

Partaker Wealth Management  
of RBC Dominion Securities



Wealth Management  
Dominion Securities

# E-WEDNESDAY

November 25, 2020

“

*Wealth flows from energy and ideas.*

”

William Feather

“



# Money

---

"I got 99 problems and money could solve 73 of them." U n k n o w n

## **Pfizer, BioNTech plan filing as vaccine proves 95% effective**

Pfizer Inc. said a final analysis of clinical-trial data showed its COVID-19 vaccine was 95 per cent effective, paving the way for the company to apply for the first U.S. regulatory authorization for a coronavirus shot.

The U.S. drugmaker and partner BioNTech SE said their vaccine protected people of all ages and ethnicities, with no significant safety problems so far in a trial that includes almost 44,000 participants.

The update is the latest in a string of promising developments on the vaccine front in recent days. Moderna Inc.'s rival shot appears equally effective, judging from data published earlier this week, and a third contender, from AstraZeneca Plc and the University of Oxford, is expected to release trial results in coming days.

The Pfizer-BioNTech data shows 170 trial participants contracted Covid-19 overall. Eight participants who got the vaccine fell ill, while 162 cases were seen among those who got the placebo. The shot helped to prevent severe disease, according to the analysis, with nine of 10 severe cases in the trial occurring in the placebo group.

The vaccine's efficacy in people older than 65 was more than 94 per cent, the companies said.

Most people who received the shot tolerated it well. Severe fatigue was seen in 3.8 per cent of volunteers after the second dose in the two-shot regimen, and 2 per cent of people had a severe headache after the second dose. But those were the only severe side effects that occurred in at least 2 per cent of people, according to the data.

Today's results "appear to confirm a highly impressive efficacy profile for the vaccine and a side effect profile that appears very reasonable given the vaccine's benefits," Mizuho analyst Vamil Divan wrote in a research note.

Pfizer and BioNTech plan to seek U.S. emergency authorization within days, according to the release



**RBC Wealth Management**  
Dominion Securities

**Partaker Wealth Management of RBC Dominion Securities Inc**  
**403.266.9647 Suite 300, 11012 Macleod Trail SE Calgary, AB T2J 6A5**

## Canadians sitting on largest cash hoard ever recorded: CIBC

The COVID-19 pandemic has pushed Canadians to accumulate the largest amount of cash ever recorded, according to a new CIBC report released last week.

Canadian households and businesses are holding on to more than \$170 billion in excess cash, the report estimated. Households are sitting on \$90 billion, which is equal to 4 per cent of consumer spending, while businesses are holding on to no less than \$80 billion.

"We're seeing a situation where the savings rate is going up, spending went down dramatically, but income actually went up because of government support and the fact that many people did not see their income going down," said Benjamin Tal, CIBC deputy chief economist and co-author of the report, in an interview.

"We're in a very weird situation in which the economy is down, but the level of cash in the economy is rising."

The report also said the savings rate for households was likely about 13 per cent in the third quarter, compared to about 3.6 per cent before the pandemic.

Tal also forecast that households' cash hoards are expected to grow further. The report said consumer spending is set to slow down in the coming four to five months with the pandemic overlapping with flu season.

"Maybe [a vaccine] will be the green light for people to actually start redeploying the mountain of cash they're sitting on," Tal said.

Meanwhile, Canadian businesses are growing their cash positions by almost 15 per cent year-over-year, the report said. The government's Canada Emergency Business Account loan program is also boosting firms' cash hoards, with many companies keeping the money in deposit accounts and possibly using it as insurance.

"I think a lot of this cash is held by companies and sectors that are not impacted directly by the crisis. In fact, they're benefiting from it," Tal said.

"At the same time, they're not in the mood to invest when the economy is down, so they're sitting on this cash – waiting, looking for direction – and this cash will be utilized the minute they see the light because it's really sub-optimal for them ... not to invest."



**RBC Wealth Management**  
Dominion Securities

**Partaker Wealth Management of RBC Dominion Securities Inc**  
**403.266.9647 Suite 300, 11012 Macleod Trail SE Calgary, AB T2J 6A5**

## First Nations alliance to invest up to \$1B in Keystone XL pipeline

TC Energy Corp. has brought another backer into its corner for the Keystone XL pipeline.

