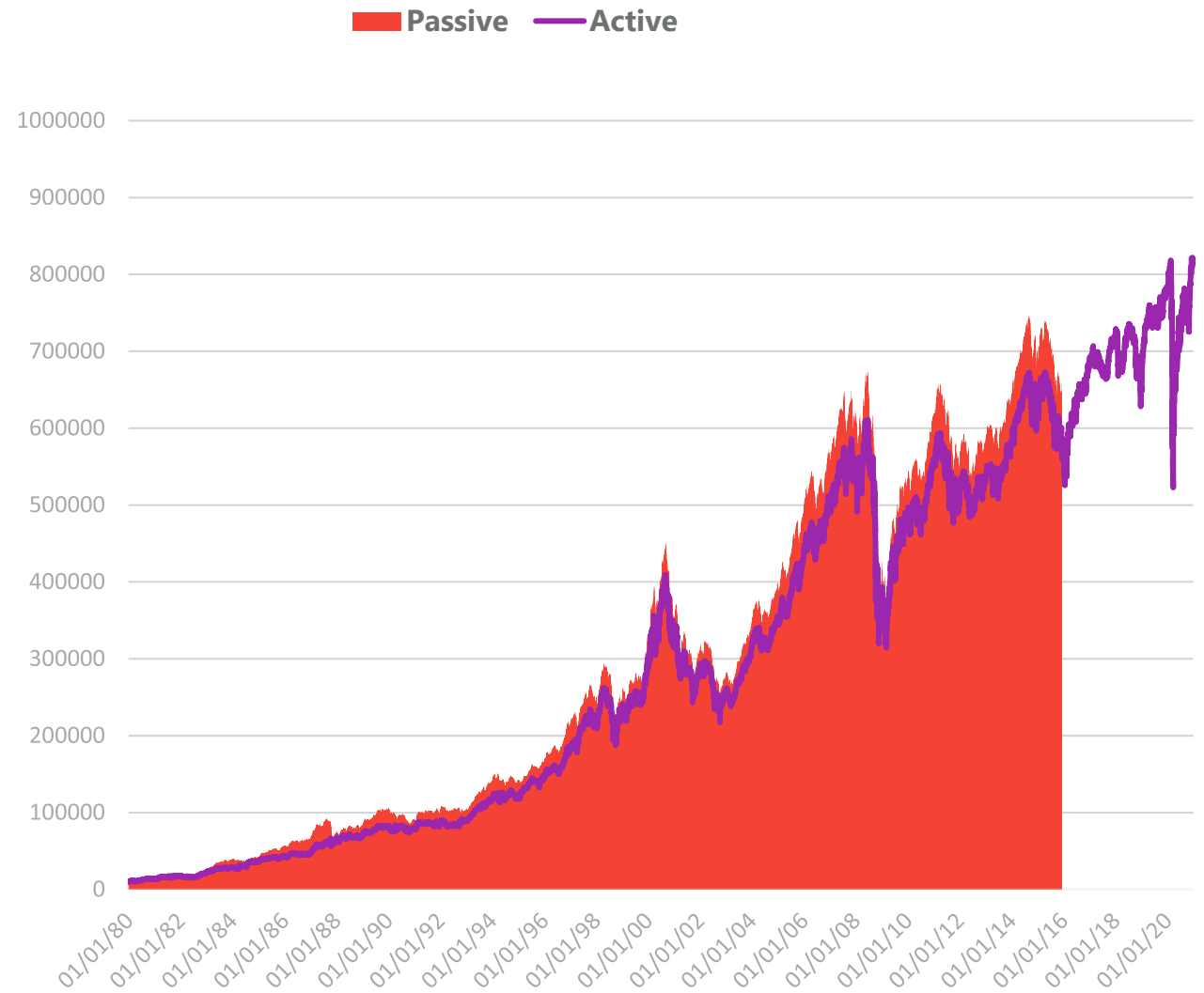


The Importance of Staying Invested

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	-8.41%	-25.25%	-15.21%	1011.64%	666.89%	926.85%
BCE	3.66%	9.75%	16.16%	15.00%	15.38%	36.34%
Cogeco Communications	4.47%	4.90%	27.23%	28.94%	36.80%	103.41%
Corus Entertainment	2.77%	10.13%	48.66%	129.98%	13.48%	51.46%
Quebecor	0.95%	-0.95%	2.85%	16.93%	11.62%	30.53%
Rogers Communications	7.49%	15.69%	14.10%	26.09%	1.35%	16.99%
Shaw Communications	0.55%	11.77%	65.63%	71.36%	49.02%	55.53%
Telus	3.76%	13.01%	13.52%	28.76%	26.95%	37.66%
Communications Sector Average	1.90%	4.88%	21.62%	166.09%	102.68%	157.35%

CONSUMER DISCRETIONARY

Company Name	1M	3M	6M	1Y	2Y	3Y
Aritzia	25.74%	28.11%	45.04%	96.77%	122.93%	139.79%
BRP	-3.89%	-10.09%	16.51%	69.44%	110.39%	56.72%
Boyd Group Services	8.98%	7.38%	4.21%	13.38%	38.89%	96.89%
CCL Industries	1.18%	-0.79%	19.72%	58.72%	10.06%	10.80%
Canada Goose Holdings	11.99%	10.76%	44.40%	73.35%	7.79%	-29.33%
Canadian Tire	-4.01%	11.96%	20.14%	73.79%	48.16%	26.32%
Gildan Activewear	5.81%	20.74%	30.48%	120.82%	-6.84%	32.47%
Great Canadian Gaming	1.81%	3.74%	3.24%	66.06%	1.10%	-3.57%
Intertape Polymer Group	-0.65%	3.78%	21.19%	149.17%	72.95%	81.52%
Linamar	-2.93%	3.83%	14.34%	110.78%	60.10%	36.69%
Magna International	-3.67%	6.21%	31.11%	98.24%	90.12%	75.21%
Martinrea International	-4.03%	6.38%	-11.80%	29.19%	24.13%	-2.89%
New Flyer Industries	9.06%	0.52%	17.66%	73.89%	-16.79%	-34.64%
Restaurant Brands International	-4.11%	-1.15%	4.66%	12.20%	-5.70%	9.96%
Richelieu Hardware	-7.34%	-3.37%	21.22%	39.21%	83.46%	49.22%
Sleep Country Canada	0.99%	-3.95%	16.11%	92.83%	67.79%	1.17%
Spin Master	17.64%	39.63%	68.89%	99.74%	29.38%	-15.94%
Westport Fuel Systems	-10.72%	-25.43%	-0.43%	308.53%	89.88%	103.03%
Winpak	3.65%	-7.78%	-2.87%	0.15%	-3.32%	-4.83%
Consumer Discretionary Average	2.39%	4.76%	19.15%	83.49%	43.39%	33.08%

