

Daily Global Insight



Wealth
Management

Monday, December 12, 2016

Good morning

Risk appetite is starting the week on a tentative note despite soaring crude oil prices as investors scrutinize the price action in government bond markets in the lead-up to the Federal Reserve's much-anticipated meeting on Wednesday. Asian exchanges closed mixed overnight, while European bourses are flat at the mid-point of the session and futures on the S&P 500 are oscillating around the flat-line in the pre-market. Copper (-0.7%) and gold (-0.3%) are losing ground despite a weaker U.S. Dollar Index (-0.2%). Core sovereign bonds are under renewed selling pressure with yields on U.S. 10-year Treasuries inching up four basis points to 2.50%.

Today, we would highlight the following:

Unease permeates Chinese financial markets amid liquidity concerns and Donald Trump. A downdraft engulfed financial markets in China overnight as the Shanghai Composite tumbled 2.5%, 10-year sovereign bond yields surged nine basis points to a one-year peak of 3.19%, and the renminbi fell 0.1% towards an eight-year low of 6.91 versus the greenback. Traders have cited various factors for the synchronized sell-off. An announcement from China's insurance regulator that it had suspended an insurance firm from conducting stock investments raised fears that officials could tighten rules around how insurers invest their portfolios and in part contributed to the Shanghai Composite's worst session in six months. Meanwhile, Trump's remarks that the U.S. might re-consider its support for a "one-China policy" if Beijing is unwilling to make concessions on a range of issues including tariffs and the militarization of the South China Sea contributed to downward pressure on Chinese government bond prices and the renminbi. Signs of tighter liquidity conditions in the banking system, which is not unusual towards the year-end, also exacerbated the sell-off across Chinese financial markets overnight.

U.S. government bond yields tick up as investors brace for the Fed. Yields on 10-year U.S. Treasuries have risen above the 2.5% level for the first time since October 2014 as investors brace for the outcome of the Fed's last monetary policy meeting of the year on Wednesday. As markets are pricing in a 100% chance of a 25-basis-point rate hike, the focus is likely to shift to how Fed policymakers telegraph their future rate hike intentions. Simmering upward pressure on inflation stemming from rocketing oil prices is also contributing to rising bond yields. WTI and Brent futures are climbing more than 4% each this morning after Saudi Arabia struck an agreement over the weekend with non-OPEC countries including Russia to curtail production next year and signalled an intention to cut its own output further than the level agreed to earlier.

All values in CAD dollars unless otherwise noted.
Priced as of 7:21 a.m. on December 12, 2016 (unless otherwise stated).

For important disclosures please see page 10.

Markets today

Equities

Global equity markets are mixed while crude oil is the big winner entering the week. WTI crude prices are up over 4% to US\$53.73/bbl after non-OPEC nations including Russia agreed to scale back their output. S&P futures are down a point while 10-year U.S. treasury yields have risen above 2.5%.

Fixed income

Credit spreads at the tightest levels in 19 months. Investment grade credit spreads are ~1 bp tighter this morning with the CDX Investment grade 5-year Index at ~67 bps.

Market Pulse			12/12/16 7:21 AM		
Updated as of					
Equity New	Last	% Chg			
Dow	19,725	0.1%			
S&P 500	2,260	0.0%			
Nasdaq	4,874	-0.4%			
Overseas	Last	% Chg			
FTSE 100 (UK)	6,933	-0.3%			
DAX (Germany)	11,195	-0.1%			
Euro Stoxx 50	3,202	0.1%			
Hang Seng	22,433	-1.4%			
Nikkei 225	19,155	0.8%			
Shanghai	3,153	-2.5%			
Commodities	Last	% Chg			
WTI Crude	\$53.84	4.5%			
Gold (\$/oz)	\$1,157	-0.4%			
Silver (\$/oz)	\$17	0.2%			
Copper (\$/ton)	\$5,822	0.7%			
Natural Gas(\$/Mmbtu)	\$3.59	-4.2%			
Currencies	Last	% Chg			
CADUSD	\$0.76	0.4%			
EURUSD	\$1.06	0.4%			
USDJPY	¥115.71	0.3%			
Fixed Income	Yield	Chg (bps)			
10-yr Treasury	2.51%	3.7			
10-Yr Canadian	1.76%	2.7			
Germany 10 Yr Yield	0.40%	3.9			
Spain 10 Yr Yield	1.53%	1.5			
France 10 Yr Yield	0.89%	7.6			

