

# Weekly economic review

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03/22/19



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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>
<b>Canadian Bonds (total return)</b>				
FTSE TMX Universe	0.45%		3.51%	
FTSE TMX Long Corps	0.93%		6.13%	
	0.37%		3.62%	
<b>Equities (total return)</b>				
S&P/TSX	0.67%		14.13%	
S&P 500	1.16%	1.37%	14.43%	12.14%
MSCI EAFE	0.43%	0.77%	11.15%	8.85%
MSCI Emerging	0.76%	1.40%	10.22%	8.81%
<b>Other</b>	<b>Current price</b>	<b>Return WTD*</b>	<b>Return YTD*</b>	
Oil (WTI)	59.98 \$	2.49%	32.09%	
USD/CAD	0.7483 \$	-0.21%	2.04%	
Gold	1 309.36 \$	0.53%	2.10%	

# What caught our eye this week

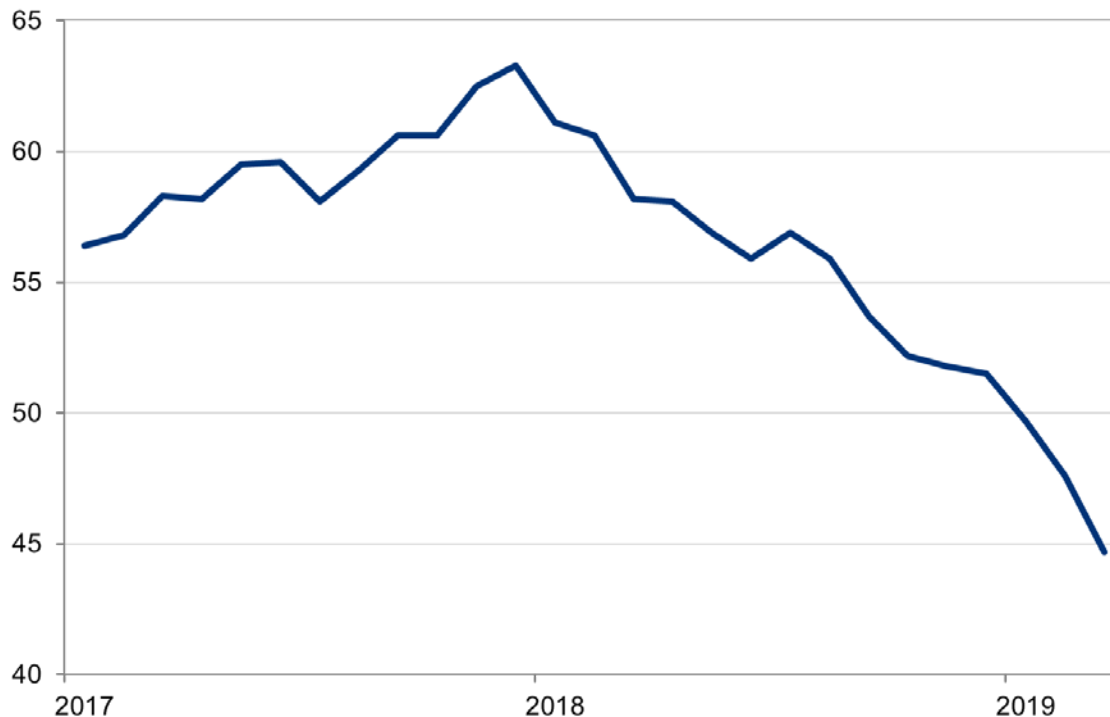
- **Germany:**
  - The manufacturing sector is sinking
- **Federal Reserve:**
  - A very « dovish » turn
- **Federal Budget 2019:**
  - Investing and lowering the debt burden at the same time