The Calgary-based company announced last week it struck an agreement for Natural Law Energy (NLE) – an alliance of First Nations representing the traditional territories of Treaty No. 4, Treaty No. 6 and Treaty No. 7 – to invest up to \$1 billion in the controversial pipeline that's been the subject of years of delays and regulatory uncertainty. TC Energy pointed out the investment is dependent on NLE securing financing.

It's the second significant equity partner that TC Energy has brought on board for Keystone XL after the province of Alberta signed up for a \$1.5-billion investment in the project – plus a \$6-billion loan guarantee – in March. And it's being announced despite a murky outlook for Keystone XL in light of U.S. President-elect Joe Biden's campaign pledge to block the project.

"Natural Law Energy has used the same blueprint our ancestors used when they negotiated the Treaties that governed working together to share the land," said NLE CEO Travis Meguinis in a release.

"We're a major contributor to economic developments on our traditional lands and will create opportunities for future generations. As an Indigenous led company, we need to ensure sustainability to Mother Earth and share our understanding as stewards of the land by bringing our traditional protocols and values to these projects."

## Arts & Entertainment

---

"The world is a stage, the stage is a world of entertainment." Howard Dietz

### Theatre Calgary's - A Filmed Digital Production for the Whole Family: A Christmas Carol...

*Abridged Adaptation by Geoffrey Simon Brown*

Not even Scrooge can prevent a joyous holiday tradition from taking place! Theatre Calgary is committed to bringing our beloved production of A Christmas Carol to you and your loved ones this December.

This year, we are thrilled to present a new adaptation of Charles Dickens' classic that you can enjoy in the safety and comfort of your own surroundings. Directed by Stafford Arima, this reimagined



**RBC Wealth Management**  
Dominion Securities

**Partaker Wealth Management of RBC Dominion Securities Inc**  
403.266.9647 Suite 300, 11012 Macleod Trail SE Calgary, AB T2J 6A5

production has been filmed with a cast of three including Stephen Hair, Marshall Vielle Natay'ao'tako and Jamie Tognazzini, who will fill the hearts of young and old with the spirit of Christmas.

Imagine a stage with three enthralling actors each playing a host of classic Dickens' characters from Scrooge, to the Christmas Spirits, to Tiny Tim. This new production will bring A Christmas Carol to life with theatrical savvy, in a magical theatre space where a classic story can be told, and one's imagination can soar.

This digital production of A Christmas Carol will be available to everyone for a limited time in December. So whether you've seen our production over the past 33 years, or this is your first time, we invite you to gather the family around the tree, and your screen, and enjoy a holiday tradition known the world-wide!

CLICK HERE TO PURCHASE YOUR DIGITAL ACCESS → <https://www.theatrecalgary.com/shows/a-christmas-carol>

## **Storybook Theatre – Live Shows for the Whole Family: Annie: The Musical From November 20, 2020 – January 2, 2021**

"With equal measures of pluck and positivity, little orphan Annie charms everyone's hearts despite a next-to-nothing start in 1930s New York City. She is determined to find the parents who abandoned her years ago on the doorstep of a New York City Orphanage that is run by the cruel, embittered Miss Hannigan. With the help of the other girls in the Orphanage, Annie escapes to the wondrous world of NYC. In adventure after fun-filled adventure, Annie foils Miss Hannigan's evil machinations... and even befriends President Franklin Delano Roosevelt! She finds a new home and family in billionaire, Oliver Warbucks, his personal secretary, Grace Farrell, and a lovable mutt named Sandy." Recommended ages 6+

Where: Online

*Storybook Theatre has made the decision to go ahead with its 2020-2021 season, adapting the performances and being prepared to go online if necessary. Performances will be limited to 25% capacity and a decision will be made based on regulations sixty days out from the opening night of each production, on whether the performance will be in streaming format online, live in person in the theatre, or a combination of the two. Find out more about the shows and how they plan to present theatre in season 44. <https://www.storybooktheatre.org/season44>*

## **Jubilations – Live Shows for the Whole Family: Rockin' The Jukebox – until January 9, 2021**

The local teens in the sleepy town of Lakewood are dying... of boredom! Yes, even with entire world wide web in the palm of their little hands, they just feel like something is missing. That is, until one day



**RBC Wealth Management**  
Dominion Securities

**Partaker Wealth Management of RBC Dominion Securities Inc**  
**403.266.9647 Suite 300, 11012 Macleod Trail SE Calgary, AB T2J 6A5**

they wander into the old boarded up diner over on Route 9, and find a strange looking device sitting in the corner, covered in dust. The oldest among them vaguely recognizes it from an after school TV show... something called... a jukebox. Once they plug it in the sparks are gonna fly.

