

Weekly economic review

Sébastien Mc Mahon, CFA

03/02/18



INVESTED IN YOU.

A look at this week's markets

At the close on Thursday



Canadian Bonds (total return)

		<i>Year-to-date</i>
FTSE TMX Universe	0.46%	-0.40%
FTSE TMX Long	1.01%	-1.16%
Corps	0.38%	0.01%

Equities (total return)

S&P/TSX	-1.49%	-4.66%
S&P 500	-2.48% (-0.91% CAD)	0.49% (2.61% CAD)
EAFE	-2.02% (-0.44% CAD)	-1.13% (0.97% CAD)
MSCI Emerging	-1.99% (-0.41% CAD)	2.92% (5.1% CAD)

Other (WTD change)

			<i>Year-to-date</i>
Oil (WTI)	60.99 \$	-4.03%	0.94%
USD/CAD	0.7790 \$	-1.59%	-2.07%
Gold	1 317.03 \$	-0.88%	1.09%

What caught our eye this week

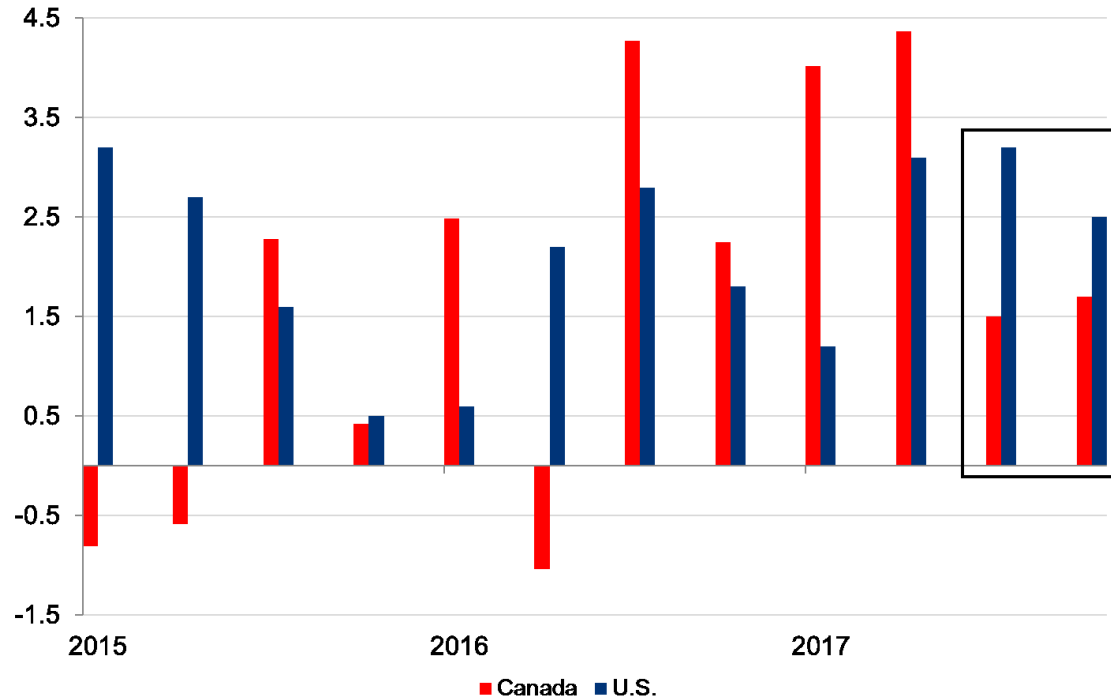
- ▶ Canada:
 - ▶ Economy slowing down in H2 of 2017
- ▶ U.S.:
 - ▶ The start of a trade war?

Canada:

A softer than expected end to the year

Canada: Growth slowing down since mid-2017

Real quarterly GDP growth, annualized, %



U.S.:

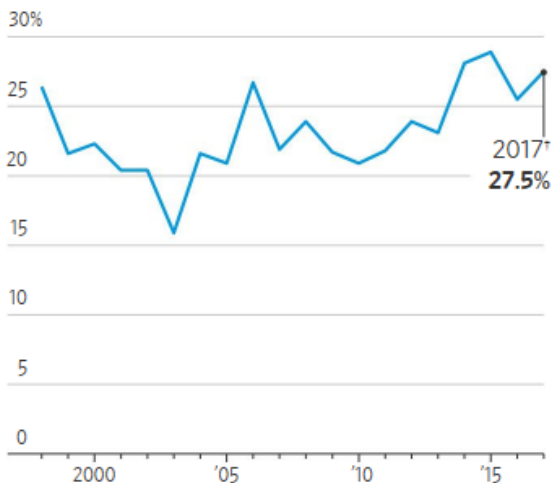
Trump announces tariffs on steel and aluminum

Knotty Ties

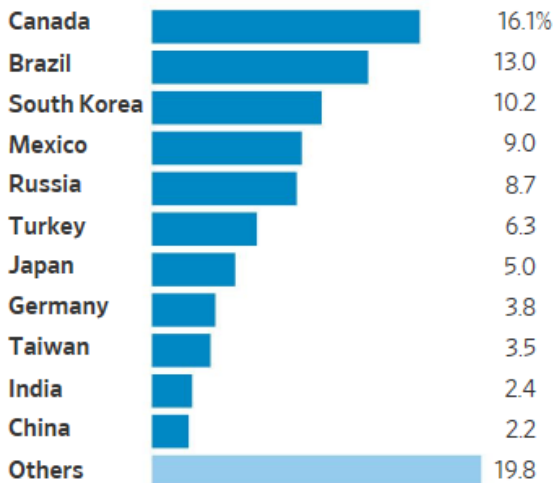
As the U.S. weighs how to curb rising steel imports, including Chinese product that comes through third nations...

...it faces a challenge: Other top exporters are U.S. allies like Canada and Japan.

U.S. steel imports as a share of domestic market*



Share of U.S. steel imports by country, 2017†



*Finished steel products (excludes semi-finished) †Through October 2017

Source: U.S. Department of Commerce

What we'll be watching next week

- ▶ Canada:
 - ▶ Bank of Canada Rate Decision (consensus : no change)
 - ▶ Housing Starts (last month: 216.2K in January)
 - ▶ Building Permits (last month: +4.8% MoM in December)
 - ▶ Net change in employment (last month: -88K in January)
 - ▶ Unemployment Rate (last month: 5.9% in January)
- ▶ U.S.:
 - ▶ ISM Non-Manufacturing Index (consensus: lower at 58.5 in February)
 - ▶ Change in Nonfarm Payrolls (consensus: +200K in February)
 - ▶ Unemployment rate (consensus: lower at 4.0% in February)
 - ▶ Average Hourly Earnings (consensus: +2.9% YoY in February)



To contact us

economics@ia.ca

www.ia.ca/economy