

November in Review

Stocks rallied dramatically in November, with broad gains across major indices. U.S. markets moved higher, with the S&P 500 up 10.95% and the Dow Jones Industrial Average up 12.14%. Internationally, the MSCI EAFE, representing developed markets, gained 15.51%, while the MSCI Emerging Markets Index gained 9.25%, led by strong performance in South Korea and India. In Canada, the S&P/TSX Composite gained 10.57%, led higher by strength in the Health Care, Energy, and Financials sectors, which were up 35.10%, 19.47%, and 16.45%, respectively. WTI crude oil rose an impressive 25.42%, however gold declined by 5.63%. Bonds moved higher, with the FTSE Canadian Universe Bond index up 1.03%.

Here are some of November's most notable headlines:

Positive clinical trial results for COVID-19 vaccines spark market optimism. Very encouraging large-scale clinical test results were released in November. First a vaccine jointly developed by Pfizer and BioNTech released results showing it was more than 90% effective, in a study of tens of thousands of volunteers. Then we saw the release of similarly encouraging data from Moderna for its viral vaccine. Moderna's preliminary data from its still-ongoing study appears to show that its vaccine is 94.5% effective. There is still much work to be done regarding testing, manufacturing, and distribution, but this was a positive step forward in the process. Equity markets rallied on the news.

Markit October PMI data continues to show strength in the U.S. economy. The IHS Markit's Services Purchasing Index (PMI) for the U.S. in October was 56.9, ahead of expectations of 55.5, and higher than the previous month's 56. The Manufacturing PMI number for October was 53.4, slightly better than the estimate of 53.3, and higher than the September number of 53.2. These data show continued strength in the rebound of the U.S. economy after dramatic weakness in the spring.

In a broadly popular move, President-elect Biden picked Janet Yellen as his Treasury Secretary. The naming of the former Federal Reserve Chair was widely cheered, with markets rallying on the news. Yellen is viewed as very capable and qualified, given her extensive public policy experience. Investors cheered the news as they expect her to work well with the central bank to help the economy recover from the COVID-19 pandemic. The pick also reassured those concerned over the possibility of a more radical choice who might bring more regulation for Wall Street.

Did you know?

During October employment in Canada increased by 84,000, or 0.5%, after increasing by 2.7% per month since May. The unemployment rate was 8.9%, marginally better than in September. While there was job growth in several industries, the aggregate numbers were dragged down by weak performance in the accommodation and food services industries, related to tightened public health measures. The October data reflect public health measures that were taken in several provinces in response to an increase in COVID-19 cases. These include shutdowns of indoor restaurants, bars, and recreational facilities.



Source: Statistics Canada

INDEX†	1 Mth	Change (%) YTD	1 Yr	Index Level
Treasury Bill (FTSE Canada 60 Day T-Bill)	0.01	0.72	0.86	166
Bonds (FTSE Canada Universe Bond)	1.03	8.29	7.00	1,217
Canadian Equities (S&P/TSX Composite)	10.57	3.81	4.28	17,190
U.S. Equities (S&P 500, US\$)	10.95	14.01	17.44	3,622
Global Equities (MSCI World, US\$)	12.83	11.75	15.14	2,583
Emerging Markets (MSCI Emerging Markets, US\$)	9.25	10.49	18.79	1,205

CURRENCIES†	1 Mth	Change (%) YTD	1 Yr	Exchange Rate
C\$/US\$	2.38	-0.14	2.09	0.77
C\$/Euro	0.02	-6.12	-5.68	0.64
C\$/Pound	-0.48	-0.64	-0.91	0.58
C\$/Yen	2.02	-4.07	-2.68	80.23

COMMODITIES (US\$)†	1 Mth	Change (%) YTD	1 Yr	Price
Gold Spot (\$/oz)	-5.63	14.51	18.66	1,780.90
Oil WTI (\$/barrel)	25.42	-19.08	-12.96	45.34
Natural Gas (\$/MMBtu)	-16.92	5.96	7.22	2.88

† Total Return, as at November 30, 2020. Indices are quoted in their local currency. Source: Bloomberg

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