

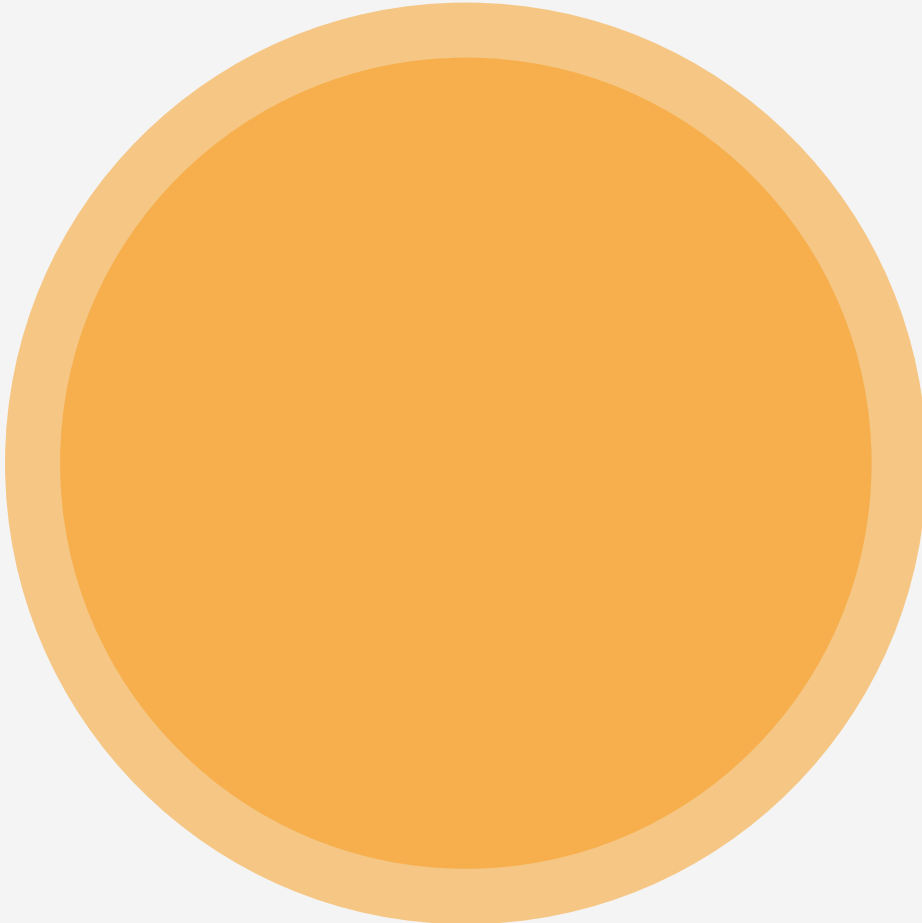


The Sunday Investor

Week 7: Ending February 19, 2021

S&P/TSX Composite Index Recap

By The Sunday Investor



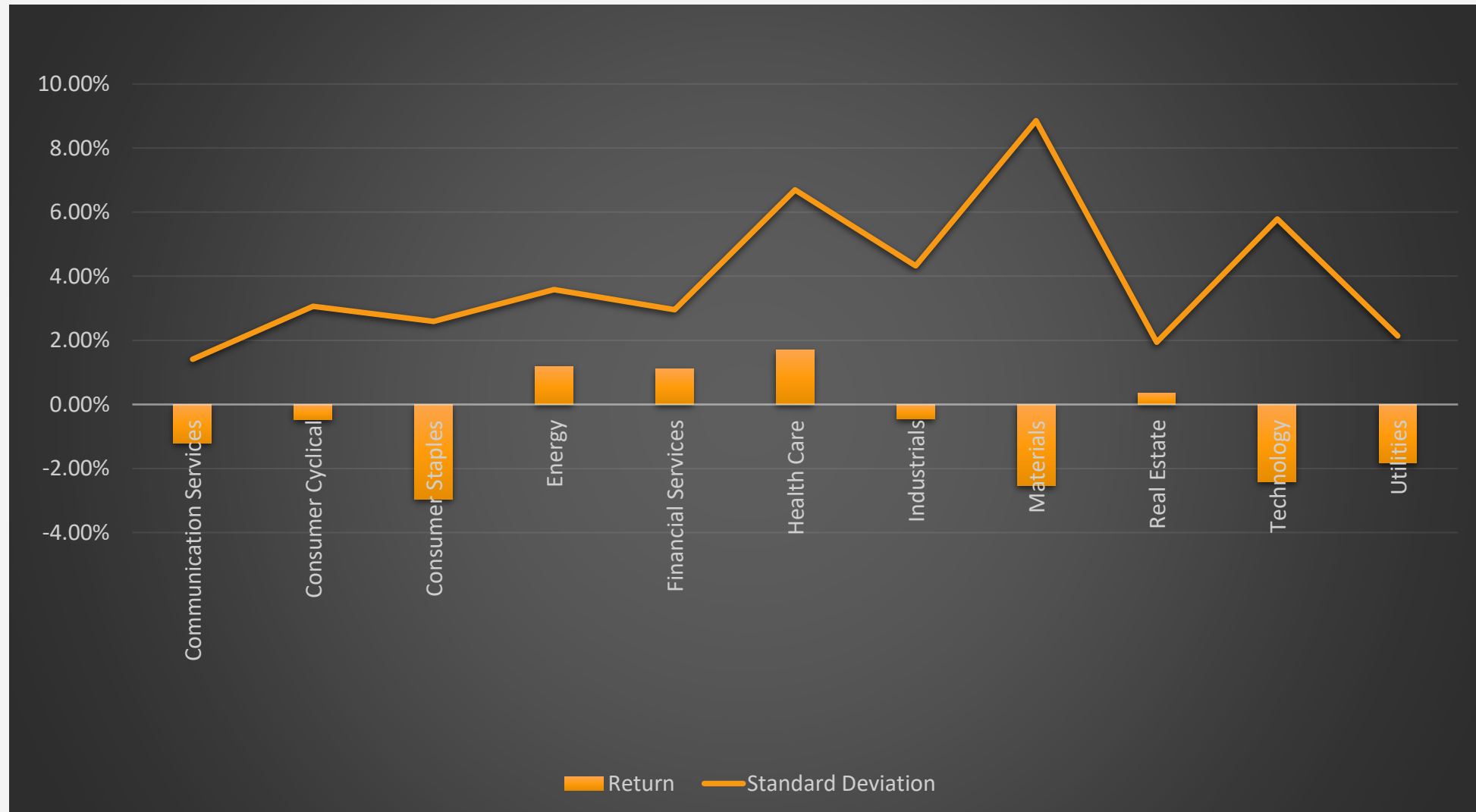
The S&P TSX Composite Index retreated 76 points last week, or 0.41%, to close at 18,384 as some poor economic data weighed on investor sentiment. Most sectors turned negative, though the Financials and Energy sectors both gained a little over 1% on average due to the prospect of higher inflation and interest rates as well as the strength of the price of oil. The Materials sector fell the most (-2.54%) along with Consumer Staples (-2.95%), which had all 11 stocks finish in the red. The Health Care sector was one of the few bright spots, with cannabis producer Aphria gaining 18.70%. The company's scheduled Q2 2021 acquisition of Tilray is on track and plans to target the U.S. marijuana market, which may prove lucrative if the drug is decriminalized at the federal level. Overall, the average TSX stock fell by 0.81% which was a bit worse than the cap-weighted Index.

