

Weekly economic review

Sébastien Mc Mahon, CFA

02 / 05 / 2016





A look at this week's markets

At the close on Thursday

Canadian Bonds (total return)

Year-to-date

FTSE TMX Universe	0.44%	0.83%
FTSE TMX Long	0.87%	1.34%
Corps	0.35%	0.37%

Equities (total return)

S&P/TSX	-0.37%	-1.53%
S&P 500	-1.22% (-3.7% CAD)	-6.12% (-6.89% CAD)
EAFE	-0.42% (-2.92% CAD)	-7.62% (-8.38% CAD)
MSCI Emerging	-0.38% (-2.88% CAD)	-6.87% (-7.64% CAD)

Other (WTD change)

Year-to-date

Oil (WTI)	31.72 \$	-5.65%	-14.36%
USD/CAD	0.7285 \$	2.58%	0.83%
Gold	1 155.59 \$	3.34%	8.90%

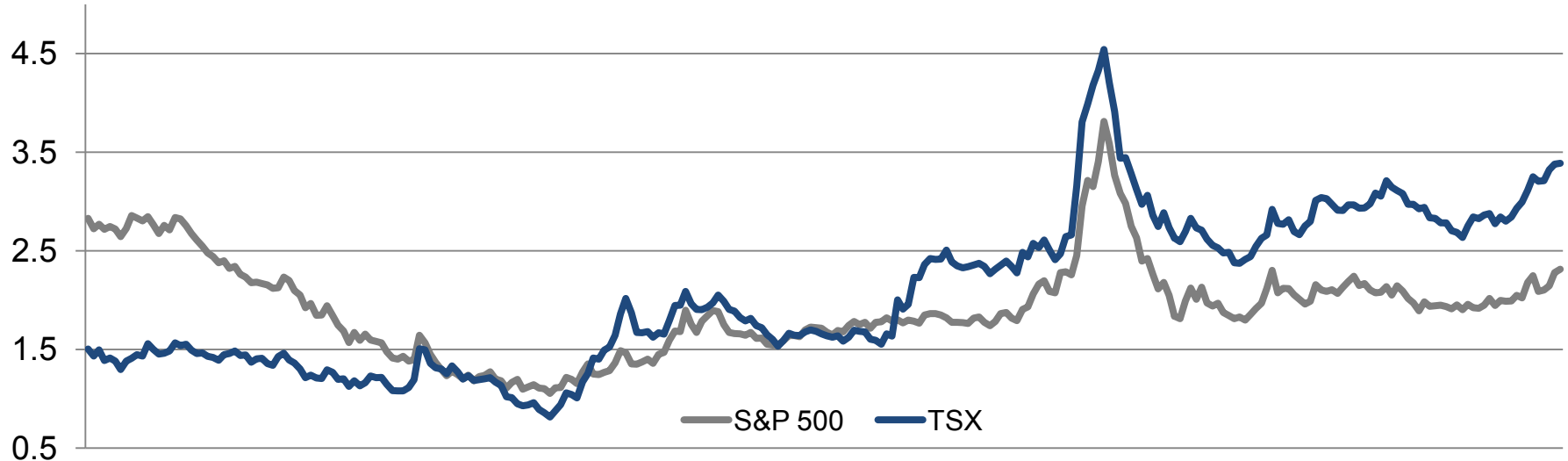
What caught our eye this week

- **A few words on the markets...**
- **Employment reports:**
 - Small pullback in Canada, more gains in the U.S.



