

Market Review



INVESTING

August 30, 2019

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	26,403.28	41.03	0.16%	27398.68	21712.53	13.19%
S&P 500	2,926.46	1.88	0.06%	3027.98	2346.58	16.74%
NASDAQ COMPOSITE	7,962.88	-10.51	-0.13%	8339.64	6190.17	20.01%
S&P/TSX COMPOSITE	16,442.07	57.58	0.35%	16672.71	13776.88	14.80%
STOXX EUROPE 50	3,136.23	15.50	0.50%	3248.82	2673.54	13.63%
FTSE 100	7,207.18	22.86	0.32%	7727.49	6536.53	7.12%
DAX PERFORMANCE-INDEX TR	11,939.28	100.40	0.85%	12656.05	10279.20	12.85%
CAC40	5,480.48	30.51	0.56%	5672.77	4555.99	15.85%
Nikkei 225 Index	20,704.37	243.44	1.19%	24448.07	18948.58	3.45%
HANG SENG INDEX	25,724.73	21.23	0.08%	30280.12	24540.63	-0.47%
Shanghai SE Composite Index	2,886.24	-4.68	-0.16%	3288.45	2440.91	15.73%

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Canadian economy expands faster than expected

Canadian stocks were mixed on Friday, however, the TSX Composite Index was on track to log its biggest weekly gain since January. Financials and materials shares provided the biggest boost to the index; while energy stocks were the biggest drag; pressured by sharp declines in crude oil prices. Financial shares were supported by data showed the Canadian economy expanded at a surprisingly strong annualized rate of 3.7% during the second quarter, ahead of consensus expectations for a 3.0% gain. Trade provided the largest contribution to growth since 2011 as exports bounced back. However, domestic demand subtracted from growth in the quarter, but that was entirely due to slumping business investment which gave back all of the prior quarter's outsized gains. While the GDP print was well above the Bank of Canada's estimate of just 2.3% growth, analysts doubted that the central bank would change its dovish tone at its policy meeting next week given the significant downside risks to the economy posed by the ongoing global trade war. The Bank of Canada is widely expected to leave its benchmark interest rate on hold at 1.75%.

In the commodity markets, crude oil prices fell as much as 4% on Friday, ahead of Hurricane Dorian which is expected to weigh on demand as it makes landfall in Florida this weekend. The latest modelling shows the hurricane will avoid the Gulf of Mexico and not disrupt supply. Also weighing on prices was a survey from Reuters that showed OPEC oil output rose in August, for the first month of the year. Gold and silver were poised for their best month in more than three years as fears of a global recession and uncertainty on U.S.-China trade relations drove investors to safe havens.

U.S. stocks rose at the open on continued optimism over an easing of trade tensions between the U.S. and China and as strong consumer spending data allayed concerns of a U.S. recession. However, stocks faltered as investors moved to the sidelines ahead of the Labour Day long weekend. Data from the Commerce Department which showed U.S. consumer spending increased strongly in July as consumers bought a range of product and services. Personal spending increased by 0.6% last month, versus expectations of a 0.5% gain. However, the report also suggested that the pace of growth in consumption is unlikely to be sustained as personal income only showed modest gains of 0.1%. Meanwhile the Federal Reserve's preferred inflation measure, the core PCE price index was stable, showing 1.6% year over year growth, well below the central bank's 2% inflation target. The final reading of University of Michigan's consumer sentiment index was revised lower to 89.8 from the preliminary read of 92.1. This marks its largest monthly decline since December 2012. Consumer expectations also registered their largest point drop over the same time period, suggesting that recent uncertainties surrounding trade, geopolitical tensions and an inverted Treasury yield curve - have cooled consumer sentiment.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Hudbay Minerals Inc	\$4.47	\$0.21	4.93%
Interfor Corp	\$13.36	\$0.56	4.38%
CAE Inc	\$34.85	\$1.45	4.34%
Cott Corp	\$16.78	\$0.61	3.77%
Lundin Mining Corp	\$6.35	\$0.22	3.59%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Birchcliff Energy Ltd	\$1.77	-\$0.12	-6.35%
Peyto Exploration & Development Corp	\$3.20	-\$0.16	-4.76%
ARC Resources Ltd	\$5.62	-\$0.24	-4.10%
Tourmaline Oil Corp	\$12.62	-\$0.52	-3.96%
Crescent Point Energy Corp	\$4.20	-\$0.15	-3.45%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	125.58	-1.10	-0.87%	-8.92%
MATERIALS	270.1	2.56	0.96%	22.92%
UTILITIES	277.9	1.15	0.42%	26.62%
FINANCIALS	295.92	1.00	0.34%	9.65%
INDUSTRIALS	277.27	2.07	0.75%	20.86%
HEALTH CARE	88.28	-0.45	-0.51%	2.63%
CONS. DISCRETIONARY	208.69	0.68	0.33%	17.86%
CONS. STAPLES	653.19	2.27	0.35%	17.48%
INFO TECH.	114.85	-0.26	-0.23%	56.05%
COMMUNICATION SVCS	176.46	0.28	0.16%	5.96%
REAL ESTATE	349	1.34	0.39%	18.31%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	1.35%	1.19%	1.16%	1.43%
U.S. (YLD%)	1.51%	1.39%	1.50%	1.96%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$55.11	-\$1.600	-2.82%	21.36%
NATURAL GAS	\$2.28	-\$0.017	-0.74%	-22.48%
GOLD	\$1,521.80	-\$4.700	-0.31%	19.05%
COPPER	\$2.53	-\$0.026	-1.00%	-3.58%
CAD / USD	\$0.7510	-\$0.0016	-0.21%	2.43%
CAD / EUR	€0.6832	€0.0027	0.40%	6.88%
USD / EUR	€0.9097	€0.0055	0.61%	4.36%
USD / JPY	¥106.21	¥0.29	-0.27%	-3.06%

Source: Refinitiv



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