

# 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

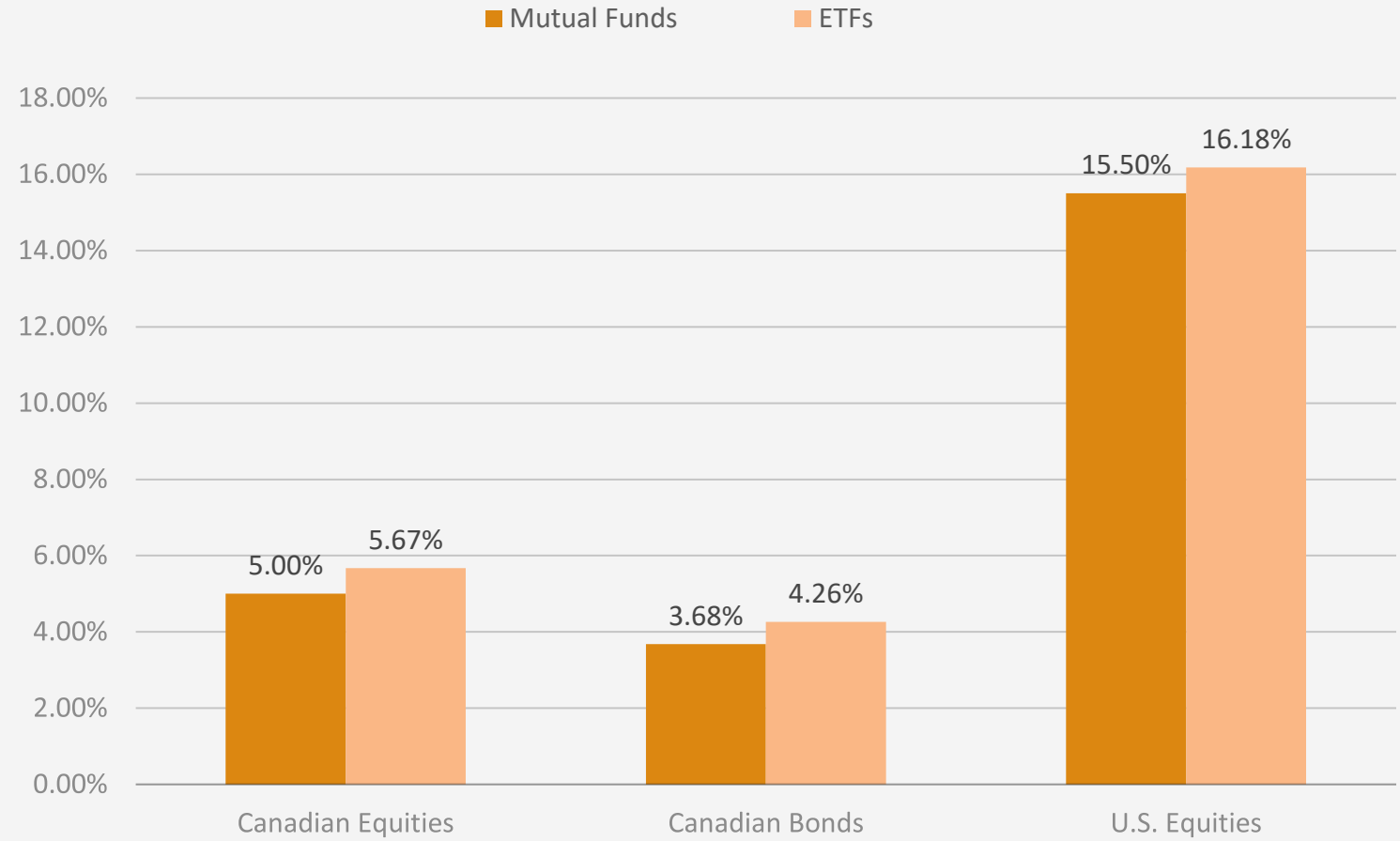


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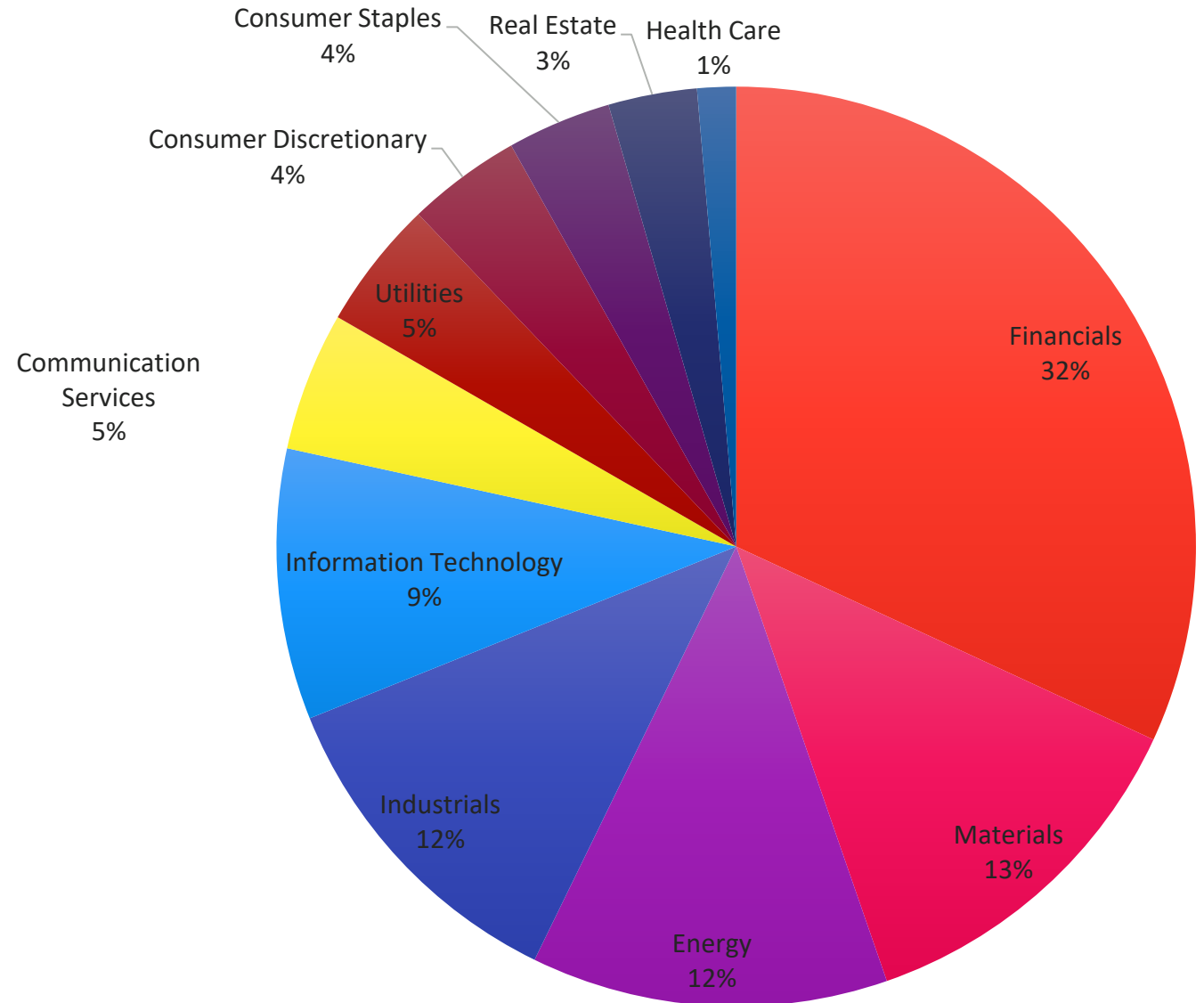
# More on Those Fees

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 25% 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