The price of WTI was flat this week, closing at \$59.24, as was the discount on Western Canadian Select which remained about \$12. The Canadian - U.S. dollar pair increased 0.57% to 0.7925, but the price of gold fell \$40 to finish at \$1,784 which weighed on the Materials sector. This week's newsletter is focused on Canadian-listed Bond ETFs and is a continuation of last week's focus on Equity ETFs. Inside, you'll get an introduction to some of the key bond terms you'll need to know, how to select a bond based on its credit quality and duration, and of course, a comprehensive list of bond offerings suitable for any strategy. As always, if you have any questions or would like more information, just send me an email.

Enjoy!

WEEKLY RETURN & RISK BY SECTOR

Returns are calculated as a simple average, not based on market-capitalization. Risk is considered to be population standard deviation of returns.

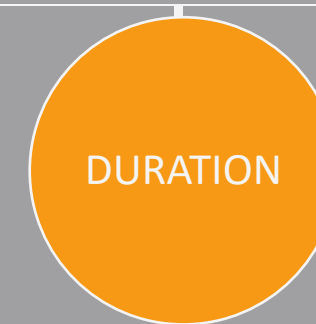


BUILDING YOUR FIXED-INCOME PORTFOLIO

Fixed-income products are often viewed as boring and inefficient. Many say that the yields are so low that you might as well just put your money into a high-interest savings account. To take this view, however, would ignore all the different ways (including high-yielding ways) you can customize your fixed-income portfolio. While equities are still likely to be your core holdings, the right selection of fixed-income securities can help bring consistency to your portfolio and soften the blow in case the stock market falls.

Bond ETFs are a great way to do this. ETF managers rarely buy all the bonds in an index (too many to buy, thinly traded, and bonds mature all the time), so instead they sample an index by feature, or “cell”. They divide up the bonds into groups, such as by duration (0-5 years, 5-10 years, 10+ years) and credit quality (investment-grade and junk), and then weight them accordingly. This simple example would have 6 cells (3 x 2), and the manager can get more granular by further dividing the bonds by things such as maturity dates, coupon rates, sectors, and even special bond features like call options. Individual investors can do something similar by focusing on these same bond features with ETFs rather than trying to buy bonds individually.

Much like last week, I will classify Canadian-listed bond ETFs by two features I feel are important: credit quality and duration, along with a third (coupon rate) that some may find helpful. The goal is to give you an overview of what your bond ETF options are in Canada, and hopefully spark some discussions about where the bond market is heading and how investors can utilize bond ETFs to create a well-balanced portfolio. But first, I’d ask that you spend a few minutes going over some key bond terms – it will help when it comes time to judging the appropriateness of the 200+ bond ETFs out there!



BOND

TERMINOLOGY

WHAT IS YIELD TO MATURITY

- The yield to maturity is the approximate rate of return an investor would earn if they held the bond for a year. The formula takes into account both interest (coupon) payments as well as the price of the bond. All things being equal, the higher the coupon and the lower the price, the higher the bond's yield, and vice versa.
- Yield to maturity is a superior method for calculating yield as it takes into account all of the investor's cash inflows and outflows. 12-month distribution and dividend yields, which are common metrics used in equity analysis, are inappropriate for fixed-income securities and have the potential to mislead investors.
- Yield to maturity is not a perfect metric, however. First, it assumes that a bond will be held until maturity, and in the case of bond ETFs (which is the focus of this newsletter), bond managers are buying and selling bonds all the time. Second, it assumes that any interim interest (coupon) payments are immediately reinvested at the same yield, which may not end up happening. If interest payments are not reinvested at all, for example, the investor's actual yield will be less than the stated yield to maturity.
- In the ETF tables throughout this newsletter, the yield I'm referring to is yield to maturity. Use this as one way to compare bond ETFs of differing characteristics including price, interest (coupon) rate, credit quality, time to maturity, and effective duration.

THE EFFECT OF COUPON RATES ON BOND PRICES

- Higher coupons, or interest payments, reduce the risk of the bond because the investor is getting a larger portion of the money owed to them faster.
- In addition, high-coupon bonds are less sensitive to interest rate changes. The example below illustrates the price changes of bonds with varying coupon rates when the interest rate rises from 3% to 4%. As shown, the 2% coupon bond fell by 8.50% while the 10% coupon bond fell by only 6.89%.

Coupon Rate	Years To Maturity	3% Interest Rate	4% Interest Rate	Price Change %
2%	10	\$91.42	\$83.65	-8.50%
4%	10	\$108.58	\$100.00	-7.91%
6%	10	\$125.75	\$116.35	-7.48%
8%	10	\$142.92	\$132.70	-7.15%
10%	10	\$160.09	\$149.05	-6.89%

THE EFFECT OF TIME TO MATURITY ON BOND PRICES

- Unlike coupon rates, the higher the time to maturity, the more sensitive a bond is to price fluctuations when interest rates change. This is a bit more intuitive – the longer we loan someone money, the higher the risk.
- The table below illustrates the effect a longer time to maturity has on a bond's price when interest rates rise a full percentage point. As you can see, the bond with only 2 years maturity fell by only 1.92% when interest rates increased from 3% to 4%, but the bond with 10 years to maturity fell by 6.89%. The lesson is easy: if you believe interest rates will rise, avoid long-term bonds!

