

# Weekly economic review

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# A look at this week's markets

*At the close on Thursday*

## Canadian Bonds (total return)

		<b><i>Year-to-date</i></b>
FTSE TMX Universe	-0.24%	4.72%
FTSE TMX Long	-0.48%	9.96%
Corps	-0.19%	4.83%

## Equities (total return)

S&P/TSX	-0.32%	15.11%
S&P 500	0.19% (-1.12% CAD)	8.53% (0.18% CAD)
EAFE	-0.11% (-1.42% CAD)	1.77% (-6.06% CAD)
MSCI Emerging	0.69% (-0.63% CAD)	15.40% (6.52% CAD)

## Other (WTD change)

			<b><i>Year-to-date</i></b>
Oil (WTI)	48.22 \$	8.38%	30.18%
USD/CAD	0.7828 \$	1.33%	8.34%
Gold	1 352.36 \$	1.23%	27.45%

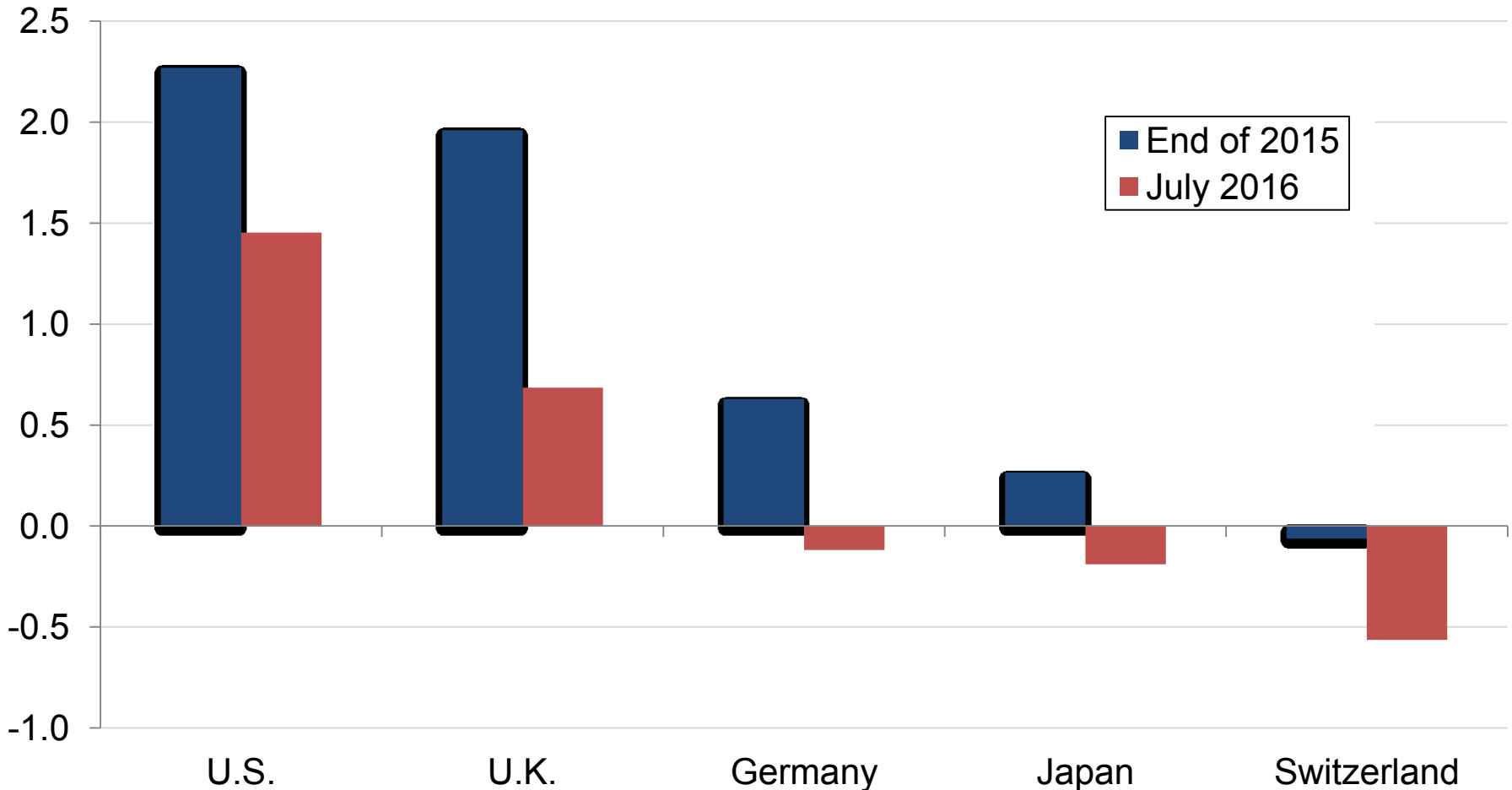
# What caught our eye this week

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- **Interest rates:**
  - A look at where we are right now, and what could be coming next

