

# Daily Global Insight



Wealth  
Management

Friday, December 2, 2016

## Good morning

Risk appetite is ending the week on a feeble note as investors await the release of U.S. non-farm payrolls data at 8:30am ET with futures on the S&P 500 shedding six points in the pre-market. Asian exchanges posted losses across the board at the Nikkei lost 0.5% and the Shanghai Composite fell 0.9%. European bourses are sagging between 0.7% and 1.3% at the mid-point of the session. In the latest sign that inflation in the eurozone is perking up, figures published earlier this morning revealed the region's produce prices climbed 0.8% in October month-on-month, well ahead of forecasts of a 0.4% increase. Gold bullion (+0.4%) is outpacing copper (-1%) and crude oil (-1%) in the commodities complex as the U.S. Dollar Index (-0.1%) pares recent gains. Core government bond markets are looking to find their composure with yields on U.S. 10-year Treasuries edging down two basis points to 2.43%.

Today, we would highlight the following:

U.S. labour market assumes the spotlight ahead of Federal Reserve meeting. The U.S. economy is forecast to have generated 180,000 new jobs in November, up from 161,000 in October and consistent with the average increase of 182,000 over the first nine months of the year. The average hourly earnings growth rate is expected to come in at an annual rate of 2.8% in November, in line with the reading for previous month, while the unemployment rate is anticipated to remain unchanged at 4.9%. A solid non-farm payrolls report this morning will further cement the case for the Fed to raise rates at its meeting on December 13-14. Financial markets are pricing in a 100% likelihood of the Fed hiking short-term rates by 25 basis points at their upcoming meeting, and if the labour market data for November come

in materially stronger than expected, then the investors could start to drag forward the timing of the next rate move in 2017.

Further U.S. dollar strength could turn into a headwind for world economy. The Economist thinks that investors are "too cavalier" in overlooking the renewed vigour in the U.S. dollar given the pivotal role the greenback plays in global financial and credit markets. The paper's cover article this week notes that the amount of dollar financing by foreign entities has swelled in recent years as borrowers rushed to issue USD-denominated bonds amid historically low interest rates, which become more expensive to service and pay back as the greenback appreciates. Heightened expectations that U.S. President-elect Donald Trump's proposed policies to cut taxes and ramp up fiscal spending will usher in a period of higher growth and inflation have pushed U.S. bond yields higher, as the greenback enjoyed one of its sharpest firming trends against a basket of major currencies (including the euro and the yen) and relative to emerging-market currencies (especially those countries with lots of dollar debts such as Brazil, Chile and Turkey). USD-denominated debt amounted to almost \$10 trillion at the end of 2015, according to the Bank for International Settlements. For the U.S., meanwhile, a stronger greenback could lead to a wider trade deficit, as a firmer exchange rate stifles exports and boosts in imports.

All values in CAD dollars unless otherwise noted.  
Priced as of 7:42 a.m. on December 2, 2016 (unless otherwise stated).

For important disclosures please see pages 10.

# Markets today

## Equities

Overseas equities are taking a step back. S&P futures are down 2 points following a non-farm payrolls print of +178k relative to consensus expectations for +180k. Commodities are lower with both copper and crude off 1.3%.

## Fixed income

The recent move higher in bond yields has been accompanied by a notable shift in market-based inflation expectations, the number Fed rate hikes the market is pricing in over the next few years and the terminal fund funds rates being priced-in.

### Market Pulse

Updated as of

12/2/16 7:42 AM

Equity New	Last	% Chg
Dow	19,172	-0.1%
S&P 500	2,188	-0.2%
Nasdaq	4,717	-0.4%

Overseas	Last	% Chg
FTSE 100 (UK)	6,699	-0.8%
DAX (Germany)	10,429	-1.0%
Euro Stoxx 50	2,995	-1.2%
Hang Seng	22,565	-1.4%
Nikkei 225	18,426	-0.5%
Shanghai	3,244	-0.9%

Commodities	Last	% Chg
WTI Crude	\$50.49	-1.1%
Gold (\$/oz)	\$1,174	0.4%
Silver (\$/oz)	\$16	-0.7%
Copper (\$/ton)	\$5,788	-0.4%
Natural Gas(\$/Mmbtu)	\$3.48	-0.6%

Currencies	Last	% Chg
CADUSD	\$0.75	0.1%
EURUSD	\$1.06	-0.1%
USDJPY	¥114.00	-0.1%

Fixed Income	Yield	Chg (bps)
10-yr Treasury	2.43%	-2.3
10-Yr Canadian	1.65%	-2.7
Germany 10 Yr Yield	0.33%	-3.6
Spain 10 Yr Yield	1.56%	-5.2
France 10 Yr Yield	0.78%	-3.8