Address: 1002 37th St SW, Calgary, AB

Phone: 403-249-7799

Website: [www.calgary.jubilations.ca](http://www.calgary.jubilations.ca)

## Wit

"Whoever is praying for snow please stop!" U n k n o w n



**RBC Wealth Management**  
Dominion Securities

**Partaker Wealth Management of RBC Dominion Securities Inc**  
403.266.9647 Suite 300, 11012 Macleod Trail SE Calgary, AB T2J 6A5

# Community & Home

---

"There is nothing more important than a good, safe, secure home."

Rosealynn Carter

## **Banff National Park reopens popular scenic drive to all public vehicles** - By

Michael Franklin

CTVNewsCalgary.ca Senior Digital Producer

**CALGARY** -- If driving out into the mountains is part of your future plans, you will be able to access the Bow Valley Parkway once more.

The highway that runs between Banff and Castle Junction was closed to all public motor vehicles earlier this year to allow for proper physical distancing on the frequent stops along the route.

Officials say as of Sunday, the highway is once again open to all public access but visitors must adhere to health protocols when they are outside their vehicles.

This reminder includes anyone in Johnston Canyon.

"Consider wearing a mask, as it may be difficult to maintain 2 metres of distance," the post on social media reads.

Anyone willing to brave the cold is also reminded that the trail could be slippery and dangerous, so they should come properly equipped.

"Cleats and hiking poles are strongly recommended due to icy conditions."

Officials say the closure also allowed wildlife to reclaim the area.

We will continue to monitor & adjust as needed to follow the advice of public health experts. This may include managing access during peak times.

<https://calgary.ctvnews.ca/banff-national-park-reopens-popular-scenic-drive-to-all-public-vehicles-1.5189781>



**RBC Wealth Management**  
Dominion Securities

**Partaker Wealth Management of RBC Dominion Securities Inc**  
403.266.9647 Suite 300, 11012 Macleod Trail SE Calgary, AB T2J 6A5

# Timber! Where To Cut Your Own Christmas Tree Near Calgary

## Are you looking for a REALLY fresh tree?

Well, this being windy, dry Calgary, that is hard to find on any of the tree lots! The best way to get a really fresh tree and to have some family fun is to cut your own Christmas tree. If you're one of the families who still insist on a "live" tree (I'm with you!), we have some ideas beyond the grocery store tree lot. This is such a lovely, old-fashioned, and reasonably easy thing to do as a family! It may not be the lushest tree in the world, but it will smell amazing and the kids will love it!

## Where to cut your own tree near Calgary:

For a \$5 (+GST) permit from Alberta Environment and Parks, you may cut down up to 3 trees in an approved forest area. There are height restrictions of course, but aside from that, the perfect tree is fair game! The permit is a TM66 and is now available online or you can go to any of the following locations to get it (and a map!):

Forestry Division Office  
8660 Bearspaw Dam Road NW  
Monday to Friday, 8:15-4:30 (closed 12 -1 pm)  
Phone: 403-297-8800

Fish and Wildlife Division Office  
E.P. Building  
3115 – 12 Street NE  
Phone: 403-297-6423

You can also cut your own Lodgepole Pine Christmas tree by visiting the **Alberta Junior Forest Wardens' Christmas** tree cutting area near Sibbald Creek. Tree cutting costs \$5 each (cash or cheque) and there's a maximum of 3 trees per person. There will be a bonfire to warm you up, but be sure to bring masks. This program runs Saturdays and Sundays from November 28 – December 20, 2020, from 9 am to 3 pm, road and weather conditions permitting. See the Junior Warden's website <https://sites.google.com/a/jfwa.ca/home/home> for information about the Alberta Junior Forest Wardens and the JFW Christmas Tree Cutting Locations.