## World: Sharp drop in bond yields since the beginning of the year

10-year government bond yields, in %



# On a relative basis, Canadian long government bonds remain attractive... in a search for yield environment

## Gouvernement 10-year interest rates % as at August 19, 2016

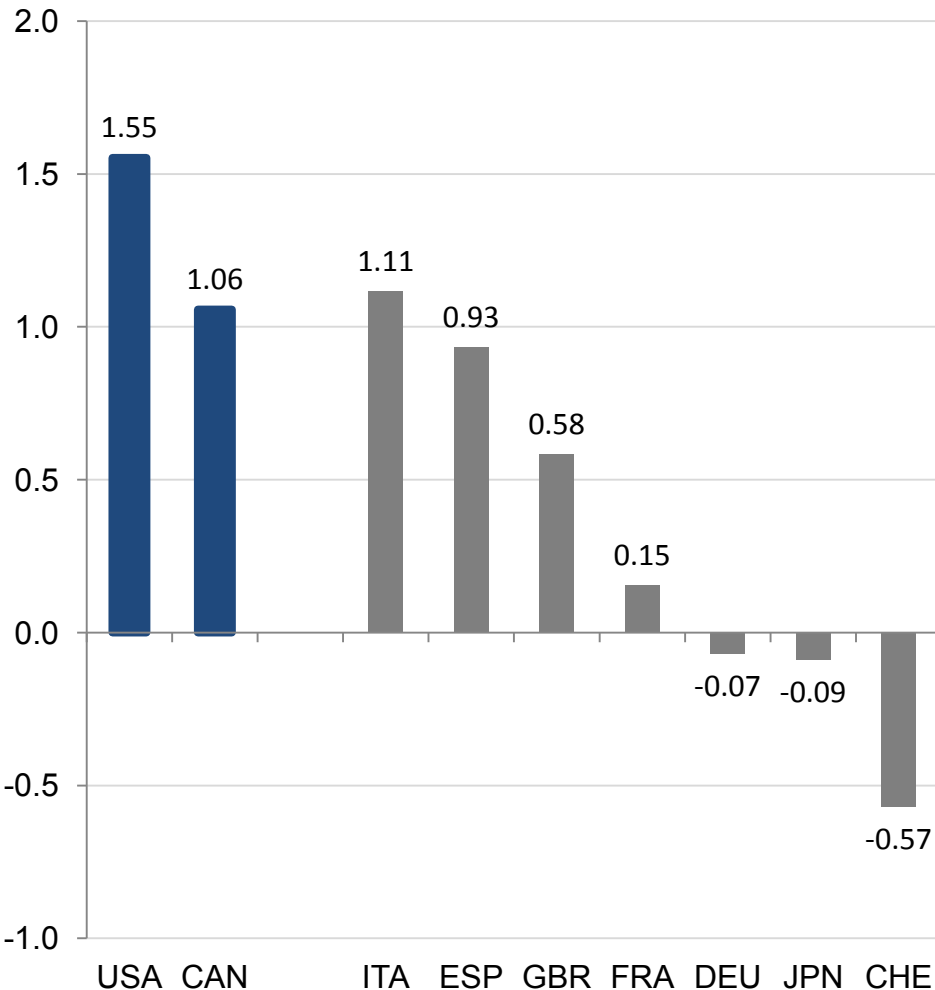
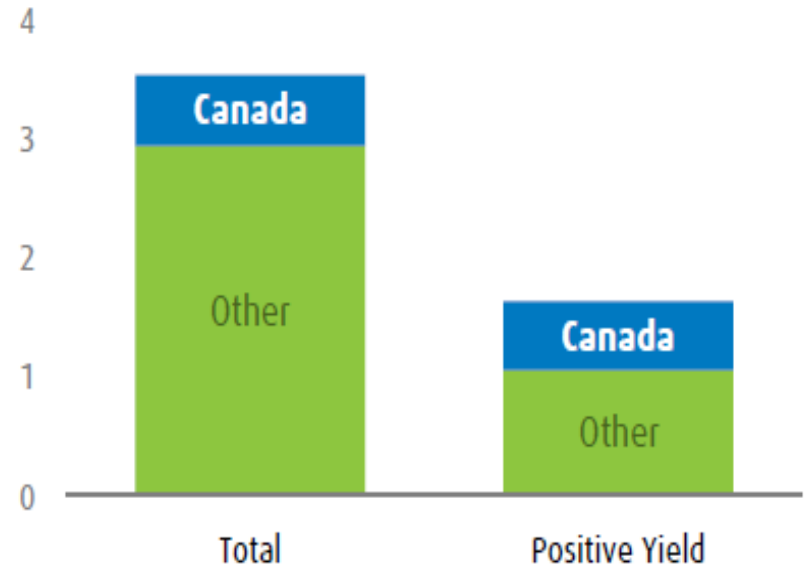


Chart 3

## Slim Pickings

(US\$ trlns : as of July 18, 2016)

### Sovereign AAA-rated Debt <sup>1</sup>



<sup>1</sup> including those under review

Sources: BMO Economics, Bloomberg

# What we'll be watching next week

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- **Canada:**
  - Wholesale Trade Sales (last month: +1.8% MoM in June)
- **U.S.:**
  - Durable goods orders (consensus: up 3.5% MoM in July)
  - Q2 GDP growth, first revision (consensus: down to 1.1%)



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