



Thursday, January 18, 2018

MACRO VIEW

The TSX (-0.0%) is flat as declines in energy shares offset gains in banks. Wall Street indices are pointing lower as investors took into account the sharp gains made in yesterday's session. Gold (-0.8%) prices rose modestly as the dollar fell, with investors looking to take profits on the dollar's recent gains. West Texas Intermediate crude oil (-0.7%) prices held steady, supported by threats of an attack on Nigeria's petroleum industry, which was offset by a reported rise in US fuel supplies.

U.S. weekly jobless claims fell by 41,000 to a seasonally adjusted level of 220,000, versus 250,000 expected, marking the lowest level in 45 years. The Philadelphia Fed Manufacturing Index declined to 22.2 in January versus 25.0 expected, although the positive data still continues to indicate overall growth. The U.S. housing starts for December dropped by 8.2 percent to a seasonally adjusted annual rate of 1.192 million units versus 1.275 million units expected, mostly due to a sharp fall in the construction of single-family housing units. North American bond yields rose, with the Canadian 10-year at 2.21% and the U.S. 10-year at 2.61%.

CANADIAN MARKETS

OceanaGold (OGC, +4.0%) posted strong quarterly results with Q4/2017 production coming in nicely ahead of expectations.

Copper producer Hudbay Minerals (HBM, -7.5%) reported better-than-expected Q4/2017 production, with total copper production of 159,192 tonnes versus guidance of 132,500 - 157,500 tonnes. The company also provided inline 2018 copper production guidance, while capex for 2018 came in above consensus. Also, unit costs are expected to be higher at the company's Manitoba operations and at its Constanca mine.

Husky Energy (HSE, -4.6%) is taking steps to suspend operations of its SeaRose floating production, storage and offloading vessel and associated production facilities located off the coast of Newfoundland and Labrador.

U.S. MARKETS

Morgan Stanley (MS, -0.1%) posted a beat on Q4/2017 EPS and revenue estimates on strong revenue growth in its Investment Banking and Wealth Management divisions. Trading revenue continues lag, with fixed-income sales and trading revenue down 46% year over year. Unadjusted results were impacted by a US\$1.2 billion one-time charge related to tax reform policy changes.

Bank of New York Mellon (BK, -5.3%) posted EPS that was in-line with consensus estimates while revenue fell short. Revenue growth was driven by solid growth in investment services fees and investment management fees, though tax reform policy changes negatively impacted the company's renewable energy assets.

Market Indicators

Index	Level*	Change	YTD	YTD (C\$)
S&P/TSX	16 326.51	0.00%	0.7%	0.7%
S&P 500	2 799.43	-0.11%	4.7%	3.8%
NASDAQ	7 288.59	-0.13%	5.6%	4.7%
Dow Jones	26 022.54	-0.36%	5.3%	4.4%
Nikkei 225	23 763.37	-0.44%	4.4%	5.2%
Euro Stoxx 50	3 608.94	-0.11%	3.0%	4.3%

*As of January 18 2018 11:00 AM. Source: Bloomberg

Canadian Market Movers

CSU	Constellation Software Inc	1.4%
GIL	Gildan Activewear Inc	1.3%
DOL	Dollarama Inc	0.9%
L	Loblaw Companies Ltd	0.9%
WN	Weston (George) Ltd	0.7%
TECK/B	Teck Resources Ltd-Cls B	-1.2%
BB	Blackberry Ltd	-1.2%
POW	Power Corp Of Canada	-1.3%
VRX	Valeant Pharmaceuticals Inte	-2.5%
HSE	Husky Energy Inc	-4.6%

*As of January 18 2018 11:00 AM. Source: Bloomberg

U.S. Market Movers

VZ	Verizon Communications Inc	2.1%
MET	Metlife Inc	1.4%
WMT	Wal-Mart Stores Inc	1.4%
PYPL	Paypal Holdings Inc	0.9%
BLK	Blackrock Inc	0.8%
BA	Boeing Co/The	-1.8%
BIIB	Biogen Inc	-1.8%
TXN	Texas Instruments Inc	-1.9%
KMI	Kinder Morgan Inc	-2.8%
BK	Bank Of New York Mellon Corp	-5.3%

*As of January 18 2018 11:00 AM. Source: Bloomberg

Benchmark Bonds & Rates

	Chg ¹	Yld ¹	Mar-18 ²	Jun-18 ²
CA 2YR	\$0.00	1.79%	1.55%	1.60%
CA 10YR	\$0.01	2.21%	2.10%	2.20%
US 2YR	\$0.01	2.05%	1.80%	1.90%
US 10YR	\$0.02	2.61%	2.55%	2.65%
	Rate ¹	Mar-18 ²	Jun-18 ²	
CA Prime	3.45%	0.00%	0.00%	
CA Overnight Tgt	1.25%	1.00%	1.25%	
Fed Funds Tgt	1.50%	1.38%	1.63%	

