



EQUITY INDICES	LAST	CHANGE	%CHG	52 WK-HIGH	52 WK-LOW	YTD
DOW JONES INDUSTRIAL AVERAGE	34,258.32	338.48	1.00%	35631.19	26143.77	11.93%
S&P 500	4,395.64	41.45	0.95%	4545.85	3209.45	17.03%
NASDAQ COMPOSITE	14,896.85	150.45	1.02%	15403.44	10520.22	15.58%
S&P/TSX COMPOSITE	20,401.49	157.20	0.78%	20897.57	15418.46	17.03%
STOXX EUROPE 50	3,547.18	33.76	0.96%	3666.47	2671.44	14.12%
FTSE 100	7,083.37	102.39	1.47%	7224.46	5525.52	9.64%
DAX PERFORMANCE-INDEX TR	15,506.74	158.21	1.03%	16030.33	11450.08	13.03%
CAC40	6,637.00	84.27	1.29%	6913.67	4512.57	19.56%
Nikkei 225 Index	29,639.40	-200.31	-0.67%	30795.78	22948.47	8.00%
HANG SENG INDEX	24,221.54	122.40	0.51%	31183.36	23124.25	-11.05%
Shanghai SE Composite Index	3,628.49	14.52	0.40%	3731.69	3202.34	4.48%

Market Review

Fed signals bond purchase taper “soon”, rate hikes shifts to 2022

Global equities and commodity prices rallied after China’s central bank moved to contain fears of a spiraling debt crisis at Evergrande by boosting its injection of short-term cash into its financial system. Worries about the collapse of China Evergrande also eased after the company negotiated a private deal to pay a coupon on one of its domestic bonds. Investors were focused on the Federal Reserve’s policy statement and economic projections released this afternoon. As widely expected, the FOMC held the target range for its benchmark policy rate at zero to 0.25%. There was no formal announcement that an asset purchase taper would be launched imminently. The FOMC statement did, however, note that “if progress continues broadly as expected, the Committee judges that a moderation in the pace of asset purchases may soon be warranted”. The Fed noted that indicators of economic activity and employment have “continued to strengthen”, but that “the rise in COVID-19 cases has slowed their recovery. The Fed acknowledged that inflation is elevated, but reiterated its view that this is “largely reflecting transitory factors. The central bank signaled interest rate increases may follow more quickly than expected, with nine of 18 U.S. central bank policymakers projecting borrowing costs will need to rise in 2022.

The U.S. major indices rose on Wednesday. Heavyweight technology names provided the biggest boost to the S&P 500 and the Nasdaq. The energy sector was the top percentage gainer, amid higher oil prices. The communications sector underperformed the broader market, pressured by sharp losses in Facebook after the company said it’s been underreporting ad performance for web conversions on iOS due to privacy changes. Netflix rallied after acquiring the Roald Dahl Story Company. General Mills rose after posting better than expected first quarter sales. FedEx tumbled after missing profit estimates and cutting its full-year forecast, citing higher labour costs. Adobe fell despite beating profit estimates and issuing upbeat guidance. Today’s economic data showed U.S. home sales fell in August, as supply remained tight and as accelerating house prices created affordability pressures for prospective buyers. Existing home sales fell 2.0% to a seasonally adjusted annual rate of 5.88 million units, this was slightly below economist forecast of 5.89 million units. Home sales fell 1.5% year over year. The median existing house price increased 14.9% from a year ago to \$356,700 in August.

Canada’s TSX Composite Index rose on Wednesday, supported by higher oil prices, better than expected domestic data and receding fears of contagion from China Evergreen. All 11 sectors traded in positive territory, led by a more than 4% gain in the energy sector as oil prices jumped after industry data showed U.S. crude stocks fell more than expected last week. On the economic front, Canadian factor sales rose 0.5% in August, driven by higher sales of petroleum and coal products, chemical and primary metal industries, a flash estimate from Statistics Canada showed.

S&P/TSX: LEADERS	LAST	CHANGE	%CHG
Celestica Inc	\$12.10	\$1.78	17.25%
First Quantum Minerals Ltd	\$22.59	\$1.58	7.52%
Cenovus Energy Inc	\$11.62	\$0.80	7.39%
Parex Resources Inc	\$21.30	\$1.42	7.14%
Vermilion Energy Inc	\$10.13	\$0.61	6.41%

S&P/TSX: LAGGARDS	LAST	CHANGE	%CHG
Telus International Cda Inc	\$43.31	-\$4.18	-8.80%
Franco-Nevada Corp	\$172.70	-\$4.42	-2.50%
Denison Mines Corp	\$1.76	-\$0.04	-2.22%
Real Matters Inc	\$10.85	-\$0.24	-2.16%
TFI International Inc	\$139.80	-\$2.88	-2.02%

S&P/TSX INDUSTRY	LAST	CHANGE	%CHG	YTD
ENERGY	132.87	5.04	3.94%	45.99%
MATERIALS	304.9	1.52	0.50%	-4.90%
UTILITIES	340.24	1.60	0.47%	6.49%
FINANCIALS	372.79	2.73	0.74%	21.72%
INDUSTRIALS	370.59	0.77	0.21%	12.70%
HEALTH CARE	59.67	1.18	2.02%	-0.80%
CONS. DISCRETIONARY	264.93	3.77	1.44%	13.63%
CONS. STAPLES	713.61	-0.07	-0.01%	12.78%
INFO TECH.	238.94	2.04	0.86%	31.03%
COMMUNICATION SVCS	192.46	-0.01	-0.01%	17.54%
REAL ESTATE	379.95	3.20	0.85%	27.31%

GOVERNMENT BONDS	2YR	5YR	10YR	30YR
CANADA (YLD%)	0.45%	0.92%	1.22%	1.75%
U.S. (YLD%)	0.24%	0.85%	1.31%	1.82%

COMMODITIES/ FX	LAST	CHANGE	%CHG	YTD
CRUDE OIL WTI	\$71.98	\$1.490	2.11%	48.57%
NATURAL GAS	\$4.75	-\$0.054	-1.12%	87.12%
GOLD	\$1,767.00	-\$9.000	-0.51%	-6.64%
COPPER	\$4.23	\$0.100	2.42%	20.27%
CAD / USD	\$0.7827	\$0.0026	0.33%	-0.38%
CAD / EUR	€0.6694	€0.0042	0.63%	4.12%
USD / EUR	€0.8553	€0.0026	0.30%	4.52%
USD / JPY	¥109.80	¥0.59	0.54%	6.32%

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.