

Market Review



INVESTING

December 11, 2018

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	24,370.24	-53.02	-0.22%	26951.81	23344.52	-1.41%
S&P 500	2,636.78	-0.94	-0.04%	2940.91	2532.69	-1.38%
NASDAQ COMPOSITE	7,031.83	11.31	0.16%	8133.30	6630.67	1.86%
S&P/TSX COMPOSITE	14,667.83	-60.45	-0.41%	16586.46	14610.18	-9.51%
STOXX EUROPE 50	2,822.20	40.26	1.45%	3283.23	2779.23	-11.19%
FTSE 100	6,806.94	85.40	1.27%	7903.50	6673.57	-11.46%
DAX PERFORMANCE-INDEX TR	10,780.51	158.44	1.49%	13596.89	10585.77	-16.54%
CAC40	4,806.20	63.82	1.35%	5657.44	4732.02	-9.53%
Nikkei 225 Index	21,148.02	-71.48	-0.34%	24448.07	20347.49	-7.10%
HANG SENG INDEX	25,771.67	19.29	0.07%	33484.08	24540.63	-13.86%
Shanghai SE Composite Index	2,594.09	9.51	0.37%	3587.03	2449.20	-21.56%

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Stocks fluctuate in volatile session as political uncertainty weighs

U.S. stocks opened higher Tuesday on signs of progress in the negotiations between China and the U.S. to resolve their trade dispute. Representatives from the two countries discussed a road map for the next stage of talks and Bloomberg reported that China submitted a proposal to cut import tariffs on American made cars to 15% from 40%. The three major U.S. averages were all up at least 1% before reversing course on Brexit concerns and after President Trump threatened to shut down the federal government over funding for a wall along the U.S.-Mexico border. The U.S. major averages fluctuated between positive and negative territory for the remainder of the volatile trading session. U.S. treasuries and the U.S. dollar traded higher as investors flocked to safe haven assets after Sky's political editor reported that U.K. lawmakers have enough letters to trigger a no confidence vote in Prime Minister Theresa May's leadership. This news comes one day after the Prime Minister postponed a parliamentary vote on her Brexit deal to seek more concessions, but the EU refused to renegotiate. The British pound fell to a new 20 month low. In the commodities markets, crude oil prices rose as much as 2% on Tuesday, boosted by strength in global equities and an unplanned supply outage in Libya, before paring gains. Gold prices held steady near a five-month high and copper prices also rose on optimism of a Sino-U.S. trade deal.

In economic news, U.S. producer prices unexpectedly rose in November as the increased costs for services offset a sharp decline in energy prices. Headline PPI rose 0.1% in November, down from the 0.6% gain in October, but ahead of economist expectations of being flat. Core PPI rose 0.3% in November, vs. a 0.2% gain in October. The Federal Reserve's preferred inflation measure, the personal consumption expenditures price index excluding food and energy (core-PCE), increased 1.8% annualized in October, down from a 1.9% increase in September, and below the Fed's 2.0% inflation target. The data did not change expectations that the Fed will raise interest rates at its December 18-19 policy meeting; however signs of moderating inflation and expectations of slower economic growth could prompt the Federal Reserve to pause raising rates next year.

Canada's TSX Composite Index tracked U.S. markets, trading up as much as 1.5% in the morning session then fluctuating between gains and losses. After climbing nearly 2% early in the session, the energy sector reversed direction to trade down as much as 1.4% and was the worst performing sector on the TSX. Healthcare was the top performing sector as marijuana stocks rose. In corporate news, Cenovus Energy rose as much as 5.7% after the company said it would cut its 2019 capital budget in 2019. Finning International rose as much as 5.2% after the company acquired 4Refuel, the Canadian leader in mobile on-site refueling services for about \$260 million. Finning said the deal will be immediately accretive to earnings per share and cash flow in 2019 before synergies, and expects meaningful synergies to be generated.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Nuvista Energy Ltd	\$3.84	\$0.37	10.66%
Aphria Inc	\$8.20	\$0.67	8.90%
Trican Well Service Ltd	\$1.28	\$0.08	6.67%
Canopy Growth Corp	\$44.30	\$2.60	6.24%
First Quantum Minerals Ltd	\$12.47	\$0.61	5.14%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Maxar Technologies Ltd	\$16.94	-\$1.25	-6.87%
WestJet Airlines Ltd	\$18.36	-\$1.04	-5.36%
Baytex Energy Corp	\$2.22	-\$0.09	-3.90%
Alamos Gold Inc	\$4.69	-\$0.19	-3.89%
Turquoise Hill Resources Ltd	\$2.25	-\$0.09	-3.85%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	144.09	-2.17	-1.48%	-25.34%
MATERIALS	211.97	-1.41	-0.66%	-13.74%
UTILITIES	228.11	0.10	0.04%	-8.70%
FINANCIALS	276.36	-1.91	-0.69%	-10.42%
INDUSTRIALS	237.64	0.06	0.03%	-1.10%
HEALTH CARE	100.22	2.80	2.87%	2.96%
CONS. DISCRETIONARY	177.62	-1.69	-0.94%	-17.49%
CONS. STAPLES	558.72	2.04	0.37%	1.22%
INFO TECH.	76.44	0.02	0.03%	16.03%
COMMUNICATION SVCS	170.78	-0.03	-0.02%	0.22%
REAL ESTATE	306.88	0.28	0.09%	1.16%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	2.04%	2.03%	2.08%	2.22%
U.S. (YLD%)	2.77%	2.74%	2.88%	3.12%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$51.72	\$0.720	1.41%	-14.40%
NATURAL GAS	\$4.36	-\$0.184	-4.05%	47.33%
GOLD	\$1,241.50	-\$2.200	-0.18%	-4.75%
COPPER	\$2.77	\$0.047	1.71%	-15.44%
CAD / USD	\$0.7466	\$0.0002	0.03%	-6.09%
CAD / EUR	€0.6595	€0.0023	0.35%	-0.47%
USD / EUR	€0.8833	€0.0029	0.33%	5.99%
USD / JPY	¥113.38	¥0.05	0.04%	0.61%

Source: Thomson Eikon



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