

# Market Watch

<b>S&amp;P/TSX</b> 27,494.35 + 122.09	<b>S&amp;P 500</b> 6,388.64 + 25.29	<b>DOW</b> 44,901.92 + 208.01	<b>NASDAQ</b> 21,108.32 + 50.36	<b>DOLLAR</b> 72.97¢US +0.60¢	<b>OIL per barrel</b> US\$ 65.16 -\$0.87	<b>Nat. Gas/mmBTU</b> US\$???? +\$???	<b>GOLD</b> US\$ 3,335.60 -\$ 37.90
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## 0 Canada

This week's chart highlights earnings growth estimates for publicly traded companies in Canada (red), the U.S. (blue), Emerging Markets (light blue) and Europe, Australia & the Far East (grey).

In the first column on the left, the average annual earnings growth is displayed for each market over the last decade. Notice Canada is second only to the U.S. at 6 per cent vs. 8 per cent. Also notice that analysts expect Canadian publicly traded companies to realize superior earnings growth relative to the U.S. both this year and in 2027 (red bar above blue bar).

The importance of this chart lies in the fact that earnings growth ultimately drives stock prices. Short-term movements in share prices can be caused by numerous factors.

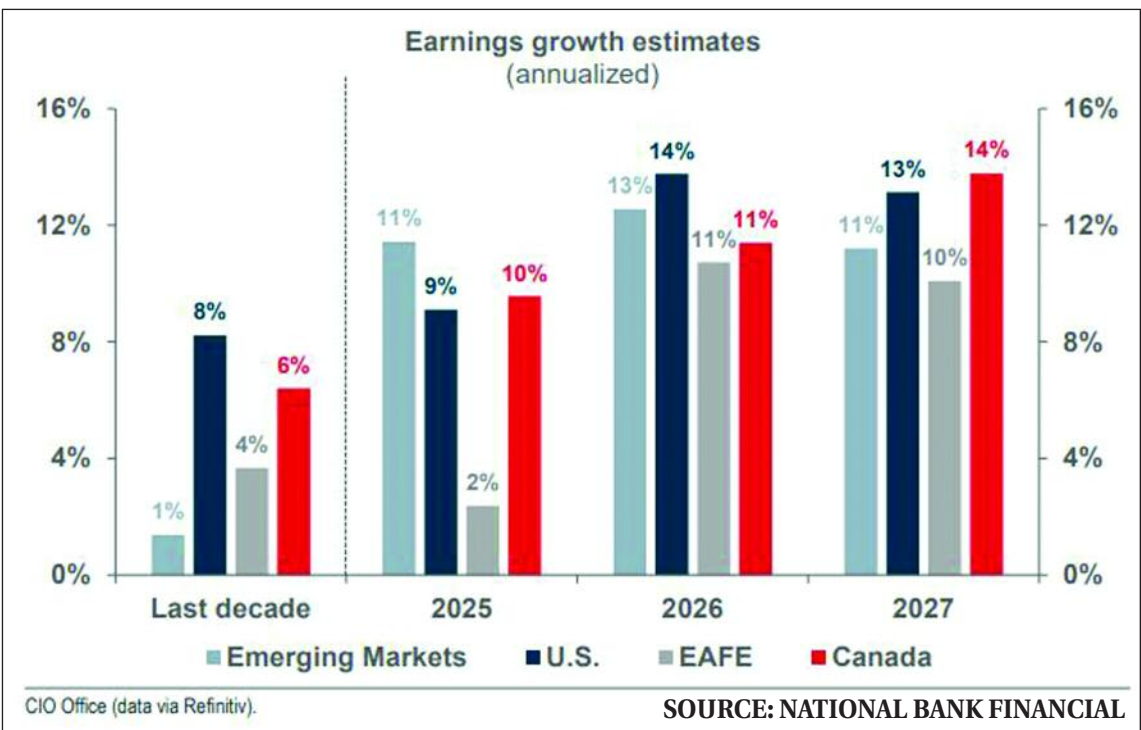
However, in the long term, earnings play a critical role in moving share prices higher or

lower. Companies that increase their earnings over time generally experience rising share prices while those companies who can't grow their earnings tend to see flat or lower share prices.

Other factors which impact share prices include earnings, multiple expansion and contraction, but earnings growth is typically an excellent indicator of a stock's direction.

What makes this data even more interesting is Canadian stocks are currently trading at a meaningful discount to their global peers.

Since 1998, Canadian stocks have traded between a 20 per cent discount on the low end to a 20 per cent premium on the high end relative to global peers. By our estimate, Canadian stocks are currently trading at a ~15 per cent discount to the average multiple of stocks in other markets which is near the bottom end of the range over the last 30



years.

The combination of these two factors (superior earnings growth and valuation discount) makes a compelling case for the potential outperformance of Canadian stocks in the near-term.


U.S. stocks have outperformed Canadian stocks on average historically due primarily to higher earnings growth from U.S. companies.

Superior earnings growth south of the border can broadly be attributed to higher growth industries such as healthcare and technology which represent a larger portion of the U.S.

stock market relative to the Canadian market.

With earnings projections for Canadian companies expected to outpace their U.S. rivals this year and Canadian stocks appearing to be relatively inexpensive compared to global peers, the stage is set for the Canadian stock market to become the star of the show.

