

## Special Offer: Buy Now & Save 20%+

*Our view: The recent spike in volatility represents a good buying opportunity for long-term oriented investors. We recommend being selective and focus on adding to high-quality businesses that are trading at attractive valuations.*

**Boxing Day sales extended into 2022.** As we warned in our December 9<sup>th</sup> Portfolio Strategy report, [“Boxing Day Sales Arrive Early”](#), following a remarkable 2021, the double-digit equity market performance should not be expected in the years to follow, including in 2022. In the report we advised investors to reset expectations towards a more normalized risk/return profile of high single-digit to low double-digit returns for the S&P/TSX and the S&P 500 index in 2022. We also emphasized that uncertainties remained elevated heading into 2022 which would likely lead to greater market volatility. These uncertainties included COVID-19 (Omicron variant), policy normalization, elevated inflationary pressures, slowing growth in China, and more recently, geopolitical tensions between Russia and Ukraine. While our expectations for greater volatility came to fruition early in the year, we continue to expect a return to normal levels of volatility (+/-10% swings in the market) as we look forward into 2022.

**Bargains galore with fundamentals in check despite all the noise!** We continue to maintain a construction view for markets in 2022 given the following: **1)** underlying fundamentals for the global economy, including real economic growth expectations for Canada and the US remain strong and well ahead of trend; **2)** employment conditions are also healthy and sitting at or above pre-pandemic levels; **3)** corporate fundamentals remain strong, in particular for mid/small cap and cyclical/value areas of the market, despite what the recent market sell-off would suggest; **4)** our business cycle model suggests we continue to remain in the early-/mid-phase of the business cycle – i.e., there is more left in the tank for the recovery which is approaching only the second year in the cycle; and, **5)** Raymond James Institutional Equity Analyst Tavis McCourt views the recent sell-off as bearing a striking resemblance to January 2016 in its timing of the rate hiking cycle, and the fears that gripped the equity markets, which caused an ~11% and ~6% pullback in the S&P 500 and the S&P/TSX, respectively, in January/early February of early 2016. More importantly, equity markets had a very strong two years in 2016/2017 while rates were moving up, and generally more economically cyclical sectors and smaller caps outperformed in that time period.

**Act NOW and save 20%+ off the 52-week high.** To help investors identify some of the best deals in the markets following the recent sell off, we have screened for stocks on both the S&P/TSX and the S&P 500 index that have fallen by more than 20% from their 52-week highs. We have also **bolded** stocks that are rated as Strong Buy/Outperform by Raymond James and Buy/Overweight on the Street. To further isolate ideas that investors may want to consider taking a closer look at, we filtered out the always on sale stocks (perennial underperformers relative to the broader market) and only highlighted stocks that, on a relative basis, have performed inline and/or above the 5-year annualized price return for the S&P/TSX (+6%) and the S&P 500 index (+14%).

Please read domestic and foreign disclosure/risk information beginning on page 5

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## S&amp;P/TSX Index Screening Criteria:

- Stocks down >=20% from their 52 week high; 5-yr relative price return versus the S&P/TSX index (annualized) >= 0%

