

Weekly Market Update

November 9, 2020



Last Week in the Markets: November 2nd – 6th, 2020

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	16,282.83	3,509.44	28,323.40	11,895.23	592.758	76.44 ¢	\$1,951.70	\$ 37.14
week +/-	+ 702.19	+ 239.48	+ 1,821.80	+ 983.64	+ 41.763	+ 1.37¢	+ \$ 71.80	+ \$ 1.35
week +/- %	+ 4.51%	+ 7.32%	+ 6.87%	+ 9.01%	+ 7.58%	+ 1.83%	+ 3.82%	+ 3.77%
52 wk HIGH	17,971	3,588	29,569	12,074	588	77.21 ¢	\$2,089	\$ 59.51
52 wk LOW	11.173	2.192	18.214	6.631	403	68.18 ¢	\$1,459	\$ 25.31
YTD +/- %	- 4.57%	+ 8.63%	- 0.75%	+ 32.57%	+ 4.87%	- 0.70%	+ 28.14%	- 39.17%
1Yr +/- %	- 2.76%	+14.06%	+ 3.02%	+ 41.43%	+ 9.38%	+ 0.53%	+ 30.97%	- 34.09%

(source: Bloomberg <https://www.bloomberg.com/markets>, MSCI <https://www.msci.com/end-of-day-data-search> and ARG Inc. analysis)

What happened last week?

It was an “all green” week for the grid (above) as the election results gathered momentum in favour of Joe Biden, eventually declared the winner by news outlets over the weekend. The Electoral College vote remains, as well as lawsuits that will challenge the vote in many U.S. states. For equities it was the first “all green” week since the end of August, and the best 5-day session since the first full week of April.

It appears that the markets are rewarding the prediction that gridlock will return to Washington, and not cause major changes. A Democrat president and a Republican Senate will stalemate one another, and this lack of mandate and power will cause the trajectory to continue for equities. An alternate reason could be that “things haven’t gotten much worse”, but in the short-term markets have performed well. Expect volatility to continue as legal action succeeds and fails over the next weeks. [election source](#)

The pace of recovery around the world and in North America is slowing. The gains in employment have been the low-hanging-fruit during the reopening. The next layers of jobs will be harder to achieve, and could be reversed with the number of Covid-19 cases rising.

- In Canada 83,600 new jobs were added last month which moved the unemployment rate down slightly by 0.1% to 8.9%. Jobs growth has slowed significantly from August and September when 246,000 and 378,000 were added, respectively. Despite recovering nearly 80% of the lost jobs, about 635,000 fewer people are employed now than before the pandemic began. [Cda jobs source](#)
- The U.S. employment report released on Friday by the Bureau of Labor Statistics showed that 638,000 jobs had been added in October and unemployment fell to 11.1 million or 6.9%. Both of the last two numbers are roughly double their February levels of 5.8 million unemployed and a rate of 3.5%. [US jobs source](#)

What’s ahead for this week?

In Canada, it will be a quiet week for economic releases, but will likely include some limited acts of diplomacy as election results in the U.S. are analyzed, contested and confirmed, or delayed and denied. In the U.S., October’s inflation numbers are scheduled for release through the Consumer Price Index (CPI) and the Producer Price Index (PPI).