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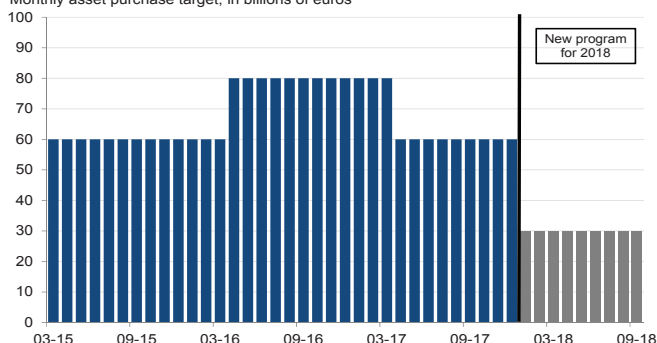
## The Bank of Canada presses pause

### World

The European Central Bank (ECB) has extended its asset purchase program until September 2018 (a nine-month extension starting January) but decided to reduce the size of its debt purchases from 60 billion to 30 billion euros per month. While this adjustment reflects the progress of the Eurozone's growth prospects, the ECB continues to demonstrate caution by reaffirming that inflation remains under target and that a high level of monetary accommodation is still required. It has also stated that an increase to the leading rate can only be considered "well after" the end of its asset purchase program.

**Europe: Asset purchase program by the European Central Bank (ECB)**

Monthly asset purchase target, in billions of euros



### North America

After two consecutive increases to its leading rate in July and September, the Bank of Canada (BoC) left its rate unchanged in October. Significant positive surprises observed in economic data since the beginning of the year now seem to be moderating while inflation is below expectations, which should lead the BoC to be cautious in making future adjustments to the policy rate. Across the border, expectations of the Federal Reserve point to a new increase by the end of the year.

**Economic surprise indices**

Citigroup indices



### Financial markets

In October, Japan's Nikkei 225 stock market index recorded more than 15 consecutive positive sessions which has never happened since the index was created in 1950. Investors celebrated the compelling re-election of prime minister Shinzo Abe's conservative party, which will hold more than two thirds of seats in the cabinet. This victory symbolizes the continuity of the economic program ("Abenomics") promoted by the prime minister in 2012, aimed at stimulating the country's economic activity and ending deflation through, among others, an ultra-accommodating monetary policy.

**The Japanese stock market surged!**

Nikkei 225, local currency



## Total Return Reference indexes<sup>2</sup>

Returns as at October 31, 2017

	Simple returns <sup>1</sup>			Compound annual returns			
	1 month %	3 months %	YTD %	1 year %	3 years %	5 years %	10 years %
<b>Indexes related to Income Funds</b>							
FTSE TMX Canada 91 Day T-Bill Index	0.1	0.2	0.4	0.5	0.6	0.7	1.1
FTSE TMX Canada Short Term Bond Index	0.6	0.6	0.4	(0.1)	1.5	1.8	3.3
FTSE TMX Canada Universe Bond Index	1.6	1.7	2.1	(0.5)	3.2	3.0	4.8
SB - World Government Bonds (Can. \$)	2.5	2.5	1.6	(3.6)	5.4	4.8	5.9
<b>Indexes related to Canadian Equity Funds</b>							
S&P/TSX 60	3.0	7.1	7.8	12.3	6.8	9.1	4.1
S&P/TSX Completion Index	1.8	5.1	5.9	9.2	4.4	6.4	3.7
S&P/TSX Composite Index	2.7	6.6	7.3	11.5	6.2	8.4	3.9
S&P/TSX Capped Composite Index	2.7	6.6	7.3	11.5	6.2	8.4	3.9
S&P/TSX SmallCap. Index	1.7	4.1	(0.2)	5.7	6.0	4.4	1.3
<b>Indexes related to U.S. &amp; International Equity Funds</b>							
S&P 500 (Can. \$)	5.5	8.0	12.4	18.9	15.8	21.2	10.8
MSCI - World (Can. \$)	5.0	7.5	13.5	18.1	13.1	17.4	7.3
MSCI - EAFE (Can. \$)	4.6	7.2	16.9	18.7	10.9	14.2	4.2
MSCI - EAFE (Can. \$) (Reuters)	4.6	7.2	17.1	18.7	10.9	14.2	4.2
MSCI - Europe (Can. \$)	3.6	7.1	19.1	22.9	10.9	14.4	4.4
<b>Index related to Specialty Funds</b>							
MSCI - AC Asian Pacific Free (Can. \$)	7.5	8.8	22.2	19.3	13.6	15.2	5.7
MSCI - Emerging Markets (Can. \$)	6.7	8.7	27.3	22.1	10.9	10.7	4.1
MSCI - World Health Care (Can. \$)	1.8	4.2	13.1	15.2	10.8	20.2	12.5
NASDAQ 100 (Can. \$)	7.7	9.5	23.3	25.2	19.8	24.9	14.2
S&P/TSX Capped REIT Index	2.1	3.7	5.9	9.2	5.0	4.9	7.0
<b>Exchange Rate (Can. \$ / US \$)</b>							
As at October 31, 2017: 1.2891	3.1	3.1	(3.9)	(3.8)	4.6	5.2	3.1
<b>Exchange Rate (US \$ / Can. \$)</b>							
As at October 31, 2017: 0.7757	(3.0)	(3.0)	4.0	4.0	(4.4)	(5.0)	(3.0)

<sup>1</sup> The rates for the period are non-annualized.

<sup>2</sup> Please refer to the Legal Notices on page 3 for more information about these Indexes.

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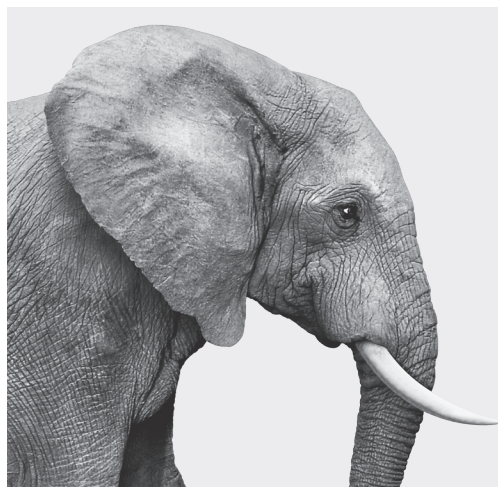
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## Economic and Financial Statistics as at October 31, 2017

	As at 2017-10-31 <sup>1</sup>	As at 2016-12-31
Canada - Unemployment rate	6.3%	6.8%
Canada - CPI (year/year variation)	1.6%	1.2%
Canada - GDP (year/year variation)	3.5%	1.5%
U.S. - Unemployment rate	4.1%	4.6%
U.S. - CPI (year/year variation)	2.2%	1.7%
U.S. - GDP (year/year variation)	2.3%	1.7%
2-year Canada Bonds	1.39%	0.75%
10-year Canada Bonds	1.95%	1.72%
Oil (West Texas) (US \$)	54.4	53.7
Gold (US \$)	1,269.5	1,157.5
CRB Commodities Index (US \$)	187.6	192.5
Exchange rate Can. \$/US \$	1.2886	1.3433

<sup>1</sup> Most recent data available at such date



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