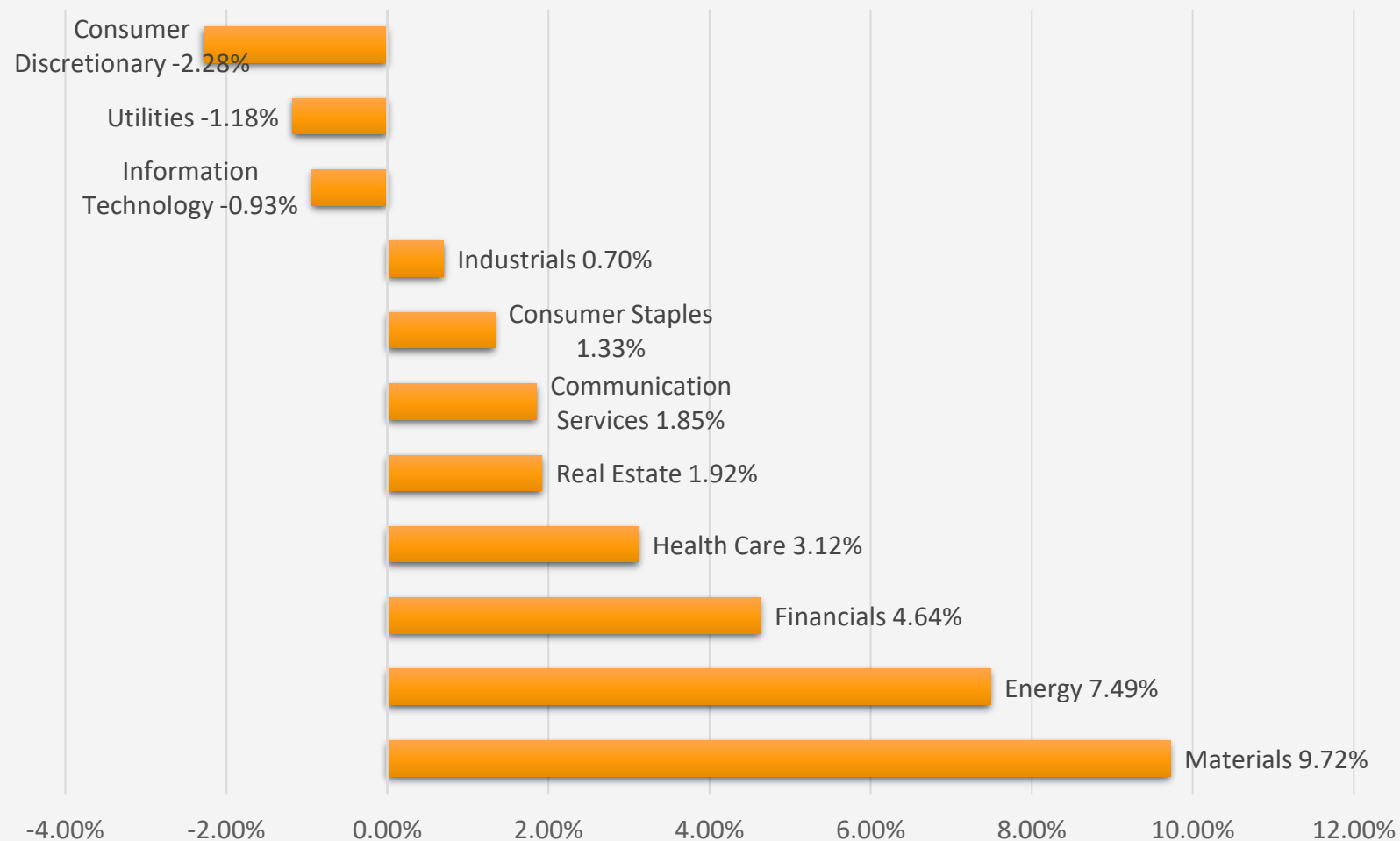
Review all the month's economic data in one place, plus explanations for what they mean and how to interpret them.

# CANADIAN EQUITY PERFORMANCES

# MONTHLY RETURNS

For May 2021, the S&P/TSX Composite gained 4.07% as the Index saw strength in commodity-linked sectors like Energy and Materials. Many stocks saw double-digit returns as the price of oil rose, with the largest gains seen by NexGen Energy and Cameco. The average Energy stock is up 63.54% in the last six months alone as increased demand and reduced supply concerns push prices up.

Slightly offsetting these gains were losses in Consumer Discretionary and Information Technology stocks. Restaurant Brands International and Constellation Software both pulled back, and their gains over the last year remain well below average. Investors appear to be preparing for the possibility of higher interest rates, as the Financials sector also performed well.



# AVERAGE RETURNS BY SECTOR

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

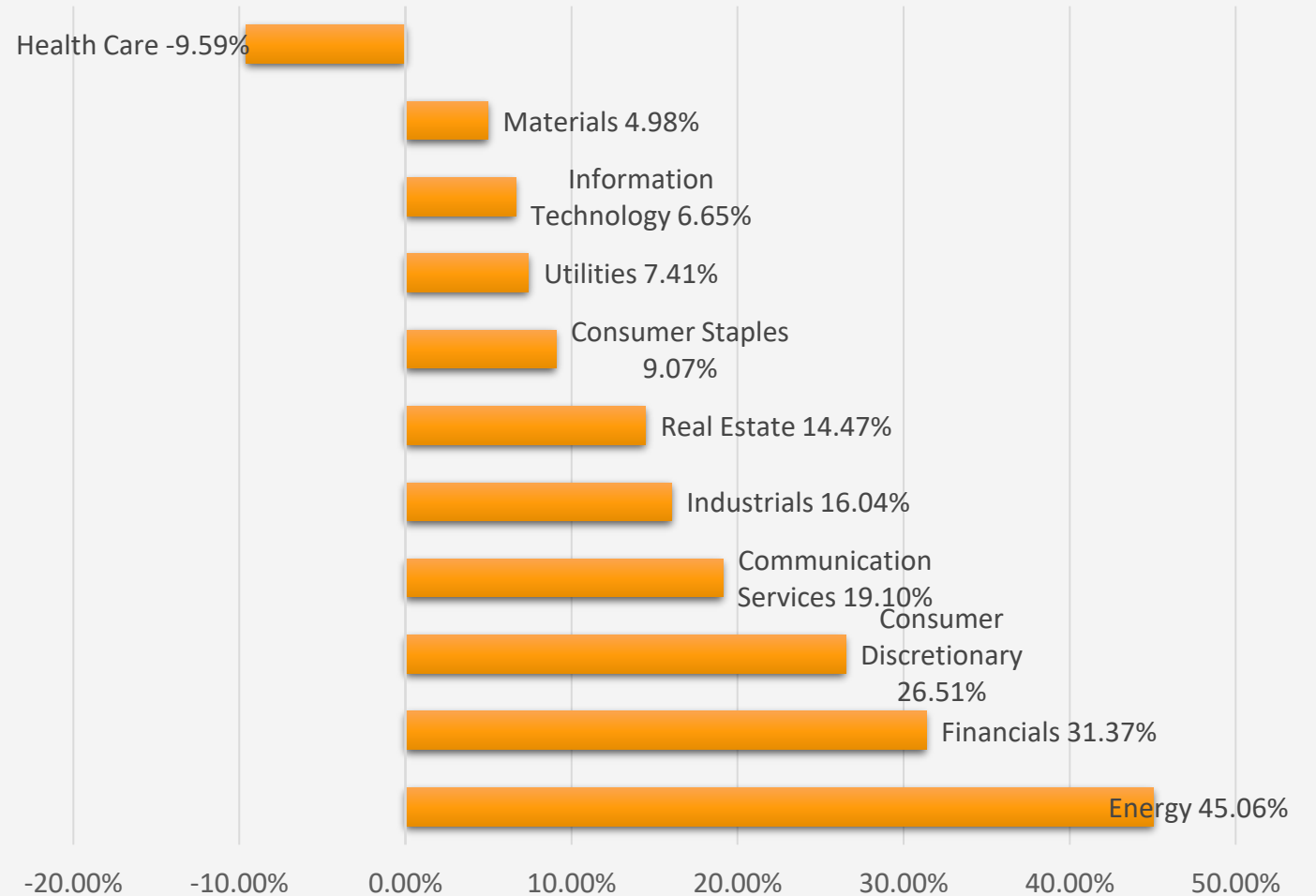
Sector	1M	3M	6M	1Y	2Y	3Y
Communication Services	1.85%	8.46%	29.56%	174.58%	121.84%	208.98%
Consumer Discretionary	-2.28%	6.51%	23.58%	87.14%	48.36%	31.27%
Consumer Staples	1.33%	8.49%	8.71%	31.52%	35.43%	37.31%
Energy	7.49%	15.36%	63.96%	76.67%	25.12%	9.70%
Financials	4.64%	16.23%	30.88%	67.14%	59.62%	65.90%
Health Care	3.12%	-10.20%	8.87%	23.47%	201.94%	14.55%
Industrials	0.70%	8.00%	18.60%	60.35%	61.47%	78.18%
Information Technology	-0.93%	-1.70%	3.37%	11.75%	68.60%	114.76%
Materials	9.72%	12.88%	16.44%	52.41%	94.52%	90.13%
Real Estate	1.92%	10.70%	14.74%	42.98%	17.68%	34.13%
Utilities	-1.18%	4.77%	5.99%	28.94%	43.66%	66.37%
<b>S&amp;P/TSX Composite Index</b>	<b>4.07%</b>	<b>10.87%</b>	<b>16.88%</b>	<b>34.93%</b>	<b>31.82%</b>	<b>35.98%</b>

