

Weekly Market Update

April 15, 2019



Last Week in the Markets: April 8th – 12th, 2019

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	16,480.53	2,907.41	26,412.30	7,984.16	521.294	75.06 ¢	\$1,295.20	\$ 63.89
week +/-	+ 84.38	+ 14.67	- 12.69	+ 45.47	+ 2.26	+ 0.34 ¢	- \$ 0.40	+ \$ 0.81
week +/- %	+ 0.51%	+ 0.51%	- 0.05%	+ 0.57%	+ 0.43%	+ 0.46%	- 0.03%	+ 1.28%
52 wk HIGH	16,586	2,941	26,952	8,133	542	79.82 ¢	\$1,393	\$ 75.80
52 wk LOW	13,777	2,347	21,713	6,190	448	73.18 ¢	\$1,189	\$ 43.46
YTD +/- %	+ 14.98%	+ 15.98%	+ 13.22%	+ 20.33%	+ 14.40%	+ 2.35%	+ 1.08%	+ 40.70%
1Yr +/- %	+ 7.93%	+ 9.14%	+ 7.88%	+ 11.82%	+ 1.96%	- 5.52%	- 3.48%	- 4.74%

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

What happened?

- The International Monetary Fund (IMF) downgraded their forecast for 2019 global growth from 3.7% to 3.3%, and 2020 has been trimmed by 0.1% to 3.6%. The IMF warned that forecasts could be cut further based on trade tensions, shocks to the European economy from Brexit and effectiveness of China's stimulus actions.
- British PM Theresa May negotiated a new Brexit deadline of October 31st with the 27 other EU members. This extension provides more opportunity to achieve a deal, and could provide a calming influence over European stock volatility over the next few months.
- An additional calming, and positive, influence for equities is the optimistic outlook for U.S./China trade negotiations. Of course, it has been tempered by a new EU/U.S. dispute over aircraft manufacturing subsidies and tax breaks with both sides claiming injury
- The price of oil reached a 5-month high, but it is still \$12/barrel and about 20% below last October's peak. The upward price pressure of an OPEC production cut and political problems in Libya and Venezuela has beaten back the negative effects of the predicted economic slowdown.
- The Ontario PCs are pursuing increased austerity in their budget to reduce the debt-to-GDP ratio. The Health and Education ministries that comprise about 60% of provincial spending and will be relied upon to achieve fiscal goals. A more comprehensive summary can be found at: <https://www.theglobeandmail.com/canada/article-ontario-budget-2019-what-you-need-to-know-about-doug-fords-spending/>

What's ahead for this week?

- In Canada, February's retail and manufacturing sales will be released along with March's inflation through the Consumer Price Index (CPI).
- In the U.S., the trade balance for February will be released, and retail sales, housing starts, industrial production, capacity utilization for March.
 - Earnings season for the more recent quarter began last week, and continues this week, with corporate performance predicted to be lower than the same period last year. It will be a bumpy week for North American equities if performance is below expectations.