

Market Review



INVESTING

August 14, 2019

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	25,479.42	-800.49	-3.05%	27398.68	21712.53	9.23%
S&P 500	2,840.60	-85.72	-2.93%	3027.98	2346.58	13.31%
NASDAQ COMPOSITE	7,773.94	-242.42	-3.02%	8339.64	6190.17	17.16%
S&P/TSX COMPOSITE	16,045.94	-304.90	-1.86%	16672.71	13776.88	12.03%
STOXX EUROPE 50	3,035.37	-44.95	-1.46%	3248.82	2673.54	9.97%
FTSE 100	7,147.88	-103.02	-1.42%	7727.49	6536.53	6.24%
DAX PERFORMANCE-INDEX TR	11,492.66	-257.47	-2.19%	12656.05	10279.20	8.62%
CAC40	5,251.30	-111.77	-2.08%	5672.77	4555.99	11.00%
Nikkei 225 Index	20,655.13	199.69	0.98%	24448.07	18948.58	3.20%
HANG SENG INDEX	25,302.28	20.98	0.08%	30280.12	24540.63	-2.10%
Shanghai SE Composite Index	2,808.91	11.66	0.42%	3288.45	2440.91	12.63%

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Stocks tumble after bond market warns of recession.

European and U.S. stocks tumbled on Wednesday as a closely watched bond market indicator pointed to a renewed risk of a U.S. recession, putting additional pressure on the Federal Reserve as it heads into its next monetary policy meeting in September. The yields on the 2-year and 10-year Treasury notes inverted for the first time since June 2007. An inversion in this part of the yield curve has preceded the last nine recessions dating back to 1955, offering a false signal just once in that time. Longer term yields have been falling due to investor fears that the U.S.-China trade war would trigger a global economic slowdown. A fresh batch of weak economic data out of China and Germany exacerbated these fears. Overnight, China posted the weakest industrial output growth in 17 years, while disappointing credit data increased pressure on Beijing to add stimulus to the economy. A slump in exports led to a 0.1% contraction of German gross domestic product in the second quarter, in line with expectations. Separate data showed euro-area GDP growth slowed to 0.2%, and industrial production falling the most in more than three years in June. Investors now await the U.S. Federal Reserve's annual meeting in Jackson Hole, Wyoming, next week for clues on the future trajectory of interest rates. Investor's fled to safe haven assets sending the yen, U.S. Treasury prices and gold higher. Crude oil fell more than 4% on renewed fears that a global slowdown would reduce demand, as well as a report that showed a rise in U.S. crude inventories.

The S&P500 was broadly lower led by losses in the energy and financials sectors amid sharp declines in oil and Treasury yields. The high growth technology sector was also hit hard. Retailers were the biggest percentage decliners on the S&P500 after Macy's quarterly results came in well below expectations and it cut its full year profit forecast as it discounted heavily to clear excess spring inventory. Macy's was the first retailer to report earnings, and traded down as much as 17%. Other retailing companies, such as Nordstrom, Kohl's and the Gap, traded sharply lower in sympathy.

Canada's TSX Composite Index took direction from the U.S. markets and retreated on Wednesday. The energy sector was the biggest weight on the index as shares fell in tandem with crude oil prices. Marijuana stocks were under pressure after Tilray reported a larger than expected quarterly loss after the close yesterday. Canopy Growth is scheduled to report its quarterly results after today's close. The one bright spot was the materials sector which was supported by a rally in gold stocks. In other earnings news, Canada Goose shares slumped as much as 9% after the retailers quarterly gross margins missed analyst estimates. CAE shares fell as much as 12% after the aviation company's top and bottom line results missed estimates. Grocer Metro's shares were steady despite reporting light quarterly results.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Eldorado Gold Corp	\$11.37	\$0.68	6.36%
NovaGold Resources Inc	\$9.20	\$0.37	4.19%
Chemtrade Logistics Income Fund	\$9.90	\$0.38	3.99%
Detour Gold Corp	\$23.54	\$0.78	3.43%
Turquoise Hill Resources Ltd	\$0.65	\$0.02	3.17%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Kelt Exploration Ltd	\$2.78	-\$0.38	-12.03%
Baytex Energy Corp	\$1.71	-\$0.16	-8.56%
Crescent Point Energy Corp	\$3.80	-\$0.35	-8.43%
Birchcliff Energy Ltd	\$2.10	-\$0.19	-8.30%
Hudbay Minerals Inc	\$4.23	-\$0.38	-8.24%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	121.97	-4.34	-3.44%	-11.54%
MATERIALS	258.41	-1.46	-0.56%	17.60%
UTILITIES	271.05	-0.89	-0.33%	23.50%
FINANCIALS	290.82	-5.76	-1.94%	7.76%
INDUSTRIALS	271.55	-5.57	-2.01%	18.36%
HEALTH CARE	97.79	-5.94	-5.73%	13.68%
CONS. DISCRETIONARY	200.32	-4.74	-2.31%	13.13%
CONS. STAPLES	639.32	-4.26	-0.66%	14.99%
INFO TECH.	108.93	-2.64	-2.37%	48.00%
COMMUNICATION SVCS	176.05	-1.36	-0.77%	5.71%
REAL ESTATE	342.74	-2.56	-0.74%	16.19%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	1.35%	1.19%	1.15%	1.35%
U.S. (YLD%)	1.58%	1.49%	1.58%	2.02%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$55.13	-\$1.970	-3.45%	21.40%
NATURAL GAS	\$2.16	\$0.010	0.47%	-26.63%
GOLD	\$1,516.60	\$14.400	0.96%	18.64%
COPPER	\$2.59	-\$0.035	-1.31%	-1.45%
CAD / USD	\$0.7509	-\$0.0052	-0.69%	2.41%
CAD / EUR	€0.6743	-€0.0025	-0.37%	5.49%
USD / EUR	€0.8979	€0.0028	0.31%	3.01%
USD / JPY	¥105.98	-¥0.75	-0.70%	-3.27%

Source: Thomson Eikon



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