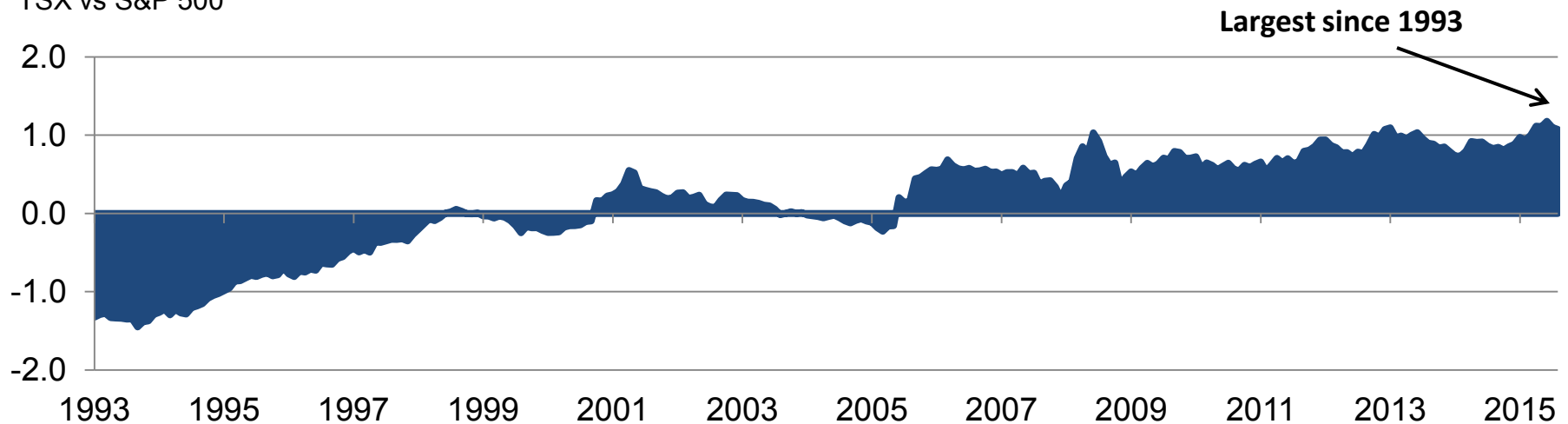
TSX vs S&P 500: The largest spread between dividend yields in over 20 years

