

## November in Review

Despite increased volatility, equity markets generally performed well in November. Solid economic data and corporate earnings, along with increased hope of a resolution of the U.S-China trade dispute, were viewed positively by investors. With a 2.04% gain, U.S. equities were among the strongest performers, led by gains in the health care sector. Canadian equities rose 1.39%, led by consumer staples up 7.6% and telecom up 7.04%. Canadian bonds also ended the month 1.02% higher. Commodities saw significant volatility in November, as WTI Crude declined a staggering 22.17%, while natural gas surged 39.67%. Copper finished 4.09% higher.

Investors endured swings both higher and lower throughout November, as views evolved on the likelihood of a resolution of the US-China trade dispute, as well as the possibility of further interest rate hikes from central banks. Those same issues continued into December. Here are some of November's most notable headlines:

**Oil hits new 2018 low.** Oil prices continued a run of losses, after U.S. crude inventories continued to rise. Heading into the December 6th meeting, the market remained nervous on the Organization of the Petroleum Exporting Countries (OPEC)-led producing countries ability to reach an accord on output cuts. U.S. West Texas Intermediate fell to the lowest settle price on [NTD insert date] since early October 2017. The United States formally imposed sanctions on Iran, however temporary waivers were granted to China, India, Greece, Italy, Taiwan, Japan, Turkey and South Korea, allowing them to continue buying Iranian oil temporarily. This news was decidedly less positive for oil prices than had been anticipated by market participants.

**US-China trade dispute moves markets.** Markets declined on news of potential new U.S. tariffs on Chinese imports. The tariffs would be applied against all remaining Chinese imports, which could be about \$257 billion worth of Chinese goods. Meetings between U.S. President Donald Trump and Chinese President Xi Jinping at the G-20 summit were viewed as a possible solution to the conflict. While there were indications of progress from those meetings, causing a market rally, the issue remains unresolved, and a source of concern for investors.

**Central Banks.** There was mixed news from central banks in November. Early in the month the Bank of Canada and the U.S. Federal Reserve (Fed) both indicated a need to continue interest rate increases. Later in the month the Fed suggested that it is closer to the end of its rate-hike cycle. Newsworthy items such as the decline of oil prices and the announcement of the closure of the GM factory in Oshawa, Ontario, would support a similar thesis in Canada, as the economy appears to be less robust than earlier in the year.

### Did you know?

63% of Canadians aged 55 or older say they would like to live to be age 90 or longer, according to a report on aging. In the same group of survey respondents, 51% also stated that they worry about not having enough money to support themselves in old age. Uncertainty about what life in retirement could look like can be unsettling. A financial plan that takes your retirement goals into consideration can help provide some important perspective on what your journey to and through retirement could look like. Talk to a Scotiabank advisor today to develop a plan that meets your needs.

Source: Angus Reid (2016)

INDEX <sup>†</sup>	1 Mth	Change (%) YTD	1 Yr	Index Level
Treasury Bill (FTSE Canada 60 Day T-Bill)	0.14	1.20	1.25	162
Bonds (FTSE Canada Universe Bond)	1.02	0.05	-0.36	1037
Canadian Equities (S&P/TSX Composite)	1.39	-3.67	-2.53	15,198
U.S. Equities (S&P 500, US\$)	2.04	5.10	6.26	2,760
Global Equities (MSCI World, US\$)	1.19	-0.68	0.70	2,041
Emerging Markets (MSCI Emerging Markets, US\$)	4.13	-12.02	-8.77	995

CURRENCIES <sup>†</sup>	1 Mth	Change (%) YTD	1 Yr	Exchange Rate
C\$/US\$	-1.01	-5.43	-2.98	0.75
C\$/Euro	-1.09	0.29	2.03	0.66
C\$/Pound	-0.89	0.24	2.93	0.59
C\$/Yen	-0.46	-4.70	-2.08	85.45

COMMODITIES (US\$) <sup>†</sup>	1 Mth	Change (%) YTD	1 Yr	Price
Gold Spot (\$/oz)	0.43	-8.35	-5.99	1,226.00
Oil WTI (\$/barrel)	-22.17	-11.81	-6.93	50.93
Natural Gas (\$/MMBtu)	39.67	49.69	43.36	4.61

<sup>†</sup>Total Return, as at November 30, 2018. Indices are quoted in their local currency.  
Source: Bloomberg

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