

Market Review



INVESTING

February 25, 2019

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	26,091.95	60.14	0.23%	26951.81	21712.53	11.85%
S&P 500	2,796.11	3.44	0.12%	2940.91	2346.58	11.54%
NASDAQ COMPOSITE	7,554.46	26.92	0.36%	8133.30	6190.17	13.85%
S&P/TSX COMPOSITE	16,057.03	44.02	0.27%	16586.46	13776.88	12.11%
STOXX EUROPE 50	3,022.74	3.80	0.13%	3180.31	2673.54	9.52%
FTSE 100	7,183.74	5.14	0.07%	7903.50	6536.53	6.77%
DAX PERFORMANCE-INDEX TR	11,505.39	47.69	0.42%	13204.31	10279.20	8.74%
CAC40	5,231.85	16.00	0.31%	5657.44	4555.99	10.59%
Nikkei 225 Index	21,528.23	102.72	0.48%	24448.07	18948.58	7.56%
HANG SENG INDEX	28,959.30	143.00	0.50%	31978.14	24540.63	12.05%
Shanghai SE Composite Index	2,961.28	157.06	5.60%	3335.99	2440.91	18.74%

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Global stocks rally on trade optimism

Global equities rallied on Monday after President Trump postponed the planned March 1 tariff increase on more than \$200 billion of Chinese goods, citing substantial progress in trade talks. Trump also said he was optimistic that a final trade deal could be reached with China and that he would hold a summit to sign any pact, but cautioned an agreement may still not happen. In Asia, the Shanghai Stock Exchange Composite Index rallied the most since 2015 and the yuan strengthened on trade optimism. European shares to their highest since October led by gains in carmakers which are the most sensitive to the threat of a global trade war. U.S. treasury yields rose as investors pared holdings in safe haven assets. In the commodities markets oil prices slumped more than 3%, reversing earlier gains, after President Trump told OPEC producers via a tweet to "relax" as prices were too high. Gold was little changed. Copper prices touched a near eight month high on optimism for Chinese demand.

On Wall Street, the S&P500 and Dow Jones Industrial Average climbed to their highest levels since November led by gains in cyclical sectors - industrials, financials and technology. Defensive sectors such as real estate, utilities and consumer staples stocks underperformed. M&A was in focus with General Electric's shares jumping as much as 9.5% after it announced that it has agreed to sell its BioPharma business to Danaher for a total consideration of US\$21.4 billion. GE expects to use the proceeds to pay down debt and strengthen its balance sheet. U.S.-based gene therapy specialist Spark Therapeutics shares surged 120% on news that Swiss drugmaker Roche would buy the company for U.S.\$4.3 billion. Monday's economic calendar was light ahead of busy week with a report that showed U.S. wholesale inventories increased by the most in five years in December indicating a slowdown in demand. Wholesale inventories gained 1.1% month over month vs. economist expectations for a 0.3 % gain. Investors will focus on U.S. Federal Reserve Chairman Jerome Powell's testimony on Tuesday and Wednesday for further cues on U.S. monetary tightening.

Canada's TSX Composite Index tracked global equities higher led by gains in the heavily weighted financials sector and the industrials sector. In corporate news, Barrick Gold Corp. fell as much as 3% after announcing a hostile takeover offer to buy U.S. rival Newmont Mining Corp for nearly US\$18 billion in stock or about US\$33 per share which represents an 8% discount to Friday's closing price. Newmont responded by saying it had already reviewed and rejected possible deals with Barrick and said its own \$10 billion pending purchase of Goldcorp Inc. made more business sense. Barrick said its acquisition of Newmont would be contingent on the company scrapping the Goldcorp deal. In other M&A news, Theratechnologies shares rose after announcing that it would buy targeted oncology company Katana Biopharma

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
SnC-Lavalin Group Inc	\$36.95	\$2.19	6.30%
New Gold Inc	\$1.23	\$0.07	6.03%
First Majestic Silver Corp	\$9.08	\$0.44	5.09%
First Quantum Minerals Ltd	\$16.16	\$0.76	4.94%
Aurora Cannabis Inc	\$9.59	\$0.45	4.92%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Cronos Group Inc	\$26.70	-\$2.11	-7.32%
Aphria Inc	\$12.73	-\$0.58	-4.36%
Barrick Gold Corp	\$16.60	-\$0.53	-3.09%
Constellation Software Inc	\$1,123.35	-\$34.94	-3.02%
Pason Systems Inc	\$20.16	-\$0.55	-2.66%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	157.18	0.90	0.58%	14.00%
MATERIALS	239.14	-0.13	-0.05%	8.83%
UTILITIES	238.38	0.53	0.22%	8.62%
FINANCIALS	301.34	1.44	0.48%	11.66%
INDUSTRIALS	256.16	1.36	0.53%	11.66%
HEALTH CARE	120.76	-0.86	-0.71%	40.39%
CONS. DISCRETIONARY	197.13	-0.83	-0.42%	11.33%
CONS. STAPLES	589.64	0.96	0.16%	6.05%
INFO TECH.	88	0.22	0.25%	19.57%
COMMUNICATION SVCS	178.09	0.57	0.32%	6.94%
REAL ESTATE	329.94	0.03	0.01%	11.85%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	1.78%	1.80%	1.90%	2.14%
U.S. (YLD%)	2.51%	2.48%	2.67%	3.03%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$55.37	-\$1.890	-3.30%	21.93%
NATURAL GAS	\$2.84	\$0.126	4.64%	-3.30%
GOLD	\$1,325.60	-\$3.600	-0.27%	3.70%
COPPER	\$2.95	-\$0.007	-0.24%	12.40%
CAD / USD	\$0.7580	\$0.0169	2.28%	3.38%
CAD / EUR	€0.6670	€0.0134	2.05%	4.35%
USD / EUR	€0.8800	-€0.0020	-0.23%	0.95%
USD / JPY	¥111.02	¥0.34	0.31%	1.33%

Source: Thomson Eikon



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