

Weekly Market Update

December 7, 2020



Last Week in the Markets: November 30th – December 4th, 2020

	TSX	S&P 500	DOW	NASDAQ	ACWI	CAD/USD	GOLD (USD)	OIL (USD)
Friday Close	17,520.97	3,699.12	30,218.26	12,464.23	633.089	78.22 ¢	\$1,840.00	\$ 46.26
week +/-	+ 124.41	+ 60.77	+ 307.89	+ 258.38	+ 9.330	+ 1.23¢	+ \$ 51.90	+ \$ 0.73
week +/- %	+ 0.72%	+ 1.67%	+ 1.03%	+ 2.12%	+ 1.50%	+ 1.60%	+ 2.90%	+ 1.60%
52 wk HIGH	17,971	3,699	30,218	12,464	635	78.29 ¢	\$2,099	\$ 58.92
52 wk LOW	11,173	2,192	18,214	6,631	403	68.18 ¢	\$1,462	\$ 26.22
YTD +/- %	+ 2.68%	+ 14.50%	+ 5.89%	+ 38.91%	+ 12.00%	+ 1.61%	+ 20.81%	- 24.24%
1Yr +/- %	+ 3.69%	+ 18.84%	+ 9.29%	+ 45.50%	+ 16.60%	+ 3.26%	+ 24.83%	- 20.83%

(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 a record-setting week for American equity indices. The S&P500 and the NASDAQ reached new all-time highs as the Dow breached the 30,000 level again. The TSX with less lofty achievements did reach year-to-date returns of nearly 3% and continues to edge toward its peak in February.

Federal Finance Minister, Chrystia Freeland, provided an economic update. Additional stimulus of \$70-100 Billion has been planned for the next three years set to begin once the pandemic is under control. Further details will be released in the 2021 Federal Budget in late February or March. The projected budget deficit for this year has been updated to \$381 Billion. Video of the announcement from CBC is found at <https://www.cbc.ca/player/play/1825866819963>

The latest details of the current Canada's Covid-19 Economic Response Plan are available here: <https://www.canada.ca/en/department-finance/economic-response-plan.html#industry>

The major Canadian banks beat analyst expectations as they delivered their quarterly financial reports. Profits have declined from the same period one year ago, but bested analyst projections with lower loan-loss provisions since the delinquency and default rates have been better than anticipated. It appears that Canadians have been more financially resilient to this point in the pandemic. <https://www.theglobeandmail.com/business/article-td-profit-tops-forecasts-as-loan-loss-provisions-ease-wholesale-unit/>

The unemployment rate in the U.S. has fallen slightly to 6.7% as 245,000 jobs were added in November, which was the seventh consecutive month of job increases since the onset of the pandemic. Recovery remains elusive without a stimulus package agreed at the legislative level and as nearly 5 million more Americans are unemployed compared to February. <https://www.bls.gov/news.release/jec.nr0.htm>
<https://www.nytimes.com/video/us/politics/10000007486804/pelosi-coronavirus-stimulus-deal.html>

What's ahead for this week?

In Canada, the Bank of Canada will announce its latest interest rate decision on Wednesday. Governor Macklem indicated in the last decision that rate will remain low until we have recovered economically from the pandemic. Further measures could be taken regarding market liquidity.

In the U.S., the most important economic information scheduled will be the inflation numbers contained in the Consumer Price Index and the Producer Price Index from November.