

## World Equities

Equity Market	Current	T-1	T-1, Δ %	T-5, Δ %
DOW	25,413.22	25,289.27	0.49%	-2.22%
S&P 500	2,736.27	2,730.20	0.22%	-1.61%
Nasdaq	7,247.87	7,259.03	-0.15%	-2.15%
S&P/TSX	15,155.50	15,144.88	0.07%	-0.78%
FTSE 100	7,013.88	7,038.01	-0.34%	-1.29%
DAX	11,341.00	11,353.67	-0.11%	-1.63%
Hang Seng	26,183.53	26,103.34	0.31%	2.27%
Shanghai Index	2,679.11	2,668.17	0.41%	3.09%
Nikkei 225	21,680.34	21,803.62	-0.57%	-2.56%

U.S. equities finished mostly higher on Friday amid relentless market volatilities, as investors remained cautiously optimistic towards a potential trade deal between the U.S. and China. However, political tensions in the U.K. and the downward spiral seen in the oil prices continued to weigh on investor sentiment.

The Dow Jones industrial average rose 123.95 points (0.49%) to finish at 25,413.22, lifted by UnitedHealth and McDonald's stocks. The S&P 500 advanced 6.07 points (0.22%) to settle at 2,736.27, with [PG&E stock rallying over 37%](#) as bankruptcy concern eased. The Nasdaq composite shed 11.16 points (-0.15%) to close at 7,247.87, as Nvidia stock plummeted after reporting disappointing earnings results. For the week as a whole, all three U.S. indexes fell back in the red with average losses of 2.0% and Dow underperformed the others.

On Monday, Japan reported lower than expected Q3 GDP growth reading, coming in at -0.3% QoQ (vs. +0.8% in Q2), primarily caused by disruption from natural disasters, which weighed on overall demand (-0.2%) and exports (-0.1%). On an annualized basis, the economy expanded 1.2% in Q3 (vs. 3.0% in Q2).

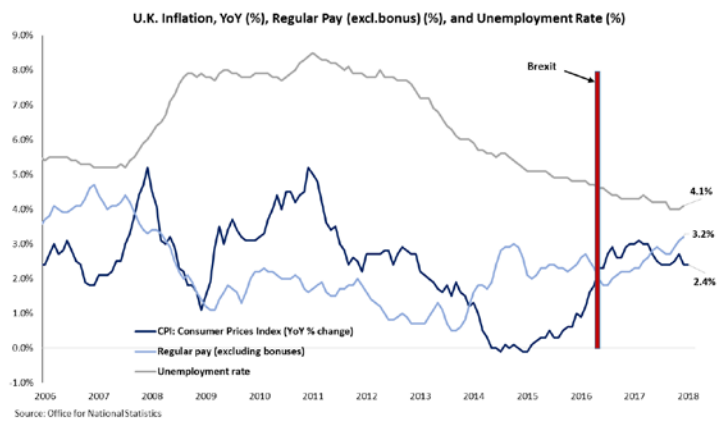
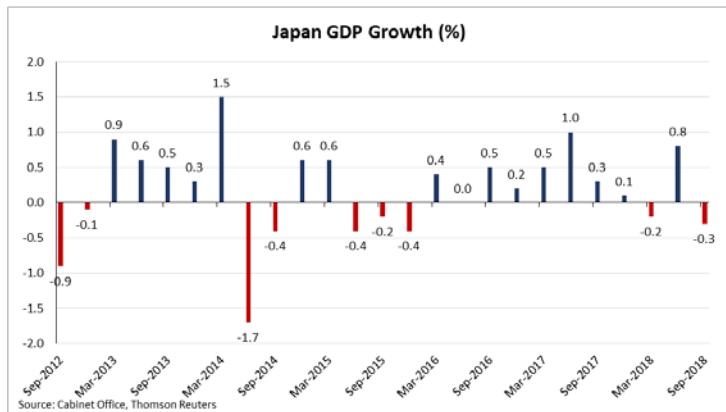
In addition, China's October retail sales growth rose 8.6% YoY (vs. 9.2% in September), the slowest pace since May. The continued slowdown in consumer spending seems to be attributable to a function of factors: heightened household debt, fading wealth effect due to cooling housing market, and credit tightening in the financial system.

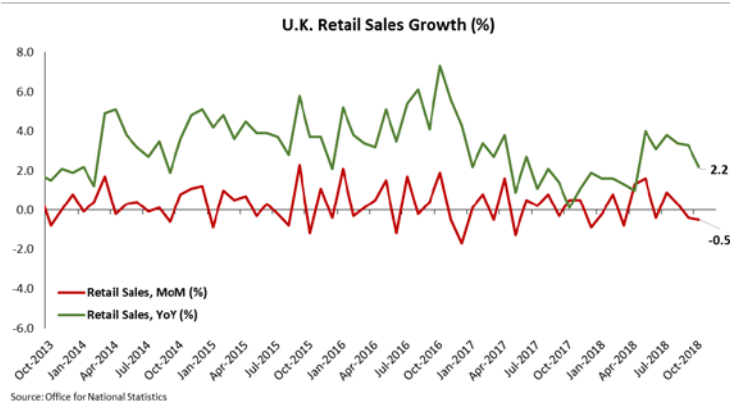
On a positive note, China's industrial production stabilized and expanded 5.9% YoY in October (vs. 5.8% in September) due to strong reading of 5.7% in fixed asset investment, largely related to government led infrastructure spending.

