

Daily Global Insight



Wealth
Management

Wednesday, August 17, 2016

Good morning

Good morning,

Equity markets worldwide are generally lower with futures on the S&P 500 ever so slightly in the red ahead of the open. The Nikkei (+0.9%) managed to buck the trend in Asia where markets finished lower overnight. European markets are lower across the board at midday. The macro narrative remains largely unchanged with markets perhaps showing signs of fatigue on the heels of a nearly two-month post-Brexit recovery rally. The U.S. dollar (DXY +0.2%) has recovered some of yesterday's decline while commodity prices suffer virtually across the board.

Today, we would highlight the following:

Fed minutes will be parsed for cues on the direction of rate policy. The minutes from the Fed's July 26-27 meeting will be released this afternoon at 2pm ET. After the benchmark short-term rate was left unchanged at the July meeting, investors will be looking for any incremental hints that could help refine their assessment of timing for the next rate hike. Current pricing in fed-funds futures place the odds of a rate increase by year-end at just over 50%. This market-implied probability differs from the roughly three-quarters of economists polled by the Wall Street Journal who felt that the Fed would raise rates at the December meeting. Moreover, Fed officials have recently mused that it is premature to rule out furthering tightening and that there could even be two rate increases this year. Of particular interest in the minutes will be any incremental commentary on risks to the U.S. or global economic outlook. With respect to timing, the Fed has three meetings remaining in 2016 – Sep. 21, Nov. 2 and Dec. 14. With the U.S. election looming on November 8 and in light of historical precedent, it might surprise the market to see the Fed enact a rate hike ahead of that event.

Investors continue to withdraw assets from hedge funds and demand more stringent hurdles. According to HFR and as reported by the WSJ, the US\$2.9 trillion hedge fund industry has suffered three consecutive quarters of withdrawals for the first time since 2009. Underperformance over that period has prompted a reallocation of funds to low-cost exchange-traded and index funds as well as a migration to quantitative strategies. This trend has seen assets flow out of industry stalwarts such as global macro-focused Brevan Howard and Tudor Investment. Investors that are sticking with their hedge fund managers are demanding stronger hurdle rates before incentive fees kick in. According to the Financial Times, hedge funds agreeing to hurdle rates more akin to those prevalent in the private equity world is an indication of power shifting from managers to investors.

All values in CAD dollars unless otherwise noted.
Priced as of 7:27 a.m. on August 17, 2016 (unless otherwise stated).

For important disclosures please see page 10.

Markets today

Equities

Global equity markets are generally lower with S&P futures pointing to a flat open. The U.S. dollar is retracing some of yesterday's decline while commodity prices are lower virtually across the board.

Fixed income

Market awaits FOMC minutes as two Fed presidents call for a September rate hike. The focus today shifts to the FOMC minutes from the July 27th FOMC meeting. The market will be looking for any change in language and tone in the minutes to assess whether a near term rate hike is likely.