Coupon Rate	Years To Maturity	3% Interest Rate	4% Interest Rate	Price Change %
2%	2	\$98.07	\$96.19	-1.92%
4%	4	\$103.74	\$100.00	-3.61%
6%	6	\$116.36	\$110.58	-4.97%
8%	8	\$135.33	\$127.16	-6.04%
10%	10	\$160.09	\$149.05	-6.89%

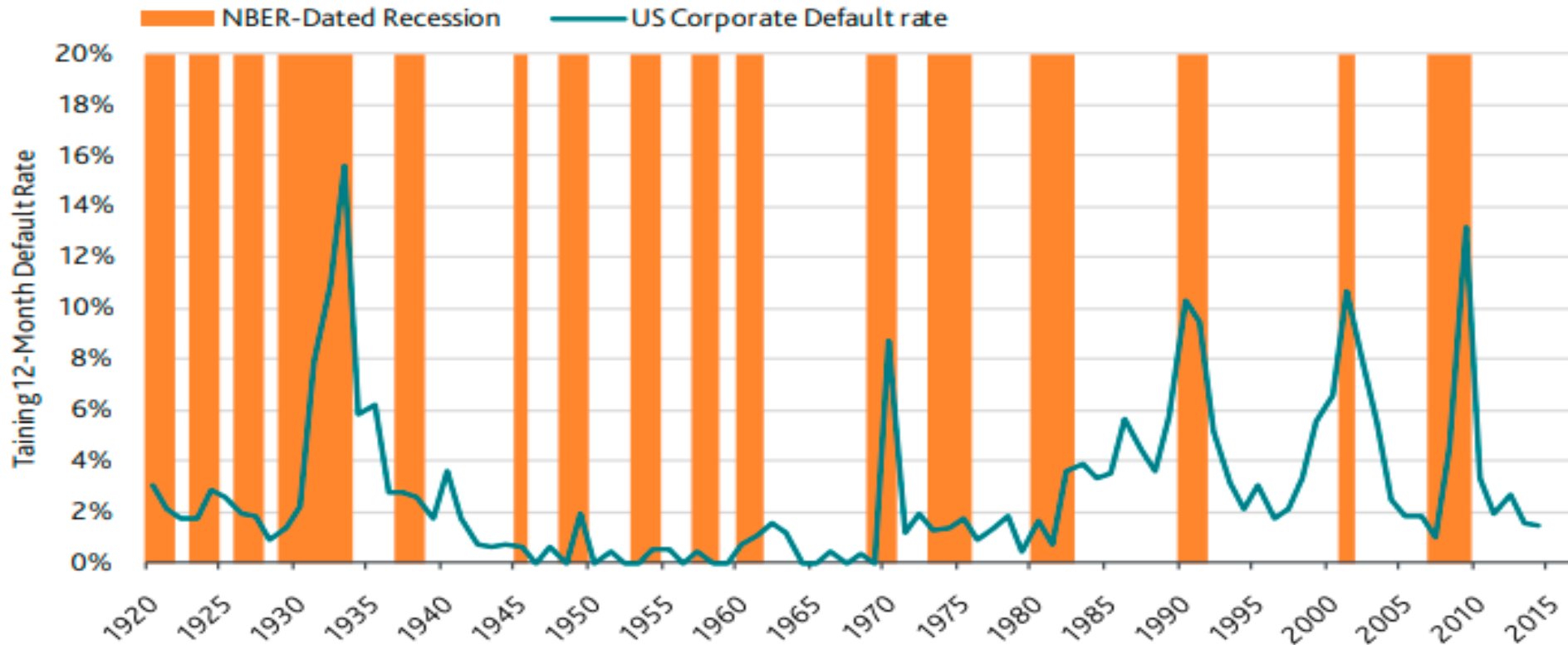
DURATION AS A TOOL

- So how can you judge the interest rate sensitivity of bonds with differing coupon rates and years to maturity? The answer is with **duration**, and while it can be difficult to calculate, its application is fairly straightforward. Duration measures the approximate price change of a bond given a 1% change in interest rates.
- All Bond ETFs will list duration as one of the key facts you should consider. It's simple – the higher the duration, the more sensitive the bond ETF is to interest rate fluctuations, and vice versa. As mentioned previously, if you believe interest rates will rise you should select short duration bonds, while long duration bonds will perform better if interest rates decrease.
- While duration is a great tool, coupon rates must still be considered if there is a particular income need or if an investor wishes to avoid the typically higher taxes that go along with interest income in non-registered accounts. Also, if a bond has a long time to maturity but a short duration due to a high coupon rate, that doesn't change the fact that the investor won't be getting their principal back for a long time.
- In addition, keep in mind that duration assumes price changes are linear, which isn't always the case. A complex calculation of a bond's convexity, which won't be discussed here, is used to correct for this error but is not readily available to most investors.

WHAT ARE HIGH-YIELD BONDS?

- High-yield bonds, often referred to as junk bonds, are simply non-investment grade bonds. Global credit rating agencies such as Fitch Ratings, Moody's Investors Service, and Standard & Poor's (S&P) assign these ratings to issuers that are either new and don't have sufficient credit history, or to so-called "fallen angels". For example, two of the top holdings of the BMO High Yield U.S. Corporate Bond ETF (ZJK) are Carnival Corporation and Caesars Entertainment – two companies hit particularly hard during this pandemic.
- Investors can calculate credit spreads for high-yield bonds as a way to gauge their riskiness. A credit spread is the difference in the yield to maturity of a corporate bond and a federal government bond of the same maturity. The higher the spread, the riskier the bond is thought to be. High-yield bonds can react quickly to credit upgrades and downgrades and thus, represent a higher risk-reward proposition.
- On the other hand, high-yield bonds usually have high coupons, and each time a coupon payment is received, the investor's risk is reduced. In this way, they act in similar fashion to common share dividends received – they're still risky, but each successful payment is a "win" for the investor.
- Consider the correlation between default rates and recessions on the next page before investing in high-yield bonds. An investor who is taking on additional risk in the equity market (e.g. with high beta stocks) may want to limit their exposure to this risky bond class.

THE LINK BETWEEN RECESSIONS AND CORPORATE DEFAULT RATES



Source: Moody's Analytics

As you can see from the graph above, spikes in the U.S. Corporate Defaults are almost always associated with prolonged recessions. In 2008, for example, while the U.S. Aggregate Bond Index ETF (AGG) returned 7.90%, the U.S. High Yield Corporate Bond Index ETF (HYG) fell 17.58%. In this way, high-yield bonds are like equity or REIT substitutes, which is why many investors choose to limit or even eliminate their exposure to this class of bonds.