## Exhibit 1: S&amp;P/TSX Index Ideas

Name	Ticker	GICS Sector	Market Cap (bln)	2-Mth Relative Performance	% Down from 52-Week High	Raymond James Analyst Rating (Strong Buy & Outperform)	Street Consensus	P/E (NTM)	5-Yr Average P/E (NTM)	Premium/Discout vs. 5-year P/E NTM Avg.	5-Yr Relative Price Return vs. S&P /TSX Index (Annualized)
<b>Canada S&amp;P/TSX Composite</b>				<b>0.00%</b>	<b>-5.5%</b>			<b>14.1x</b>	<b>15.6x</b>	<b>-10%</b>	<b>0%</b>
Quebecor Inc. Class B	QBR.B-CA	Communication Services	\$6.91	2.92%	-21.1%		Buy	10.3x	14.0x	-26%	2%
Cogeco Communications Inc.	CCA-CA	Communication Services	\$2.98	0.63%	-21.5%		Overweight	10.6x	12.8x	-17%	0%
BRP, Inc.	DOO-CA	Consumer Discretionary	\$3.97	2.24%	-21.8%	Strong Buy	Buy	9.7x	15.1x	-36%	25%
Cameco Corporation	CCO-CA	Energy	\$9.73	-20.17%	-31.1%	Outperform	Overweight	91.3x	1247.0x	-93%	1%
Denison Mines Corp.	DML-CA	Energy	\$1.16	-28.53%	-45.5%	Outperform	Overweight				1%
NexGen Energy Ltd.	NXE-CA	Energy	\$2.33	-14.88%	-39.7%	Outperform	Buy				1%
Energy Fuels Inc.	EFR-CA	Energy	\$1.17	-32.30%	-47.7%		Buy		154.5x		14%
ECN Capital Corp.	ECN-CA	Financials	\$1.29	-47.54%	-56.9%	Outperform	Overweight	15.2x	13.8x	10%	5%
Sprott Inc.	SII-CA	Financials	\$1.09	-19.20%	-26.5%		Overweight	17.1x	22.6x	-24%	8%
goeasy Ltd.	GSY-CA	Financials	\$2.44	-18.96%	-32.3%	Outperform	Buy	12.1x	10.1x	20%	32%
Bausch Health Companies Inc.	BHC-CA	Health Care	\$10.82	-2.02%	-31.3%		Overweight	5.0x	5.3x	-6%	5%
Cronos Group Inc	CRON-CA	Health Care	\$1.61	-25.89%	-78.5%	Overweight	Hold		737.2x		12%
WELL Health Technologies Corp.	WELL-CA	Health Care	\$0.87	-25.80%	-57.0%		Buy		944.5x		98%
Ballard Power Systems Inc.	BLDP-CA	Industrials	\$3.58	-37.27%	-77.7%	Outperform	Overweight				29%
CAE Inc.	CAE-CA	Industrials	\$9.81	-0.88%	-27.0%		Overweight	26.2x	26.1x	0%	5%
Ritchie Bros. Auctioneers Incorporated	RBA-CA	Industrials	\$8.32	-12.19%	-20.7%	Market Perform	Hold	25.9x	28.7x	-10%	6%
LifeWorks Inc	LWRK-CA	Industrials	\$1.87	7.90%	-28.0%		Buy	34.1x	31.7x	8%	2%
Air Canada	AC-CA	Industrials	\$1.90	7.08%	-28.9%	Outperform	Overweight		7.5x		4%
Boyd Group Services Inc	BYD-CA	Industrials	\$4.00	-10.68%	-30.2%	Strong Buy	Overweight	45.7x	34.8x	31%	11%
Descartes Systems Group Inc.	DSG-CA	Information Technology	\$7.25	-16.83%	-25.8%	Market Perform	Overweight	62.9x	68.5x	-8%	18%
Kinaxis, Inc.	KXS-CA	Information Technology	\$4.11	-22.90%	-34.6%		Buy	82.7x	76.0x	9%	12%
Enghouse Systems Limited	ENGH-CA	Information Technology	\$2.37	-18.63%	-33.7%		Overweight	24.4x	31.1x	-21%	5%
Shopify, Inc. Class A	SHOP-CA	Information Technology	\$124.68	-43.29%	-50.6%	Market Perform	Overweight	142.9x	962.5x	-85%	69%
Hut 8 Mining Corp.	HUT-CA	Information Technology	\$1.22	-54.27%	-64.5%		Buy	5.5x	9.4x	-41%	6%
Seabridge Gold Inc	SEA-CA	Materials	\$1.60	-13.70%	-21.8%		Buy				5%
Kinross Gold Corporation	K-CA	Materials	\$8.65	-8.52%	-31.4%	Outperform	Buy	7.4x	21.5x	-66%	2%
SilverCrest Metals, Inc.	SIL-CA	Materials	\$1.46	-7.24%	-38.3%	Outperform	Buy	85.4x	417.4x	-80%	27%
Lundin Mining Corporation	LUN-CA	Materials	\$7.56	7.79%	-36.0%	Market Perform	Hold	7.8x	14.2x	-45%	0%
Canfor Corporation	CFP-CA	Materials	\$3.46	6.39%	-21.7%	Strong Buy	Buy	3.9x	28.3x	-86%	9%
Dundee Precious Metals Inc.	DPM-CA	Materials	\$1.41	-6.27%	-24.0%		Buy	5.8x	25.0x	-77%	14%
Lithium Americas Corp.	LAC-CA	Materials	\$3.86	-28.34%	-39.5%		Overweight	947.2x	1583.5x	-40%	38%
Sandstorm Gold Ltd.	SSL-CA	Materials	\$1.46	-4.35%	-32.8%	Market Perform	Overweight	34.3x	57.2x	-40%	0%
Centerra Gold Inc.	CG-CA	Materials	\$2.96	14.06%	-32.3%	Market Perform	Overweight	8.9x	8.0x	11%	4%
Labrador Iron Ore Royalty Corporation	LIF-CA	Materials	\$2.43	7.83%	-24.7%	Market Perform	Overweight	10.4x	9.8x	7%	10%
K92 Mining, Inc.	KNT-CA	Materials	\$1.51	-6.18%	-26.8%	Outperform	Buy	15.7x	9.4x	66%	42%
FirstService Corp	FSV-CA	Real Estate	\$8.83	-18.46%	-21.5%	Overweight	Hold	35.6x	32.4x	10%	19%
Northland Power Inc.	NPI-CA	Utilities	\$8.02	-6.69%	-31.2%	Outperform	Buy	25.2x	19.0x	33%	3%
Algonquin Power & Utilities Corp.	AQN-CA	Utilities	\$11.69	2.96%	-23.2%	Outperform	Overweight	18.3x	19.0x	-4%	4%
Brookfield Renewable Partners LP	BEP.UT-CA	Utilities	\$11.31	-8.40%	-33.8%	Outperform	Overweight	627.7x	544.6x	15%	9%
Boralex Inc. Class A	BLX-CA	Utilities	\$3.27	-9.84%	-39.5%	Outperform	Overweight	42.7x	60.3x	-29%	5%

