

WEEKLY MARKET MONITOR

September 15, 2020

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MARKETS AT-A-GLANCE

Index	11-Sep-20	04-Sep-20	Net Chng	% Week	% YTD (Equity indices are price indices)
S&P TSX	16222.46	16218.01	4.45	0.03	(4.93)
S&P 500	3340.97	3426.96	(85.99)	(2.51)	3.41
DJ Industrial Avg	27665.64	28133.31	(467.67)	(1.66)	(3.06)
NASDAQ	10853.54	11313.13	(459.59)	(4.06)	20.96
DJ Euro Stoxx	3315.81	3260.59	55.22	1.69	(11.46)
Nikkei 225 (Japan)	23406.49	23205.43	201.06	0.87	(1.06)
Interest Rates					
Bank of Canada Rate	0.25	0.25	0.00		
Fed Funds Rate	0.25	0.25	0.00		
5yr Gov't Canada Bond	0.36	0.39	(0.03)		
10yr Gov't Canada Bond	0.55	0.60	(0.05)		
Commodities					
Oil (WTI Crude)	37.33	39.77	(2.44)	(6.14)	(38.86)
Gold (USD/ounce)	1940.55	1933.94	6.61	0.34	27.90
Currencies					
CAD\$	1.32	1.31	0.01	0.74	1.52
Euro	1.18	1.18	0.00	0.07	5.65
Yen	0.01	0.01	0.00	0.06	2.32

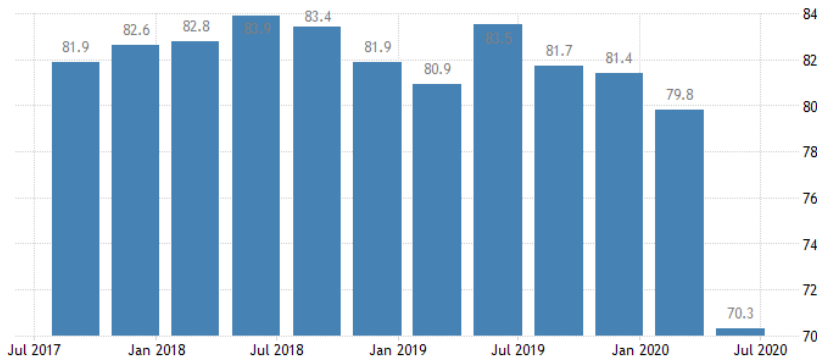
Source: Bloomberg

- Pfizer CEO says it is likely the US will deploy a vaccine for public use by end of the year assuming health officials and the FDA help support the push.
- TikTok submits Oracles proposal to acquire the social media company to the US treasury for final review and approval.
- Biden proposes those who make more than \$3.3 million pay a 43% tax rate on their income according to the Penn Wharton Budget Model.
- The International Energy Agency has stated the outlook for oil demand remains even more fragile as the pandemic has significantly reduced demand, oil markets sell-off in response.
- US removes Canada Aluminum Tariffs of 10% after Canada threatens dollar-for-dollar retaliation.
- Dollar remains well bid at 0.758 US cents; oil lower to \$37/barrel amid demand concerns.

LATEST NEWS

ECONOMY IN BRIEF

Canadian manufacturing conditions remain soft in July



SOURCE: TRADINGECONOMICS.COM | STATISTICS CANADA

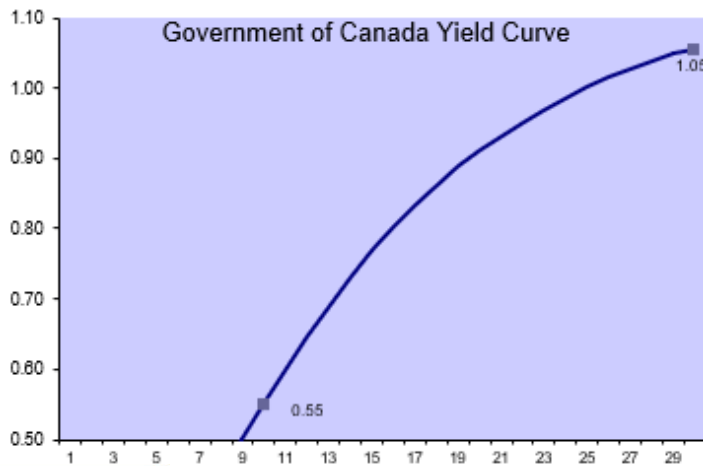
Canada

- Bank of Canada keeps rates at 0.25%, a move largely expected.
- Capacity utilization shows factories are running at 70% of potential output and will likely pressure corporate profits.

US

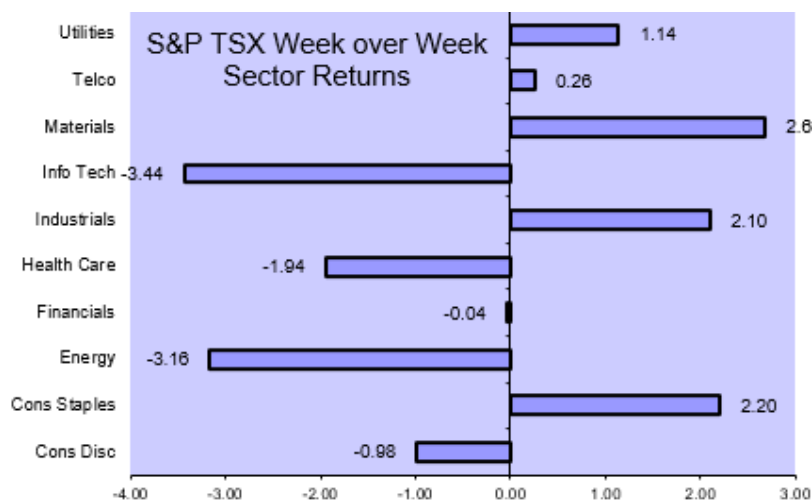
- Continuing jobless claims remain elevated at 13.4M jobs, more than expected.
- Inflation data points to higher prices of 1.3% in August on consumer prices.

FIXED INCOME



- 10-year US treasury bonds fall lower to 0.67%.
- 10-year Canada bond yields remain flat at 0.55%.
- Liquidity in the US commercial paper market remains a risk as borrowers avoid the \$1 trillion market, leading many to speculative higher borrowing costs lie ahead.

EQUITIES



- The tech heavy NASDAQ undergoes a 10% correction as volatility spikes scare investors to the sidelines.
- The S&P/TSX Composite was flat over the week despite a big sell-off in energy names as gold investors came out and bid up the miners.
- Canadian equities while expensive still trade at a significant discount to their US markets.
- International stocks outperformed on the week.

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