

Market Review



INVESTING

December 5, 2018

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD	
DOW JONES INDUSTRIAL AVERAGE	25,027.07			26951.81	23344.52	1.25%	
S&P 500	2,700.06	U.S. markets are closed			2940.91	2532.69	0.99%
NASDAQ COMPOSITE	7,158.43			8133.30	6630.67	3.69%	
S&P/TSX COMPOSITE	15,182.64	119.05	0.79%	16586.46	14639.70	-6.33%	
STOXX EUROPE 50	2,899.40	-44.92	-1.53%	3283.23	2839.28	-8.76%	
FTSE 100	6,921.84	-100.92	-1.44%	7903.50	6851.59	-9.96%	
DAX PERFORMANCE-INDEX TR	11,200.24	-135.08	-1.19%	13596.89	11009.25	-13.29%	
CAC40	4,944.37	-68.29	-1.36%	5657.44	4894.30	-6.93%	
Nikkei 225 Index	21,919.33	-116.72	-0.53%	24448.07	20347.49	-3.71%	
HANG SENG INDEX	26,819.68	-440.76	-1.62%	33484.08	24540.63	-10.36%	
Shanghai SE Composite Index	2,649.81	-16.15	-0.61%	3587.03	2449.20	-19.88%	

Market Review

Bank of Canada holds overnight rate at 1.75% and has a more cautious tone

Global equities fell on Wednesday as Tuesday's steep sell-off on Wall Street, the flattening of the U.S. treasury yield curve and fears of an economic downturn weighed on sentiment. However, declines were contained after China pledged will start to quickly implement specific items where there's consensus with the U.S. and will push forward on trade negotiations. The U.S. financial markets were closed Wednesday for a national day of mourning to honor former President George H.W. Bush, who passed away on November 30th.

Canada's TSX Composite Index was broadly higher on Wednesday with nine of the 11 main sectors trading in the green. Gains were led by the energy sector as oil prices rose before a meeting of OPEC, Russia and other producers to discuss cutting output to help shore up prices and curb excess supply. Healthcare was the worst performing sector, as marijuana stocks extended recent losses. In corporate news, Canadian Natural Resources shares rose as much as 4% after the company cut its 2019 capital budget by 20% to around C\$3.7 billion, down about C\$1.0 billion from 2018 spending, blaming a lack of market access for its oil and the "dysfunctional" pipeline nomination process. National Bank of Canada's fourth quarter profit came in line with analyst expectations and the bank raised its quarterly dividend by 5% to \$0.65 per common share. Laurentian Bank of Canada's shares fell more than 2% after its fourth quarter revenues and profit missed analyst expectations. The regional bank also raised its dividend by 5% to \$0.65 per common share. Hudson's Bay Co reported a wider third quarter net loss. However the retailer's shares jumped as much as 5% after its chief executive said that encouraging Black Friday sales and the weekend into Cyber Monday bode well for the current quarter. Roots Corp. shares plunged as much as 29% after reporting a 44% drop in third-quarter profit and lowering its sales and earnings targets for fiscal 2019.

As widely expected, the Bank of Canada left the overnight rate unchanged at 1.75%. However, its statement was more dovish than the one of last October. The central bank acknowledged the moderation in global demand in part due to trade conflicts. On Canada's outlook the BoC acknowledged slumping oil prices and said "activity in Canada's energy sector will likely be materially weaker than expected". There is also "less momentum" going into the fourth quarter. It added that downward revisions to GDP "indicate there may be additional room for non-inflationary growth". The Bank's statement suggested that the pace of future hikes could be more gradual. The Canadian dollar fell sharply against the U.S. dollar and traders slashed their expectations of another rate hike in January to around 35.5% from about 60% before the data. As recently as last month markets had fully priced in another rate increase on January 9th.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Cominar REIT	\$11.27	\$0.59	5.52%
Hudson's Bay Co	\$9.49	\$0.45	4.98%
Crescent Point Energy Corp	\$4.34	\$0.20	4.83%
Alacer Gold Corp	\$2.19	\$0.10	4.78%
Baytex Energy Corp	\$2.69	\$0.12	4.67%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Aphria Inc	\$5.00	-\$0.99	-16.53%
Aurora Cannabis Inc	\$6.21	-\$0.91	-12.78%
Canopy Growth Corp	\$37.51	-\$4.21	-10.09%
Maxar Technologies Ltd	\$18.89	-\$1.17	-5.83%
BRP Inc	\$41.25	-\$1.72	-4.00%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	155.13	3.93	2.60%	-19.62%
MATERIALS	215.46	3.12	1.47%	-12.31%
UTILITIES	230.57	0.03	0.01%	-7.72%
FINANCIALS	286.93	0.83	0.29%	-6.99%
INDUSTRIALS	248.13	3.18	1.30%	3.27%
HEALTH CARE	90.63	-5.87	-6.08%	-6.89%
CONS. DISCRETIONARY	193.41	2.11	1.10%	-10.15%
CONS. STAPLES	561.57	1.28	0.23%	1.74%
INFO TECH.	77.54	0.57	0.74%	17.70%
COMMUNICATION SVCS	172.9	0.38	0.22%	1.46%
REAL ESTATE	308.97	1.60	0.52%	1.85%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	2.05%	2.07%	2.13%	2.25%
U.S. (YLD%)	2.80%	2.79%	2.92%	3.17%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$52.98	-\$0.270	-0.51%	-12.31%
NATURAL GAS	\$4.44	-\$0.016	-0.36%	50.03%
GOLD	\$1,236.80	-\$4.300	-0.35%	-5.11%
COPPER	\$2.77	\$0.019	0.67%	-15.38%
CAD / USD	\$0.7474	-\$0.0064	-0.85%	-5.99%
CAD / EUR	€0.6588	-€0.0055	-0.83%	-0.57%
USD / EUR	€0.8814	€0.0001	0.01%	5.76%
USD / JPY	¥113.20	¥0.43	0.38%	0.45%

Source: Thomson Eikon



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