



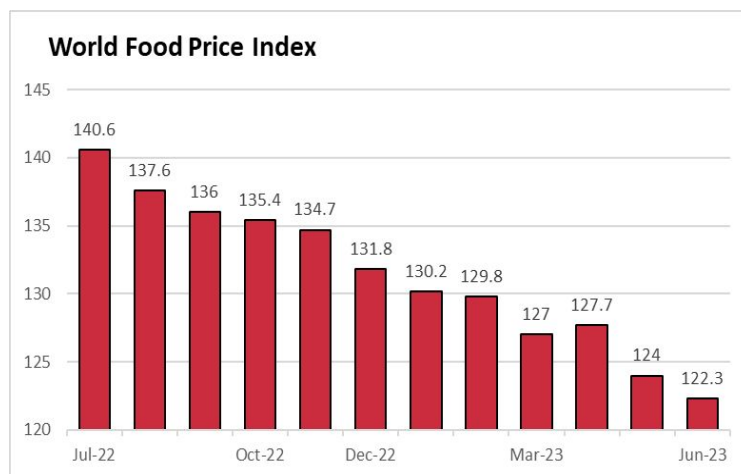
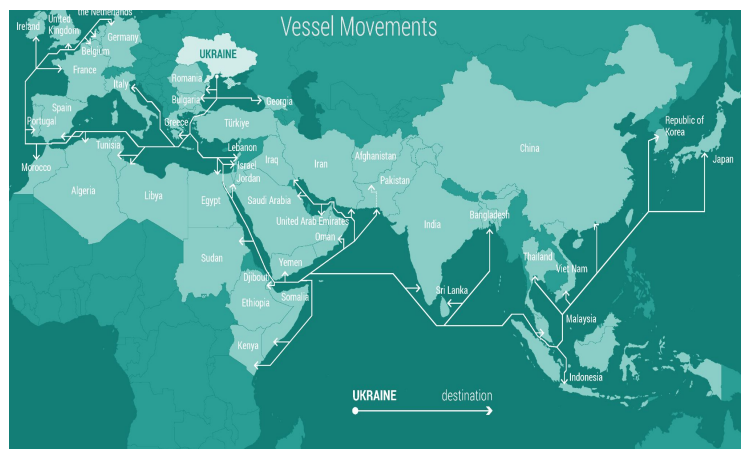
# Market Update

Presented by the Business Finance Association

## Russia Quits Black Sea Grain Initiative

<https://www.reuters.com/world/europe/black-sea-grain-deal-expire-monday-if-russia-quits-2023-07-17/>

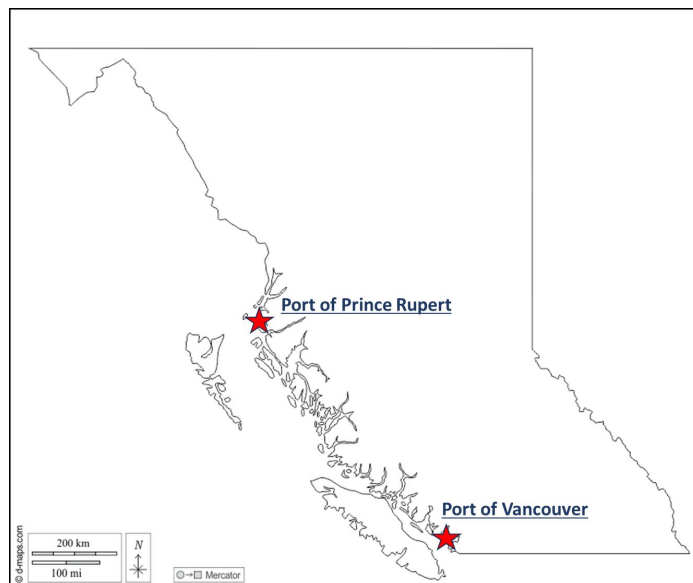
On July 17, Russia refused to extend its participation in the Black Sea grain deal which has guaranteed the safe export of Ukrainian grain to nations around the world for the last year. Brokered by Turkey and the UN in July 2022, the initiative was put in place to lower food prices that had risen since the beginning of the Russian invasion of Ukraine and to fight the risk of famine in lower-income countries. Ukraine and Russia are among the largest grain exporters in the world, and the impact of this deal has been partially responsible for more than a 20% decline in food prices globally. Following subsequent strikes on key Ukrainian ports used for commercial export, wheat and corn futures have increased dramatically.