Advancers and Decliners			12/12/16 7:21 AM		
Updated as of					
S&P/TSX Top Movers					
Advancers	Last	% Chg			
BRP INC/CA- SUB VOTING	\$ 28.21	9.60%			
CONCORDIA INTERNATIONAL CORP	\$ 3.06	5.15%			
MEG ENERGY CORP	\$ 8.27	4.82%			
PROMETIC LIFE SCIENCES INC	\$ 2.00	4.71%			
DOMINION DIAMOND CORP	\$ 14.01	3.78%			
Decliners	Last	% Chg			
ALACER GOLD CORP	\$ 1.98	-8.76%			
MAG SILVER CORP	\$ 15.34	-8.64%			
PRETIUM RESOURCES INC	\$ 11.19	-8.13%			
FIRST MAJESTIC SILVER CORP	\$ 11.59	-7.43%			
GUYANA GOLDFIELDS INC	\$ 5.06	-6.99%			
S&P 500 Top Movers					
Advancers	Last (USD)	% Chg			
DIAMOND OFFSHORE DRILLING	\$ 21.08	8.83%			
BROADCOM LTD	\$ 179.09	4.91%			
ALEXION PHARMACEUTICALS INC	\$ 132.07	4.82%			
MOSAIC CO/THE	\$ 31.42	4.11%			
TRANSOCEAN LTD	\$ 15.42	3.91%			
Decliners	Last (USD)	% Chg			
SKYWORKS SOLUTIONS INC	\$ 76.93	-3.26%			
URBAN OUTFITTERS INC	\$ 34.19	-3.25%			
KOHL'S CORP	\$ 57.50	-3.25%			
ALLIANCE DATA SYSTEMS CORP	\$ 232.20	-3.20%			
NEWMONT MINING CORP	\$ 32.79	-3.19%			

Strategy and economics

Key developments

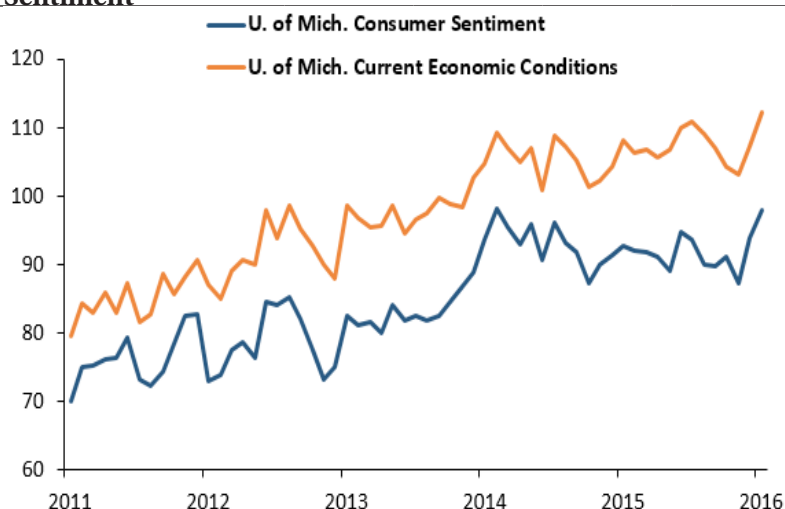


Key U.S. Economic Data Releases

Event	Period	Survey	Actual	Prior	Commentary
No Scheduled Releases – NFIB Business Optimism 12/13					

Prior Session Highlights & Analysis

Event	Period	Survey	Actual	Prior	Our Thoughts
Wholesale Inventories	Oct. F	-0.4%	-0.4%	-0.4%	Consumer Sentiment Surges Post-Election The University of Michigan's monthly index was projected to improve slightly from 93.8 to 94.5, but instead jumped to its highest level since January 2015. Survey respondents cited a positive outlook regarding the labor market, overall economy, and potential new policies from the incoming administration. The current economic conditions index – a measure of American perception of financial well-being – jumped to 112.1, its highest reading since June 2005. While these readings bode well for consumer spending as we head in to 2017, analysts caution that this could be a 'honeymoon' period for the new administration, and that if Trump doesn't provide evidence of economic growth early on, the level of sentiment could shift the other direction.
Wholesale Trade Sales	Oct	0.7%	1.4%	0.4%	
U. of Michigan Sentiment	Dec. P	94.5	98.0	93.8	



Source: RBC Wealth Management, Bloomberg

Wholesale trade sales jumped by 1.4% in October, beating expectations of a 0.7% increase, driving inventories to decline 0.4%. The inventory-to-sales ratio has continued its downward trend as of late, declining from 1.32 to 1.30 as the pickup in sales has helped companies trim inventory towards levels in line with demand. Inventory investment has been weak in 2016, and the flat reading in manufacturing stocks indicates that its contribution to GDP will likely remain minimal for 4Q.