*Although we do our best to provide you with accurate information, all event details are subject to change. Please contact the facility to avoid disappointment.*

<https://www.familyfuncanada.com/calgary/cut-your-own-christmas-tree/>



**RBC Wealth Management**  
Dominion Securities

**Partaker Wealth Management of RBC Dominion Securities Inc**  
403.266.9647 Suite 300, 11012 Macleod Trail SE Calgary, AB T2J 6A5



# Health, Family & Lifestyle

---

“Families come in all shapes and sizes, and they don’t have to fit the perfect dream ideal to make you happy.” J e n n i f e r L o p e z

## **COVID-19 vaccine is a game changer for economies, markets, and investors** By Frédérique Carrier

5 min read

*We can look past the economic shock and focus more confidently on the recovery. Do investors need to rethink positioning?*

The Pfizer/BioNTech COVID-19 vaccine announcement on Nov. 9 was received by equity markets with enthusiasm, with the S&P 500 rallying 1.2 percent on the day, and the MSCI World Index reaching a new all-time high the day after. The results markedly surpassed general expectations, especially in terms of the vaccine's efficacy in preventing symptoms, and some market participants seemed surprised by the timing of its availability. The vaccine is likely to be the first one to receive regulatory approval in the U.S. and Europe, which could happen within weeks.

The vaccine's efficacy rate of more than 90 percent, far exceeding the U.S. Food and Drug Administration's (FDA) 50 percent hurdle rate, is remarkably high for a first-generation vaccine. This could mean other vaccines using a similar technology are likely to be successful as well.

Some questions remain, including how safe the vaccine is, though this data should also be available within weeks. With time, we will find out how long the vaccine protection lasts and how efficient it is when used on the elderly, as cohorts are added to the trial.

Enthusiasm for the Pfizer/BioNTech vaccine is tempered by logistical challenges. It requires two doses to be administered three weeks apart. It also needs to be stored in dry ice to ensure a temperature of minus 70 degrees Celsius (-94 F) or below—a challenge for governments considering rolling it out, particularly for developing countries and those in temperate regions.

Once safety data is released, emergency use filing can be done in the U.S. and Europe. After receiving the full efficacy data in December, the FDA can approve the drug. Pfizer/BioNTech expects that 50 million doses can be available by year-end and 1.3 billion doses next year (i.e., 750 million vaccinated). For context, the EU has ordered 300 million doses, the U.S. 100 million, and the UK 30 million.



**RBC Wealth Management**  
Dominion Securities

**Partaker Wealth Management of RBC Dominion Securities Inc**  
403.266.9647 Suite 300, 11012 Macleod Trail SE Calgary, AB T2J 6A5

The possibility of vaccines taming the pandemic is becoming more tangible. Data for two other vaccines are due before the end of the year. The vaccine being developed by AstraZeneca and Oxford University is possibly the most eagerly anticipated. Based on a different technology, only one dose is required, and it wouldn't need to be kept below freezing temperatures, suggesting it would be more scalable than Pfizer/BioNTech's. Moreover, it is reportedly already known to be effective for the elderly. We should also know the results of the Moderna vaccine trial by year-end and the results of four others will likely come in sometime in the first half of next year. Should most of these be successful, the global vaccination rollout could make important inroads next year.

### **Good for the economy**

To be sure, the manufacturing capacity and the distribution of the vaccine will not be in place to save the winter in the Northern Hemisphere. Social distancing and lockdown measures will likely stay in place for now, capping economic growth in the economically important Q4 2020 and possibly in Q1 2021. But the Pfizer/BioNTech data brings forward the possibility of a better outlook for economic growth in 2021 for several reasons, and as such, it is undeniably good news.

The availability of a vaccine and the success of its technology likely reduces the risk of a potential third wave in autumn 2021. Knowing there is an end to the crisis in sight, some governments could opt to give more generous fiscal relief than would have otherwise been the case. Our national research correspondent thinks a U.S. COVID-19 stimulus package of \$1 trillion is more likely than one of \$500 billion. A vaccine also helps investors to look through the COVID-19 valley and focus more confidently on the recovery and the post-pandemic world.