Market Pulse			Advancers and Decliners		
Updated as of 8/17/16 7:27 AM			Updated as of 8/17/16 7:27 AM		
Equity New			S&P/TSX Top Movers		
	Last	% Chg		Last	% Chg
Dow	18,502	-0.1%	TORC OIL & GAS LTD	\$ 8.37	5.15%
S&P 500	2,176	0.0%	MAG SILVER CORP	\$ 22.36	4.98%
Nasdaq	4,797	0.0%	CANADIAN ENERGY SERVICES & T	\$ 4.50	4.65%
			DHX MEDIA LTD	\$ 7.83	3.98%
			LUCARA DIAMOND CORP	\$ 4.35	3.57%
Overseas			Decliners		
	Last	% Chg		Last	% Chg
FTSE 100 (UK)	6,879	-0.2%	AVIGILON CORP	\$ 9.98	-25.24%
DAX (Germany)	10,547	-1.2%	ATS AUTOMATION TOOLING SYS	\$ 9.82	-4.01%
Euro Stoxx 50	2,989	-0.9%	FIRST MAJESTIC SILVER CORP	\$ 21.86	-3.15%
Hang Seng	22,800	-0.5%	OSISKO GOLD ROYALTIES LTD	\$ 16.40	-2.84%
Nikkei 225	16,746	0.9%	GREAT CANADIAN GAMING CORP	\$ 20.70	-2.77%
Shanghai	3,110	0.0%			
Commodities			S&P 500 Top Movers		
	Last	% Chg		Last (USD)	% Chg
WTI Crude	\$46.34	-0.5%	CHESAPEAKE ENERGY CORP	\$ 5.91	7.45%
Gold (\$/oz)	\$1,348	-0.7%	CINTAS CORP	\$ 112.99	5.19%
Silver (\$/oz)	\$20	-0.8%	PRAXAIR INC	\$ 121.27	2.75%
Copper (\$/ton)	\$4,800	0.8%	AMERICAN AIRLINES GROUP INC	\$ 36.75	2.45%
Natural Gas(\$/Mmbtu)	\$2.61	-0.2%	KINDER MORGAN INC	\$ 21.78	2.25%
Currencies			Decliners		
	Last	% Chg		Last (USD)	% Chg
CADUSD	\$0.78	-0.2%	VERISIGN INC	\$ 75.97	-7.14%
EURUSD	\$1.13	-0.1%	TJX COMPANIES INC	\$ 77.97	-5.80%
USDJPY	¥100.69	0.4%	ACTIVISION BLIZZARD INC	\$ 39.31	-5.23%
			ADVANCE AUTO PARTS INC	\$ 160.40	-4.39%
			LOCKHEED MARTIN CORP	\$ 256.77	-3.65%
Fixed Income					
	Yield	Chg (bps)			
10-yr Treasury	1.58%	0.0			
10-Yr Canadian	1.08%	1.3			
Germany 10 Yr Yield	-0.04%	-0.5			
Spain 10 Yr Yield	0.99%	1.0			
France 10 Yr Yield	0.18%	-1.1			

Strategy and economics

Key developments

Key U.S. Economic Data Releases

[Link: Bloomberg U.S. Economic Calendar](#)

Event	Period	Survey	Actual	Prior	Commentary
MBA Mortgage Applications	Aug 12	-	-4.0%	7.1%	After last week's strong gains, mortgage applications fell even with the average mortgage rate down 1bp to 3.64%

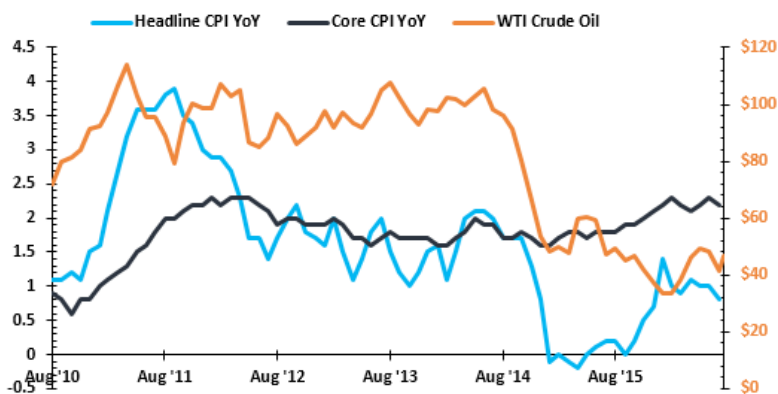
Key Canadian Economic Data Releases

Event	Period	Survey	Actual	Prior	Commentary
No Scheduled Releases – Retail Sales 8/19					

Prior Session Highlights & Analysis

Event	Period	Survey	Actual	Prior	Our Thoughts
Housing Starts	July	1,180k	1,211k	1,189k	<p>Inflation Remains Low</p> <p>Although it is not the Fed's preferred measure of inflation, July's CPI came in below expectations, but the underlying data showed much of the same. Low energy prices and a strong dollar depressing import prices continue to weigh on the headline, while higher rent/housing costs continue to persist.</p> <p>Inflation is a lagging economic indicator, and there is little to suggest that inflation will pick up in the near term with such sluggish economic growth. Inflation won't see a significant acceleration on a sustained basis, until economic growth continues above trend. Today's release of July's FOMC minutes should give us the Fed's updated opinion on the current state of inflation, and if it deems inflation sufficient for a rate hike.</p> <p>Industrial production surged in July after a strong number in June, but output continues to contract on a year-over-year basis. Unless there is some alleviations in the strong dollar and weak global demand, or domestic demand improves considerably, industrial production will remain sluggish and move in a more sideways path.</p>
Building Permits	July	1,160k	1,152k	1,153k	
CPI YoY	July	0.9%	0.8%	1.0%	
Core CPI YoY	July	2.3%	2.2%	2.3%	
Industrial Production	July	0.3%	0.7%	0.6%	
(CA) Manufacturing Sales	June	0.5%	0.8%	-1.0%	