RBC Wealth Managements Global Insight Weekly – Dec 9, 2016

- **Europe's First Domino to Wobble** – The political establishment was rocked again by the resounding victory of the “No” vote in the Italian referendum. Though largely expected, the country now finds itself in political limbo, and the consequences of the vote could significantly reverberate across Europe. The next developments will likely be all about Monte dei Paschi di Siena (MPS), Italy's third-largest lender and the world's oldest bank. If no solution is found to the bank's severe predicament, the MPS situation could spiral out of control and drag down the Italian banking system with it. It doesn't need to come to that as Italy and the EU have shown the agility to come up with creative solutions in the past. (pg 1)
 - **Canada Section** – Canadian banks reported improving credit loss trends and positive operating leverage in Q4. The valuation of the group is now modestly above the long-term average. Is it sustainable? In other news, we take a look at Canadian automakers in light of Trump-related challenges. We also evaluate OPEC's upcoming meeting with non-OPEC counterparts. (pg 3)
 - **Other Regional Developments** – Seeing the U.S. market through “Dow Theory” glasses; Are price controls a significant threat for U.S. biotech and pharma? Article 50 questions remain for U.K. MPs; Asia showing post-election progress. (pgs 3-4)
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Technical corner

Bob Dickey: No top yet

The stock market has made a dramatic move to the upside since the election, with the Dow Industrials rising more than 1800 points, or 10% in a little more than a month. This size of a rally is not unprecedented, however. It rose more in both percentage and actual points when it recovered earlier this year in January and also in the fall of 2015. Both of those advances led to some months-long consolidation periods, and we see the same thing coming for the current rally, but we are also confident that the longer-term trend will continue to be bullish. The smaller-sized growth stocks have led the Dow and S&P in performance during this most recent rally, which is a change from those previous rallies, where the FANG stocks led on the upside, and this is a positive change that should have better long-term implications, as it signals a higher level of investor confidence that is needed to support longer-term gains. Eventually, we expect the underperforming Health Care stocks to join in on the upside, but this probably won't happen until later next year when the policies of the new administration are more apparent.



