

### Last Week in the Markets: September 18<sup>th</sup> – September 22<sup>nd</sup>, 2023

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)	Govt CAN 10Y Yield
Friday Close	19,779.97	4,320.06	33,963.84	13,211.81	663.827 <sup>1</sup>	74.17 ¢	\$ 1,945.60	\$ 90.03	3.912 %
week +/-	- 842.37	- 130.26	- 654.40	- 496.52	- 17.518	+ 0.23 ¢	- \$ 0.60	- \$ 0.74	+ 0.175 pts
week +/- %	- 4.08%	- 2.93%	- 1.89%	- 3.62%	- 2.57%	+ 0.31%	- 0.03%	- 0.82%	n/a
52 wk HIGH	22,213	4,607	35,679	14,447	708	76.39 ¢	\$ 2,072	\$ 93.74	3.973%
52 wk LOW	18,170	3,492	28,661	10,089	589	71.58 ¢	\$ 1,615	\$ 63.64	2.629%
YTD +/-	+ 2.04%	+ 12.52%	+ 2.46%	+ 26.23%	+ 9.65%	+ 0.53%	+ 6.28%	+ 11.89%	+ 0.609 pts
1Yr +/-	+ 4.09%	+ 14.96%	+ 12.92%	+ 19.38%	+ 14.54%	- 0.03%	+ 16.45%	+ 7.83%	+ 0.790 pts

(source: Bloomberg <https://www.bloomberg.com/markets>, MSCI <https://www.msci.com/end-of-day-data-search> and ARG Inc. analysis)

## What happened last week?

Most of the influence on equities was associated with actions, or more appropriately inactions, in the U.S. The Federal Reserve's interest rate announcement on Wednesday, and the on-going threat of a government shut-down provided additional uncertainty that contributed to equities losing value. Canadian consumer inflation also provided some home-grown negativity.

On Tuesday, StatsCan released the latest Canadian inflation showing that "the Consumer Price Index (CPI) rose 4.0% year-over-year in August, up from the 3.3% increase in July." Energy, rent, and mortgage interest contributed to the rising inflation rate. Price growth moderated for groceries but remained far above goal at 6.9% on an annualized basis. [StatsCan and CPI](#)

The American [federal funds rate](#) was held steady again by the Fed's Federal Open Market Committee; the group that sets U.S. monetary policy. Since March 2022 interest rates have been raised 11 times from its effective lower boundary in a range between 0 and 0.25% to a range of 5.25% to 5.50%. Based on the remarks from Fed Chair, Jerome Powell, it appears that rate increases are paused, but rates could remain higher for longer. That is, further increases are not expected, but desired reductions will be delayed. Markets had expected no change in the rate, which left uncertainty over future announcements as the primary point of speculation. Equities fell on news and remarks at the [press conference](#) with the S&P 500 and NASDAQ dropping 1% and 1 ½%, respectively. [FOMC Fed Funds Rate](#) [CNBC and Fed Rate Decision](#)

Political intrigue in the U.S. Congress continued to escalate its influence on capital markets as the possibility of an October 1<sup>st</sup> government shutdown loomed. The economic impact would be substantial, with the travel industry alone losing an estimated \$140 million per day. [CNBC and shutdown](#)

## What's ahead for this week and beyond?

In Canada, the most important indicator scheduled for release is monthly, quarterly, and annualized GDP as of July. The federal government's budget and budget balance is also scheduled.

In the U.S., building permits, new and pending home sales, Case-Shiller home index, consumer confidence, and durable goods orders are planned. The Federal Reserve's primary inflation indicator, Personal Consumption and Expenditures, is scheduled for release on Thursday, and will provide an explanation of last week's interest rate decision. Thursday will also deliver Gross Domestic Product data.

Globally, Great Britain will release its GDP performance. The Eurozone will report economic, services and industrial sentiment, business climate, selling price expectations, and consumer confidence, which are important, forward-looking indicators.