Low Crude Prices Continue to Weigh on CPI



Source: RBC Wealth Management, Bloomberg

RBC Capital Markets – North American Morning Comment

U.S.: FOMC Minutes come as Fed speakers throw some curves

- The real impetus was **unexpected comments by NY Fed President Dudley**, with the FOMC member warning that markets had not priced in enough in the way of higher interest rates and that a hike as soon as September was possible. Markets are still somewhat skeptical overall – **Fed funds futures have boosted the odds for a hike by year's end by just about 10% to ~50%**, yet there is only just one full hike expected by the end of next year.
 - Watch for more discussion on the role of structural impediments to growth and the **appropriate role for monetary policy at the Jackson Hole Symposium later in the month**, but for more mundane topics to dominate in the release of today's FOMC minutes for the July 26-27 meeting. The FOMC meeting statement was deemed as hawkish, but subsequent comments have been relatively balanced. Markets will be looking for indications of how policymakers view risks overseas post-Brexit and any update on whether members see a potentially lower natural rate of unemployment that may be preventing inflationary pressures despite decent job growth. Also watch for **comments by St. Louis Fed President Bullard ahead of the minutes**. Like Dudley, Bullard seems to have had a bit of an about face of late, in his case moving from a presumed hawk to suggesting only one rate hike might be required over the next few years – mostly on worries about a persistent low productivity/growth regime.
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Technical corner

Bob Dickey: Time Is Money.

It appears that the market for interest rates is finding a new lower trading range, with the 10-year treasury yield finding a range of mostly 1.4%–1.7% that could hold it for the next several months. This has been the normal pattern over the past few years, where rates have fallen to new lows and then trade in a range for several months. The longer-term trend continues to be lower for rates, and we believe there is still no way to call the bottom to the 25-year declining trend. The rate-sensitive stocks are also largely stalling here, and we suspect there will also be some longer trading ranges developing in many high-yield stock groups as they consolidate after six months of extraordinary gains. The Dow Jones Utility Average index is off about 7% from its peak and we believe may have another few percent to go before it stabilizes and trades sideways for several months. We like high-yield stock strategies, but the period of bigger gains could be back on hold for the remainder of the year.



