

April in Review

Equity markets continued to climb higher in April, driven by growing evidence of an improving global economy, and the resulting increase in confidence for a strong economic recovery in 2021. In Canada, the S&P/TSX Composite gained 2.4%, with noted strength in the Materials, Consumer Discretionary, and Real Estate sectors, which were up 5.5%, 5.1%, and 4.4%, respectively. U.S. markets moved higher, as the S&P 500 climbed 5.3% and the Dow Jones Industrial Average moved up 2.8%. The EAFE index, representing international developed markets, gained 3.1%, while the MSCI Emerging Markets index gained 2.5%. Commodities continue to rally dramatically in April. Copper climbed 11.7%, now up 87.2% over the past year. WTI crude oil was up 7.4% in the month and is now up 92.6% over the past year. Natural gas and gold also gained in April, up 9.9% and 3.0%, respectively. Bond yields dipped slightly after climbing in each of the previous three months. Correspondingly, bond prices moved higher, with the FTSE Canadian Universe Bond index up 0.1% in March, although down 5.0% year-to-date.

Here are some of April's most notable headlines:

U.S. President Biden unveiled a significant infrastructure spending plan.

President Biden addressed a joint session of congress, stressing the need for massive federal investments in infrastructure, along with childcare and education. The President pushed for funding to expand broadband, update infrastructure for drinking water, and modernize the energy grid as part of the administration's proposed American Jobs Plan, which he described as the "blue-collar blueprint to build America." Mr. Biden pitched his plan to raise taxes sharply on wealthy Americans and corporations – to help cover the proposed, roughly \$4 trillion in additional federal spending.

The International Monetary Fund increased its global economic forecast.

The International Monetary Fund (IMF) upgraded its view of economic growth for 2021. The forecast for global economic growth is now 6.0% and 4.4% for 2021 and 2022, up from the previous forecast of 5.5% and 4.2%. The IMF's view on Canada improved substantially, with growth of 5.0% and 4.7% now expected, up from a previous forecast of 3.6% and 4.1%. The improved global outlook reflects additional fiscal stimulus in a few large economies, as well as the anticipated vaccine-powered recovery in the second half of 2021. Uncertainty continues to surround the global outlook, and actual growth will depend on the evolution of the COVID-19 crisis, effectiveness of vaccines on new strains of the virus, and the effectiveness of policy actions to limit persistent economic damage.

U.S. economic growth accelerated in the first quarter of 2021.

Government stimulus and widespread vaccinations fueled consumer spending, which led to accelerated Q1 economic growth in the U.S. GDP expanded at a 6.4% annualized rate in Q1, falling just short of the consensus estimates of 6.7%, following a pace of 4.3% in Q4 of 2020. Personal consumption, fixed investment, and government spending contributed to the boost in GDP, partially offset by declines in inventories and exports and increased imports. Consumer spending, which accounts for over 68% of the economy, was boosted by another round of stimulus payments. Consumer spending grew 10.7% in the quarter from 2.3%, which was the second-fastest rate recorded since the 1960s.

Did you know?

On April 19, 2021, Canada's Deputy Prime Minister and Federal Minister of Finance, the Honourable Chrystia Freeland, unveiled the country's first full budget in over two years. During this unprecedented global pandemic, it presents the government's fiscal outlook for the year and beyond, announces major spending to get Canadians through the COVID-19 pandemic and jumpstart Canada's economic recovery, features a historic call for a national child care and early learning program, provides new incentives for climate change reforms, and addresses tax fairness.

Please [click here](#) for a summary of key tax measures, including:

- Personal tax changes
- Recovery support for individuals and businesses
- Tax fairness to close the wealth gap
- Measures to combat climate change

A Scotiabank advisor would be happy to discuss considerations that may be relevant to you.

INDEX†	1 Mth	Change (%) YTD	1 Yr	Index Level
Treasury Bill (FTSE Canada 60 Day T-Bill)	0.01	0.02	0.16	166
Bonds (FTSE Canada Universe Bond)	0.06	-4.98	-2.03	1,160
Canadian Equities (S&P/TSX Composite)	2.39	10.64	33.31	19,108
U.S. Equities (S&P 500, US\$)	5.34	11.83	45.96	4,181
Global Equities (MSCI World, US\$)	4.69	9.98	46.04	2,939
Emerging Markets (MSCI Emerging Markets, US\$)	2.50	4.79	49.17	1,348
CURRENCIES†	1 Mth	Change (%) YTD	1 Yr	Exchange Rate
C\$/US\$	2.21	3.62	13.47	0.81
C\$/Euro	-0.28	5.26	3.38	0.68
C\$/Pound	1.96	2.47	3.42	0.59
C\$/Yen	0.91	9.62	15.72	88.93
COMMODITIES (US\$)†	1 Mth	Change (%) YTD	1 Yr	Price
Gold Spot (\$/oz)	3.04	-7.10	3.46	1,768
Oil WTI (\$/barrel)	7.43	30.74	92.61	63.58
Natural Gas (\$/MMBtu)	9.90	12.26	11.87	2.93

† Total Return, as at April 30, 2021. Indices are quoted in their local currency. Source: Bloomberg

* Registered trademark of The Bank of Nova Scotia, used under licence. © Copyright 2021 1832 Asset Management L.P. All rights reserved.

This document has been prepared by 1832 Asset Management L.P. and is provided for information purposes only. Views expressed regarding a particular investment, economy, industry or market sector should not be considered an indication of trading intent of any of the mutual funds managed by 1832 Asset Management L.P. These views are not to be relied upon as investment advice nor should they be considered a recommendation to buy or sell. These views are subject to change at any time based upon markets and other conditions, and we disclaim any responsibility to update such views.

Information contained in this document, including information relating to interest rates, market conditions, tax rules, and other investment factors are subject to change without notice and 1832 Asset Management L.P. is not responsible to update this information. To the extent this document contains information or data obtained from third-party sources, it is believed to be accurate and reliable as of the date of publication, but 1832 Asset Management L.P. does not guarantee its accuracy or reliability. Nothing in this document is or should be relied upon as a promise or representation as to the future. Investors should consult their own professional advisor for specific investment and/or tax advice tailored to their needs when planning to implement an investment strategy to ensure that individual circumstances are considered properly and action is taken based on the latest available information.