Dividend yield, TSX vs S&P 500



Spread between dividend yields

TSX vs S&P 500



Largest since 1993

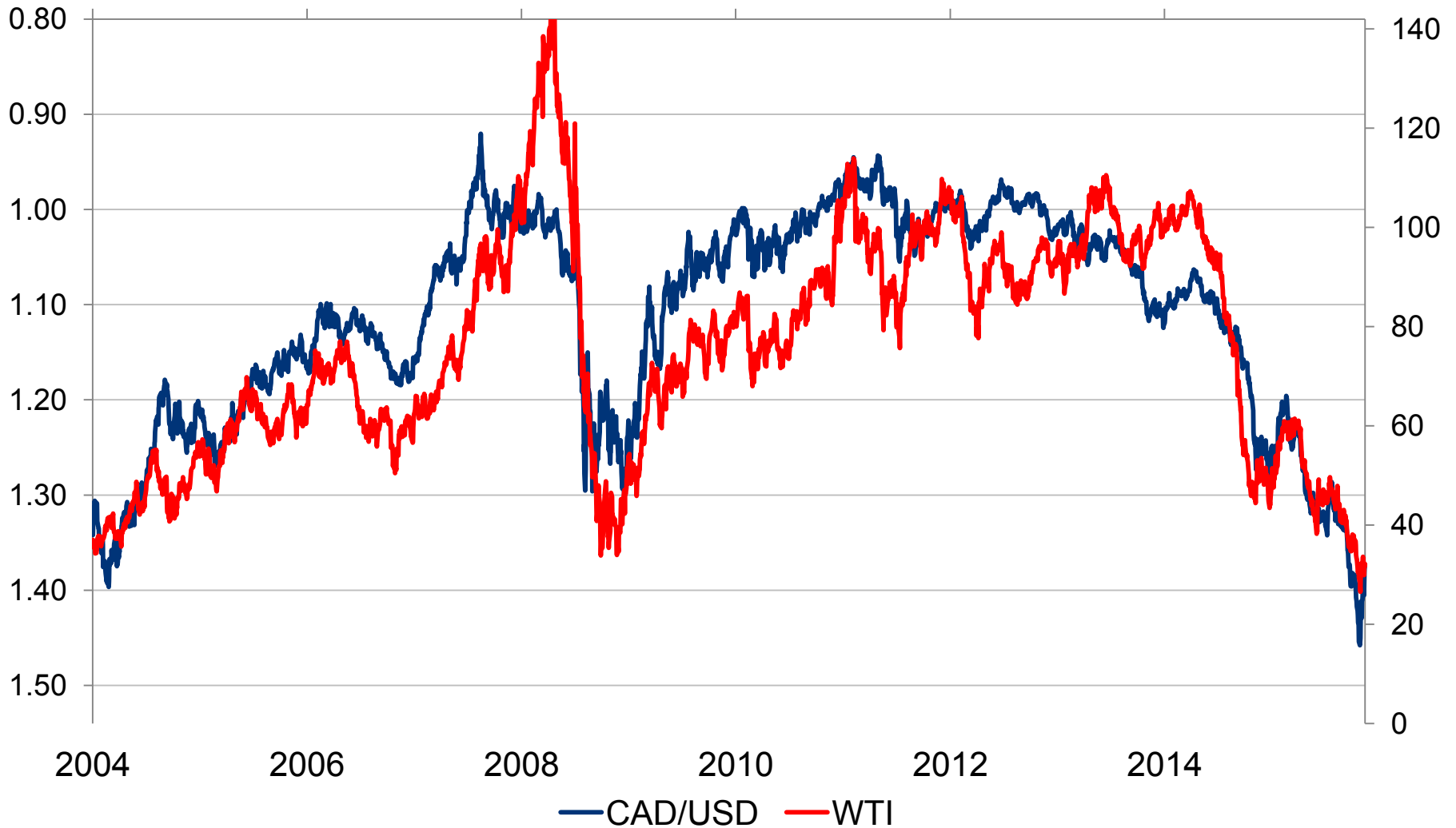


Asset allocation: The Canadian stock market offers a dividend yield well above the 10-year rate on federal bonds !

