

## Canadian Strategy Snapshot

### 2021 Year Ahead – Canadian Market Outlook

#### Still in Undiscovered Value Territory = S&P/TSX Price Target: 19,500; EPS Target: \$1,100

- As America goes, so goes Canada; North American equities likely to continue to set the pace

#### Baseline Canadian Market Assumptions and Keys to 2021 Positioning

- Oil price remains range-bound, with WTI sub \$50/bbl on average
- Gold price stabilizes, but remains above \$1800/oz on average
- Focus on themes, industries and companies that capitalize on cross-border business relationship with the U.S.

#### Key Sector Changes

- Communication Services to Market Weight from Overweight
- Consumer Discretionary to Overweight from Market Weight
- Consumer Staples to Market Weight from Overweight
- Industrials to Overweight from Market Weight
- Health Care to Market Weight from Underweight
- Real Estate to Underweight from Market Weight
- Utilities to Underweight from Market Weight

#### Sector Opinions

- Overweight: Consumer Discretionary, Financials, and Industrials
- Market Weight: Communication Services, Consumer Staples, Energy, Health Care, Information Technology, and Materials
- Underweight: Real Estate and Utilities

Please see our [2021 Market Outlook – The Year Ahead for US and Canada](#) for details

#### Investment Strategy

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#### CDN Strategy – S&P/TSX Targets

##### S&P/TSX Price Target

2021 Calendar Year End	19,500
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##### S&P/TSX EPS Target

2021 Calendar Year End	\$1100
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Source: BMO Capital Markets Investment Strategy.

#### CDN Strategy – Recommended S&P/TSX Sector Weightings

Sector	Opinion	Tgt. Wgt.
Communication Services	MW	5.0%
Consumer Discretionary	OW	5.0%
Consumer Staples	MW	4.0%
Energy	MW	11.0%
Financials	OW	31.0%
Health Care	MW	1.5%
Industrials	OW	13.5%
Information Technology	MW	9.5%
Materials	MW	14.5%
Real Estate	UW	3.0%
Utilities	UW	2.0%

Source: BMO Capital Markets Investment Strategy.

OW: Overweight

MW: Market Weight

UW: Underweight

## Recent Canadian Strategy Research Reports

Date	Title
<b>Canadian Strategy Snapshots</b>	
10/29/2020	<a href="#">Canadian Strategy Snapshot: Materials Beyond Gold's Bling</a>
10/22/2020	<a href="#">Canadian Strategy Snapshot: Small Cap Challenges and Opportunities</a>
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9/17/2020	<a href="#">Canadian Strategy Snapshot: Select TSX Outlier Trends of 2020</a>
9/10/2020	<a href="#">Canadian Strategy Snapshot: Key Canadian Sector Changes and Positioning</a>
8/28/2020	<a href="#">Canadian Strategy Snapshot: Reinstating Year-End S&amp;P/TSX Target at 18,200</a>
8/14/2020	<a href="#">Canadian Strategy Snapshot: Gold is the King of Bling</a>
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7/17/2020	<a href="#">Canadian Strategy Snapshot: Canadian Industrials Poised to Participate in a Cyclical Rebound</a>
7/10/2020	<a href="#">Canadian Strategy Snapshot: TSX 2020 Rising Tide Carried Most Ships and Very Big Barges</a>
6/26/2020	<a href="#">Canadian Strategy Snapshot: Assessing the Potential and Breadth of Recovery</a>
6/19/2020	<a href="#">Canadian Strategy Snapshot: Perspective on the Resumption of the Bull</a>
6/11/2020	<a href="#">Canadian Strategy Snapshot: Stock Selection Discipline Within Canadian Value</a>
<b>Monthly Reports</b>	
11/5/2020	<a href="#">Canadian Strategy: Canadian Chartbook – November 2020</a>
11/5/2020	<a href="#">Canadian Strategy: Canadian Factor Profiles – November 2020</a>
<b>Podcasts</b>	
11/9/2020	<a href="#">Podcast – Charting Investment in a Biden Presidency</a>
11/4/2020	<a href="#">Podcast – Early U.S. Election Results: What We Know</a>
6/30/2020	<a href="#">Podcast – Recession Recedes Even as U.S. Infections Surge</a>
5/27/2020	<a href="#">Podcast – Tracking a Vaccine</a>
5/20/2020	<a href="#">Podcast – Testing the Depths of the COVID Recession</a>
5/12/2020	<a href="#">Podcast – Mission Critical – Testing Testing</a>
4/28/2020	<a href="#">Podcast – On a Track to Re-Open</a>
4/21/2020	<a href="#">Podcast – Contemplating a Reopening</a>
4/14/2020	<a href="#">Podcast – COVID-19 Outbreak Reaching Peak in U.S., Canada</a>
4/7/2020	<a href="#">Podcast – Outbreak to Peak as Mitigation Weighs</a>
<b>Investment Strategy Snapshots and Special Reports</b>	
11/19/2020	<a href="#">Investment Strategy: 2021 Market Outlook – The Year Ahead for US and Canada</a>
<b>US Strategy</b>	

*Please call or e-mail us to be added to our standalone US Strategy research*

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Hold	Market Perform	48.8 %	21.3 %	40.9 %	47.7 %	40.9 %	37.5%
Sell	Underperform	2.3 %	25.0 %	2.3 %	2.2 %	1.0 %	4.8%

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