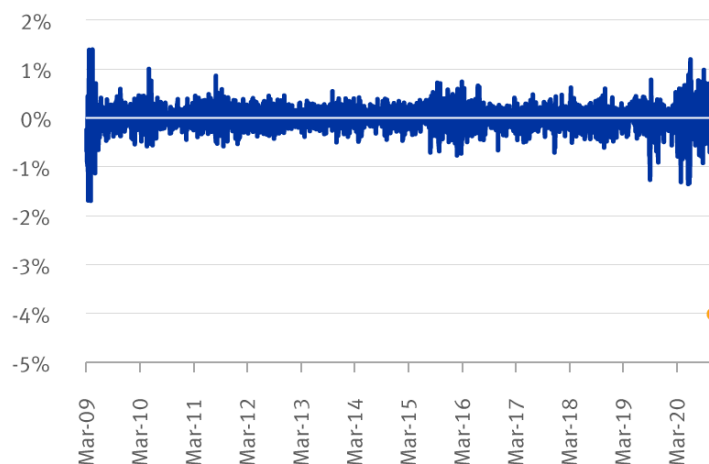
The vaccine announcement brought on abrupt risk-on moves in financial markets that day. The S&P 500 closed up 1.2 percent, a performance that came on top of post-election gains which had been the highest in history.



**RBC Wealth Management**  
Dominion Securities

**Partaker Wealth Management of RBC Dominion Securities Inc**  
**403.266.9647 Suite 300, 11012 Macleod Trail SE Calgary, AB T2J 6A5**

## Sharpest market reversal since 2009



## Daily price change in the Bloomberg US Pure Momentum Portfolio Total Return Index

● Positive COVID-19 vaccine results announced

Source - Bloomberg; daily data through 11/10/20

The S&P 500's move camouflages an aggressive rotation in equity markets. Momentum strategies, in which investors buy securities when their prices have been rising and sell those when they have been declining, had their worst performance since 2009. The FAANGs (Facebook, Amazon, Apple, Netflix, and Google parent Alphabet), which have led market gains since March, also retreated abruptly. These technology companies' business models have thrived in the COVID-19 era, with their stocks being widely perceived by market participants as defensive investments in these difficult times. Globally, megacaps underperformed riskier small caps. Struggling Financials and Energy stocks roared upwards. Meanwhile, the oversold FTSE All-Share Index, a broad index of UK stocks, closed up approximately five percent, a rarely seen showing and its second-best performance since the 2016 Brexit referendum.

Other traditional growth indicators also pointed to an improvement in the economic outlook: the U.S. yield curve steepened, with the yield on the 10-year Treasury note increasing to 0.95 percent from 0.80 percent prior to the vaccine announcement. Profit-takers brought gold prices down to \$1,855/oz, perhaps a sign of a safer environment.

### A flash in the pan?

For investors, the question is whether these aggressive one-day moves herald a broader, more sustained rotation towards cyclical positions. To be fair, they were probably also a function of crowded positions, i.e., investors all chasing similar themes and being heavy in certain sectors (such



**RBC Wealth Management**  
Dominion Securities

**Partaker Wealth Management of RBC Dominion Securities Inc**  
403.266.9647 Suite 300, 11012 Macleod Trail SE Calgary, AB T2J 6A5

as the FAANG group with their resilient business models for the current environment) while avoiding others (like the Energy sector due to the sharp fall in oil prices and banks due to ultralow interest rates). The aggressive market rotation also facilitated a record valuation differential between growth and value stocks.

A general and longer-lasting rotation towards reflationary positioning, or economically-sensitive stocks, would require inflation expectations to continue their ascent and Treasury yields to extend their moves upward.

For now, we believe it's reasonable to expect a period of consolidation for equities following the sharp gains since the U.S. elections and vaccine news. Moreover, the global economy is not out of the woods yet, and investors may start to ponder the logistical challenges of rolling out vaccines globally.

Investors should use this time to consider their portfolios' exposure to cyclical, or economically-sensitive stocks. The possibility of viable vaccines should enable investors to look through the crisis and assess companies that were most affected by COVID-19 on the basis of normalised earnings. Many of these companies' stocks will appear undervalued, in our view. We recommend adding some exposure to cyclicals and value stocks to take advantage of the likely improvement in economic conditions that COVID-19 vaccines could bring.