Chart courtesy StockCharts.com and RBC Wealth Management

Market snapshot

Calendar of events

Date	Time	Event	Survey	Actual	Prior	Revised	
08/15/2016	8:30	US Empire Manufacturing	Aug	2	--	0.55	--
08/15/2016	10:00	US NAHB Housing Market Index	Aug	60	--	59	--
08/15/2016	16:00	US Total Net TIC Flows	Jun	--	--	-\$11.0b	--
08/15/2016	16:00	US Net Long-term TIC Flows	Jun	--	--	\$41.1b	--
08/16/2016	8:30	US Housing Starts	Jul	1180k	--	1189k	--
08/16/2016	8:30	US Housing Starts MoM	Jul	-0.80%	--	4.80%	--
08/16/2016	8:30	US Building Permits	Jul	1160k	--	1153k	--
08/16/2016	8:30	US Building Permits MoM	Jul	0.60%	--	1.50%	--
08/16/2016	8:30	US CPI MoM	Jul	0.00%	--	0.20%	--
08/16/2016	8:30	US CPI Ex Food and Energy MoM	Jul	0.20%	--	0.20%	--
08/16/2016	8:30	US CPI YoY	Jul	0.90%	--	1.00%	--
08/16/2016	8:30	US CPI Ex Food and Energy YoY	Jul	2.30%	--	2.30%	--
08/16/2016	8:30	US CPI Index NSA	Jul	240.805	--	241.038	--
08/16/2016	8:30	US CPI Core Index SA	Jul	247.848	--	247.495	--
08/16/2016	8:30	US Real Avg Weekly Earnings YoY	Jul	--	--	1.20%	--
08/16/2016	9:15	US Industrial Production MoM	Jul	0.30%	--	0.60%	--
08/16/2016	9:15	US Capacity Utilization	Jul	75.60%	--	75.40%	--
08/16/2016	9:15	US Manufacturing (SIC) Production	Jul	0.20%	--	0.40%	--
08/17/2016	7:00	US MBA Mortgage Applications	12-Aug	--	--	7.10%	--
		U.S. Fed Releases Minutes from July 26-					
08/17/2016	14:00	US 27 FOMC Meeting					
08/17/2016	14:00	US FOMC Meeting Minutes	27-Jul	--	--	--	--
08/18/2016	8:30	US Initial Jobless Claims	13-Aug	265k	--	266k	--
08/18/2016	8:30	US Continuing Claims	06-Aug	--	--	2155k	--
08/18/2016	8:30	US Philadelphia Fed Business Outlook	Aug	2	--	-2.9	--
08/18/2016	9:45	US Bloomberg Economic Expectations	Aug	--	--	44.5	--
08/18/2016	9:45	US Bloomberg Consumer Comfort	14-Aug	--	--	41.8	--
08/18/2016	10:00	US Leading Index	Jul	0.30%	--	0.30%	--
08/22/2016	8:30	US Chicago Fed Nat Activity Index	Jul	--	--	0.16	--
08/15/2016	9:00	CA Existing Home Sales MoM	Jul	--	--	-0.90%	--
08/15/2016	10:00	CA Bloomberg Nanos Confidence	12-Aug	--	--	59.9	--
08/16/2016	8:30	CA Manufacturing Sales MoM	Jun	0.50%	--	-1.00%	--
08/18/2016	8:30	CA Int'l Securities Transactions	Jun	--	--	14.73b	--
08/19/2016	8:30	CA Retail Sales MoM	Jun	0.50%	--	0.20%	--
08/19/2016	8:30	CA Retail Sales Ex Auto MoM	Jun	0.30%	--	0.90%	--
08/19/2016	8:30	CA CPI NSA MoM	Jul	0.00%	--	0.20%	--
08/19/2016	8:30	CA CPI YoY	Jul	1.30%	--	1.50%	--
08/19/2016	8:30	CA Consumer Price Index	Jul	129.2	--	129.1	--
08/19/2016	8:30	CA CPI Core MoM	Jul	0.00%	--	0.00%	--
08/19/2016	8:30	CA CPI Core YoY	Jul	2.10%	--	2.10%	--
08/19/2016	8:30	CA CPI SA MoM	Jul	0.20%	--	0.20%	--
08/19/2016	8:30	CA CPI Core SA MoM	Jul	0.20%	--	0.20%	--
08/22/2016	8:30	CA Wholesale Trade Sales MoM	Jun	--	--	1.80%	--
08/22/2016	10:00	CA Bloomberg Nanos Confidence	19-Aug	--	--	--	--

