



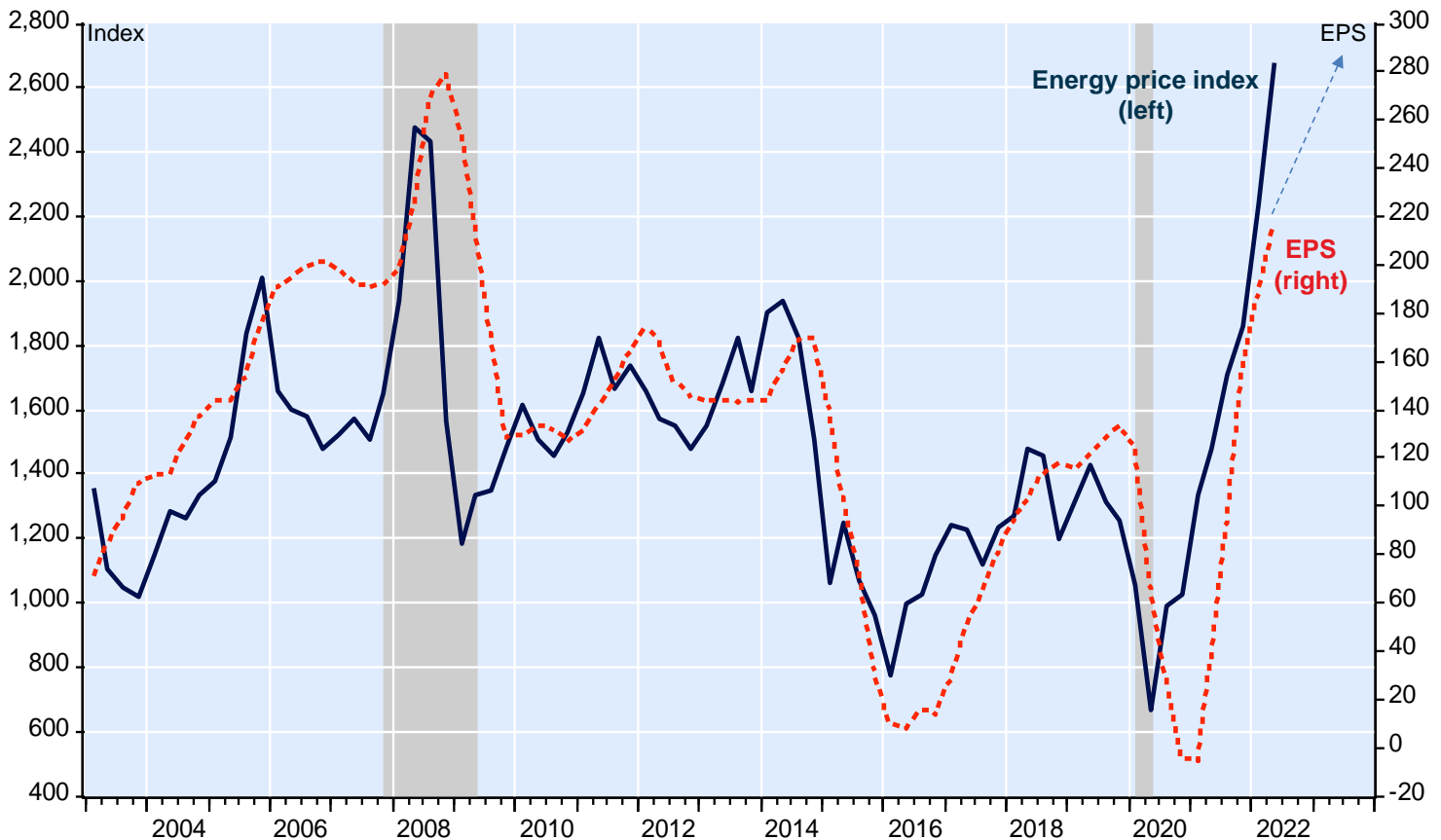
Canada Watch

By Stéfane Marion

The Bank of Canada's Energy Price Index (EPI), which measures the spot transaction price of domestically produced energy commodities, reached a new high this quarter when expressed in Canadian dollars. As today's Hot Chart shows, it's only a matter of time before this translates in record profits for energy companies, whose earnings per share (EPS) are expected to finally surpass the record \$278 reached in 2008 by this time next year (the current 12-month EPS estimate is \$287). This is good news for the economy and governments. Back in March, our colleagues at NBCFM's Energy Team estimated that their coverage universe would pay about \$34 billion in combined cash tax and royalties in 2022 (up from \$15 billion in 2021) – see [LINK](#). Based on current prices, their latest estimate has been increased to a whopping \$44 billion! Supported by tax and royalty payments, Canada's energy sector is already on track to provide record fiscal support to governments in 2022.

Canada: Energy already brings massive fiscal support to governments

Bank of Canada energy price index (EPI) and trailing earnings for the S&P/TSX Energy





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