**INVESTING BY
CREDIT RATING**

Investing in The Highest Quality Bonds

Investing in the highest quality bonds usually translates into low returns on government-issued debt. Still, there are opportunities to boost your returns if you're willing to invest in longer duration bonds. These bond prices will go up as interest rates lower, which is what happened in 2020.

Ticker	Name	Assets (\$M)	MER	% In AAA & AA	Effective Duration	Yield	3Y Return
CLG.TO	iShares 1-10 Year Laddered Government Bond Index ETF Common Class	537	0.16%	98%	4.43	0.74%	3.82%
CLF.TO	iShares 1-5 Year Laddered Government Bond Index ETF Common Class	714	0.17%	99%	2.84	0.47%	2.99%
QTIPTO	Mackenzie US TIPS Index ETF (CAD-Hedged)	605	0.18%	100%	4.28	0.84%	5.24%
ZFL.TO	BMO Long Federal Bond Index ETF	2,200	0.22%	100%	15.51	0.89%	5.87%
ZFS.TO	BMO Short Federal Bond Index ETF	500	0.22%	100%	1.36	0.33%	2.63%
ZFM.TO	BMO Mid Federal Bond Index ETF	468	0.22%	100%	3.52	0.53%	4.57%
XFR.TO	iShares Floating Rate Index ETF	294	0.22%	96%	0.45	0.21%	1.43%
BXF.TO	CI First Asset 1-5 Year Laddered Government Strip Bond Index ETF Common	113	0.23%	100%	3.00	0.50%	3.21%
PGL.TO	Invesco Long Term Government Bond Index ETF	217	0.26%	99%	17.56	1.98%	6.57%
ZPL.TO	BMO Long Provincial Bond Index ETF	439	0.27%	98%	15.82	1.83%	6.41%

Investing in High Quality Bonds

There are plenty of ETFs that invest in high quality bonds that aren't concentrated in government bonds. The following 10 ETFs have 80%+ exposure to A and BBB rated bonds, which is still considered to be investment-grade.

Ticker	Name	Assets (\$M)	MER	% In A & BBB	Effective Duration	Yield	3Y Return
QUIG.TO	Mackenzie US Investment Grade Corporate Bond Index ETF (CAD-Hedged)	641	0.21%	91%	8.52	1.99%	6.43%
QCB.TO	Mackenzie Canadian All Corporate Bond Index ETF	391	0.22%	82%	6.47	1.74%	5.17%
ZMU.TO	BMO Mid-Term US IG Corporate Bond Hedged to CAD Index ETF	1,800	0.26%	90%	6.59	1.63%	6.42%
ZIC.TO	BMO Mid-Term US IG Corporate Bond Index ETF (CAD)	2,000	0.27%	90%	6.59	1.63%	7.94%
ZSU.TO	BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF	143	0.28%	85%	2.79	0.93%	3.42%
XIG.TO	iShares U.S. IG Corporate Bond Index ETF (CAD-Hedged)	157	0.32%	90%	9.93	2.19%	6.73%
ZCM.TO	BMO Mid Corporate Bond Index ETF	1,100	0.33%	86%	3.87	2.03%	6.38%
ZLC.TO	BMO Long Corporate Bond Index ETF	359	0.33%	98%	13.19	2.84%	6.51%
CACB.TO	CIBC Active Investment Grade Corporate Bond ETF	846	0.40%	97%	6.93	1.82%	-
RUSB.TO	RBC Short Term U.S. Corporate Bond ETF	318	0.40%	97%	2.80	0.85%	4.56%

Investing in High-Yield / Junk Bonds

High-Yield bonds, commonly known as junk bonds, are riskier securities because of the higher probability of default. You'll need to be careful with these, as a manager's skill is of greater importance. Below are 10 ETFs with 80%+ exposure to bonds rated BB and below.

Ticker	Name	Assets (\$M)	MER	% In High Yield	Effective Duration	Yield	3Y Return
QHY.TO	Mackenzie US High Yield Bond Index ETF (CAD-Hedged)	118	0.49%	99%	3.21	4.36%	4.26%
CHB.TO	iShares U.S. High Yield Fixed Income Index ETF (CADHedged) Common Class	134	0.55%	99%	3.49	4.78%	4.59%
PFH.F.TO	Invesco Fundamental High Yield Corporate Bond Index ETF	54	0.55%	89%	3.62	3.55%	4.51%
FCHY.TO	Fidelity Systematic U.S. High Yield Bond ETF	21	0.56%	98%	3.96	4.64%	-
TUHY.TO	TD Active U.S. High Yield Bond ETF	6	0.56%	99%	2.85	4.58%	-
ZHY.TO	BMO High Yield US Corporate Bond Hedged to CAD Index ETF	755	0.58%	99%	3.43	5.87%	4.44%
ZJK.TO	BMO High Yield US Corporate Bond Index ETF	793	0.60%	99%	3.43	5.87%	6.31%
FCHH.TO	Fidelity Systematic U.S. High Yield Bond Currency Neutral ETF	9	0.60%	98%	3.96	4.64%	-
XHY.TO	iShares U.S. High Yield Bond Index ETF (CAD-Hedged)	417	0.68%	99%	3.40	4.46%	4.81%
HYI.TO	Horizons Active High Yield Bond ETF Common	82	0.71%	85%	3.49	4.87%	3.25%

INVESTING BY DURATION

Investing in Short Duration Bonds

Short duration bonds make sense for investors who believe interest rates will rise. Since duration measures sensitivity to interest rates, and since bond prices and interest rates move in opposite directions, an increase in rates will have a lower impact on short duration bonds. Here are 10 ETFs with an effective duration of less than 5 years.

Ticker	Name	Assets (\$M)	MER	Avg. Credit Quality	Effective Duration	Yield	3Y Return
XSB.TO	iShares Core Canadian Short Term Bond Index ETF	2,600	0.10%	AA	2.75	0.58%	3.41%
XSH.TO	iShares Core Canadian Short Term Corporate Bond Index ETF	1,400	0.10%	A	2.82	0.92%	4.22%
QSB.TO	Mackenzie Canadian Short-Term Bond Index ETF	274	0.10%	AA	2.38	0.43%	-
VSC.TO	Vanguard Canadian Short-Term Corporate Bond Index ETF	1,300	0.11%	A	2.85	0.83%	4.07%
QTIP.TO	Mackenzie US TIPS Index ETF (CAD-Hedged)	605	0.18%	AAA	4.28	0.84%	5.24%
ZFS.TO	BMO Short Federal Bond Index ETF	500	0.22%	AAA	1.36	0.33%	2.63%
PSB.TO	Invesco 1-5 Year Laddered Investment Grade Corporate Bond Index ETF	569	0.27%	BBB	2.91	0.95%	4.03%
ZSU.TO	BMO Short-Term US IG Corporate Bond Hedged to CAD Index ETF	143	0.28%	BBB	2.79	0.93%	3.42%
XSC.TO	iShares Conservative Short Term Strategic Fixed Income ETF	152	0.45%	BB	3.98	1.91%	3.27%
QHY.TO	Mackenzie US High Yield Bond Index ETF (CAD-Hedged)	118	0.49%	B	3.21	4.36%	4.26%

Investing in Mid Duration Bonds

No opinion on where interest rates are going? Perhaps consider a mid duration bond, which will be moderately sensitive to interest rate fluctuations. Here are 10 ETFs of varying credit quality with an effective duration between 5 and 10 years.