# 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 45.06% vs. 4.98% for the Materials sector for a total range of sector returns of 40.08%.

I believe it's now prudent to underweight Consumer Discretionary, Financials, and Energy stocks and overweight Materials, Technology, and Utilities. Given that the top three performing sectors make up about 48% of the S&P/TSX Composite compared to just 27% for the bottom three, Index investors should expect downward price pressure in the short-term. For investors building their own portfolios, now may be a good time for profit-taking in certain sectors and shifting to more defensive assets in the Materials, Utilities, and Consumer Staples sectors.

Up next are full periodic returns for each Index constituent, but first, I'd like to remind everyone the importance of staying invested and not panicking in case of a market downturn.



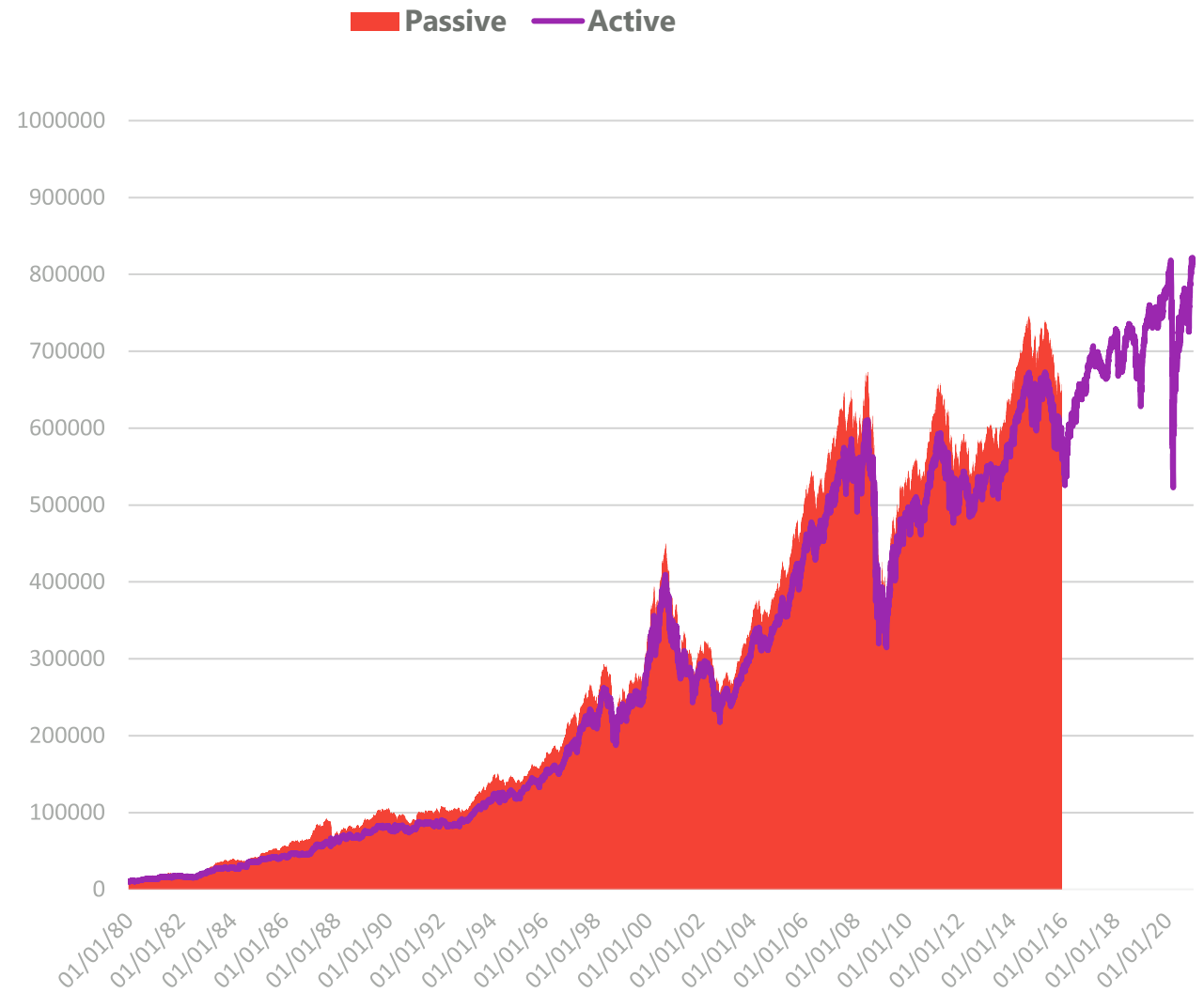


# The Importance of Staying Invested

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	-5.57%	-53.18%	71.60%	1160.00%	858.70%	1386.52%
BCE	3.37%	12.05%	9.93%	11.35%	10.40%	31.45%
Cogeco Communications	0.93%	2.96%	26.77%	17.40%	33.03%	86.32%
Corus Entertainment	4.25%	17.49%	46.35%	101.42%	6.08%	19.08%
Quebecor	0.17%	1.46%	3.21%	11.62%	8.11%	39.18%
Rogers Communications	3.02%	14.10%	3.53%	11.85%	-6.40%	12.56%
Shaw Communications	1.74%	64.68%	63.67%	63.12%	44.79%	59.27%
Telus	6.90%	8.16%	11.44%	19.84%	19.98%	37.45%
<b>Communications Sector Average</b>	<b>1.85%</b>	<b>8.46%</b>	<b>29.56%</b>	<b>174.58%</b>	<b>121.84%</b>	<b>208.98%</b>

