

Weekly Market Update

January 7, 2019



Last Week in the Markets: December 31st – January 4th, 2019

	TSX	S&P 500	DOW	NASDAQ	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	14,426.62	2,531.94	23,433.16	6,738.86	74.77 ¢	\$1,285.80	\$ 47.96
week +/-	+ 204.62	+ 46.20	+ 370.76	+ 154.34	+ 1.42 ¢	+ \$ 4.60	+ \$ 2.50
week +/- %	+ 1.44%	+ 1.86%	+ 1.61%	+ 2.34%	+ 1.94%	+ 0.36%	+ 5.50%
52 wk HIGH	16,586	2,941	26,952	8,133	81.63 ¢	\$1,398	\$ 76.90
52 wk LOW	13,777	2,347	21,713	6,190	74.70 ¢	\$1,173	\$ 42.36
YTD +/- %	+ 0.65%	+ 1.00%	+ 0.45%	+ 1.56%	+ 1.96%	+ 0.35%	+ 5.62%
1Yr +/- %	- 12.10%	- 7.05%	- 6.55%	- 4.79%	- 6.18%	- 2.71%	- 22.66%

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

What happened?

- After another short week, this time for the New Year's celebration, the result was an all-green week. North American equities began 2019 on the positive side despite mixed news.
 - Trade disputes between the U.S. and China, which were created anew in 2018, appear headed to some type of resolution as negotiations are scheduled, with non-specific, yet optimistic, comments by President Trump that a solution was being created.
 - The growth rate of China's economy, measured in Gross Domestic Product (GDP), has slowed, but is being addressed by actions by their central bank to reinvigorate growth.
 - In the U.S. the Federal Reserve seems poised to keep interest rates unchanged for a much longer time than the brief pause that was predicted as recently as December. A slowing of increased maintains lower borrowing costs for corporates and consumers.
 - On the political front the U.S. President continued to operate with a business-as-usual approach by attacking opponents, like the Fed and its leader.
 - The partial shut-down of the U.S. government continued into its third week harming the U.S. economy with the rhetoric and threats escalating on all sides and could lead to a constitutional dispute based on executive powers.
- Despite these negative, external influences, which also included a jump in crude price to fuel gains on the Energy-rich TSX index, Canadian equities delivered a positive week along with a gain by our dollar compared to the U.S. Expect more volatility at-home and in the U.S. during the coming weeks.

What's ahead for this week?

- In Canada, The Bank of Canada will release an interest rate decision. Also, housing data for November (building permits and prices) and December (housing starts) will be announced.
- In the U.S., inflation numbers for December through the Consumer Price Index and November's new home sales, wholesale inventories and durable goods order will be released.