

# Daily Global Insight



Wealth  
Management

Wednesday, November 16, 2016

## Good morning

Global stock markets are mixed following a quiet overnight session with futures on the S&P 500 shedding nine points in the pre-market. China's Shanghai Composite (-0.1%) underperformed overnight in an otherwise upbeat session for Asian bourses as Japan's Nikkei (+1.1%) posted solid gains. Chinese Premier Li Keqiang reiterated last night that China remains on course to hit the government's 2016 growth target of 6.5% to 7% as prudent macro policies should help expand domestic demand. European exchanges are flattish at the mid-point of the session. The U.S. Dollar Index (+0.2%) remains firm, putting pressure on the commodities complex with crude oil (-1.2%), copper (-1%) and gold bullion (-0.1%) all flashing red. Selling pressure has returned to core government bond markets with yields on U.S. 10-year Treasuries leaping five basis points to 2.27%.

Today, we would highlight the following:

Federal Reserve official signals a December rate increase. St. Louis Fed President James Bullard, a voting member of the Fed's rate-setting committee, indicated that he is still leaning towards supporting a rate move next month, as his view of the economic outlook is unchanged since the U.S. election. A rate hike in December should not come as a surprise to markets. Bloomberg data show that investors are pricing in a ~95% chance of such an outcome, compared to ~65% a month ago. In addition, Bullard was of the view that "a single rate increase (i.e. 25 basis points) ... may be sufficient to move monetary policy to a neutral setting", based on his belief that the U.S. economy is in a low-interest rate "regime" amid subdued productivity growth, an assessment that is not shared by some of his colleagues.

Bank of Canada could garner some attention. Bank of Canada Deputy Governor Timothy Lane is scheduled to speak about globalization at 12pm ET, though investors are likely to focus their attention on the central bank's views in regards to last week's U.S. election outcome and hints about the potential path for interest rates. Bank of Canada Governor Stephen Poloz revealed in the press conference after the bank's October policy meeting that officials came close to cutting the short-term rate: "Given the downgrade to our outlook, the Governing Council actively discussed the possibility of adding more monetary stimulus at this time, in order to speed up the return of the economy to full capacity". The Bank of Canada is also slated to publish its semi-annual review tomorrow, which will provide insights into the Canadian economy and the central bank's thinking on monetary policy.

Will Trump's policies usher in a new investment era? Ray Dalio, the founder of the world's largest hedge fund shop, wrote in a note to clients that "there is a good chance that we are at one of those major reversals that last a decade", adding that the world might be entering a new era that will be characterized by the retreat of globalization and rising bond yields. In regards to the U.S. central bank, Dalio opined that "it is likely that the Fed – and possibly other central banks – will increasingly tighten and that fiscal and monetary policy will come into conflict down the road". Meanwhile, James Montier of Boston-based GMO said that, while he is a "huge fan of using fiscal policy to head off secular stagnation, part of the problem from our perspective, when you look at the world's assets, is nothing's cheap". In describing his firm's current positioning, Montier noted that "we have a lot of money in dry powder, and then we have a lot of money in emerging markets because they are the best of a bad bunch."

All values in CAD dollars unless otherwise noted.  
Priced as of 7:25 a.m. on November 16, 2016 (unless otherwise stated).

For important disclosures please see pages 10.

# Markets today

## Equities

Global equity markets are lower with S&P futures down 9 points. Long-term sovereign yields continue to grind higher with the 10-year U.S. treasury yield up 5bps.

## Fixed income

Market expectations around the Federal Reserve's policy tightening path have changed dramatically since the culmination of the U.S. presidential election. According to one measure, forward rate expectations on the 3-month U.S. T-bill, the market is currently projecting a 3-month T-bill yield above 1.75% two years from today.

<b>Market Pulse</b>		
Updated as of		11/16/16 7:25 AM
<b>Equity New</b>		
	Last	% Chg
Dow	18,831	-0.3%
S&P 500	2,172	-0.3%
Nasdaq	4,749	-0.4%
<b>Overseas</b>		
	Last	% Chg
FTSE 100 (UK)	6,752	-0.6%
DAX (Germany)	10,668	-0.6%
Euro Stoxx 50	3,028	-0.7%
Hang Seng	22,281	-0.2%
Nikkei 225	17,862	1.1%
Shanghai	3,205	-0.1%
<b>Commodities</b>		
	Last	% Chg
WTI Crude	\$45.20	-1.3%
Gold (\$/oz)	\$1,223	-0.2%
Silver (\$/oz)	\$17	-0.6%
Copper (\$/ton)	\$5,530	-0.4%
Natural Gas(\$/Mmbtu)	\$2.69	-0.7%
<b>Currencies</b>		
	Last	% Chg
CADUSD	\$0.74	-0.3%
EURUSD	\$1.07	-0.3%
USDJPY	¥109.72	0.5%
<b>Fixed Income</b>		
	Yield	Chg (bps)
10-yr Treasury	2.28%	5.7
10-Yr Canadian	1.57%	3.1
Germany 10 Yr Yield	0.33%	2.4
Spain 10 Yr Yield	1.55%	8.7
France 10 Yr Yield	0.76%	3.5