Chart courtesy of StockCharts.com and RBC Wealth Management

Market snapshot

Calendar of events

Date	Time	Event	Survey	Actual	Prior	Revised	
12/12/2016	14:00	US Monthly Budget Statement	Nov	-\$125.0b	--	-\$44.2b	--
12/13/2016	6:00	US NFIB Small Business Optimism	Nov	96.5	--	94.9	--
12/13/2016	8:30	US Import Price Index MoM	Nov	-0.40%	--	0.50%	--
12/13/2016	8:30	US Import Price Index YoY	Nov	0.00%	--	-0.20%	--
12/14/2016	7:00	US MBA Mortgage Applications	09-Dec	--	--	-0.70%	--
12/14/2016	8:30	US Retail Sales Advance MoM	Nov	0.30%	--	0.80%	--
12/14/2016	8:30	US Retail Sales Ex Auto MoM	Nov	0.40%	--	0.80%	--
12/14/2016	8:30	US Retail Sales Ex Auto and Gas	Nov	0.40%	--	0.60%	--
12/14/2016	8:30	US Retail Sales Control Group	Nov	0.40%	--	0.80%	--
12/14/2016	8:30	US PPI Final Demand MoM	Nov	0.10%	--	0.00%	--
12/14/2016	8:30	US PPI Ex Food and Energy MoM	Nov	0.20%	--	-0.20%	--
12/14/2016	8:30	US PPI Ex Food, Energy, Trade MoM	Nov	0.10%	--	-0.10%	--
12/14/2016	8:30	US PPI Final Demand YoY	Nov	0.90%	--	0.80%	--
12/14/2016	8:30	US PPI Ex Food and Energy YoY	Nov	1.30%	--	1.20%	--
12/14/2016	8:30	US PPI Ex Food, Energy, Trade YoY	Nov	1.70%	--	1.60%	--
12/14/2016	9:15	US Industrial Production MoM	Nov	-0.20%	--	0.00%	--
12/14/2016	9:15	US Manufacturing (SIC) Production	Nov	-0.20%	--	0.20%	--
12/14/2016	9:15	US Capacity Utilization	Nov	75.10%	--	75.30%	--
12/14/2016	10:00	US Business Inventories	Oct	-0.10%	--	0.10%	--
12/14/2016	14:00	US FOMC Rate Decision (Upper Bound)	14-Dec	0.75%	--	0.50%	--
12/14/2016	14:00	US FOMC Rate Decision (Lower Bound)	14-Dec	0.50%	--	0.25%	--
12/14/2016	14:00	US Fed Summary of Economic Projections					
12/15/2016	8:30	US Current Account Balance	3Q	-\$111.1b	--	-\$119.9b	--
12/15/2016	8:30	US Empire Manufacturing	Dec	3	--	1.5	--
12/15/2016	8:30	US CPI MoM	Nov	0.20%	--	0.40%	--
12/15/2016	8:30	US CPI Ex Food and Energy MoM	Nov	0.20%	--	0.10%	--
12/15/2016	8:30	US CPI YoY	Nov	1.70%	--	1.60%	--
12/15/2016	8:30	US CPI Ex Food and Energy YoY	Nov	2.20%	--	2.10%	--
12/15/2016	8:30	US Real Avg Weekly Earnings YoY	Nov	--	--	0.90%	--
12/15/2016	8:30	US CPI Core Index SA	Nov	249.392	--	248.981	--
12/15/2016	8:30	US CPI Index NSA	Nov	241.399	--	241.729	--
12/15/2016	8:30	US Initial Jobless Claims	10-Dec	256k	--	258k	--
12/15/2016	8:30	US Continuing Claims	03-Dec	2010k	--	2005k	--
12/15/2016	8:30	US Philadelphia Fed Business Outlook	Dec	9	--	7.6	--
12/15/2016	9:45	US Bloomberg Consumer Comfort	11-Dec	--	--	45.1	--
12/15/2016	9:45	US Markit US Manufacturing PMI	Dec P	54.2	--	54.1	--
12/15/2016	10:00	US NAHB Housing Market Index	Dec	63	--	63	--
12/15/2016	16:00	US Total Net TIC Flows	Oct	--	--	-\$152.9b	--
12/15/2016	16:00	US Net Long-term TIC Flows	Oct	--	--	-\$26.2b	--
12/16/2016	8:30	US Housing Starts	Nov	1230k	--	1323k	--
12/16/2016	8:30	US Housing Starts MoM	Nov	-7.00%	--	25.50%	--
12/16/2016	8:30	US Building Permits	Nov	1238k	--	1229k	1260k
12/16/2016	8:30	US Building Permits MoM	Nov	-1.70%	--	0.30%	2.90%
12/19/2016	9:45	US Markit US Services PMI	Dec P	--	--	54.6	--
12/19/2016	9:45	US Markit US Composite PMI	Dec P	--	--	54.9	--
12/12/2016	10:00	CA Bloomberg Nanos Confidence	09-Dec	--	--	55.6	--
12/14/2016	8:30	CA Sheet Data					
12/14/2016	8:30	CA Teranet/National Bank HPI MoM	Nov	--	--	0.30%	--
12/14/2016	8:30	CA Teranet/National Bank HP Index	Nov	--	--	198.35	--
12/14/2016	8:30	CA Teranet/National Bank HPI YoY	Nov	--	--	11.80%	--
12/15/2016	8:30	CA Manufacturing Sales MoM	Oct	0.50%	--	0.30%	--
12/15/2016	9:00	CA Existing Home Sales MoM	Nov	--	--	2.40%	--
12/16/2016	8:30	CA Int'l Securities Transactions	Oct	--	--	11.77b	--
12/19/2016	10:00	CA Bloomberg Nanos Confidence	16-Dec	--	--	--	--