Source: FactSet, Raymond James Ltd. As of January 27, 2022.

## Screening Criteria:

- Stocks down  $\geq 20\%$  from their 52 week high; 2-mth relative price underperformance  $>20\%$  vs. the S&P 500 index; 5-yr relative price return vs. the S&P 500 Index (annualized)  $\geq 0\%$

## Exhibit 2: S&amp;P 500 Index Ideas

Name	Ticker	GICS Sector	Market Cap (bln)	2-Mth Relative Performance	% Down from 52-Week High	Raymond James Analyst Rating (Strong Buy & Outperform)	Street Consensus	P/E (NTM)	5-Yr Average P/E (NTM)	Premium/Discount vs. 5-year P/E NTM Avg.	5-Yr Relative Price Return vs. S&P 500 Index (Annualized)
<b>S&amp;P 500</b>				<b>0.00%</b>	<b>-9.7%</b>			<b>19.4x</b>	<b>18.9x</b>	<b>3%</b>	<b>0%</b>
Netflix, Inc.	NFLX-US	Communication Services	\$159.33	-40.64%	-48.7%	Market Perform	Overweight	31.3x	74.0x	-58%	7%
Twitter, Inc.	TWTR-US	Communication Services	\$26.88	-23.25%	-58.4%	Market Perform	Hold	39.0x	52.2x	-25%	1%
Penn National Gaming, Inc.	PENN-US	Consumer Discretionary	\$7.37	-12.32%	-69.4%		Overweight	18.6x	36.1x	-48%	12%
Amazon.com, Inc.	AMZN-US	Consumer Discretionary	\$1,408.58	-15.42%	-26.4%	Outperform	Buy	53.9x	85.5x	-37%	13%
Pool Corporation	POOL-US	Consumer Discretionary	\$18.09	-13.98%	-22.5%		Overweight	27.2x	30.5x	-11%	20%
Best Buy Co., Inc.	BBY-US	Consumer Discretionary	\$23.32	-10.23%	-31.7%	Outperform	Overweight	10.3x	13.5x	-24%	3%
Chipotle Mexican Grill, Inc.	CMG-US	Consumer Discretionary	\$38.22	-14.14%	-30.6%	Outperform	Overweight	40.5x	49.8x	-19%	13%
Etsy, Inc.	ETSY-US	Consumer Discretionary	\$17.91	-46.18%	-54.1%		Overweight	40.0x	76.7x	-48%	48%
Domino's Pizza, Inc.	DPZ-US	Consumer Discretionary	\$15.42	-14.71%	-25.3%		Overweight	27.4x	29.8x	-8%	6%
Caesars Entertainment Inc	CZR-US	Consumer Discretionary	\$16.11	-12.05%	-37.1%		Buy	130.2x	69.1x	88%	24%
Aptiv PLC	APTIV-US	Consumer Discretionary	\$36.58	-11.93%	-25.2%	Outperform	Overweight	28.6x	21.4x	34%	4%
Moody's Corporation	MCO-US	Financials	\$60.33	-10.18%	-20.4%	Outperform	Overweight	25.2x	24.8x	1%	12%
SVB Financial Group	SIVB-US	Financials	\$32.93	-16.20%	-26.6%	Outperform	Overweight	17.8x	16.9x	5%	12%
T. Rowe Price Group	TROW-US	Financials	\$35.20	-17.38%	-30.3%		Hold	11.8x	14.7x	-20%	4%
MSCI Inc. Class A	MSCI-US	Financials	\$40.57	-15.43%	-27.6%	Market Perform	Overweight	43.2x	37.1x	17%	29%
Nasdaq, Inc.	NDAQ-US	Financials	\$28.34	-11.46%	-21.1%	Market Perform	Overweight	21.7x	19.6x	11%	6%
