

# Weekly Market Monitor

September 4, 2020

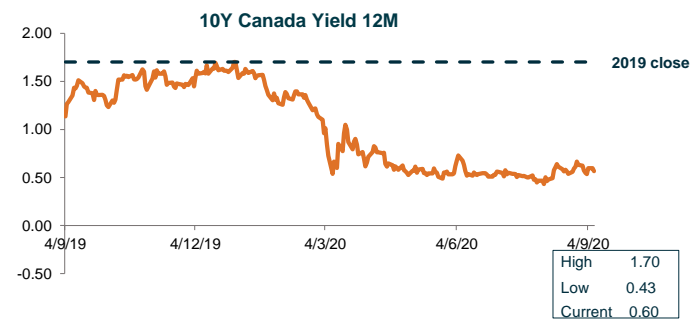
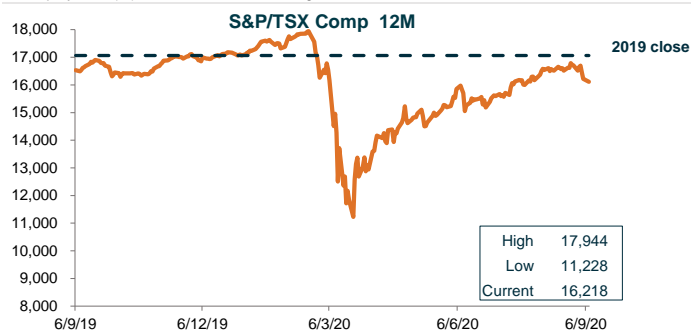
C\$ unless otherwise indicated. Index returns include dividends (total return) unless otherwise indicated.

## Economic news

- In Canada, employment rose by 245,800 jobs in August, relatively in line with expectations.
- In Canada, the Manufacturing PMI increased by 2.2 point in August to a level of 55.1. The highest increase since August 2018.
- In the U.S., there were 881,000 initial jobless claims in the week ending August 29, down 130,000 from the previous week.

Source: Bloomberg

| Economic activity   | Date | Last  | 1M prior | 2M prior |
|---------------------|------|-------|----------|----------|
| Real GDP (MoM%)     | Jun  | 6.50  | 4.80     | -11.70   |
| Real GDP (YoY%)     | Jun  | -7.80 | -13.20   | -17.00   |
| Core CPI (YoY%)     | Jul  | 0.70  | 1.10     | 0.70     |
| Headline CPI (YoY%) | Jul  | 0.10  | 0.70     | -0.40    |
| Unemployment (%)    | Aug  | 10.20 | 10.90    | 12.30    |

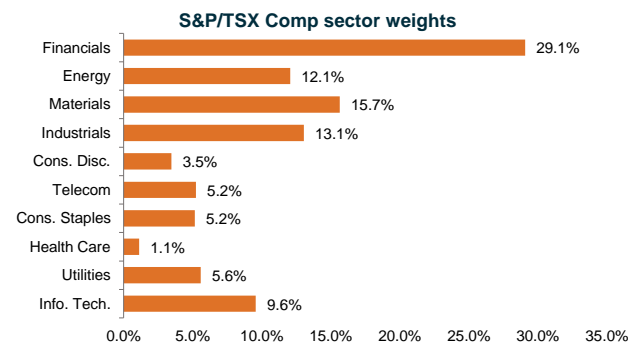


|              | Trailing P/E | Dividend yield (%) |
|--------------|--------------|--------------------|
| S&P/TSX Comp | 24.85        | 3.21               |
| S&P 500      | 26.69        | 1.76               |
| MSCI EAFE    | 34.86        | 2.75               |
| MSCI EM      | 20.05        | 2.28               |

