

Weekly economic review

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A look at this week's markets

At the close on Thursday



	<i>Week-to-date</i>		<i>Year-to-date</i>	
	Local currency	<i>In CAD</i>	Local currency	<i>In CAD</i>
Canadian Bonds (total return)				
FTSE TMX Universe	-0.08%		1.49%	
FTSE TMX Long Corps	-0.20%		2.37%	
	-0.03%		1.93%	
Equities (total return)				
S&P/TSX	1.03%		12.05%	
S&P 500	0.01%	-0.08%	11.03%	7.73%
MSCI EAFE	0.98%	1.43%	9.05%	5.58%
MSCI Emerging	1.80%	1.89%	8.26%	5.68%
Other	Current price	Return WTD*	Return YTD*	
Oil (WTI)	56.96 \$	2.46%	25.43%	
USD/CAD	0.7557 \$	0.09%	3.06%	
Gold	1 323.63 \$	0.09%	3.21%	

What caught our eye this week

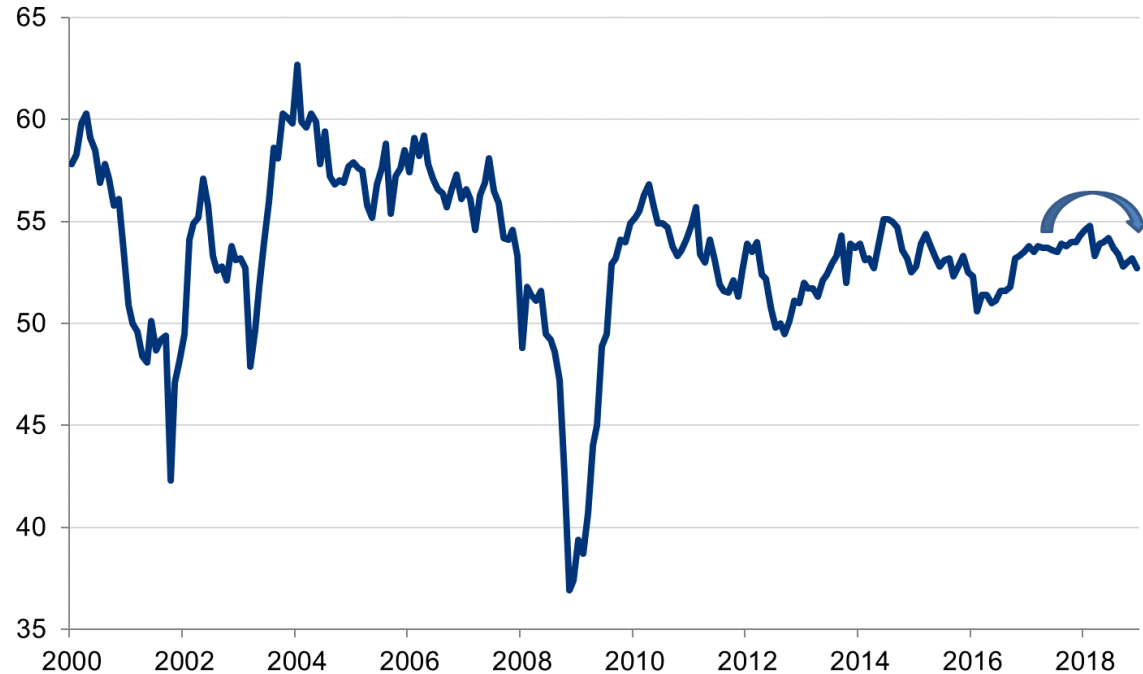
- **World:**
 - A brief look at the economic background
- **Canada:**
 - Retail sales still contract, but a more rosy picture when excluding gasoline

World:

2018 was the year of the slowdown

World: Generalized economic slowdown in 2018

Global Purchasing Manager's Index



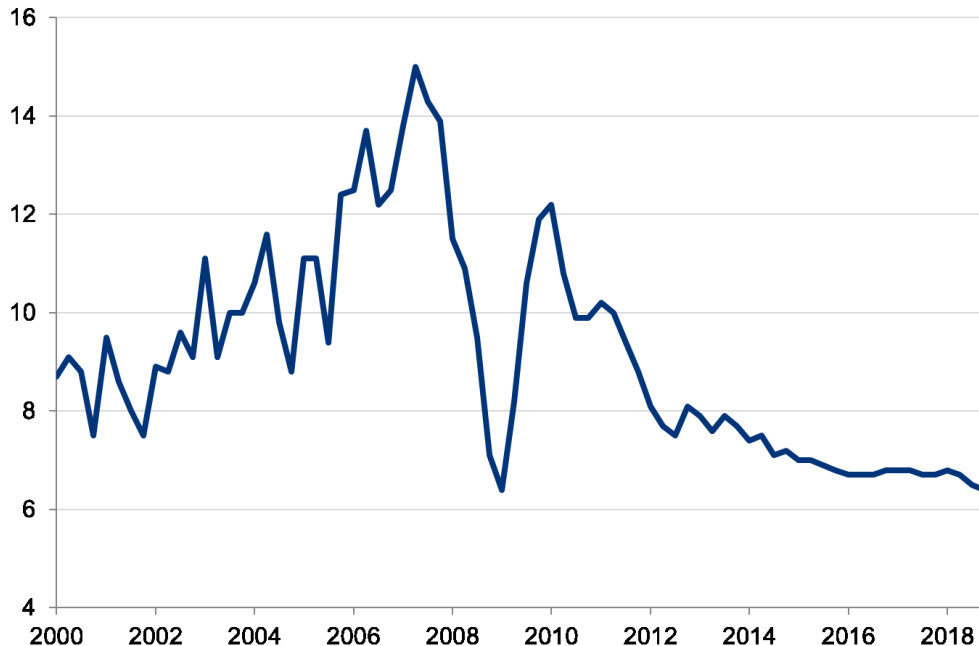
Source: iA Economics, data via Bloomberg

China:

Slowing down, but lots of stimulus in the pipeline

China: A structural slowdown

GDP growth, YoY, in %



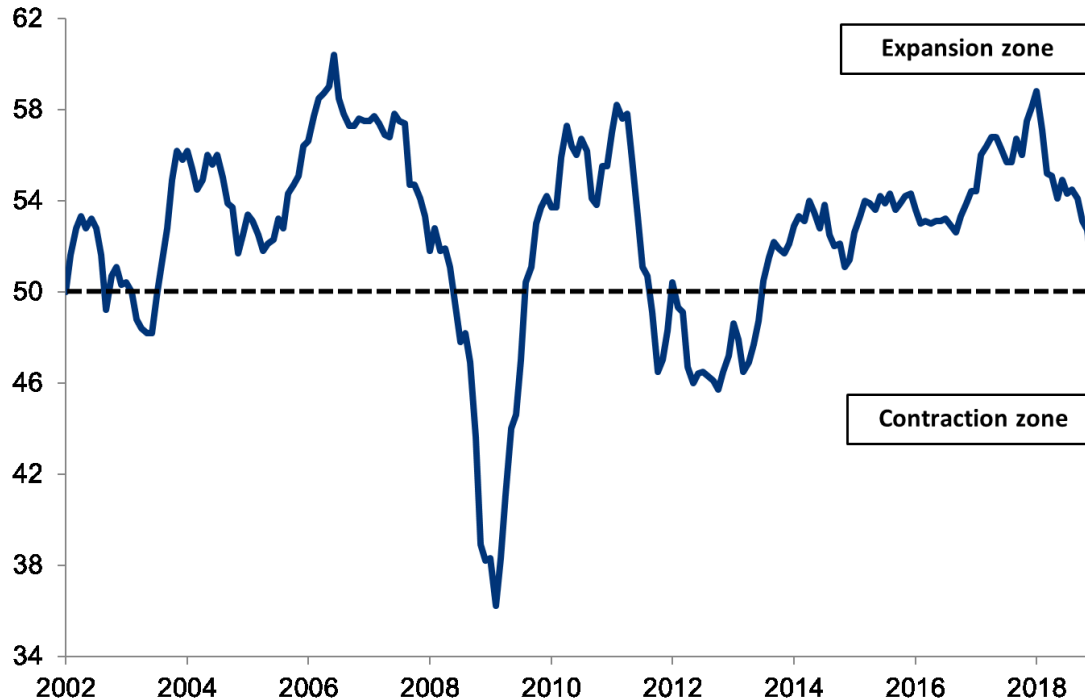
- China has been in a structural slowdown for over 10 years
- Trade tensions with the U.S. are weighing on short-term perspectives
- However, the Chinese government announced many stimulative measures, both fiscal and monetary, in the last year.

