

World Equities

Equity Market	Current	T-1	T-1, Δ %	T-5, Δ %
DOW	33,614.80	33,794.66	-0.53%	-1.30%
S&P 500	4,328.87	4,363.49	-0.79%	-1.27%
Nasdaq	13,313.44	13,537.94	-1.66%	-2.78%
S&P/TSX	21,402.43	21,250.41	0.72%	1.40%
FTSE 100	6,987.14	7,238.85	-3.48%	-6.71%
DAX	13,094.54	13,698.40	-4.41%	-10.11%
Hang Seng	21,905.29	22,467.34	-2.50%	-3.79%
Shanghai Index	3,447.65	3,481.11	-0.96%	-0.11%
Nikkei 225	25,985.47	26,577.27	-2.23%	-1.85%

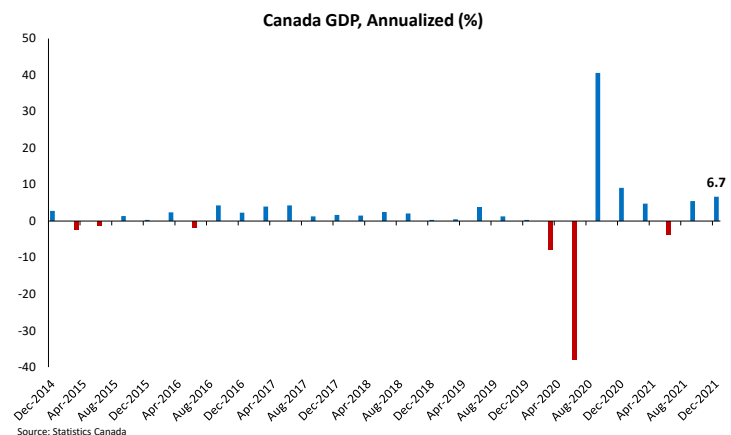
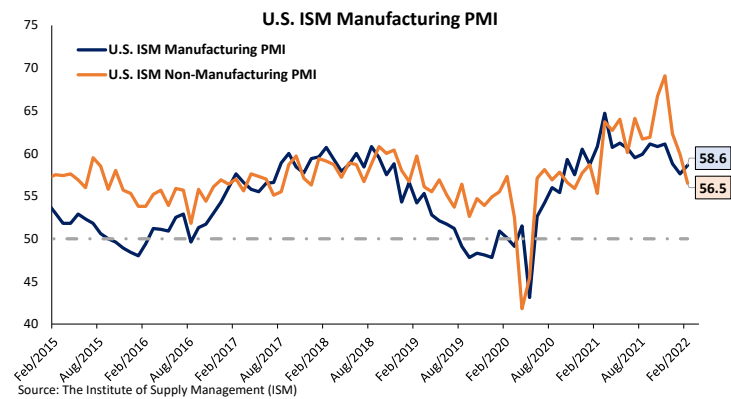
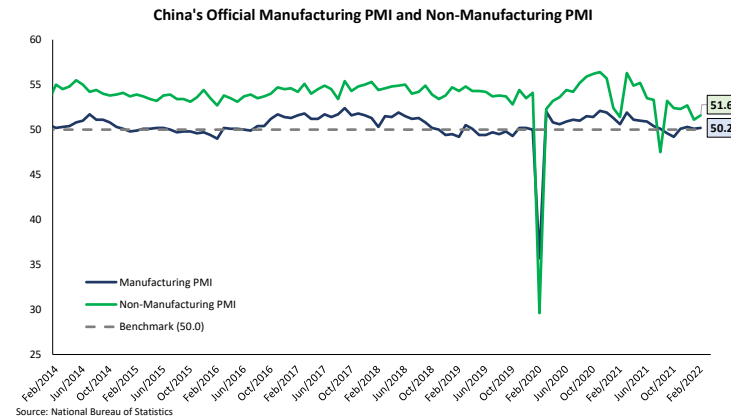
U.S. equities closed lower on Friday as uncertainty associated with geopolitical risks in Ukraine continued to weigh on investor sentiment.