Ticker	Name	Assets (\$M)	MER	Avg. Credit Quality	Effective Duration	Yield	3Y Return
ZDB.TO	BMO Discount Bond Index ETF	992.6	0.10%	AA	5.44	1.20%	5.22%
XBB.TO	iShares Core Canadian Universe Bond Index ETF	4400	0.10%	AA	8.28	1.41%	4.99%
XQB.TO	iShares High Quality Canadian Bond Index ETF Common Class	550.1	0.13%	AA	7.46	1.22%	4.62%
ZGB.TO	BMO Government Bond Index ETF	563.4	0.17%	AA	6.91	0.87%	-
VBG.TO	Vanguard Global ex-U.S. Aggregate Bond Index ETF (CAD-hedged)	501.9	0.38%	A	8.59	0.33%	3.47%
CACB.TO	CIBC Active Investment Grade Corporate Bond ETF	846	0.40%	BBB	6.93	1.82%	-
QEBH.TO	Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	419.5	0.50%	BB	7.82	3.45%	-
DXB.TO	Dynamic Active Tactical Bond ETF	280.2	0.55%	A	8.61	1.33%	4.65%
ZEF.TO	BMO Emerging Market Bond Hedged to CAD Index ETF	419.5	0.55%	BB	5.40	2.88%	3.35%
FIG.TO	CI First Asset Investment Grade Bond ETF	867.3	0.77%	BBB	9.00	1.87%	4.83%

Investing in Long Duration Bonds

Long duration bonds are highly sensitive to interest rate fluctuations. Taking out a position in them today would signify an investor's belief that interest rates will fall further, causing prices of these bonds to rise. Here are 10 ETFs with an effective duration greater than 10 years.

Ticker	Name	Assets (\$M)	MER	Avg. Credit Quality	Effective Duration	Yield	3Y Return
VLB.TO	Vanguard Canadian Long-Term Bond Index ETF	53	0.19%	AA	16.70	2.18%	6.54%
XLB.TO	iShares Core Canadian Long Term Bond Index ETF	595	0.20%	AA	16.32	2.47%	6.45%
TCLB.TO	TD Canadian Long Term Federal Bond ETF	6	0.20%	AAA	15.13	1.11%	-
TULB.TO	TD U.S. Long Term Treasury Bond ETF	6	0.20%	AAA	15.13	1.40%	-
ZFL.TO	BMO Long Federal Bond Index ETF	2,200	0.22%	AAA	15.51	0.89%	5.87%
ZTL.TO	BMO Long-Term US Treasury Bond Fund ETF	52	0.22%	AAA	20.03	1.14%	9.37%
ZTL.U.TO	BMO Long-Term US Treasury Bond Fund ETF USD	28	0.23%	AAA	20.03	1.14%	8.27%
PGL.TO	Invesco Long Term Government Bond Index ETF	217	0.26%	AA	17.56	1.98%	6.57%
ZPL.TO	BMO Long Provincial Bond Index ETF	439	0.27%	AA	15.82	1.83%	6.41%
ZRR.TO	BMO Real Return Bond Index ETF	142	0.28%	AAA	10.86	-0.72%	5.78%

INVESTING BY COUPON RATE

Investing in High-Coupon Bonds

These days, in order to purchase a high-coupon bond, you'll likely have to pay a steep premium. Here are 10 ETFs with weighted-average coupons greater than 5%, along with other factors (e.g. credit quality and years to maturity) that go into determining a bond's price.

Ticker	Name	MER	Avg. Credit Quality	Years To Maturity	Coupon Rate	Price	Yield
QHY.TO	Mackenzie US High Yield Bond Index ETF (CAD-Hedged)	0.49%	B	5.65	5.92%	107.03	4.36%
QEBH.TO	Mackenzie Emerging Markets Bond Index ETF (CAD-Hedged)	0.50%	BB	12.13	5.02%	111.28	3.45%
QEBL.TO	Mackenzie Emerging Markets Local Currency Bond Index ETF	0.51%	BBB	-	5.67%	104.80	4.22%
XEB.TO	iShares J.P. Morgan USD Emerging Markets Bond Index ETF (CAD-Hedged)	0.54%	BB	14.05	5.22%	136.63	4.07%
CHB.TO	iShares U.S. High Yield Fixed Income Index ETF (CADHedged) Common Class	0.55%	B	6.12	5.93%	136.15	4.78%
DXO.TO	Dynamic Active Crossover Bond ETF	0.56%	BB	8.92	5.37%	104.46	4.75%
FCHY.TO	Fidelity Systematic U.S. High Yield Bond ETF	0.56%	B	6.63	5.59%	133.79	4.64%
TUHY.TO	TD Active U.S. High Yield Bond ETF	0.56%	B	5.05	6.14%	136.23	4.58%
ZHY.TO	BMO High Yield US Corporate Bond Hedged to CAD Index ETF	0.58%	B	5.98	6.12%	134.93	5.87%
FCHH.TO	Fidelity Systematic U.S. High Yield Bond Currency Neutral ETF	0.60%	B	6.63	5.59%	133.79	4.64%

Investing in Low-Coupon Bonds

A low-coupon-bond investor would prefer a higher capital gain (or at least a lower capital loss) over a high distribution. In my opinion, investors should always use yield to maturity (and not distribution yield) when comparing bonds with differing characteristics, but for those interested, here are 10 ETFs with weighted-average coupons less than 2.5%.