<b>Advancers and Decliners</b>		
Updated as of		11/16/16 7:25 AM
<b>S&amp;P/TSX Top Movers</b>		
<b>Advancers</b>		
	Last	% Chg
AVIGILON CORP	\$ 11.20	39.30%
PAN AMERICAN SILVER CORP	\$ 22.53	15.01%
GRAN TIERRA ENERGY INC	\$ 4.26	10.36%
PRECISION DRILLING CORP	\$ 6.52	10.14%
ENSIGN ENERGY SERVICES INC	\$ 8.42	9.64%
<b>Decliners</b>		
	Last	% Chg
CONCORDIA INTERNATIONAL CORP	\$ 4.18	-11.81%
ELEMENT FLEET MANAGEMENT COR	\$ 11.14	-6.93%
AMAYA INC	\$ 20.04	-4.48%
INTERTAIN GROUP LTD/THE	\$ 8.77	-2.77%
KINAXIS INC	\$ 61.75	-2.66%
<b>S&amp;P 500 Top Movers</b>		
<b>Advancers</b>		
	Last (USD)	% Chg
ADVANCE AUTO PARTS INC	\$ 164.33	15.00%
CHESAPEAKE ENERGY CORP	\$ 6.05	10.60%
MURPHY OIL CORP	\$ 30.91	9.11%
APACHE CORP	\$ 63.39	7.57%
CENTENE CORP	\$ 54.75	6.17%
<b>Decliners</b>		
	Last (USD)	% Chg
SCRIPPS NETWORKS INTER-CL A	\$ 70.63	-4.17%
APARTMENT INVT & MGMT CO -A	\$ 41.03	-4.14%
REGENERON PHARMACEUTICALS	\$ 428.65	-3.57%
AVALONBAY COMMUNITIES INC	\$ 165.13	-3.55%
UDR INC	\$ 33.77	-3.46%

# Strategy and economics

## Key developments

### Key U.S. Economic Data Releases

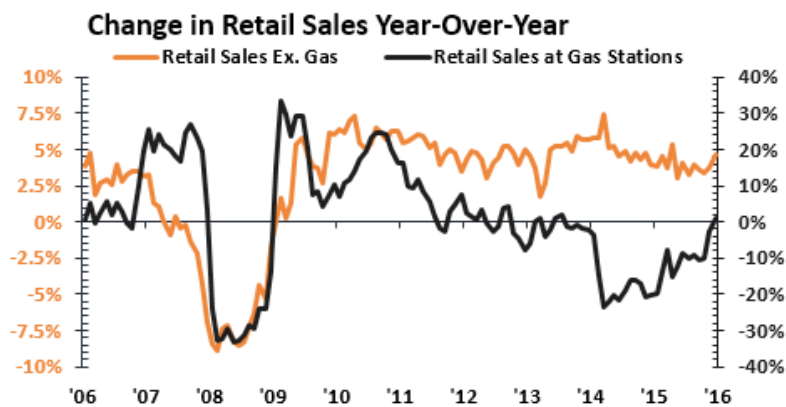
Event	Period	Survey	Actual	Prior	Commentary
<b>PPI Final Demand YoY</b>	Oct.	1.2%	-	0.7%	PPI has remained below 2% for over two years, but looking into next year, infrastructure spending implemented by the new administration would likely boost demand for raw materials.
<b>Industrial Production</b>	Oct.	0.2%	-	0.1%	Manufacturing production should see a slight increase in October, with gains in the ISM Manufacturing Index as well as an increase in hours worked pointing to an increase.
<b>Capacity Utilization</b>	Oct.	75.5%	-	75.4%	However, only two of the five regional Fed manufacturing surveys were expansionary in the month of October.

### Key Canadian Economic Data Releases

Event	Period	Survey	Actual	Prior	Commentary
No Scheduled Releases – CPI 11/18					

### Prior Session Highlights & Analysis

Event	Period	Survey	Actual	Prior	Our Thoughts
<b>Import Price Index MoM</b>	Oct.	0.4%	<b>0.5%</b>	0.1%	<p style="text-align: center;"><b>Economic Data Remains Solid</b></p> <p><b>Retail sales surged to a 0.8% month-over-month gain, although the gain may be distorted by the 2.2% increase in gasoline spending.</b> It's uncertain how Hurricane Matthew affected retail sales in October, but it is uncertain if the gain can be sustained without a stronger increase in wages.</p> <p><b>U.S. import prices rose more than expected, and may help boost the inflation outlook in the short-term,</b> however this is not expected to carry over into November. The decline in crude oil prices along with a strong appreciation of the dollar will likely keep a lid on inflation prices moving into year end.</p> <p><b>The Empire Manufacturing survey beat estimates on business optimism, driven by reduced regulation and increased infrastructure spending.</b> However, the underlying details were less upbeat and more closely depict the underlying manufacturing activity in the region.</p>
<b>Empire Manufacturing</b>	Nov.	-2.5	<b>1.5</b>	-6.8	
<b>Retail Sales MoM</b>	Oct.	0.6%	<b>0.8%</b>	0.6%	



