

Weekly Market Update

May 14, 2018



Last Week in the Markets: May 7th – 11th, 2018

	TSX	S&P 500	DOW	NASDAQ	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	15,983.32	2,727.72	24,841.17	7,402.88	78.30 ¢	\$1,320.70	\$ 70.70
week +/-	+ 253.92	+ 64.30	+ 578.66	+ 193.26	+ 0.67 ¢	+ \$ 6.00	+ \$ 0.98
week +/- %	+ 1.61%	+ 2.41%	+ 2.38%	+ 2.68%	+ 0.87%	+ 0.46%	+ 1.41%
52 wk HIGH	16,421	2,873	26,617	7,637	82.90 ¢	\$1,376	\$ 71.89
52 wk LOW	14,786	2,353	20,553	5,997	72.50 ¢	\$1,222	\$ 44.48
YTD +/- %	- 1.39%	+ 2.02%	+ 0.49%	+ 7.24%	- 1.96%	+ 1.07%	+ 17.66%
1Yr +/- %	+ 2.78%	+ 13.92%	+ 18.75%	+ 21.04%	+ 7.30%	+ 7.88%	+ 47.82%

(source: Bloomberg - <https://www.bloomberg.com/markets>)

What happened?

- Last week saw plenty of positive results for equities and North America was no exception. The four major indices advanced nicely, and the TSX, up a strong 1.6% for the week, was the laggard as the U.S. indices rose about 2 ½%.
 - The S&P 500 and the Dow crossed back into positive territory for 2018, their year-over-year numbers are still very impressive, which reminds us how strong the second half of 2017 was. The TSX rose on a broad-based increase as metals, oil, financials, healthcare and technology sectors turned in strong performances.
 - Despite some mid-week negative sound-bite rhetoric by President Trump increased optimism regarding the successful renegotiation of NAFTA gave the Canadian dollar strength against its U.S. counterpart.
- On the political front, Trump declared his intention to withdraw from the nuclear treaty with Iran, who reacted in a predictable manner as their leader threatened U.S. security, vowed to revive their nuclear weaponry, and with public demonstrations burning U.S. flags.
 - In the shorter term, reinstating sanctions on Iranian oil exports will shorten global supply and push crude prices higher. Western European nations began diplomatic efforts among themselves to maintain the current arrangement.
 - The effects of the Iran-U.S. hostilities were muted by positive progress with China on trade sanctions and increasing diplomatic warmth between North Korea and the U.S.

What's ahead for this week?

- In Canada, April's inflation numbers by the Consumer Price Index (CPI) will be released along with existing home sales for the same period, and March retail and manufacturing sales.
- In the U.S., it's a more technical week with business inventories for March, and retail sales, housing starts and building permits and industrial production and capacity utilization for March scheduled for release.