### Advancers and Decliners

Updated as of

12/2/16 7:42 AM

#### S&P/TSX Top Movers

Advancers	Last	% Chg
MEG ENERGY CORP	\$ 7.55	11.19%
PASON SYSTEMS INC	\$ 16.99	6.59%
SURGE ENERGY INC	\$ 2.96	5.71%
SECURE ENERGY SERVICES INC	\$ 10.05	5.46%
LINAMAR CORP	\$ 54.55	5.43%

Decliners	Last	% Chg
PROMETIC LIFE SCIENCES INC	\$ 2.27	-6.58%
MACDONALD DETTWILER & ASSOC	\$ 66.72	-5.05%
ALAMOS GOLD INC-CLASS A	\$ 8.15	-4.68%
GUYANA GOLDFIELDS INC	\$ 5.25	-4.55%
KINAXIS INC	\$ 59.26	-4.45%

#### S&P 500 Top Movers

Advancers	Last (USD)	% Chg
DIAMOND OFFSHORE DRILLING	\$ 19.31	6.92%
SOUTHWESTERN ENERGY CO	\$ 12.13	6.87%
GENERAL MOTORS CO	\$ 36.43	5.50%
FLOWERVE CORP	\$ 49.85	5.06%
HUNTINGTON BANCSHARES INC	\$ 13.03	4.57%

Decliners	Last (USD)	% Chg
MICROCHIP TECHNOLOGY INC	\$ 61.23	-7.48%
ANALOG DEVICES INC	\$ 69.01	-7.04%
LAM RESEARCH CORP	\$ 98.58	-7.02%
SKYWORKS SOLUTIONS INC	\$ 71.78	-6.60%
APPLIED MATERIALS INC	\$ 30.10	-6.52%

# Strategy and economics

## Key developments



### Key U.S. Economic Data Releases

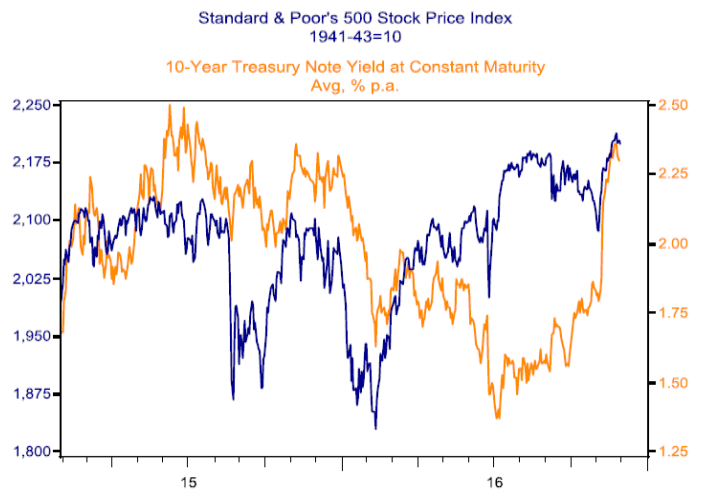
Event	Period	Survey	Actual	Prior	Commentary
<b>Change in Nonfarm Payrolls</b>	Nov.	180k	-	161k	The headline nonfarm payrolls number will be unlikely to move markets, as a December rate hike by the Fed is already priced in. The markets will be looking toward wage growth numbers to get a gauge of the potential strength of future economic growth.
<b>2-Month Net Revision</b>	Nov.	-	-	-	
<b>Private Payrolls</b>	Nov.	170k	-	142k	
<b>Unemployment Rate</b>	Nov.	4.9%	-	4.9%	The unemployment rate is expected to remain below 5.0%, and we don't expect this to change much in the minds of Fed policy officials. If anything, we would expect more of a reaction on the political front, with the underemployment rate still remaining ~2% above pre-recession levels.
<b>Underemployment Rate</b>	Nov.	-	-	9.5%	
<b>Avg Hrly Earnings MoM</b>	Nov.	0.2%	-	0.4%	While millions of people have gone back to work since the recession, wages have been slow to grow due to labor market slack. With less available workers to choose from, wages are starting to firm as employers now have to compete for available talent. Look to see if higher wages continue to draw workers back into the labor force – The labor force participation rate is the lowest it's been since the late 1970's.
<b>Avg Hrly Earnings YoY</b>	Nov.	2.8%	-	2.8%	
<b>Avg Weekly Hours</b>	Nov.	34.4	-	34.4	
<b>Labor Force Participation</b>	Nov.	-	-	62.8%	