Source: RBC Wealth Management, Bloomberg

## RBC Capital Markets – Daily Deck

- Given the outcome of the election, the economic data between now and when the new administration takes office should garner a lot less fanfare. That said, October retail sales was much better than expected across the board. **Critically, the control measure (ex. autos, building materials and gasoline), printed an extremely robust 0.8% advance on the month.**
- This was even more impressive when we consider that the prior month was revised up 0.2ppts to 0.3%. But breadth was also exceptional in October, with 85% of the top categories expanding on the month (and the prior month was revised up to 85% as well, from 77% prior). **Ultimately, this represents a very good starting point to Q4 consumption growth.**

Retail Sales Breadth (% chg month/month)	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16
Motor Vehicle & Parts Dealers	1.1%	0.1%	-1.1%	0.7%	-3.1%	2.6%	-0.3%	0.5%	2.0%	0.0%	1.9%	1.1%
Furniture & Home Furnishing	-0.5%	0.5%	-0.5%	0.4%	-0.1%	0.5%	0.8%	1.1%	-1.1%	-0.3%	2.0%	-0.9%
Electronics & Appliances	-0.9%	-2.0%	0.5%	-0.1%	0.4%	0.1%	0.2%	-0.4%	-0.2%	-0.0%	-1.9%	0.2%
Building Materials, Garden Equipment	1.6%	3.3%	-0.3%	0.7%	-0.5%	-1.6%	-2.6%	3.8%	-0.3%	-0.6%	1.8%	1.1%
Food & Beverage Stores	0.6%	-0.2%	0.5%	0.1%	-0.5%	1.2%	0.2%	0.1%	-0.4%	0.5%	0.6%	0.9%
Health & Personal Care Stores	0.7%	0.6%	-0.9%	2.2%	1.0%	0.9%	0.5%	1.2%	0.4%	0.7%	0.1%	0.8%
Gasoline Stations	-2.1%	-0.4%	-3.1%	-5.2%	3.7%	2.7%	1.7%	2.2%	-2.2%	-1.4%	3.0%	2.2%
Clothing & Accessory Stores	1.0%	-0.2%	-0.0%	0.6%	-1.0%	0.2%	0.4%	0.2%	-0.1%	0.5%	0.2%	0.6%
Sporting Goods, Hobby, Books, Music	0.0%	1.2%	-1.6%	1.6%	0.5%	0.1%	0.8%	1.7%	-2.4%	-2.6%	1.2%	1.3%
General Merchandise	-0.3%	0.5%	-0.8%	-0.3%	0.4%	0.2%	-0.5%	0.2%	-0.6%	-0.6%	-0.9%	0.4%
Miscellaneous	1.7%	-1.1%	2.0%	-0.4%	2.1%	2.5%	-1.2%	-0.3%	-0.1%	-0.3%	2.0%	2.4%
Nonstore Retailers	0.2%	0.5%	1.4%	1.1%	0.7%	2.8%	1.8%	0.1%	0.7%	0.5%	0.9%	1.5%
Food Services & Drinking Places	0.5%	1.4%	-1.0%	1.9%	-0.1%	0.2%	0.5%	0.5%	-0.1%	0.5%	0.7%	-0.7%
% Expanding	69%	62%	31%	69%	54%	92%	69%	85%	23%	46%	85%	85%
% Contracting	31%	38%	69%	31%	46%	8%	31%	15%	77%	54%	15%	15%

Source: RBC Capital Markets US Economics, Haver

# Technical corner

Bob Dickey: Buck Up

The U.S. dollar has been in an overall rising trend for the past six months and is now into its high area of 100-101, which has been the upside barrier for the past two years. A breakout is not certain, but is likely, in our opinion, and if it happens, we think the technical measure would be to a target to at least 108, and probably all the way to 112. This would carry varied implications for different stocks, depending on their international exposure, and could also add to the downward pressure that we have been seeing on commodities and related investments. It does not mean the stock market in general would suffer, but we believe the disparity and rotation between stock groups would likely continue, but this has been the basic market theme for years, and is nothing new.