On Tuesday, U.K. unemployment rate edged up to 4.1% in the three months to September (vs. 4.0% in prior period) as additional job gains were largely offset by higher number of jobless individuals. Meanwhile, wages excluding bonuses grew 3.2% in the three months to September (vs. 3.1 in the prior period), the highest since Q4 2008.

On Wednesday, U.K. inflation remained steady at 2.4% in October as lower food and transportation costs were offset by higher gasoline prices. The inflation rate stays above the Bank of England's 2% target and the street continues to expect the next rate hike to arrive in summer 2019.

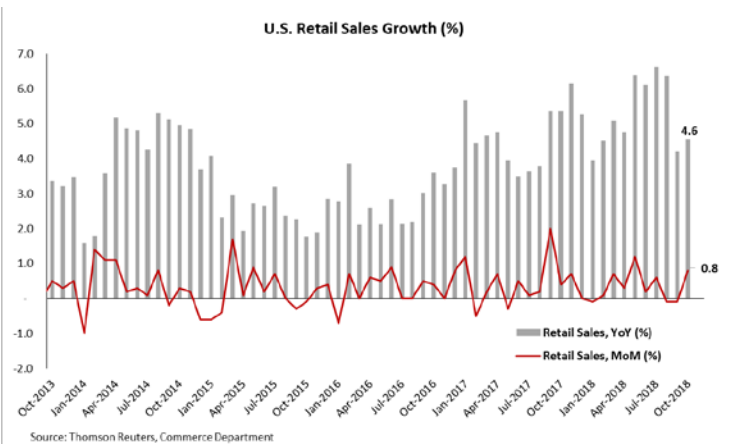
In addition, U.S. inflation accelerated to 2.5% in October (vs. 2.3% in September), mainly due to higher gasoline prices. Excluding food and energy items, core inflation rose 2.1% in October (vs. 2.2% in September). The strong inflation reading seemed to solidify a December rate increase by the Federal Reserve.





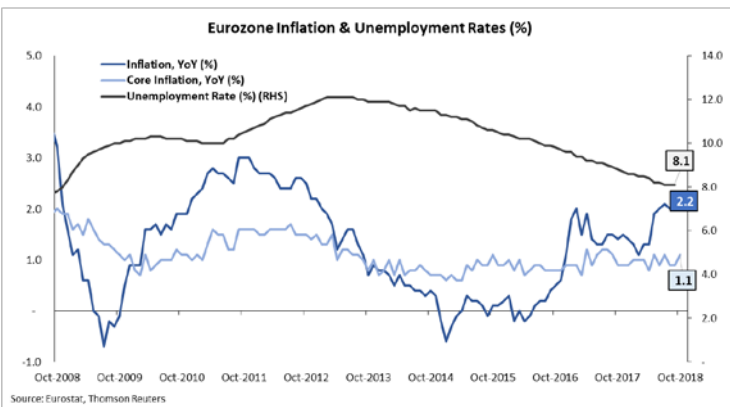
Further, the Italian government refused to meet the European Union (EU)'s demands to reduce its 2019 budget deficit target, currently at 2.4% of GDP. With over 130% debt to GDP already on the book, spending its way to revive economic growth will not be a smooth journey for Italy.

On Thursday, despite the stable inflation figure reported the prior day, U.K. retail sales fell for the second consecutive month in October, down 0.5% MoM (vs. -0.4% in September) after the strong results witnessed during summer. The soft retail sales figures add to the concerns that the economy is losing momentum heading towards the end of 2018.



On the other hand, U.S. retail sales rebounded in October, up 0.8% MoM (vs. -0.1% in September) as some consumers could have already entered the holiday season mode. Strong labour market is underpinning consumer spending as well.

On Friday, Eurozone inflation grew at the fastest pace since December 2012, advancing 2.2% in October (vs. 2.1% in September), which continued to support the decision of the European Central Bank to end its asset purchasing programme by end of 2018. The core inflation was up 1.1% during the same period (vs. 0.9% in September).



Lastly, the U.K. and the EU have agreed on draft withdrawal treaty on Wednesday night, which essentially allows the U.K. to maintain its ties to the EU while staying in control of its borders. However, the drafted deal invited criticism from multiple directions, claiming such deal defeats the purpose of a Brexit as a result of the 2016 referendum. To add fuel to the fire, a number of ministers resigned the day after the announcement, exacerbating the political turmoil and raising the threat of May's leadership being challenged in the near term. Pound fell approximately 2% in response.