| Index returns                  | Week   | QTD    | YTD     | YTD US\$ |
|--------------------------------|--------|--------|---------|----------|
| S&P/TSX Composite              | -2.89% | 5.05%  | -2.80%  | -3.53%   |
| S&P 500                        | -2.48% | 6.50%  | 8.28%   | 7.47%    |
| MSCI EAFE                      | -2.27% | 1.29%  | -5.44%  | -6.15%   |
| MSCI EM                        | -2.17% | 6.86%  | 1.27%   | 0.51%    |
| MSCI ACWI                      | -2.46% | 5.25%  | 3.83%   | 3.05%    |
| S&P/TSX Capped REIT            | -2.77% | -1.45% | -22.36% | -22.94%  |
| MSCI US REIT                   | -0.68% | 1.47%  | -13.17% | -13.82%  |
| FTSE EPRA/NAREIT Dev. RE       | -0.73% | 1.18%  | -16.04% | -16.67%  |
| S&P Global Infrastructure      | -1.18% | 0.22%  | -15.20% | -15.84%  |
| FTSE TMX Cda. Short Term Bond  | 0.05%  | 0.58%  | 4.64%   | 3.86%    |
| FTSE TMX Cda. Universe Bond    | 0.65%  | 0.54%  | 8.10%   | 7.29%    |
| BloombergBarclay Glb Agg Bond  | -0.32% | -2.31% | 6.35%   | 5.53%    |
| FTSE TMX Cda. Long Term Bond   | 1.62%  | 0.31%  | 11.69%  | 10.85%   |
| FTSE TMX Cda. Real Return Bond | 0.96%  | 4.70%  | 11.28%  | 10.44%   |
| S&P High Yield Corp Bond       | -0.14% | 1.24%  | 2.27%   | 1.50%    |
| JPM Emerging Market Bond       | -0.38% | -0.28% | -0.26%  | -1.00%   |

| Equity returns by market cap <sup>1</sup> |       |       |        |         |        |
|---|-------|-------|--------|---------|--------|
| QTD                                       |       |       | YTD    |         |        |
| Canada                                    | US    | World | Canada | US      | World  |
| 4.66%                                     | 6.50% | 5.32% | -1.89% | 8.28%   | 5.32%  |
| 6.62%                                     | 2.46% | 3.48% | -5.96% | -6.24%  | -1.57% |
| 9.49%                                     | 3.17% | 3.37% | -6.16% | -11.09% | -5.27% |
| Large                                     |       |       | Mid    |         |        |
| Small                                     |       |       | Small  |         |        |

| Fixed income returns by issuer and maturity |        |        |       |       |        |
|---|--------|--------|-------|-------|--------|
| QTD   |        |        | YTD   |       |        |
| Short                                       | Mid    | Long   | Short | Mid   | Long   |
| 0.15%                                       | -0.07% | -1.17% | 4.38% | 9.29% | 14.51% |
| 0.31%                                       | 0.64%  | 0.21%  | 4.77% | 8.96% | 11.54% |
| 1.37%                                       | 2.40%  | 1.50%  | 4.99% | 9.01% | 9.46%  |
| Fed   |        |        | Prov  |       |        |
| Corp  |        |        | Corp  |       |        |



## S&P/TSX Comp index drivers

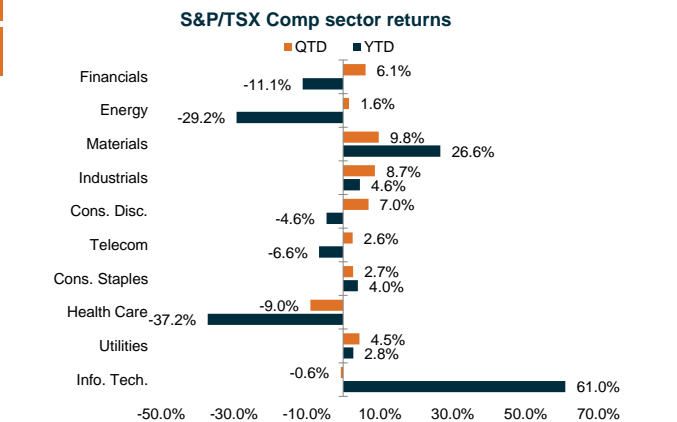
| Top contributors               | Week   | Index wt | Impact |
|--------------------------------|--------|----------|--------|
| Alimentation Couche-Tard Inc   | 1.92%  | 1.93     | 0.04%  |
| Cogeco Communications Inc      | 12.42% | 0.21     | 0.03%  |
| Ivanhoe Mines Ltd              | 8.04%  | 0.26     | 0.02%  |
| Brookfield Infrastructure Part | 2.05%  | 0.96     | 0.02%  |
| Novagold Resources Inc         | 8.65%  | 0.18     | 0.02%  |