Chart courtesy StockCharts.com and RBC Wealth Management

# Market snapshot

## Calendar of events

Date	Time	Event	Survey	Actual	Prior	Revised	
11/15/2016	8:30	US Import Price Index MoM	Oct	0.40%	--	0.10%	--
11/15/2016	8:30	US Empire Manufacturing	Nov	-2	--	-6.8	--
11/15/2016	8:30	US Import Price Index YoY	Oct	-0.30%	--	-1.10%	--
11/15/2016	8:30	US Retail Sales Advance MoM	Oct	0.60%	--	0.60%	--
11/15/2016	8:30	US Retail Sales Ex Auto MoM	Oct	0.50%	--	0.50%	--
11/15/2016	8:30	US Retail Sales Ex Auto and Gas	Oct	0.30%	--	0.30%	--
11/15/2016	8:30	US Retail Sales Control Group	Oct	0.40%	--	0.10%	--
11/15/2016	10:00	US Business Inventories	Sep	0.20%	--	0.20%	--
11/16/2016	7:00	US MBA Mortgage Applications	11-Nov	--	--	-1.20%	--
11/16/2016	8:30	US PPI Final Demand MoM	Oct	0.30%	--	0.30%	--
11/16/2016	8:30	US PPI Ex Food and Energy MoM	Oct	0.20%	--	0.20%	--
11/16/2016	8:30	US PPI Ex Food, Energy, Trade MoM	Oct	0.20%	--	0.30%	--
11/16/2016	8:30	US PPI Final Demand YoY	Oct	1.20%	--	0.70%	--
11/16/2016	8:30	US PPI Ex Food and Energy YoY	Oct	1.60%	--	1.20%	--
11/16/2016	8:30	US PPI Ex Food, Energy, Trade YoY	Oct	--	--	1.50%	--
11/16/2016	9:15	US Industrial Production MoM	Oct	0.20%	--	0.10%	--
11/16/2016	9:15	US Capacity Utilization	Oct	75.50%	--	75.40%	--
11/16/2016	9:15	US Manufacturing (SIC) Production	Oct	0.30%	--	0.20%	--
11/16/2016	10:00	US NAHB Housing Market Index	Nov	63	--	63	--
11/16/2016	16:00	US Total Net TIC Flows	Sep	--	--	\$73.8b	--
11/16/2016	16:00	US Net Long-term TIC Flows	Sep	--	--	\$48.3b	--
Bloomberg Nov. United States Economic							
11/17/2016	7:45	US Survey					
11/17/2016	8:30	US Housing Starts	Oct	1155k	--	1047k	--
11/17/2016	8:30	US Housing Starts MoM	Oct	10.30%	--	-9.00%	--
11/17/2016	8:30	US Building Permits	Oct	1190k	--	1225k	--
11/17/2016	8:30	US Building Permits MoM	Oct	-2.90%	--	6.30%	--
11/17/2016	8:30	US CPI MoM	Oct	0.40%	--	0.30%	--
11/17/2016	8:30	US CPI Ex Food and Energy MoM	Oct	0.20%	--	0.10%	--
11/17/2016	8:30	US Initial Jobless Claims	12-Nov	257k	--	254k	--
11/17/2016	8:30	US CPI YoY	Oct	1.60%	--	1.50%	--
11/17/2016	8:30	US CPI Ex Food and Energy YoY	Oct	2.20%	--	2.20%	--
11/17/2016	8:30	US Continuing Claims	05-Nov	--	--	2041k	--
11/17/2016	8:30	US CPI Index NSA	Oct	241.787	--	241.428	--
11/17/2016	8:30	US CPI Core Index SA	Oct	--	--	248.611	--
11/17/2016	8:30	US Real Avg Weekly Earnings YoY	Oct	--	--	0.80%	0.90%
11/17/2016	8:30	US Philadelphia Fed Business Outlook	Nov	7.8	--	9.7	--
11/17/2016	9:45	US Bloomberg Economic Expectations	Nov	--	--	45	--
11/17/2016	9:45	US Bloomberg Consumer Comfort	13-Nov	--	--	45.1	--
11/18/2016	10:00	US Leading Index	Oct	0.10%	--	0.20%	--
11/18/2016	11:00	US Kansas City Fed Manf. Activity	Nov	--	--	6	--
11/21/2016	8:30	US Chicago Fed Nat Activity Index	Oct	--	--	-0.14	--
11/14/2016	10:00	CA Bloomberg Nanos Confidence	11-Nov	--	--	55.8	--
11/15/2016	8:30	CA Teranet/National Bank HPI MoM	Oct	--	--	0.80%	--
11/15/2016	8:30	CA Teranet/National Bank HP Index	Oct	--	--	197.79	--
11/15/2016	8:30	CA Teranet/National Bank HPI YoY	Oct	--	--	11.70%	--
11/15/2016	9:00	CA Existing Home Sales MoM	Oct	--	--	0.80%	--
11/16/2016	8:30	CA Manufacturing Sales MoM	Sep	0.10%	--	0.90%	--
11/17/2016	8:30	CA Int'l Securities Transactions	Sep	--	--	12.74b	--
11/18/2016	8:00	CA Survey					
11/18/2016	8:30	CA CPI NSA MoM	Oct	0.30%	--	0.10%	--
11/18/2016	8:30	CA CPI YoY	Oct	1.50%	--	1.30%	--
11/18/2016	8:30	CA Consumer Price Index	Oct	--	--	128.8	--
11/18/2016	8:30	CA CPI Core MoM	Oct	0.30%	--	0.20%	--
11/18/2016	8:30	CA CPI Core YoY	Oct	1.80%	--	1.80%	--
11/18/2016	8:30	CA CPI SA MoM	Oct	--	--	0.20%	--
11/18/2016	8:30	CA CPI Core SA MoM	Oct	--	--	0.10%	--
11/21/2016	8:30	CA Wholesale Trade Sales MoM	Sep	--	--	0.80%	--
11/21/2016	10:00	CA Bloomberg Nanos Confidence	18-Nov	--	--	--	--