CONSUMER STAPLES

Company Name	1M	3M	6M	1Y	2Y	3Y
Alimentation Couche-Tard Inc	4.54%	13.99%	6.71%	9.30%	13.67%	65.04%
Cott	0.49%	2.60%	5.60%	14.07%	23.82%	1.01%
Dollarama	8.08%	2.95%	10.27%	26.91%	24.87%	13.36%
Empire Company	-3.39%	2.27%	15.60%	24.62%	24.71%	58.38%
George Weston	0.81%	7.13%	26.06%	21.85%	24.55%	17.86%
Jamieson Wellness	-9.65%	-6.91%	-4.92%	-2.80%	74.69%	34.20%
Loblaws	3.87%	10.00%	23.57%	18.55%	19.11%	49.66%
Maple Leaf Foods	-2.62%	-9.14%	-7.12%	-7.01%	-5.27%	-16.70%
Metro	2.61%	5.15%	6.62%	8.95%	26.05%	40.97%
North West Company	-0.87%	-0.41%	12.08%	25.07%	30.71%	39.26%
Premium Brands	3.88%	6.13%	26.82%	49.21%	48.23%	19.97%
Saputo	-9.95%	-0.11%	6.43%	18.36%	-0.46%	-9.15%
SunOpta	-0.13%	-18.94%	1.28%	135.68%	249.42%	35.68%
Village Farm	14.77%	-18.81%	4.62%	108.10%	-10.10%	118.91%
Consumer Staples Average	0.89%	-0.29%	9.55%	32.20%	38.86%	33.46%

ENERGY

Company Name	1M	3M	6M	1Y	2Y	3Y
ARC Resources	14.20%	35.80%	76.08%	136.34%	82.10%	-8.61%
Cameco	0.04%	15.74%	41.47%	74.32%	73.95%	65.96%
Canadian Natural Resources	7.39%	15.68%	48.78%	99.40%	43.39%	10.79%
Cenovus Energy	17.72%	22.33%	49.26%	82.17%	2.82%	-11.45%
Crescent Point Energy	10.93%	4.58%	84.61%	149.89%	28.63%	-40.28%
Denison Mines	-3.21%	6.69%	74.00%	204.50%	108.80%	128.38%
Enbridge	8.13%	11.72%	27.99%	31.31%	22.24%	30.67%
Enerplus	9.33%	37.66%	119.48%	133.06%	-7.46%	-44.48%
Gibson Energy	2.28%	9.63%	20.67%	21.21%	17.11%	66.10%
Imperial Oil	-6.36%	22.62%	55.72%	75.75%	9.10%	-7.57%
Inter Pipeline	15.04%	13.69%	73.41%	65.89%	11.39%	-0.48%
Keyera	10.76%	28.51%	51.15%	72.90%	14.15%	11.18%

ENERGY (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
MEG Energy	6.91%	31.51%	92.68%	127.44%	70.81%	-21.77%
NexGen Energy	-12.37%	8.52%	40.06%	177.74%	140.98%	102.30%
Parex Resources	-1.99%	-9.82%	15.35%	23.53%	-3.81%	-18.57%
Parkland Fuel	0.75%	6.19%	0.06%	21.81%	1.96%	35.17%
Pembina Pipeline	1.81%	10.75%	35.95%	25.48%	-7.22%	4.44%
PrairieSky Royalty	13.52%	12.68%	52.04%	81.15%	-11.12%	-34.44%
Suncor Energy	6.54%	13.15%	40.34%	33.56%	-21.92%	-38.29%
TC Energy	2.12%	9.39%	23.59%	13.58%	6.63%	28.07%
Tourmaline Oil	20.90%	48.74%	108.71%	206.43%	127.03%	64.94%
Vermilion Energy	16.03%	18.06%	89.77%	78.46%	-57.14%	-72.10%
Whitecap Resources	1.08%	5.49%	20.80%	171.15%	57.72%	-20.01%
Energy Average	6.15%	16.49%	54.00%	91.61%	30.88%	10.00%

FINANCIALS

Company Name	1M	3M	6M	1Y	2Y	3Y
Bank of Montreal	0.69%	15.04%	34.64%	85.38%	41.82%	43.51%
Bank of Nova Scotia	-0.73%	3.86%	20.26%	52.05%	26.45%	25.35%
Brookfield Asset Management	5.36%	14.88%	22.42%	45.10%	57.17%	87.20%
CI Financial	2.27%	26.39%	46.79%	37.08%	15.65%	9.03%
CIBC	1.30%	17.28%	34.29%	65.41%	54.78%	46.68%
Canaccord Genuity Group	2.83%	17.85%	22.11%	99.85%	139.18%	104.69%
Canadian Western Bank	-5.09%	8.59%	22.39%	51.17%	24.69%	11.41%
ECN Capital	10.31%	18.48%	43.90%	143.44%	127.70%	176.30%
Equitable Group	-4.83%	5.57%	32.26%	88.73%	88.78%	134.11%
Fairfax Financial	-3.59%	-0.28%	29.52%	33.97%	-10.71%	-20.42%
Goeasy	7.49%	25.32%	63.10%	191.77%	209.90%	318.10%
Great-West Lifeco	-0.41%	10.61%	23.51%	62.50%	36.27%	33.84%
Home Capital Group	5.29%	18.85%	23.37%	81.58%	88.97%	144.12%
IGM Financial	-0.38%	15.67%	30.25%	41.00%	33.59%	39.92%

FINANCIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
Intact Financial	3.68%	10.44%	13.45%	33.86%	46.39%	95.18%
Laurentian Bank of Canada	1.01%	10.09%	42.66%	59.93%	8.53%	15.82%
Manulife Financial	-3.44%	-8.85%	10.01%	38.58%	13.06%	18.84%
National Bank of Canada	-1.62%	8.65%	30.54%	55.18%	58.41%	62.92%
Onex	2.59%	16.32%	24.61%	48.94%	16.27%	-4.42%
Power Corp of Canada	0.71%	20.13%	37.58%	73.92%	59.31%	61.44%
Royal Bank of Canada	1.11%	10.64%	22.57%	42.36%	31.45%	43.70%
Sprott	-12.86%	3.17%	34.12%	3.05%	55.06%	78.98%
Sun Life Financial	-1.18%	2.12%	15.62%	33.68%	27.96%	36.62%
TD Bank	-0.03%	7.21%	23.48%	50.42%	24.31%	29.77%
TMX Group	-1.31%	2.10%	5.48%	0.97%	52.06%	65.35%
iA Financial	-2.50%	-0.13%	24.59%	54.07%	35.87%	47.62%
Financials Average	0.26%	10.77%	28.21%	60.54%	52.42%	65.60%

