

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	0.01%	-1.06%
FTSE TMX Long Corps	-0.10%	-2.62%
	0.08%	-0.55%

Equities (total return)

S&P/TSX	1.06%	-2.65%
S&P 500	-0.12% (0.74% CAD)	0.32% (2.71% CAD)
EAFE (in USD)	-0.59% (0.26% CAD)	0.31% (2.69% CAD)
MSCI Emerging (in USD)	-2.05% (-1.21% CAD)	-1.22% (1.13% CAD)

Other (WTD change)

			<i>Year-to-date</i>
Oil (WTI)	68.19 \$	-0.28%	12.86%
USD/CAD	0.7770 \$	-0.85%	-2.32%
2 Gold	1 316.80 \$	-1.46%	1.07%

What caught our eye this week



- ▶ U.S.:
 - ▶ Business investment surprisingly stalls in early 2018...
 - ▶ ... while GDP growth surprises to the upside in Q1

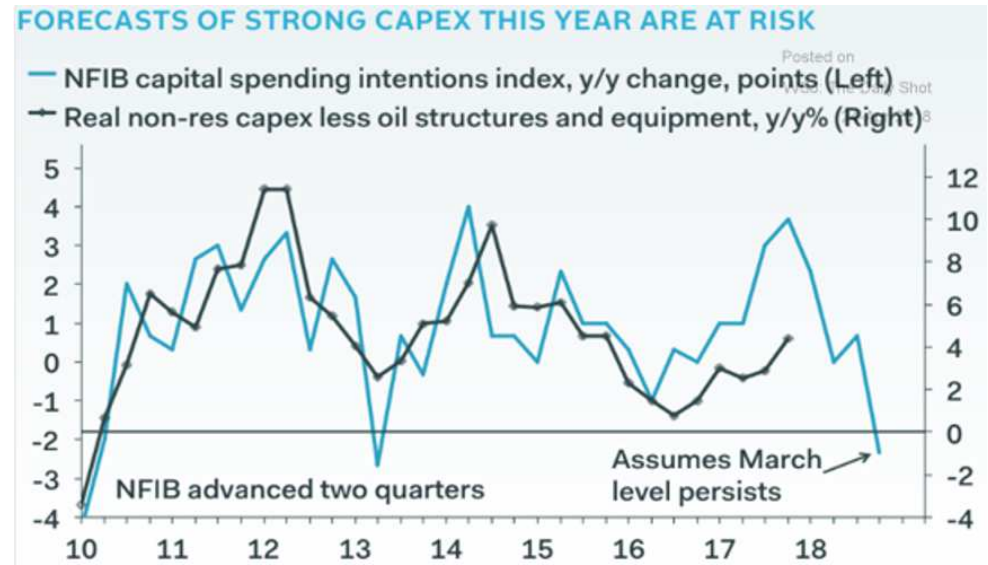
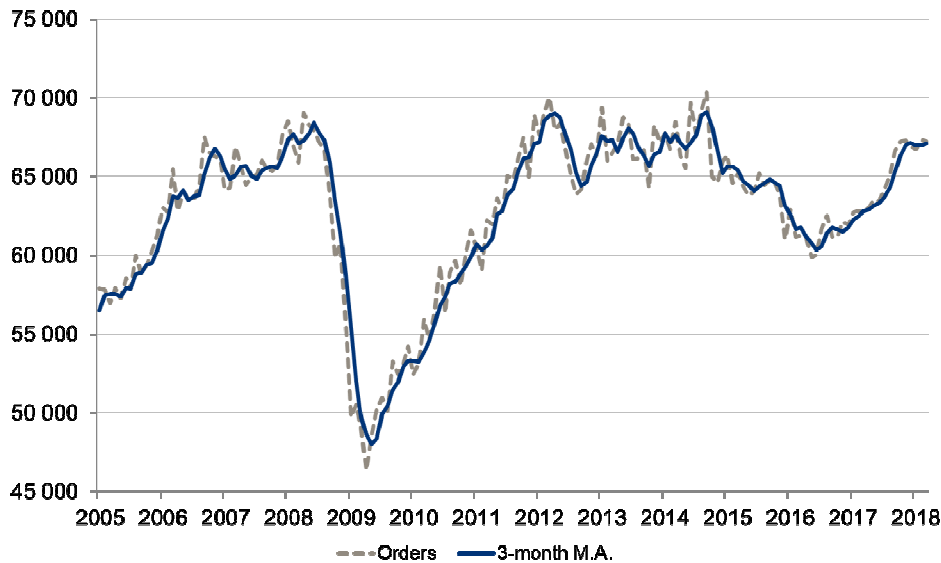
U.S.:

Business investment surprisingly stalls in early 2018



U.S.: Business investment

Capital goods new orders nondefense ex. aircraft, value and 3-month M.A., \$ millions



4 Source: iA Economics, data from Bloomberg

Source: WSJ

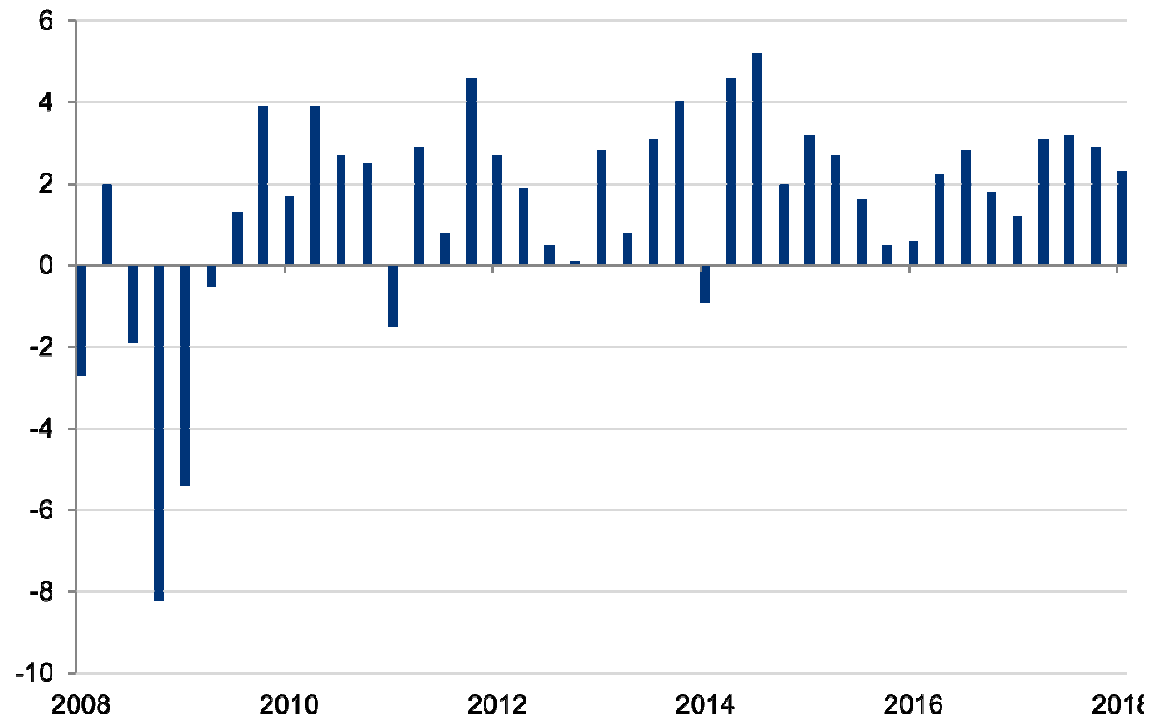
U.S.:

GDP slows down a bit, but Q1 was still the best start to a year since 2015



U.S.: Growth of 2.3% in Q1

Annualized quarterly growth, %



What we'll be watching next week



- ▶ Canada:
 - ▶ February GDP growth (consensus: +0.3% in February)
 - ▶ International Merchandise Trade Balance (last month: \$2.7G deficit in February)
- ▶ U.S.:
 - ▶ PCE Price Index (consensus: higher at 2.1% YoY in March)
 - ▶ ISM Manufacturing Index (consensus: lower at 58.5 in April)
 - ▶ FOMC Rate Decision (consensus: no change)
 - ▶ ISM Non-Manufacturing Index (consensus: lower at 58.0 in April)
 - ▶ Revision to Durable Goods Orders (consensus: 2.6% MoM in March)
 - ▶ Change in Nonfarm Payrolls (consensus: higher at 185K in April)
 - ▶ Unemployment rate (consensus: lower at 4.0% in April)



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