Market snapshot

Number crunching

Equity Indices	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
S&P/TSX Composite Index	15,312.20	17.00	0.1%	1.5%	17.7%	19.7%	-11.1%	7.4%	9.3%
S&P/TSX Composite Index TR	49,464.34	54.91	0.1%	1.6%	21.0%	23.3%	-8.3%	10.6%	13.0%
S&P/TSX 60 Index	902.92	1.71	0.2%	1.6%	18.1%	19.9%	-10.6%	9.1%	9.6%
S&P/TSX Equity Index	15,838.60	16.83	0.1%	1.5%	18.1%	20.0%	-11.3%	7.4%	10.1%
S&P/TSX Income Trust Index	189.59	0.50	0.3%	1.2%	7.2%	10.4%	-5.2%	7.1%	-7.7%
S&P/TSX Venture Composite Index	748.80	-0.70	-0.1%	1.6%	42.4%	49.1%	-24.4%	-25.4%	-23.1%
S&P/TSX Small Cap Index	655.73	-0.07	0.0%	3.1%	34.6%	38.9%	-15.8%	-5.2%	4.6%
Dow Jones Industrial Average	19,756.85	142.04	0.7%	3.3%	13.4%	14.4%	-2.2%	7.5%	25.5%
S&P 100 Index	996.02	7.94	0.8%	2.8%	9.3%	10.9%	0.3%	10.3%	26.4%
S&P 500 Index	2,259.53	13.34	0.6%	2.8%	10.5%	12.3%	-0.7%	11.4%	28.5%
S&P 400 Midcap Index	1,692.98	-3.14	-0.2%	4.0%	21.0%	21.9%	-3.7%	8.2%	30.2%
S&P 600 Smallcap Index	857.50	2.14	0.3%	5.6%	27.7%	28.7%	-3.4%	4.4%	39.7%
NASDAQ Composite Index	5,444.50	27.14	0.5%	2.3%	8.7%	10.4%	5.7%	13.4%	37.2%
Euro Stoxx 50	2,951.29	31.35	1.1%	4.3%	-4.8%	-4.5%	3.2%	2.9%	12.2%
FTSE 100	6,954.21	22.66	0.3%	2.5%	11.4%	13.5%	-4.9%	-2.7%	13.9%
CAC 40	4,764.07	28.59	0.6%	4.1%	2.7%	2.7%	8.5%	-0.5%	16.1%
DAX Index	11,203.63	24.21	0.2%	5.3%	4.3%	5.8%	9.6%	2.7%	23.5%
S&P/ASX 200	5,560.62	16.99	0.3%	2.2%	5.0%	10.6%	-2.1%	1.1%	13.2%
Nikkei 225	18,996.37	230.90	1.2%	3.8%	-0.2%	-1.2%	9.1%	7.1%	56.7%
Shanghai Stock Exchange Composite	3,232.88	17.52	0.5%	-0.5%	-8.7%	-5.9%	9.4%	52.9%	-7.0%
Hang Seng Index	22,760.98	-100.86	-0.4%	-0.1%	3.9%	6.0%	-7.2%	1.3%	-0.3%
MSCI World	1,752.94	3.63	0.2%	2.4%	5.4%	5.3%	-2.7%	2.9%	24.1%
MSCI World TR	6,878.77	14.81	0.2%	2.4%	8.1%	7.8%	-0.3%	5.5%	27.4%
MSCI EAFE	1,675.19	2.48	0.1%	2.8%	-2.4%	-2.2%	-3.3%	-7.3%	19.4%
MSCI Emerging Market	879.32	11.71	1.3%	1.9%	10.7%	10.6%	-17.0%	-4.6%	-5.0%

Equity Indices (in CAD\$)*	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
DJIA in Cdn\$	26,045.46	171.56	0.7%	1.4%	8.0%	9.6%	16.4%	17.6%	35.9%
S&P 100 Index	1,313.05	9.68	0.7%	0.9%	4.1%	5.7%	19.5%	20.6%	36.9%
S&P 500 Index	2,978.74	15.79	0.5%	0.8%	5.3%	7.1%	18.2%	21.8%	39.1%
S&P 400 Midcap Index	2,231.86	-5.50	-0.2%	2.1%	15.3%	16.7%	14.6%	18.3%	41.0%
S&P 600 Smallcap Index	1,127.62	-0.68	-0.1%	3.3%	21.3%	22.5%	15.1%	15.1%	51.3%
NASDAQ in Cdn\$	7,177.48	31.45	0.4%	0.3%	3.6%	5.2%	25.9%	24.0%	48.6%
Euro Stoxx 50	4,106.42	17.81	0.4%	2.0%	-11.9%	-11.2%	10.3%	-0.9%	26.0%
FTSE 100	11,530.78	-15.30	-0.1%	1.2%	-9.4%	-8.7%	7.0%	0.1%	24.8%
CAC 40 Index	6,628.73	-2.08	0.0%	1.8%	-4.9%	-4.5%	16.0%	-4.2%	30.3%
DAX Index	15,588.73	-99.04	-0.6%	3.0%	-3.5%	-1.7%	17.7%	-1.2%	38.6%
S&P/ASX 200	5,459.97	-14.46	-0.3%	1.1%	2.2%	10.6%	4.0%	0.2%	4.0%
Nikkei 225	2.17	-0.03	-1.2%	1.0%	-0.9%	1.0%	29.3%	-3.9%	41.6%
Shanghai Stock Exchange Composite	616.83	-2.91	-0.5%	-2.6%	-18.2%	-15.0%	24.6%	6.7%	3.7%
Hang Seng Index	3,867.32	-3.64	-0.1%	-2.1%	-1.1%	2.9%	10.6%	9.4%	8.0%
MSCI World	2,310.90	-1.40	-0.1%	0.5%	0.4%	2.2%	15.8%	13.3%	34.4%
MSCI World TR	9,068.28	-5.50	-0.1%	0.5%	3.0%	4.6%	18.7%	16.2%	37.9%
MSCI EAFE	2,208.40	-1.34	-0.1%	0.9%	-7.0%	-5.1%	15.1%	1.5%	29.4%
MSCI Emerging Market	1,159.21	-0.70	-0.1%	0.0%	5.5%	7.3%	-1.1%	4.1%	2.9%

