

Market Review



INVESTING

November 15, 2018

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	25,289.27	208.77	0.83%	26951.81	23242.75	2.31%
S&P 500	2,730.25	28.67	1.06%	2940.91	2532.69	2.12%
NASDAQ COMPOSITE	7,259.03	122.64	1.72%	8133.30	6630.67	5.15%
S&P/TSX COMPOSITE	15,144.88	11.76	0.08%	16586.46	14639.70	-6.57%
STOXX EUROPE 50	2,924.85	-18.62	-0.63%	3283.23	2839.28	-7.96%
FTSE 100	7,038.01	4.22	0.06%	7903.50	6851.59	-8.45%
DAX PERFORMANCE-INDEX TR	11,353.67	-58.86	-0.52%	13596.89	11051.04	-12.11%
CAC40	5,033.62	-35.23	-0.70%	5657.44	4896.80	-5.25%
Nikkei 225 Index	21,803.62	-42.86	-0.20%	24448.07	20347.49	-4.22%
HANG SENG INDEX	26,103.34	448.91	1.75%	33484.08	24540.63	-12.75%
Shanghai SE Composite Index	2,668.17	35.93	1.36%	3587.03	2449.20	-19.32%

Market Review

Sterling drops on Brexit uncertainty; U.S. stocks reverse early losses

Sterling plunged, gilts surged and British and European equities sank on political uncertainty in Britain after Brexit Secretary Dominic Raab and other ministers resigned in protest just hours after the long awaited draft of Brexit agreement was unveiled raising fears that the deal would collapse. As Prime Minister Theresa May's leadership was also in question as a number of lawmakers called for a vote of no confidence. Outcomes now range from a "hard Brexit" to a general election and a second referendum. This comes just as Italy ramps up its budget standoff with the European Union. The hit to risk appetite rippled throughout the financial markets lifting the U.S. dollar, the Japanese yen, gold and U.S treasury prices higher across the curve, as investors sought safe haven assets.

U.S. stocks reversed earlier losses on Thursday led by gains in technology and financials stocks. Apple was one of the biggest lifts to the Nasdaq and the S&P500 after suffering five consecutive sessions of losses. Cisco Systems shares jumped after the hardware manufacturer's first quarter results beat on the top and bottom line. Financials stocks rallied following the release of Berkshire Hathaway's third quarter holdings that showed the company initiated a position in JP Morgan and increased its position in other financial names. Energy stocks rose along with crude oil. JC Penny and Dillards shares fell after reporting disappointing quarterly results, however JC Penny shares rebounded after the CEO outlined plans to turn to profit. Walmart fell as much as 2.4% despite reporting better than expected quarterly profit and raising its 2019 guidance, pressured by a bill led by Bernie Sanders that would block share buybacks unless workers get a \$15/hour minimum wage. Home Depot's shares fell in sympathy with the homebuilding stocks after KB Homes lowered its fourth quarter guidance sending its shares tumbling as much as 19%. Beleaguered utility PG&E extended its declines, tumbling another 27% after warning that it could face "significant liability" in excess of its insurance coverage if its equipment caused the northern California blaze.

Canadian stocks were mixed on Thursday. The materials sector provided the biggest boost the index as base metals and precious metals producers rose on the back of higher commodity prices. Base metals rallied on signs that China may be taking steps to de-escalate its trade dispute with the U.S. Marijuana and technology stocks also outperformed the broader index. Consumer discretionary and real estate were the weakest performing sectors. In economic news, a report from ADP showed Canada lost 23,000 jobs in October, hurt by a decline in hiring in the trade, transportation and utilities and natural resources and mining sectors. A separate report showed that Canadian home prices fell in October for the first time in eight months. Prices were down in 10 of the 11 metropolitan markets surveyed, Teranet said.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
First Quantum Minerals Ltd	\$12.98	\$0.95	7.90%
Iamgold Corp	\$4.06	\$0.28	7.41%
Aurora Cannabis Inc	\$8.75	\$0.59	7.23%
Hudbay Minerals Inc	\$6.86	\$0.46	7.19%
Maxar Technologies Ltd	\$25.52	\$1.70	7.14%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Computer Modelling Group Ltd	\$6.80	-\$0.75	-9.93%
Boardwalk Real Estate Investment Trus	\$44.72	-\$4.37	-8.90%
Canfor Corp	\$18.01	-\$1.53	-7.83%
Uni-Select Inc	\$22.31	-\$1.87	-7.73%
Interfor Corp	\$14.70	-\$0.81	-5.22%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	159.12	-0.48	-0.30%	-17.55%
MATERIALS	210.28	1.96	0.94%	-14.42%
UTILITIES	228.47	-0.58	-0.25%	-8.56%
FINANCIALS	289.52	0.37	0.13%	-6.15%
INDUSTRIALS	248.61	-0.13	-0.05%	3.47%
HEALTH CARE	110.47	2.21	2.04%	13.49%
CONS. DISCRETIONARY	188.58	-2.38	-1.25%	-12.40%
CONS. STAPLES	536.66	-3.00	-0.56%	-2.78%
INFO TECH.	75.49	0.84	1.13%	14.59%
TELECOMM. SVCS	168.27	-0.45	-0.27%	-1.26%
REAL ESTATE	309.6	-2.69	-0.86%	2.06%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	2.24%	2.32%	2.39%	2.43%
U.S. (YLD%)	2.86%	2.94%	3.11%	3.36%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$56.50	\$0.250	0.44%	-6.49%
NATURAL GAS	\$3.94	-\$0.902	-18.65%	32.94%
GOLD	\$1,207.90	\$0.000	0.00%	-7.33%
COPPER	\$2.75	\$0.042	1.53%	-15.87%
CAD / USD	\$0.7585	\$0.0033	0.44%	-4.59%
CAD / EUR	€0.6693	€0.0017	0.25%	1.01%
USD / EUR	€0.8824	-€0.0016	-0.18%	5.88%
USD / JPY	¥113.59	-¥0.02	-0.02%	0.80%

Source: Thomson Eikon



1) National Bank Financial is an indirect wholly owned subsidiary of National Bank of Canada.

2) National Bank of Canada is a public company listed on Canadian stock exchanges.

3) National Bank Financial may act as financial advisor, fiscal agent or underwriter for certain companies mentioned herein and may receive remuneration for its services.

4) National Bank Financial and/or its officers, directors, representatives or associates may have a position in the securities mentioned herein and may make purchases and/or sales of these securities from time to time in the open market or otherwise.

5) The information contained herein was obtained from sources which we believe to be reliable, however we cannot represent that it is accurate or complete.

6) This is not a recommendation for any security or investment sector as it may not be suitable for all types of investors. Please contact your investment advisor before purchase to discuss your investor profile and to further discuss these risk factors.