

November in Review

Canadian equities gained 2.19% for the month while European and Emerging market equities dipped -2.20% and -4.57% respectively. Crude oil rose 4.17%/barrel to close at US\$49.44.

U.S. voters elect a new President. The most widely followed event of the month, if not last few years, was U.S. election night, when voters surprisingly elected Donald Trump as their next President. Focus will now turn to Mr. Trump's policies on international trade and the economy. The surprising result caused equity markets to initially tumble, but then quickly recover and push higher. The result has also led to increased probability of a near-term interest rate hike. In fact, U.S. Federal Reserve (Fed) Chair Janet Yellen made the case for a rate hike, but foresees only a gradual increase at this point. U.S. equities ended the month 3.73% higher.

Canada announces major infrastructure plans. Finance Minister Bill Morneau revealed an ambitious plan to boost infrastructure spending, but also warned that the Canadian government expects to add nearly \$32 billion to the deficit over a five-year period. The major highlight of the announcement was the introduction of the new Canada Infrastructure Bank, which seeks to couple private investment in public infrastructure as part of a plan to boost a struggling economy. "Our economy is growing, just not as fast as we'd like," said Morneau. Meanwhile, Statistics Canada reported that the economy grew by 0.2% in August; this was a slower pace than July but still positive after a few negative months earlier this year. Analysts say that the strong performance during the summer months has poised the economy for a third-quarter rebound, as predicted by the Bank of Canada.

Global outlook turns more optimistic. Data from around the globe last month suggests the global economy is stabilizing. Manufacturing activity within China's largest state-owned factories picked up, ending months of flat growth, indicating that China's economy may be showing renewed signs of life. Meanwhile, the Bank of England (BoE) held its key interest rate steady at 0.25% and improved its economic outlook for this year and next. GDP grew by 0.5% during the third quarter – four times higher than the BoE predicted in August, following citizens' decision to leave the European Union (dubbed 'Brexit'). Japan's economy surged ahead in the third quarter, growing 2.2% and easily beating expectations, even in the wake of a strong Japanese yen. Japan appears to be emerging from an extended period of little growth, which is reducing pressure on the Bank of Japan to ease monetary conditions further. Exports were a major component of the growth and indicate that demand is increasing globally, especially in Asia.

Did you know?

There are a million millionaires in Canada.

A report by Credit Suisse says that Canada currently has over 1.1 million millionaires. In the last year, almost 25,000 Canadians became millionaires with another 500,000 expected to join the ranks within the next five years. That makes Canada home to 3% of global millionaires, while the U.S. has over 40% of them. The report also says the average Canadian is worth US\$270,000, and saw their wealth increase about \$2,000 in the past year. — Credit Suisse Research Institute: Annual Global Wealth Report

INDEX (C\$) [†]	1 Mth	Change (%) YTD	1 Yr	Index Level
Treasury Bill (FTSE TMX Canada 60 Day T-Bill)	0.04	0.48	0.52	159
Bonds (FTSE TMX Canada Universe Bond)	-2.07	2.17	3.33	1016
Canadian Equities (S&P/TSX Composite)	2.19	19.10	15.45	15,083
U.S. Equities (S&P 500)	3.73	6.46	8.50	2,948
Global Equities (MSCI World)	1.54	2.42	4.24	2,296
Emerging Markets (MSCI Emerging Markets)	-4.57	7.84	9.31	1,157

CURRENCIES [†]	1 Mth	Change (%) YTD	1 Yr	Exchange Rate
C\$/US\$	-0.21	2.98	-0.56	0.74
C\$/Euro	3.50	5.62	-0.79	0.70
C\$/Pound	-2.31	21.35	19.71	0.60
C\$/Yen	8.97	-1.94	-7.54	85.18

COMMODITIES (US\$) [†]	1 Mth	Change (%) YTD	1 Yr	Price
Gold Spot (\$/oz)	-8.07	10.13	9.57	1,173.90
Oil WTI (\$/barrel)	4.17	11.83	1.27	49.44
Natural Gas (\$/MMBtu)	4.91	16.71	16.79	3.35

[†]Total Return, as at November 30, 2016. Source: Bloomberg

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