Market snapshot

Number crunching

Equity Indices	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
S&P/TSX Composite Index	14,703.44	-73.58	-0.5%	0.8%	13.0%	3.2%	-11.1%	7.4%	9.3%
S&P/TSX Composite Index TR	47,075.68	-229.95	-0.5%	0.9%	15.2%	6.5%	-8.3%	10.6%	13.0%
S&P/TSX 60 Index	854.28	-4.73	-0.6%	0.8%	11.7%	1.6%	-10.6%	9.1%	9.6%
S&P/TSX Equity Index	15,165.06	-77.29	-0.5%	1.0%	13.0%	3.1%	-11.3%	7.4%	10.1%
S&P/TSX Income Trust Index	198.83	-0.44	-0.2%	-3.3%	12.4%	6.3%	-5.2%	7.1%	-7.7%
S&P/TSX Venture Composite Index	838.55	2.45	0.3%	5.3%	59.5%	46.8%	-24.4%	-25.4%	-23.1%
S&P/TSX Small Cap Index	664.44	-0.36	-0.1%	2.4%	36.3%	24.9%	-15.8%	-5.2%	4.6%
Dow Jones Industrial Average	18,552.02	-84.03	-0.5%	0.6%	6.5%	5.7%	-2.2%	7.5%	25.5%
S&P 100 Index	964.56	-4.26	-0.4%	0.3%	5.8%	4.3%	0.3%	10.3%	26.4%
S&P 500 Index	2,178.15	-12.00	-0.5%	0.2%	6.6%	3.6%	-0.7%	11.4%	28.5%
S&P 400 Midcap Index	1,553.79	-15.31	-1.0%	-0.4%	11.1%	2.6%	-3.7%	8.2%	30.2%
S&P 600 Smallcap Index	745.71	-5.25	-0.7%	0.2%	11.0%	4.7%	-3.4%	4.4%	39.7%
NASDAQ Composite Index	5,227.11	-34.90	-0.7%	1.3%	4.4%	2.7%	5.7%	13.4%	37.2%
Euro Stoxx 50	2,867.87	-22.53	-0.8%	-0.3%	-7.5%	-13.8%	3.2%	2.9%	12.2%
FTSE 100	6,893.92	-47.27	-0.7%	2.5%	10.4%	5.2%	-4.9%	-2.7%	13.9%
CAC 40	4,460.44	-37.42	-0.8%	0.5%	-3.8%	-10.0%	8.5%	-0.5%	16.1%
DAX Index	10,676.65	-62.56	-0.6%	3.3%	-0.6%	-2.8%	9.6%	2.7%	23.5%
S&P/ASX 200	5,531.98	-7.98	-0.1%	-0.5%	4.5%	3.1%	-2.1%	1.1%	13.2%
Nikkei 225	16,596.51	-273.05	-1.6%	0.2%	-12.8%	-19.5%	9.1%	7.1%	56.7%
Shanghai Stock Exchange Composite	3,110.04	-15.16	-0.5%	4.4%	-12.1%	-22.1%	9.4%	52.9%	-7.0%
Hang Seng Index	22,910.84	-21.67	-0.1%	4.7%	4.5%	-3.8%	-7.2%	1.3%	-0.3%
MSCI World	1,739.43	3.33	0.2%	1.0%	4.6%	-0.3%	-2.7%	2.9%	24.1%
MSCI World TR	6,777.43	13.59	0.2%	1.2%	6.6%	2.4%	-0.3%	5.5%	27.4%
MSCI EAFE	1,710.74	0.01	0.0%	1.3%	0.3%	-7.1%	-3.3%	-7.3%	19.4%
MSCI Emerging Market	915.86	5.78	0.6%	4.9%	15.3%	6.0%	-17.0%	-4.6%	-5.0%

