

ON THE MARKETS

S&P/TSX 16,371.28 -152.19	DOW JONES 26,548.22 -179.32	S&P 500 2,917.38 -27.97	NASDAQ 7,884.71 -120.98	OIL US \$57.83 -0.07	NATURAL GAS US \$2.29 -0.01	GOLD US \$1,418.70 +0.50	SILVER US \$15.42 -0.04	DOLLAR * 75.91¢ +0.12
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Interest rates: Prime rate 3.95% Overnight lending rate 1.75%

A US dollar cost \$1374 (Cdn) Daily Average
Source: The Canadian Press

Wholesalers exceed highest survey forecast

Gains are largest increase since 2016 and fifth consecutive rise

ERIK HERTZBERG
BLOOMBERG

OTTAWA—Canadian wholesalers posted their strongest two-month gain in more than three years, another sign the economy is picking up steam after a weak stretch.

Wholesale sales rose 1.7 per cent in April, exceeding the highest forecast in a Bloomberg survey of economists. It was the largest increase since 2016 and the fifth consecutive gain.

When combined with March's 1.4 per cent increase, Canada's wholesalers posted their strongest two months since the end of 2015. Excluding price in-

creases, wholesales increased 1.6 per cent.

Strong motor vehicle sales and parts led the April increase, rising 3.2 per cent — a payback from 1.9 per cent decrease in March.

Still, wholesale sales rose 1.4 per cent excluding the auto sector, signalling the broad nature of the increase.

The results are "in-line with the Bank of Canada's expectation that the second quarter will see a rebound in Canadian economic activity," Brett House, deputy chief economist at Bank of Nova Scotia, said by email.



TJANA MARTIN THE CANADIAN PRESS FILE PHOTO

Strong auto sales and parts led April increase, rising 3.2 per cent, in contrast to a 1.9 per cent decrease in March.

"April GDP, due Friday, is likely to come in above the consensus 0.2 per cent mark."

The inventory to sales ratio pulled back to 1.39 in April, from

1.40 previously.

Economists surveyed by Bloomberg were expecting just 0.2 per cent growth on the month.

Purolator to spend \$330M on new hub

Toronto facility to triple capacity, courier says

SIMRAN JAGDEV
BLOOMBERG

Courier company Purolator will invest more than \$1 billion over the next five years to build a shipping hub in Toronto, upgrade its fleet and enhance its retail network in Canada to reach more customers.

"Today's announcement is one of the most ambitious in our company's history and will future-proof our business," John Ferguson, Purolator's chief executive officer, said in a statement.

Purolator's expansion in Toronto comes amid a booming demand for warehouse space in the city

The company will spend \$330 million to build a 60-acre automated hub in Toronto, allowing it to deliver more packages quickly. Purolator, which delivered more than 25 million packages in 2018, said that the facility will triple its capacity, and help it deal with higher volumes of deliveries during peak periods. Purolator's expansion in Toronto comes amid a booming demand for warehouse space in the city, as e-commerce players such as Amazon.com and big-box retailers such as Home Depot have been racing to deliver packages to customers quickly and cheaply.

Toronto had the lowest industrial property vacancy rate in North America in the fourth quarter of 2018, according to data from Colliers International.

Purolator, based in Mississauga, will also use part of the money to add more than 1,000 new vehicles to its fleet over 2019 and 2020, and roll out its first fully-electric vehicles by 2020. It will also expand its mobile service, which allows customers to pick up their packages from Purolator's delivery trucks across Toronto.

The company is also testing a pick-up locker service, and electric cargo bikes to make deliveries in Toronto.

B.C.'s Tilray imports medical cannabis to Britain

Barriers lifted following confiscation of one of the company's products

ELLEN MILLIGAN
BLOOMBERG

LONDON—Tilray has imported its first bulk supply of medical cannabis oil into the U.K., after controversy over the confiscation of one of the Canadian company's products led to an easing of restrictions.

The oral solution, containing both the psychoactive THC and non-intoxicating CBD compounds, is used to treat pain, chemotherapy-induced nausea and vomiting, and multiple sclerosis-associated spasticity.

It has already been supplied in bulk to Germany, Croatia, Cy-

prus and Malta.

Another cannabis-based Tilray product that helps treat epilepsy was confiscated last year from a child in Northern Ireland, Billy Caldwell, sparking a media campaign to permit the substance for medical use. The British government in November made it legal for specialist doctors to prescribe medical marijuana for patients with severe clinical need.

"This allows us to hold a reliable supply in the U.K. so we can avoid having to import on a per-patient basis, shortening the amount of time from pre-

scription to the patient getting the product," Catherine Jacobson, Tilray's vice-president of medical and regulatory affairs, said in an interview.

"If access is too difficult, patients will just go to the black market," she said. "We've seen that happen and it's really dangerous for patients."

The Nanaimo, B.C.-based cannabis company is also hoping to import bulk supplies of its five other medical cannabis products into the U.K. by the end of the year.

Tilray, which has joined forces with Budweiser brewer An-

heuser-Busch InBev NV to research cannabis-infused beverages, is focused on health uses in its European operations for now, Jacobson said.

"Any company has to look at all the markets available to them, but we are steadfastly focused on the medical market."

The company has also signed a partnership with Swiss drug giant Novartis AG to develop and distribute medical marijuana in legal jurisdictions around the world. The Canadian company is in talks with research groups in Britain to launch clinical trials in the country, she said.

Shopify tumbles as euphoria is put to the test

E-commerce stock falls 9.2 per cent, its biggest drop since December

JERAN WITTENSTEIN
BLOOMBERG

SAN FRANCISCO—Shopify Inc.'s biggest drop of 2019 shows the e-commerce stock is testing the limits of what investors are willing to pay for rapid revenue growth.

The shares fell as much as 9.2 per cent in New York on Tuesday, their biggest drop since Dec. 14, after more than doubling to start the year. That run-up created more than \$25 billion in market value as

investors looked past rising competitive threats and focused on fast-growing sales and new online checkout products. The money-losing company's shares now trade at around 21 times estimated sales, more expensive by that measure than any technology stock in the S&P 500 Index.

That's making Wall Street squeamish. At least five analysts have downgraded the company in the past two months. In almost every case,

the lofty stock price was the top concern.

"We now see more limited upside to shares over the next 12 months," Wedbush analyst Ygal Arounian said in a Tuesday note downgrading the stock to neutral from buy. He cited a "premium valuation."

What started as co-founder and chief executive officer Tobi Lutke's effort to sell snowboards on the internet has grown into a business projected to generate more than \$15 bil-

lion in revenue in 2019.

In addition to online sales, Shopify now competes with companies like Square Inc. at the point of sale in brick-and-mortar stores.

Last week, Ottawa-based Shopify said it plans to spend \$1 billion on a chain of fulfillment centers that would pit it even more directly against Amazon.com Inc.

Shopify's break-neck expansion has come at the cost of profitability.

Facebook's Libra may be answer to profit in private messaging



Purolator

DATE Dec 6, 2018

\$20,000

Payable to
the order of:

Daily Bread Food Bank

Twenty Thousand ———— xx Dollars

Purolator Tree Change Program

Purolator Inc



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