# Market snapshot

## Number crunching

Equity Indices	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
S&P/TSX Composite Index	14,756.10	157.65	1.1%	-0.2%	13.4%	10.8%	-11.1%	7.4%	9.3%
S&P/TSX Composite Index TR	47,567.99	513.42	1.1%	-0.2%	16.4%	14.3%	-8.3%	10.6%	13.0%
S&P/TSX 60 Index	870.00	8.62	1.0%	0.2%	13.8%	11.4%	-10.6%	9.1%	9.6%
S&P/TSX Equity Index	15,265.80	168.07	1.1%	-0.1%	13.8%	11.1%	-11.3%	7.4%	10.1%
S&P/TSX Income Trust Index	181.79	0.06	0.0%	-4.5%	2.8%	2.5%	-5.2%	7.1%	-7.7%
S&P/TSX Venture Composite Index	747.16	17.51	2.4%	-3.3%	42.1%	42.0%	-24.4%	-25.4%	-23.1%
S&P/TSX Small Cap Index	622.95	14.40	2.4%	-0.3%	27.8%	25.3%	-15.8%	-5.2%	4.6%
Dow Jones Industrial Average	18,923.06	54.37	0.3%	4.3%	8.6%	8.2%	-2.2%	7.5%	25.5%
S&P 100 Index	962.28	6.94	0.7%	2.0%	5.6%	5.0%	0.3%	10.3%	26.4%
S&P 500 Index	2,180.39	16.19	0.7%	2.6%	6.7%	6.2%	-0.7%	11.4%	28.5%
S&P 400 Midcap Index	1,595.63	7.51	0.5%	5.7%	14.1%	12.1%	-3.7%	8.2%	30.2%
S&P 600 Smallcap Index	795.17	2.13	0.3%	10.0%	18.4%	16.3%	-3.4%	4.4%	39.7%
NASDAQ Composite Index	5,275.62	57.23	1.1%	1.7%	5.4%	5.8%	5.7%	13.4%	37.2%
Euro Stoxx 50	2,825.34	4.89	0.2%	0.4%	-8.9%	-10.8%	3.2%	2.9%	12.2%
FTSE 100	6,792.74	39.56	0.6%	-2.3%	8.8%	11.0%	-4.9%	-2.7%	13.9%
CAC 40	4,536.53	27.98	0.6%	0.6%	-2.2%	-5.6%	8.5%	-0.5%	16.1%
DAX Index	10,735.14	41.45	0.4%	0.7%	-0.1%	0.2%	9.6%	2.7%	23.5%
S&P/ASX 200	5,326.20	-19.53	-0.4%	0.2%	0.6%	6.4%	-2.1%	1.1%	13.2%
Nikkei 225	17,668.15	-4.47	0.0%	1.4%	-7.2%	-8.9%	9.1%	7.1%	56.7%
Shanghai Stock Exchange Composite	3,206.99	-3.39	-0.1%	3.4%	-9.4%	-11.1%	9.4%	52.9%	-7.0%
Hang Seng Index	22,323.91	101.69	0.5%	-2.7%	1.9%	1.4%	-7.2%	1.3%	-0.3%
MSCI World	1,692.31	-4.68	-0.3%	0.1%	1.8%	2.3%	-2.7%	2.9%	24.1%
MSCI World TR	6,630.97	-16.82	-0.3%	0.2%	4.3%	5.0%	-0.3%	5.5%	27.4%
MSCI EAFE	1,627.39	-12.66	-0.8%	-2.3%	-5.2%	-5.0%	-3.3%	-7.3%	19.4%
MSCI Emerging Market	838.96	-10.14	-1.2%	-7.3%	5.6%	2.2%	-17.0%	-4.6%	-5.0%