### Prior Session Highlights & Analysis

Event	Period	Survey	Actual	Prior	Our Thoughts
<b>Initial Jobless Claims</b>	Nov. 26	253k	<b>268k</b>	251k	<b>Jobless Claims Spike</b>  The most Americans filed for unemployment benefits since June, with jobless claims jumping 17k to 268k last week. We don't put much weight on the release as it was likely skewed by the seasonality adjustment due to the Thanksgiving holiday. We look to today's payrolls number to get a better gauge on the condition of the labor market in November.
<b>Continuing Claims</b>	Nov. 19	2,033k	<b>2,081k</b>	2,043k	
<b>Construction Spending MoM</b>	Oct.	0.6%	<b>0.5%</b>	-0.4%	
<b>ISM Manufacturing</b>	Nov.	52.5	<b>53.2</b>	51.9	
<b>Markit US Manufacturing PMI</b>	Nov. F	53.9	<b>54.1</b>	53.9	

## RBC Capital Markets – Daily Deck

- We wrote a few weeks ago that despite all of the bluster, the rates market had yet to price in any real probability of a significant pro-growth fiscal policy agenda in the United States. That remains the case today. **Despite what on a short-term basis has doubtless been a remarkable move in yields (with 10s recently flirting with 2.5%), the truth is we are now sitting a grand total of 15 basis points above where 10-year Treasury yields were sitting at this time last year.**
- We've seen a similar dynamic play out in equity markets. While we continue to hear about the Trump rally ad nauseam, there needs to be a distinction between the Trump relief rally and a re-pricing of equity markets based on **potentially very expansionary fiscal policy.**
- You'll get no argument from us that the former has indeed occurred! But the reality is that even with the sharp move higher in recent weeks, **the S&P 500 is now unchanged from the pre-election 2016 high close set back in August.** Back then Clinton was widely expected to win and the outcome in the Senate was at best a 50/50 proposition for the GOP.



Source: RBC Capital Markets US Economics, WSJ, FRB, Haver

# Technical corner

Bob Dickey: Cracks in the Wall

We think the stock market is starting to show signs of taking a breather from the post-election buying surge, with many stocks starting to pull back in some correcting trends. It appears to us that the next few weeks could be more volatile, as the recently strongest stocks pull back, and the weaker groups of the past few months find a bottom. We believe the main indication of a developing dip is the narrowing list of stocks that have been moving up over the past several days, and a growing number of stocks that are starting to pull back. We expect a dip in the market to be shallow and short-lived, and lead to another good general buying opportunity before year-end. We think most stocks are good to hold; however, investors who have seen some unusually large gains in some stocks over the past month may wish to take some profits today.