Ticker	Name	MER	Avg. Credit Quality	Years To Maturity	Coupon Rate	Price	Yield
ZDB.TO	BMO Discount Bond Index ETF	0.10%	AA	10.52	1.95%	107.18	1.20%
QSB.TO	Mackenzie Canadian Short-Term Bond Index ETF	0.10%	AA	2.47	2.19%	104.58	0.43%
ZSB.TO	BMO Short-Term Bond Index ETF	0.10%	AA	2.94	2.26%	105.30	0.64%
XSB.TO	iShares Core Canadian Short Term Bond Index ETF	0.10%	AA	2.85	2.29%	105.20	0.58%
VSB.TO	Vanguard Canadian Short-Term Bond Index ETF	0.11%	AA	2.88	2.25%	104.92	0.49%
XSQ.TO	iShares Short Term High Quality Canadian Bond Index ETF	0.13%	AA	2.80	2.17%	104.94	0.55%
RCDB.TO	RBC Canadian Discount Bond ETF	0.17%	A	3.34	1.62%	102.33	0.70%
HTB.U.TO	Horizons US 7-10 Year Treasury Bond ETF	0.17%	AAA	8.44	2.10%	123.36	0.92%
CLF.TO	iShares 1-5 Year Laddered Government Bond Index ETF Common Class	0.17%	AA	2.95	2.30%	105.53	0.47%
ZGB.TO	BMO Government Bond Index ETF	0.17%	AA	11.57	2.46%	115.80	0.87%

KEY TAKEAWAYS



Focus On Yield To Maturity, Not Distribution Yield

When deciding on a bond ETF, make sure you look past the 12-Month Yield as reported on many financial websites. A bond's yield to maturity will better capture your true expected annual return.



Use Credit Quality To Protect Against Default Risk

AAA-rated bonds are of the highest quality with virtually no default risk, while BB rated and below are considered high-yield, or "junk" status. Look at how risky your equity portfolio is when deciding what level of protection you're looking to get out of bonds.



Use Duration To Control Interest Rate Risk

Duration is a tool which measures interest-rate risk by combining the effects that coupon rates and time to maturities have on bond prices. Research where you think interest rates are headed and invest accordingly.

LAST WEEK'S ECONOMIC NUMBERS

Just a few of the key economic events that occurred last week in Canada and the U.S.



Canadian CPI

Canada's CPI was up 0.6% in January vs. forecasts of a 0.4% increase. Core CPI, which excludes food and energy prices, was up 0.5%.

Canadian Jobs

Covid-19 restrictions but a dampener on job growth as the Canadian economy lost 213K jobs in January, much worse than expectations of a 48K. The Services sector and part-time jobs were among the heaviest hit.

Canadian Retail Sales

Canadian Retail Sales fell 3.4% in December on a forecasted drop of 2.5%. Core Retail Sales, which excludes auto sales, fell by 4.1% on a forecasted drop of 2.0%.

U.S. PPI

The U.S. Producer Price Index rose by 1.3% in January on a forecasted rise of just 0.4%. The news renewed fears of higher inflation and interest rates that could limit corporate profits.

UPCOMING EARNINGS RELEASES

Canadian banks are expected to report an 11 percent decrease in earnings per share, reports Bloomberg News.



BANK OF MONTREAL

The Bank of Montreal is due to release its quarterly earnings report on February 23. Analysts are expecting EPS of 2.14.



ROYAL BANK OF CANADA

The Royal Bank of Canada is due to release its quarterly earnings report on February 24. Analysts are expecting EPS of 2.26.



LOBLAW

Loblaw is due to release its quarterly earnings report on February 25. Analysts are expecting EPS of 1.24.



TD BANK

The Toronto-Dominion Bank is due to release its quarterly earnings report on February 25. Analysts are expecting EPS of 1.48.





WEEKLY STOCK RETURNS

The next section includes the weekly returns for all 220+ S&P/TSX Composite Index stocks. I have organized the stocks by sector and included their ticker and industry as well. If a stock is not in this list but you would like to see it in future newsletters, please send me an email!

Scroll through the lists and check out how your holdings performed in comparison to their competitors. For a more interactive version, check out the Sunday Investor Website for a condensed, but sortable version.



Communication Services

Symbol	Company	Industry	Return
BCE	BCE	Telecom Services	-0.88%
CCA	Cogeco Communications	Telecom Services	-0.94%
CJR.B	Corus Entertainment	Entertainment	1.75%
QBR.B	Quebecor	Telecom Services	-1.08%
RCI.B	Rogers Communications	Telecom Services	-3.01%
SJR.B	Shaw Communications	Telecom Services	-1.95%
T	TELUS	Telecom Services	-2.32%





Consumer Cyclical

Symbol	Company	Industry	Return
ATZ	Aritzia	Apparel Retail	2.08%
BYD	Boyd Group	Personal Services	-2.22%
CCL.B	CCL Industries	Packaging & Containers	-1.62%
CTC.A	Canadian Tire	Specialty Retail	2.81%
DOO	BRP	Recreational Vehicles	-5.39%
GC	Great Canadian Gaming	Gambling	-0.42%
GIL	Gildan Activewear	Apparel Manufacturing	-2.46%
GOOS	Canada Goose Holdings	Apparel Manufacturing	4.19%
ITP	Intertape Polymer Group	Packaging & Containers	1.50%
LNR	Linamar	Auto Parts	-2.47%
MG	Magna International	Auto Parts	6.31%
MRE	Martinrea International	Auto Parts	-4.18%
NFI	NFI Group	Auto Manufacturers	0.77%
QSR	Restaurant Brands International	Restaurants	2.52%
RCH	Richelieu Hardware	Furnishings & Appliances	-3.23%
TOY	Spin Master	Leisure	-2.19%
WPK	Winpak	Packaging & Containers	-1.52%
ZZZ	Sleep Country Canada Holdings	Specialty Retail	-3.20%



Consumer Staples

Symbol	Company	Industry	Return
ATD.B	Alimentation Couche-Tard	Grocery Stores	-4.34%
DOL	Dollarama	Discount Stores	-1.11%
EMP.A	Empire Company	Grocery Stores	-3.19%
JWEL	Jamieson Wellness	Packaged Foods	-2.39%
L	Loblaw Companies	Grocery Stores	-1.12%
MFI	Maple Leaf Foods	Packaged Foods	-0.95%
MRU	Metro	Grocery Stores	-0.80%
PBH	Premium Brands Holdings	Packaged Foods	-3.14%
PRMW	Primo Water	Beverages—Non-Alcoholic	-10.39%
SAP	Saputo	Packaged Foods	-2.09%
WN	George Weston	Grocery Stores	-2.96%





