

Market Review



INVESTING

December 6, 2018

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	24,947.67	-79.40	-0.32%	26951.81	23344.52	0.92%
S&P 500	2,695.95	-4.11	-0.15%	2940.91	2532.69	0.84%
NASDAQ COMPOSITE	7,188.26	29.83	0.42%	8133.30	6630.67	4.13%
S&P/TSX COMPOSITE	14,937.00	-245.64	-1.62%	16586.46	14639.70	-7.85%
STOXX EUROPE 50	2,806.96	-92.44	-3.19%	3283.23	2799.03	-11.67%
FTSE 100	6,704.05	-217.79	-3.15%	7903.50	6673.57	-12.80%
DAX PERFORMANCE-INDEX TR	10,810.98	-389.26	-3.48%	13596.89	10762.41	-16.31%
CAC40	4,780.46	-163.91	-3.32%	5657.44	4760.98	-10.02%
Nikkei 225 Index	21,501.62	-417.71	-1.91%	24448.07	20347.49	-5.55%
HANG SENG INDEX	26,156.38	-663.30	-2.47%	33484.08	24540.63	-12.58%
Shanghai SE Composite Index	2,605.18	-44.62	-1.68%	3587.03	2449.20	-21.23%

Market Review

The Dow & S&P500 erase gains for the year before paring losses

Global stock markets tumbled for a third day on Thursday as the arrest of a top executive of Chinese tech giant Huawei in Canada for extradition to the United States renewed fears of escalating tensions between the U.S. and China at a time when they had just agreed on a 90 day truce period. Falling oil prices also weighed on the equity markets. U.S. treasury yields fell to a three month low as investors flocked to safe haven assets and the U.S. dollar slid as traders scaled back expectations on the number of Federal Reserve rate hikes in the upcoming year amid weakening economic data and increased market volatility. The Fed is still expected to increase interest rates a quarter point at their Dec 18-19 meeting. In the commodities markets, crude oil prices fell as much as 4% after OPEC and other major exporters agreed to a tentative deal to cut oil output but have not made a decision on the size of the cut and will continue to debate on Friday. Industrial metals prices fell as investors feared tariffs will curtail China's demand for commodities. Meanwhile gold touched a five month high on safe haven buying and a weaker U.S. dollar.

On Wall Street, the Dow Jones Industrial Average and S&P500 erased all their gains for the year. The Dow sank more than 3% or over 750 points and the Nasdaq and S&P500 fell 2.5% intraday, before paring losses. Weakness was broad-based with energy and financials the weakest performers. The former traded down with crude oil prices; while the interest rate sensitive financials group as U.S. Treasury yields dropped across the curve. Citigroup was also a drag on the sector after its CFO said that the bank no longer expects year over year revenue growth for its markets business in the fourth quarter.

Canada's TSX Composite Index fell as the rout in oil prices pressured the energy stocks and after a speech by Bank of Canada Governor Stephen Poloz weighed on sentiment and reinforced expectations that the pace of interest rate hikes will ease. Mr. Poloz said the economy was weaker than forecast and he predicted that low oil prices would hurt the country's economic growth. The Canadian dollar fell to an 18 month low against the U.S. dollar following Poloz's comments. In other economic news, Canada's trade deficit unexpectedly widened in October to C\$1.17 billion as imports and exports fell. Most of the deterioration in the trade balance in October was due to a steep decline in energy exports. During the month, the WTI-WCS spread spiked to an all-time high of \$50, a development which led to a 20% drop in the Canadian benchmark oil price.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Aphria Inc	\$7.55	\$2.55	51.00%
Aurora Cannabis Inc	\$7.05	\$0.84	13.53%
Canopy Growth Corp	\$40.35	\$2.84	7.57%
Cominar REIT	\$11.95	\$0.68	6.03%
Hydro One Ltd	\$21.53	\$1.16	5.69%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Dollarama Inc	\$33.33	-\$4.46	-11.80%
Canada Goose Holdings Inc	\$83.54	-\$7.79	-8.53%
Cenovus Energy Inc	\$10.23	-\$0.85	-7.67%
Baytex Energy Corp	\$2.49	-\$0.20	-7.43%
Tamarack Valley Energy Ltd	\$2.07	-\$0.16	-7.17%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	146.76	-8.37	-5.40%	-23.95%
MATERIALS	213.96	-1.50	-0.70%	-12.93%
UTILITIES	231.04	0.47	0.20%	-7.53%
FINANCIALS	282.01	-4.92	-1.71%	-8.58%
INDUSTRIALS	243.48	-4.65	-1.87%	1.33%
HEALTH CARE	96.62	5.99	6.61%	-0.74%
CONS. DISCRETIONARY	188.34	-5.07	-2.62%	-12.51%
CONS. STAPLES	560.49	-1.08	-0.19%	1.54%
INFO TECH.	77.48	-0.04	-0.05%	17.61%
COMMUNICATION SVCS	173.55	0.65	0.38%	1.84%
REAL ESTATE	311.33	2.36	0.76%	2.63%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	1.99%	2.01%	2.08%	2.23%
U.S. (YLD%)	2.76%	2.75%	2.89%	3.15%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$51.72	-\$1.170	-2.21%	-14.40%
NATURAL GAS	\$4.36	-\$0.108	-2.42%	47.33%
GOLD	\$1,237.20	\$0.100	0.01%	-5.08%
COPPER	\$2.75	-\$0.022	-0.78%	-16.01%
CAD / USD	\$0.7476	-\$0.0011	-0.15%	-5.96%
CAD / EUR	€0.6567	-€0.0032	-0.48%	-0.89%
USD / EUR	€0.8783	-€0.0031	-0.35%	5.39%
USD / JPY	¥112.67	-¥0.52	-0.46%	-0.02%

Source: Thomson Eikon



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