

# Market Review



INVESTING

August 21, 2019

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	26,202.73	240.29	0.93%	27398.68	21712.53	12.33%
S&P 500	2,924.43	23.92	0.82%	3027.98	2346.58	16.66%
NASDAQ COMPOSITE	8,020.21	71.65	0.90%	8339.64	6190.17	20.87%
S&P/TSX COMPOSITE	16,309.23	95.92	0.59%	16672.71	13776.88	13.87%
STOXX EUROPE 50	3,109.99	32.71	1.06%	3248.82	2673.54	12.68%
FTSE 100	7,203.97	78.97	1.11%	7727.49	6536.53	7.07%
DAX PERFORMANCE-INDEX TR	11,802.85	151.67	1.30%	12656.05	10279.20	11.56%
CAC40	5,435.48	90.84	1.70%	5672.77	4555.99	14.90%
Nikkei 225 Index	20,618.57	-58.65	-0.28%	24448.07	18948.58	3.02%
HANG SENG INDEX	26,270.04	38.50	0.15%	30280.12	24540.63	1.64%
Shanghai SE Composite Index	2,880.33	0.33	0.01%	3288.45	2440.91	15.50%

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### Canada Inflation Holds Steady at 2%

Inflation in Canada was firmer than expected last month, keeping underlying price pressure right at the central bank's target and giving policy makers one less reason to consider immediate interest rate cuts. Annual consumer price inflation was 2% in July, matching June's pace. Economists had expected inflation to slow to 1.7%. Core inflation, a better gauge of underlying pressure, unexpectedly ticked up slightly to 2.03%. Stronger inflation dynamics in Canada are one reason why economists and markets are anticipating fewer cuts, and a slower pace of reductions, by the Bank of Canada than the Federal Reserve. Markets are pricing in just one rate cut in Canada over the next six months, versus three for the Fed. Canada's main stock index rose on Wednesday, rebounding from the previous session's weak close. Royal Bank of Canada posted fiscal third-quarter earnings that missed analysts' estimates, hurt by a slowdown in the company's capital-markets division. Across the Toronto-based bank, net income for the period ended July 31 rose five per cent from a year earlier to \$3.26 billion, or \$2.22 a share, with adjusted per-share earnings of \$2.26 missing the \$2.30 average estimate of analysts. In other corporate news, Pembina Pipeline Corp. increased its bet on the future of Canada's turbulent oil-sands industry, agreeing to buy Kinder Morgan Inc.'s Canadian unit and the U.S. portion of a key pipeline for about \$4.35 billion.

U.S. Stocks traded sharply higher, maintaining most of the early gains for the session after minutes from Federal Reserve's July 30-31 meeting offered few surprises and suggested that the central bank wanted to remain flexible in implementing policy changes. The rate-setting Federal Open Market Committee voted 8 to 2 to lower its target for short-term interest rates by 25 basis points to 2%-2.25%, marking its first such rate reduction in more than a decade. The Fed minutes come a day before the start of the central bank's annual symposium in Jackson Hole, Wyo., which may provide more clarity to a market that appears convinced that policy makers will cut interest rates again. Stocks were up before the Fed minutes after results from retail giants buoyed investor sentiment. Target Corp.'s shares set a record following the discount retailer's report of fiscal second-quarter earnings and sales that beat expectations. Target's stock soared more than 19%. Similarly, home-improvement retailer Lowe's Cos. said its second-quarter net income rose to \$1.68 billion, or \$2.14 a share, from \$1.52 billion, or \$1.86 a share, with sales up 0.5% to \$20.99 billion. The results from the likes of Target and Lowe's and Home Depot Inc. on Tuesday, helped to quell, at least temporarily, worries that the domestic economy, buffeted by a China-U.S. trade policy clash, may soon see a recession. Separately, President Donald Trump backtracked on a comment he had made about fiscal stimulus, saying he no longer thought cutting payroll taxes was a good idea. On the economic data front, U.S. existing home sales rose by 2.5% to an annual rate of 5.42 million in July, above the median forecast of 5.40 million.

Abroad, investors were focused on political developments in Italy after the emergence of a potential center-left coalition government appeared to lower the chances of a snap election following the resignation of Prime Minister Giuseppe Conte Tuesday.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Turquoise Hill Resources Ltd	\$0.65	\$0.08	14.04%
Bausch Health Companies Inc	\$29.83	\$1.52	5.37%
Aphria Inc	\$8.72	\$0.41	4.93%
MEG Energy Corp	\$4.97	\$0.23	4.85%
Shopify Inc	\$519.07	\$19.92	3.99%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Precision Drilling Corp	\$1.53	-\$0.08	-4.97%
CannTrust Holdings Inc	\$2.48	-\$0.12	-4.62%
B2Gold Corp	\$4.67	-\$0.16	-3.31%
Nuvista Energy Ltd	\$1.67	-\$0.05	-2.91%
Baytex Energy Corp	\$1.76	-\$0.05	-2.76%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	124.86	1.17	0.95%	-9.44%
MATERIALS	260.95	-0.29	-0.11%	18.75%
UTILITIES	276.01	0.94	0.34%	25.76%
FINANCIALS	293.96	1.81	0.62%	8.93%
INDUSTRIALS	277.32	1.93	0.70%	20.88%
HEALTH CARE	93.82	0.96	1.03%	9.07%
CONS. DISCRETIONARY	204.26	0.51	0.25%	15.36%
CONS. STAPLES	646.09	-0.26	-0.04%	16.21%
INFO TECH.	115.02	2.09	1.85%	56.28%
COMMUNICATION SVCS	176.54	0.48	0.27%	6.00%
REAL ESTATE	348.8	-0.61	-0.17%	18.24%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	1.40%	1.28%	1.22%	1.45%
U.S. (YLD%)	1.57%	1.47%	1.59%	2.07%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$55.85	-\$0.280	-0.50%	22.99%
NATURAL GAS	\$2.17	-\$0.046	-2.07%	-26.12%
GOLD	\$1,503.50	-\$1.100	-0.07%	17.62%
COPPER	\$2.58	\$0.008	0.31%	-1.75%
CAD / USD	\$0.7524	\$0.0015	0.20%	2.62%
CAD / EUR	€0.6787	€0.0024	0.35%	6.18%
USD / EUR	€0.9021	€0.0014	0.16%	3.49%
USD / JPY	¥106.60	¥0.38	0.36%	-2.70%

Source: Refinitiv



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