1 - As of January 18 2018 11:00 AM.; 2 - CIBC

forecasts. Source: Bloomberg

Apple (AAPL, +0.1%) announced that uses of capital will result in a US\$350 billion contribution to the U.S. economy over the next five years when combining new investments with its current pace of spending with domestic suppliers and manufacturers, which already accounts for US\$55 billion in spending. The tech giant plans to make over US\$30 billion in capital expenditures over the coming years and create over 20,000 new jobs through hiring at existing campuses as well as a newly announced campus, the location of which will announced later in the year.

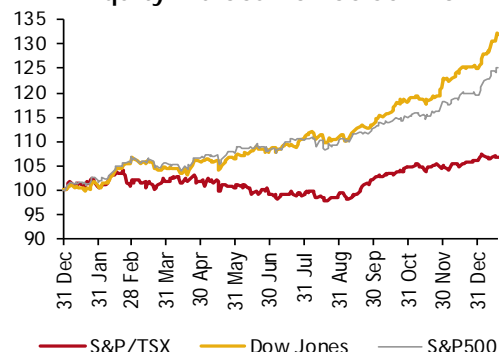
In its search to add a second headquarters in North America, Amazon.com (AMZN, +0.1%) announced it has short-listed 20 candidate cities after reviewing 238 proposals from cities across the continent. Toronto was the sole Canadian city making the short-list amongst several major U.S. cities. Amazon plans on investing over US\$5 billion in this second headquarters. The company estimates the investment, construction and ongoing operation of the new headquarters will, "create tens of thousands of additional jobs and tens of billions of dollars in additional investment in the surrounding community".

Currencies & Commodities

	Price*	Change	YTD
CS\$/US\$	0.802	0.003	0.8%
US\$/€	0.817	0.005	-1.9%
Gold	\$1 329.87	\$2.82	2.1%
Oil	\$63.58	-\$0.39	5.2%
Natural Gas	\$3.11	-\$0.12	5.4%

*As of January 18 2018 11:00 AM. Source: Bloomberg

Equity Indices - Since Jan 2017



Earnings Releases

Name	Date	Est.	Act.	
IBM (IBM)	01/18	\$5.17	--	*
Morgan Stanley (MS)	01/18	\$0.77	\$0.84	*
American Express (AXP)	01/18	\$1.54	--	*
Bank Ny Mellon (BK)	01/18	\$0.91	\$0.91	*
Bb&T Corp (BBT)	01/18	\$0.79	\$0.84	*
Canadian Pacific (CP)	01/18	\$3.20	--	
Ppg Inds Inc (PPG)	01/18	\$1.18	\$1.19	*
M&T Bank Corp (MTB)	01/18	\$2.40	\$2.66	*
Keycorp (KEY)	01/18	\$0.36	\$0.36	*
Hunt (Jb) Trans (JBHT)	01/18	\$1.01	\$0.92	*
People'S United (PBCT)	01/18	\$0.27	--	*
Schlumberger Ltd (SLB)	01/19	\$0.44	--	*
Suntrust Banks (STI)	01/19	\$1.05	--	*

Source: Bloomberg * = USD

Economic Calendar - Canada

Day	Release	Prior	Est.	Actual
1/18	ADP Canada Employment Report Publish	0	0	0
1/19	Manufacturing Sales MoM (Nov)	-0.40%	2.00%	--
1/19	Int'l Securities Transactions (Nov)	20.81b	--	--
1/22	Wholesale Trade Sales MoM (Nov)	1.50%	--	--
1/22	Bloomberg Nanos Confidence	60.5	--	--
1/25	Retail Sales MoM (Nov)	1.50%	--	--
1/25	Retail Sales Ex Auto MoM (Nov)	0.80%	--	--
1/25	CFIB Business Barometer (Jan)	59.7	--	--
1/26	CPI Core- Trim YoY% (Dec)	1.80%	--	--
1/26	CPI Core- Common YoY% (Dec)	1.50%	--	--

Source: Bloomberg

Economic Calendar - U.S.