Energy

Symbol	Company	Industry	Return
ARX	ARC Resources	Oil & Gas E&P	-0.63%
CCO	Cameco	Uranium	4.50%
CNQ	Canadian Natural Resources	Oil & Gas E&P	2.43%
CPG	Crescent Point Energy	Oil & Gas E&P	12.22%
CVE	Cenovus Energy	Oil & Gas Integrated	1.75%
ENB	Enbridge	Oil & Gas Midstream	-0.70%
ERF	Enerplus	Oil & Gas E&P	-6.33%
GEI	Gibson Energy	Oil & Gas Midstream	-2.10%
IMO	Imperial Oil	Oil & Gas Integrated	3.73%
IPL	Inter Pipeline	Oil & Gas Midstream	2.75%
KEY	Keyera	Oil & Gas Midstream	0.65%
MEG	MEG Energy	Oil & Gas E&P	4.81%
PKI	Parkland Fuel	Oil & Gas Refining & Marketing	-0.16%
PPL	Pembina Pipeline	Oil & Gas Midstream	-2.44%
PSK	PrairieSky Royalty	Oil & Gas E&P	-0.64%
PXT	Parex Resources	Oil & Gas E&P	-2.97%
SU	Suncor Energy	Oil & Gas Integrated	4.59%
TOU	Tourmaline Oil	Oil & Gas E&P	1.81%
TRP	TC Energy	Oil & Gas Midstream	-0.35%
VET	Vermilion Energy	Oil & Gas E&P	1.31%
VII	Seven Generations Energy	Oil & Gas E&P	0.35%
WCP	Whitecap Resources	Oil & Gas E&P	1.56%



Financial Services (1/2)

Symbol	Company	Industry	Return
BAM.A	Brookfield Asset Management	Asset Management	0.83%
BMO	Bank of Montreal	Banks—Diversified	3.74%
BNS	Bank of Nova Scotia	Banks—Diversified	0.70%
CIX	CI Financial	Asset Management	-6.05%
CM	Canadian Imperial Bank Of Commerce	Banks—Diversified	1.17%
CWB	Canadian Western Bank	Banks—Regional	2.17%
ECN	ECN Capital	Credit Services	8.42%
EQB	Equitable Group	Mortgage Finance	8.52%
FFH	Fairfax Financial Holdings	Insurance—Property & Casualty	0.39%
FN	First National Financial	Mortgage Finance	2.29%
GWO	Great-West Lifeco	Insurance—Life	0.84%
HCG	Home Capital Group	Mortgage Finance	2.40%
IAG	iA Financial	Insurance—Diversified	0.11%
IFC	Intact Financial	Insurance—Property & Casualty	-3.29%
IGM	IGM Financial	Asset Management	0.23%
LB	Laurentian Bank of Canada	Banks—Regional	-1.42%
MFC	Manulife Financial	Insurance—Life	0.12%
MIC	Genworth MI Canada	Insurance—Specialty	-0.12%
NA	National Bank of Canada	Banks—Diversified	3.39%
ONEX	ONEX	Asset Management	0.07%
POW	Power of Canada	Insurance—Life	0.88%
RY	Royal Bank of Canada	Banks—Diversified	3.36%



Financial Services (2/2)

Symbol	Company	Industry	Return
SII	Sprott	Asset Management	-0.60%
SLF	Sun Life Financial	Insurance—Diversified	1.50%
TD	Toronto-Dominion Bank	Banks—Diversified	1.27%
X	TMX Group	Financial Data & Exchanges	-2.28%





Health Care

Symbol	Company	Industry	Return
ACB	Aurora Cannabis	Specialty & Generic Drugs	-2.53%
APHA	Aphria	Specialty & Generic Drugs	18.70%
AUP	Aurinia Pharmaceuticals	Biotechnology	0.65%
BHC	Bausch Health Companies	Specialty & Generic Drugs	1.54%
CRON	Cronos Group	Specialty & Generic Drugs	-0.51%
SIA	Sienna Senior Living	Medical Care Facilities	-0.38%
TRIL	Trillium Therapeutics	Biotechnology	0.72%
WEED	Canopy Growth	Specialty & Generic Drugs	-4.63%





Industrials (1/2)

Symbol	Company	Industry	Return
AC	Air Canada	Airlines	7.57%
ARE	Aecon Group	Engineering & Construction	-0.17%
ATA	ATS Automation Tooling Systems	Specialty Industrial Machinery	4.56%
BAD	Badger Daylighting	Engineering & Construction	0.63%
BBU.UN	Brookfield Business Partners	Conglomerates	0.00%
BLDP	Ballard Power Systems	Specialty Industrial Machinery	-10.96%
CAE	CAE	Aerospace & Defense	1.09%
CJT	Cargojet	Integrated Freight & Logistics	-4.78%
CNR	Canadian National Railway	Railroads	-1.88%
CP	Canadian Pacific Railway	Railroads	0.01%
EFN	Element Fleet Management	Rental & Leasing Services	1.55%
EIF	Exchange Income	Airlines	5.32%
FTT	Finning International	Industrial Distribution	2.64%
GFL	GFL Environmental	Waste Management	3.06%
MSI	Morneau Shepell	Staffing & Employment Services	1.44%
MTL	Mullen Group	Trucking	-4.43%
RBA	Ritchie Bros. Auctioneers	Specialty Business Services	-9.05%
RUS	Russel Metals	Industrial Distribution	-1.63%
SNC	SNC-Lavalin Group	Engineering & Construction	1.80%
STN	Stantec	Engineering & Construction	-0.80%
TCL.A	Transcontinental	Specialty Business Services	-0.23%
TFII	TFI International	Trucking	-5.79%



Industrials (2/2)

Symbol	Company	Industry	Return
TIH	Toromont Industries	Industrial Distribution	-0.91%
TRI	Thomson Reuters	Consulting Services	-1.58%
WCN	Waste Connections	Waste Management	-0.09%
WSP	WSP Global	Engineering & Construction	3.15%
WTE	Westshore Terminals Investment	Marine Shipping	-2.14%





Materials (1/3)