# B.C. Port Workers Strike - Tentative Deal Reached

<https://www.cbc.ca/news/canada/british-columbia/joint-statement-port-workers-maritime-employers-collective-agreement-1.6922766>

Commencing July 1, a strike involving 7,400 port workers in BC was initiated to negotiate for improved wages and address concerns relating to automation and contracted labor. Disrupting \$500M (Cad) of trade/day mainly in the Port of Vancouver and Port of Prince Rupert, supply chains were thrown into chaos for most of the month in western and central Canada, potentially fueling inflation. On July 30, The International Longshore and Warehouse Union Canada (ILWU) and BC Maritime Employers Association (BCMEA) announced that a tentative deal had been reached with the Canada Industrial Relations Board, but details are not yet public.



*Port of Vancouver is Canada's largest port, handling over 150 million tonnes of cargo each year. Port of Prince Rupert ranks as the fourth largest Canadian port and is also North America's closest port to Asian markets, boasting a direct rail line to Alberta's Industrial Heartland where many exports are produced.*

# New Capital Rules for Banks

<https://www.reuters.com/business/finance/us-bank-regulators-announce-sweeping-proposals-capital-rules-2023-07-27/>

Following the recent collapse of large banks such as SVB, U.S. regulators revealed an overhaul of capital requirements for banks on July 27 which would require them to set aside billions of dollars as a safeguard against financial risks. While these new rules apply to all banks with over \$100B in assets, the changes are expected to impact the biggest and most complex banks the most according to regulators. Effective on October 1, 2023, banks that do not comply with the new regulations will be automatically restricted on both capital distributions and discretionary bonus payments. Regulators have invited commentary on these proposals, with banks and special interest groups expected to push back.

Capital requirements, effective October 1, 2023				
Bank	Minimum CET1 capital ratio	Stress capital buffer requirement	G-SIB surcharge*	CET1 capital requirement
JPMorgan Chase	4.5	2.9	4	11.4
Bank of America	4.5	2.5	2.5	9.5
Citigroup	4.5	4.3	3.5	12.3
Wells Fargo & Company	4.5	2.9	1.5	8.9
U.S. Bancorp	4.5	2.5	n/a	7
PNC Financial Services	4.5	2.5	n/a	7
Truist Financial	4.5	2.9	n/a	7.4
Goldman Sachs	4.5	5.5	3	13
TD Group US Holdings	4.5	2.5	n/a	7
Capital One Financial	4.5	4.8	n/a	9.3

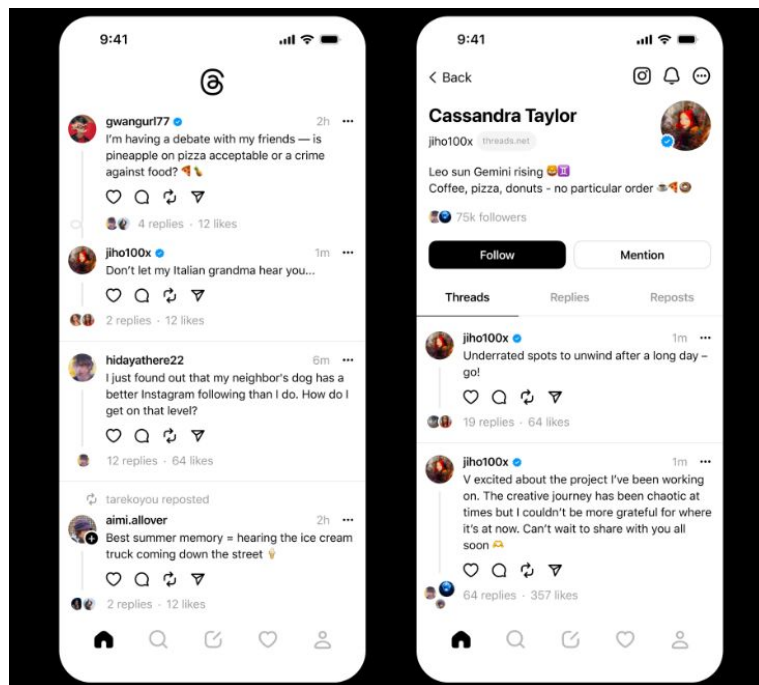
*The total common equity tier 1 (CET1) capital ratio requirement for 10 selected large bank, which is made up of several components. See Annex 1 for a full list.*

