

Weekly economic review

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A look at this week's markets

At the close on Thursday

Canadian Bonds (total return)

		<i>Year-to-date</i>
FTSE TMX Universe	-0.14%	1.64%
FTSE TMX Long	-0.51%	2.29%
Corps	0.04%	3.69%

Equities (total return)

S&P/TSX	1.68%	20.86%
S&P 500	2.52% (1.92% CAD)	12.21% (7.19% CAD)
EAFE	2.74% (2.15% CAD)	0.40% (-4.09% CAD)
MSCI Emerging	3.08% (2.48% CAD)	10.73% (5.77% CAD)

Other (WTD change)

			<i>Year-to-date</i>
Oil (WTI)	50.84 \$	-1.63%	37.26%
USD/CAD	0.7564 \$	0.58%	4.68%
Gold	1 170.78 \$	-0.56%	10.34%

- **Bonds:**
 - Less risky than equities in the long-term, but more volatile since the U.S. election



Bonds: Much more sensitive to rising rates now than in the past

Rate change (bps)	12-Month expected total return on U.S. 10-year bonds (percent)			
	July 2016	July 2005	July 1995	July 1985
+200	-17.1%	-11.9%	-8.2%	0.1%
+150	-12.5%	-7.8%	-4.5%	3.0%
+100	-7.8%	-3.8%	-0.9%	5.9%
+50	-3.2%	0.2%	2.8%	8.8%
0	1.5%	4.3%	6.4%	11.7%
-50	6.1%	8.3%	10.1%	14.6%
-100	10.7%	12.4%	13.7%	17.5%
-150	15.4%	16.4%	17.4%	20.4%

What we'll be watching next week

- **Canada:**
 - Teranet/National Bank HPI (last month: +11.8 % MoM in November)
 - Manufacturing sales (consensus: +0.7% MoM in October)
 - Existing home sales (last month: +2.4% MoM in November)
- **U.S.:**
 - Retail sales (consensus: +0.3% MoM in November)
 - FOMC committee decision (consensus: hike of the leading rate by 25 pbs)



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