

Weekly Market Update

September 23, 2019



Last Week in the Markets: September 16th – 20th, 2019

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	16,899.69	2,992.07	26,935.07	8,117.67	525.567	75.40 ¢	\$1,515.10	\$ 58.09
week +/-	+ 217.27	- 15.32	- 284.45	- 59.04	- 2.065	+ 0.14 ¢	+ \$ 15.60	+ \$ 3.24
week +/- %	+ 1.30%	- 0.51%	- 1.05%	- 0.72%	- 0.39%	+ 0.19%	+ 1.04%	+ 5.91%
52 wk HIGH	16,947	3,028	27,399	8,340	534	78.23 ¢	\$1,566	\$ 73.52
52 wk LOW	13,777	2,347	21,713	6,190	438	73.18 ¢	\$1,221	\$ 45.05
YTD +/- %	+ 17.91%	+ 19.36%	+ 15.47%	+ 22.34%	+ 15.34%	+ 2.81%	+ 18.25%	+ 27.92%
1Yr +/- %	+ 4.22%	+ 2.09%	+ 1.04%	+ 1.11%	- 0.11%	- 2.71%	+ 25.08%	- 17.95%

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

What happened?

- The big news last week, or as it turned out “non news”, was the Federal Reserve in the U.S. cutting its benchmark overnight rate by 25 basis points (¼ of one percent). The cut had been widely anticipated and priced into the price of shares and bonds so its arrival had already affected values in the weeks and days prior to its announcement.
<https://www.federalreserve.gov/newsevents/pressreleases/monetary20190918a.htm>
<https://www.federalreserve.gov/monetarypolicy/fomcpresconf20190918.htm>
- The TSX was the lone equity index among those on our grid (above) on the rise last week thanks to the rising price of oil and gold. Middle East tensions surrounding the attack by Iran on Saudi oil installations boosted the price of oil again and drove investments to safe-haven investing. The energy and materials sectors led the way within the TSX, while the U.S. indices with less reliance on these sectors lost ground. Tempering some of the response was the Saudi announcement that production would be back to pre-attack levels within weeks and the U.S. promise to release strategic oil reserves, if necessary.
 - The TSX now leads the race in year-over-year returns of more than 4% while the rest languish at 1 or 2% ahead of last September’s levels.
- Although it didn’t result in gains in American equity indices, last week saw a truce in the U.S./China trade war with little chatter in the press or on social media.
- Back at home, the Canadian Federal election draws closer to its conclusion in October. The Prime Minister had his electioneering distracted by scandal as campaigns began in earnest.

What’s ahead for this week?

- In Canada, it’s an extremely light economic reporting week with only wholesale trade sales for July scheduled to be announced.



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- In the U.S., August data for new home sales, durable goods orders, wholesale inventories and personal income and spending are anticipated along with revised Gross Domestic Product (GDP) for the second quarter of 2019.