DanaHER Corporation	DHR-US	Health Care	\$190.63	-12.33%	-20.1%		Overweight	25.7x	26.2x	-2%	13%
Bio-Techne Corporation	TECH-US	Health Care	\$14.30	-17.84%	-33.1%		Overweight	43.1x	41.1x	5%	16%
Align Technology, Inc.	ALGN-US	Health Care	\$36.06	-22.56%	-38.0%		Overweight	33.3x	49.1x	-32%	24%
Bio-Rad Laboratories, Inc. Class A	BIO-US	Health Care	\$17.10	-18.42%	-31.3%		Overweight	43.4x	49.2x	-12%	11%
Charles River Laboratories International, Inc.	CRL-US	Health Care	\$15.69	-11.83%	-32.4%		Overweight	26.5x	23.1x	15%	18%
IDEXX Laboratories, Inc.	IDXX-US	Health Care	\$39.56	-17.88%	-34.0%	Market Perform	Overweight	48.8x	54.2x	-10%	18%
Intuitive Surgical, Inc.	ISRG-US	Health Care	\$94.40	-14.35%	-28.5%	Outperform	Overweight	51.9x	47.1x	10%	15%
DexCom, Inc.	DXCM-US	Health Care	\$38.36	-27.81%	-40.0%	Outperform	Overweight	110.1x	178.5x	-38%	24%
Catalent Inc	CTLT-US	Health Care	\$16.80	-20.52%	-31.2%		Buy	24.7x	27.2x	-9%	15%
Equifax Inc.	EFX-US	Industrials	\$27.65	-13.08%	-24.5%		Overweight	25.5x	23.9x	7%	0%
Old Dominion Freight Line, Inc.	ODFL-US	Industrials	\$33.59	-11.71%	-21.8%	Outperform	Hold	28.0x	24.9x	12%	24%
Quanta Services, Inc.	PWR-US	Industrials	\$13.83	-12.10%	-22.2%		Overweight	15.9x	14.2x	12%	7%
Copart, Inc.	CPRT-US	Industrials	\$29.22	-10.26%	-23.5%		Overweight	27.6x	29.1x	-5%	20%
Generac Holdings Inc.	GNRC-US	Industrials	\$16.73	-33.45%	-49.4%		Buy	22.7x	20.5x	11%	32%
Xylem Inc.	XYL-US	Industrials	\$18.49	-11.06%	-26.1%	Underperform	Hold	34.2x	28.2x	21%	2%
ANSYS, Inc.	ANSS-US	Information Technology	\$27.75	-11.51%	-23.2%		Hold	39.6x	37.8x	5%	14%
Xilinx, Inc.	XLNX-US	Information Technology	\$43.47	-16.36%	-26.9%	Market Perform	Hold	42.0x	31.0x	35%	11%
Zebra Technologies Corporation Class A	ZBRA-US	Information Technology	\$25.42	-14.15%	-22.7%		Overweight	23.9x	19.1x	25%	28%
Trimble Inc.	TRMB-US	Information Technology	\$17.17	-12.65%	-29.1%	Outperform	Overweight	22.9x	23.2x	-1%	4%
NVIDIA Corporation	NVDA-US	Information Technology	\$569.30	-22.39%	-34.3%	Strong Buy	Overweight	43.9x	39.7x	10%	39%
Adobe Inc.	ADBE-US	Information Technology	\$236.23	-19.03%	-28.4%		Overweight	35.3x	35.5x	0%	21%
Advanced Micro Devices, Inc.	AMD-US	Information Technology	\$133.69	-23.16%	-32.7%	Outperform	Overweight	32.5x	44.6x	-27%	46%
Cadence Design Systems, Inc.	CDNS-US	Information Technology	\$39.21	-15.35%	-26.6%		Overweight	39.2x	32.4x	21%	27%
Synopsys, Inc.	SNPS-US	Information Technology	\$44.28	-10.34%	-23.6%		Buy	34.4x	28.7x	20%	22%