Equity Indices (in CAD\$)*	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
DJIA in Cdn\$	25,468.55	-111.74	-0.4%	4.7%	5.6%	10.8%	16.4%	17.6%	35.9%
S&P 100 Index	1,295.13	-0.02	0.0%	2.3%	2.7%	7.6%	19.5%	20.6%	36.9%
S&P 500 Index	2,934.59	0.58	0.0%	2.9%	3.7%	8.8%	18.2%	21.8%	39.1%
S&P 400 Midcap Index	2,147.56	-5.46	-0.3%	6.1%	11.0%	14.6%	14.6%	18.3%	41.0%
S&P 600 Smallcap Index	1,067.35	-7.77	-0.7%	10.2%	14.8%	18.5%	15.1%	15.1%	51.3%
NASDAQ in Cdn\$	7,100.46	25.88	0.4%	2.0%	2.5%	8.1%	25.9%	24.0%	48.6%
Euro Stoxx 50	4,078.24	-27.27	-0.7%	-1.5%	-12.5%	-9.6%	10.3%	-0.9%	26.0%
FTSE 100	11,384.63	-118.19	-1.0%	-0.3%	-10.6%	-8.2%	7.0%	0.1%	24.8%
CAC 40 Index	6,548.25	-14.48	-0.2%	-1.4%	-6.1%	-4.4%	16.0%	-4.2%	30.3%
DAX Index	15,495.64	-130.65	-0.8%	-1.3%	-4.1%	1.6%	17.7%	-1.2%	38.6%
S&P/ASX 200	5,417.81	-35.15	-0.6%	-0.1%	1.4%	14.5%	4.0%	0.2%	4.0%
Nikkei 225	2.18	-0.03	-1.4%	-2.3%	-0.6%	3.8%	29.3%	-3.9%	41.6%
Shanghai Stock Exchange Composite	629.85	-4.49	-0.7%	2.6%	-16.5%	-16.6%	24.6%	6.7%	3.7%
Hang Seng Index	3,872.53	-29.47	-0.8%	-2.3%	-1.0%	2.3%	10.6%	9.4%	8.0%
MSCI World	2,277.68	-16.58	-0.7%	0.5%	-1.0%	3.3%	15.8%	13.3%	34.4%
MSCI World TR	8,924.62	-64.98	-0.7%	0.6%	1.4%	6.0%	18.7%	16.2%	37.9%
MSCI EAFE	2,190.30	-15.95	-0.7%	-1.9%	-7.8%	-4.0%	15.1%	1.5%	29.4%
MSCI Emerging Market	1,129.16	-8.22	-0.7%	-7.0%	2.7%	3.2%	-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	2,450.29	-6.50	-0.3%	2.5%	13.0%	12.1%	-5.5%	9.8%	18.4%
S&P/TSX Energy	2,499.22	67.91	2.8%	0.5%	25.1%	18.8%	-25.7%	-7.8%	9.1%
S&P/TSX Materials	2,150.67	57.44	2.7%	-4.3%	40.8%	40.1%	-22.8%	-4.5%	-29.1%
S&P/TSX Industrials	2,485.50	10.18	0.4%	2.6%	17.8%	16.9%	-12.5%	20.0%	34.1%
S&P/TSX Consumer Discretionary	1,880.33	14.45	0.8%	-1.0%	3.6%	1.8%	-3.5%	26.4%	38.6%
S&P/TSX Telecom Services	1,374.02	18.85	1.4%	-4.6%	8.8%	3.7%	-1.0%	10.5%	7.6%
S&P/TSX Information Technology	228.84	0.23	0.1%	-0.4%	3.3%	10.5%	14.8%	34.0%	36.0%
S&P/TSX Consumer Staples	4,391.91	65.46	1.5%	-4.6%	5.0%	10.3%	11.0%	46.9%	21.3%
S&P/TSX Utilities	1,943.83	30.55	1.6%	-7.3%	7.4%	8.1%	-7.8%	11.3%	-8.7%
S&P/TSX Healthcare	421.91	10.87	2.6%	0.3%	-75.3%	-66.3%	-15.8%	30.2%	72.6%

S&P 500 Sector Performance	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
Financials	367.85	0.20	0.1%	12.2%	14.3%	14.4%	-3.5%	13.1%	32.5%
Health Care	813.51	2.26	0.3%	4.5%	-2.4%	1.3%	5.2%	23.3%	38.0%
Technology	785.35	10.16	1.3%	-1.9%	8.9%	10.1%	4.3%	18.2%	24.9%
Industrials	530.66	1.75	0.3%	7.3%	14.5%	14.0%	-4.7%	7.5%	35.9%
Consumer Discretionary	634.96	2.15	0.3%	2.3%	2.2%	3.0%	8.4%	8.0%	40.3%
Energy	526.77	13.77	2.7%	4.3%	17.5%	8.9%	-23.6%	-10.0%	20.7%
Consumer Staples	519.99	3.59	0.7%	-3.9%	0.3%	6.0%	3.8%	12.9%	21.4%
Telecom	155.96	3.21	2.1%	-1.2%	4.0%	9.3%	-1.7%	-1.9%	5.9%
Materials	303.49	1.27	0.4%	3.5%	10.9%	9.0%	-10.4%	4.7%	21.9%
Utilities	236.68	3.95	1.7%	-5.6%	7.6%	10.2%	-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

