

# Weekly Market Update

October 15, 2019



Last Week in the Markets: October 7<sup>th</sup> – 11<sup>th</sup>, 2019

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	<b>16,415.16</b>	<b>2,970.27</b>	<b>26,816.59</b>	<b>8,057.04</b>	<b>521.135</b>	<b>75.74 ¢</b>	<b>\$1,488.70</b>	<b>\$ 54.70</b>
week +/-	- 34.19	+ 18.26	+ 242.87	+ 74.57	+ 6.285	+ 0.63 ¢	- \$ 24.20	+ \$ 1.89
week +/- %	- 0.21%	+ 0.62%	+ 0.91%	+ 0.93%	+ 1.22%	+ 0.84%	- 1.60%	+ 3.58%
52 wk HIGH	16,947	3,028	27,399	8,340	534	77.42 ¢	\$1,566	\$ 70.21
52 wk LOW	13,777	2,347	21,713	6,190	438	73.18 ¢	\$1,233	\$ 45.05
YTD +/- %	+ 14.53%	+ 18.49%	+ 14.96%	+ 21.43%	+ 14.37%	+ 3.28%	+ 16.19%	+ 20.46%
1Yr +/- %	+ 7.17%	+ 8.87%	+ 5.83%	+ 9.93%	+ 6.48%	- 1.30%	+ 21.27%	- 22.93%

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

## What happened last week?

- American equities benefited from the increasing optimism of U.S./China trade negotiations, Canada's TSX lagged its peers south of the border by about 1% as it lost ground as they gained.
  - On Friday President Trump announced that a Phase 1 deal had been reached. The fine details will be written over the next few weeks and signing in November.
    - Increased sales of American agricultural products and protections of intellectual property have been granted by the Chinese in exchange for a delay/elimination of tariffs on Chinese imports that were planned for October 15<sup>th</sup>.
    - This success followed conflicting news throughout the week that U.S. pension funds might invest in Chinese firms. Chinese firms were blocked from business dealings in the U.S., linking trade deals to human rights abuses by Chinese leadership, allowing Huawei to deal with American firms, China narrowing the scope of negotiations, China buying soybeans, . . . .
  - In other trade news, the Irish Prime Minister feels Brexit issues can be solved by the October 31<sup>st</sup> deadline further adding to less uncertainty and positive trade news.

## What's ahead for this week?

- In Canada, it is a light week for economic releases with domestic markets closed for the Thanksgiving holiday. August Manufacturing sales and inflation (Consumer Price Index) for September are scheduled.
- In the U.S., with only celebrations, not work holidays on Columbus Day in many states, the data release calendar is more robust. September information for retail sales, housing starts, building permits, capacity utilization and industrial production are planned.
  - U.S. corporates begin the latest earnings reporting this week and have provided much less "guidance" than recent quarters. Uncertainty typically leads to reduced



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“guidance” and this coming week will show whether their cautious communications have been warranted. <https://www.nytimes.com/2019/10/14/business/stock-market-earnings-season.html>