Equity Indices (in CAD\$)*	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
DJIA in Cdn\$	23,850.48	-234.75	-1.0%	-0.7%	-1.1%	4.3%	16.4%	17.6%	35.9%
S&P 100 Index	1,240.04	-12.06	-1.0%	-1.0%	-1.7%	3.0%	19.5%	20.6%	36.9%
S&P 500 Index	2,800.23	-30.32	-1.1%	-1.1%	-1.0%	2.4%	18.2%	21.8%	39.1%
S&P 400 Midcap Index	1,997.55	-30.35	-1.5%	-1.7%	3.2%	1.7%	14.6%	18.3%	41.0%
S&P 600 Smallcap Index	965.43	-5.11	-0.5%	-0.4%	3.9%	4.4%	15.1%	15.1%	51.3%
NASDAQ in Cdn\$	6,719.97	-80.65	-1.2%	-0.1%	-3.0%	1.8%	25.9%	24.0%	48.6%
Euro Stoxx 50	4,157.98	-19.57	-0.5%	-0.8%	-10.8%	-13.7%	10.3%	-0.9%	26.0%
FTSE 100	11,556.97	81.35	0.7%	-0.3%	-9.2%	-13.5%	7.0%	0.1%	24.8%
CAC 40 Index	6,466.97	-33.88	-0.5%	0.0%	-7.2%	-9.9%	16.0%	-4.2%	30.3%
DAX Index	15,479.54	48.37	0.3%	2.8%	-4.2%	-2.7%	17.7%	-1.2%	38.6%
S&P/ASX 200	5,472.79	-13.28	-0.2%	-0.6%	2.5%	5.8%	4.0%	0.2%	4.0%
Nikkei 225	2.13	-0.03	-1.2%	0.5%	-2.9%	-1.9%	29.3%	-3.9%	41.6%
Shanghai Stock Exchange Composite	603.97	-1.24	-0.2%	3.2%	-19.9%	-26.1%	24.6%	6.7%	3.7%
Hang Seng Index	3,799.08	-22.63	-0.6%	3.2%	-2.9%	-5.4%	10.6%	9.4%	8.0%
MSCI World	2,236.21	-11.83	-0.5%	-0.3%	-2.8%	-2.0%	15.8%	13.3%	34.4%
MSCI World TR	8,713.06	-46.09	-0.5%	-0.2%	-1.0%	0.7%	18.7%	16.2%	37.9%
MSCI EAFE	2,199.33	-11.63	-0.5%	-0.1%	-7.4%	-8.7%	15.1%	1.5%	29.4%
MSCI Emerging Market	1,177.43	-6.23	-0.5%	3.5%	7.1%	4.2%	-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	2,281.53	-10.06	-0.4%	-0.7%	5.2%	2.8%	-5.5%	9.8%	18.4%
S&P/TSX Energy	2,437.95	-10.12	-0.4%	4.7%	22.0%	7.8%	-25.7%	-7.8%	9.1%
S&P/TSX Materials	2,472.84	-18.57	-0.7%	0.5%	61.9%	45.0%	-22.8%	-4.5%	-29.1%
S&P/TSX Industrials	2,360.29	-12.25	-0.5%	-0.4%	11.8%	3.2%	-12.5%	20.0%	34.1%
S&P/TSX Consumer Discretionary	1,914.24	-21.77	-1.1%	1.1%	5.4%	-5.1%	-3.5%	26.4%	38.6%
S&P/TSX Telecom Services	1,471.56	-15.80	-1.1%	-0.7%	16.5%	12.5%	-1.0%	10.5%	7.6%
S&P/TSX Information Technology	226.39	-1.69	-0.7%	-0.4%	2.2%	7.8%	14.8%	34.0%	36.0%
S&P/TSX Consumer Staples	4,614.40	56.11	1.2%	2.7%	10.3%	8.1%	11.0%	46.9%	21.3%
S&P/TSX Utilities	2,090.50	-9.58	-0.5%	-2.0%	15.5%	10.1%	-7.8%	11.3%	-8.7%
S&P/TSX Healthcare	530.97	-1.67	-0.3%	6.2%	-68.9%	-85.5%	-15.8%	30.2%	72.6%

S&P 500 Sector Performance	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
Financials	322.34	-0.93	-0.3%	1.1%	0.2%	-5.0%	-3.5%	13.1%	32.5%
Health Care	857.35	-7.76	-0.9%	-1.4%	2.9%	-1.5%	5.2%	23.3%	38.0%
Technology	781.49	-4.37	-0.6%	1.7%	8.3%	10.3%	4.3%	18.2%	24.9%
Industrials	507.86	-2.21	-0.4%	0.8%	9.6%	8.6%	-4.7%	7.5%	35.9%
Consumer Discretionary	648.15	-3.55	-0.5%	0.1%	4.4%	4.3%	8.4%	8.0%	40.3%
Energy	512.22	1.08	0.2%	2.0%	14.2%	1.2%	-23.6%	-10.0%	20.7%
Consumer Staples	559.86	-2.63	-0.5%	0.0%	8.0%	8.9%	3.8%	12.9%	21.4%
Telecom	175.42	-3.66	-2.0%	-4.0%	17.0%	16.0%	-1.7%	-1.9%	5.9%
Materials	304.37	-1.44	-0.5%	-0.3%	11.2%	6.3%	-10.4%	4.7%	21.9%
Utilities	250.44	-3.04	-1.2%	-5.4%	13.8%	8.7%	-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