Eric Van Enk is a wealth adviser & associate portfolio manager with National Bank Financial in Medicine Hat. He is a graduate of the University of Calgary, as well as a CFA



**Eric Van Enk**  
Economics 101

charter holder with 20 years of financial markets experience in New York, Toronto and Calgary. He can be reached at eric.vanenke@nbc.ca

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Electric Outages..... 403.529.8260  
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**DEVELOPMENT PERMITS APPROVED  
JULY 17 TO JULY 23, 2025**

**RESIDENTIAL**  
3385 15 AVENUE SW - Garage With Variances To Maximum Gross Floor Area, Building Height And Location.  
211 & 215 SIERRA ROAD SW - Attached Housing (Two Principal Dwellings) with 2 Site Coverage and 2 Rear Setback Variances.  
535 ABERDEEN STREET SE - Detached Garage With Height Variance.  
703 HARGRAVE WAY NW - Garage.  
181 SEVEN PERSONS DRIVE SW - Secondary Suite.  
99 SIERRA ROAD SW - Single Detached House.  
554 TERRILL ROAD NW - Garage.



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**COMMERCIAL/INDUSTRIAL/INSTITUTIONAL**  
616 3 STREET SE - Change Of Use (Place Of Worship).  
951 SOUTH RAILWAY STREET SE - Change Of Use (Place Of Amusement).  
699 KINGSWAY AVENUE SE - Change Of Use (Temporary Vendors).

**HOME BUSINESS**  
19 TURNER BAY SE- Home Business Minor- Service (Decluttering).  
25 SCOTT CRT SE - Home Business Minor -Janitorial Service.

**Pembina reaches settlement on Alliance pipeline fees and revenue sharing**

The Canadian Press

Pembina Pipeline Corp. says it has reached a settlement with shippers on fees and revenue sharing for its Alliance pipeline.

The company says it expects the deal to reduce its revenue from the pipeline by \$50 million per year over the next decade, while a new revenue sharing portion will mean tens of millions of dollars in additional reduced revenue.

The effect of the revenue sharing portion depends on the price of natural gas, but under its main price assumption, it would mean an additional \$40 million reduction a year.

Pembina says it worked with stakeholders through the Canada Energy Regulator to reach a deal that shared value and risk.

Alliance is a 3,848-kilometre long natural gas pipeline that runs from Western Canada to the Chicago market hub.

Pembina fully owns the



**THE CANADIAN PRESS/ PEMBINA PIPELINE CORP.**

The corporate logo of Pembina Pipeline Corp. is shown in this undated handout photo.

Alliance pipeline after acquiring Enbridge Inc.'s half last year as part of a \$3.1 billion deal.

**Federal government posts \$6.5 billion deficit in April, May**

The Canadian Press

The federal government posted a \$6.5 billion deficit in the first two months of the fiscal year.

The result for the April-to-May period compared with a \$3.8 billion deficit for the same stretch last year.

Revenues increased \$26 million, virtually unchanged from the prior year, as increases in customs import duties and pollution pricing proceeds to be returned to Canadians were largely offset by a decrease in revenues from corporate income and goods and services taxes.

The Finance Department says program expenses excluding net actuarial losses rose \$2.9 billion, or four per cent.

Public debt charges increased \$400 million, or 3.8 per cent, due to an increase in the stock of marketable bonds and higher consumer price index adjustments on real return bonds.

Net actuarial losses fell \$600 million, or 46.8 per cent.

A person claiming to be affected by a decision of the Development Authority may appeal to the Medicine Hat Subdivision and Development Appeal Board by completing and submitting to the City Clerk Department, the required Notice of Appeal form within twenty one (21) days of this publication. Forms available from: City Clerk Dept., 3rd Floor, City Hall or City website: [www.medicinehat.ca](http://www.medicinehat.ca).

**All Development Permits listed are subject to conditions. For more information, contact Planning and Development Services, 2nd Floor, City Hall. Ph. (403) 529-8374.**

**FIRE HYDRANT INSPECTION & WATER MAIN FLUSHING**

Environmental Utilities Maintenance crews perform regular, routine maintenance to uphold the waterworks system infrastructure and water quality by annually inspecting fire hydrants and flushing water mains.

During these operations, there may be some discolouration in the water which is **not** harmful to consume and will dissipate when flushing is complete. Please note that discoloured water should not be used for laundry and that fluctuating water pressure may also be noticed.

Should discolouration persist beyond three hours, turn on a cold-water faucet or an outside sprinkler and let the water run for several minutes until the water runs clear.

For additional information or to confirm whether crews are working in your zone, refer to the Water Flushing information on the City's website at [www.medicinehat.ca/water](http://www.medicinehat.ca/water) or contact Environmental Utilities at 403-529-8176.

**NOW RECRUITING CITY ADVISORY BODIES**

Are you a passionate community member who wants to make a difference? If so, consider applying for a position on the one of our boards:

- Community Vibrancy Advisory Board.
- Subdivision and Development Appeal Board

Learn more about each of the available positions and apply at:

<https://www.medicinehat.ca/en/government-and-city-hall/committees-commissions-and-boards.aspx>

For more information, please contact [clerk@medicinehat.ca](mailto:clerk@medicinehat.ca).

**Applications open until August 2**

**[www.medicinehat.ca](http://www.medicinehat.ca)**

ON BEHALF OF THE MEDICINE HAT PICKLEBALL CLUB,

# THANK YOU

FOR HELPING MAKE THE 2025 PICKLEBALL ALBERTA PROVINCIAL CHAMPIONSHIPS A SUCCESS!

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BEST WESTERN PREMIER & EXECUTIVE RESIDENCY, DELTA IRRIGATION, RED HAT CO-OP

THANK YOU TO OUR AMAZING VOLUNTEERS & MEMBERS FOR YOUR SUPPORT!  
THIS WEEKEND COULD NOT HAVE HAPPENED WITHOUT YOU!



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