

# Market Review



INVESTING

December 19, 2018

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	23,323.66	-351.98	-1.49%	26951.81	23344.52	-5.65%
S&P 500	2,506.96	-39.20	-1.54%	2940.91	2528.71	-6.23%
NASDAQ COMPOSITE	6,636.83	-147.08	-2.17%	8133.30	6630.67	-3.86%
S&P/TSX COMPOSITE	14,264.06	-152.83	-1.06%	16586.46	14323.74	-12.00%
STOXX EUROPE 50	2,791.16	4.76	0.17%	3283.23	2779.23	-12.17%
FTSE 100	6,765.94	64.35	0.96%	7903.50	6673.57	-11.99%
DAX PERFORMANCE-INDEX TR	10,766.21	25.32	0.24%	13596.89	10585.77	-16.65%
CAC40	4,777.45	23.37	0.49%	5657.44	4732.02	-10.07%
Nikkei 225 Index	20,987.92	0.00	0.00%	24448.07	20347.49	-7.81%
HANG SENG INDEX	25,865.39	51.14	0.20%	33484.08	24540.63	-13.55%
Shanghai SE Composite Index	2,549.56	-27.09	-1.05%	3587.03	2449.20	-22.91%

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### Fed raises benchmark interest-rate, projects 2 more hikes in 2019

The Federal Reserve raised borrowing costs for the fourth time this year, ignoring a stock-market selloff and defying pressure from President Donald Trump, while dialing back projections for interest rates and economic growth in 2019. By trimming the number of rate hikes they foresee in 2019, to two from three, policy makers signaled they may soon pause their monetary tightening campaign. Officials had a median projection of one move in 2020. After the decision, stocks and 10-year Treasury yields fell while the dollar bounced off its lows of the day. Chairman Jerome Powell and his colleagues said "economic activity has been rising at a strong rate" in a statement Wednesday following a two-day meeting in Washington. While officials said risks to their outlook "are roughly balanced," they flagged threats from a softening world economy. The unanimous 10-0 decision lifted the federal funds rate target to a range of 2.25 percent to 2.5 percent. In economic data released today, existing-home sales ran at a seasonally adjusted annual 5.32 million pace in November, the National Association of Realtors said. November marked the second month of increasing sales, and the selling pace easily beat the consensus forecast of a 5.17 million rate. Sales were 1.9% higher than in October, but 7.0% lower than a year ago. Another report showed the U.S. current-account deficit widened to \$124.8 billion from a revised \$101.2 billion in the second quarter. The current account includes not just trade but also investments made abroad as well as personal cash transfers such as foreign workers sending money home. The current account deficit was 2.4% of GDP in the third quarter. That's up from 2% in the second quarter but well below a peak of 6.3% in 2005. In corporate news, Pfizer Inc. and GlaxoSmithKline PLC said they plan to combine their consumer health-care units, and eventually spin the joint venture off, creating a global giant in the business of selling drugstore staples like Advil and Sensodyne toothpaste.

Canada's main stock index rose on Wednesday as the domestic annual inflation rate dropped sharply in November, underscoring market expectations that imminent interest rate hikes are off the table. Canada's inflation rate dropped to its slowest pace in 10 months in November as gasoline prices plunged, easing pressure on the Bank of Canada to press ahead with interest rate increases. The consumer price index recorded an annual pace of 1.7 per cent in November, down from 2.4 per cent in October. Economists had forecast a 1.8 per cent pace.

Overseas, after a month long impasse between Rome and Brussels, the European Commission said the two sides had agreed to an accord on Italy's coming budget for 2019, bolstering Italian assets. In Asia, Japan reported that its trade balance in November was a deficit of 737.3 billion yen, from 450.1 billion yen in the previous month. Japanese exports rose 0.1% from a year earlier, as compared to October's 8.2% gain.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Tamarack Valley Energy Ltd	\$2.04	\$0.20	10.87%
Baytex Energy Corp	\$2.17	\$0.17	8.50%
Crescent Point Energy Corp	\$4.18	\$0.27	6.91%
Vermilion Energy Inc	\$28.84	\$1.83	6.78%
TORC Oil & Gas Ltd	\$4.25	\$0.24	5.99%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Home Capital Group Inc	\$14.00	-\$2.48	-15.05%
Yamana Gold Inc	\$2.90	-\$0.29	-9.09%
First Majestic Silver Corp	\$7.06	-\$0.62	-8.07%
Aphria Inc	\$7.26	-\$0.63	-7.98%
Iamgold Corp	\$4.55	-\$0.39	-7.89%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	136.43	-0.18	-0.13%	-29.31%
MATERIALS	207.58	-8.00	-3.71%	-15.52%
UTILITIES	221.07	-2.63	-1.18%	-11.52%
FINANCIALS	270.25	-3.26	-1.19%	-12.40%
INDUSTRIALS	228.65	-2.00	-0.87%	-4.84%
HEALTH CARE	88.93	-3.72	-4.02%	-8.64%
CONS. DISCRETIONARY	175.7	-0.81	-0.46%	-18.38%
CONS. STAPLES	553.03	-2.19	-0.39%	0.19%
INFO TECH.	72.98	-0.44	-0.60%	10.78%
COMMUNICATION SVCS	168.17	-0.80	-0.47%	-1.31%
REAL ESTATE	296.09	-3.47	-1.16%	-2.39%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	1.89%	1.90%	1.96%	2.13%
U.S. (YLD%)	2.65%	2.63%	2.76%	2.99%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$47.20	\$1.720	3.72%	-21.88%
NATURAL GAS	\$3.73	-\$0.113	-2.94%	25.84%
GOLD	\$1,255.80	\$6.600	0.53%	-3.66%
COPPER	\$2.69	\$0.020	0.73%	-17.72%
CAD / USD	\$0.7411	-\$0.0015	-0.20%	-6.78%
CAD / EUR	€0.6516	-€0.0019	-0.29%	-1.66%
USD / EUR	€0.8793	-€0.0008	-0.09%	5.51%
USD / JPY	¥112.59	¥0.08	0.07%	-0.09%

Source: Thomson Eikon



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