

Weekly Equities Update

Summary

Over the past week, we have seen equities rising in value, with a lot of the gains coming from energy and financial sectors.

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Gains in the energy sector are in-line with the rising oil prices caused by the [United States withdrawing from the Iran Nuclear Deal](#). Oil futures have been rising due to the increased sanctions that will be reinstated in a few months.

The financial sector has been quite volatile lately as it has been reacting to the changes in yields caused by the rate hike that has been implemented by the Bank of Canada so far in 2018, along with the multiple rate hikes in 2017. They have been bullish as investors anticipate favourable financial results in the long-term. Canadian banks continue to remain investor favourites due to their consistent ROE, dividend yield, and government backing. U.S. banks are also expected to see less regulation going forward as newly appointed regulators are seen as “pro-growth” and “pro-business,” which would lower costs and increase profitability.

Earnings Season

Great Canadian Gaming Corporation (GC:TSX) is up 38% week-over-week after its reporting its Q1 financials and completing the acquisition of West GTA Bundle with Clairvest Group earlier this month. GC is a \$2.88B company in the gaming industry with operations in gaming, entertainment, and hospitality facilities that provide clients with access to casinos, racetracks, resorts, and hotels. Q1 results reported Y/Y revenue growth of 62% to \$230.5MM and EPS growth of 66% to \$0.48 basic.

George Weston (WN:TSX) also announced their Q1 earnings this past week and are up 0.33%. WN is a \$13.42B company in the food retail industry, engaging in food processing and distribution both domestically and internationally. Loblaw Companies is a subsidiary of George Weston, which includes names such as Loblaws, Freshmart, SuperValu, Shoppers Drug Mart, and Zehrs. According to management guidance, adjusted EPS dropped approximately 3.2% year over year while revenue dropped 0.5% YoY. While earnings came down, they increased their quarterly common share dividend by 7.7%. While this increased yield could seem attractive for investors, it might not be a good sign for the business as it shows the company isn't able to provide more value to investors by investing the funds.

TripAdvisor (TRIP:NASDAQ) is up over 26% week over week after reporting its Q1 financial results. TripAdvisor is an online travel company that operates in two segments: Hotel and Non-Hotels (i.e., experiences/attractions and restaurants) and has a travel platform which aggregates reviews and opinions of members about their experiences, enabling users to better research and plan their travel experiences. Their website operates in 48 markets and 28 languages, featuring over 600 million reviews and opinions on 7.5 million places. TRIP announced non-hotel revenue growth of 36%, hotel revenue decrease of 5%, and total sales growth of 2%, with their adjusted, non-GAAP net earnings growing 20% YoY. Some business drivers also had great growth, with user reviews growing 26% to 630 million total reviews and average monthly unique visitors growing 12% to 43.3 million.

Week Over Week Index Performance by Sector

TSX	Up	Down
Materials	27	22
Communications	4	2
Consumer Discretionary	10	11
Consumer Staples	4	7
Energy	27	18
Financials	16	9
Health Care	1	3
Industrials	12	8
Real Estate	15	5
Technology	7	3
Utilities	5	9

TSXV	Up	Down
Materials	75	88
Consumer Discretionary	2	4
Consumer Staples	2	2
Energy	17	8
Financials	4	1
Health Care	13	8
Industrials	11	9
Real Estate	2	1
Technology	10	15

NASDAQ	Up	Down
Materials	42	16
Communications	17	21
Consumer Discretionary	137	102
Consumer Staples	45	37
Energy	28	23
Financials	295	108
Health Care	294	184
Industrials	159	69
Real Estate	30	13
Technology	303	145
Utilities	8	8

S&P500	Up	Down
Materials	15	6
Communications	4	2
Consumer Discretionary	55	23
Consumer Staples	23	14
Energy	29	3
Financials	59	9
Health Care	49	8
Industrials	59	11
Real Estate	18	6
Technology	51	3
Utilities	2	26

Dow Jones	Up	Down
Communications	1	0
Consumer Discretionary	4	0
Consumer Staples	1	2
Energy	2	0
Financials	5	0
Health Care	4	0
Industrials	5	0
Technology	5	0

Sources: Questrade IQ Edge, S&P Capital IQ

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