| Top detractors                 | Week   | Index wt | Impact |
|--------------------------------|--------|----------|--------|
| Shopify Inc                    | -6.78% | 5.93     | -0.40% |
| Royal Bank of Canada           | -4.12% | 5.36     | -0.22% |
| Toronto-Dominion Bank/The      | -3.59% | 4.45     | -0.16% |
| Brookfield Asset Management In | -4.88% | 2.66     | -0.13% |
| Enbridge Inc                   | -3.31% | 3.25     | -0.11% |

| Rates                        | 4/9/20 | 31/8/20 | 30/6/20 | 31/12/19 |
|------------------------------|--------|---------|---------|----------|
| BoC Target Overnight Rate    | 0.25%  | 0.25%   | 0.25%   | 1.75%    |
| 2Y Canada Yield              | 0.27%  | 0.27%   | 0.29%   | 1.69%    |
| 5Y Canada Yield              | 0.38%  | 0.39%   | 0.36%   | 1.68%    |
| 10Y Canada Yield             | 0.59%  | 0.62%   | 0.53%   | 1.70%    |
| 10Y US Treasury Yield        | 0.72%  | 0.70%   | 0.66%   | 1.92%    |
| Canada 10Y vs 2Y spread      | 0.32%  | 0.35%   | 0.24%   | 0.00%    |
| US Treasury 10Y vs 2Y spread | 0.58%  | 0.57%   | 0.51%   | 0.35%    |

| Currencies     | 4/9/20   | MTD    | QTD    | YTD    |
|----------------|----------|--------|--------|--------|
| US\$ per C\$   | 0.7656   | -0.10% | 3.94%  | -0.55% |
| US\$ per Euro€ | 1.1838   | -0.82% | 5.38%  | 5.57%  |
| Yen¥ per US\$  | 106.2400 | 0.31%  | -1.57% | -2.18% |