S&P/TSX Sector Performance	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
S&P/TSX Financials	2,595.89	17.97	0.7%	3.5%	19.7%	19.2%	-5.5%	9.8%	18.4%
S&P/TSX Energy	2,600.26	5.00	0.2%	0.3%	30.2%	32.7%	-25.7%	-7.8%	9.1%
S&P/TSX Materials	2,128.35	-46.50	-2.1%	-0.6%	39.3%	37.1%	-22.8%	-4.5%	-29.1%
S&P/TSX Industrials	2,599.89	4.33	0.2%	1.1%	23.2%	27.0%	-12.5%	20.0%	34.1%
S&P/TSX Consumer Discretionary	2,013.71	6.73	0.3%	4.2%	10.9%	9.1%	-3.5%	26.4%	38.6%
S&P/TSX Telecom Services	1,387.72	0.78	0.1%	0.7%	9.9%	6.3%	-1.0%	10.5%	7.6%
S&P/TSX Information Technology	227.41	-0.64	-0.3%	-2.8%	2.7%	7.0%	14.8%	34.0%	36.0%
S&P/TSX Consumer Staples	4,457.75	39.16	0.9%	0.0%	6.6%	7.6%	11.0%	46.9%	21.3%
S&P/TSX Utilities	1,998.39	5.73	0.3%	0.6%	10.4%	17.4%	-7.8%	11.3%	-8.7%
S&P/TSX Healthcare	365.55	1.79	0.5%	-5.0%	-78.6%	-76.6%	-15.8%	30.2%	72.6%

S&P 500 Sector Performance	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
Financials	393.24	0.50	0.1%	5.6%	22.2%	22.2%	-3.5%	13.1%	32.5%
Health Care	793.70	9.67	1.2%	0.2%	-4.7%	-2.8%	5.2%	23.3%	38.0%
Technology	814.17	5.66	0.7%	2.3%	12.8%	11.0%	4.3%	18.2%	24.9%
Industrials	550.37	2.63	0.5%	2.6%	18.7%	18.9%	-4.7%	7.5%	35.9%
Consumer Discretionary	667.72	1.37	0.2%	3.0%	7.5%	5.9%	8.4%	8.0%	40.3%
Energy	558.71	2.29	0.4%	2.6%	24.6%	22.6%	-23.6%	-10.0%	20.7%
Consumer Staples	531.43	7.12	1.4%	2.8%	2.5%	4.1%	3.8%	12.9%	21.4%
Telecom	169.57	0.43	0.3%	3.8%	13.1%	15.3%	-1.7%	-1.9%	5.9%
Materials	322.05	-0.18	-0.1%	3.0%	17.7%	13.0%	-10.4%	4.7%	21.9%
Utilities	241.75	2.48	1.0%	2.5%	9.9%	12.7%	-8.4%	24.3%	7.1%

Source: Bloomberg. Returns based on simply price appreciation unless otherwise noted. Equity indices based in local currency unless otherwise noted.

MSCI indices based in USD. Equity indices in Canadian dollars are converted using Bloomberg exchange rates.

All values are as at close of previous trading day.