HEALTH CARE

Company Name	1M	3M	6M	1Y	2Y	3Y
Aurinia Pharmaceuticals	-7.48%	-0.69%	-7.59%	-26.37%	87.82%	114.65%
Aurora Cannabis	-0.09%	-1.37%	8.77%	-31.33%	-90.64%	-89.67%
Bausch Health Companies	-4.66%	-7.13%	40.21%	49.07%	12.07%	21.01%
Canopy Growth	-0.89%	-22.77%	-0.48%	41.74%	-41.05%	-18.87%
Cronos Group	4.20%	-5.19%	27.42%	37.70%	-46.39%	32.20%
OrganiGram Holdings	-3.79%	-15.07%	118.60%	74.26%	-56.18%	-30.82%
Sienna Senior Living	1.96%	16.23%	19.71%	90.31%	-3.71%	19.07%
Trillium Therapeutics	24.20%	-11.14%	-36.14%	9.13%	2618.25%	51.40%
Health Care Average	1.68%	-5.89%	21.31%	30.56%	310.02%	12.37%

INDUSTRIALS

Company Name	1M	3M	6M	1Y	2Y	3Y
ATS Automation Tooling Systems	19.56%	34.05%	58.77%	85.59%	66.59%	81.60%
Aecon Group	-0.30%	-5.90%	12.76%	27.66%	2.25%	30.71%
Air Canada	-6.80%	-3.13%	11.25%	49.45%	-36.17%	19.21%
Badger Infrastructure Solutions	-2.43%	-11.18%	0.50%	29.65%	-17.92%	25.81%
Ballard Power	7.00%	-26.94%	-24.80%	7.20%	318.59%	492.44%
Brookfield Business Partners	3.09%	12.00%	17.65%	36.34%	12.33%	14.23%
CAE	2.63%	7.28%	8.92%	74.46%	10.30%	44.21%
CN Railway	-2.31%	-8.90%	-4.65%	12.02%	13.16%	29.76%
CP Railway	-1.59%	0.56%	9.55%	40.71%	59.18%	105.86%
Cargojet	2.78%	13.42%	-14.21%	15.45%	121.42%	193.70%
Element Financial	6.03%	5.33%	8.75%	44.94%	56.36%	148.65%
Exchange Income	1.63%	0.89%	12.41%	59.45%	19.02%	51.79%
Finning International	5.15%	-0.62%	18.24%	75.89%	41.93%	7.68%
GFL Environmental	1.46%	-8.93%	7.80%	57.09%	84.06%	84.06%

INDUSTRIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
Mullen Group	4.23%	12.09%	26.64%	94.01%	57.22%	1.24%
Ritchie Bros. Auctioneers	2.87%	1.25%	-15.48%	36.25%	75.43%	73.87%
Russel Metals	2.61%	37.17%	53.17%	122.86%	77.14%	54.94%
SNC-Lavalin	-2.15%	20.83%	49.69%	42.23%	23.52%	-42.63%
Stantec	3.00%	3.46%	35.25%	34.22%	82.08%	72.36%
TFI International	-4.66%	22.28%	77.79%	161.01%	213.84%	211.84%
Thomson Reuters	5.44%	13.81%	20.83%	37.80%	53.65%	161.96%
Toromont Industries	0.74%	14.96%	24.39%	65.95%	83.25%	103.31%
Transcontinental	3.42%	5.15%	15.85%	61.90%	75.85%	-11.82%
WSP Global	7.49%	23.18%	22.52%	78.76%	110.32%	123.95%
Waste Connection	2.19%	10.56%	15.25%	18.71%	21.64%	57.70%
Westshore Terminals	-5.32%	-10.35%	15.57%	10.08%	-13.05%	-17.45%
Industrials Average	2.14%	6.24%	17.86%	53.07%	62.00%	81.50%

INFORMATION TECHNOLOGY

Company Name	1M	3M	6M	1Y	2Y	3Y
BlackBerry	22.18%	40.72%	75.74%	124.05%	51.97%	16.97%
CGI	4.72%	8.03%	11.97%	32.21%	12.32%	35.74%
Celestica	-6.18%	-6.80%	-4.72%	5.00%	9.46%	-37.39%
Constellation Software	9.43%	8.11%	14.88%	24.08%	54.73%	87.78%
Descartes Systems Group	21.34%	11.83%	15.17%	19.63%	76.97%	100.19%
Enhouse Systems	3.74%	-5.21%	-8.05%	-21.50%	66.05%	51.39%
Kinaxis	18.91%	11.07%	-9.68%	-16.06%	99.45%	84.06%
LifeWorks	-0.04%	1.48%	8.94%	8.11%	18.68%	32.88%
Open Text	11.19%	5.31%	9.59%	10.87%	20.28%	42.83%
Real Matters	8.76%	26.02%	-6.19%	-31.94%	163.09%	216.16%
Shopify	22.46%	32.61%	28.01%	42.66%	367.49%	859.75%
Information Technology Average	10.59%	12.11%	12.33%	17.92%	85.50%	135.49%

MATERIALS

Company Name	1M	3M	6M	1Y	2Y	3Y
Agnico Eagle Mines	-12.34%	4.95%	-14.36%	-11.03%	16.60%	31.48%
Alamos Gold	-13.35%	-2.68%	-13.79%	-23.98%	22.84%	30.07%
B2Gold	-15.09%	-3.01%	-25.75%	-30.53%	35.62%	58.29%
Barrick Gold	-10.47%	5.57%	-8.82%	-27.12%	30.26%	58.05%
Canfor	-4.77%	9.50%	24.03%	142.17%	168.14%	-9.92%
Cascades	10.98%	-3.12%	5.20%	4.63%	50.68%	37.01%
Centerra Gold	-3.78%	-14.58%	-35.31%	-36.61%	4.96%	32.39%
Dundee Precious Metals	-12.34%	0.69%	-15.17%	-12.57%	61.65%	151.23%
ERO Copper	-7.17%	20.59%	27.74%	32.61%	17.60%	166.17%
Eldorado Gold	-13.98%	-9.10%	-26.83%	-5.70%	62.21%	828.15%
Endeavour Mining	-8.71%	4.52%	-9.09%	-18.03%	26.13%	14.15%
Endeavour Silver	-16.59%	20.55%	16.61%	143.45%	177.71%	81.56%
Equinox Gold	-24.27%	-15.21%	-35.49%	-44.03%	42.80%	73.40%

MATERIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
First Majestic Silver	-9.52%	-0.86%	13.77%	43.93%	87.92%	93.73%
First Quantum Minerals	-3.80%	20.72%	26.53%	167.31%	132.81%	49.61%
Fortuna Silver Mines	-17.93%	-15.52%	-34.17%	-0.21%	84.59%	-7.95%
Franco-Nevada	1.03%	15.93%	14.66%	-3.15%	66.84%	96.05%
Hudbay Minerals	-9.04%	-3.33%	-6.59%	102.87%	18.33%	14.78%
IAMGOLD	-16.09%	-1.96%	-21.48%	-31.97%	-17.23%	-52.13%
Interfor	0.13%	17.32%	39.68%	190.22%	138.17%	31.49%
Ivanhoe Mines	0.67%	38.18%	30.32%	132.21%	114.90%	231.11%
Kinross Gold	-18.92%	-5.17%	-14.62%	-17.99%	58.84%	62.37%
Kirkland Lake Gold	-7.51%	14.11%	-7.39%	-12.25%	-12.23%	78.64%
Labrador Iron Ore Royalty	7.27%	28.56%	50.04%	116.28%	69.40%	173.63%
Lithium Americas	-1.29%	-9.64%	14.22%	160.75%	245.69%	159.63%
Lundin Mining	-12.44%	-12.17%	0.98%	58.15%	63.40%	64.32%

MATERIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
MAG Silver	0.04%	37.00%	-0.54%	35.28%	87.55%	82.54%
Methanex	-4.12%	-11.19%	-29.53%	68.66%	-27.03%	-52.76%
New Gold	-12.89%	14.50%	-20.67%	20.72%	74.90%	-18.93%
NovaGold Resources	-19.32%	-8.86%	-18.93%	-19.77%	29.55%	69.58%
Nutrien	1.79%	12.96%	25.93%	80.57%	17.72%	16.14%
OceanaGold	-9.27%	24.21%	-5.58%	-26.49%	-35.12%	-35.94%
Osisko Gold Royalties	-0.87%	23.49%	6.35%	26.89%	26.05%	39.50%
Osisko Mining	-10.43%	5.41%	-16.24%	-19.09%	-6.09%	72.16%
Pan American Silver	-13.11%	-6.09%	-19.19%	-13.64%	112.12%	54.29%
Pretium Resources	-13.56%	-8.78%	-18.47%	4.71%	-9.13%	23.00%
SSR Mining	-12.60%	8.90%	-23.44%	-32.35%	9.21%	50.88%
Sandstorm Gold	-6.23%	15.87%	8.37%	-24.15%	35.95%	67.24%
Seabridge Gold	-5.85%	7.27%	-18.65%	-8.62%	23.08%	47.30%

MATERIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
Silvercorp Metals	-13.20%	8.95%	-20.75%	-6.91%	109.67%	98.20%
Silvercrest Metals	-9.05%	6.77%	-23.40%	-12.70%	109.83%	223.48%
Stella-Jones	-3.59%	-12.25%	-3.33%	31.92%	-3.12%	-3.26%
Teck Resources	-2.76%	20.39%	25.45%	103.78%	-3.92%	-12.42%
Torex Gold Resources	-19.09%	-10.12%	-25.28%	-33.32%	5.97%	21.81%
Turquoise Hill Resources	-2.47%	3.94%	32.89%	110.37%	29.06%	-43.45%
Wesdome Gold Mines	5.66%	41.13%	10.83%	0.35%	118.38%	283.41%
West Fraser Timber	-4.47%	-1.77%	8.86%	88.37%	52.59%	1.88%
Wheaton Precious	-4.59%	15.53%	4.67%	-6.34%	78.76%	98.84%
Yamana Gold	-16.23%	-2.88%	-26.61%	-27.16%	63.99%	43.38%
Materials Average	-8.07%	5.90%	-3.11%	27.76%	54.46%	74.98%

REAL ESTATE

Company Name	1M	3M	6M	1Y	2Y	3Y
Allied Properties REIT	1.90%	11.92%	21.56%	14.79%	1.86%	19.37%
Altus Group Income Fund	-2.45%	-5.21%	16.88%	41.62%	82.92%	104.55%
Artis REIT	1.17%	4.07%	7.22%	56.01%	4.82%	-0.87%
Boardwalk REIT	5.47%	13.86%	23.38%	42.43%	9.13%	-2.55%
Brookfield Property Partners	5.25%	6.80%	29.66%	86.22%	10.17%	16.81%
CT REIT	-0.06%	1.62%	7.38%	27.40%	28.40%	49.76%
Canadian Apartment Properties REIT	5.15%	8.38%	17.54%	22.70%	26.66%	47.84%
Chartwell Retirement Residences	1.61%	14.76%	21.76%	49.69%	-3.03%	0.22%
Choice Properties REIT	-1.64%	6.17%	12.24%	17.18%	15.26%	38.01%
Colliers International Group	4.82%	13.94%	24.20%	80.71%	50.58%	41.19%
Cominar REIT	8.41%	17.37%	36.41%	38.89%	-73.17%	-72.17%
Crombie REIT	5.09%	13.94%	27.49%	47.68%	30.44%	64.81%
Dream Office REIT	5.41%	8.89%	17.79%	16.62%	5.14%	10.63%
Dundee Industrial REIT	10.90%	14.59%	18.52%	50.27%	44.19%	75.99%

REAL ESTATE (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
First Capital REIT	-1.25%	6.96%	31.07%	32.09%	-12.67%	-3.57%
FirstService	8.59%	14.09%	22.32%	56.22%	70.72%	116.61%
Granite REIT	1.67%	8.25%	7.26%	21.54%	47.04%	74.42%
H&R REIT	0.54%	13.18%	23.01%	72.88%	-20.37%	-3.63%
InterRent REIT	8.46%	13.84%	23.69%	19.61%	26.69%	62.48%
Killam REIT	6.48%	9.66%	19.76%	19.31%	14.95%	49.73%
NorthWest Healthcare Properties REIT	-0.73%	0.07%	4.30%	25.92%	23.93%	39.08%
RioCan REIT	4.38%	14.80%	35.10%	54.26%	-2.53%	11.07%
SmartCentres REIT	0.76%	10.44%	30.80%	50.71%	1.13%	16.30%
Summit Industrial Income REIT	10.94%	25.04%	31.92%	60.61%	50.37%	132.58%
Tricon Capital Group	10.40%	11.09%	25.68%	58.96%	50.17%	39.84%
WPT Industrial REIT	4.68%	19.29%	26.21%	45.40%	50.08%	51.46%
Real Estate Average	4.07%	10.69%	21.66%	42.68%	20.50%	37.69%