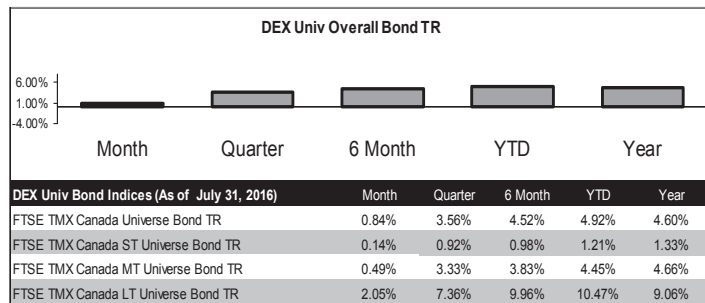
Number crunching

Commodities (USD\$)	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
Crude Oil (WTI per barrel)	\$46.63	0.89	1.9%	12.1%	10.0%	-8.9%	-30.5%	-45.9%	1.9%
Crude Oil (Brent per barrel)	\$49.24	0.89	1.8%	13.1%	14.1%	-13.4%	-35.0%	-48.3%	3.0%
Natural Gas (per million btu)	\$2.63	0.04	1.4%	-8.7%	4.2%	-13.8%	-19.1%	-31.7%	8.4%
3-2-1 Crack Spread	\$13.62	-0.16	-1.2%	-0.2%	-4.7%	-49.1%	4.9%	-39.5%	-20.6%
Gold (per ounce)	\$1,346.44	6.99	0.5%	-0.3%	26.9%	20.7%	-10.4%	-1.7%	-27.3%
Silver (per ounce)	\$19.81	-0.02	-0.1%	-2.6%	42.9%	29.8%	-11.7%	-19.3%	-35.5%
Platinum (per ounce)	\$1,117.70	6.81	0.6%	-2.7%	25.1%	12.6%	-26.1%	-11.8%	-10.3%
Palladium (per ounce)	\$702.52	9.24	1.3%	-1.2%	24.8%	13.5%	-29.4%	11.3%	3.2%
Copper (per pound)	\$2.16	0.00	0.2%	-3.2%	1.1%	-7.7%	-26.1%	-13.7%	-6.3%
Zinc (per pound)	\$1.03	0.01	1.2%	0.8%	41.9%	23.6%	-26.5%	5.6%	1.3%
Nickel (per pound)	\$4.75	0.09	2.0%	-1.1%	19.2%	-1.0%	-41.8%	9.0%	-17.9%

Currencies (in CAD\$)	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
U.S. Dollar	1.286	-0.0068	-0.5%	-1.3%	-7.1%	-1.7%	19.1%	9.4%	8.3%
Euro	1.450	0.0045	0.3%	-0.4%	-3.6%	0.1%	6.9%	-3.7%	12.3%
British Pound	1.676	0.0118	0.7%	-2.8%	-17.8%	-17.8%	12.7%	2.9%	9.6%
Japanese Yen (in JPY¥)	78.008	-0.3430	-0.4%	-0.4%	-10.2%	-18.0%	-15.7%	4.0%	10.7%

Currencies (in USD\$)	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
Canadian Dollar	0.778	0.0041	0.5%	1.4%	7.6%	1.7%	-16.0%	-8.6%	-7.7%
Euro	1.128	0.0093	0.8%	0.9%	3.8%	1.8%	-10.2%	-12.0%	3.6%
British Pound	1.304	0.0159	1.2%	-1.4%	-11.5%	-16.3%	-5.4%	-5.9%	1.2%
Japanese Yen (in JPY¥)	100.290	-0.9700	-1.0%	-1.7%	-16.6%	-19.4%	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.

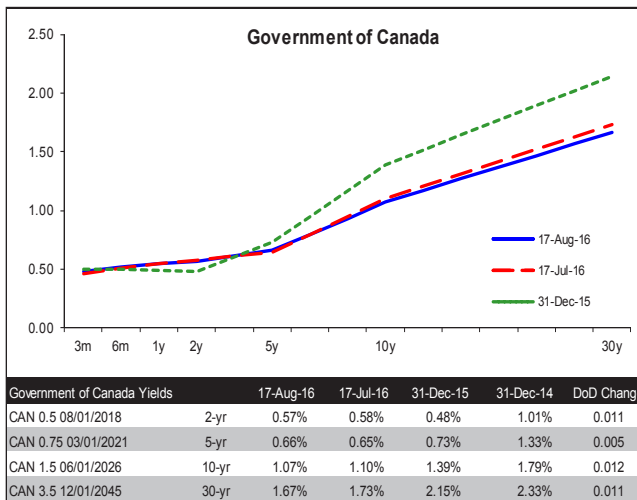
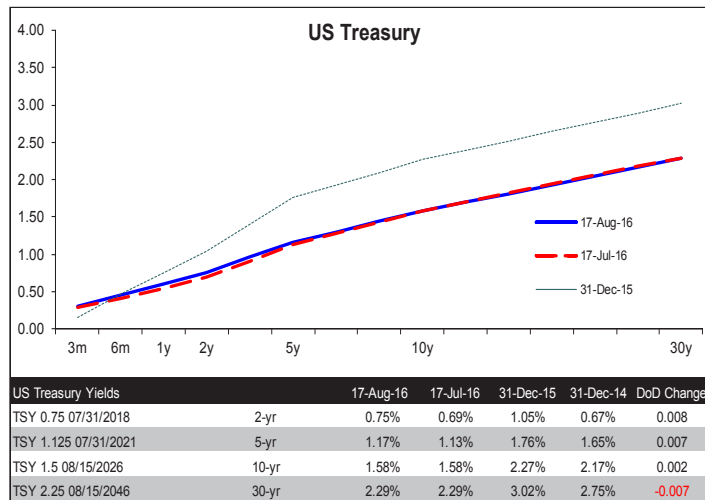