Source: <https://www.federalreserve.gov/publications/files/large-bank-capital-requirements-20230727.pdf#page=4&zoom=100,0,1056>

# Meta Launches *Threads*

<https://www.businessinsider.com/threads-meta-app-decrease-daily-active-users-mark-zuckerberg-2023-8>

Following recent controversies surrounding Elon Musk’s takeover of Twitter (now branded ‘X’), Meta has launched a competitor platform branded *Threads* on July 6. The new platform, which presents many similar features to X, was met with much excitement, surpassing 100 million users within a week - a new record within the social media space. However, since its strong launch in early July, *Threads*’ user base has plummeted by more than 80% from 49 million active users on July 7, to 8 million at month end. Despite the rapid decline, CEO of Meta, Mark Zuckerberg, has stated that he is very optimistic about the platform’s future.

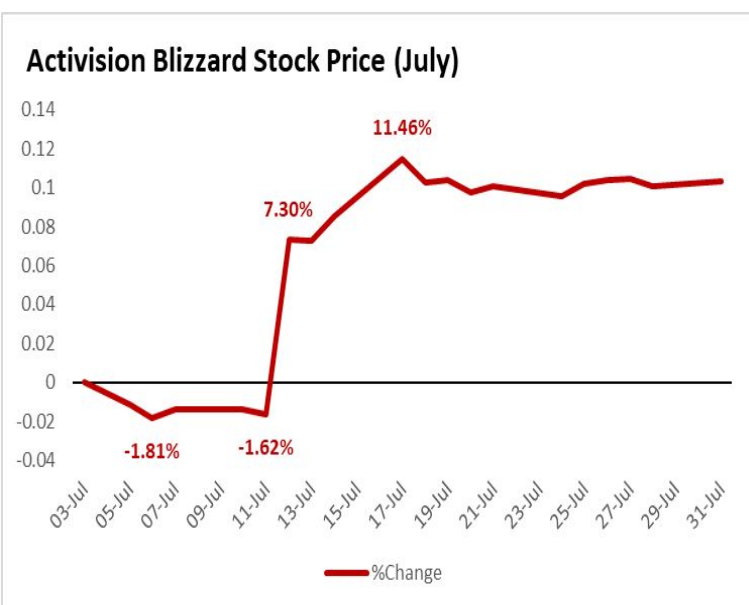


Source: Meta

# Microsoft Activision Deal Extended After FTC Victory

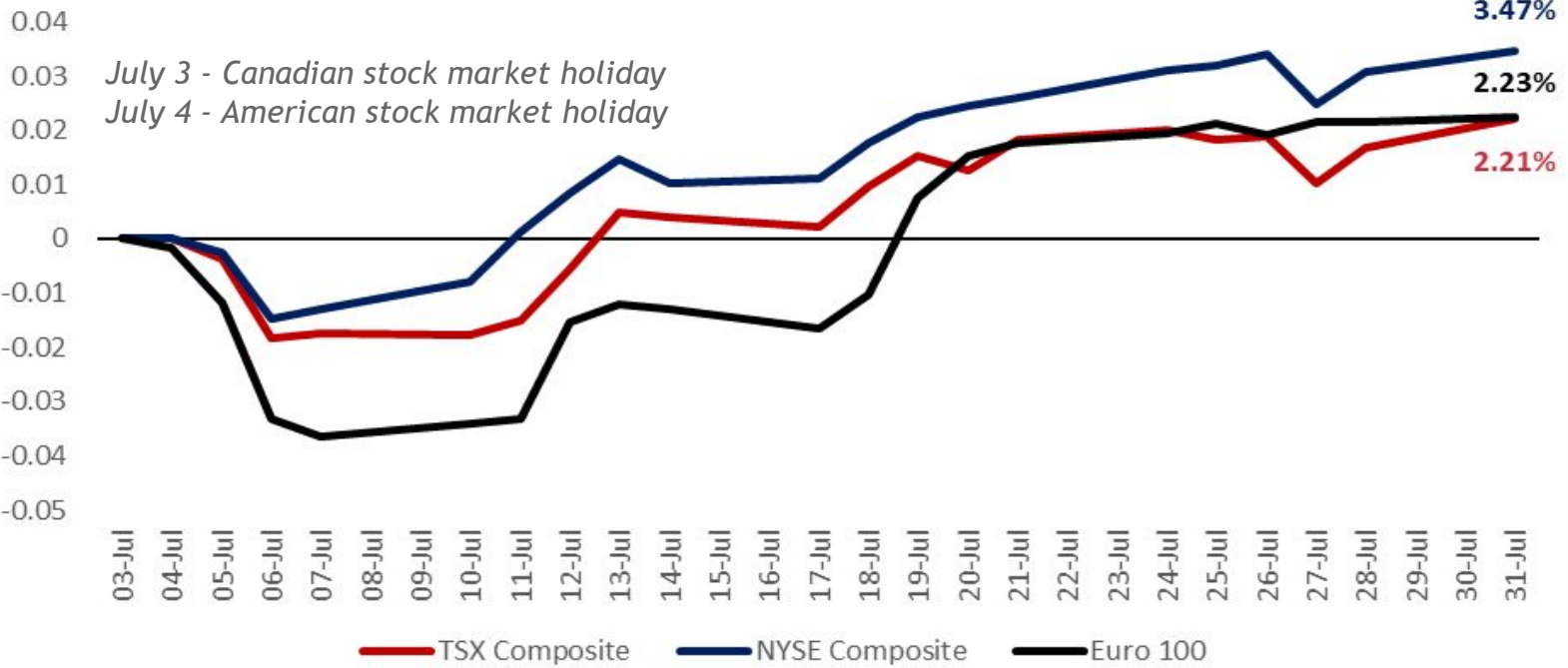
<https://www.ctvnews.ca/business/microsoft-and-activision-extend-deadline-to-close-69-billion-deal-under-close-regulatory-scrutiny-1.6485689>

Microsoft and Activision Blizzard have decided to extend closure of their \$69B acquisition deal to October after a recent regulatory victory over the FTC when a judge denied the FTC’s request for an injunction. Announced in January 2022, the deal was initially set to close on July 18, 2023, but has faced significant regulatory hurdles, most notably in the American and UK markets over concerns that the acquisition could create monopolistic power in key digital industries. The deal still faces regulatory difficulties in the UK, but Britain’s Competition and Markets Authority has stated that it is open to proposals.