UTILITIES

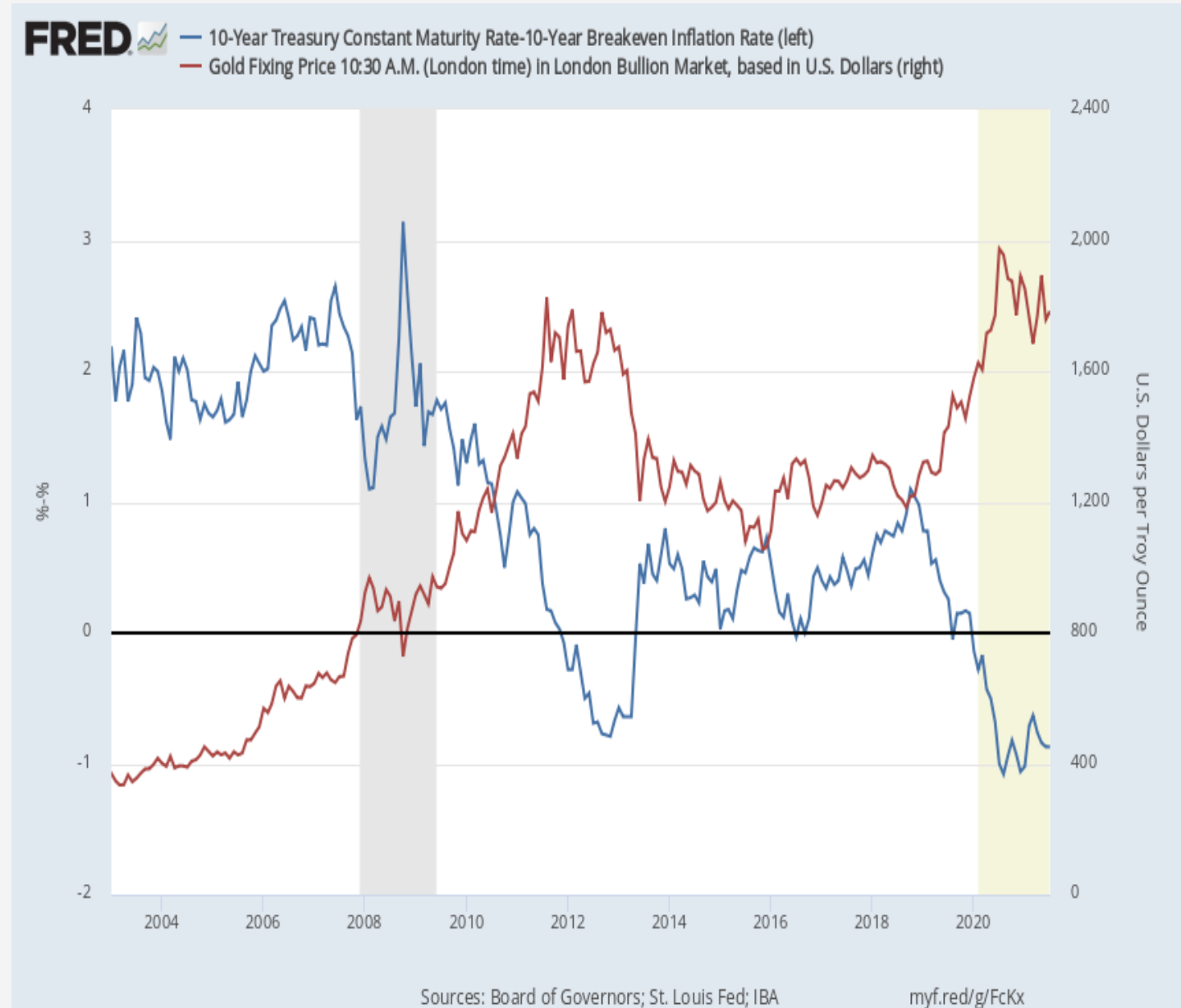
Company Name	1M	3M	6M	1Y	2Y	3Y
ATCO	1.79%	6.18%	22.85%	13.82%	7.60%	21.41%
Algonquin Power & Utilities	0.85%	-6.54%	-10.31%	9.25%	26.15%	65.44%
AltaGas	9.21%	25.98%	42.68%	75.42%	46.40%	15.39%
Boralex	1.67%	-4.83%	-20.06%	23.32%	98.60%	92.37%
Brookfield Infrastructure Partners	5.37%	2.77%	9.47%	25.96%	32.01%	54.18%
Brookfield Renewable Partners	-0.52%	-11.00%	-13.10%	40.11%	110.57%	158.15%
Canadian Utilities	-1.80%	2.87%	13.18%	6.96%	2.48%	19.76%
Capital Power	7.86%	13.91%	20.20%	55.09%	53.70%	95.37%
Emera	-0.09%	2.08%	6.81%	10.68%	15.36%	51.93%
Fortis Canada	0.09%	2.10%	8.12%	10.91%	14.63%	46.54%
Hydro One	-1.53%	3.42%	6.59%	21.77%	41.42%	68.47%
Innergex Renewable Energy	6.10%	-2.21%	-20.87%	14.99%	64.10%	74.40%
Northland Power	4.43%	-6.88%	-6.50%	27.51%	77.34%	94.18%
Superior Plus	0.59%	7.03%	26.66%	42.93%	27.04%	41.25%
TransAlta	12.99%	3.88%	28.35%	55.71%	49.26%	96.62%
TransAlta Renewables	8.17%	2.31%	-2.20%	50.09%	68.84%	102.99%
Utilities Average	3.45%	2.57%	6.99%	30.28%	45.97%	68.65%

CANADIAN DIVIDEND IDEAS

Gold: An Asset Ready To Pop?

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. Currently, the ten-year U.S. Treasury nominal yield is 1.48% with a January 2022 forecast of 1.24%. This expected decrease in nominal yields, coupled with rising inflation, could push the real ten-year even lower than they are now, paving the way for higher gold prices as investors seek safe havens.

There are many Canadian gold stocks you can use to take advantage of this possibility (or even just use as a hedge). I've always liked Franco-Nevada, a company that simply collects royalties (or buys metals at a discounted price) from the many gold miners it has interests in. For those looking for a bit more leveraged exposure, Kirkland Lake Gold is another one to consider. This relative newcomer has an all-in-sustaining-cost (AISC) of about \$850 per ounce, and pays a bit better dividend. Let's look at how each may fit in investors' portfolios.



Franco-Nevada Gold (FNV)



1.

Operations

Franco-Nevada essentially provides financing for precious metals miners in exchange for royalties over time. In addition, the company acts as a streamer, allowing it to purchase some metals at a discounted price. They have interests in over 400 assets around the world (319 Gold & Equivalents, 82 Energy). In my opinion, it's one of the least risky gold-related plays you can make and attractive if you don't like volatility.

3.

Sales, Earnings, & Financial Health

In Q1, Franco-Nevada reported they sold 10.8% more gold equivalent ounces (GEOs) than in Q1 2020. The company revised its guidance for the year to be around 597,500 GEOs, growing to 645,000 by 2025. On an adjusted earnings basis, it beat by 47% last quarter. Also, due to its structure, the company also has no debt and \$1.2 billion in available capital.

2.

Dividends

The company pays a quarterly dividend in U.S. dollars, with the most recent one being for \$0.30. Dividends have increased for 14 consecutive years, though you might have realized a few dips due to the exchange rate fluctuations. The forward yield is only 0.81%, but in Franco-Nevada's investor presentation, it's noted that Canadian IPO investors (in 2008) now have a yield on cost of 9.8%. The focus is on growth, which I believe is smarter.

4.