Chart courtesy StockCharts.com and RBC Wealth Management

# Market snapshot

## Calendar of events

Date	Time	Event	Survey	Actual	Prior	Revised
11/28/2016	10:30	US Dallas Fed Manf. Activity	Nov	1.5	--	-1.5
11/29/2016	8:30	US GDP Annualized QoQ	3Q S	3.00%	--	2.90%
11/29/2016	8:30	US Personal Consumption	3Q S	2.30%	--	2.10%
11/29/2016	8:30	US GDP Price Index	3Q S	1.50%	--	1.50%
11/29/2016	8:30	US Core PCE QoQ	3Q S	--	--	1.70%
11/29/2016	9:00	US S&P CoreLogic CS US HPI MoM SA	Sep	--	--	0.61%
11/29/2016	9:00	US S&P CoreLogic CS 20-City NSA Index	Sep	--	--	191.66
11/29/2016	9:00	US S&P CoreLogic CS 20-City MoM SA	Sep	0.40%	--	0.24%
11/29/2016	9:00	US S&P CoreLogic CS 20-City YoY NSA	Sep	5.20%	--	5.13%
11/29/2016	9:00	US S&P CoreLogic CS US HPI NSA Index	Sep	--	--	184.42
11/29/2016	9:00	US S&P CoreLogic CS US HPI YoY NSA	Sep	--	--	5.32%
11/29/2016	10:00	US Consumer Confidence Index	Nov	101.3	--	98.6
11/30/2016	7:00	US MBA Mortgage Applications	25-Nov	--	--	5.50%
11/30/2016	8:15	US ADP Employment Change	Nov	160k	--	147k
11/30/2016	8:30	US Personal Income	Oct	0.40%	--	0.30%
11/30/2016	8:30	US Personal Spending	Oct	0.50%	--	0.50%
11/30/2016	8:30	US Real Personal Spending	Oct	0.30%	--	0.30%
11/30/2016	8:30	US PCE Deflator MoM	Oct	0.30%	--	0.20%
11/30/2016	8:30	US PCE Deflator YoY	Oct	1.50%	--	1.20%
11/30/2016	8:30	US PCE Core MoM	Oct	0.10%	--	0.10%
11/30/2016	8:30	US PCE Core YoY	Oct	1.70%	--	1.70%
11/30/2016	9:45	US Chicago Purchasing Manager	Nov	52.5	--	50.6
11/30/2016	10:00	US Pending Home Sales MoM	Oct	0.10%	--	1.50%
11/30/2016	10:00	US Pending Home Sales NSA YoY	Oct	--	--	2.00%
U.S. Federal Reserve Releases Beige						
11/30/2016	14:00	US Book				
12/01/2016	7:30	US Challenger Job Cuts YoY	Nov	--	--	-39.10%
12/01/2016	8:30	US Initial Jobless Claims	26-Nov	253k	--	251k
12/01/2016	8:30	US Continuing Claims	19-Nov	2040k	--	2043k
12/01/2016	9:45	US Bloomberg Consumer Comfort	27-Nov	--	--	44.8
12/01/2016	9:45	US Markit US Manufacturing PMI	Nov F	53.9	--	53.9
12/01/2016	10:00	US Construction Spending MoM	Oct	0.60%	--	-0.40%
12/01/2016	10:00	US ISM Manufacturing	Nov	52.2	--	51.9
12/01/2016	10:00	US ISM Prices Paid	Nov	54.3	--	54.5
12/01/2016	10:00	US ISM New Orders	Nov	--	--	52.1
12/01/2016		US Wards Domestic Vehicle Sales	Nov	14.00m	--	14.05m
12/01/2016		US Wards Total Vehicle Sales	Nov	17.70m	--	17.90m
12/02/2016	8:30	US Underemployment Rate	Nov	--	--	9.50%
12/02/2016	8:30	US Change in Nonfarm Payrolls	Nov	175k	--	161k
12/02/2016	8:30	US Two-Month Payroll Net Revision	Nov	--	--	44k
12/02/2016	8:30	US Change in Private Payrolls	Nov	170k	--	142k
12/02/2016	8:30	US Change in Manufact. Payrolls	Nov	-2k	--	-9k
12/02/2016	8:30	US Unemployment Rate	Nov	4.90%	--	4.90%
12/02/2016	8:30	US Average Hourly Earnings MoM	Nov	0.20%	--	0.40%
12/02/2016	8:30	US Average Hourly Earnings YoY	Nov	2.80%	--	2.80%
12/02/2016	8:30	US Average Weekly Hours All Employees	Nov	34.4	--	34.4
12/02/2016	8:30	US Change in Household Employment	Nov	--	--	-43
12/02/2016	8:30	US Labor Force Participation Rate	Nov	--	--	62.80%
12/02/2016	9:45	US ISM New York	Nov	--	--	49.2
12/05/2016	9:45	US Markit US Services PMI	Nov F	--	--	54.7
12/05/2016	9:45	US Markit US Composite PMI	Nov F	--	--	54.9
12/05/2016	10:00	US Labor Market Conditions Index Change	Nov	--	--	0.7
12/05/2016	10:00	US ISM Non-Manf. Composite	Nov	55.2	--	54.8
11/28/2016	10:00	CA Bloomberg Nanos Confidence	25-Nov	--	--	55.6
11/29/2016	8:30	CA Current Account Balance	3Q	\$16.50	--	\$19.86b
11/30/2016	8:30	CA GDP MoM	Sep	0.10%	--	0.20%
11/30/2016	8:30	CA GDP YoY	Sep	1.80%	--	1.30%
11/30/2016	8:30	CA Quarterly GDP Annualized	3Q	3.40%	--	-1.60%
11/30/2016	8:30	CA Industrial Product Price MoM	Oct	0.70%	--	0.40%
11/30/2016	8:30	CA Raw Materials Price Index MoM	Oct	3.50%	--	-0.10%
12/01/2016	9:30	CA RBC Canadian Manufacturing PMI	Nov	--	--	51.1
12/02/2016	8:30	CA Labor Productivity QoQ	3Q	1.00%	--	-0.30%
12/02/2016	8:30	CA Unemployment Rate	Nov	7.00%	--	7.00%
12/02/2016	8:30	CA Net Change in Employment	Nov	-20.0k	--	43.9k
12/02/2016	8:30	CA Full Time Employment Change	Nov	--	--	-23.1
12/02/2016	8:30	CA Part Time Employment Change	Nov	--	--	67.1
12/02/2016	8:30	CA Participation Rate	Nov	--	--	65.8
12/05/2016	10:00	CA Bloomberg Nanos Confidence	02-Dec	--	--	--