Market snapshot

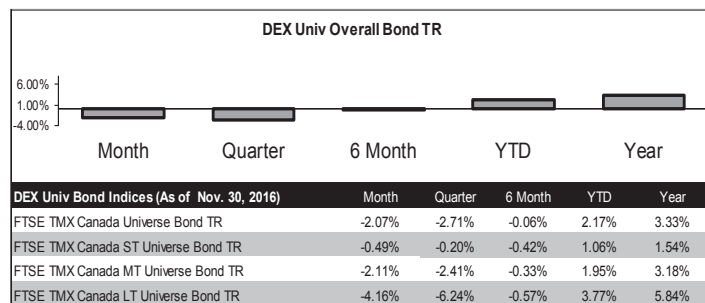
Number crunching






Commodities (USD\$)	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
Crude Oil (WTI per barrel)	\$51.43	0.59	1.2%	4.0%	16.3%	12.6%	-30.5%	-45.9%	1.9%
Crude Oil (Brent per barrel)	\$54.28	0.39	0.7%	4.7%	19.3%	11.5%	-35.0%	-48.3%	3.0%
Natural Gas (per million btu)	\$3.73	0.03	0.8%	11.2%	29.7%	32.9%	-19.1%	-31.7%	8.4%
3-2-1 Crack Spread	\$13.69	-0.36	-2.6%	-3.2%	-4.1%	-6.7%	4.9%	-39.5%	-20.6%
Gold (per ounce)	\$1,159.27	-11.59	-1.0%	-1.2%	9.2%	8.1%	-10.4%	-1.7%	-27.3%
Silver (per ounce)	\$16.87	-0.15	-0.9%	2.1%	21.7%	19.1%	-11.7%	-19.3%	-35.5%
Platinum (per ounce)	\$914.60	-23.63	-2.5%	0.2%	2.4%	6.7%	-26.1%	-11.8%	-10.3%
Palladium (per ounce)	\$734.17	-3.76	-0.5%	-4.7%	30.4%	33.2%	-29.4%	11.3%	3.2%
Copper (per pound)	\$2.62	0.00	0.0%	-0.6%	22.9%	25.9%	-26.1%	-13.7%	-6.3%
Zinc (per pound)	\$1.21	-0.02	-1.8%	-0.6%	67.7%	76.6%	-26.5%	5.6%	1.3%
Nickel (per pound)	\$5.02	-0.14	-2.7%	-1.2%	25.9%	27.7%	-41.8%	9.0%	-17.9%

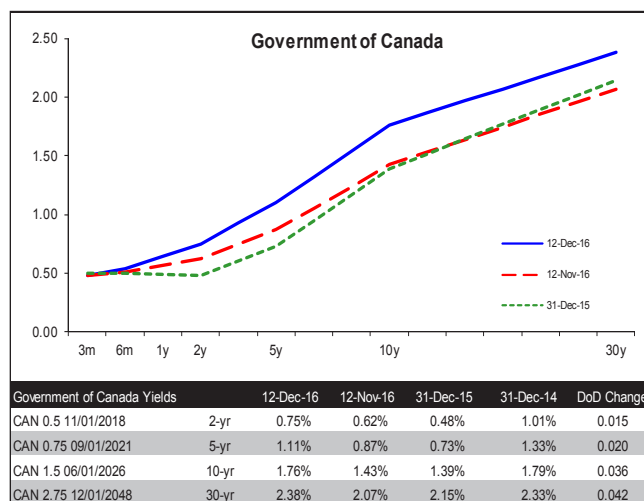
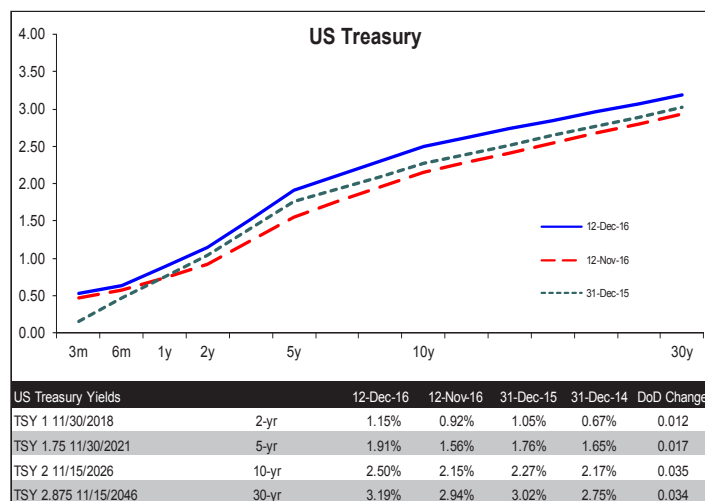
Currencies (in CAD\$)	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
U.S. Dollar	1.318	-0.0008	-0.1%	-1.9%	-4.7%	-2.9%	19.1%	9.4%	8.3%
Euro	1.391	-0.0088	-0.6%	-2.2%	-7.4%	-7.1%	6.9%	-3.7%	12.3%
British Pound	1.658	-0.0022	-0.1%	-1.3%	-18.7%	-19.6%	12.7%	2.9%	9.6%
Japanese Yen (in JPY¥)	87.496	1.0390	1.2%	2.7%	0.7%	-2.2%	-15.7%	4.0%	10.7%

Currencies (in USD\$)	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
Canadian Dollar	0.759	0.0004	0.1%	1.9%	5.0%	3.0%	-16.0%	-8.6%	-7.7%
Euro	1.055	-0.0061	-0.6%	-0.3%	-2.8%	-4.3%	-10.2%	-12.0%	3.6%
British Pound	1.258	-0.0009	-0.1%	0.6%	-14.7%	-17.2%	-5.4%	-5.9%	1.2%
Japanese Yen (in JPY¥)	115.350	1.3100	1.1%	0.8%	-4.1%	-5.0%	0.4%	13.8%	19.9%

Source: Bloomberg. Returns based on simply price appreciation unless otherwise noted. Equity indices based in local currency unless otherwise noted. MSCI indices based in USD. Equity indices in Canadian dollars are converted using Bloomberg exchange rates.



