

World Equities

Equity Market	Current	T-1	T-1, Δ %	T-5, Δ %
DOW	34,754.93	34,480.76	0.80%	5.50%
S&P 500	4,463.12	4,411.67	1.17%	6.16%
Nasdaq	13,893.84	13,614.78	2.05%	8.18%
S&P/TSX	21,818.47	21,771.22	0.22%	1.66%
FTSE 100	7,404.73	7,385.34	0.26%	3.48%
DAX	14,413.09	14,388.06	0.17%	5.76%
Hang Seng	21,412.40	21,501.23	-0.41%	4.18%
Shanghai Index	3,251.07	3,215.04	1.12%	-1.77%
Nikkei 225	26,827.43	26,652.89	0.65%	6.62%

U.S. stock market climbed on Friday despite a hawkish Fed and continued geopolitical challenges between Russia and Ukraine.

The Dow Jones Industrial Average rose 274.17 points (+0.80%) to finish at 34,754.93, helped by strong gains at Salesforce, Nike, and Visa. The S&P 500 index gained 51.45 points (+1.17%) to settle at 4,463.12, lifted by Consumer Discretionary and Information Technology sectors. The Nasdaq Composite surged 279.06 points (+2.05%) to close at 13,893.84. For the week, all three indexes recorded sizable gains averaging 6.61% with Nasdaq outperforming the rest and advancing 8.18%. WTI and Brent crude oil prices continued to decline but remained above the \$100/barrel levels.

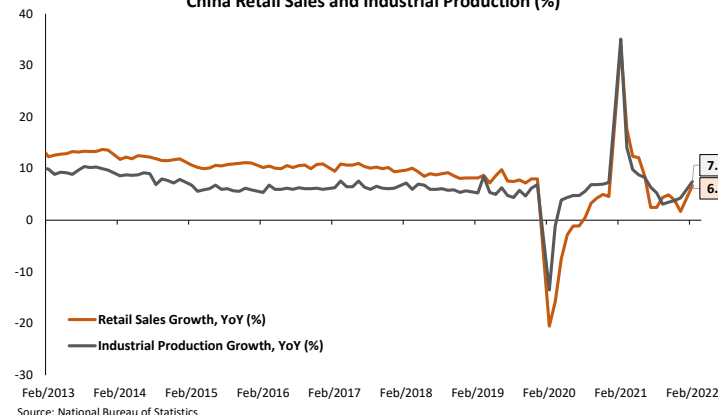
On Monday, China's February retail sales grew 6.7% y/y (vs. 1.7% in December), ahead of the 3% street expectations. The solid retail sales growth was broad-based (ex. furniture spending). Industrial production rose 7.5%, exceeding the 3.9% consensus despite ongoing domestic outbreak of COVID-19 cases, with the strong industrial output driven by strong growth in fixed asset investment.

On Wednesday, as widely anticipated, the Fed raised the federal funds rate by 0.25% and revised economic forecasts as part of its summary of economic projections (SEP). In the latest SEP, the Fed has revised upwards its inflation projection through 2024 (against the Dec/21 forecast) while lowering real GDP growth forecast for 2022. In addition, the median projection from the current dot plot suggests that there would be six additional rate increases by the end of 2022. The trajectory of rate increases did not come as a surprising factor as market participants were largely pricing in five to seven hikes for 2022 heading into the FOMC meeting. The Fed also communicated that the balance sheet reduction could start as soon as in May. Overall, the Fed's tone was in-line hawkish, and the additional visibility on rate and quantitative tightening trajectory from the Fed led to a relief rally in risk assets.

On economic news, U.S. retail sales rose 0.3% m/m in February (vs. 4.9% in January), a touch below the 0.4% growth expected by economists. Sales at auto and gasolines continued to grow (up 0.8% and 5.3% m/m, respectively), partially offset by lower sales at food/drug stores and furniture.

