

Market Review



INVESTING

August 28, 2020

EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	28,653.87	161.60	0.57%	29568.57	18213.65	0.40%
S&P 500	3,508.01	23.46	0.67%	3501.38	2191.86	8.58%
NASDAQ COMPOSITE	11,695.63	70.30	0.60%	11730.01	6631.42	30.35%
S&P/TSX COMPOSITE	16,705.79	-25.70	-0.15%	17970.51	11172.73	-2.10%
STOXX EUROPE 50	2,976.34	-20.23	-0.68%	3539.89	2260.11	-12.54%
FTSE 100	5,963.57	-36.42	-0.61%	7689.67	4898.79	-20.93%
DAX PERFORMANCE-INDEX TR	13,033.20	-63.16	-0.48%	13795.24	8255.65	-1.63%
CAC40	5,002.94	-13.03	-0.26%	6111.41	3632.06	-16.31%
Nikkei 225 Index	22,882.65	-326.21	-1.41%	24115.95	16358.19	-3.27%
HANG SENG INDEX	25,422.06	140.91	0.56%	29174.92	21139.26	-9.82%
Shanghai SE Composite Index	3,403.81	53.69	1.60%	3458.79	2646.80	11.60%

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Canadian GDP contracts a record 38.7% in the second quarter.

Canada's TSX Composite Index traded modestly lower on Friday following better than expected domestic data. The financials sector was the biggest drag on the TSX, pressured by falling bond yields. The one bright spot was Canadian Western Bank, which soared after reporting a big quarterly beat. The materials sector provided the biggest boost to the index as precious and base metals producers surged with gold and copper prices. OceanaGold bucked the trend, its shares dropped after cutting production guidance at its Haile Mine due to delays caused by the COVID-19 pandemic. Data showed the Canadian economy contracted by an unprecedented 38.7% annualized in the second quarter amid the COVID-19 pandemic lockdowns. This was slightly better than economist estimates calling for a -39.6% print. Thanks to the generous transfer payments from the federal government, household income actually increased in the second quarter; while spending collapsed due to the lockdowns. As a result, the savings rate spiked from 7.6% to an all-time high of 28.2%. Monthly data showed June's real GDP surged a record 6.5%, ahead of consensus expectations of a rise of 5.6%, boosting optimism around a post-coronavirus recovery. Statistics Canada also released an advanced estimate for July showing 3.0% month over month growth.

U.S. stocks rose and the dollar slid on Friday as the Federal Reserve's new policy framework announced yesterday suggested that ultra-low interest rate will remain for a prolonged period. The S&P500 rallied for a seventh straight session, powered by gains in the technology sector. The energy sector outperformed on reports that Hurricane Laura passed through Texas and Louisiana without causing widespread damage to refineries. Earnings reports mostly came in better than expected. In the technology sector, Workday, Dell Technologies, VMware and HP Inc. rose after reporting better than expected earnings. Amongst the retailers, Ulta Beauty gained after its profit beat. Gap Inc slipped, despite posting a surprise rise in same store sales. In other corporate news, Coca Cola rose after announcing plans to cut 4,000 jobs as part of a restructuring in U.S. Canada and Puerto Rico. Walmart rose to fresh all-time highs, boosted by speculation of TikTok acquisition with Microsoft. In economic news, consumer spending, the biggest driver of the U.S. economy, increased 1.9% in July beating economist forecast for a 1.5% gain. However, this momentum is likely to fade as emergency unemployment benefits expired on July 31st. Personal income unexpectedly grew 0.4% in July, versus expectations for a 0.2% drop. The core personal consumption expenditures (PCE) price index rose 0.3% in July and was up 1.3% annualized, after increasing 1.1% in June. The core PCE index is the preferred inflation measure for the Fed's 2% target, which is now a flexible average. University of Michigan's final read on August consumer sentiment showed a brighter mood than originally reported earlier in the month. The index unexpectedly rose to 74.1 instead of staying flat at 72.8 as analysts expected.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Silvercorp Metals Inc	\$10.86	\$0.77	7.63%
Canadian Western Bank	\$27.37	\$1.93	7.59%
Cineplex Inc	\$10.10	\$0.54	5.65%
MAG Silver Corp	\$21.78	\$1.13	5.47%
First Majestic Silver Corp	\$16.00	\$0.79	5.19%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
OceanaGold Corp	\$3.05	-\$0.20	-6.15%
Brookfield Business Partners LP	\$41.62	-\$1.28	-2.98%
Alimentation Couche-Tard Inc	\$43.74	-\$1.16	-2.58%
George Weston Ltd	\$96.15	-\$2.55	-2.58%
Saputo Inc	\$32.88	-\$0.85	-2.52%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	82.06	0.49	0.60%	-43.78%
MATERIALS	344.35	7.64	2.27%	28.30%
UTILITIES	290.56	-3.36	-1.14%	0.62%
FINANCIALS	279.96	-1.95	-0.69%	-11.26%
INDUSTRIALS	300.34	-1.63	-0.54%	5.03%
HEALTH CARE	51.26	0.72	1.42%	-32.92%
CONS. DISCRETIONARY	195.67	0.79	0.41%	-2.69%
CONS. STAPLES	638.32	-12.05	-1.85%	3.10%
INFO TECH.	170.67	-0.73	-0.43%	44.72%
COMMUNICATION SVCS	163.83	-1.22	-0.74%	-8.58%
REAL ESTATE	279.23	-0.27	-0.10%	-19.40%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	0.29%	0.41%	0.63%	1.20%
U.S. (YLD%)	0.14%	0.28%	0.73%	1.51%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$42.98	-\$0.060	-0.14%	-29.66%
NATURAL GAS	\$2.66	-\$0.048	-1.77%	21.61%
GOLD	\$1,962.70	\$40.400	2.10%	29.17%
COPPER	\$3.01	\$0.041	1.36%	7.66%
CAD / USD	\$0.7636	\$0.0018	0.24%	-0.83%
CAD / EUR	€0.6417	-€0.0026	-0.40%	-6.54%
USD / EUR	€0.8404	-€0.0054	-0.64%	-5.75%
USD / JPY	¥105.37	-¥1.18	-1.11%	-2.98%

Source: Refinitiv



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