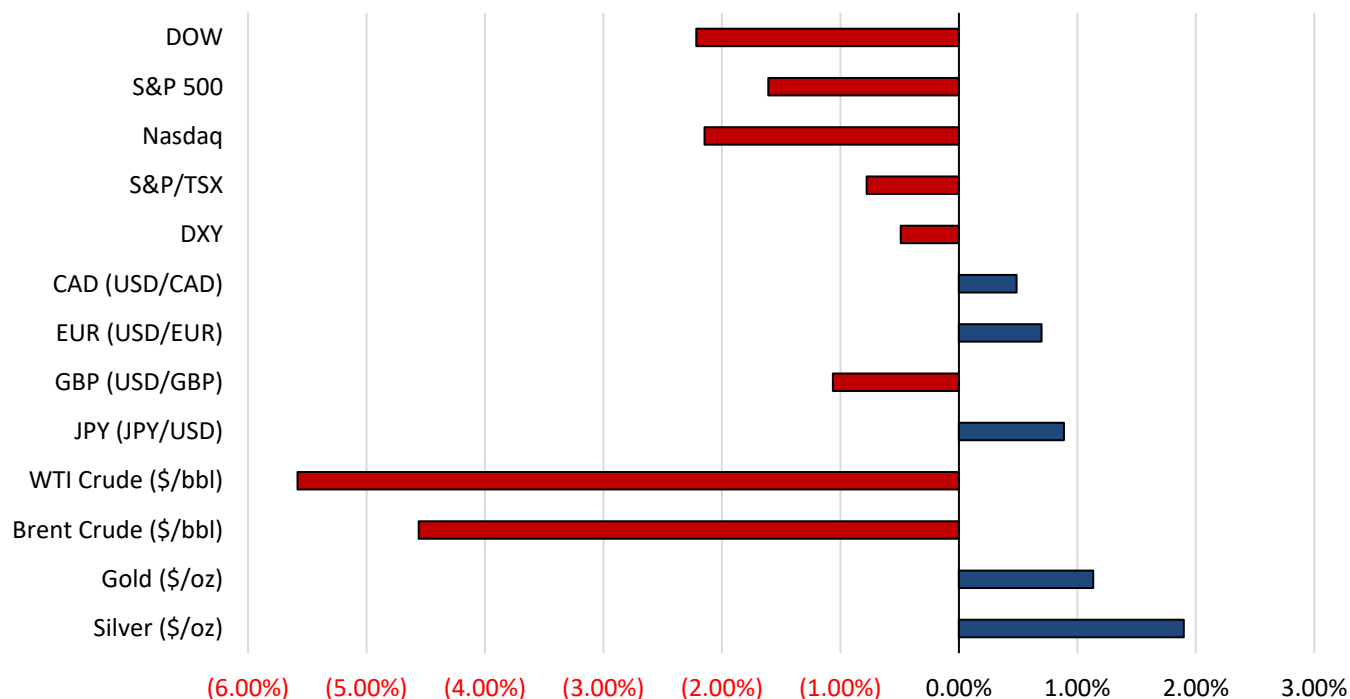
## Commodities & FX

Commodities	Current	T-5	T-30	T-365
WTI Crude (\$/bbl)	56.8	60.2	71.8	54.0
Brent Crude (\$/bbl)	67.0	70.2	81.0	59.1
Natural Gas (\$/MMBtu)	4.39	3.72	3.30	3.19
Gold (\$/oz)	1,223.4	1,209.7	1,225.0	1,278.6
Silver (\$/oz)	14.4	14.2	14.7	17.1
Copper (\$/oz)	6,184.0	6,155.0	6,301.0	6,773.0
FX	Current	T-5	T-30	T-365
CAD (USD/CAD)	1.31	1.32	1.29	1.28
EUR (USD/EUR)	1.14	1.13	1.16	1.18
GBP (USD/GBP)	1.28	1.30	1.32	1.32
JPY (JPY/USD)	112.8	113.8	112.3	113.1

## Fixed Income

Gov't Bonds	2-Year (%)				5-Year (%)				10-Year (%)			
	Current	T-1	T-5	T-30	Current	T-1	T-5	T-30	Current	T-1	T-5	T-30
U.S.	2.80	2.85	2.92	2.87	2.88	2.94	3.04	3.02	3.06	3.11	3.18	3.16
Canada	2.22	2.24	2.33	2.30	2.29	2.32	2.43	2.40	2.36	2.39	2.50	2.50
Eurozone	-0.59	-0.60	-0.61	-0.57	-0.23	-0.24	-0.18	-0.11	0.37	0.36	0.41	0.49
Japan	-0.14	-0.14	-0.14	-0.12	-0.09	-0.09	-0.09	-0.07	0.10	0.10	0.12	0.14
U.K.	0.72	0.70	0.77	0.81	0.94	0.92	1.07	1.16	1.41	1.37	1.49	1.61

## Weekly Performance



## Upcoming Events

Date	Events
Tue, Nov 20, 2018	U.S. Housing Starts & Building Permits (Oct)
Wed, Nov 21, 2018	U.S. Durable Goods Orders & Existing Home Sales (Oct)
Fri, Nov 23, 2018	Canada Inflation (Oct) and Retail Sales (Sep)