Verdict

Franco-Nevada may be right for you if you're looking for something to hold for the long run and would like a decent hedge against other equities in your portfolio. Its yield isn't impressive, but its growth is. In Q1 2020, when the TSX fell 21%, FNV actually gained 5%. I find it to be a great "portfolio saver" during downturns, and since I'm somewhat conservative, it makes sense for me.

Kirkland Lake Gold (KL)



1.

Operations

Unlike Franco-Nevada, Kirkland Lake Gold is a producer with three Canadian and one Australian mine in operation. The company's guidance is for a total of 1.3M to 1.4M ounces of gold produced for 2021, with an AISC of about \$800. In 2020, KL acquired the Detour Lake mine in Ontario, and their latest study shows that the mine has a 22-year lifespan with recovery of about 660K ounces per year at an average cost of \$821/ounce.

3.

Sales, Earnings, & Financial Health

Kirkland Lake's balance sheet is strong, with zero debt and about \$800 million in on hand. Gross profits are consistently in the 70-75% range, and operating income has increased by about 38% in the last twelve months. The majority of earnings come from Ontario operations, which were affected by COVID-19 shutdowns, however that's a problem that's hopefully solved by now.

2.

Dividends

Kirkland Lake only graduated to the S&P/TSX 60 Index in September 2019, so it's still a relatively new name. Back in 2017, the company only paid a quarterly dividend of \$0.01, and has increased payments every year up until this most recent quarter's \$0.1875. Dividends are paid in U.S. dollars, so with the exchange, it represents a yield of about 1.92%. Payout ratios are still low, so I believe the company will announce another dividend increase shortly.

4.

Verdict

With Kirkland Lake, there are a few moving parts right now, with Detour Lake being its biggest potential tailwind. Costs at that mine are expected to substantially decrease over the next five years, and production is expected to average 28% higher from 2021-2025 than it did from 2015-2019. KL fell over 7% last month, and it could be a rare opportunity to pick up shares of a "defensive growth" company at a discount.

COMMODITIES TRACKER

Energy Price Tracker

Commodity	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	1-Year Change
Brent Oil	41.15	43.30	45.28	40.95	37.46	47.59	51.80	55.88	66.13	63.54	66.66	69.63	75.13	82.58%
Carbon Emissions	26.91	26.22	28.64	26.91	23.70	29.13	32.72	32.95	37.28	42.55	48.82	51.84	56.68	110.63%
Crude Oil WTI	39.27	40.27	42.61	40.22	35.79	45.34	48.52	52.20	61.50	59.16	63.48	66.32	73.47	87.09%
Gasoline RBOB	1.20	1.19	1.28	1.20	1.05	1.25	1.41	1.57	1.88	1.95	2.07	2.14	2.24	86.67%
Heating Oil	1.18	1.22	1.20	1.15	1.08	1.36	1.48	1.60	1.86	1.77	1.92	2.04	2.13	80.51%
Natural Gas	1.75	1.80	2.63	2.53	3.35	2.88	2.54	2.56	2.77	2.61	2.93	3.01	3.65	108.57%

Metals Price Tracker

Commodity	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	1-Year Change
Aluminum	1,593.75	1,692.50	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	58.09%
Gold	1,830.50	2,004.60	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	-3.22%
High Grade Copper	2.76	2.91	3.08	3.04	3.06	3.44	3.52	3.56	4.09	4.00	4.46	4.68	4.30	55.80%
Iron Ore 62%	102.95	108.90	122.53	123.98	120.19	124.62	155.84	168.13	165.61	166.90	179.63	207.01	214.55	108.40%
Palladium	2,133.00	2,211.00	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	30.36%
Platinum	852.65	919.70	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	25.16%
Silver	19.04	24.90	28.86	23.72	23.90	22.66	26.47	26.95	26.44	24.53	25.92	28.01	26.19	37.55%
Uranium	31.40	31.35	30.95	29.90	29.40	29.15	30.00	30.10	28.45	31.35	29.25	31.50	32.45	3.34%
US Steel Coil	488.00	482.00	518.00	615.00	699.00	800.00	1,005.00	1,149.00	1,264.00	1,348.00	1,500.00	1,665.00	1,810.00	270.90%

Softs Price Tracker

Commodity	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	1-Year Change
Cotton #2	60.98	62.74	65.26	65.81	68.98	72.24	78.24	80.61	89.02	80.77	88.34	82.09	85.05	39.47%
Orange Juice	127.30	121.75	113.80	113.70	117.95	128.75	123.25	110.60	106.75	110.60	108.03	118.65	118.55	-6.87%
Coffee	100.05	118.95	129.80	110.95	104.40	120.70	128.25	122.95	136.85	123.50	141.55	162.35	159.35	59.27%
Sugar #11	11.84	12.64	12.66	13.07	14.36	14.51	15.49	15.83	17.53	14.77	17.05	17.36	17.63	48.90%
Cocoa	2,251.00	2,400.00	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	4.84%
Lumber	435.70	585.80	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	64.33%