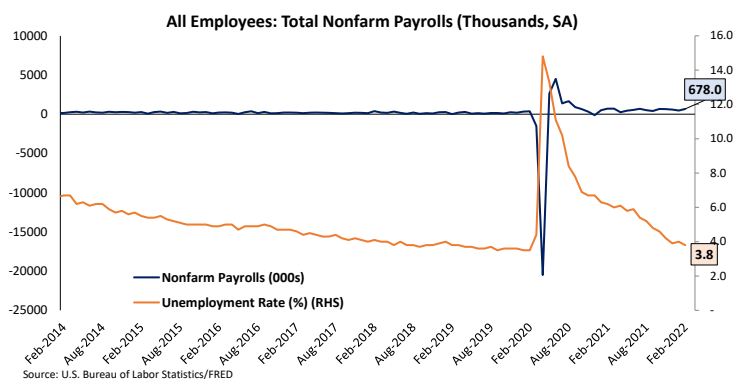
The Dow Jones Industrial Average lost 179.86 points (-0.53%) to settle at 33,614.80, lagged by Boeing, American Express, Visa, and Disney. The S&P 500 index declined 34.62 points (-0.79%) to close at 4,328.87 as gains in the Energy and Utilities sectors were more than offset by losses in Financials, Information Technology, and Consumer Discretionary sectors. The tech-heavy Nasdaq Composite underperformed and fell 224.50 points (-1.66%) to finish at 13,313.44. For the week, all three indices registered losses averaging -1.79% and Nasdaq underperformed the pack and declined -2.78%. On the commodity front, WTI and Brent crude oil prices gained 25% for the week and closed above \$115/barrel amid geopolitical challenges; Gold and Silver futures also logged 4-6% gains for the week.

On Monday, China reported its February PMI, with manufacturing PMI inching up to 50.2 (vs. 50.1 in January), pointing to a possible stabilization of economic growth underpinned by strong demand despite continued outbreak of COVID-19 cases in certain regions. Non-manufacturing PMI also rose to 51.6 (vs. 51.1 in January), helped by improved construction activity and services business activity.

On Tuesday, U.S. ISM manufacturing PMI came in at 58.6 in February (vs. 57.6 in January), ahead of 58.0 expected by economists, primarily driven by higher new orders (up 3.8pts to 61.7) and new export orders (up 3.5pts to 57.2). The supplier delivery delays sub-index increased to 66.1 (vs. 64.6 in January), suggesting supply chain issues persist, and possibly worsen and constrain economic growth in coming months amid geopolitical tensions in Russia/Ukraine. On Thursday, U.S. ISM services PMI surprised to the downside and declined to 56.5 in February (vs. 59.9 in January), compared with the street consensus of 61.0. The February reading marked the lowest print since May 2020 and the decline was mainly due to lower sub-index reading of business activity, employment, and new orders. The backlog of orders sub-index also worsened and rose 6.8pts to 64.2.

In addition, Canada's Q4/21 real GDP grew 6.7% annualized (up from 5.5% in Q3/21), better than the 6.5% growth expected by economists. The strong economic growth in the quarter reflected higher business inventories, higher exports, and increased business investments, partially offset by lower household consumption. The Canadian economy finished 2021 up 4.6%, largely reversing the -5.2% decline in 2020. StatCan's preliminary Jan/22 GDP estimate points to 0.2% gain.





On Wednesday, as widely anticipated by market participants, the Bank of Canada raised its policy rate by 25bps to 0.50% and the central bank signaled more rate hikes are expected going forward while citing the geopolitical conflicts between Russia/Ukraine is a major new source of uncertainty. BoC also indicated that inflation will likely trend higher in the near term owing to higher commodity prices and ongoing supply chain bottlenecks. The street is currently pricing in another rate hike by end of H1/22 and expects BoC to release details on rolling off its balance sheet in April's meeting.

On Friday, U.S. released its February jobs report with nonfarm payrolls adding 678k jobs (vs. 481k in January), ahead of the street consensus of 423k. The job gains were broad-based across all major industries, led by leisure & hospitality sector (+179k), professional & business services (+95k), health care (+64k), and construction (+60k). Unemployment rate improved to 3.8% (vs. 4.0% in January), 0.3pts away from pre-pandemic lows. Although strong labour market is a positive to the U.S. economy, the focus, as telegraphed by the Fed Chair Powell this week, is geared towards managing inflation. The geopolitical risk witnessed so far in Russia/Ukraine arguably may tamper the pace of the Fed's plan of tightening its monetary policy given the economic uncertainty, but it is expected to add more fuel to the fire and further propel inflation considering the impact on commodity prices and supply chain. This in turn could put the Fed in a tough position, i.e. the central bank may have to accelerate its schedule & pace of monetary tightening later in 2022 to keep inflation in check. A 25-bp rate increase in Mar/22 is already a giveaway by the Fed, and investors will be watching for details on future rate hikes and quantitative tightening.

