

Weekly Market Update

December 3, 2018



Last Week in the Markets: November 26th – 30th, 2018

	TSX	S&P 500	DOW	NASDAQ	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	15,197.82	2,760.17	25,538.46	7,330.54	75.23 ¢	\$1,226.00	\$ 50.93
week +/-	+ 187.09	+127.61	+ 1,252.51	+ 391.56	- 0.31 ¢	+ \$ 2.80	+ \$ 0.51
week +/- %	+ 1.25%	+ 4.85%	+ 5.16%	+ 5.64%	- 0.41%	+ 0.23%	+ 1.01%
52 wk HIGH	16,586	2,941	26,952	8,133	81.63 ¢	\$1,398	\$ 76.55
52 wk LOW	14,640	2,533	23,345	6,631	74.70 ¢	\$1,173	\$ 49.41
YTD +/- %	- 6.24%	+ 3.24%	+ 3.31%	+ 6.19%	- 5.79%	- 6.18%	- 15.24%
1Yr +/- %	- 5.41%	+ 4.25%	+ 5.22%	+ 6.64%	- 3.21%	- 3.97%	- 11.27%

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

What happened?

- The major North American equities indices all moved ahead last week, along with gold and oil. The Canadian dollar was the only negative performer in our grid, above, driven by less than impressive GDP numbers, and the resulting demand for Canadian dollars.
 - The U.S. dollar relied on a rumoured improvement in trade relations with China, which occurred this weekend at the G20 meeting with a 90-day negotiation window.
- The gains for equities were 'healthy', erasing much of the losses experienced in the last few weeks. Gold and oil, however, barely made it into positive territory, with their gains being modest in absolute or percentage terms.
 - Overnight (Sunday to Monday) oil jumped 5% on overseas markets as OPEC indicated a production cut, along with Alberta, and the U.S./China trade tension truce.
 - The feeling that the Federal Reserve (the Fed) will delay further interest rate increases is growing. The need to limit inflation has lessened due to the impact of falling oil prices, and its down-stream effect on consumer prices.
 - As a gross over-simplification, the Fed uses interest rate actions to increase employment and to lower inflation. Rates are held steady or lowered to maintain or increase employment and raised to slow the economy's growth and inflation. At this time, it appears that neither employment or inflation needs specific attention, expect the rates to maintain their current levels.

What's ahead for this week?

- In Canada, it's time again for a Bank of Canada interest rate decision. Worries of a growing global slow-down, and rumours that other countries may delay hikes will influence our Bank's monetary actions on Wednesday. Also, November's employment report will be released.
- In the U.S., construction spending, trade balance, durable goods orders for October will be released along with November's employment report.