

Weekly economic review

Sébastien Mc Mahon, CFA

Senior Portfolio Manager, Diversified Funds and Economist

01/10/20



INVESTED IN YOU.

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	-0.54%		0.57%	
FTSE TMX Long Corps	-1.29%		0.91%	
	-0.38%		0.54%	
Equities (total return)				
S&P/TSX	1.10%		1.11%	
S&P 500	1.27%	1.70%	1.42%	1.94%
MSCI EAFE	0.42%	0.12%	1.05%	0.48%
MSCI Emerging	0.28%	0.93%	1.41%	1.85%
Other	Current price	Return WTD*	Return YTD*	
Oil (WTI)	59.56 \$	-5.54%	-2.46%	
USD/CAD	0.7659 \$	-0.42%	-0.51%	
Gold	1 552.32 \$	0.01%	2.31%	

What caught our eyes this week

- **Geopolitics:**
 - Iran strikes back after a U.S. strike that killed General Qasem Soleimani...
 - ... and neither side now seems looking for further escalation
- **Jobs reports:**
 - 2019 ends on a positive note in Canada, while U.S. data miss expectations

Iran strikes US bases in Iraq, vows to target Israel and all US bases in the region



Source: WSJ, January 8 2019

Trump says Iran ‘appears to be standing down’ after missile attacks on US targets in Iraq

PUBLISHED WED, JAN 8 2020-11:30 AM EST | UPDATED WED, JAN 8 2020-7:06 PM EST



Amanda Macias
@AMANDA_M_MACIAS



Kevin Breuninger
@KEVINWILLIAMB

SHARE [f](#) [t](#) [in](#) [✉](#)

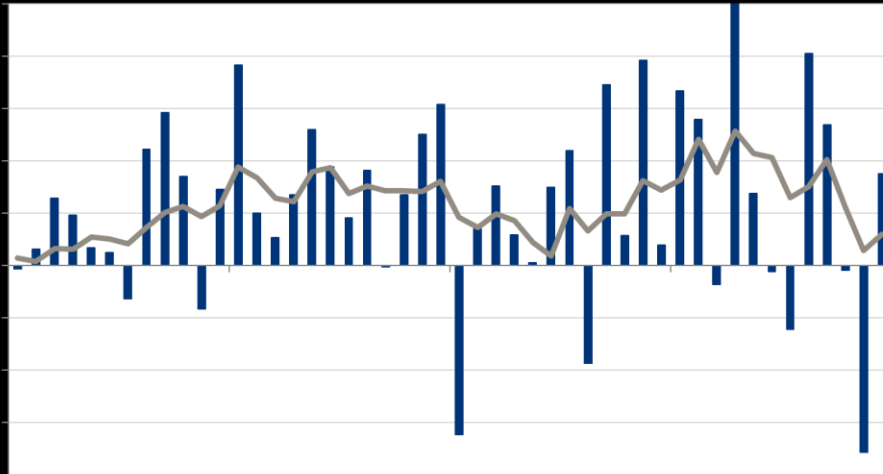
KEY POINTS

- President Trump said Wednesday that Iran “appears to be standing down” after Tehran fired missile barrages on US targets in Iraq.
- But the U.S. will “immediately impose additional punishing economic sanctions on the Iranian regime,” Trump said.
- And he vowed that “Iran will never be allowed to have a nuclear weapon” while he's president.

Source: CNBC, January 9 2020

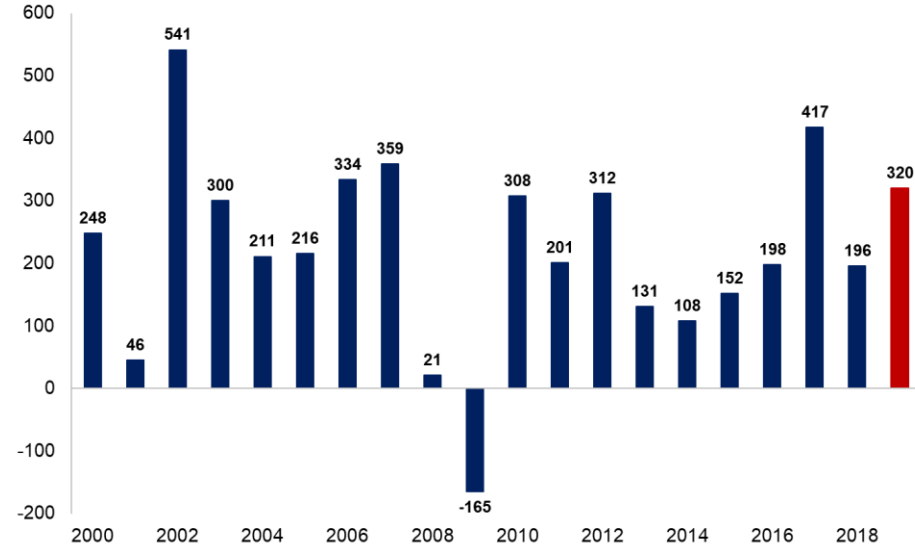
Canada:

Jobs creation is back to positive in December



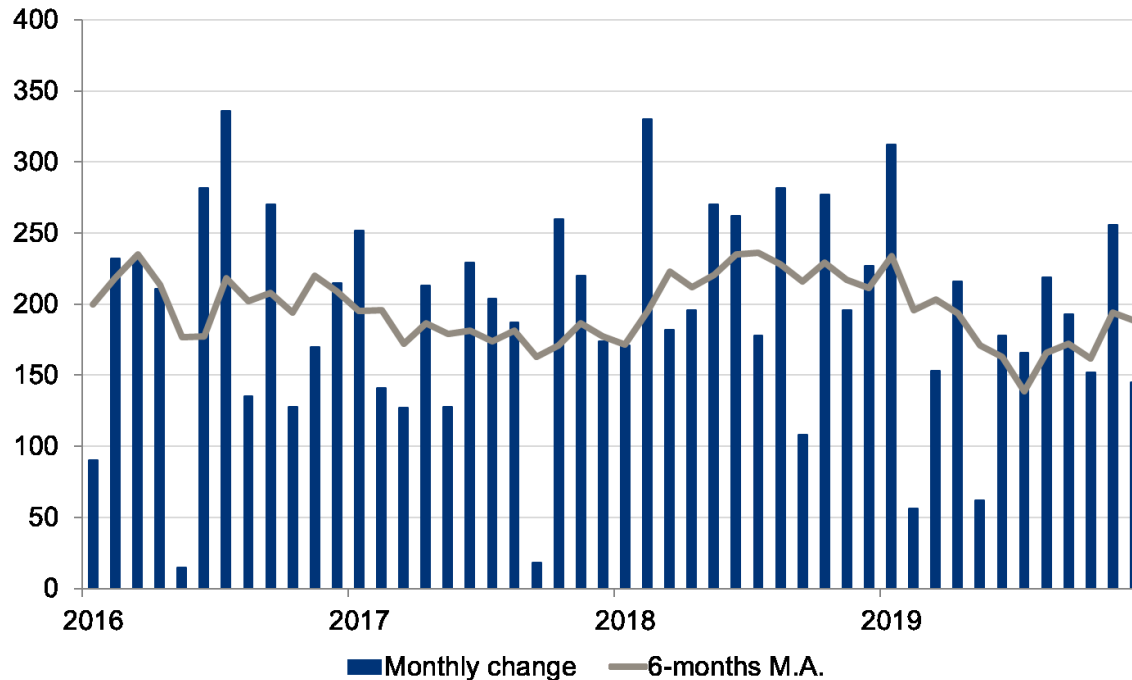
Canada: 2019 was the second strongest year for jobs creation since 2007

Cumulative job creation for the first 12 Months



Monthly change in Non-Farm Payroll Employment

000s



What we'll be watching next week

- **Canada:**

- BoC Business Outlook Survey for Q4 2019
- Existing Home Sales (last month: higher by 0.6% MoM)

- **U.S.:**

- NFIB Small Business Optimism (consensus: stable at 104.8 in December)
- CPI Inflation (consensus: higher at 2.3% YoY in December)
- Core CPI Inflation (consensus: stable at 2.3% YoY in December)
- Retail Sales (consensus: higher by 0.3% MoM in December)

- **Europe:**

- Industrial Production (consensus: higher by 0.3% MoM in November)
- CPI Inflation (consensus: higher at 1.3% YoY in December)
- Core CPI Inflation (consensus: stable at 1.3% YoY in December)

To contact us

economics@ia.ca

www.ia.ca/economy

Opinions expressed in this presentation are based on actual market conditions and may change without prior warning. The aim is in no way to make investment recommendations. The forecasts given in this presentation do not guarantee returns and imply risks, uncertainty and assumptions. Although we are comfortable with these assumptions, there is no guarantee that they will be confirmed.

Industrial Alliance Insurance and Financial Services Inc.

INVESTED IN YOU.