Symbol	Company	Industry	Return
ABX	Barrick Gold	Gold	-11.34%
AEM	Agnico Eagle Mines	Gold	-10.90%
AGI	Alamos Gold	Gold	-9.85%
BTO	B2Gold	Gold	-6.26%
CAS	Cascades	Paper & Paper Products	-3.10%
CFP	Canfor	Lumber & Wood Production	-6.82%
CG	Centerra Gold	Gold	-0.22%
DPM	Dundee Precious Metals	Gold	-3.26%
EDV	Endeavour Mining	Gold	-3.59%
ELD	Eldorado Gold	Gold	-7.73%
EQX	Equinox Gold	Gold	-7.77%
ERO	ERO Copper	Copper	16.01%
FM	First Quantum Minerals	Copper	15.40%
FNV	Franco-Nevada	Gold	-8.71%
FR	First Majestic Silver	Silver	-0.05%
FVI	Fortuna Silver Mines	Silver	-5.34%
HBM	Hudbay Minerals	Copper	18.86%
IFP	Interfor	Lumber & Wood Production	-6.85%
IMG	IAMGOLD	Gold	-10.34%
IVN	Ivanhoe Mines	Other Metals & Mining	17.44%
K	Kinross Gold	Gold	-11.44%
KL	Kirkland Lake Gold	Gold	-7.20%



Materials (2/3)

Symbol	Company	Industry	Return
LIF	Labrador Iron Ore Royalty	Steel	6.02%
LUG	Lundin Gold	Gold	-11.21%
LUN	Lundin Mining	Copper	14.36%
MAG	MAG Silver	Silver	4.41%
MX	Methanex	Chemicals	-4.14%
NG	NovaGold Resources	Gold	-4.37%
NGD	New Gold	Gold	-14.67%
NTR	Nutrien	Agricultural Inputs	0.24%
OGC	OceanaGold	Gold	-14.80%
OR	Osisko Gold Royalties Ltd	Gold	-2.78%
OSK	Osisko Mining	Other Precious Metals & Mining	-6.58%
PAAS	Pan American Silver	Silver	-3.19%
PVG	Pretium Resources	Gold	-6.73%
SEA	Seabridge Gold	Gold	-2.29%
SIL	Silvercrest Metals	Other Precious Metals & Mining	-7.56%
SJ	Stella-Jones	Lumber & Wood Production	-2.18%
SSL	Sandstorm Gold	Gold	-3.14%
SSRM	SSR Mining	Gold	-9.48%
SVM	Silvercorp Metals	Silver	-1.41%
TECK.B	Teck Resources	Other Metals & Mining	15.90%
TGZ	Teranga Gold	Gold	-0.24%
TXG	Torex Gold Resources	Gold	-9.29%



Materials (3/3)

Symbol	Company	Industry	Return
WDO	Wesdome Gold Mines	Gold	-7.28%
WFG	West Fraser Timber Co.	Lumber & Wood Production	-6.96%
WPM	Wheaton Precious Metals	Gold	-7.00%
YRI	Yamana Gold	Gold	-8.70%

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Real Estate (1/2)

Symbol	Company	Industry	Return
AIF	Altus Group	Real Estate Services	3.29%
AP.UN	Allied Properties REIT	REIT—Office	-1.05%
AX.UN	Artis REIT	REIT—Diversified	0.94%
BEI.UN	Boardwalk REIT	REIT—Residential	0.67%
BPY.UN	Brookfield Property Partners	Real Estate Services	-0.27%
CAR.UN	Canadian Apartment Properties REIT	REIT—Residential	-4.33%
CHP.UN	Choice Properties REIT	REIT—Retail	0.00%
CIGI	Colliers International Group	Real Estate Services	0.19%
CRR.UN	Crombie REIT	REIT—Diversified	0.49%
CRT.UN	CT Real Estate Investment Trust	REIT—Retail	0.78%
CSH.UN	Chartwell Retirement Residences	Real Estate—Development	0.38%
CUF.UN	Cominar REIT	REIT—Diversified	-3.36%
D.UN	Dream Office REIT	REIT—Office	0.10%
DIR.UN	Dream Industrial REIT	REIT—Industrial	2.78%
FCR.UN	First Capital Realty REIT	REIT—Retail	0.47%
FSV	FirstService	Real Estate Services	2.55%
GRT.UN	Granite REIT	REIT—Industrial	-0.70%
HR.UN	H&R REIT	REIT—Diversified	2.06%
IIP.UN	InterRent REIT	REIT—Residential	-2.67%
KMP.UN	Killam Apartment REIT	REIT—Residential	-0.22%
NWH.UN	NorthWest Healthcare Properties REIT	REIT—Healthcare Facilities	1.23%
REI.UN	RioCan REIT	REIT—Retail	0.50%



Real Estate (2/2)

Symbol	Company	Industry	Return
SMU.UN	Summit Industrial Income REIT	REIT—Industrial	4.52%
SRU.UN	SmartCentres REIT	REIT—Retail	0.08%
TCN	Tricon Capital Group	Real Estate Services	-2.89%
WIR.UN	WPT Industrial REIT	REIT—Industrial	-0.74%

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Technology

Symbol	Company	Industry	Return
BB	BlackBerry	Software—Infrastructure	-16.46%
CLS	Celestica	Electronic Components	-1.08%
CSU	Constellation Software	Software—Application	6.83%
DSG	Descartes Systems Group	Software—Application	-5.35%
ENGH	Enghouse Systems	Software—Application	-1.70%
GIB.A	CGI	Information Technology Services	-4.01%
KXS	Kinaxis	Software—Application	-0.20%
LSPD	Lightspeed POS	Software—Application	5.40%
OTEX	Open Text	Software—Application	-3.30%
REAL	Real Matters	Software—Application	-4.69%
SHOP	Shopify	Software—Application	-1.98%





Utilities

Symbol	Company	Industry	Return
ACO.X	ATCO	Utilities—Diversified	-2.13%
ALA	AltaGas	Utilities—Regulated Gas	-1.21%
AQN	Algonquin Power & Utilities	Utilities—Renewable	-3.02%
BEP.UN	Brookfield Renewable Partners	Utilities—Renewable	-0.44%
BIP.UN	Brookfield Infrastructure Partners	Utilities—Diversified	4.39%
BLX	Boralex	Utilities—Renewable	-3.70%
CPX	Capital Power	Independent Power Producers	-3.75%
CU	Canadian Utilities	Utilities—Diversified	-1.95%
EMA	Emera	Utilities—Diversified	-3.62%
FTS	Fortis	Utilities—Regulated Electric	-2.31%
H	Hydro One	Utilities—Regulated Electric	-2.71%
INE	Innergex Renewable Energy	Utilities—Renewable	-4.06%
NPI	Northland Power	Utilities—Renewable	-1.65%
RNW	TransAlta Renewables	Utilities—Renewable	0.42%
SPB	Superior Plus	Utilities—Regulated Gas	3.87%
TA	TransAlta	Independent Power Producers	4.51%



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