Name	Ticker	GICS Sector	Market Cap (bln)	2-Mth Relative Performance	% Down from 52-Week High	Raymond James Analyst Rating (Strong Buy & Outperform)	Street Consensus	P/E (NTM)	5-Yr Average P/E (NTM)	Premium/Discount vs. 5-year P/E NTM Avg.	5-Yr Relative Price Return vs. S&P 500 Index (Annualized)
<b>S&amp;P 500</b>				<b>0.00%</b>	<b>-9.7%</b>			<b>19.4x</b>	<b>18.9x</b>	<b>3%</b>	<b>0%</b>
Intuit Inc.	INTU-US	Information Technology	\$143.70	-18.58%	-29.2%		Buy	40.1x	35.4x	13%	20%
Monolithic Power Systems, Inc.	MPWR-US	Information Technology	\$17.43	-23.98%	-34.8%	Outperform	Overweight	43.5x	40.7x	7%	20%
Paycom Software, Inc.	PAYC-US	Information Technology	\$18.13	-25.69%	-46.0%		Overweight	52.8x	62.8x	-16%	30%
Enphase Energy, Inc.	ENPH-US	Information Technology	\$16.43	-45.47%	-56.9%	Market Perform	Overweight	39.1x	46.8x	-17%	123%
salesforce.com, inc.	CRM-US	Information Technology	\$207.84	-20.43%	-32.3%	Strong Buy	Buy	44.4x	58.0x	-23%	8%
SolarEdge Technologies, Inc.	SEDG-US	Information Technology	\$11.25	-31.96%	-45.1%		Overweight	39.3x	32.2x	22%	61%
Fortinet, Inc.	FTNT-US	Information Technology	\$44.33	-11.85%	-27.1%	Outperform	Overweight	57.9x	42.9x	35%	39%
EPAM Systems, Inc.	EPAM-US	Information Technology	\$24.70	-23.16%	-40.0%		Buy	37.9x	35.5x	7%	32%
ServiceNow, Inc.	NOW-US	Information Technology	\$96.40	-20.10%	-31.5%		Buy	66.7x	76.6x	-13%	27%
PayPal Holdings, Inc.	PYPL-US	Information Technology	\$184.44	-11.08%	-49.4%	Outperform	Overweight	29.6x	36.6x	-19%	17%
Albemarle Corporation	ALB-US	Materials	\$24.05	-17.62%	-29.5%		Overweight	32.9x	23.7x	39%	3%
NextEra Energy, Inc.	NEE-US	Utilities	\$142.53	-10.30%	-22.5%		Overweight	25.9x	24.8x	4%	6%

Source: FactSet, Raymond James Ltd. As of January 27, 2022.

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