In addition, Canada inflation edged higher to 5.7% in February (vs. 5.1% in January), above the 5.5% consensus. The continued run-up in inflation was largely driven by higher gasoline prices (up 32.3% y/y), higher food prices (up 7.4% y/y), and higher shelter costs (up 6.6% y/y). Excluding food & energy items, CPI rose 3.9% (vs. 3.5% in January). Bank of Canada's core inflation metric CPI-median also increased 0.1% point to 3.5% in February. With the ongoing geopolitical tension in Russia/Ukraine and its impact on commodity prices, CPI is expected to trend towards the 6% level in coming months.

China Retail Sales and Industrial Production (%)

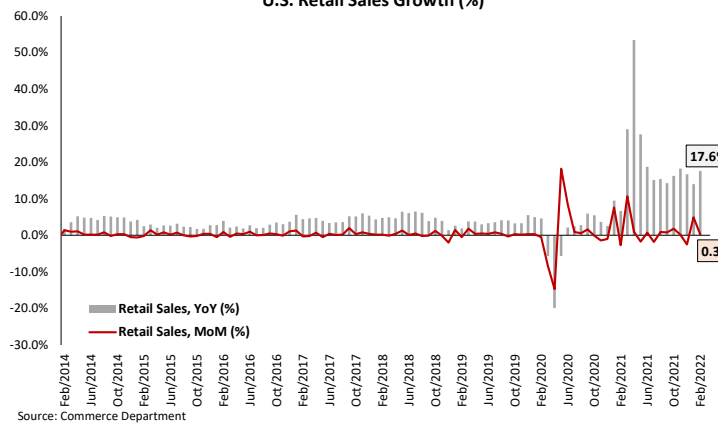


Source: National Bureau of Statistics

FOMC Projection	2022		2023		2024	
	Mar 22	Dec 21	Mar 22	Dec 21	Mar 22	Dec 21
Real GDP Growth (%)	2.8	4.0	2.2	2.2	2.0	2.0
Unemployment Rate (%)	3.5	3.5	3.5	3.5	3.6	3.5
PCE Inflation (%)	4.3	2.6	2.7	2.3	2.3	2.1
Core PCE Inflation (%)	4.1	2.7	2.6	2.3	2.3	2.1

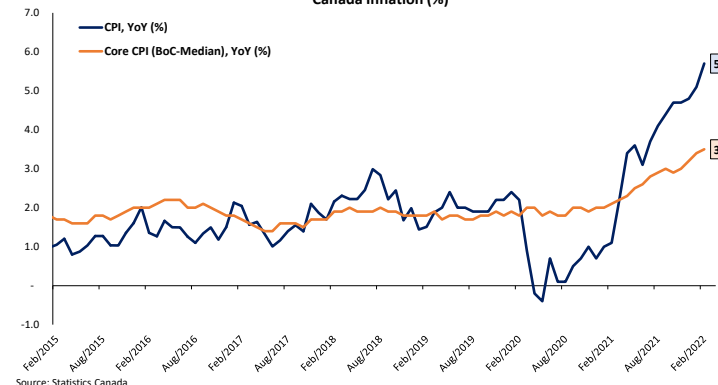
Source: Federal Reserve

U.S. Retail Sales Growth (%)

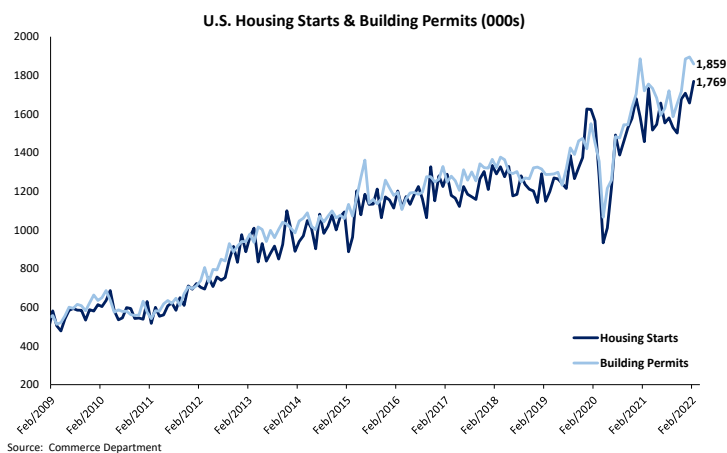


Source: Commerce Department

Canada Inflation (%)