# Market snapshot

## Number crunching

Equity Indices	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
S&P/TSX Composite Index	15,027.53	-55.32	-0.4%	-0.4%	15.5%	11.6%	-11.1%	7.4%	9.3%
S&P/TSX Composite Index TR	48,512.25	-178.59	-0.4%	-0.4%	18.7%	15.1%	-8.3%	10.6%	13.0%
S&P/TSX 60 Index	884.28	-4.02	-0.5%	-0.5%	15.7%	11.5%	-10.6%	9.1%	9.6%
S&P/TSX Equity Index	15,542.63	-57.13	-0.4%	-0.4%	15.9%	11.8%	-11.3%	7.4%	10.1%
S&P/TSX Income Trust Index	186.64	-0.72	-0.4%	-0.4%	5.5%	4.7%	-5.2%	7.1%	-7.7%
S&P/TSX Venture Composite Index	739.54	2.57	0.3%	0.3%	40.7%	43.7%	-24.4%	-25.4%	-23.1%
S&P/TSX Small Cap Index	638.57	2.53	0.4%	0.4%	31.0%	29.9%	-15.8%	-5.2%	4.6%
Dow Jones Industrial Average	19,191.93	68.35	0.4%	0.4%	10.1%	8.2%	-2.2%	7.5%	25.5%
S&P 100 Index	966.61	-2.23	-0.2%	-0.2%	6.1%	4.3%	0.3%	10.3%	26.4%
S&P 500 Index	2,191.08	-7.73	-0.4%	-0.4%	7.2%	5.4%	-0.7%	11.4%	28.5%
S&P 400 Midcap Index	1,623.28	-4.24	-0.3%	-0.3%	16.1%	11.5%	-3.7%	8.2%	30.2%
S&P 600 Smallcap Index	808.59	-3.43	-0.4%	-0.4%	20.4%	14.8%	-3.4%	4.4%	39.7%
NASDAQ Composite Index	5,251.11	-72.57	-1.4%	-1.4%	4.9%	2.5%	5.7%	13.4%	37.2%
Euro Stoxx 50	2,821.01	-9.10	-0.3%	-0.3%	-9.0%	-13.9%	3.2%	2.9%	12.2%
FTSE 100	6,752.93	-30.86	-0.5%	-0.5%	8.2%	5.6%	-4.9%	-2.7%	13.9%
CAC 40	4,560.61	-17.73	-0.4%	-0.4%	-1.6%	-7.2%	8.5%	-0.5%	16.1%
DAX Index	10,534.05	-106.25	-1.0%	-1.0%	-1.9%	-6.5%	9.6%	2.7%	23.5%
S&P/ASX 200	5,500.24	59.77	1.1%	1.1%	3.9%	4.6%	-2.1%	1.1%	13.2%
Nikkei 225	18,513.12	204.64	1.1%	1.1%	-2.7%	-7.1%	9.1%	7.1%	56.7%
Shanghai Stock Exchange Composite	3,273.31	23.27	0.7%	0.7%	-7.5%	-7.5%	9.4%	52.9%	-7.0%
Hang Seng Index	22,878.23	88.46	0.4%	0.4%	4.4%	1.8%	-7.2%	1.3%	-0.3%
MSCI World	1,712.09	-3.33	-0.2%	0.0%	3.0%	0.1%	-2.7%	2.9%	24.1%
MSCI World TR	6,716.02	-12.12	-0.2%	1.5%	5.6%	3.8%	-0.3%	5.5%	27.4%
MSCI EAFE	1,629.67	-1.94	-0.1%	0.0%	-5.0%	-7.1%	-3.3%	-7.3%	19.4%
MSCI Emerging Market	862.83	4.36	0.5%	0.0%	8.6%	4.5%	-17.0%	-4.6%	-5.0%

