

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	0.17%	1.50%
FTSE TMX Long Corps	0.26%	3.82%
	0.19%	2.47%

Equities (total return)

S&P/TSX	0.29%	6.35%
S&P 500	-0.57% (1.16% CAD)	16.22% (11.08% CAD)
EAFE	-0.27% (1.46% CAD)	21.13% (15.78% CAD)
MSCI Emerging	-1.03% (0.7% CAD)	28.52% (22.84% CAD)

Other (WTD change)

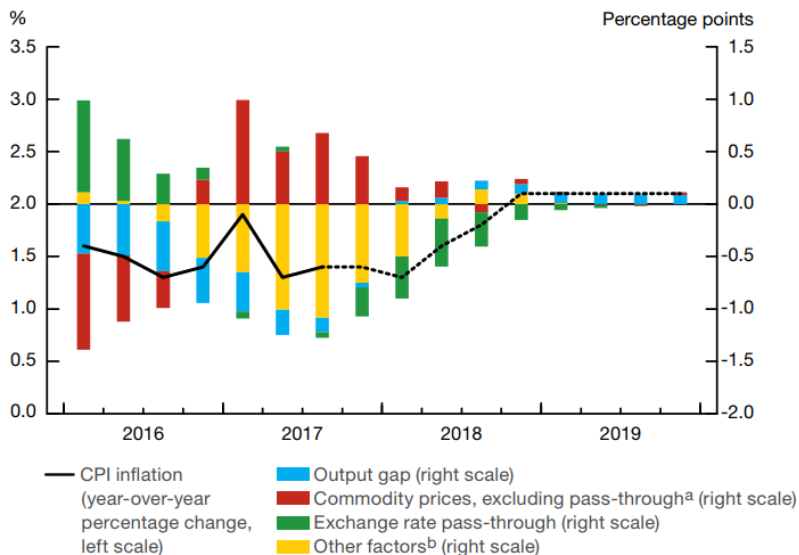
			<i>Year-to-date</i>
Oil (WTI)	52.64 \$	2.27%	-2.01%
USD/CAD	0.7784 \$	-1.71%	4.62%
Gold	1 266.99 \$	-1.05%	10.41%

What caught our eye this week

- ▶ Canada:
 - ▶ Bank of Canada stays put and adopts a more cautious tone
- ▶ U.S.:
 - ▶ Q3 GDP growth beats expectations, but the details are less rosy

Chart 17: CPI inflation is expected to increase and remain close to 2 per cent over the projection horizon

Contribution to the deviation of inflation from 2 per cent, quarterly data



- a. This also includes the effect on inflation of the divergence from the typical relationship between gasoline and crude oil prices, the introduction of the cap-and-trade plan in Ontario and the Alberta carbon levy.
- b. From mid-2016 until early 2018, on net, other factors mostly represent the expected impact of below-average inflation in food products and the estimated impact on electricity prices of Ontario's Fair Hydro Plan.

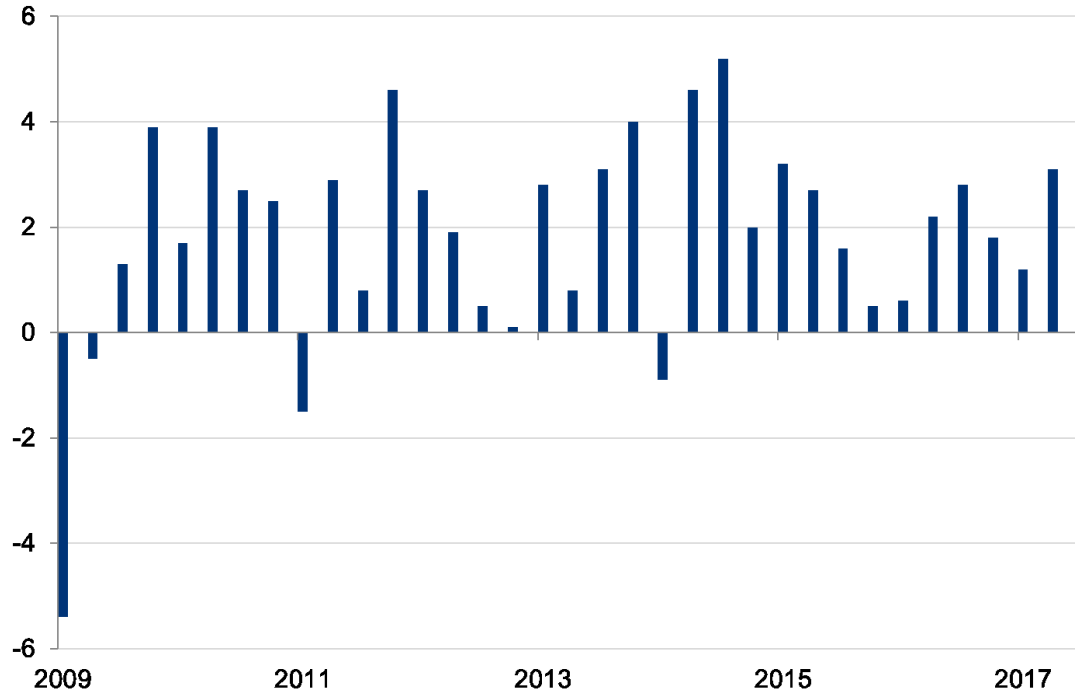
Sources: Statistics Canada and Bank of Canada estimates, calculations and projections

U.S.:

Q3 GDP growth beats expectations, but...

U.S.: Growth of 3.0% in Q3

Annualized quarterly growth, %



What we'll be watching next week

- ▶ Canada:
 - ▶ GDP Growth for August (consensus : +0.1% MoM)
 - ▶ Net Change in Employment (consensus: +15.6K in October)
- ▶ U.S.:
 - ▶ Conference Board Consumer Confidence Index (consensus: higher at 121.0 in October)
 - ▶ ISM Manufacturing Index (consensus: stable at 59.3 in October)
 - ▶ FOMC decision (consensus: no change)
 - ▶ Change in Non-Farm Payroll (consensus: +310K in October)



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