Day	Release	Prior	Est.	Actual
1/18	Housing Starts (Dec)	1297k	1275k	1192k
1/18	Housing Starts MoM (Dec)	3.30%	-1.70%	-8.20%
1/18	Building Permits (Dec)	1298k	1295k	1302k
1/18	Building Permits MoM (Dec)	-1.40%	-0.60%	-0.10%
1/18	Philadelphia Fed Business Outlook (Jan)	26.2	25	22.2
1/18	Initial Jobless Claims	261k	249k	220k
1/18	Continuing Claims	1867k	1900k	1952k
1/18	Bloomberg Economic Expectations (Jan)	47	--	52.5
1/18	Bloomberg Consumer Comfort	53.5	--	53.8
1/19	U. of Mich. Sentiment (Jan P)	95.9	97	--

Source: Bloomberg

BRAD BROWN, CFA SR. MANAGER, EQUITIES

CHRISTOPHER ANTONY, CFA INVESTMENT ASSOCIATE

NADEEM KASSAM, CFA SR. MANAGER, EQUITIES

MICHAEL O'CALLAGHAN, MBA, CFA DIRECTOR, EQUITIES

ALLAN BISHOP SR. FIXED-INCOME SPECIALIST

IMPORTANT DISCLOSURES

Important disclosures, including potential conflicts of interest information, our system for rating investment opportunities and our dissemination policy can be obtained by writing to CIBC World Markets Inc. BCE Place, 161 Bay Street, 4th Floor, Toronto, Ontario M5J 2S8, Attention: Research Disclosures Request.

This report is issued and approved for distribution in Canada by CIBC World Markets Inc., a member of the Investment Industry Regulatory Organization of Canada and a member of the Canadian Investor Protection Fund. Any questions should be directed to your sales representative.

Every province in Canada and most countries throughout the world have their own laws regulating the types of securities and other investment products which may be offered to their residents, as well as the process for doing so. As a result, some of the securities discussed in this report may not be available to every interested investor. Accordingly, this report is provided for informational purposes only, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. No part of any report may be reproduced in any manner without the prior written permission of CIBC World Markets.

The information and any statistical data contained herein have been obtained from sources which we believe to be reliable, but we do not represent that they are accurate or complete, and they should not be relied upon as such. All opinions expressed and data provided herein are subject to change without notice. A CIBC World Markets company or its shareholders, directors, officers and/or employees, may have a long or short position or deal as principal in the securities discussed herein, related securities or in options, futures or other derivative instruments based thereon. A CIBC World Markets company may have acted as initial purchaser or placement agent for a private placement of any of the securities of any company mentioned in this report, may from time to time solicit from or perform financial advisory, investment banking or other services for such company, or have lending or other credit relationships with the same. The securities mentioned in this report may not be suitable for all types of investors; their prices, value and/or income they produce may fluctuate and/or be adversely affected by exchange rates. Since the levels and bases of taxation can change, any reference in this report to the impact of taxation should not be construed as offering tax advice; as with any transaction having potential tax implications, clients should consult with their own tax advisors. Past performance is no guarantee of future results.

In preparing the advice given in this document, CIBC World Markets did not take into account the investment objectives, financial situation and particular needs of any particular client of CIBC World Markets. Before making an investment decision on the basis of any recommendation made in this document, the recipient should consider how appropriate the recommendation is to their particular investment needs, objectives and financial circumstances. To allow CIBC World Markets to take into consideration a recipient's objectives, financial situation and particular needs, CIBC World Markets requests that, prior to acting on any of the recommendations herein, you contact one of our client advisers to discuss your particular circumstances.

Although each company issuing this report is a wholly owned subsidiary of Canadian Imperial Bank of Commerce ("CIBC"), each is solely responsible for its contractual obligations and commitments, and any securities products offered or recommended to or purchased or sold in any client accounts (i) will not be insured by the Federal Deposit Insurance Corporation, the Canada Deposit Insurance Corporation or other similar deposit insurance, (ii) will not be deposits or other obligations of CIBC, (iii) will not be endorsed or guaranteed by CIBC, and (iv) will be subject to investment risks, including possible loss of the principal invested. The CIBC trademark is used under license.

This report may also be distributed by any party authorized to do so by CIBC World Markets Inc. CIBC Wood Gundy is a division of CIBC World Markets, a subsidiary of CIBC and Member CIPF.

© 2018 CIBC World Markets Inc. All rights reserved. Unauthorized use, distribution, duplication or disclosure without the prior written permission of CIBC World Markets is prohibited by law and may result in prosecution.

CIBC Private Wealth Management consists of services provided by CIBC and certain of its subsidiaries, including CIBC Wood Gundy, a division of CIBC World Markets Inc. CIBC Private Wealth Management is a registered trademark of CIBC, used under license. "Wood Gundy" is a registered trademark of CIBC World Markets Inc. Insurance services are available through CIBC Wood Gundy Financial Services Inc. In Quebec, insurance services are available through CIBC Wood Gundy Financial Services (Quebec) Inc. If you are currently a CIBC Wood Gundy client, please contact your Investment Advisor.