

Weekly Market Update

September 9, 2019



Last Week in the Markets: September 2nd – 6th, 2019

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	16,535.33	2,978.71	26,797.46	8,103.07	520.826	75.91 ¢	\$1,515.50	\$ 56.52
week +/-	+ 93.26	+ 52.25	+ 394.18	+ 140.19	+ 9.949	+ 0.79 ¢	-\$ 13.90	+ \$ 1.42
week +/- %	+ 0.57%	+ 1.79%	+ 1.49%	+ 1.76%	+ 1.95%	+ 1.05%	- 0.91%	+ 2.58%
52 wk HIGH	16,673	3,028	27,399	8,340	534	78.23 ¢	\$1,566	\$ 74.04
52 wk LOW	13,777	2,347	21,713	6,190	438	73.18 ¢	\$1,221	\$ 44.84
YTD +/- %	+ 15.37%	+ 18.82%	+ 14.88%	+ 22.12%	+ 14.30%	+ 3.51%	+ 18.28%	+ 24.47%
1Yr +/- %	+ 2.70%	+ 3.50%	+ 3.08%	+ 2.28%	+ 1.31%	- 0.24%	+ 25.84%	- 16.60%

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

What happened?

- A number of positive political developments contributed to a favorable week for most Canadian investors focused on North American equities.
 - The United States and China announced plans for renewed negotiations scheduled to begin in October.
 - Hong Kong leadership withdrew the bill allowing extradition of its citizen-residents that caused months of increasingly violent protests.
 - The U.K. Parliament passed legislation meant to prevent a no-deal Brexit that prevents an enhanced level of uncertainty across the entire continent.
 - The seemingly unimportant attitude toward the European Union from Italy is improving as a new coalition in government has been formed.
- Locally, the Bank of Canada kept its benchmark with an overnight lending rate unchanged allowing our economy to perform under current conditions without a monetary policy boost.
 - The next opportunity for an interest rate change is October 30th, but it appears that the appetite to reduce rates in the future is lessening. With “CPI inflation in July was stronger than expected, largely because of temporary factors; Governing Council will pay particular attention to global developments and their impact on the outlook for Canadian growth and inflation”. These factors are improving, which could reduce the need for Bank of Canada action on interest rates. <https://www.bankofcanada.ca/2019/09/fad-press-release-2019-09-04/>

What's ahead for this week?

- In Canada, the economic data releases will focus on the housing market. The numbers for July building permits and new housing price index and August housing starts will be announced.
- In the U.S., a more balanced release schedule is planned for the upcoming week with July's wholesale inventories, as well as import and export price indices, retail sales and Consumer and Producer Price Indices all for August