# Monthly Market Update

## For the month of November 2017

## Last Month in the Markets – November 1st – 30th, 2017

| | TSX | S&P 500 | DOW | NASDAQ | CAD/USD | GOLD (USD) | OIL (USD) |
|---|---|---|---|---|---|---|---|
| **Month - End**<br>month +/-<br>month +/- % | **16,067.48**<br>+ 41.89<br>+ 0.26% | **2,647.58**<br>+ 72.33<br>+ 2.81% | **24,272.35**<br>+ 895.11<br>+ 3.83% | **6,873.97**<br>+ 146.30<br>+ 2.17% | **77.54 ¢**<br>- 0.05 ¢<br>- 0.07% | **$1,276.70**<br>+ $ 6.20<br>+ 0.49% | **$ 57.40**<br>+ $ 3.02<br>+ 5.55% |
| 52 wk HIGH<br>52 wk LOW | 16,132<br>14,916 | 2,658<br>2,187 | 24,328<br>19,139 | 6,915<br>5,238 | 82.90 ¢<br>72.50 ¢ | $1,366<br>$1,147 | $ 59.05<br>$ 43.39 |
| YTD +/- %<br>1Yr +/- % | + 5.10%<br>+ 6.53% | + 18.26%<br>+ 20.41% | + 22.82%<br>+ 26.92% | + 27.69%<br>+ 29.12% | + 4.22%<br>+ 4.19% | + 10.85%<br>+ 8.76% | + 6.85%<br>+ 16.10% |

(source: Bloomberg https://www.bloomberg.com/markets)

## What happened in November?

- November continued the recent, year-long, tradition of equity gains in Canadian and American markets.
    - Last month wasn't as strong as October, and some volatility crept into the picture, but taking the two months together, they have delivered significant percentage returns across the board.
        - Also, the major North American markets achieved record highs again, continuing the rise that began with the U.S. election. Trump celebrated the first anniversary of his election win in November.
        - Regardless of one's political leanings, the last year has seen wonderful gains in equities, particularly in the United States.
        - Canadian investors with U.S. company holdings, directly through stock ownership or indirectly with U.S. stocks owned by the funds that they hold, have seen this portion of their portfolios jump over the past 12 months.
- The Canadian stock market has had a more uneven gain in 2017 than the U.S. indices.
    - Graphically, the TSX in 2016 performed similarly to the three American indices (above), with a total gain of nearly 18% for the year.
        - Since January 1, 2017 the TSX has underperformed the U.S. markets. Much, but certainly not all, of the lagging returns can be related to the price of oil.
    - Several other factors, like short and long-term interest rates, employment rates, consumer and producer confidence, GDP growth, inflation, balance of trade, actively affect Canadian markets. Each of these indicators both domestically and globally have an effect here.
        - As always, it is important to monitor performance and risk, and base investment decisions on the best available information.

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### What's ahead for December and beyond?

- The U.S. Federal Reserve is expected to increase interest rates in December, as part of their long-term plan, to return their economy to a more typical interest rate environment instead of the ultra-low rates that borrowers have enjoyed over the past 9+ years.
  - A rise in rates will be in response to inflation risk, primarily, which is difficult to assess, as always. As difficult as predicting Fed manoeuvres.
- In Canada, the most significant developments to influence our economy and markets will be the on-going NAFTA talks.
  - Also difficult to predict are President Trump's intentions and actions, but it seems unlikely that he will withdraw from NAFTA. It is more likely that small revisions in favour of the U.S. will be declared as a great victory by the Executive branch of their government. Time will tell.