# Germany:

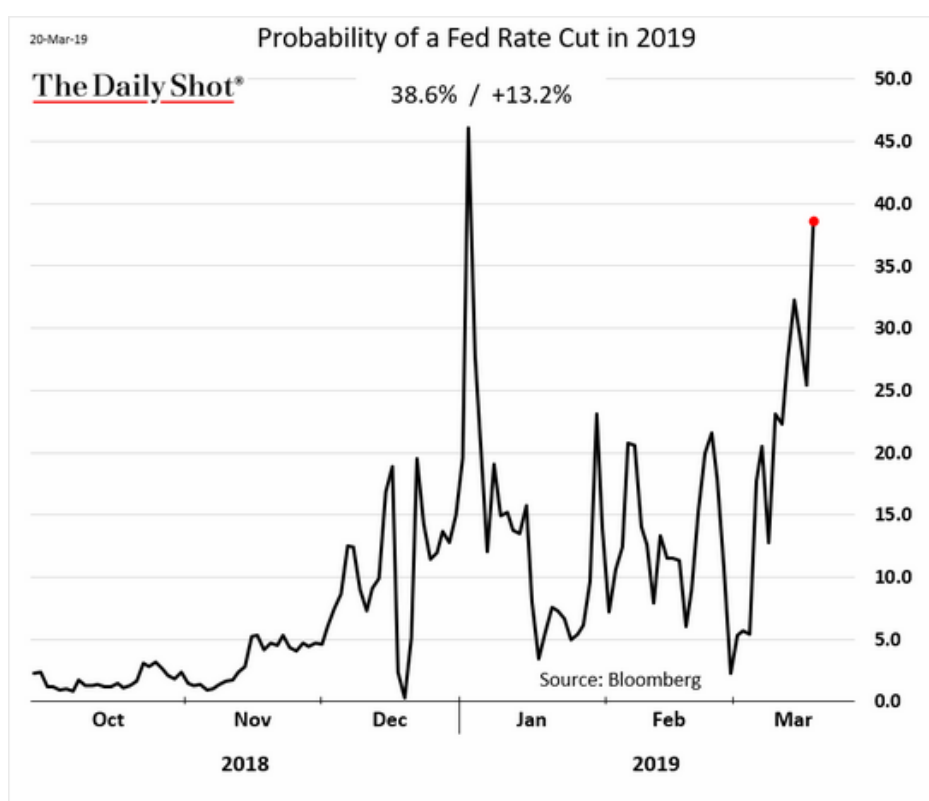
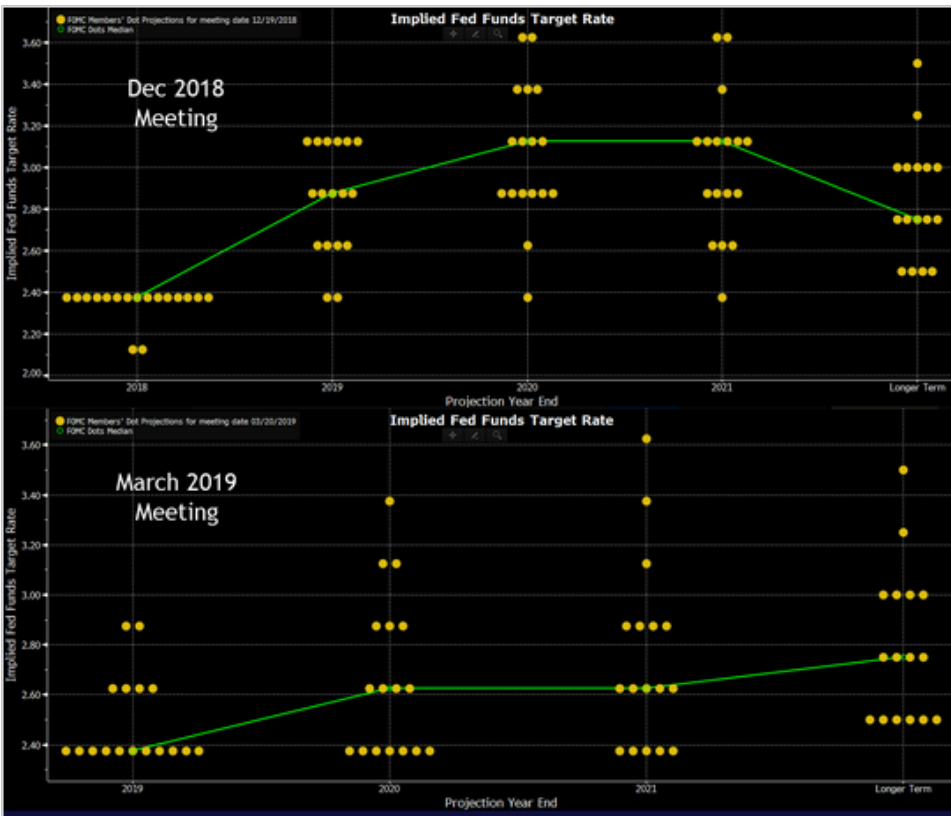
## The bottom might not be in yet

