

# Market Review



INVESTING

August 13, 2019

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	26,279.91	372.54	1.44%	27398.68	21712.53	12.66%
S&P 500	2,926.32	42.57	1.48%	3027.98	2346.58	16.73%
NASDAQ COMPOSITE	8,016.36	152.95	1.95%	8339.64	6190.17	20.81%
S&P/TSX COMPOSITE	16,350.84	113.07	0.70%	16672.71	13776.88	14.16%
STOXX EUROPE 50	3,080.32	22.69	0.74%	3248.82	2673.54	11.60%
FTSE 100	7,250.90	24.18	0.33%	7727.49	6536.53	7.77%
DAX PERFORMANCE-INDEX TR	11,750.13	70.45	0.60%	12656.05	10279.20	11.06%
CAC40	5,363.07	52.76	0.99%	5672.77	4555.99	13.37%
Nikkei 225 Index	20,455.44	-229.38	-1.11%	24448.07	18948.58	2.20%
HANG SENG INDEX	25,281.30	-543.42	-2.10%	30280.12	24540.63	-2.18%
Shanghai SE Composite Index	2,797.26	-17.73	-0.63%	3288.45	2440.91	12.16%

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### Stocks gain after U.S. plans to delay some Chinese tariffs

U.S. stocks reversed direction and turned sharply higher on Tuesday as investor's risk appetite increased after China's Commerce Ministry confirmed that trade talks will resume over the phone within the next two weeks, easing concerns of the global trade war that have weighed on the market in recent months. Stocks extended gains after the Trump administration announced that it would delay 10% tariffs on certain Chinese products that had been scheduled to start next month. The Office of the U.S. Trade Representative said that products whose tariffs will be delayed until December 15 include "computers, video game consoles, certain toys, computer monitors, and certain items of footwear and clothing." A separate group of products will also be exempt from tariffs altogether "based on health, safety, national security and other factors," it added. Gold prices reversed early gains, and U.S. Treasury yields rose as investors sold safe haven assets.

Gains on the S&P500 were broad-based and were led by the technology, communication services, and consumer discretionary sectors. Real estate and utilities sectors were the biggest laggards. Apple, which makes iPhones and MacBooks in China, gained as much as 5% and was the biggest contributor to the three major averages. Trade sensitive industrial bellwethers such as 3M and Caterpillar shares rallied, as well as toy makers Hasbro and Mattel which benefitted from delayed tariffs. In other corporate news, Advanced Auto Parts shares fell as much as 8.5% intraday after missing top and bottom line estimates and lowering its full year guidance. In economic news, the U.S. consumer price index rose 0.3% on a monthly basis in July, in line with consensus expectations. The CPI increased 1.8% year over year, up from 1.6% in June, pushed higher by more expensive energy prices, housing and medical care costs. The core CPI advanced 0.3% (one tick above consensus), surprising to upside for a second consecutive month. Core CPI was up 2.2% from a year ago. Overall the report suggests that inflation is picking up slightly, but remains modest. For some analysts, that data spoke against the U.S. Federal Reserve delivering aggressive further cuts in interest rates. Financial markets have fully priced in a 25 basis point cut at the U.S. central bank's September meeting and are still giving good odds on two more moves after that this year.

Canada's TSX Composite Index tracked the U.S. market, turning positive as trade concerns eased. Ten of the 11 main sectors on the index advanced led by gains in energy stocks as oil prices surged as much as 4% on renewed trade optimism. Oil prices had been after see-sawing earlier in the day, caught between demand worries and rising global supplies and expectations for deeper production cuts from leading producers. The materials sector was the lone sector trading in negative territory, pressured by losses in gold producers.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Baytex Energy Corp	\$1.87	\$0.10	5.65%
Aphria Inc	\$9.14	\$0.48	5.54%
Lundin Mining Corp	\$6.20	\$0.31	5.26%
Cronos Group Inc	\$18.39	\$0.91	5.21%
Birchcliff Energy Ltd	\$2.29	\$0.10	4.57%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Precision Drilling Corp	\$1.58	-\$0.09	-5.39%
MAG Silver Corp	\$15.63	-\$0.83	-5.04%
OceanaGold Corp	\$3.61	-\$0.18	-4.75%
Centerra Gold Inc	\$11.43	-\$0.48	-4.03%
Torex Gold Resources Inc	\$18.75	-\$0.78	-3.99%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	126.31	1.16	0.93%	-8.39%
MATERIALS	259.87	-1.59	-0.61%	18.26%
UTILITIES	271.94	1.04	0.38%	23.91%
FINANCIALS	296.58	2.01	0.68%	9.90%
INDUSTRIALS	277.12	2.56	0.93%	20.79%
HEALTH CARE	103.73	2.26	2.23%	20.59%
CONS. DISCRETIONARY	205.06	2.30	1.13%	15.81%
CONS. STAPLES	643.58	5.14	0.81%	15.75%
INFO TECH.	111.57	0.58	0.52%	51.59%
COMMUNICATION SVCS	177.41	1.42	0.81%	6.53%
REAL ESTATE	345.3	2.03	0.59%	17.05%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	1.38%	1.24%	1.23%	1.46%
U.S. (YLD%)	1.66%	1.57%	1.69%	2.15%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$57.06	\$2.130	3.88%	25.66%
NATURAL GAS	\$2.15	\$0.047	2.23%	-26.80%
GOLD	\$1,501.70	-\$3.600	-0.24%	17.48%
COPPER	\$2.62	\$0.044	1.69%	-0.17%
CAD / USD	\$0.7562	\$0.0010	0.13%	3.14%
CAD / EUR	€0.6767	€0.0033	0.49%	5.87%
USD / EUR	€0.8949	€0.0032	0.36%	2.66%
USD / JPY	¥106.65	¥1.36	1.29%	-2.66%

Source: Thomson Eikon



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