



# 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	0.54%		3.77%	
FTSE TMX Long	0.94%		6.11%	
Corps	0.51%		4.24%	
<b>Equities (total return)</b>				
S&P/TSX	-0.15%		16.85%	
S&P 500	0.74%	1.56%	17.45%	16.14%
MSCI EAFE	0.20%	0.39%	14.09%	11.11%
MSCI Emerging	-0.67%	-0.62%	12.44%	10.71%
<b>Other</b>	<b>Current price</b>	<b>Return WTD*</b>	<b>Return YTD*</b>	
Oil (WTI)	65.21 \$	1.89%	43.60%	
USD/CAD	0.7416 \$	-0.81%	1.13%	
Gold	1 277.17 \$	0.11%	-0.41%	

# What caught our eye this week

- **Canada:**
  - The Bank of Canada turns more dovish
- **U.S.**
  - GDP growth beats expectations, but the devil is in the details...

# Canada:

## The Bank of Canada lowers its forecast

**Table 2: Contributions to average annual real GDP growth**  
Percentage points\*\*

	2018	2019	2020	2021
Consumption	1.2 (1.3)	0.9 (1.0)	1.1 (1.0)	1.0
Housing	-0.2 (-0.1)	-0.3 (-0.1)	0.2 (0.1)	0.2
Government	0.7 (0.7)	0.2 (0.2)	0.2 (0.4)	0.4
Business fixed investment	0.2 (0.5)	-0.2 (0.2)	0.4 (0.4)	0.4
<i>Subtotal: final domestic demand</i>	1.9 (2.4)	0.6 (1.3)	1.9 (1.9)	2.0
Exports	1.0 (1.0)	0.3 (1.0)	0.9 (0.8)	0.8
Imports	-0.9 (-1.1)	0.1 (-0.5)	-0.4 (-0.6)	-0.8
<i>Subtotal: net exports</i>	0.1 (-0.1)	0.4 (0.5)	0.5 (0.2)	0.0
Inventories	-0.2 (-0.3)	0.2 (-0.1)	-0.3 (0.0)	0.0
<b>GDP</b>	1.8 (2.0)	1.2 (1.7)	2.1 (2.1)	2.0
<b>Memo items (percentage change)</b>				
Range for potential output	1.5–2.1 (1.5–2.1)	1.5–2.1 (1.4–2.2)	1.3–2.1 (1.3–2.3)	1.2–2.4
Real gross domestic income (GDI)	1.9 (2.2)	1.2 (0.9)	2.1 (2.2)	2.0
CPI inflation	2.3 (2.3)	1.9 (1.7)	2.0 (2.0)	2.0

\* Numbers in parentheses are from the projection in the previous Report.

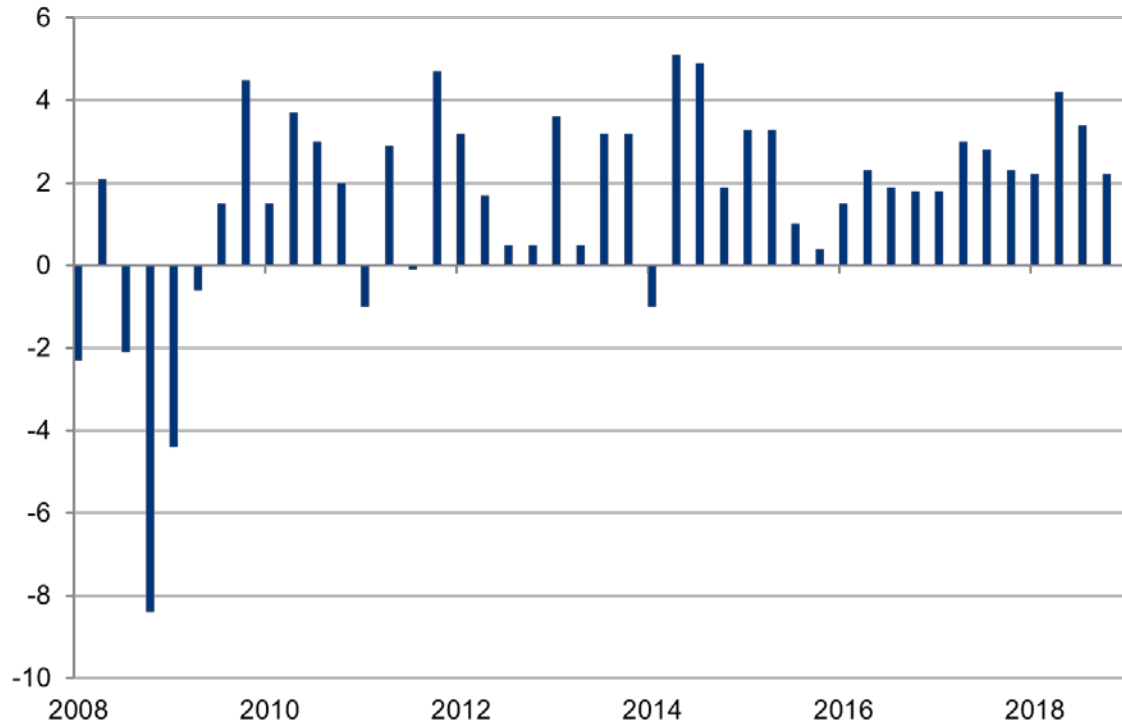
† Numbers may not add to total because of rounding.

# U.S.:

## GDP growth beats expectations

### U.S.: Growth of 3.2% in Q1 2019

*Annualized quarterly growth, %*



# What we'll be watching next week

- **Canada:**

- Monthly GDP for February (last month: +1.6% YoY)

- **U.S.:**

- Core PCE Deflator (consensus: 1.7% YoY)
- Conference Board Consumer Confidence Index (consensus: higher at 126.1 in April)
- ISM Manufacturing Index (consensus: stable at 55.0 in April)
- FOMC Rate Decision (consensus: no change)
- Durable Goods Orders (last month: +2.7% in February)
- Change in Non Farm Payrolls (consensus: lower at 181K in April)
- Unemployment Rate (consensus: stable at 3.8% in April)

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