Meats & Grains Price Tracker

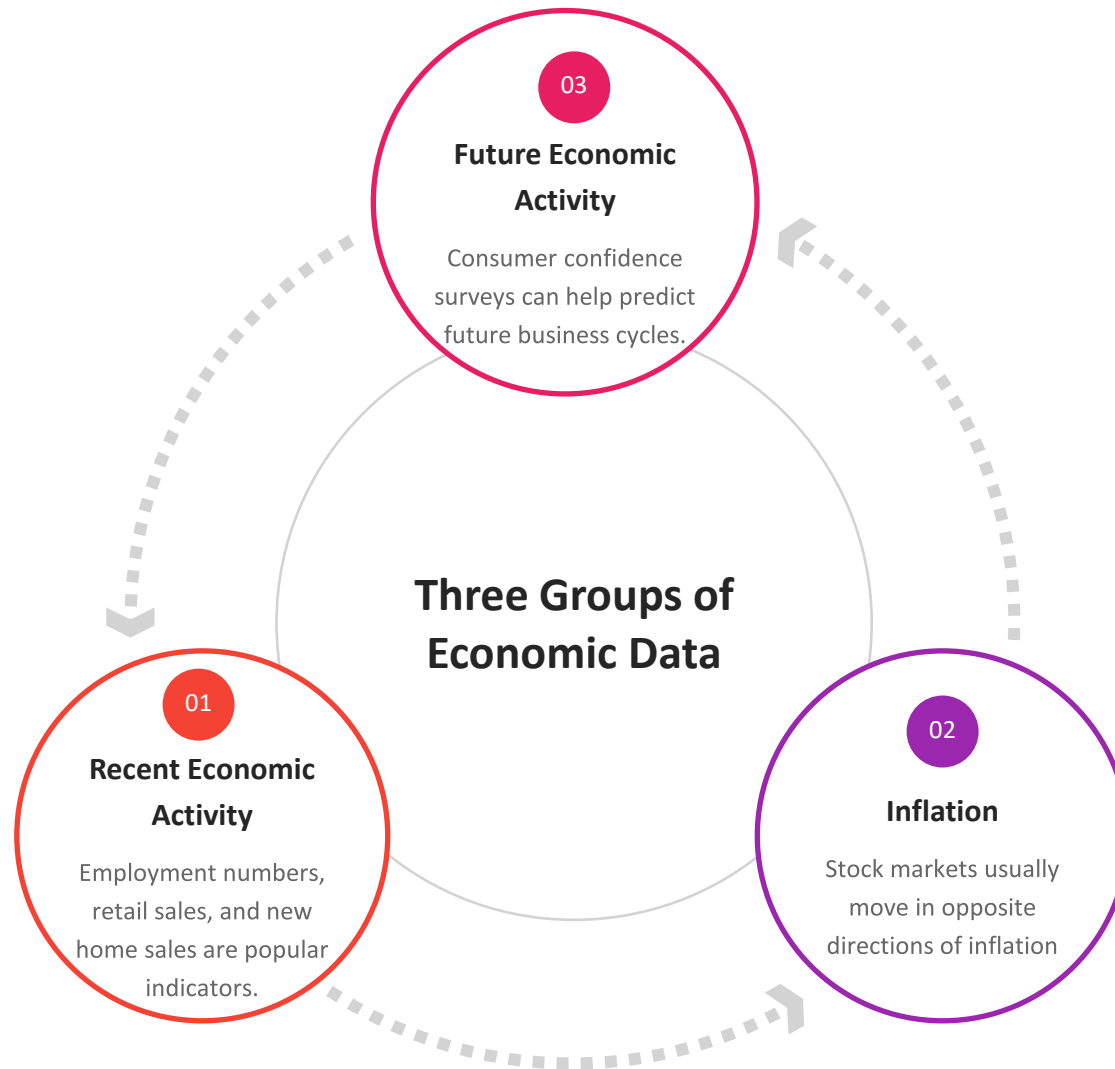
Commodity	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	Jun 2021	1-Year Change
Live Cattle	91.65	102.83	104.50	108.55	105.98	110.18	112.95	115.05	113.10	120.98	116.29	115.88	122.50	33.66%
Feeder Cattle	132.85	144.68	140.30	141.35	137.40	141.05	138.95	137.73	138.68	143.88	133.03	151.35	154.63	16.39%
Lean Hogs	45.17	52.00	53.60	72.80	65.57	67.57	70.28	69.80	87.15	101.05	109.76	117.25	107.47	137.92%
Class III Milk	20.97	24.55	19.77	19.53	21.59	23.27	15.80	16.12	15.63	17.60	17.63	18.97	16.91	-19.36%
Oats	333.50	276.25	274.25	285.75	297.25	284.75	360.75	349.50	376.50	378.75	404.80	377.50	384.00	15.14%
Rough Rice	14.51	11.60	12.49	12.48	12.53	12.56	12.40	13.46	12.75	13.18	13.68	13.30	13.18	-9.17%
US Corn	338.50	316.00	348.50	379.00	398.50	419.75	484.00	547.00	555.50	564.25	740.00	656.75	720.00	112.70%
US Soybeans	883.00	897.25	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	58.83%
US Wheat	490.75	531.00	546.50	578.12	598.50	581.00	641.75	662.62	660.12	618.75	735.30	664.00	678.62	38.28%

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

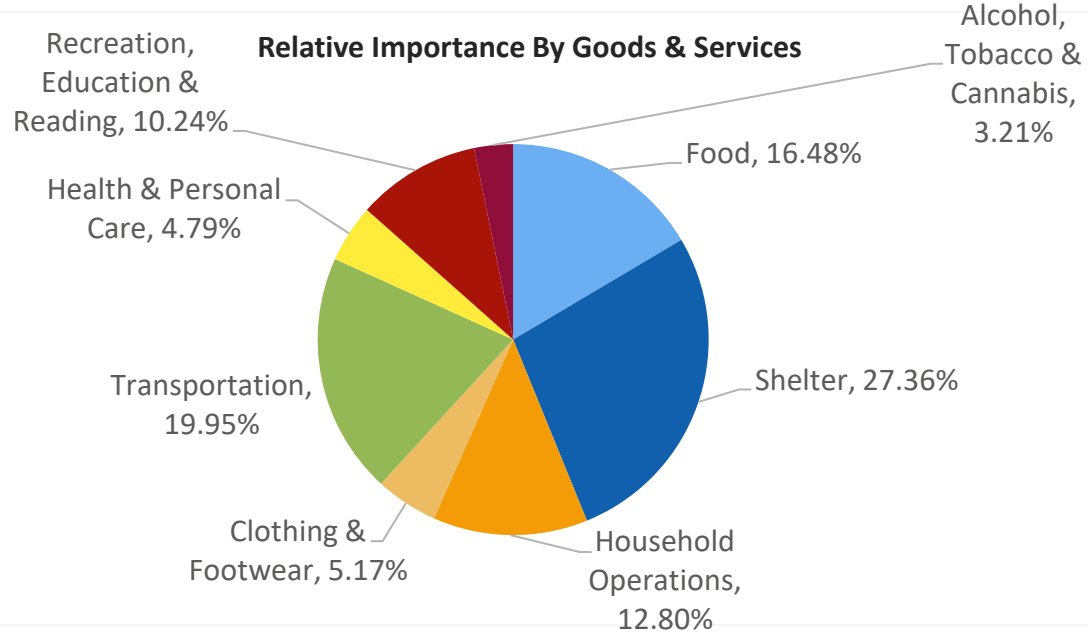
The Industrial Product Price Index (IPPI) measures price changes for major commodities sold by manufacturers operating in Canada. In the U.S., the Producers Price Index (PPI) measures what producers pay for a broad range of goods and commodities. These are both considered to be leading indicators of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