Eurozone:

Responsible for most of the recent slowdown

Eurozone: Economic growth in deceleration

Purchasing Managers' index (Markit Eurozone Composite PMI)

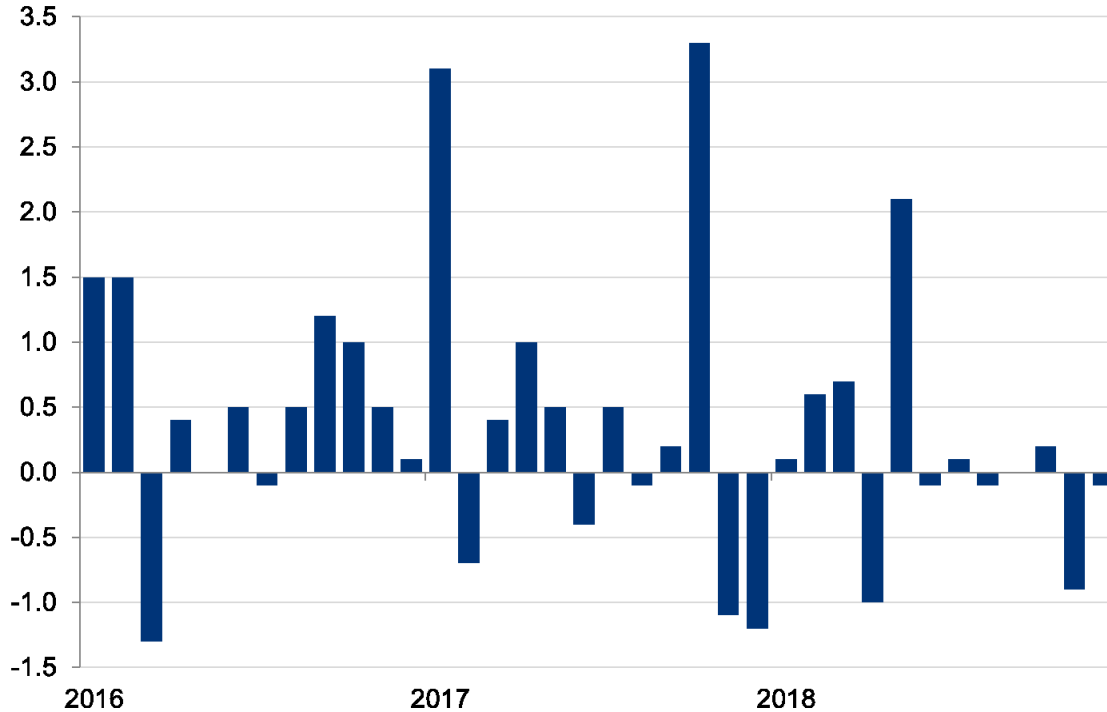


Canada:

Retail sales end the year in the red

Canada: Retail sales

Value, monthly var., %



What we'll be watching next week

- **Canada:**

- CPI Inflation (consensus: 1.5% YoY in January)
- December 2018 GDP Growth (last month: -0.1% MoM in November)
- 2018 Q4 GDP Growth (previous quarter: 2.0% SAAR)

- **U.S.:**

- Housing Starts (consensus: stable at 1255K in December)
- Building Permits (consensus: -0.4% MoM in December)
- 2018 Q4 GDP Growth (consensus: 2.5% SAAR)
- Core PCE Inflation (consensus: +1.9% YoY in December)
- ISM Manufacturing (consensus: lower at 56.0 in February)

To contact us

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