# CONSUMER DISCRETIONARY

Company Name	1M	3M	6M	1Y	2Y	3Y
Aritzia	-3.00%	-0.80%	27.52%	64.00%	67.61%	115.58%
BRP	-9.83%	10.87%	37.77%	114.08%	153.87%	71.35%
Boyd Group Services	-8.09%	-0.30%	-0.83%	-0.19%	27.87%	86.28%
CCL Industries	-2.29%	2.01%	19.78%	48.98%	13.76%	10.20%
Canada Goose Holdings	-6.06%	-14.46%	12.97%	81.65%	7.16%	-10.77%
Canadian Tire	5.53%	26.49%	26.19%	81.09%	62.89%	36.80%
Gildan Activewear	2.88%	13.50%	29.24%	129.79%	-8.51%	23.47%
Great Canadian Gaming	-0.59%	3.99%	14.22%	59.80%	4.01%	-15.39%
Intertape Polymer Group	-3.31%	22.85%	26.51%	146.84%	74.33%	74.30%
Linamar	10.02%	11.69%	32.77%	108.41%	87.01%	25.40%
Magna International	5.12%	14.42%	54.00%	114.30%	122.14%	67.27%
Martinrea International	1.87%	-8.23%	-3.65%	52.90%	44.22%	-7.96%
New Flyer Industries	-6.46%	-11.60%	33.57%	64.70%	-15.37%	-45.53%
Restaurant Brands International	-0.19%	11.29%	15.73%	16.01%	1.41%	18.75%
Richelieu Hardware	0.14%	17.75%	14.29%	52.84%	104.10%	47.39%
Sleep Country Canada	-13.07%	12.17%	26.92%	93.84%	74.32%	2.35%
Spin Master	0.02%	47.43%	38.60%	122.37%	1.96%	-16.87%
Westport Fuel Systems	-10.01%	-36.39%	47.17%	317.13%	104.05%	120.12%
Winpak	-6.04%	1.02%	-4.76%	-12.81%	-7.92%	-8.52%
<b>Consumer Discretionary Average</b>	<b>-2.28%</b>	<b>6.51%</b>	<b>23.58%</b>	<b>87.14%</b>	<b>48.36%</b>	<b>31.27%</b>

# CONSUMER STAPLES

Company Name	1M	3M	6M	1Y	2Y	3Y
Alimentation Couche-Tard Inc	6.07%	15.76%	2.87%	3.26%	8.02%	66.52%
Cott	1.75%	15.19%	7.79%	28.24%	22.44%	7.15%
Dollarama	-7.75%	9.20%	-0.43%	13.60%	24.69%	7.15%
Empire Company	6.93%	17.26%	17.13%	34.58%	36.62%	73.32%
George Weston	8.96%	27.20%	24.39%	21.50%	22.22%	19.71%
Jamieson Wellness	-1.80%	9.89%	5.68%	15.25%	107.81%	58.10%
Loblaw	8.92%	21.83%	16.98%	11.22%	11.35%	45.91%
Maple Leaf Foods	-5.78%	2.03%	2.28%	3.79%	-7.78%	-5.51%
Metro	4.32%	11.06%	-1.07%	3.55%	22.37%	43.53%
North West Company	2.57%	17.82%	10.36%	41.32%	34.22%	48.36%
Premium Brands	2.31%	19.38%	24.45%	43.60%	53.18%	13.22%
Saputo	7.32%	17.50%	17.46%	26.43%	-3.26%	-1.91%
SunOpta	-0.92%	-23.53%	14.68%	133.80%	192.82%	41.73%
Village Farm	-14.23%	-41.75%	-20.61%	61.18%	-28.70%	105.06%
<b>Consumer Staples Average</b>	<b>1.33%</b>	<b>8.49%</b>	<b>8.71%</b>	<b>31.52%</b>	<b>35.43%</b>	<b>37.31%</b>

# ENERGY

Company Name	1M	3M	6M	1Y	2Y	3Y
ARC Resources	18.76%	21.40%	45.06%	72.26%	39.94%	-18.35%
Cameco	16.70%	20.73%	85.60%	62.14%	78.98%	82.97%
Canadian Natural Resources	12.17%	22.10%	44.97%	76.92%	30.50%	9.93%
Cenovus Energy	2.51%	4.32%	52.59%	63.78%	-8.55%	-24.64%
Crescent Point Energy	1.86%	5.84%	112.34%	155.78%	11.36%	-50.03%
Denison Mines	14.39%	11.03%	221.28%	160.34%	109.72%	155.93%
Enbridge	-0.23%	10.05%	18.80%	11.95%	7.46%	40.98%
Enerplus	20.03%	29.19%	142.72%	121.29%	-15.36%	-46.85%
Gibson Energy	6.33%	11.99%	18.20%	19.46%	22.94%	62.98%
Imperial Oil	12.28%	44.04%	80.44%	92.38%	16.92%	1.69%
Inter Pipeline	-1.12%	-0.62%	38.72%	45.01%	-3.58%	-12.47%
Keyera	7.15%	23.58%	38.71%	48.96%	7.15%	1.40%

# ENERGY (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
MEG Energy	18.11%	22.07%	119.73%	150.63%	83.94%	-13.58%
NexGen Energy	20.91%	25.22%	140.77%	187.69%	175.00%	128.98%
Parex Resources	-10.93%	1.38%	15.84%	33.20%	0.83%	-11.92%
Parkland Fuel	0.54%	-1.32%	1.09%	5.57%	1.57%	37.47%
Pembina Pipeline	3.49%	22.74%	22.20%	22.38%	-7.49%	3.98%
PrairieSky Royalty	2.05%	4.76%	31.85%	51.86%	-18.96%	-43.79%
Suncor Energy	6.12%	11.29%	36.76%	22.23%	-27.39%	-39.58%
TC Energy	1.48%	17.50%	11.36%	5.43%	4.08%	33.03%
Tourmaline Oil	10.97%	27.91%	65.14%	122.13%	83.49%	24.39%
Vermilion Energy	1.86%	16.56%	78.31%	35.42%	-62.61%	-74.80%
Whitecap Resources	6.78%	1.52%	48.58%	196.53%	47.71%	-24.68%
<b>Energy Average</b>	<b>7.49%</b>	<b>15.36%</b>	<b>63.96%</b>	<b>76.67%</b>	<b>25.12%</b>	<b>9.70%</b>

# FINANCIALS

Company Name	1M	3M	6M	1Y	2Y	3Y
Bank of Montreal	9.33%	23.09%	38.66%	95.88%	42.00%	44.20%
Bank of Nova Scotia	3.90%	10.56%	31.88%	55.97%	32.30%	21.46%
Brookfield Asset Management	8.78%	18.58%	16.56%	42.33%	50.73%	83.23%
CI Financial	13.51%	27.10%	34.58%	43.34%	19.95%	0.70%
CIBC	11.49%	22.83%	33.38%	70.54%	55.62%	47.98%
Canaccord Genuity Group	11.22%	15.41%	48.24%	140.59%	188.88%	128.87%
Canadian Western Bank	8.28%	10.34%	23.52%	68.63%	39.83%	21.39%
ECN Capital	2.06%	5.64%	40.34%	80.77%	106.93%	145.65%
Equitable Group	4.94%	3.50%	48.18%	117.52%	114.90%	169.35%
Fairfax Financial	1.04%	9.45%	30.85%	52.38%	-3.98%	-16.47%
Goeasy	0.30%	18.18%	73.38%	177.23%	214.59%	273.52%
Great-West Lifeco	4.21%	15.57%	26.44%	76.60%	34.81%	31.98%
Home Capital Group	7.11%	10.79%	18.01%	83.25%	93.55%	147.16%
IGM Financial	1.34%	29.96%	33.47%	45.34%	38.78%	41.77%

# FINANCIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
Intact Financial	0.40%	15.95%	14.15%	27.73%	47.99%	80.36%
Laurentian Bank of Canada	2.56%	26.41%	37.16%	61.45%	14.63%	15.43%
Manulife Financial	-4.94%	0.57%	16.61%	55.02%	22.88%	18.85%
National Bank of Canada	5.51%	18.58%	33.44%	63.74%	66.81%	70.20%
Onex	7.56%	24.40%	27.93%	37.81%	16.13%	-3.41%
Power Corp of Canada	10.06%	30.16%	38.68%	87.55%	58.87%	58.19%
Royal Bank of Canada	7.08%	17.01%	19.54%	45.18%	33.19%	43.56%
Sprott	1.99%	28.41%	44.53%	56.53%	95.97%	100.13%
Sun Life Financial	-1.03%	7.16%	14.82%	42.89%	33.85%	36.28%
TD Bank	3.04%	13.95%	28.23%	54.58%	28.77%	30.48%
TMX Group	-0.25%	11.21%	6.34%	-0.49%	55.67%	77.59%
iA Financial	1.12%	7.04%	23.98%	63.37%	46.56%	44.98%
<b>Financials Average</b>	<b>4.64%</b>	<b>16.23%</b>	<b>30.88%</b>	<b>67.14%</b>	<b>59.62%</b>	<b>65.90%</b>



# HEALTH CARE

Company Name	1M	3M	6M	1Y	2Y	3Y
Aurinia Pharmaceuticals	7.48%	-1.57%	-11.50%	-19.69%	100.46%	124.01%
Aurora Cannabis	5.39%	-14.26%	-24.33%	-40.11%	-90.64%	-88.17%
Bausch Health Companies	-1.84%	-3.02%	61.09%	53.15%	38.42%	36.14%
Canopy Growth	-5.13%	-24.94%	-15.73%	29.90%	-42.27%	-14.40%
Cronos Group	7.78%	-18.72%	-7.69%	19.71%	-43.40%	31.19%
OrganiGram Holdings	17.79%	-2.54%	108.70%	58.68%	-60.86%	-23.51%
Sienna Senior Living	10.92%	16.98%	23.84%	82.31%	-3.20%	18.52%
Trillium Therapeutics	-17.41%	-33.54%	-63.45%	3.77%	1716.98%	32.64%
<b>Health Care Average</b>	<b>3.12%</b>	<b>-10.20%</b>	<b>8.87%</b>	<b>23.47%</b>	<b>201.94%</b>	<b>14.55%</b>

# INDUSTRIALS

Company Name	1M	3M	6M	1Y	2Y	3Y
ATS Automation Tooling Systems	0.10%	5.81%	36.84%	48.33%	45.78%	46.42%
Aecon Group	-1.71%	0.57%	14.77%	30.83%	13.25%	36.39%
Air Canada	9.73%	8.29%	10.04%	70.94%	-31.88%	18.33%
Badger Infrastructure Solutions	-6.27%	-3.53%	1.24%	37.55%	-15.85%	40.19%
Ballard Power	-22.02%	-41.21%	-21.79%	42.19%	303.28%	440.83%
Brookfield Business Partners	2.51%	5.70%	19.39%	30.04%	10.67%	8.23%
CAE	-2.78%	11.13%	19.13%	81.17%	10.10%	40.97%
CN Railway	2.77%	-1.67%	0.84%	16.68%	17.69%	32.50%
CP Railway	6.93%	8.38%	17.40%	43.43%	68.86%	102.14%
Cargojet	-1.08%	-6.15%	-19.20%	36.28%	123.27%	181.44%
Element Financial	-9.24%	9.97%	4.41%	42.10%	44.83%	170.40%
Exchange Income	3.17%	-0.47%	5.26%	68.09%	24.04%	41.94%
Finning International	-5.58%	-9.05%	14.69%	68.64%	48.47%	3.04%
GFL Environmental	-2.74%	-0.24%	11.38%	47.87%	81.41%	81.41%

# INDUSTRIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
Mullen Group	-3.04%	31.16%	32.01%	127.05%	47.74%	0.77%
Ritchie Bros. Auctioneers	-7.38%	4.27%	-22.17%	22.85%	64.68%	71.51%
Russel Metals	18.56%	34.82%	63.05%	140.65%	78.71%	38.44%
SNC-Lavalin	20.84%	29.86%	39.45%	59.50%	38.77%	-39.81%
Stantec	-6.10%	8.26%	39.01%	31.78%	78.22%	73.68%
TFI International	9.39%	37.76%	90.12%	222.39%	228.66%	237.88%
Thomson Reuters	4.25%	7.85%	15.98%	30.72%	43.31%	161.46%
Toromont Industries	12.00%	18.81%	24.39%	67.80%	90.90%	97.89%
Transcontinental	-3.39%	3.89%	19.16%	97.48%	76.22%	-10.30%
WSP Global	7.36%	24.71%	42.95%	56.54%	98.91%	112.67%
Waste Connection	0.32%	18.44%	9.02%	14.02%	16.45%	53.28%
Westshore Terminals	-8.42%	0.68%	16.10%	34.09%	-8.29%	-9.06%
<b>Industrials Average</b>	<b>0.70%</b>	<b>8.00%</b>	<b>18.60%</b>	<b>60.35%</b>	<b>61.47%</b>	<b>78.18%</b>

# INFORMATION TECHNOLOGY

Company Name	1M	3M	6M	1Y	2Y	3Y
BlackBerry	11.68%	-5.67%	58.69%	89.69%	14.42%	-20.91%
CGI	-0.71%	13.66%	12.58%	22.73%	9.60%	35.47%
Celestica	1.86%	-1.14%	6.65%	11.19%	22.71%	-33.18%
Constellation Software	-3.88%	5.31%	7.97%	11.15%	49.28%	71.53%
Descartes Systems Group	-10.14%	-5.17%	-8.25%	7.65%	30.34%	82.63%
Enghouse Systems	-8.51%	-3.61%	-18.43%	-8.32%	64.62%	67.38%
Kinaxis	-13.59%	-20.35%	-30.03%	-22.94%	74.93%	60.67%
LifeWorks	8.56%	2.97%	13.99%	4.08%	17.41%	41.21%
Open Text	-1.95%	0.57%	-0.12%	0.49%	8.77%	31.97%
Real Matters	2.86%	3.56%	-13.52%	-30.23%	158.50%	244.49%
Shopify	3.55%	-8.87%	7.49%	43.78%	304.05%	681.17%
<b>Information Technology Average</b>	<b>-0.93%</b>	<b>-1.70%</b>	<b>3.37%</b>	<b>11.75%</b>	<b>68.60%</b>	<b>114.76%</b>

# MATERIALS

Company Name	1M	3M	6M	1Y	2Y	3Y
Agnico Eagle Mines	13.23%	22.44%	2.83%	0.15%	51.49%	55.35%
Alamos Gold	11.98%	22.67%	3.17%	-0.20%	70.01%	56.82%
B2Gold	4.39%	12.55%	-13.29%	-16.47%	72.28%	79.07%
Barrick Gold	12.25%	23.78%	-0.91%	-10.19%	78.92%	78.61%
Canfor	-2.51%	15.29%	57.53%	194.88%	240.11%	-7.82%
Cascades	-4.77%	-17.85%	-5.53%	-1.25%	62.25%	16.34%
Centerra Gold	-12.95%	-19.75%	-21.84%	-28.55%	29.95%	47.69%
Dundee Precious Metals	-0.45%	11.94%	4.60%	19.41%	140.61%	164.67%
ERO Copper	15.78%	25.17%	26.12%	75.30%	69.28%	195.79%
Eldorado Gold	18.20%	7.65%	-5.90%	23.81%	185.29%	876.19%
Endeavour Mining	13.33%	18.32%	-3.70%	-11.10%	46.17%	31.16%
Endeavour Silver	38.73%	19.87%	102.93%	236.70%	274.58%	147.66%
Equinox Gold	12.88%	6.45%	-12.55%	-11.23%	91.79%	111.70%

# MATERIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
First Majestic Silver	15.34%	-6.38%	58.84%	56.07%	161.58%	133.68%
First Quantum Minerals	6.07%	9.57%	63.08%	272.58%	205.97%	48.04%
Fortuna Silver Mines	13.38%	-12.33%	1.45%	35.76%	140.40%	17.02%
Franco-Nevada	5.54%	32.93%	4.98%	-5.75%	76.45%	104.34%
Hudbay Minerals	-0.44%	0.44%	11.32%	145.10%	38.90%	11.04%
IAMGOLD	13.80%	15.92%	-0.46%	-14.98%	29.67%	-46.05%
Interfor	1.50%	19.10%	69.87%	252.00%	191.12%	28.57%
Ivanhoe Mines	2.42%	13.12%	46.05%	191.15%	172.39%	171.56%
Kinross Gold	13.18%	24.35%	6.33%	10.76%	124.28%	111.82%
Kirkland Lake Gold	14.65%	26.54%	-0.58%	0.29%	14.63%	125.79%
Labrador Iron Ore Royalty	5.62%	25.06%	82.90%	122.47%	80.01%	159.06%
Lithium Americas	6.51%	-22.34%	26.30%	226.10%	239.27%	169.14%
Lundin Mining	-12.66%	-10.55%	26.05%	107.41%	122.77%	68.74%

# MATERIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
MAG Silver	22.45%	6.10%	30.99%	51.43%	95.99%	71.48%
Methanex	-4.30%	-12.37%	-20.85%	93.53%	-18.94%	-48.04%
New Gold	26.24%	24.39%	6.69%	55.49%	196.51%	-15.28%
NovaGold Resources	12.14%	15.92%	-4.77%	-6.14%	125.50%	97.45%
Nutrien	10.73%	10.30%	19.33%	66.92%	23.88%	14.10%
OceanaGold	24.88%	39.13%	58.02%	-8.57%	-31.37%	-19.22%
Osisko Gold Royalties	16.17%	36.25%	23.01%	27.06%	23.27%	32.56%
Osisko Mining	7.79%	23.13%	-3.35%	-11.05%	3.28%	49.14%
Pan American Silver	4.26%	-3.11%	6.83%	1.20%	181.73%	82.29%
Pretium Resources	6.58%	11.15%	-3.30%	14.10%	19.44%	46.70%
SSR Mining	14.76%	23.91%	-6.86%	-15.45%	41.89%	68.73%
Sandstorm Gold	15.82%	37.24%	11.42%	-8.19%	43.40%	78.64%
Seabridge Gold	11.30%	6.54%	-4.30%	7.68%	42.66%	59.48%

# MATERIALS (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
Silvercorp Metals	20.28%	5.00%	0.00%	28.19%	165.88%	109.98%
Silvercrest Metals	12.21%	12.84%	4.82%	-2.85%	158.10%	255.65%
Stella-Jones	-10.04%	0.85%	5.03%	40.04%	5.25%	2.97%
Teck Resources	14.57%	12.45%	45.22%	127.83%	8.89%	-14.13%
Torex Gold Resources	18.48%	14.33%	-1.62%	-7.21%	42.18%	39.26%
Turquoise Hill Resources	-0.23%	11.76%	71.19%	109.42%	34.81%	-40.90%
Wesdome Gold Mines	22.96%	30.29%	-2.28%	-3.21%	138.54%	399.55%
West Fraser Timber	-2.04%	7.11%	29.90%	152.52%	81.58%	2.59%
Wheaton Precious	13.99%	28.13%	16.34%	-1.19%	98.53%	113.41%
Yamana Gold	12.43%	25.87%	-5.63%	-13.61%	140.34%	74.19%
<b>Materials Average</b>	<b>9.72%</b>	<b>12.88%</b>	<b>16.44%</b>	<b>52.41%</b>	<b>94.52%</b>	<b>90.13%</b>



# REAL ESTATE

Company Name	1M	3M	6M	1Y	2Y	3Y
Allied Properties REIT	4.32%	16.77%	10.97%	15.76%	-2.31%	15.69%
Altus Group Income Fund	-5.44%	5.47%	19.98%	37.93%	104.32%	111.19%
Artis REIT	2.12%	-0.42%	5.84%	61.57%	2.68%	-3.97%
Boardwalk REIT	6.69%	6.94%	14.26%	37.80%	1.54%	-10.98%
Brookfield Property Partners	2.62%	4.56%	14.72%	67.36%	3.54%	8.04%
CT REIT	0.04%	7.97%	13.41%	32.08%	32.98%	49.06%
Canadian Apartment Properties REIT	1.38%	8.99%	9.48%	21.07%	19.20%	47.42%
Chartwell Retirement Residences	5.28%	21.31%	19.31%	69.70%	0.51%	4.47%
Choice Properties REIT	4.53%	15.59%	11.79%	17.77%	19.45%	47.86%
Colliers International Group	0.89%	1.78%	15.94%	89.04%	61.67%	44.13%
Cominar REIT	3.18%	14.89%	14.68%	36.78%	-74.65%	-72.78%
Crombie REIT	4.30%	17.94%	18.96%	38.10%	26.65%	57.86%
Dream Office REIT	3.04%	10.05%	5.30%	16.42%	0.48%	-0.33%
Dundee Industrial REIT	1.31%	8.13%	10.79%	43.23%	33.14%	51.37%

# REAL ESTATE (CONTINUED)

Company Name	1M	3M	6M	1Y	2Y	3Y
First Capital REIT	0.65%	15.27%	16.12%	42.59%	-6.08%	-3.01%
FirstService	-1.84%	1.63%	10.93%	53.96%	61.97%	118.99%
Granite REIT	3.08%	11.98%	7.70%	23.73%	44.89%	79.41%
H&R REIT	4.99%	17.46%	15.33%	74.01%	-20.27%	-4.03%
InterRent REIT	0.96%	13.94%	11.58%	8.22%	14.12%	54.34%
Killam REIT	0.35%	6.47%	9.58%	16.41%	7.25%	38.89%
NorthWest Healthcare Properties REIT	-0.71%	4.47%	9.26%	30.91%	22.64%	41.94%
RioCan REIT	1.43%	13.34%	24.48%	57.16%	-6.52%	9.65%
SmartCentres REIT	2.27%	12.57%	25.20%	56.77%	2.52%	20.35%
Summit Industrial Income REIT	2.67%	19.26%	22.91%	58.37%	37.51%	110.45%
Tricon Capital Group	-0.77%	5.01%	19.55%	64.34%	32.34%	27.12%
WPT Industrial REIT	2.53%	16.76%	25.07%	46.49%	40.15%	44.21%
<b>Real Estate Average</b>	<b>1.92%</b>	<b>10.70%</b>	<b>14.74%</b>	<b>42.98%</b>	<b>17.68%</b>	<b>34.13%</b>

# UTILITIES

Company Name	1M	3M	6M	1Y	2Y	3Y
ATCO	3.15%	18.64%	14.10%	17.31%	1.24%	24.01%
Algonquin Power & Utilities	-6.96%	-5.47%	-7.58%	-0.20%	27.35%	67.17%
AltaGas	4.76%	25.73%	31.78%	70.94%	36.66%	13.49%
Boralex	-6.10%	-16.45%	-9.50%	30.82%	108.36%	82.79%
Brookfield Infrastructure Partners	-1.13%	0.68%	1.38%	19.24%	26.04%	49.55%
Brookfield Renewable Partners	-0.68%	-11.03%	-12.77%	35.83%	120.43%	155.93%
Canadian Utilities	0.61%	17.35%	10.46%	11.43%	1.23%	28.66%
Capital Power	-1.91%	13.62%	18.98%	53.22%	43.87%	85.78%
Emera	1.13%	13.97%	7.40%	8.11%	18.72%	60.70%
Fortis Canada	1.45%	13.52%	7.42%	7.93%	16.01%	48.49%
Hydro One	4.31%	14.77%	3.24%	19.48%	44.76%	78.26%
Innergex Renewable Energy	-3.57%	-15.23%	-20.05%	10.35%	54.64%	69.10%
Northland Power	-4.30%	-3.66%	-7.93%	30.70%	74.16%	91.37%
Superior Plus	0.33%	14.76%	26.75%	68.10%	38.14%	44.97%
TransAlta	-9.44%	-1.62%	22.05%	37.81%	25.89%	72.19%
TransAlta Renewables	-0.45%	-3.21%	10.13%	42.05%	61.04%	89.49%
<b>Utilities Average</b>	<b>-1.18%</b>	<b>4.77%</b>	<b>5.99%</b>	<b>28.94%</b>	<b>43.66%</b>	<b>66.37%</b>