Canada: Dividend yield vs 10-year rate

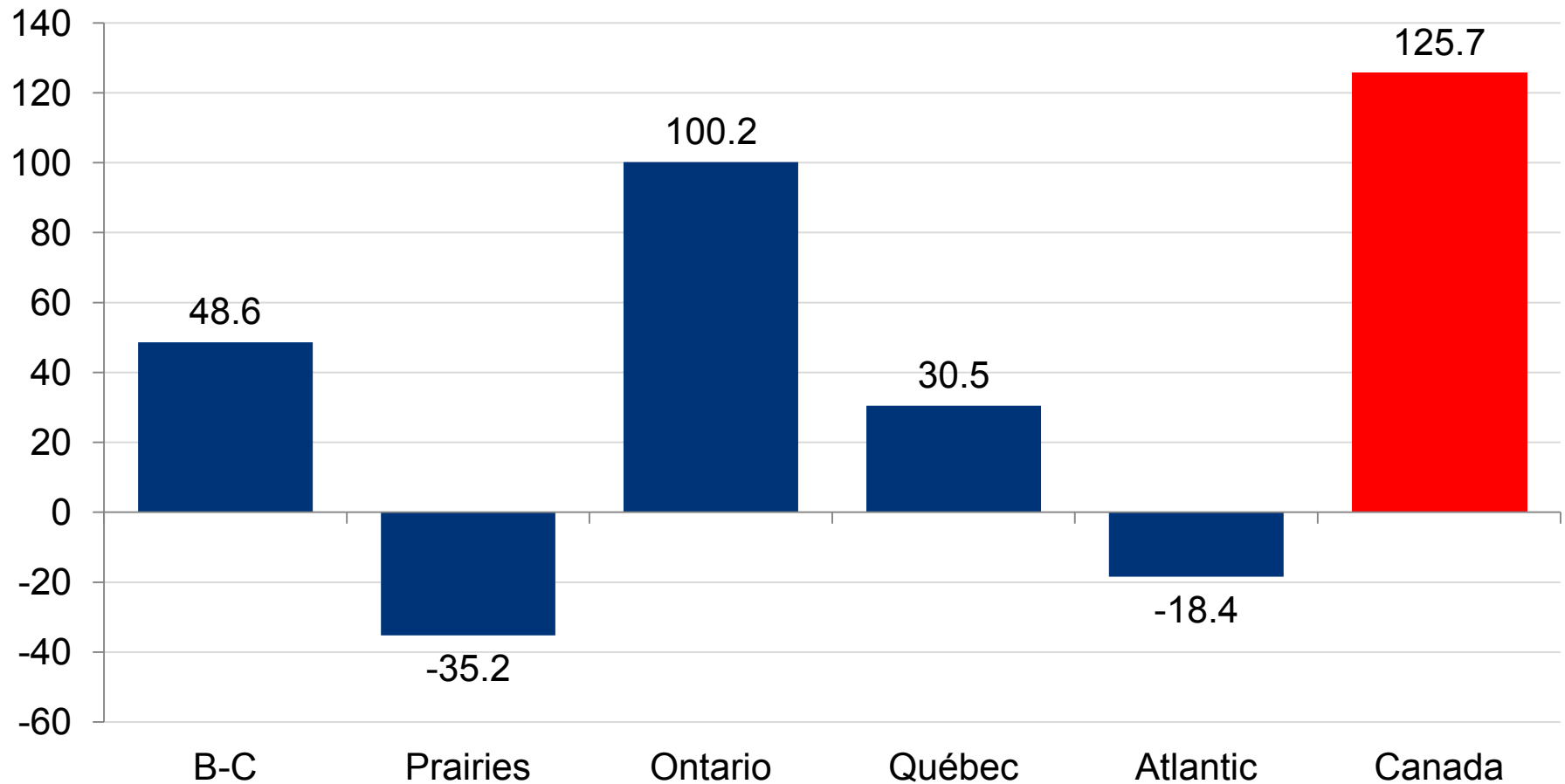


CAD/USD vs Oil price relation

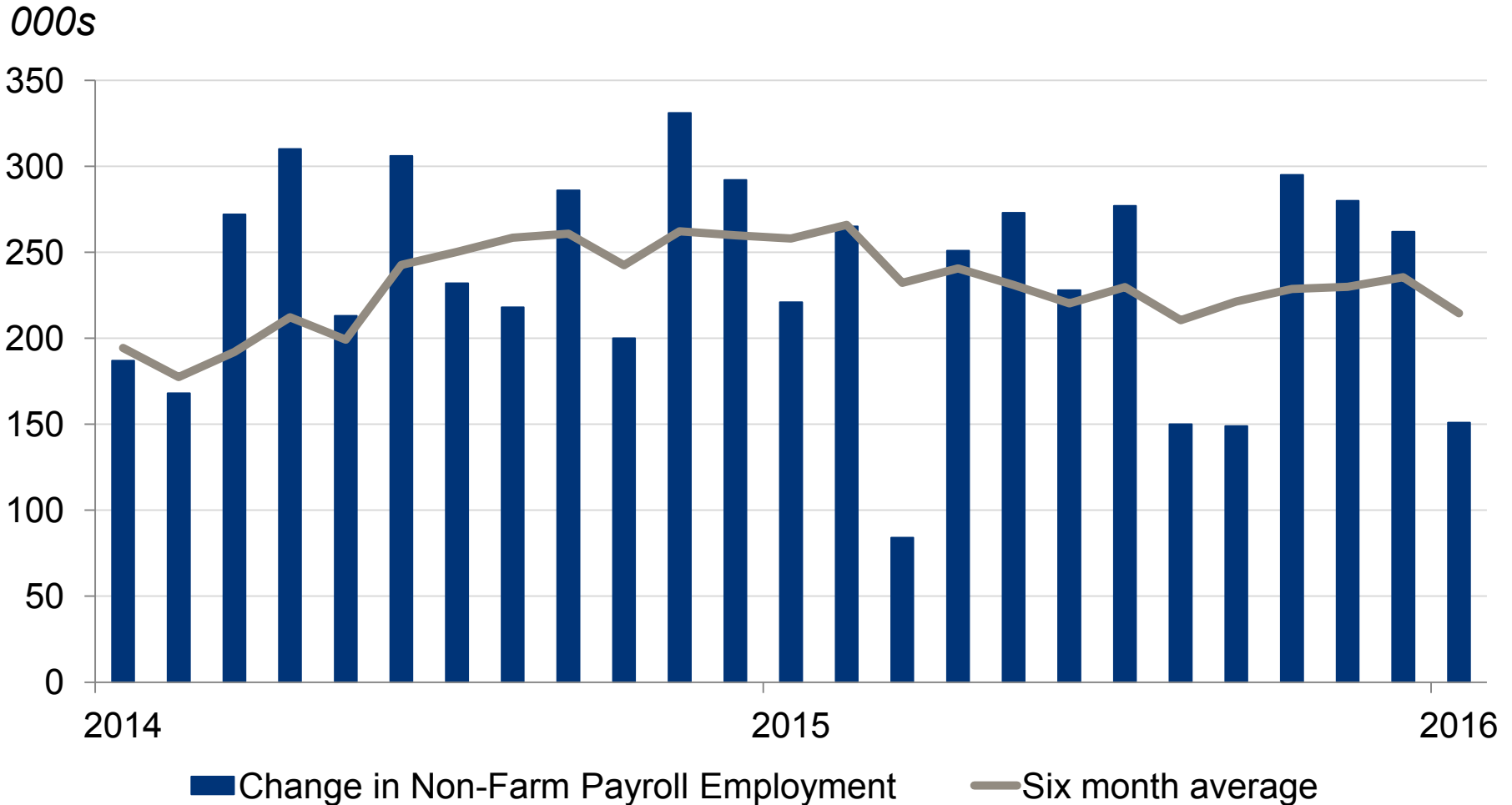


Jobs creation in Canada in the last 12 months

As of January 31, 2016



Monthly change in Non-Farm Payroll Employment



What we'll be watching next week

- **Canada:**
 - Teranet/National Bank HPI (last month: +6.2% YoY)
- **U.S.:**
 - Retail sales (consensus: up 0.1% MoM)



To contact us

economics@ia.ca

www.ia.ca/economy