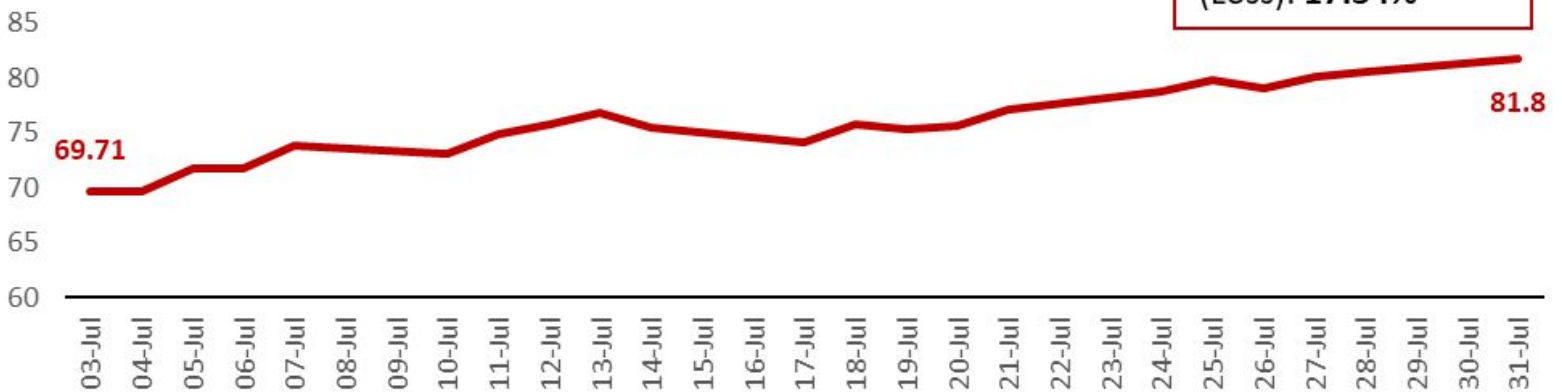


Following news of courts blocking the FTC injunction on July 11, \$ATVI’s price rose sharply

## July MTD Index Performance



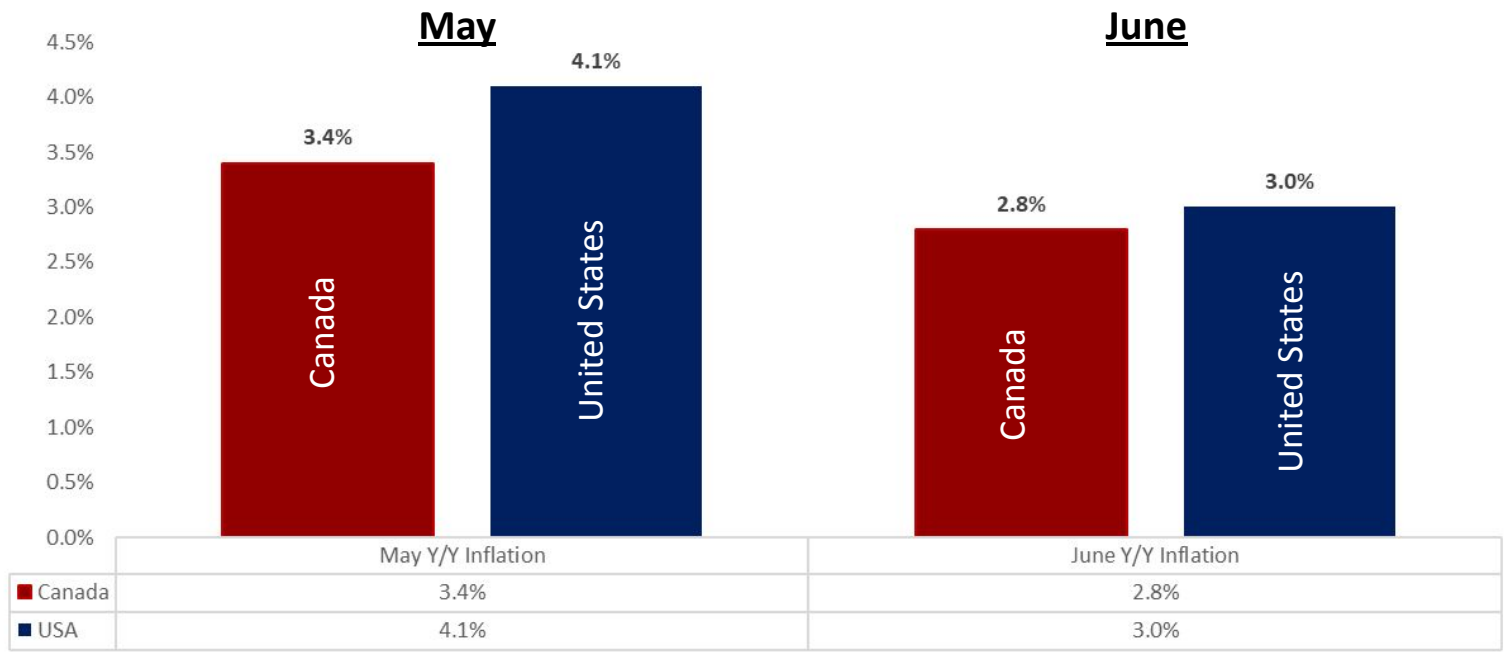
## July MTD WTI Price (\$US/bbl)



