

# Weekly Market Update

November 16, 2020



Last Week in the Markets: November 9<sup>th</sup> – 13<sup>th</sup>, 2020

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	<b>16,675.64</b>	<b>3,585.15</b>	<b>29,479.81</b>	<b>11,829.29</b>	<b>605.922</b>	<b>76.12 ¢</b>	<b>\$1,886.20</b>	<b>\$ 40.13</b>
week +/-	+ 392.81	+ 75.71	+ 1,156.41	- 65.94	+ 13.164	- 0.32 ¢	- \$ 65.50	+ \$ 2.99
week +/- %	+ 2.41%	+ 2.16%	+ 4.08%	- 0.55%	+ 2.22%	- 0.42%	- 3.36%	+ 8.05%
52 wk HIGH	17,971	3,646	29,934	12,108	608	77.35 ¢	\$2,089	\$ 59.51
52 wk LOW	11.173	2.192	18.214	6.631	403	68.18 ¢	\$1.459	\$ 25.31
YTD +/- %	- 2.27%	+ 10.97%	+ 3.30%	+ 31.84%	+ 7.20%	- 1.12%	+ 23.84%	- 34.28%
1Yr +/- %	- 1.66%	+15.87%	+ 6.11%	+ 39.86%	+ 11.82%	+ 0.73%	+ 29.04%	- 29.74%

(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?

North American equities benefited from more certainty regarding the outcome of the U.S. elections and progress toward a vaccine. Monday benefited from Pfizer's positive news from its vaccine trial. The headline "90% effective" pushed markets ahead all week long. Some of the vaccine optimism waned once distribution challenges were examined and discussed. Jerome Powell, Federal Reserve Chair agreed that the news regarding a vaccine was positive in the medium and long term and reminded everyone that the short term would remain challenging. Equity markets responded positively in the very short term with gains last week. The NASDAQ, heavy in technology stocks, was the only equities index in our grid that lost ground. Earnings expectations have been high for technology stocks, and when revenue and earnings disappoint downward movement usually ensues. <https://www.theglobeandmail.com/investing/markets/inside-the-market/article-before-the-bell-what-every-canadian-investor-needs-to-know-today-496/>  
<https://www.nytimes.com/live/2020/11/13/world/covid-19-coronavirus-updates>

The Bank of Canada (BoC) changed its direction on monetary policy, federally and provincially, last week. It will end purchases of provincial money-market securities and reduce purchases of federal treasury bills. Both programs involved short-term debt (>12 months) that governments rely upon to fund day-to-day operations. The BoC indicated that these decisions were enabled by "improvements in the functioning of short-term funding markets and financial markets more generally", which is good news. <https://www.theglobeandmail.com/business/article-bank-of-canada-further-reduces-money-market-operations-as-market/>

Unfortunately, the news surrounding Covid-19 in Canada has been negative lately as new cases, hospitalizations and deaths are rising. Provincial governments and local health authorities are responding to pandemic failings with renewed restrictions which will slow, if not reverse economic progress that had been achieved. <https://www.theglobeandmail.com/canada/article-coronavirus-rules-by-province-physical-distancing-open-closed/>

## What's ahead for this week?

In Canada, October inflation through the Consumer Price Index (CPI) will be released along with housing starts for the same period. Retail sales for September will provide some insight into our recovery.

In the U.S., more presidential election angst is anticipated as a broad array of October data is scheduled for release; industrial production and capacity utilization, existing home sales, housing starts and building permits, and import and export price indices.