# CANADIAN DIVIDEND IDEAS

# Agnico Eagle Mines (AEM)



## 1.

### Operations

AEM has gold mining operations in Canada, Finland, and Mexico, and highly correlation to the price of gold. Its production growth forecast is 24% from 2020-2024 while costs are expected to flatline or decrease. The company touts its 11% net asset value (NAV) per share CAGR from 2005-2020 compared to its North American peer group's 3% increase, and has a strategy of mining in areas with low geopolitical risk.

## 3.

### Sales, Earnings, & Financial Health

Sales have grown 29% over the last year and are forecast to grow an additional 18% in the next 12 months. Earnings per share grew 58% year-over-year and are projected to grow 49% in the next twelve months. The company's Morningstar Financial Health score is B, and their operating cash flow is nearly as much as their total debt (1.385 billion vs. 1.685 billion) – a big plus if protecting for rising rates.

## 2.

### Dividends

The company pays a quarterly dividend of \$0.35 \$USD (\$1.40 annually). Assuming an exchange rate of about 1.25, the yield is approximately 2.02% and the dividend payout ratio is about 50%. In late 2020, the company upped its quarterly dividend from \$0.20 to \$0.35 per share (75%), and dividends have grown at an annualized rate of 31.2% since 2016. The company has paid a cash dividend every year since 1983.

## 4.

### Verdict

Materials stocks have underperformed in the last six months, and with the price of gold rising again, I like AEM's high price exposure and believe investors will look to buy more commodity-driven stocks when they rebalance next. The company is increasing production, cutting costs, and is in good financial health. The dividend yield may be small, but it's growing, which in my opinion is more important.

# Royal Bank of Canada (RY)



## 1.

### Operations

RBC is Canada's biggest bank, servicing 17 million clients in Canada, the U.S., and 34 other countries. Their earnings come from five segments: Personal & Commercial Banking (45%), Capital Markets (24%), Wealth Management (19%), Insurance (7%), and Investor & Treasury Services (5%), and they have outperformed their global peers in total annualized shareholder returns on a three and five-year basis by 7% and 6%, respectively.

## 3.

### Sales, Earnings, & Financial Health

RBC reported strong quarterly results last week, with earnings per share up 11% over the same quarter last year. Personal & Commercial banking earnings increased 6%, and the company's decrease in its provision for credit losses was a big contributor to the positive results. The company's Morningstar Financial Health score is A, and the bank stands to benefit from higher interest rates.

## 2.

### Dividends

In response to the pandemic, the Office of the Superintendent of Financial Institutions (OSFI) prohibited dividend increases and share buybacks until the situation has stabilized. RBC's forward dividend rate of 4.32 (yield of 3.44%) represents a 6.14% over 2019 dividends, and a CAGR of 7% over 2015 dividends. Its target is a dividend payout ratio of 40-50%, which it consistently achieves.

## 4.

### Verdict

I've been a lifelong customer and supporter of Royal Bank, so I can't pretend to be unbiased, but the long-term results speak for itself. In the last 20 years, its CAGR has been 12.57% vs. 7.24% for the S&P/TSX. Its yield is significantly higher than the market, too, and is likely to raise dividends soon once regulators give the green light. Given its relatively poor performance vs. other banks lately, this one is an easy buy.

# Fortis (FTS)



## 1.

### Operations

Fortis has operations in Canada, the U.S., and the Caribbean, and is a North American leader in the regulated gas and electric utility industry. Because it operates in a regulated industry, it's considered a low-risk operator of necessary services, meaning investors can expect steady and predictable cash flows. The majority of its assets are in ITC Holdings, the largest independent electricity transmission company in the U.S., stretching 25,800 kilometers of service territory.

## 3.

### Sales, Earnings, & Financial Health

Fortis increased its revenue and earnings per share by 6.19% and 13% respectively in the most recent quarter. Operating cash flow increased by 25%, and its \$3.8 billion capital expenditure plan focusing on modernization and clean energy projects remains on track. The company's Morningstar Financial Health score is A, and DBRS Morningstar just upgraded their credit rating, too.

## 2.

### Dividends

Fortis has increased dividends for 47 consecutive years, one of the longest streaks on record. The latest annual rate is 2.02 (yield of 3.66%), which represents a 4.26% increase over 2020 dividends and an annualized 5.71% since 2016. Furthermore, the company has pledged to grow dividends by an average of 6% per year through 2025. Though its payout ratio has ticked up in recent years to 75%, it still remains at a comfortable level for a regulated utility.

## 4.

### Verdict

Fortis has been an excellent utility to own in the long-term. Its 20-year annualized return of 13.23% is nearly double that of the S&P/TSX Composite (7.24%), and even during the Great Financial Crisis in 2008, it lost just 12%. Fortis has been a recent underperformer against one of its peers, Emera, and its slightly superior cash to total debt position makes it the better pick if you're searching for a utility stock to buy.

# COMMODITIES TRACKER



# Energy Price Tracker

Commodity	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	1-Year Change
Brent Oil	35.33	41.15	43.30	45.28	40.95	37.46	47.59	51.80	55.88	66.13	63.54	66.66	69.63	97.08%
Carbon Emissions	21.33	26.91	26.22	28.64	26.91	23.70	29.13	32.72	32.95	37.28	42.55	48.82	51.84	143.04%
Crude Oil WTI	35.49	39.27	40.27	42.61	40.22	35.79	45.34	48.52	52.20	61.50	59.16	63.48	66.32	86.87%
Gasoline RBOB	1.03	1.20	1.19	1.28	1.20	1.05	1.25	1.41	1.57	1.88	1.95	2.07	2.14	107.77%
Heating Oil	0.96	1.18	1.22	1.20	1.15	1.08	1.36	1.48	1.60	1.86	1.77	1.92	2.04	112.50%
Natural Gas	1.85	1.75	1.80	2.63	2.53	3.35	2.88	2.54	2.56	2.77	2.61	2.93	3.01	62.70%

# Metals Price Tracker

Commodity	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	1-Year Change
Aluminum	1,524.25	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	54.18%
Gold	1,771.70	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	7.44%
High Grade Copper	2.48	2.76	2.91	3.08	3.04	3.06	3.44	3.52	3.56	4.09	4.00	4.46	4.68	88.71%
Iron Ore 62%	92.05	102.95	108.90	122.53	123.98	120.19	124.62	155.84	168.13	165.61	166.90	179.63	207.01	124.89%
Palladium	1,963.70	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	33.27%
Platinum	877.00	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	34.98%
Silver	18.79	19.04	24.90	28.86	23.72	23.90	22.66	26.47	26.95	26.44	24.53	25.92	28.01	49.07%
Uranium	33.95	31.40	31.35	30.95	29.90	29.40	29.15	30.00	30.10	28.45	31.35	29.25	31.50	-7.22%
US Steel Coil	513.00	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	224.56%

