

Market Review



INVESTING

February 26, 2019

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	26,057.98	-33.97	-0.13%	26951.81	21712.53	11.71%
S&P 500	2,793.90	-2.21	-0.08%	2940.91	2346.58	11.45%
NASDAQ COMPOSITE	7,549.30	-5.16	-0.07%	8133.30	6190.17	13.78%
S&P/TSX COMPOSITE	16,067.91	10.88	0.07%	16586.46	13776.88	12.18%
STOXX EUROPE 50	3,032.99	10.25	0.34%	3180.31	2673.54	9.89%
FTSE 100	7,151.12	-32.62	-0.45%	7903.50	6536.53	6.29%
DAX PERFORMANCE-INDEX TR	11,540.79	35.40	0.31%	13204.31	10279.20	9.08%
CAC40	5,238.72	6.87	0.13%	5657.44	4555.99	10.74%
Nikkei 225 Index	21,449.39	-78.84	-0.37%	24448.07	18948.58	7.17%
HANG SENG INDEX	28,772.06	-187.24	-0.65%	31978.14	24540.63	11.32%
Shanghai SE Composite Index	2,941.52	-19.77	-0.67%	3333.88	2440.91	17.95%

Market Review

U.S. stocks fluctuate as investors digest mixed economic data

U.S. Treasury yields fell on Tuesday as Federal Reserve Chair Jerome Powell reaffirmed the central bank's "patient" stance before raising interest rates again, even as he expected solid though slower pace of economic growth in 2019. At his testimony before the Senate Powell said "crosscurrents and conflicting signals" weakened the case for further rate increases and complicated an otherwise upbeat U.S. economic outlook. The Fed now estimates that gross domestic product grew by slightly less than 3% in 2018. The U.S. government is scheduled to release its fourth-quarter GDP report on Thursday, which was delayed by the recent partial U.S. government shutdown. Treasury yields were under pressure prior to the testimony following weaker than expected housing data. U.S. housing starts dropped 11.2% in December to a seasonally adjusted annual rate of 1.078 million units, their weakest pace in more than two years. Building permits, an indicator of future activity, increased just 0.3 percent in December. Furthermore U.S. home prices across 20 cities appreciated 4.2% annual pace in December, a slower pace than economist expectations. On a positive note, the Conference Board's index on U.S. consumer confidence rebounded in February to 131.4, higher than consensus expectations of 124.7.

U.S. stocks fluctuated between gains and losses in a choppy session. Shares of Home Depot and Caterpillar weighed on the Dow Jones Industrial Average. Home Depot shares fell after the company issued disappointing 2019 guidance and missed quarterly estimates for same-store sales, underscoring the slowing momentum in the U.S. housing market. Caterpillar shares declined after a double rating downgrade by brokerage UBS to Sell from Buy citing expectations of downward revisions to earnings. Microsoft shares rallied as much as 1% on a rumor that the company was working on a cloud partnership with VMware. In earnings news, Dillard's shares surged as much as 21% after the department store operator beat quarterly profit estimates. Auto parts retailer AutoZone and packaged food maker J.M. Smucker shares rose after reporting better than expected quarterly same store sales.

Canadian stocks were mixed. The defensive consumer staples, healthcare and utilities sectors led the gains, while the materials and technology sectors were the biggest laggards. Earnings were in focus with two of the Big Six banks reporting. Bank of Montreal shares rallied after reporting higher than expected first quarter profit, boosted by its U.S. personal and commercial banking business, and also announced a 15 million share buyback plan. Bank of Nova Scotia shares fell as much as 3% after reporting lower than expected profit, hurt by higher expenses and provisions for bad loans. News and information provider Thomson Reuters Corp shares rose to a record high after reporting better than expected fourth quarter earnings, raises its dividend and said that U.S. tax reforms were helping to stimulate demand for its tax and accounting products. Shares of Husky Energy slid more than 6% after it said that its 2019 production could be lower than it had previously expected.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Cronos Group Inc	\$28.48	\$1.78	6.67%
Baytex Energy Corp	\$2.44	\$0.15	6.55%
Aurora Cannabis Inc	\$10.20	\$0.61	6.36%
Aphria Inc	\$13.51	\$0.78	6.13%
Crescent Point Energy Corp	\$4.22	\$0.24	6.03%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Canfor Corp	\$14.33	-\$1.49	-9.42%
Interfor Corp	\$15.02	-\$1.24	-7.63%
Husky Energy Inc	\$14.77	-\$1.20	-7.51%
Norbord Inc	\$33.97	-\$2.53	-6.93%
Parex Resources Inc	\$20.24	-\$0.93	-4.39%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	157.34	0.16	0.10%	14.11%
MATERIALS	237.81	-1.33	-0.56%	8.22%
UTILITIES	239.93	1.55	0.65%	9.32%
FINANCIALS	301.05	-0.29	-0.10%	11.55%
INDUSTRIALS	255.86	-0.30	-0.12%	11.52%
HEALTH CARE	125.3	4.54	3.76%	45.66%
CONS. DISCRETIONARY	197.52	0.39	0.20%	11.55%
CONS. STAPLES	594.24	4.60	0.78%	6.88%
INFO TECH.	87.4	-0.60	-0.68%	18.75%
COMMUNICATION SVCS	177.96	-0.13	-0.07%	6.86%
REAL ESTATE	330.22	0.28	0.08%	11.94%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	1.76%	1.77%	1.87%	2.12%
U.S. (YLD%)	2.49%	2.45%	2.64%	3.01%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$55.66	\$0.180	0.32%	22.57%
NATURAL GAS	\$2.86	\$0.004	0.14%	-2.89%
GOLD	\$1,327.30	\$0.800	0.06%	3.83%
COPPER	\$2.95	\$0.004	0.14%	12.40%
CAD / USD	\$0.7592	\$0.0012	0.16%	3.55%
CAD / EUR	€0.6664	-€0.0008	-0.12%	4.26%
USD / EUR	€0.8777	-€0.0026	-0.30%	0.69%
USD / JPY	¥110.57	-¥0.49	-0.44%	0.92%

Source: Thomson Eikon



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