

The LeBlanc Report

Week of April 5th, 2021

Market Overview: March 29th – April 2nd, 2021

Market Recap

The **S&P 500** ended above the 4,000 mark for the first time, riding gains in Microsoft, Amazon and Alphabet, as well as optimism about a recovering U.S. economy. **Gold** prices were buoyed by a retreat in **Treasury yields** and the **dollar**. **Oil** prices surged despite news of OPEC+ reaching a deal to gradually ease production cuts.

Coming Up In U.S.

- On the U.S. economic front, on Tuesday, U.S. Labor Department is expected to report **job opening data** through **Job Openings and Labor Turnover Survey**, for February. It stood at 6.917 million in January. The Commerce department is scheduled to release **trade data** for February, on Wednesday. The **trade deficit** is likely to widen to \$70.5 billion from a deficit of \$68.2 billion, in January. On Thursday, the **initial jobless claims** for the week ended April 3 is expected to fall to 650,000 from 719,000 in the previous week, according to the Labor Department. Separately, on Friday, data for year-on-year and monthly **producer prices** are expected to be released. In the 12 months through March, the PPI is expected to accelerate 3.8%. PPI index for March is likely to remain unchanged at 0.5% from February.
- **Carnival Corp** is expected to report first-quarter results on Thursday, but investors will be looking more to the company's plans on how it can safely resume sailings as vaccines roll out.
- **Moderna Inc** Chief Medical Officer **Tal Zaks** is likely to talk to the Economic Club of New York in a virtual address, on Wednesday.

U.S. Top News

- **Pfizer/BioNTech COVID-19 shot 91% effective in updated data, protective against South African variant**
Pfizer and BioNTech said their vaccine is around 91% effective at preventing COVID-19, citing updated trial data that included participants inoculated for up to six months.
- **U.S. Supreme Court permits FCC to loosen media ownership rules**
The U.S. Supreme Court allowed the Federal Communication Commission to loosen local media ownership restrictions, handing a victory to broadcasters in a ruling that could facilitate industry consolidation as consumers increasingly move online.
- **U.S. automakers post high quarterly sales even as chip shortage bites**
Automakers reported a rebound in first-quarter U.S. sales from a coronavirus-induced slump last year, but volumes were capped by a global chip scarcity that forced many companies to cut production.

- **U.S. Supreme Court backs Facebook in case about unwanted texting**

The U.S. Supreme Court made it easier for businesses to pester consumers with phone calls or text messages by tossing out a lawsuit accusing Facebook of violating a federal anti-robocall law.

- **Investors should reject J&J CEO pay package, proxy adviser Glass Lewis says**

Proxy adviser Glass Lewis is recommending investors reject the nearly \$30 million pay package for Johnson & Johnson Chief Executive Alex Gorsky, arguing that the healthcare company is shielding its top executives from the legal cost of poor business decisions.

Coming Up In Canada

- No major events are scheduled for the day.

Canada Top News

- **Canada's cash-rich oil sands firms face pressure to spend on transition**

Canada's biggest oil sands producers are generating billions more in free cash flow in a faster-than-expected pandemic rebound, but taking a cautious approach to spending it that is disappointing environment-minded investors.

- **Canadian factory activity expands at record pace in March**

Canadian manufacturing activity grew at its fastest pace on record in March as easing of COVID-19 restrictions helped bolster production and new orders, data showed. The IHS Markit Canada Manufacturing Purchasing Managers' index (PMI) rose to a seasonally adjusted 58.5 in March from 54.8 in February, posting the highest reading in the 10-year history of the survey.

- **TD branch network unlikely to shrink despite growing technology push, CEO says**

Toronto-Dominion Bank is unlikely to close a large number of branches in Canada even as it accelerates investments in technology, as demand for in-person services has stayed strong during the coronavirus pandemic, its chief executive said.

- **Canada government's bid to create national securities regulator stalls**

A decades-old bid by successive Canadian governments to create a national securities regulator officially stalled, leaving the country reliant on a fragmented system long derided as inefficient and cumbersome.

- **Brookfield Asset to buy remaining stake in troubled real estate unit**

Canada's Brookfield Asset Management will buy the remaining stake in its commercial real estate business for about \$6.5 billion, as it looks to rescue the pandemic-hit company that suffered massive declines in its property value.

Insight and Analysis

- **Can Joe Biden recreate the U.S. economy he grew up with?**

Joe Biden will almost certainly be the last U.S. president born as a member of the "silent generation" demographic group who were children during World War Two, came of age in an economic boom that built middle class wealth, and cemented the role of the U.S. as the world's leading industrial power. Over the latter half of his life, Biden, 78, saw the share of national wealth going to that middle class fall and the gains from U.S. growth concentrate in a handful of regions. Now, with a roughly \$2 trillion investment package unveiled on Wednesday, Biden wants to reverse that half century trend and steer capital to neglected people and parts of the country.

- **As Tesla takes the plunge, wary insurers watch crypto craze from the sidelines**

If Elon Musk's Tesla wanted to insure all of its recent \$1.5 billion bitcoin investment against the myriad of pitfalls it could encounter, like hacks, theft and fraud, it would be out of luck. Insurers have yet to catch up with the growing acceptance of cryptocurrencies as an investment and in commerce: Musk said last month Tesla's customers can now use bitcoin as payment.

- **Auto industry rethinks cost-cutting playbook as COVID-19, chip shortages disrupt supply chains**

After a year of getting hammered by the pandemic, a semiconductor shortage and storms that snarled Dana's global supply chain, the auto parts maker is reaching for a new playbook. Many automakers and suppliers like the Ohio maker of axles, driveshafts and other auto parts, are deciding that securing their supply lines is the most pressing order of business¹.

Please contact LeBlanc Group at leblanc.group@cgf.com or by phone at 604.661.7839 to learn more. You can visit our website by following the link <http://www.leblancgroup.ca/>.

All information is given as of the date appearing in this document and Canaccord Genuity Wealth Management (CGWM) does not assume any obligation to update it or to advise on further developments related. All this information has been compiled from sources believed to be reliable, but the accuracy and completeness of the information is not guaranteed, nor in providing it do CGWM assume any liability.

All views expressed in this document are provided for informational purposes only and does not constitute an offer or solicitation to buy or sell any securities. The statements expressed herein are not intended to provide tax, legal or financial advice, and under no circumstances should be construed as a solicitation to act as a securities broker or dealer in any jurisdiction. All views are intended for general circulation to clients and do not have any regard to the specific investment objectives, financial situation or general needs of any particular person.

Forward-looking statements and past performance are not guarantees of future results. To the fullest extent permitted by law, neither CGWM nor its affiliates or any other person accepts any liability whatsoever for any direct or consequential loss arising from any use of the information contained in this document. Canaccord Genuity Wealth Management in Canada is a division of Canaccord Genuity Corp. Member – Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada.

Investing in any of the securities mentioned above may not be suitable for all investors, as there are different types of risks involved with these investment strategies. Even if suitable to your level of risk tolerance, any or some of those securities may not be appropriate for your portfolio, depending on what other investments you hold. Please note that, from time to time, we may have personal investments in any or some of those securities and that past performance may not be repeated. Please do not hesitate to contact us should you want to know more about them or have any related questions.

¹ April 1, 2021. Refinitiv. The Day Ahead.