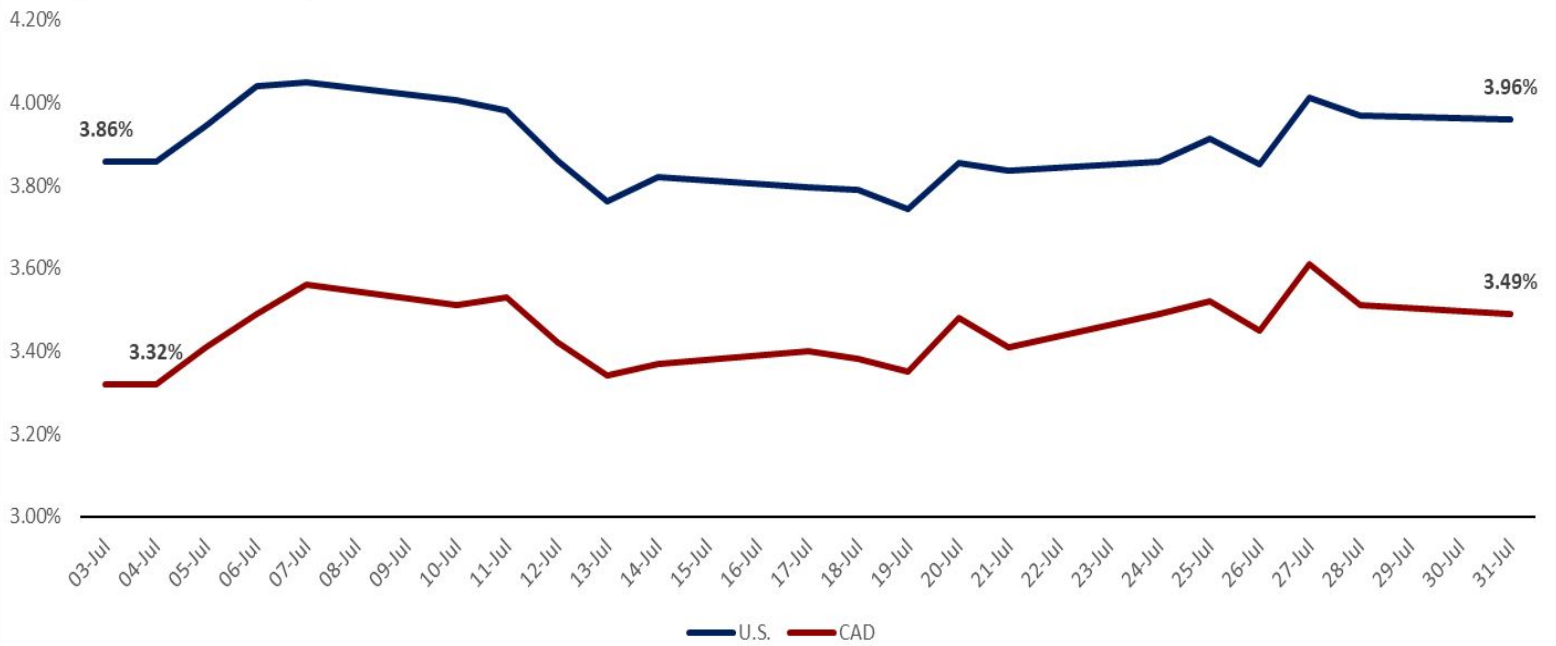
## July MTD Bitcoin Price (\$USD)