Equity Indices (in CAD\$)*	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
DJIA in Cdn\$	25,555.97	85.28	0.3%	-0.5%	6.0%	7.1%	16.4%	17.6%	35.9%
S&P 100 Index	1,287.14	-3.26	-0.3%	-1.1%	2.0%	3.0%	19.5%	20.6%	36.9%
S&P 500 Index	2,917.64	-10.95	-0.4%	-1.2%	3.1%	4.0%	18.2%	21.8%	39.1%
S&P 400 Midcap Index	2,161.56	-6.13	-0.3%	-1.2%	11.7%	10.0%	14.6%	18.3%	41.0%
S&P 600 Smallcap Index	1,081.29	-0.24	0.0%	-0.9%	16.3%	13.9%	15.1%	15.1%	51.3%
NASDAQ in Cdn\$	6,992.37	-98.24	-1.4%	-2.3%	0.9%	1.6%	25.9%	24.0%	48.6%
Euro Stoxx 50	4,005.35	-13.09	-0.3%	-0.5%	-14.1%	-13.7%	10.3%	-0.9%	26.0%
FTSE 100	11,321.96	-1.35	0.0%	-0.7%	-11.1%	-11.3%	7.0%	0.1%	24.8%
CAC 40 Index	6,475.29	-25.45	-0.4%	-0.6%	-7.1%	-7.0%	16.0%	-4.2%	30.3%
DAX Index	14,956.56	-0.63	0.0%	-1.2%	-7.4%	-6.2%	17.7%	-1.2%	38.6%
S&P/ASX 200	5,430.39	-1.10	0.0%	0.6%	1.7%	5.9%	4.0%	0.2%	4.0%
Nikkei 225	2.16	0.00	0.0%	0.5%	-1.4%	0.1%	29.3%	-3.9%	41.6%
Shanghai Stock Exchange Composite	635.35	-2.62	-0.4%	0.3%	-15.8%	-14.0%	24.6%	6.7%	3.7%
Hang Seng Index	3,927.51	-1.60	0.0%	-0.5%	0.4%	1.5%	10.6%	9.4%	8.0%
MSCI World	2,279.82	-0.51	0.0%	-0.9%	-0.9%	-0.1%	15.8%	13.3%	34.4%
MSCI World TR	8,943.05	-2.01	0.0%	0.6%	1.6%	3.6%	18.7%	16.2%	37.9%
MSCI EAFE	2,170.07	-0.49	0.0%	-0.9%	-8.6%	-7.3%	15.1%	1.5%	29.4%
MSCI Emerging Market	1,148.94	-0.26	0.0%	-0.9%	4.5%	4.3%	-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	2,508.40	1.29	0.1%	0.1%	15.7%	10.5%	-5.5%	9.8%	18.4%
S&P/TSX Energy	2,589.77	-2.70	-0.1%	-0.1%	29.6%	20.6%	-25.7%	-7.8%	9.1%
S&P/TSX Materials	2,111.06	-29.35	-1.4%	-1.4%	38.2%	32.9%	-22.8%	-4.5%	-29.1%
S&P/TSX Industrials	2,574.06	1.98	0.1%	0.1%	22.0%	16.2%	-12.5%	20.0%	34.1%
S&P/TSX Consumer Discretionary	1,946.36	13.90	0.7%	0.7%	7.2%	0.2%	-3.5%	26.4%	38.6%
S&P/TSX Telecom Services	1,358.43	-20.10	-1.5%	-1.5%	7.6%	-0.8%	-1.0%	10.5%	7.6%
S&P/TSX Information Technology	228.89	-5.08	-2.2%	-2.2%	3.3%	3.5%	14.8%	34.0%	36.0%
S&P/TSX Consumer Staples	4,373.66	-82.68	-1.9%	-1.9%	4.6%	2.7%	11.0%	46.9%	21.3%
S&P/TSX Utilities	1,986.35	0.08	0.0%	0.0%	9.7%	9.8%	-7.8%	11.3%	-8.7%
S&P/TSX Healthcare	370.24	-14.38	-3.7%	-3.7%	-78.3%	-77.0%	-15.8%	30.2%	72.6%

S&P 500 Sector Performance	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
Financials	378.72	6.18	1.7%	1.7%	17.7%	13.5%	-3.5%	13.1%	32.5%
Health Care	786.12	-6.01	-0.8%	-0.8%	-5.7%	-5.8%	5.2%	23.3%	38.0%
Technology	777.69	-18.20	-2.3%	-2.3%	7.8%	4.1%	4.3%	18.2%	24.9%
Industrials	540.54	4.18	0.8%	0.8%	16.6%	13.4%	-4.7%	7.5%	35.9%
Consumer Discretionary	649.11	0.56	0.1%	0.1%	4.5%	0.4%	8.4%	8.0%	40.3%
Energy	546.15	1.48	0.3%	0.3%	21.8%	8.8%	-23.6%	-10.0%	20.7%
Consumer Staples	513.32	-3.49	-0.7%	-0.7%	-1.0%	0.7%	3.8%	12.9%	21.4%
Telecom	163.87	0.48	0.3%	0.3%	9.3%	10.7%	-1.7%	-1.9%	5.9%
Materials	312.53	-0.03	0.0%	0.0%	14.2%	8.4%	-10.4%	4.7%	21.9%
Utilities	233.75	-2.13	-0.9%	-0.9%	6.2%	7.4%	-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