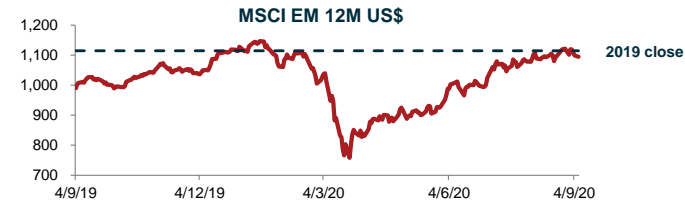
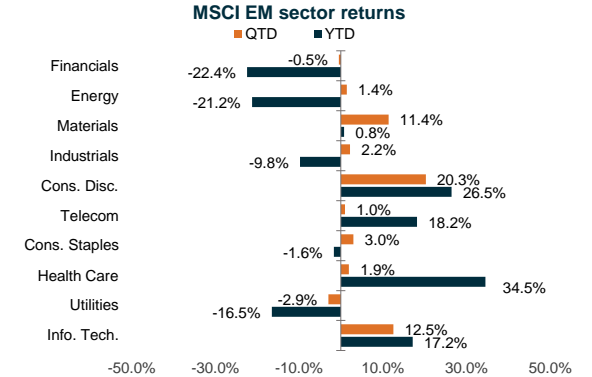
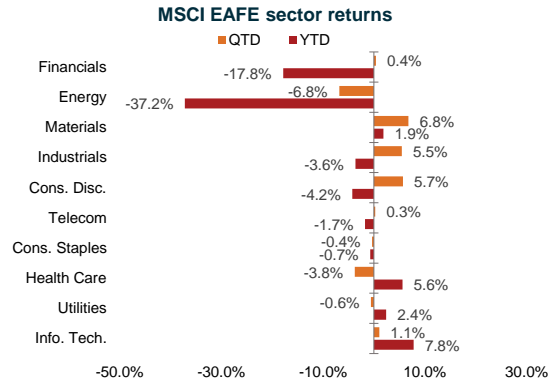
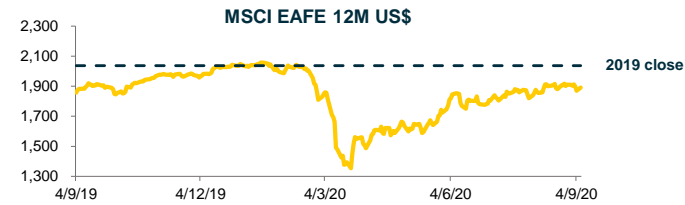
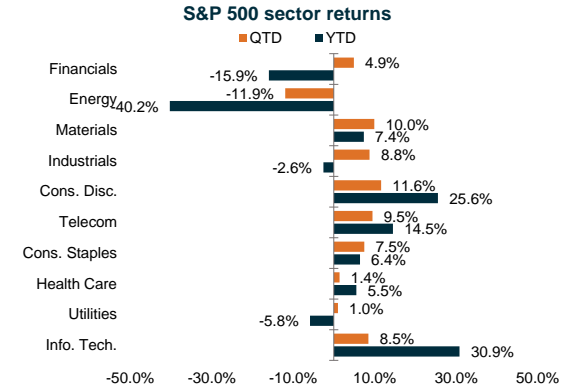
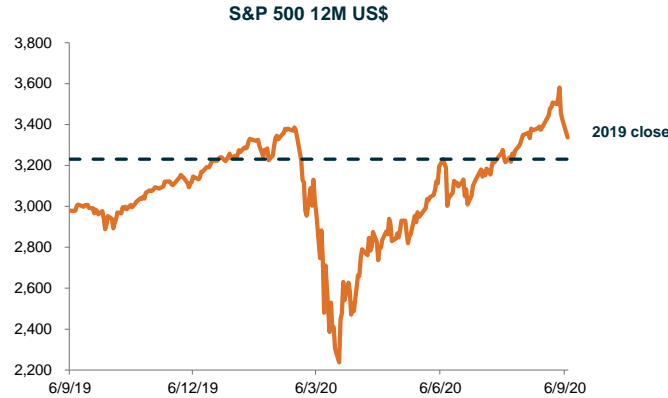
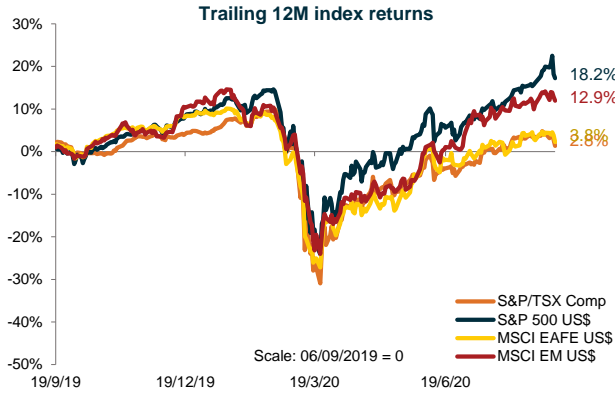
| Commodities (spot, US\$)  | 4/9/20   | MTD    | QTD    | YTD     |
|---------------------------|----------|--------|--------|---------|
| Gold                      | 1,933.94 | -1.72% | 8.59%  | 27.46%  |
| WTI Crude                 | 39.77    | -6.67% | 1.27%  | -34.87% |
| Brent Crude               | 42.66    | -5.79% | 3.67%  | -35.36% |
| Western Canada Select     | 31.01    | -1.87% | 6.42%  | -19.60% |
| Henry Hub Natural Gas     | 2.59     | -1.60% | 47.80% | 18.23%  |
| Bloomberg Commodity Index | 154.49   | -1.26% | 11.44% | -10.18% |



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<sup>1</sup> Equity returns by market cap represented by the following indices respectively: **Canada large, mid, small:** S&P/TSX 60, S&P/TSX Completion, S&P/TSX Small cap; **US large, mid, small:** S&P 500, S&P MidCap 400, S&P SmallCap 600; **World large, mid, small:** MSCI World Large Cap, MSCI World Mid Cap, MSCI World Small Cap.

Source: Bloomberg.

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