

# Market Review



INVESTING

August 16, 2019

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	25,886.01	306.62	1.20%	27398.68	21712.53	10.97%
S&P 500	2,888.68	41.08	1.44%	3027.98	2346.58	15.23%
NASDAQ COMPOSITE	7,895.99	129.38	1.67%	8339.64	6190.17	19.00%
S&P/TSX COMPOSITE	16,149.79	137.26	0.86%	16672.71	13776.88	12.76%
STOXX EUROPE 50	3,063.34	33.41	1.10%	3248.82	2673.54	10.99%
FTSE 100	7,117.15	50.14	0.71%	7727.49	6536.53	5.78%
DAX PERFORMANCE-INDEX TR	11,562.74	150.07	1.31%	12656.05	10279.20	9.29%
CAC40	5,300.79	63.86	1.22%	5672.77	4555.99	12.05%
Nikkei 225 Index	20,418.81	13.16	0.06%	24448.07	18948.58	2.02%
HANG SENG INDEX	25,734.22	238.76	0.94%	30280.12	24540.63	-0.43%
Shanghai SE Composite Index	2,823.82	8.03	0.29%	3288.45	2440.91	13.23%

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### U.S. stocks boosted by hopes of central bank stimulus

U.S. stocks traded higher on Friday, supported by growing expectations that central banks will provide more stimulus to support slowing growth. Investors' optimism that the European Central Bank would cut interest rates rose after Governing Council member Olli Rehn suggested that the central bank could restart its quantitative easing program and was open to extending it into equity purchases. Meanwhile, the U.S. bond market is fully pricing in an interest rate cut at the Federal Reserve's September meeting, with the only question being the size of the cut. Fed Chairman Jerome Powell's speech at the Fed's economic symposium in Jackson Hole, Wyoming, on August 23 will be closely watched for any indications that he has changed his stance on further rate cuts. The prospect of fiscal stimulus added to positive sentiment after a report that Germany's right-left coalition government would be prepared to ditch its balanced budget rule and take on new debt to counter a possible recession. This follows an earlier statement from China's state planner that it would roll out a plan to boost disposable income this year and in 2020 to spur consumption as their economy slows.

All 11 major S&P500 sectors traded higher, with technology stocks providing the biggest boost. Interest rate sensitive financials stocks also showed relative strength, as U.S. Treasury bond yields rose. In corporate news, Nvidia shares jumped after posting better than expected quarterly profit and revenue. Applied Materials fell after it cautioned that a recovery in the memory chip market is unlikely before 2020. Deere's quarterly earnings missed expectations and it cut its full year guidance, yet its shares rallied as management said it will conduct a review of its cost structure. General Electric's shares surged after Chief Executive Officer Larry Culp bought nearly \$2 million worth of shares a day after the stock recorded its biggest one-day percentage fall in 11 years. On the data front, U.S. homebuilding fell 4.0% in July amid a steep drop in construction of multi-family housing units. However building permits surged 8.4% to a seven-month high in July, offering hope for the struggling housing market. The University of Michigan's Consumer Sentiment Index fell more than expected to 92.1 early this month, from 98.4 in July. The survey's current conditions measure dropped to its lowest level since late 2016. Against the backdrop of growing recession risks, consumer sentiment data will be closely watched in the coming months.

Canada's TSX Composite Index was broadly higher with 10 of the 11 main sectors trading in positive territory. Only the materials sector declined, pressured by losses of precious and base metal producers. Energy and financials stocks provided the biggest boost to the index and the beleaguered marijuana stocks were amongst the top percentage gainers. Domestic economic data showed that foreign investors sold a net C\$3.98 billion in Canadian securities in June; the third divestment in four months.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Crescent Point Energy Corp	\$3.98	\$0.26	6.99%
Interfor Corp	\$12.86	\$0.80	6.63%
CannTrust Holdings Inc	\$2.79	\$0.15	5.68%
Chorus Aviation Inc	\$7.53	\$0.38	5.31%
Enerplus Corp	\$8.63	\$0.43	5.24%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Semafo Inc	\$4.82	-\$0.32	-6.23%
OceanaGold Corp	\$3.26	-\$0.17	-4.96%
MAG Silver Corp	\$15.41	-\$0.78	-4.82%
Sandstorm Gold Ltd	\$7.98	-\$0.38	-4.55%
SSR Mining Inc	\$20.67	-\$0.92	-4.26%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	122.26	1.26	1.04%	-11.33%
MATERIALS	257.96	-1.81	-0.70%	17.39%
UTILITIES	272.25	0.88	0.32%	24.05%
FINANCIALS	292.62	2.81	0.97%	8.43%
INDUSTRIALS	274.36	4.46	1.65%	19.59%
HEALTH CARE	93.72	1.96	2.14%	8.95%
CONS. DISCRETIONARY	201.45	2.35	1.18%	13.77%
CONS. STAPLES	648.65	6.65	1.04%	16.67%
INFO TECH.	110.93	1.60	1.46%	50.72%
COMMUNICATION SVCS	177.16	0.63	0.36%	6.38%
REAL ESTATE	345.65	2.08	0.61%	17.17%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	1.34%	1.19%	1.15%	1.35%
U.S. (YLD%)	1.49%	1.43%	1.57%	2.05%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$54.91	\$0.440	0.81%	20.92%
NATURAL GAS	\$2.21	-\$0.027	-1.21%	-25.00%
GOLD	\$1,508.60	-\$11.000	-0.72%	18.02%
COPPER	\$2.60	\$0.011	0.41%	-1.07%
CAD / USD	\$0.7534	\$0.0022	0.29%	2.76%
CAD / EUR	€0.6792	€0.0029	0.43%	6.26%
USD / EUR	€0.9016	€0.0013	0.14%	3.43%
USD / JPY	¥106.34	¥0.23	0.22%	-2.94%

Source: Thomson Eikon



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