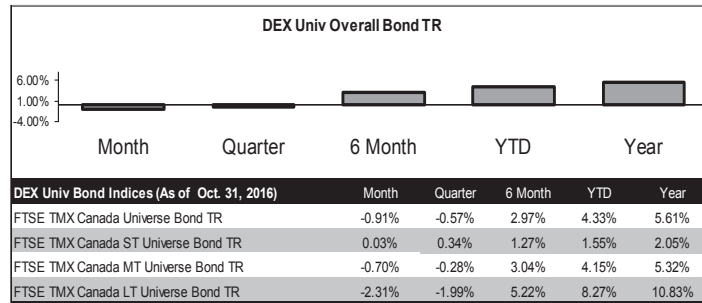
Commodities (USD\$)	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
Crude Oil (WTI per barrel)	\$50.90	1.46	3.0%	3.0%	15.1%	4.3%	-30.5%	-45.9%	1.9%
Crude Oil (Brent per barrel)	\$53.69	1.85	3.6%	3.6%	18.0%	3.1%	-35.0%	-48.3%	3.0%
Natural Gas (per million btu)	\$3.55	0.19	5.8%	5.8%	23.5%	23.6%	-19.1%	-31.7%	8.4%
3-2-1 Crack Spread	\$15.38	1.24	8.8%	8.8%	7.7%	-0.7%	4.9%	-39.5%	-20.6%
Gold (per ounce)	\$1,171.66	-0.10	0.0%	-0.1%	10.4%	11.2%	-10.4%	-1.7%	-27.3%
Silver (per ounce)	\$16.53	0.00	0.0%	0.0%	19.2%	18.0%	-11.7%	-19.3%	-35.5%
Platinum (per ounce)	\$915.85	-0.57	-0.1%	0.4%	2.5%	10.2%	-26.1%	-11.8%	-10.3%
Palladium (per ounce)	\$752.50	1.42	0.2%	-2.4%	33.7%	42.8%	-29.4%	11.3%	3.2%
Copper (per pound)	\$2.64	0.06	2.2%	0.0%	23.5%	26.4%	-26.1%	-13.7%	-6.3%
Zinc (per pound)	\$1.22	0.00	0.1%	0.0%	68.8%	74.0%	-26.5%	5.6%	1.3%
Nickel (per pound)	\$5.08	0.08	1.5%	0.0%	27.5%	26.3%	-41.8%	9.0%	-17.9%






Currencies (in CAD\$)	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
U.S. Dollar	1.332	-0.0003	0.0%	-0.9%	-3.8%	-0.2%	19.1%	9.4%	8.3%
Euro	1.420	-0.0001	0.0%	-0.2%	-5.6%	0.2%	6.9%	-3.7%	12.3%
British Pound	1.677	-0.0002	0.0%	-0.2%	-17.8%	-16.0%	12.7%	2.9%	9.6%
Japanese Yen (in JPY¥)	85.694	0.0220	0.0%	0.6%	-1.3%	-7.2%	-15.7%	4.0%	10.7%