### Germany: PMI Manufacturing Index

*Markit/BME data*



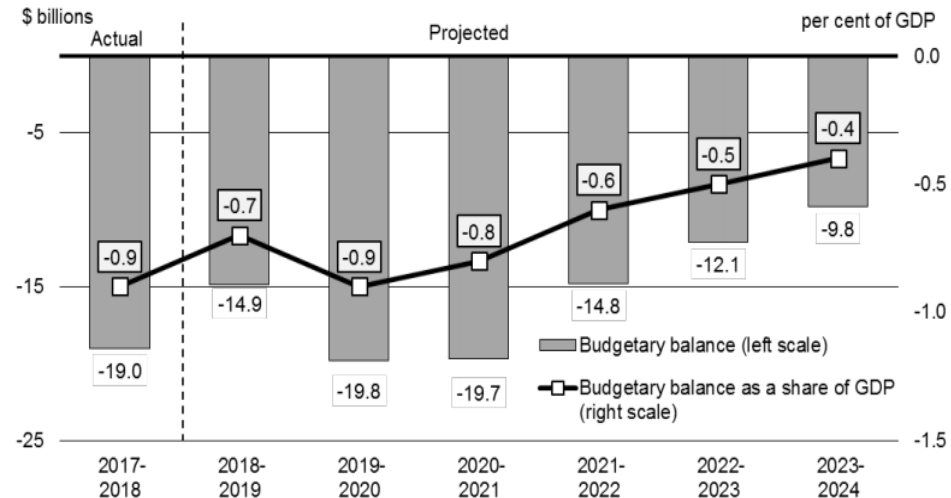
# Federal Reserve: On the sidelines until next year?



# Federal Budget 2019:

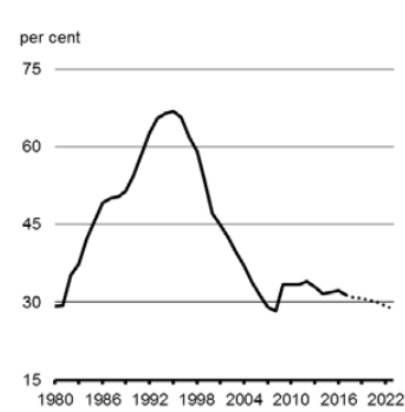
## The debt burden will continue to shrink

### Federal Budgetary Balance



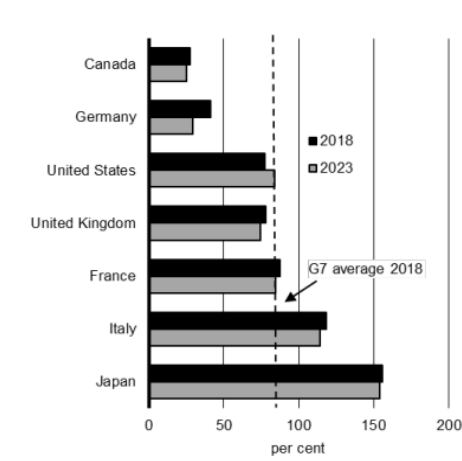
Note: 2017-18 has been restated to reflect historical revisions to Canadian GDP series.  
Sources: *Fiscal Reference Tables*; Department of Finance Canada calculations.

### Federal Debt-to-GDP Ratio



Note: Figures have been restated to reflect historical revisions to Canadian GDP series.  
Sources: *Fiscal Reference Tables*; Department of Finance Canada calculations.

### Canada's Forecasted Net Debt-to-GDP Ratio Lowest in G7



Note: The general government net debt-to-GDP ratio is the ratio of total liabilities, net of financial assets of the central, state and local levels of government, as well as those in social security funds. For Canada, this includes the federal, provincial/territorial and local government sectors, as well as the Canada Pension Plan and the Quebec Pension Plan.  
Source: International Monetary Fund, October 2018 *Fiscal Monitor*.

# What we'll be watching next week

- **Canada:**

- GDP growth in January (last month: -0.1% MoM, +1.1% YoY)

- **U.S.:**

- Housing Starts (consensus: 1223K in February)
- Building Permits (consensus: 1320K in February)
- Conference Board Consumer Confidence Index (consensus: higher at 132.0 in March)
- Revision to Q4 GDP Growth (consensus: lower at 2.4% QoQ SAAR)
- Q4 Personal Consumption Growth (last quarter: 2.8% QoQ SAAR)
- Core PCE Inflation (last month: +1.9% YoY)

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# Disclaimer



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