

Market Review



INVESTING

July 6, 2021

| EQUITY INDICES | LAST | CHANGE | %CHG | 52 WK-HIGH | 52 WK-LOW | YTD |
|------------------------------|-----------|---------|--------|------------|-----------|--------|
| DOW JONES INDUSTRIAL AVERAGE | 34,577.37 | -208.98 | -0.60% | 35091.56 | 25523.51 | 12.97% |
| S&P 500 | 4,343.54 | -8.80 | -0.20% | 4355.43 | 3115.70 | 15.64% |
| NASDAQ COMPOSITE | 14,663.64 | 24.32 | 0.17% | 14649.11 | 10182.46 | 13.77% |
| S&P/TSX COMPOSITE | 20,300.03 | 18.57 | 0.09% | 20338.45 | 15391.73 | 16.44% |
| STOXX EUROPE 50 | 3,521.09 | -19.16 | -0.54% | 3585.66 | 2671.44 | 13.28% |
| FTSE 100 | 7,100.88 | -64.03 | -0.89% | 7217.54 | 5525.52 | 9.91% |
| DAX PERFORMANCE-INDEX TR | 15,511.38 | -150.59 | -0.96% | 15802.67 | 11450.08 | 13.07% |
| CAC40 | 6,507.48 | -60.06 | -0.91% | 6687.29 | 4512.57 | 17.22% |
| Nikkei 225 Index | 28,643.21 | 45.02 | 0.16% | 30714.52 | 21710.00 | 4.37% |
| HANG SENG INDEX | 28,072.86 | -70.64 | -0.25% | 31183.36 | 23124.25 | 3.09% |
| Shanghai SE Composite Index | 3,530.26 | -4.06 | -0.11% | 3731.69 | 3174.66 | 1.65% |

Market Review

Investors rotate out of cyclical/value stocks on peak growth concerns

U.S. stocks fluctuated on Tuesday amid peak growth concerns after weaker than expected U.S. services data and after a study in Israel suggested Pfizer-BioNTech's COVID-19 vaccine was less effective in preventing contraction of the Delta variant, although it was still highly effective in preventing severe disease. The Dow Jones Industrial Average underperformed as investors rotated out of economically sensitive cyclical/value stocks and rotated into growth stocks. The S&P500 and the Nasdaq opened to hit record highs, before reversing direction to trade into negative territory. The indices pared losses in the afternoon session with the Nasdaq turning positive. Seven of the 11 main sectors on the S&P500 traded lower, with the financials, energy, materials and industrials sectors the biggest laggards. Real estate and consumer discretionary were the top performing sectors, the latter boosted by sharp gains in Amazon. Concerns about doing business in China also weighed on investor sentiment after Chinese regulators ordered DiDi Global's app to be taken down over the weekend, just days after its US\$4.4 billion listing on the NYSE. DiDi's shares plunged as much as 23%. Chinese officials will also step up supervision of offshore listed firms. This uncertain regulatory landscape weighed on other U.S. listed Chinese firms.

U.S. Treasury yields fell, with the benchmark 10-year note on track for its longest streak of declines in 16 months, after data signaled slowing growth in the U.S. services sector. June's ISM Non-Manufacturing Index decreased to 60.1% from a record 64.0% in May, restrained by labour and raw material shortages. This was below economist expectations for a 63.5% print. Separately IHS Markit reported its final read on June Services PMI of 64.6, down from 70.4 in May. Investors will turn their focus to Wednesday's release of the minutes from the U.S. Federal Reserve's June meeting. The minutes are expected to provide insight into last month's hawkish shift, where Fed members projected interest rate hikes to start in 2023, and opened debate on tapering its bond-buying program.