Consumer Confidence Surveys

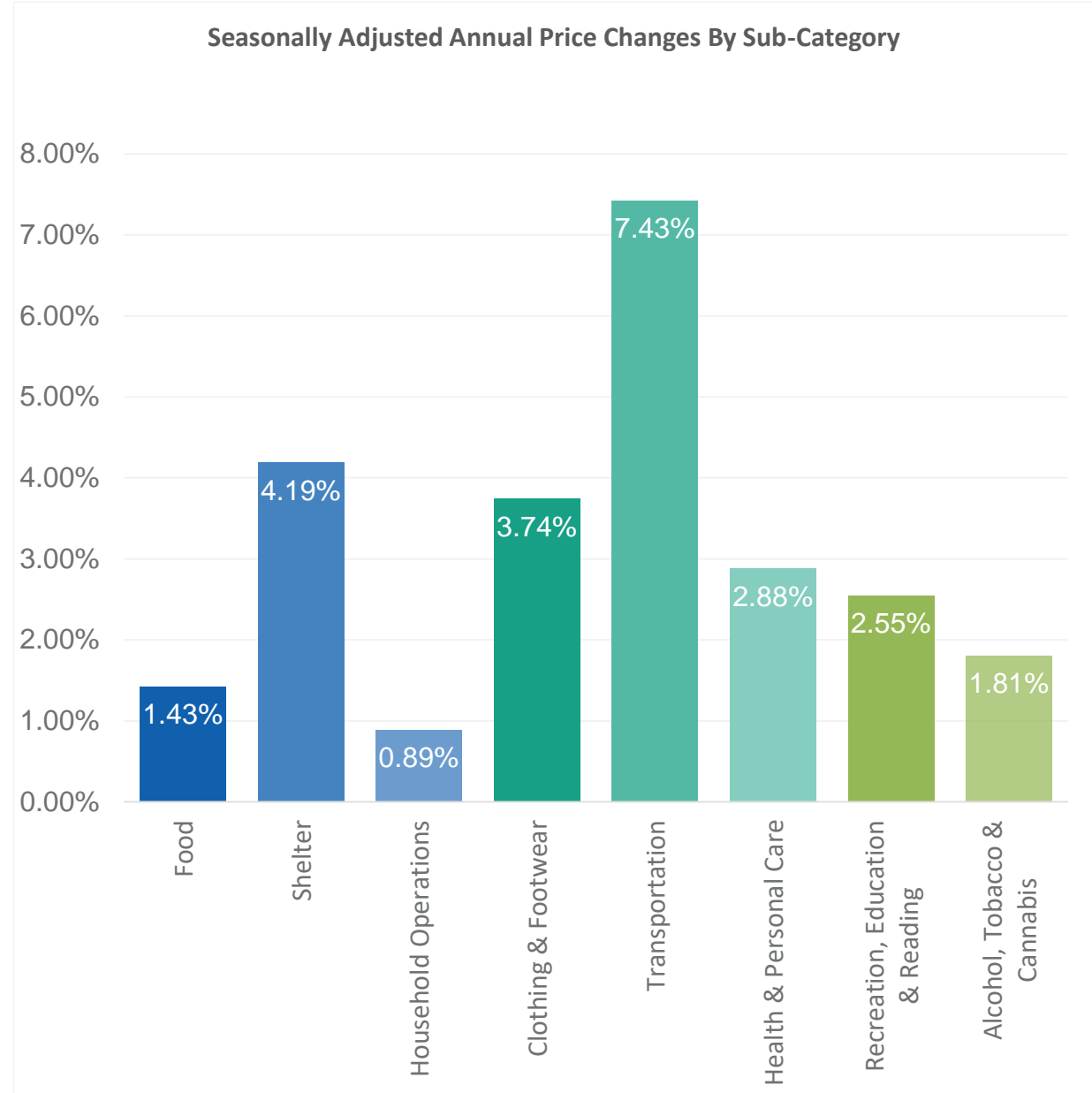
In the absence of any hard data, consumer confidence surveys are used to get an idea of how the average consumer perceives the economy. Survey topics include business and employment conditions as well as if there are any anticipated household income changes. Confidence surveys are considered to be reliable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

Canadian Consumer Price Index

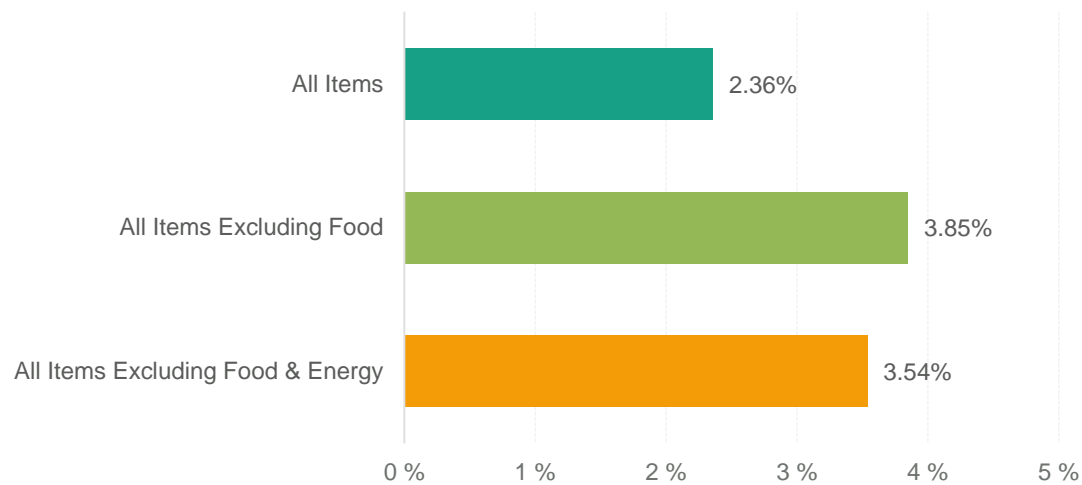
Relative Importance By Goods & Services



Seasonally Adjusted Annual Price Changes By Sub-Category



Headline Numbers: Annual Changes



CANADIAN ECONOMIC REPORTS

MAY EMPLOYMENT CHANGE

As usual, there were a number of moving parts in the latest jobs report, showing that Canada lost 68,000 more jobs in May (after a 207,000 reduction in April). COVID-19 lockdowns were to blame, and our country is still short about 570,000 jobs since the pandemic began. Perhaps more disheartening is that the number of discouraged workers (i.e. those not looking for work anymore) is increasing. Statistics Canada said that the unemployment rate would be 10.7% (instead of the reported 8.2%) had it included those wanting to work but didn't look for work in May. An improved vaccine rollout has analysts optimistic for June, and we'll get those updated numbers on July 9.

IVEY PMI

The Ivey Purchasing Managers' Index, which measures the activity level of purchasing managers in Canada, came in at 64.7 in May compared to last month's 60.6. 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. These activity level changes indicate the Canadian economy is beginning to expand, and it should accelerate as more and more Canadians get vaccinated.

01



03



02



04



GROSS DOMESTIC PRODUCT

Q1 GDP numbers came through in the beginning of June, showing that Canada's economy expanded by 1.4% over last year. Strength was seen in all things home-related, as favorable mortgage rates lends itself to growth in construction and building materials. Higher energy and materials prices also boosted nominal GDP, and spending on durable goods (like new vehicles) was up 22.3% compared to Q1 2020.

Notably, household disposable income rose 2.3% in Q1, following two consecutive quarterly declines.

Government transfer payments contributed to this (up 1.8%), and the net savings rate rose 11.9% last quarter. Canadians certainly have some extra money to spend!

RETAIL SALES

Canadian Core Retail Sales, which exclude auto sales, fell by 7.2% in April, which was worse than the 5% decline economists were projecting. Total retail sales slumped 5% as analysts blamed lockdowns. The numbers should improve, but I believe we're at an interesting point in time where food costs are rising and workers are demanding higher wages. Corporate profits may come under pressure as a result.