

MARKET SUMMARY

TO JANUARY 31, 2020

WHAT HAPPENED IN JANUARY

TOP THEMES

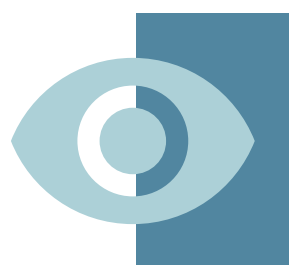


Growth in markets: TSX up 1.74%, S&P 500 up 1.95%, MSCI International Index down -0.14% in January

- Market's new highs in January:
 - TSX: 17,621 on Jan 23
 - S&P 500: 3,329 on Jan 17
 - Dow: 29,373 on Jan 17
- Stocks up in January due to:
 - signing of the U.S./China Phase One trade deal, - signing of CUSMA
- End of month decline and volatility due to coronavirus
- Oil dropped from \$65.24 on Jan. 7 to \$51.63 on Jan. 31 from concerns on how coronavirus will affect economies; SARS in '03 reduced Chinese economic growth by 2%

WHAT WE'RE WATCHING

TOP 5 THEMES



International:

On-going global trade war between US and China

- Upcoming US election

Consumer debt in Canada and US:

- 50% of Canadians \$200 away from financial insolvency
- average Canadian owes \$1.72 for every dollar earned
- Canadians owe \$2.16 Trillion – highest debt load of G7
- 5.54% of consumers were 90 or more days past due on at least one non-mortgage credit product in the third quarter, compared with 5.25 per cent in the same period in 2018

Interest rates:

- Canada: - 50% chance of a Bank of Canada interest rate cut by July because of weakening employment (up to 5.9% in December from 5.5% in November)
- USA: - no changes expected in 2020
- Europe - last rate cut in September 2019 to -0.50%

Cdn. dollar

- expected to stay between 75 – 77 cents USD
- at 75.7 cents USD on Jan. 31st