Canada's TSX Composite Index closed near its flat-line on Tuesday. Six of the 11 main sectors on the index traded in the red, with the energy sector the biggest drag as crude oil prices slid. The materials sector declined as gains in precious metals stocks were more than offset by sharp losses in base metals and other materials stocks. The defensive oriented real estate sector and the information technology sector were the top performing sectors. On the economic front, Toronto home sales decreased sharply by 9.1% in May, the third drop in a row after reaching record levels in March. Home sales increased by 28.5% in June compared to the same month last year, a moderation to the 160% registered in May. The average selling price fell 1.7% on the month to just below C\$1.1 million, though it was up 17% on the year. Investors await the Canadian jobs report on Friday, which could offer clues on the Bank of Canada policy outlook. The Bank of Canada's next policy meeting is July 15th.

| S&P/TSX: LEADERS | LAST | CHANGE | %CHG |
|---------------------------------------|------------|----------|-------|
| Shopify Inc | \$1,916.36 | \$102.18 | 5.63% |
| Wesdome Gold Mines Ltd | \$12.22 | \$0.47 | 4.00% |
| H&R Real Estate Investment Trust | \$16.82 | \$0.61 | 3.76% |
| Canadian Apartment Properties Real Es | \$60.85 | \$1.78 | 3.01% |
| Enghouse Systems Ltd | \$56.85 | \$1.65 | 2.99% |

| S&P/TSX: LAGGARDS | LAST | CHANGE | %CHG |
|----------------------------|---------|---------|--------|
| Crescent Point Energy Corp | \$5.27 | -\$0.34 | -6.06% |
| Cenovus Energy Inc | \$11.69 | -\$0.66 | -5.34% |
| Teck Resources Ltd | \$27.62 | -\$1.50 | -5.15% |
| Vermilion Energy Inc | \$10.48 | -\$0.56 | -5.07% |
| Trillium Therapeutics Inc | \$11.21 | -\$0.55 | -4.68% |

| S&P/TSX INDUSTRY | LAST | CHANGE | %CHG | YTD |
|---------------------|--------|--------|--------|--------|
| ENERGY | 138.89 | -4.22 | -2.95% | 52.61% |
| MATERIALS | 319.05 | -0.17 | -0.05% | -0.49% |
| UTILITIES | 332.16 | 1.62 | 0.49% | 3.96% |
| FINANCIALS | 371.18 | -1.26 | -0.34% | 21.19% |
| INDUSTRIALS | 353.9 | 0.00 | 0.00% | 7.62% |
| HEALTH CARE | 70.63 | -0.86 | -1.20% | 17.42% |
| CONS. DISCRETIONARY | 270.51 | -1.24 | -0.46% | 16.02% |
| CONS. STAPLES | 685.48 | -8.33 | -1.20% | 8.33% |
| INFO TECH. | 218.64 | 3.28 | 1.52% | 19.89% |
| COMMUNICATION SVCS | 193.25 | 0.18 | 0.09% | 18.02% |
| REAL ESTATE | 366.46 | 5.40 | 1.50% | 22.79% |

| GOVERNMENT BONDS | 2YR | 5YR | 10YR | 30YR |
|------------------|-------|-------|-------|-------|
| CANADA (YLD%) | 0.47% | 0.95% | 1.32% | 1.79% |
| U.S. (YLD%) | 0.22% | 0.80% | 1.35% | 1.98% |

| COMMODITIES/ FX | LAST | CHANGE | %CHG | YTD |
|-----------------|------------|-----------|--------|--------|
| CRUDE OIL WTI | \$73.74 | -\$1.420 | -1.89% | 52.20% |
| NATURAL GAS | \$3.68 | -\$0.022 | -0.59% | 44.86% |
| GOLD | \$1,796.50 | \$13.900 | 0.78% | -5.08% |
| COPPER | \$4.27 | -\$0.015 | -0.34% | 21.39% |
| CAD / USD | \$0.8026 | -\$0.0076 | -0.94% | 2.15% |
| CAD / EUR | €0.6788 | -€0.0041 | -0.60% | 5.58% |
| USD / EUR | €0.8458 | €0.0030 | 0.36% | 3.36% |
| USD / JPY | ¥110.63 | -¥0.33 | -0.30% | 7.13% |

Source: Refinitiv



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.