# Softs Price Tracker

Commodity	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	1-Year Change
Cotton #2	57.24	60.98	62.74	65.26	65.81	68.98	72.24	78.24	80.61	89.02	80.77	88.34	82.09	43.41%
Orange Juice	122.5	127.3	121.75	113.8	113.7	117.95	128.75	123.25	110.6	106.75	110.6	108.03	118.65	-3.14%
Coffee	96.3	100.05	118.95	129.8	110.95	104.4	120.7	128.25	122.95	136.85	123.5	141.55	162.35	68.59%
Sugar #11	10.91	11.84	12.64	12.66	13.07	14.36	14.51	15.49	15.83	17.53	14.77	17.05	17.36	59.12%
Cocoa	2,454.00	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	-1.71%
Lumber	367.10	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	256.71%

# Meats & Grains Price Tracker

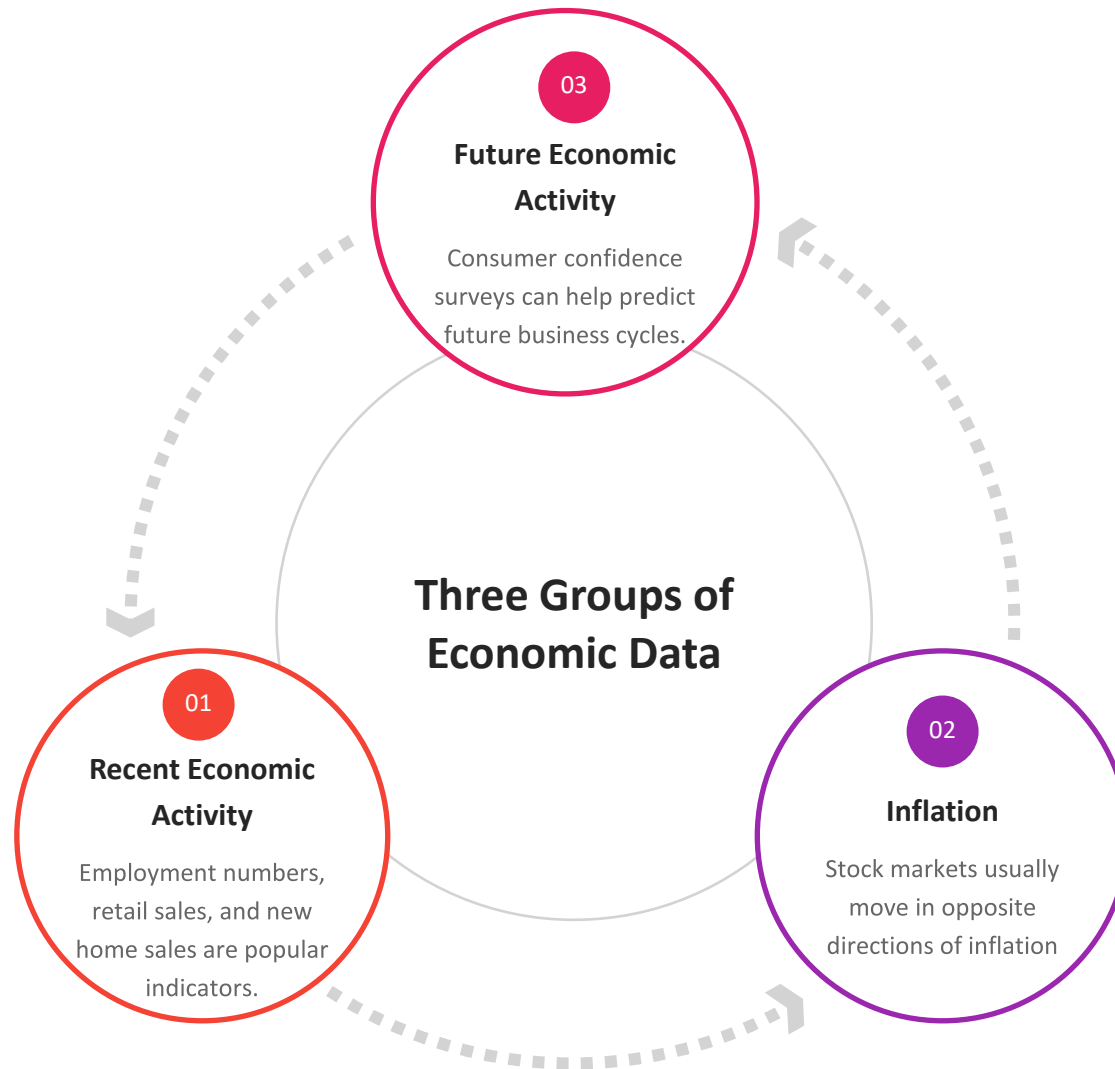
Commodity	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	1-Year Change
Live Cattle	99.73	91.65	102.83	104.50	108.55	105.98	110.18	112.95	115.05	113.10	120.98	116.29	115.88	16.19%
Feeder Cattle	135.35	132.85	144.68	140.30	141.35	137.40	141.05	138.95	137.73	138.68	143.88	133.03	151.35	11.82%
Lean Hogs	56.85	45.17	52.00	53.60	72.80	65.57	67.57	70.28	69.80	87.15	101.05	109.76	117.25	106.24%
Class III Milk	12.18	20.97	24.55	19.77	19.53	21.59	23.27	15.80	16.12	15.63	17.60	17.63	18.97	55.75%
Oats	324.25	333.50	276.25	274.25	285.75	297.25	284.75	360.75	349.50	376.50	378.75	404.80	377.50	16.42%
Rough Rice	17.22	14.51	11.60	12.49	12.48	12.53	12.56	12.40	13.46	12.75	13.18	13.68	13.30	-22.76%
US Corn	325.75	338.50	316.00	348.50	379.00	398.50	419.75	484.00	547.00	555.50	564.25	740.00	656.75	101.61%
US Soybeans	840.50	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	81.86%
US Wheat	521.62	490.75	531.00	546.50	578.12	598.50	581.00	641.75	662.62	660.12	618.75	735.30	664.00	27.30%

# 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 ECONOMIC REPORTS

## APRIL EMPLOYMENT CHANGE

Canada lost 207,100 jobs in April, more than the \$175,000 analysts had expected. As expected with the third wave from the COVID-19 variant, the services sector bore the brunt of the miss, losing 195,400 jobs compared to 11,800 in the goods sector. The unemployment rate also rose to 8.1%, worse than the 7.8% prediction.

Obviously, job creation is an extremely important leading indicator of consumer spending. At the end of April, though, Canada was administering an average of 270,000 per day (rolling 7-day average). Today, it is above 350,000 and to date, 56% of the Canadian population has received at least one dose. Given this, I expect either June or July's numbers to be much better as restrictions are lifted.

## IVEY PMI

The Ivey Purchasing Managers' Index, which measures the activity level of purchasing managers in Canada, came in at 60.6 in April compared to a forecast of 60.5 and last month's 72.9. 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 expanded slower due to more COVID-19 –related restrictions.

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## Consumer Price Index

The Canadian CPI, a key measure of inflation, rose by 3.4% annualized in April, as gasoline prices rose over 60% compared to last year. Without gasoline, the CPI still would have been up 1.9%, but these numbers are a bit misleading because they are comparing against a period where prices were abnormally low due to the pandemic. Many economists believe higher inflation is only temporary, but my belief is that it will persist longer than expected, and Energy prices are usually the catalyst.

## Retail Sales

Canadian Core Retail Sales, which exclude auto sales, rose by 4.3% in March, which was much higher than the 2.2% economists were projecting. Higher retail sales are excellent indicators of consumer spending, which is the largest component of GDP. However, I would caution investors not to get too excited. As shown by the Ivey PMI, activity was lower in April, so it's more likely we'll see the next number in the 2-3% range.