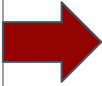





## Inflation rates



## July 10 Year Treasury Yields



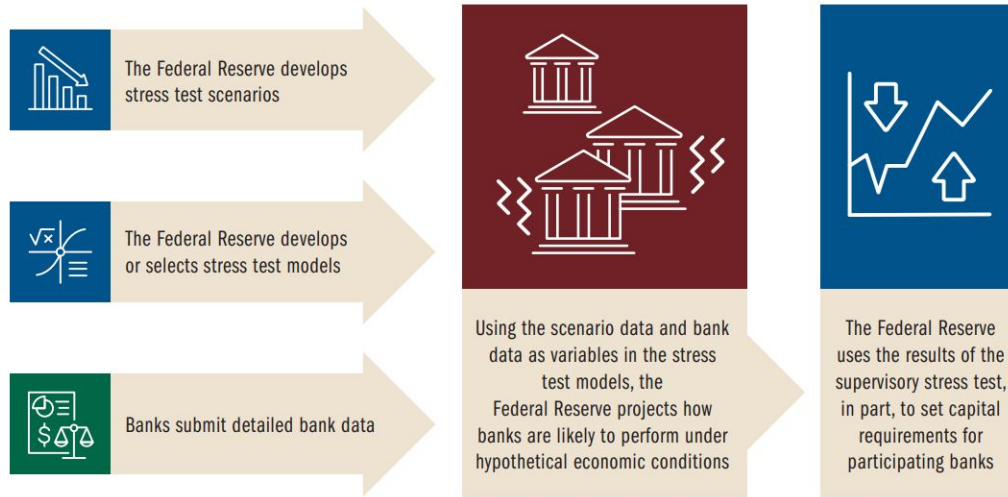
# Current Student Employment Opportunities

<p>Investment Banking Analyst position for <b>Agentis Capital.</b></p> <p>(Vancouver/Toronto)</p> 	<p>Investment Banking role in infrastructure M&amp;A.</p>	<p><b>Position Start and Application End Dates:</b></p> <p><b>Start:</b> Summer '24 <b>Application End:</b> September 8th</p>	<p><b>Links:</b></p> <p><a href="#">Click Here</a></p>
<p>Financial Analyst position for <b>Westmoreland Mining.</b></p> <p>(Edmonton)</p> 	<p>Analyze financial data, create business cases, and assist in budgeting and forecasting to support business outcomes.</p>	<p><b>N/A</b></p>	<p><a href="#">Click Here</a></p>
<p>Student Financial Advisor for <b>Graduate Planning.</b></p> <p>(Edmonton)</p> 	<p>Help university students effectively manage their finances.</p>	<p><b>Start:</b> Fall/Winter '23/24 <b>Application End:</b> September 30th</p>	<p><a href="#">Click Here</a></p>
<p>Co-op, Client Investment Strategist for <b>AIMCo.</b></p> <p>(Edmonton)</p> 	<p>Work with the Client Investments Strategy team to deliver impactful quantitative research, data visualization, and collaborative problem-solving.</p>	<p><b>Start:</b> Winter '24 <b>Application End:</b> August 27th</p>	<p><a href="#">Click Here</a></p>
<p>Co-op, Assurance and Accounting for <b>MNP.</b></p> <p>(Leduc)</p> 	<p>Gain experience in areas like compilations, audits, tax, and bookkeeping. Apply knowledge of IFRS, GAAP, and ASPE, while managing clients, conducting financial assessments, and contributing to process improvement.</p>	<p><b>Start:</b> Winter/Summer '24 <b>Application End:</b> N/A</p>	<p><a href="#">Click Here</a></p>
<p>Accounting Student for <b>Bird Construction.</b></p> <p>(Edmonton)</p> 	<p>Take charge of project account payables, maintain accurate records, and contribute to a supportive work environment where your potential is nurtured and growth is embraced</p>	<p><b>Start:</b> Fall/Winter '23/24 <b>Application End:</b> N/A</p>	<p><a href="#">Click Here</a></p>
<p>Co-op Finance/Accounting for <b>North American Construction Group.</b></p> <p>(Acheson)</p> 	<p>Assist with month-end activities, prepare audit working papers, and contribute to the preparation of consolidated financial statements, all while being part of a CPA Alberta Pre-Approved Program.</p>	<p><b>Start:</b> Fall '23 <b>Application End:</b> N/A</p>	<p><a href="#">Click Here</a></p>

