

April in Review

After a great first quarter, Q2 got off to a strong start as robust market performance continued in April. During the month, Canadian equities were up 3.22%, led by the Consumer Discretionary, Information Technology, and Financials sectors. U.S. equities were up 4.05%, led higher by the Financials Telecom, and Information Technology. Canadian bonds were down 0.10% in the month. Commodities performance was mixed. Oil continued its recent strong performance, up 6.02% for the month, and now up 36.18% year-to-date. Natural Gas, Copper, and Gold were down 5.09%, 1.29%, and 0.99% for the month, respectively. April brought mixed economic data, suggesting some softening in Germany, and a lowered global growth outlook from the International Monetary Fund (IMF). However, surprisingly positive data from China showed manufacturing expansion, solid Q1 GDP growth, housing price growth, and strong oil demand. Additionally, central banks around the world maintained a dovish view on interest rates. The combination led to strong stock performance. Here are some of April's most notable headlines:

EU grants Brexit extension until the end of October. European Union (EU) leaders and the United Kingdom agreed to a flexible extension of the Brexit deadline until October 31. Britain will remain as a member state of the EU until then, with the option to leave earlier if Prime Minister Theresa May can secure Commons support for the Brexit deal. This situation is still not resolved, and a great amount of uncertainty remains. However, the near-term risk has subsided, and this provides more time to search for a reasonable outcome.

China's economy grows more than expected. China said its economy grew 6.4 percent in the first quarter of 2019, beating analysts' expectations of 6.3 percent and easing concerns about a global economic slowdown. China grew by 6.4 percent year-on-year in the fourth quarter of last year, and 6.8 percent in the first quarter of 2018. China also released housing price data, reporting that average new home prices rose faster in March compared to a month earlier.

U.S. to end all waivers on Iranian oil imports. The United States demanded that buyers of Iranian oil stop purchases by May 1 or face sanctions, a move to choke off Tehran's oil revenues. The more stringent-than-expected decision surprised several key importers who have been pleading with Washington to continue buying Iranian oil sanctions-free. U.S. West Texas Intermediate climbed by as much as 2.9 percent on fears of a potential supply crunch. The United States re-imposed sanctions in November on exports of Iranian oil after U.S. President Donald Trump last spring unilaterally pulled out of a 2015 accord between Iran and six world powers to curb Tehran's nuclear program. Eight economies, including China and India, were granted waivers for six months, and several had expected those exemptions to be renewed.

Did you know?

Statistics Canada has recently begun reporting estimates of the economic value of digital economic activities, given the growing importance of these activities. The digital economy includes the information technology equipment that it relies upon to function, as well as e-commerce transactions and the digital delivery of products to consumers. In 2017, the nominal gross domestic product (GDP) of digital economic activities was \$109.7 billion, or 5.5%, of total economic activity in Canada. From 2010 to 2017, the nominal GDP of digital economic activities grew at 40.2%, a faster pace than the overall economy, which grew by 28.0%.

Source: Statistics Canada

INDEX [†]	1 Mth	Change (%) YTD	1 Yr	Index Level
Treasury Bill (FTSE Canada 60 Day T-Bill)	0.14	0.54	1.53	163
Bonds (FTSE Canada Universe Bond)	-0.10	3.80	6.07	1091
Canadian Equities (S&P/TSX Composite)	3.22	16.91	9.58	16,581
U.S. Equities (S&P 500, US\$)	4.05	18.25	13.48	2,946
Global Equities (MSCI World, US\$)	3.60	16.72	7.09	2,179
Emerging Markets (MSCI Emerging Markets, US\$)	2.12	12.27	-4.70	1,079

CURRENCIES [†]	1 Mth	Change (%) YTD	1 Yr	Exchange Rate
C\$/US\$	-0.31	1.85	-4.08	0.75
C\$/Euro	-0.27	4.14	3.30	0.67
C\$/Pound	-0.28	-0.26	1.33	0.57
C\$/Yen	0.24	3.52	-2.23	83.24

COMMODITIES (US\$) [†]	1 Mth	Change (%) YTD	1 Yr	Price
Gold Spot (\$/oz)	-0.99	-0.66	-5.30	1,285.70
Oil WTI (\$/barrel)	6.02	36.18	2.37	63.91
Natural Gas (\$/MMBtu)	-5.09	-5.23	-0.23	2.58

[†]Total Return, as at April 30, 2019. Indices are quoted in their local currency.
Source: Bloomberg

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