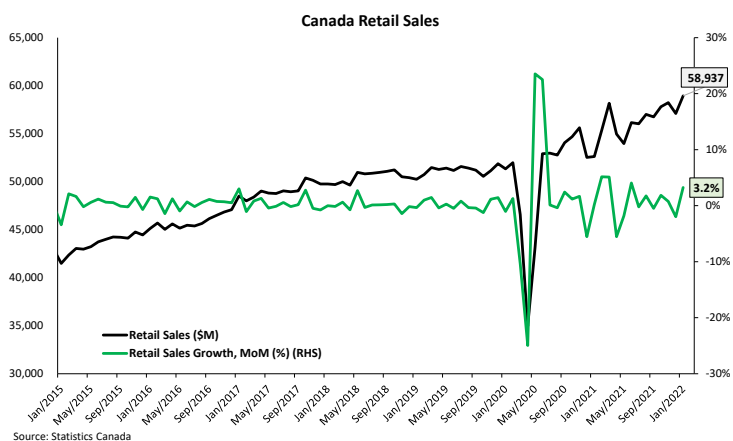


Source: Statistics Canada



U.S. housing starts grew 6.8% m/m to a seasonally adjusted annualized rate (SAAR) of 1.769mm units in February (vs. -3.0% in January), ahead of the 1.69mm forecast by economists. The surge in housing starts was driven by gains in both single-family (up 5.7%) and multifamily (up 9.3%). Meanwhile, building permits declined 1.9% to a SAAR of 1.859mm units in February (vs. +0.5% in January). Despite higher mortgage rates (~4.3%, 3-year high), labour shortages, rising input costs, homebuilding activity remains healthy.

Canada retail sales grew 3.2% m/m in January (vs. -2.0% in December), led by strong sales in auto & parts (up 5.3% m/m) and building material/garden equipment suppliers. Ex. autos and gasolines, core sales increased 2.9% m/m. Preliminary estimates by StatCan for February is pointing a -0.5% decline in retail sales.



