

Weekly Market Update

February 11, 2019



Last Week in the Markets: February 4th – 8th, 2019

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	15,633.33	2,707.88	25,106.33	7,298.20	488.720	75.31 ¢	\$1,318.50	\$ 52.72
week +/-	+ 127.03	+ 1.35	+ 42.44	+ 34.33	- 2.71	- 1.01 ¢	- \$ 3.60	- \$ 2.54
week +/- %	+ 0.82%	+ 0.05%	+ 0.17%	+ 0.47%	- 0.55%	- 1.33%	- 0.27%	- 4.60%
52 wk HIGH	16,586	2,941	26,952	8,133	542	80.31 ¢	\$1,399	\$ 76.29
52 wk LOW	13,777	2,347	21,713	6,190	448	73.18 ¢	\$1,183	\$ 42.67
YTD +/- %	+ 9.07%	+ 8.02%	+ 7.63%	+ 9.99%	+ 7.25%	+ 2.70%	+ 2.90%	+ 16.10%
1Yr +/- %	+ 3.77%	+ 4.92%	+ 5.22%	+ 6.16%	- 2.39%	- 5.08%	- 0.04%	- 13.79%

(source: Bloomberg <https://www.bloomberg.com/markets> and ARG Inc. analysis)

What happened last week?

- The TSX led North American indices again this week and would have led all of them in YTD except for the tech-heavy NASDAQ which has returned just shy of 10% in 5½ weeks of trading.
 - The TSX earned “only” just over 9% during the same time period.
 - The year-over-year (1Yr+/-) numbers for the four major North American indices are back into positive territory. Sadly, it’s not based solely on the strong performance of 2019, but relies heavily on a steep drop that occurred one year ago in February 2018.
- Much of the recent gains for our region are based on the Federal Reserve’s position of delaying interest rate increases, the Bank of Canada’s similar wait-and-see position, and continued strong corporate performance matched with healthy employment and wage data.
 - Global growth is slowing along with Canada and the U.S., so central bankers are reluctant to further contribute to any slow-down through higher rates.
 - Concerns over the negotiated, or perhaps no-deal, BREXIT has created additional uncertainty for the global economy that has stalled the willingness to raise interest rates until the actual effects have taken place.
 - Optimistic comments regarding a negotiated settlement of U.S./China trade relations continues to drive sentiment and markets upward.
 - Additional U.S. news centred around their budget negotiations and its entanglement with border/national security desire to build a physical barrier on the southern border with Mexico.

What’s ahead for this week?

- In Canada, December data for manufacturing sales, international merchandise trade, new housing price index and January’s National Bank Home Price Index will be released.
- In the U.S., December’s retail sales, always an important indicator of consumer confidence and their economy’s strength will be announced. The Consumer Price Index, Import and Export Price indices for January will provide insight on inflation.