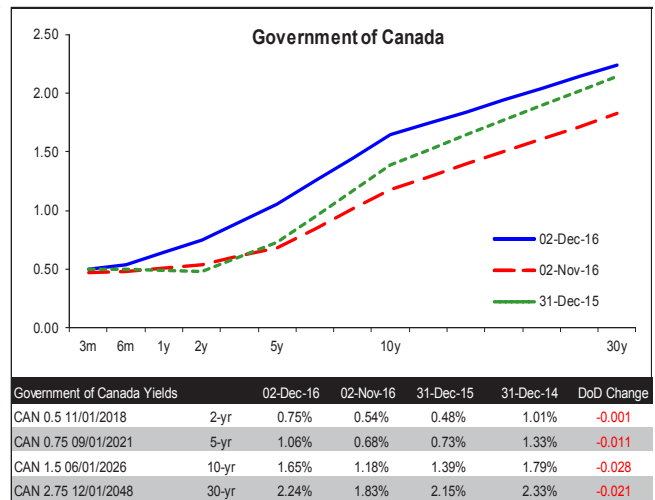
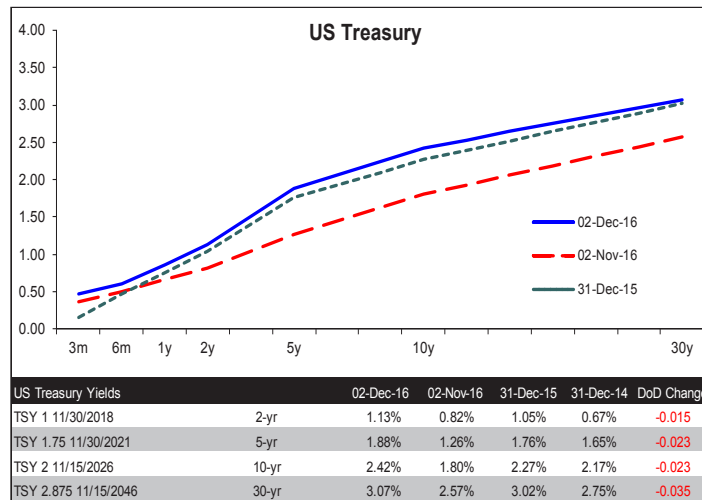
Currencies (in USD\$)	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
Canadian Dollar	0.751	0.0002	0.0%	0.9%	3.9%	0.2%	-16.0%	-8.6%	-7.7%
Euro	1.066	0.0002	0.0%	0.7%	-1.8%	0.5%	-10.2%	-12.0%	3.6%
British Pound	1.259	0.0001	0.0%	0.7%	-14.5%	-15.8%	-5.4%	-5.9%	1.2%
Japanese Yen (in JPY¥)	114.110	0.0100	0.0%	-0.3%	-5.1%	-7.4%	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%		2016/12/07	
	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%	0.31%	1.44%	2016/12/15
	Eurozone	0.00%	-0.77%	0.33%	2016/12/08
	Australia	1.50%	1.60%	2.86%	2016/12/05
	Japan	0.10%	-0.36%	0.04%	#N/A N/A



### Money Market\*

GIC's	1-yr	2-yr	3-yr	4-yr	5-yr
High	1.51%	1.70%	1.76%	1.86%	1.97%
Average	1.28%	1.40%	1.50%	1.63%	1.77%

	1 mth	2mth	3mth	6mth	1 yr
CDOR	0.88%	0.89%	0.90%	1.06%	1.17%
ICE LIBOR US	0.62%	0.74%	0.93%	1.29%	1.64%



CAD \$1,000,000	1 mth	2mth	3mth	6mth	1 yr
T-Bills	0.42%	0.42%	0.49%	0.54%	0.59%
BAs	0.76%	0.76%	0.78%	0.89%	0.97%
CP	0.81%	0.81%	0.83%	0.94%	1.02%

CAD \$100,000	1 mth	2mth	3mth	6mth	1 yr
T-Bills	0.24%	0.24%	0.31%	0.36%	0.41%
BAs	0.52%	0.52%	0.54%		
CP	0.57%	0.57%	0.59%		

US \$1,000,000	1 mth	2mth	3mth	6mth
T-Bills	0.32%	0.00%	0.47%	0.60%
CTBUS	0.24%	0.55%	0.71%	0.82%
GECC	0.13%	0.13%	0.13%	0.13%

US \$100,000	1 mth	2mth	3mth	6mth
T-Bills	0.14%	-	0.29%	0.42%
CTB US	0.06%	0.37%	0.53%	0.64%
GECC	-	-	-	-

### Economic Indicators\*\*

		Actual	Forecast		Forecast			Actual	Forecast	
		Q316	Q416	Q117	Q217	Q317	Q417	2016	2016	2017
	Overnight Rate	0.50	0.50	0.50	0.50	0.50	0.55	0.50	0.50	0.55
	10-Yr Yield	0.99	1.43	1.47	1.54	1.64	1.77	1.43	1.43	1.77
	Real GDP (est)	3.40	1.90	1.80	1.90	1.90	1.95	1.20	1.20	1.80
	Headline CPI (est)	1.30	1.70	2.10	1.80	2.00	1.90	1.50	1.50	1.90
	Unemployment Rate	7.00	7.00	7.00	6.90	6.90	6.80	7.00	7.00	6.90
		Q316	Q416	Q117	Q217	Q317	Q417	2016	2016	2017
	Fed Funds	0.50	0.75	0.80	0.95	1.05	1.25	0.75	0.75	1.25
	10-Yr Yield	1.65	2.23	2.25	2.33	2.44	2.53	2.23	2.23	2.53
	Real GDP (est)	2.90	2.20	2.00	2.20	2.20	2.10	2.20	1.60	2.20
	Headline CPI (est)	1.20	1.70	2.30	2.20	2.40	2.30	1.30	1.30	2.30
	Unemolpment Rate	4.80	4.90	4.80	4.70	4.70	4.70	4.90	4.90	4.70

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