Key Rates					Next Mtg
	Overnight Rate CAN	0.50%			2017/01/18
	Bank Rate CAN	0.75%			
	Prime Rate CAN	2.70%			
	Fed Funds US	0.50%			2016/12/14
	Discount US	1.00%			
	Prime Rate US	3.50%			
International Yields		O/N	3mo	10-Yr	Next Mtg
	United Kingdom	0.25%	0.20%	1.50%	2016/12/15
	Eurozone	0.00%	-0.72%	0.41%	2017/01/19
	Australia	1.50%	1.60%	2.86%	2017/02/06
	Japan	0.10%	-0.36%	0.09%	#N/A N/A



Money Market*

GIC's	1-yr	2-yr	3-yr	4-yr	5-yr
High	1.48%	1.66%	1.76%	1.86%	1.97%
Average	1.28%	1.40%	1.52%	1.64%	1.78%

	1 mth	2mth	3mth	6mth	1 yr
CDOR	0.88%	0.89%	0.90%	1.06%	1.17%
ICE LIBOR US	0.68%	0.77%	0.96%	1.30%	1.65%

CAD \$1,000,000	1 mth	2mth	3mth	6mth	1 yr
T-Bills	0.42%	0.44%	0.47%	0.53%	0.59%
BAs	0.76%	0.77%	0.78%	0.89%	0.97%
CP	0.81%	0.82%	0.83%	0.94%	1.02%

CAD \$100,000	1 mth	2mth	3mth	6mth	1 yr
T-Bills	0.24%	0.26%	0.29%	0.35%	0.41%
BAs	0.52%	0.53%	0.54%		
CP	0.57%	0.58%	0.59%		

US \$1,000,000	1 mth	2mth	3mth	6mth
T-Bills	0.38%	0.00%	0.53%	0.63%
CTBUS	0.48%	0.61%	0.76%	0.87%
GECC	0.13%	0.13%	0.13%	0.13%

US \$100,000	1 mth	2mth	3mth	6mth
T-Bills	0.20%	-	0.35%	0.45%
CTB US	0.30%	0.43%	0.58%	0.69%
GECC	-	-	-	-

Economic Indicators**

		Actual	Forecast		Forecast			Actual	Forecast	
		Q316	Q416	Q117	Q217	Q317	Q417	2016	2016	2017
	Overnight Rate	0.50	0.50	0.45	0.45	0.45	0.50	0.50	0.50	0.50
	10-Yr Yield	0.99	1.44	1.51	1.60	1.70	1.80	1.44	1.44	1.80
	Real GDP (est)	3.40	1.90	1.80	1.95	1.90	1.90	1.30	1.30	1.80
	Headline CPI (est)	1.30	1.60	1.90	1.70	1.90	1.85	1.50	1.50	1.90
	Unemployment Rate	7.00	7.00	6.95	6.90	6.90	6.80	7.00	7.00	6.90
	Fed Funds	0.50	0.75	0.80	1.00	1.05	1.30	0.75	0.75	1.30
	10-Yr Yield	1.65	2.29	2.40	2.50	2.59	2.68	2.29	2.29	2.68
	Real GDP (est)	3.20	2.20	2.05	2.20	2.30	2.30	2.20	1.60	2.20
	Headline CPI (est)	1.20	1.80	2.30	2.30	2.40	2.30	1.30	1.30	2.30
	Unemployment Rate	4.80	4.80	4.70	4.70	4.70	4.60	4.90	4.90	4.70

*The prices and yields shown are taken from sources we believe to be reliable. They are provided on an indicative basis for information purposes only. Prices and yields are subject to change with availability and market conditions. RBC Dominion Securities does not warrant its completeness or accuracy. This is not an offer or solicitation for the purchase or sale of any securities or financial instruments. Securities or financial instruments mentioned herein may not be suitable for all investors. ** Source: Bloomberg Forecast ***ICE LIBOR data over 24-hours stale

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