

# Weekly Market Update

October 7, 2019



Last Week in the Markets: September 30<sup>th</sup> – October 4<sup>th</sup>, 2019

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	16,449.35	2,952.01	26,573.72	7,982.47	514.850	75.11 ¢	\$1,512.90	\$ 52.81
week +/-	- 244.92	- 9.78	- 246.53	+ 42.84	- 4.885	- 0.38 ¢	+ \$ 6.50	- \$ 3.10
week +/- %	- 1.47%	- 0.33%	- 0.92%	+ 0.54%	- 0.94%	- 0.50%	+ 0.43%	- 5.54%
52 wk HIGH	16,947	3,028	27,399	8,340	534	78.23 ¢	\$1,566	\$ 73.01
52 wk LOW	13,777	2,347	21,713	6,190	438	73.18 ¢	\$1,223	\$ 45.05
YTD +/- %	+ 14.77%	+ 17.76%	+ 13.92%	+ 20.30%	+ 12.99%	+ 2.42%	+ 18.08%	+ 16.30%
1Yr +/- %	+ 2.77%	+ 1.74%	- 0.20%	+ 1.31%	- 0.65%	- 2.93%	+ 25.91%	- 28.95%

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

## What happened?

- It was a difficult week for Canadian equity investors. The TSX, S&P 500 and Dow all lost ground while the tech-heavy NASDAQ was the lone index in our grid to gain last week. Unlike other weeks when political turmoil (impeachment, Brexit, trade wars) dominated the news and stock market influence, last weeks showed that more direct information has effect, too.
- Last week's performance reflected new data emanating from the Institute for Supply Management (ISM). The ISM releases monthly reports on the forward-looking opinion of purchasing manager in the U.S. to gauge future economic performance.
  - The ISM's Purchasing Manager's Index for **Manufacturing** fell to its lowest level during the past 12 months indicating a lowering of optimism and expectations for manufacturing and a realization that on-going trade tensions and global growth declines are now hitting American manufacturers.  
<https://www.instituteforsupplymanagement.org/ismreport/mfgrob.cfm?SSO=1>
  - The ISM's **non-Manufacturing** (i.e. services) index also fell in September to the lowest level during the past year, reinforcing the pessimism felt for manufacturers.  
<https://www.instituteforsupplymanagement.org/ISMReport/NonMfgROB.cfm?SSO=1>
- Global markets also felt the strain as the ACWI (MSCI's All Country World Index) in our grid fell nearly 1% as European markets reacted to the World Trade Organizations ruling against the European Union's support of Airbus. The U.S. is introducing new tariffs on EU goods as an offset and will effectively raise prices that temper demand and reduce overall trade levels.

## What's ahead for this week?

- In Canada, economic data will focus on housing and employment with building permits for August and housing starts and the employment report for September scheduled for release
- In the U.S., wholesale inventories for August will accompany inflation data with the price



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indices for Consumers, Producers, Imports and Exports for September this week.