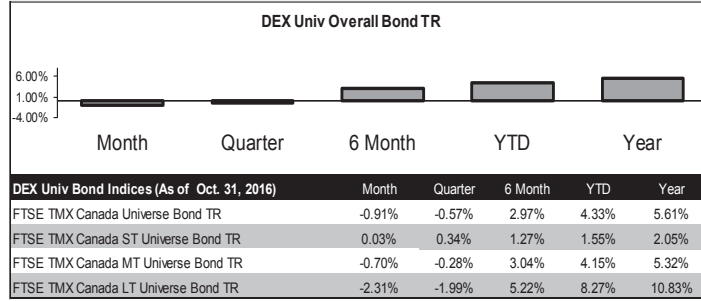
Commodities (USD\$)	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
Crude Oil (WTI per barrel)	\$45.85	2.53	5.8%	-2.2%	4.6%	-4.9%	-30.5%	-45.9%	1.9%
Crude Oil (Brent per barrel)	\$47.03	2.60	5.9%	-3.3%	4.6%	-10.2%	-35.0%	-48.3%	3.0%
Natural Gas (per million btu)	\$2.71	-0.04	-1.6%	-10.6%	-2.2%	-7.0%	-19.1%	-31.7%	8.4%
3-2-1 Crack Spread	\$11.83	-0.02	-0.2%	-15.1%	-17.2%	-10.9%	4.9%	-39.5%	-20.6%
Gold (per ounce)	\$1,228.56	7.23	0.6%	-3.8%	15.7%	13.3%	-10.4%	-1.7%	-27.3%
Silver (per ounce)	\$17.08	0.13	0.8%	-4.6%	23.2%	19.7%	-11.7%	-19.3%	-35.5%
Platinum (per ounce)	\$938.70	5.28	0.6%	-4.4%	5.1%	8.8%	-26.1%	-11.8%	-10.3%
Palladium (per ounce)	\$707.43	8.45	1.2%	13.8%	25.7%	31.4%	-29.4%	11.3%	3.2%
Copper (per pound)	\$2.52	0.01	0.2%	14.7%	18.0%	15.0%	-26.1%	-13.7%	-6.3%
Zinc (per pound)	\$1.18	0.06	5.5%	5.7%	62.8%	61.8%	-26.5%	5.6%	1.3%
Nickel (per pound)	\$5.09	0.02	0.5%	7.5%	27.7%	19.4%	-41.8%	9.0%	-17.9%

Currencies (in CAD\$)	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
U.S. Dollar	1.346	-0.0098	-0.7%	0.4%	-2.7%	1.0%	19.1%	9.4%	8.3%
Euro	1.443	-0.0122	-0.8%	-2.0%	-4.0%	1.3%	6.9%	-3.7%	12.3%
British Pound	1.676	-0.0174	-1.0%	2.1%	-17.8%	-17.3%	12.7%	2.9%	9.6%
Japanese Yen (in JPY¥)	81.117	1.1470	1.4%	3.8%	-6.6%	-12.2%	-15.7%	4.0%	10.7%

Currencies (in USD\$)	Index Level	Change	Change (%)	MTD (%)	YTD (%)	52-Week (%)	2015	2014	2013
Canadian Dollar	0.743	0.0056	0.8%	-0.4%	2.8%	-1.0%	-16.0%	-8.6%	-7.7%
Euro	1.073	-0.0012	-0.1%	-2.3%	-1.3%	0.4%	-10.2%	-12.0%	3.6%
British Pound	1.245	-0.0037	-0.3%	1.7%	-15.5%	-18.1%	-5.4%	-5.9%	1.2%
Japanese Yen (in JPY¥)	109.180	0.7600	0.7%	4.2%	-9.2%	-11.4%	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.