Key Rates

			Next Mtg
	Overnight Rate CAN	0.50%	2016/09/07
	Bank Rate CAN	0.75%	
	Prime Rate CAN	2.70%	
	Fed Funds US	0.50%	2016/09/21
	Discount US	1.00%	
	Prime Rate US	3.50%	

International Yields

		O/N	3mo	10-Yr	Next Mtg
	United Kingdom	0.25%	0.36%	0.58%	2016/09/15
	Eurozone	0.00%	-0.26%	-0.04%	2016/09/08
	Australia	1.50%	1.54%	1.91%	2016/09/06
	Japan	0.10%	-0.23%	-0.07%	2016/09/21



Money Market*

GIC's	1-yr	2-yr	3-yr	4-yr	5-yr
High	1.48%	1.67%	1.82%	1.86%	1.95%
Average	1.30%	1.44%	1.54%	1.62%	1.76%

	1 mth	2mth	3mth	6mth	1 yr
CDOR	0.89%	0.89%	0.90%	1.02%	1.11%
ICE LIBOR US	0.51%	0.63%	0.80%	1.20%	1.51%

CAD \$1,000,000	1 mth	2mth	3mth	6mth	1 yr
T-Bills	0.43%	0.44%	0.46%	0.50%	0.52%
BAs	0.75%	0.75%	0.76%	0.86%	0.93%
CP	0.80%	0.80%	0.81%	0.91%	0.98%

CAD \$100,000	1 mth	2mth	3mth	6mth	1 yr
T-Bills	0.25%	0.26%	0.28%	0.32%	0.34%
BAs	0.51%	0.51%	0.52%		
CP	0.56%	0.56%	0.57%		

US \$1,000,000	1 mth	2mth	3mth	6mth
T-Bills	0.27%	0.00%	0.30%	0.45%
CTBUS	0.35%	0.37%	0.46%	0.49%
GECC	0.13%	0.13%	0.13%	0.13%

US \$100,000	1 mth	2mth	3mth	6mth
T-Bills	0.09%	-	0.12%	0.27%
CTB US	0.17%	0.19%	0.28%	0.31%
GECC	-	-	-	-

Economic Indicators**

		Actual			Forecast			Actual	Forecast	
		Q216	Q316	Q416	Q117	Q217	Q317		2016	2016
	Overnight Rate	0.50	0.50	0.50	0.50	0.50	0.55	0.50	0.50	0.55
	10-Yr Yield	1.06	1.10	1.21	1.33	1.45	1.60	1.21	1.21	1.60
	Real GDP (est)	(1.40)	3.20	2.00	2.05	2.10	2.10	1.20	1.20	2.00
	Headline CPI (est)	1.50	1.55	1.95	2.15	2.00	2.00	1.70	1.70	2.00
	Unemployment Rate	7.20	7.00	7.00	7.00	6.90	6.90	7.00	7.00	6.95
	Fed Funds	0.50	0.50	0.70	0.80	0.95	1.05	0.70	0.70	1.05
	10-Yr Yield	1.48	1.55	1.67	1.82	1.96	2.07	1.67	1.67	2.07
	Real GDP (est)	2.50	2.50	2.20	2.10	2.20	2.10	2.20	1.60	2.20
	Headline CPI (est)	1.10	1.30	1.60	2.20	2.10	2.20	1.30	1.30	2.20
	Unemployment Rate	4.80	4.80	4.70	4.70	4.60	4.60	4.80	4.80	4.60

*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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