

## November in Review

Equities had strong performance in November, with the exception of emerging markets. U.S. stocks led the market higher, with Dow Jones Industrial Average, Russell 2000, and S&P 500 achieving the highest returns, up 4.11%, 4.10%, and 3.63%, respectively. U.S. equities were led higher by Information Technology, Financials, and Health Care. Canadian stocks were up 3.59%, led by the Information Technology, Consumer Staples, and Consumer Discretionary sectors. Trade conflicts and Brexit continue to provide an overhang, with the related uncertainty impacting economies around the world. With parts of the global economy slowing, central banks have been active with monetary policy designed to offset the weakness and keep growth at healthy levels. Investors have generally been optimistic, looking past the noisy headlines to focus on how the economy will look if these issues can be settled in a reasonable and timely manner. Canadian bonds moved higher in November, up 0.52%. Commodities were mixed. WTI crude oil was up 1.70%, while copper was up 0.55%. Natural gas was down 16.51%, and gold was down 3.23%.

Here are some of November's most notable headlines:

**European Union agreed to Brexit extension; U.K. election coming in December.** The European Union granted a three-month extension for Brexit, and the new deadline for the U.K.'s departure is January 31, 2020. The U.K. is now set for an election on December 12, as the Labour party decided to back Prime Minister Boris Johnson's motion. Johnson has promised not to push forward with his Brexit deal until a new Parliament has been elected, satisfying Labour Party leader Jeremy Corbyn's condition that a no-deal Brexit should be taken off the table.

**Mixed signals continue on U.S. – China trade deal.** Early in November, Chinese Vice-Premier and top trade negotiator Liu He said he was "cautiously optimistic" about reaching a Phase One agreement with the U.S. American officials expressed similar enthusiasm. However, as the month went on additional obstacles to a deal materialized. The U.S. House of Representatives passed two bills intended to support protesters in Hong Kong, which risked progress towards a deal. Trade experts increasingly believe the completion of a Phase One agreement could slide into next year, as China wants more extensive tariff rollbacks, and the U.S. has demands of its own.

**The People's Bank of China (PBOC) lowered its short-term funding rates.** China's central bank reduced its seven-day reverse repurchase rate to 2.50% from 2.55%, the first such move since October 2015. This was done as an effort to boost market confidence and increase slowing growth. The PBOC also injected 180 billion yuan (U.S. 25.68 billion) of cash into the monetary system via open market operations. This comes as economic reports show the continuation of China's economic slump. Reports in November show disappointing Chinese October growth in: industrial production, fixed asset investment, and retail sales. These data reflect the impact of the ongoing U.S. – China trade dispute.

### Did you know?

The majority of Canadians are satisfied with their dwelling and neighbourhood, but we appear to be a nation of movers. According to a recently released Statistics Canada survey in 2018, 85.6% of Canadian households were satisfied with their neighbourhood, while 82.6% were satisfied with their dwelling. However, about half of Canadian households have either moved within the past five years or intend to do so within the next five. The most common reasons for moving were: 1) upgrading to a better quality home, 2) moving to a more desirable neighbourhood, 3) becoming a homeowner for the first time, 4) moving because of a change in household size, or 5) to lower housing costs. Approximately 10% of renter households live in an unsuitable dwelling, with not enough bedrooms for the occupants. Renter households were more likely to report living in a dwelling that requires major repairs, with 8.5% making that claim.

Source: Statistics Canada

INDEX <sup>†</sup>	Change (%)			Index Level
	1 Mth	YTD	1 Yr	
Treasury Bill (FTSE Canada 60 Day T-Bill)	0.14	1.52	1.67	165
Bonds (FTSE Canada Universe Bond)	0.52	8.16	9.76	1137
Canadian Equities (S&P/TSX Composite)	3.59	22.29	15.74	17,040
U.S. Equities (S&P 500, US\$)	3.63	27.63	17.08	3,141
Global Equities (MSCI World, US\$)	2.84	24.66	15.61	2,292
Emerging Markets (MSCI Emerging Markets, US\$)	-0.13	10.51	7.32	1040

CURRENCIES <sup>†</sup>	Change (%)			Exchange Rate
	1 Mth	YTD	1 Yr	
C\$/US\$	-0.88	2.70	0.01	0.75
C\$/Euro	0.32	6.86	3.42	0.68
C\$/Pound	-0.82	1.34	-1.09	0.58
C\$/Yen	0.45	2.52	-3.52	82.44

COMMODITIES (US\$) <sup>†</sup>	Change (%)			Price
	1 Mth	YTD	1 Yr	
Gold Spot (\$/oz)	-3.23	11.70	16.24	1,472.70
Oil WTI (\$/barrel)	1.70	13.75	4.39	55.17
Natural Gas (\$/MMBtu)	-16.51	-25.53	-26.54	2.28

<sup>†</sup>Total Return, as at November 29, 2019. Indices are quoted in their local currency. Source: Bloomberg

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