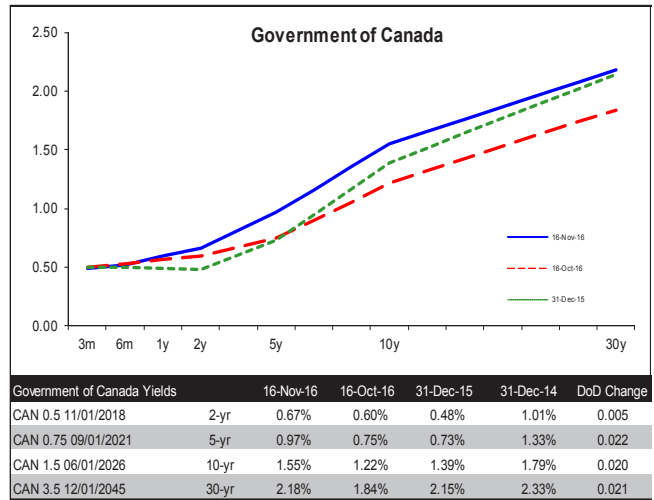
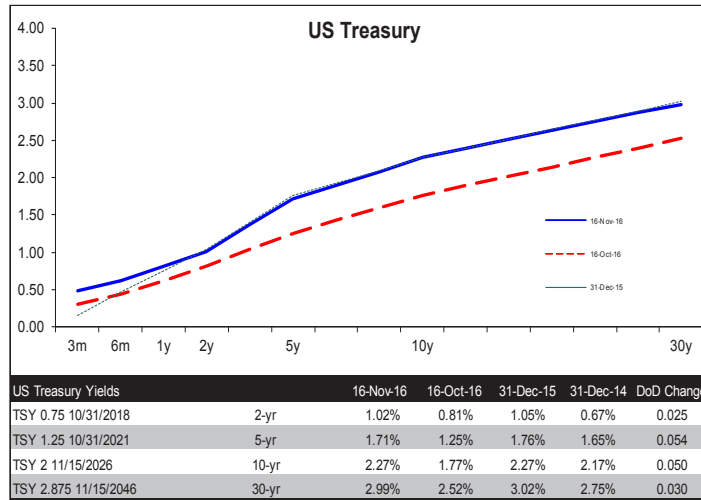
### Key Rates

			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%	0.30%	1.41%	2016/12/15
	Eurozone	0.00%	-0.66%	0.33%	2016/12/08
	Australia	1.50%	1.59%	2.64%	2016/12/05
	Japan	0.10%	-0.26%	0.03%	#N/A N/A



### Money Market\*

GIC's	1-yr	2-yr	3-yr	4-yr	5-yr
High	1.51%	1.70%	1.75%	1.85%	1.91%
Average	1.29%	1.41%	1.50%	1.60%	1.74%

	1 mth	2mth	3mth	6mth	1 yr
CDOR	0.88%	0.89%	0.90%	1.05%	1.15%
ICE LIBOR US	0.54%	0.70%	0.91%	1.27%	1.61%

CAD \$1,000,000	1 mth	2mth	3mth	6mth	1 yr
T-Bills	0.41%	0.44%	0.49%	0.52%	0.47%
BAs	0.74%	0.75%	0.76%	0.90%	1.00%
CP	0.79%	0.80%	0.81%	0.95%	1.05%

CAD \$100,000	1 mth	2mth	3mth	6mth	1 yr
T-Bills	0.23%	0.26%	0.31%	0.34%	0.29%
BAs	0.50%	0.51%	0.52%		
CP	0.55%	0.56%	0.57%		

US \$1,000,000	1 mth	2mth	3mth	6mth
T-Bills	0.30%	0.00%	0.48%	0.62%
CTBUS	0.24%	0.32%	0.49%	0.61%
GECC	0.13%	0.13%	0.13%	0.13%

US \$100,000	1 mth	2mth	3mth	6mth
T-Bills	0.12%	-	0.30%	0.44%
CTB US	0.06%	0.14%	0.31%	0.43%
GECC	-	-	-	-

### Economic Indicators\*\*

	Actual	Forecast			Forecast			Actual	Forecast	
	Q316	Q416	Q117	Q217	Q317	Q417	2016	2016	2017	
	Overnight Rate	0.50	0.45	0.45	0.45	0.50	0.55	0.45	0.45	0.55
	10-Yr Yield	0.99	1.20	1.28	1.40	1.56	1.71	1.20	1.20	1.71
	Real GDP (est)	3.30	1.90	2.00	2.10	2.05	1.90	1.20	1.20	1.80
	Headline CPI (est)	1.30	1.80	2.10	1.90	2.00	1.95	1.60	1.60	2.00
	Unemployment Rate	7.00	7.10	7.00	6.90	6.90	6.90	7.00	7.00	6.95
	Fed Funds	0.50	0.70	0.75	0.90	0.95	1.10	0.70	0.70	1.10
	10-Yr Yield	1.65	1.72	1.81	1.92	2.02	2.13	1.72	1.72	2.13
	Real GDP (est)	2.70	2.30	2.00	2.20	2.10	2.00	2.30	1.50	2.10
	Headline CPI (est)	1.20	1.60	2.20	2.10	2.30	2.20	1.20	1.20	2.20
	Unemployment Rate	4.80	4.80	4.70	4.70	4.70	4.60	4.90	4.90	4.70

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