**Non-U.S. Analyst Disclosure:** *Frédérique Carrier, an employee of RBC Wealth Management USA's foreign affiliate RBC Europe Limited, contributed to the preparation of this publication. This individual is not registered with or qualified as a research analyst with the U.S. Financial Industry Regulatory Authority ("FINRA") and, since they are not associated persons of RBC Wealth Management, they may not be subject to FINRA Rule 2241 governing communications with subject companies, the making of public appearances, and the trading of securities in accounts held by research analysts.*

*In Quebec, financial planning services are provided by RBC Wealth Management Financial Services Inc. which is licensed as a financial services firm in that province. In the rest of Canada, financial planning services are available through RBC Dominion Securities Inc.*

<https://www.rbcwealthmanagement.com/ca/en/research-insights/covid-19-vaccine-is-a-game-changer-for-economies-markets-and-investors/detail/>



**RBC Wealth Management**  
Dominion Securities

**Partaker Wealth Management of RBC Dominion Securities Inc**  
403.266.9647 Suite 300, 11012 Macleod Trail SE Calgary, AB T2J 6A5

This information is provided as a courtesy by

## **PARTAKER**

Wealth Management  
of RBC Dominion Securities

If you do not wish to receive this biweekly information, please return an email to the sender with "delete" in the subject line.

This information is not intended as nor does it constitute tax or legal advice. Readers should consult their own lawyer, accountant or other professional advisor when planning to implement a strategy. This information is not investment advice and should be used only in conjunction with a discussion with your RBC Dominion Securities Inc. Investment Advisor. This will ensure that your own circumstances have been considered properly and that action is taken on the latest available information. The information contained herein has been obtained from sources believed to be reliable at the time obtained but neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers can guarantee its accuracy or completeness. This report is not and under no circumstances is to be construed as an offer to sell or the solicitation of an offer to buy any securities. This report is furnished on the basis and understanding that neither RBC Dominion Securities Inc. nor its employees, agents, or information suppliers is to be under any responsibility or liability whatsoever in respect thereof. The inventories of RBC Dominion Securities Inc. may from time to time include securities mentioned herein. In Quebec, financial planning services are provided by RBC Wealth Management Financial Services Inc. which is licensed as a financial services firm in that province. In the rest of Canada, financial planning services are available through RBC Dominion Securities Inc. This commentary is based on information that is believed to be accurate at the time of writing, and is subject to change. All opinions and estimates contained in this report constitute RBC Dominion Securities Inc.'s judgment as of the date of this report, are subject to change without notice and are provided in good faith but without legal responsibility. Interest rates, market conditions and other investment factors are subject to change. Past performance may not be repeated. The information provided is intended only to illustrate certain historical returns and is not intended to reflect future values or returns. RBC Dominion Securities Inc. and its affiliates may have an investment banking or other relationship with some or all of the issuers mentioned herein and may trade in any of the securities mentioned herein either for their own account or the accounts of their customers. RBC Dominion Securities Inc. and its affiliates also may issue options on securities mentioned herein and may trade in options issued by others. Accordingly, RBC Dominion Securities Inc. or its affiliates may at any time have a long or short position in any such security or option thereon. RBC Dominion Securities Inc.\* and Royal Bank of Canada are separate corporate entities which are affiliated. \*Member-Canadian Investor Protection Fund. Insurance products are offered through RBC Wealth Management Financial Services Inc., a subsidiary of RBC Dominion Securities Inc. When providing life insurance products in all provinces except Quebec, Investment Advisors are acting as Insurance Representatives of RBC Wealth Management Financial Services Inc. In Quebec, Investment Advisors are acting as Financial Security Advisors of RBC Wealth Management Financial Services Inc. RBC Wealth Management Financial Services Inc. is licensed as a financial services firm in the province of Quebec. RBC Dominion Securities Inc. is a member company of RBC Wealth Management, a business segment of Royal Bank of Canada. ®Registered trademarks of Royal Bank of Canada. Used under licence. © 2017 Royal Bank of Canada. All rights reserved.



**RBC Wealth Management**  
Dominion Securities

**Partaker Wealth Management of RBC Dominion Securities Inc**  
**403.266.9647 Suite 300, 11012 Macleod Trail SE Calgary, AB T2J 6A5**