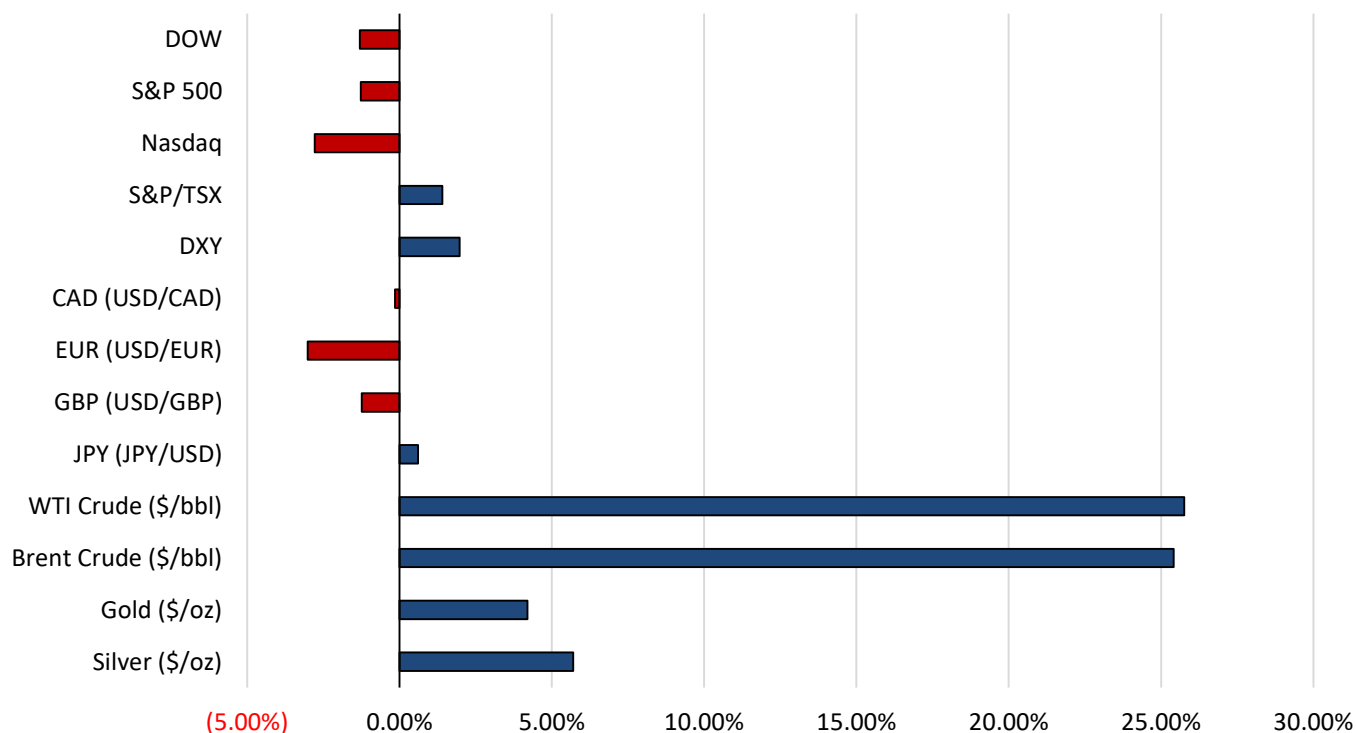
Commodities & FX

Commodities	Current	T-5	T-30	T-365
WTI Crude (\$/bbl)	115.2	91.6	90.3	57.4
Brent Crude (\$/bbl)	118.0	94.1	91.7	60.7
Natural Gas (\$/MMBtu)	4.92	4.47	4.49	2.52
Gold (\$/oz)	1,968.7	1,889.3	1,808.3	1,697.5
Silver (\$/oz)	25.7	24.3	22.5	25.4
Copper (\$/oz)	10,351.0	9,864.0	9,832.5	9,101.5
FX	Current	T-5	T-30	T-365
CAD (USD/CAD)	1.27	1.27	1.28	1.27
EUR (USD/EUR)	1.09	1.13	1.14	1.20
GBP (USD/GBP)	1.32	1.34	1.35	1.39
JPY (JPY/USD)	114.9	115.6	115.3	108.0

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.	1.49	1.53	1.57	1.31	1.65	1.73	1.87	1.77	1.75	1.84	1.96	1.91
Canada	1.38	1.48	1.54	1.35	1.46	1.59	1.73	1.71	1.67	1.78	1.90	1.85
Eurozone	-0.74	-0.64	-0.39	-0.26	-0.38	-0.27	0.00	0.04	-0.07	0.02	0.23	0.20
Japan	-0.04	-0.03	-0.03	-0.05	0.01	0.00	0.03	0.00	0.16	0.17	0.21	0.19
U.K.	1.05	1.12	1.20	1.26	0.98	1.06	1.25	1.31	1.21	1.30	1.46	1.41

Weekly Performance



Upcoming Events

Date	Events
Mon, Mar 07, 2022	China Trade Balance (Feb)
Tue, Mar 08, 2022	China CPI (Feb)
Thu, Mar 10, 2022	ECB Interest Rate Decision; U.S. CPI (Feb)
Fri, Mar 11, 2022	Canada Employment Report (Feb)