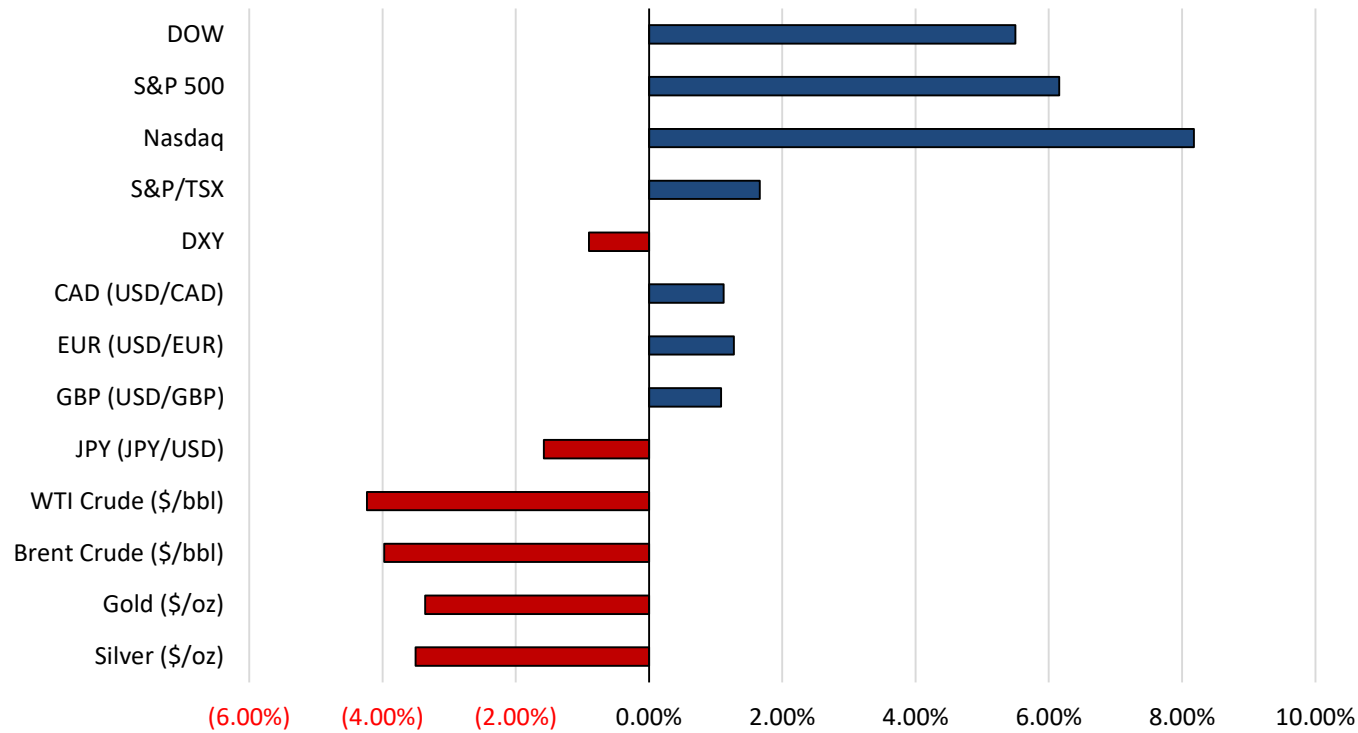
Commodities & FX

Commodities	Current	T-5	T-30	T-365
WTI Crude (\$/bbl)	104.7	109.3	90.2	55.9
Brent Crude (\$/bbl)	108.2	112.7	91.4	59.3
Natural Gas (\$/MMBtu)	4.86	4.73	4.38	2.40
Gold (\$/oz)	1,921.6	1,988.5	1,898.4	1,736.4
Silver (\$/oz)	25.0	25.9	23.9	26.1
Copper (\$/oz)	10,243.0	10,117.0	9,929.0	9,065.5
FX	Current	T-5	T-30	T-365
CAD (USD/CAD)	1.26	1.27	1.28	1.25
EUR (USD/EUR)	1.11	1.09	1.13	1.19
GBP (USD/GBP)	1.32	1.30	1.36	1.39
JPY (JPY/USD)	119.2	117.3	115.0	108.9

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.	1.94	1.91	1.75	1.47	2.14	2.14	1.95	1.82	2.15	2.17	1.99	1.93
Canada	1.88	1.88	1.66	1.49	2.03	2.02	1.80	1.72	2.19	2.18	1.99	1.88
Eurozone	-0.35	-0.35	-0.42	-0.48	0.08	0.10	-0.01	-0.08	0.37	0.38	0.25	0.19
Japan	-0.03	-0.03	-0.04	-0.02	0.03	0.03	0.01	0.05	0.20	0.20	0.18	0.21
U.K.	1.20	1.29	1.30	1.25	1.24	1.32	1.26	1.28	1.49	1.56	1.49	1.38

Weekly Performance



Upcoming Events

Date	Events
Mon, Mar 21, 2022	FOMC Members Speeches
Tue, Mar 22, 2022	FOMC Members Speeches
Wed, Mar 23, 2022	U.S. New Home Sales (Feb)
Thu, Mar 24, 2022	FOMC Members Speeches
Fri, Mar 25, 2022	U.K. Retail Sales (Feb); U.S. Pending Home Sales (Feb)