

# Weekly Market Update

March 11, 2019



## Last Week in the Markets: March 4<sup>th</sup> – 8<sup>th</sup>, 2019

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	<b>15,996.21</b>	<b>2,743.07</b>	<b>25,450.24</b>	<b>7,408.14</b>	<b>494.912</b>	<b>74.54 ¢</b>	<b>\$1,299.30</b>	<b>\$ 56.07</b>
week +/-	- 72.04	- 60.62	- 576.08	- 187.21	- 10.84	- 0.67 ¢	+ \$ 0.10	+ \$ 0.27
week +/- %	- 0.45%	- 2.16%	- 2.21%	- 2.46%	- 2.14%	- 0.89%	+ 0.01%	+ 0.48%
52 wk HIGH	16,586	2,941	26,952	8,133	542	79.82 ¢	\$1,399	\$ 76.01
52 wk LOW	13,777	2,347	21,713	6,190	448	73.18 ¢	\$1,183	\$ 43.00
YTD +/- %	+ 11.61%	+ 9.42%	+ 9.10%	+ 11.65%	+ 8.61%	+ 1.64%	+ 1.40%	+ 23.48%
1Yr +/- %	+ 2.94%	+ 0.15%	+ 2.23%	- 0.27%	- 4.76%	- 4.32%	- 1.56%	- 6.74%

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

## What happened?

- On Wednesday the Bank of Canada (BoC) continued to hold its benchmark lending rate unchanged. The rate has been at 1.75% since October 31<sup>st</sup> of last year and will be held at this level until at least late April when the next interest rate decision will be announced.
  - Future BoC action would be taken to stimulate our economy in the face of uncertainty from Canada/U.S./Mexico Agreement that replaces NAFTA and the removal of steel and aluminum tariffs by the U.S., Brexit, U.S./China trade talks.
  - Immediately the Canadian dollar dropped by more than a half-cent on Wednesday in response to this interest rate hold and the underlying conditions that made it occur.
- Equities around the world had a very difficult week. The TSX lost almost ½% of its value, while the major American indices lost over 2% for the week. The conditions that drove the BoC's interest rate decision (listed above) and a pessimistic report on economic growth from the Organization for Economic Cooperation and Development (OECD) also damaged stock prices.
  - More directly, a poor jobs reports that fell far below expectations indicated the continued slowing of the U.S. economy. Only 20,000 non-farm jobs were created in February. The report from the Bureau of Labor Statistics at the U.S. Department of labour can be found at: <https://www.bls.gov/news.release/empsit.nr0.htm>
    - The data contained in the first few paragraphs illustrate the level of analysis that is undertaken and analyzed by economists, and advisors on your behalf.

## What's ahead for this week?

- In Canada, it will be a light week for economic data releases with January's new housing price index and manufacturing sales announced.
- In the U.S., a busier and broader array of data will be released than in Canada. By week's end we will see January's new home sales, retail sales, durable goods orders and construction spending. Inflation numbers will arrive with February's Consumer Price Index (CPI) and the Producer Price Index (PPI), which are two important economic indicators.