

Market Review



INVESTING

August 12, 2019

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	25,896.44	-391.00	-1.49%	27398.68	21712.53	11.01%
S&P 500	2,882.60	-36.05	-1.24%	3027.98	2346.58	14.99%
NASDAQ COMPOSITE	7,863.41	-95.73	-1.20%	8339.64	6190.17	18.51%
S&P/TSX COMPOSITE	16,237.77	-103.57	-0.63%	16672.71	13776.88	13.37%
STOXX EUROPE 50	3,057.63	-2.93	-0.10%	3248.82	2673.54	10.78%
FTSE 100	7,226.72	-27.13	-0.37%	7727.49	6536.53	7.41%
DAX PERFORMANCE-INDEX TR	11,679.68	-14.12	-0.12%	12656.05	10279.20	10.39%
CAC40	5,310.31	-17.61	-0.33%	5672.77	4555.99	12.25%
Nikkei 225 Index	20,684.82	Market was closed		24448.07	18948.58	3.35%
HANG SENG INDEX	25,824.72	-114.58	-0.44%	30280.12	24540.63	-0.08%
Shanghai SE Composite Index	2,814.99	40.24	1.45%	3288.45	2440.91	12.88%

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Geopolitical tensions and recession fears weigh on stocks

Global equities fell as investors worried that escalating China- U.S. trade tensions political could push the global economy into recession. On Friday President Trump said he was not ready to make a deal with China and called the planned September round into trade talks into question. Goldman Sachs analysts said on Sunday that they no longer expected a trade deal before the 2020 U.S. presidential election. They lowered their forecast for fourth-quarter U.S. growth and said the chances a protracted trade war would lead to recession were rising. Other geopolitical tensions also weighed on sentiment including: Italy's political turmoil, worsening protests in Hong Kong and a collapse in the Argentinian peso following the defeat of President Mauricio Macri during primary elections. Investors sought safe haven assets such as the Japanese yen, U.S. Treasuries and gold.

U.S. stocks were broadly lower with all 11 sectors on the S&P500 trading in negative territory. Losses were led by interest rate sensitive financials stocks as treasury yields fell. Trading volumes were light with several Asian markets closed for holidays, including Japan and as there was very little news in terms of economic calendar and earnings. Investors are focused on the Federal Reserve annual symposium in Jackson Hole, Wyoming, next week, with investors seeking greater clarity on the path of interest rates. Traders see a 74% chance of a 25 basis-point rate cut by the U.S. central bank this September. In corporate news, Amgen shares rose as much as 6% as a U.S. judge upheld two patents relating to blockbuster rheumatoid arthritis drug Enbrel, denying a challenge by Novartis AG, which is seeking to launch a copycat version. CBS and Viacom shares fell as sources said that the two companies are in the final stages of negotiating an all-stock merger that values Viacom at a discount to its closing price on Friday.

Canada's TSX Composite Index fell on Monday led by losses in energy stocks, despite a recovery in crude oil prices. Nine of the 11 main sectors on the index traded in the red, with just the materials and REITs sectors trading in positive territory. The materials sector was lifted by gold stocks, which tracked the commodity price higher. Marijuana stocks tumbled in sympathy with CannTrust Holdings, which plunged more than 25% after Health Canada found fault with cannabis production at a second facility. Barrick Gold shares rose as much as 3% after meeting earnings expectations and forecasting annual gold production toward the upper end of guidance. Shares of tour operator Transat AT Inc jumped over 40% after Air Canada raised the value of its offer to buy the company to C\$18 per share, from its earlier offer of C\$13 a share. Canfor Corp was the biggest gainer on the TSX after Great Pacific Capital offered to take the company private for C\$16 per share, or about C\$2 billion overall.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Canfor Corp	\$15.26	\$6.46	73.41%
Interfor Corp	\$11.70	\$0.74	6.75%
West Fraser Timber Co Ltd	\$48.10	\$1.93	4.18%
Western Forest Products Inc	\$1.29	\$0.05	4.03%
MAG Silver Corp	\$16.46	\$0.59	3.72%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
CannTrust Holdings Inc	\$3.04	-\$1.17	-27.79%
Stars Group Inc	\$17.16	-\$3.96	-18.75%
Enerflex Ltd	\$14.12	-\$1.88	-11.75%
Nuvista Energy Ltd	\$1.85	-\$0.17	-8.42%
Precision Drilling Corp	\$1.67	-\$0.15	-8.24%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	125.15	-1.58	-1.25%	-9.23%
MATERIALS	261.46	-1.64	-0.62%	18.99%
UTILITIES	270.9	-0.20	-0.07%	23.43%
FINANCIALS	294.57	-2.59	-0.87%	9.15%
INDUSTRIALS	274.56	-1.46	-0.53%	19.68%
HEALTH CARE	101.47	-0.26	-0.26%	17.96%
CONS. DISCRETIONARY	202.76	-2.66	-1.29%	14.51%
CONS. STAPLES	638.44	-3.22	-0.50%	14.83%
INFO TECH.	110.99	-0.53	-0.48%	50.80%
COMMUNICATION SVCS	175.99	-0.61	-0.35%	5.67%
REAL ESTATE	343.27	-0.39	-0.11%	16.37%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	1.33%	1.20%	1.20%	1.45%
U.S. (YLD%)	1.58%	1.49%	1.65%	2.14%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$54.75	\$0.250	0.46%	20.57%
NATURAL GAS	\$2.11	-\$0.007	-0.33%	-28.16%
GOLD	\$1,512.20	\$15.600	1.04%	18.30%
COPPER	\$2.58	-\$0.008	-0.29%	-1.96%
CAD / USD	\$0.7552	-\$0.0009	-0.12%	3.00%
CAD / EUR	€0.6735	-€0.0013	-0.19%	5.37%
USD / EUR	€0.8918	-€0.0007	-0.08%	2.31%
USD / JPY	¥105.32	-¥0.34	-0.32%	-3.87%

Source: Thomson Eikon



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