

Market Review



INVESTING

August 1, 2019

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	26,583.42	-280.85	-1.05%	27398.68	21712.53	13.96%
S&P 500	2,953.56	-26.82	-0.90%	3027.98	2346.58	17.82%
NASDAQ COMPOSITE	8,111.12	-64.30	-0.79%	8339.64	6190.17	22.24%
S&P/TSX COMPOSITE	16,377.04	-29.52	-0.18%	16672.71	13776.88	14.34%
STOXX EUROPE 50	3,191.82	10.53	0.33%	3248.82	2673.54	15.64%
FTSE 100	7,584.87	-1.91	-0.03%	7790.17	6536.53	12.73%
DAX PERFORMANCE-INDEX TR	12,253.15	64.11	0.53%	12738.53	10279.20	15.81%
CAC40	5,557.41	38.51	0.70%	5672.77	4555.99	17.48%
Nikkei 225 Index	21,540.99	19.46	0.09%	24448.07	18948.58	7.63%
HANG SENG INDEX	27,565.70	-212.05	-0.76%	30280.12	24540.63	6.65%
Shanghai SE Composite Index	2,908.77	-23.74	-0.81%	3288.45	2440.91	16.64%

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Trump Ratchets Up Trade War With New Tariffs on Chinese Imports

President Donald Trump abruptly escalated his trade war with China, announcing that he would impose a 10% tariff on \$300 billion in Chinese imports that aren't yet subject to U.S. duties after setbacks in negotiations with Beijing. The new tariff will be imposed beginning Sept. 1, he said in a tweet. Another \$250 billion in Chinese goods are already subject to a 25% U.S. tariff. Stocks swung more than 1.7% from gains to losses after Trump said America will levy a 10% tariff on \$300 billion in Chinese goods. Stocks had been rebounding from Wednesday's Fed-induced sell-off before Trump put trade back at the center of investor minds. The 10-year Treasury yield dropped to the lowest level since 2016, while two-year rates plunged 15 basis points as traders increased bets on Fed rate cuts to another half point this year. The yen rose the most in two months versus the dollar, while crude slumped more than 7%, it's worst day of the year. Banks lead losses on benchmarks with Bank of America falling the most in more than two months. The declines spread across sectors as the global industrial company Caterpillar Inc. and consumer brand Nike Inc. slammed the Dow Jones Industrial Average. In economic news this morning, the government said initial jobless claims rose by 8,000 to 215,000 in the seven days ended July 27. Economists estimated new claims would total a seasonally adjusted 210,000. The more stable monthly average of new claims fell by 1,750 to 211,500. Also, The Institute for Supply Management said its manufacturing index slipped to 51.2% last month from 51.7% in June. That's the lowest reading since August 2016. Economists had forecast the index to total 51.9%. The ISM index has fallen sharply since hitting a post 2008 recession peak of 60.8% last year.

Canada's main stock index was down only modestly as gold prices surged after U.S. President Donald Trump escalated the trade war with China with a new tariff threat that pushed the gold stocks. Oil plunged almost 8% for the steepest one-day drop in more than four years on heightening concerns about an economic slowdown that would be a drag on energy demand. Many Canadian companies reported results today. SNC-Lavalin Group Inc. delivered more harsh news to investors today, cutting its quarterly dividend by 80 per cent as the troubled engineering giant grappled with a \$2.12-billion net loss in its second quarter. Bombardier Inc. plunged after lowering its 2019 financial forecasts because of new costs in its troubled rail-equipment division. Additional outlays of as much as \$300 million are needed to complete late-stage train projects and meet delivery schedules, Bombardier said in an earnings release. Telecommunications giant BCE Inc. said its second-quarter earnings increased by eight per cent from the same time last year, driven by strong subscriber growth including some of its best wireless customer acquisitions since 2001. Overseas, the U.K. central bank's refusal to acknowledge the risk of a no-deal Brexit, which has driven the pound to a 2 1/2-year low, has disappointed investors who expected the institution to bring some clarity to the matter.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Detour Gold Corp	\$22.69	\$2.53	12.55%
Spin Master Corp	\$42.07	\$4.57	12.19%
Maple Leaf Foods Inc	\$34.70	\$3.75	12.12%
Kinross Gold Corp	\$5.88	\$0.54	10.11%
Pan American Silver Corp	\$22.00	\$1.90	9.45%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Hudbay Minerals Inc	\$5.04	-\$1.37	-21.37%
Bombardier Inc	\$1.91	-\$0.36	-15.86%
Tourmaline Oil Corp	\$15.31	-\$2.09	-12.01%
First Quantum Minerals Ltd	\$10.74	-\$1.42	-11.68%
SNC-Lavalin Group Inc	\$18.92	-\$1.96	-9.39%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	130.77	-2.95	-2.21%	-5.16%
MATERIALS	259.88	4.43	1.73%	18.27%
UTILITIES	268.14	1.41	0.53%	22.18%
FINANCIALS	300.82	-3.37	-1.11%	11.47%
INDUSTRIALS	277.48	-2.95	-1.05%	20.95%
HEALTH CARE	98.06	-3.12	-3.08%	14.00%
CONS. DISCRETIONARY	205.87	-2.58	-1.24%	16.26%
CONS. STAPLES	633.34	8.43	1.35%	13.91%
INFO TECH.	111.21	2.42	2.22%	51.10%
COMMUNICATION SVCS	176.95	1.71	0.98%	6.25%
REAL ESTATE	342.06	1.81	0.53%	15.96%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	1.47%	1.37%	1.40%	1.63%
U.S. (YLD%)	1.74%	1.69%	1.90%	2.44%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$54.47	-\$4.110	-7.02%	19.95%
NATURAL GAS	\$2.17	-\$0.066	-2.96%	-26.29%
GOLD	\$1,442.30	\$16.200	1.14%	12.83%
COPPER	\$2.62	-\$0.040	-1.50%	-0.38%
CAD / USD	\$0.7566	-\$0.0014	-0.18%	3.19%
CAD / EUR	€0.6820	-€0.0022	-0.32%	6.70%
USD / EUR	€0.9014	-€0.0013	-0.14%	3.41%
USD / JPY	¥107.40	-¥1.34	-1.23%	-1.97%

Source: Thomson Eikon



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