# Annex 1: New Capital Requirements for Large US Banks

**Figure 1. How stress testing works for large banks**

The Federal Reserve conducts stress tests to ensure that large banks are sufficiently capitalized and able to lend to households and businesses even in a severe recession. The stress tests evaluate the financial resilience of banks by estimating losses, revenues, expenses, and resulting capital levels under hypothetical economic conditions.



Bank	Minimum CET1 capital ratio	Stress capital buffer requirement	G-SIB surcharge*	CET1 capital requirement
Ally Financial Inc. <sup>†</sup>	4.5	2.5	n/a	7.0
American Express Company <sup>†</sup>	4.5	2.5	n/a	7.0
Bank of America Corporation	4.5	2.5	2.5	9.5
The Bank of New York Mellon Corporation	4.5	2.5	1.5	8.5
Barclays US LLC	4.5	4.7	n/a	9.2
BMO Financial Corp.	4.5	3.3	n/a	7.8
BNP Paribas USA, Inc. <sup>†</sup>	4.5	4.3	n/a	8.8
Capital One Financial Corporation	4.5	4.8	n/a	9.3
The Charles Schwab Corporation	4.5	2.5	n/a	7.0
Citigroup Inc.	4.5	4.3	3.5	12.3
Citizens Financial Group, Inc.	4.5	4.0	n/a	8.5
Credit Suisse Holdings (USA), Inc.	4.5	7.2	n/a	11.7
DB USA Corporation	4.5	9.3	n/a	13.8
Discover Financial Services <sup>†</sup>	4.5	2.5	n/a	7.0
DWS USA Corporation	4.5	5.6	n/a	10.1
Fifth Third Bancorp <sup>†</sup>	4.5	2.5	n/a	7.0
The Goldman Sachs Group, Inc.	4.5	5.5	3.0	13.0
HSBC North America Holdings Inc. <sup>†</sup>	4.5	6.4	n/a	10.9
Huntington Bancshares Incorporated <sup>†</sup>	4.5	3.2	n/a	7.7
JPMorgan Chase & Co.	4.5	2.9	4.0	11.4
KeyCorp <sup>†</sup>	4.5	2.5	n/a	7.0
M&T Bank Corporation	4.5	4.0	n/a	8.5
Morgan Stanley	4.5	5.4	3.0	12.9
Northern Trust Corporation	4.5	2.5	n/a	7.0
The PNC Financial Services Group, Inc.	4.5	2.5	n/a	7.0
RBC US Group Holdings LLC	4.5	4.2	n/a	8.7
Regions Financial Corporation <sup>†</sup>	4.5	2.5	n/a	7.0
Santander Holdings USA, Inc. <sup>†</sup>	4.5	2.5	n/a	7.0
State Street Corporation	4.5	2.5	1.0	8.0
TD Group US Holdings LLC	4.5	2.5	n/a	7.0
Truist Financial Corporation	4.5	2.9	n/a	7.4
U.S. Bancorp	4.5	2.5	n/a	7.0
UBS Americas Holding LLC	4.5	9.1	n/a	13.6
Wells Fargo & Company	4.5	2.9	1.5	8.9

## Components of New Capital Requirements:

- a minimum CET1 capital ratio requirement of 4.5 percent, which is the same for each bank;
- the stress capital buffer (SCB) requirement, which is determined from the supervisory stress test results and is at least 2.5 percent; and
- if applicable, a capital surcharge for global systemically important banks (G-SIBs), which is at least 1.0 percent

The total common equity tier 1 (CET1) capital ratio requirement for each large bank, which is made up of several components.

Source: <https://www.federalreserve.gov/publications/files/large-bank-capital-requirements-20230727.pdf#page=4&zoom=100.0.1056>