

Equity Rally Stalls

Equity markets were mired in red this week as weak economic data and caution from several central banks amped up global growth concerns, culminating in a much weaker-than-expected headline U.S. jobs figure on Friday.

The S&P 500 plunged 2.2% in its worst weekly performance since December, snapping a streak of five weekly gains. The energy sector led the declines, as builds in U.S. crude inventories weighed on oil prices

and Norway's massive sovereign wealth fund announced it would sell off its oil & gas shares, while rate-sensitive utilities managed a modest gain (the only sector in the positive).

The TSX dipped 0.4% as declines in energy and health care were offset by strength in gold, utilities and telecom.

Despite a relatively stronger start, European shares struggled even as the European Central Bank held rates steady, nudged back its forward guidance on policy rates (rates staying put until at least year-end) and introduced a new targeted long-term refinancing operation (aka TLTRO-III).

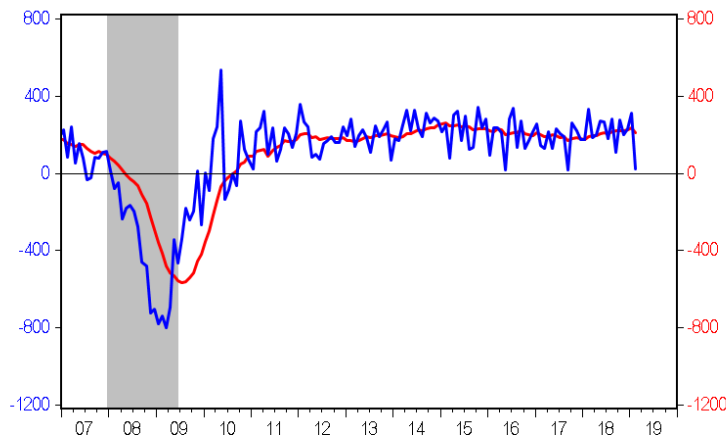
In Asia, China lowered its official target for 2019 growth to 6%-to-6.5% (though we expect it to tread closer to the lower end of that range), while disappointing trade data put increased emphasis on the importance of a trade deal with the U.S. (of which, little progress was apparent this week). China's stock markets were hit hard, with the CSI 300 down 2.5%, though to be fair, the index is still up a remarkable 21.5% year-to-date after a blistering start to the year.

Market Performance as of March 8, 2019

	Current Price	Performance (percent)					
		1 Week	1 Month	3 Months	1 Year	YTD	2018
FTSE 100	7,104	0.0	0.5	4.8	-1.4	5.6	-12.5
S&P/TSX	15,996	-0.4	2.3	8.1	2.9	11.7	-11.6
CAC 40	5,231	-0.6	5.4	8.7	-0.4	10.6	-11.0
DAX	11,458	-1.2	5.1	6.2	-7.3	8.5	-18.3
S&P 500	2,743	-2.2	1.3	4.2	0.1	9.4	-6.2
Dow Jones	25,450	-2.2	1.4	4.4	2.2	9.1	-5.6
China CSI 300	3,658	-2.5	12.6	15.0	-10.3	21.5	-25.3
NASDAQ	7,408	-2.5	1.5	6.3	-0.3	11.6	-3.9
NIKKEI 225	21,026	-2.7	3.4	-3.0	-1.6	5.1	-12.1

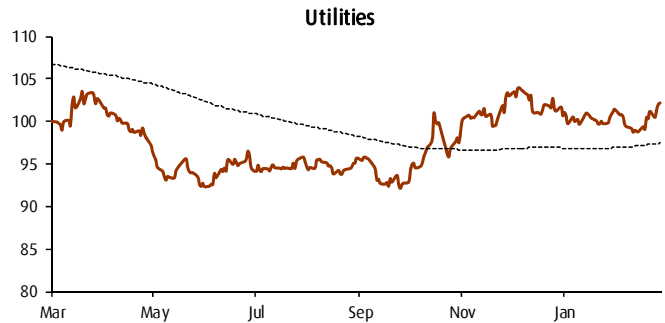
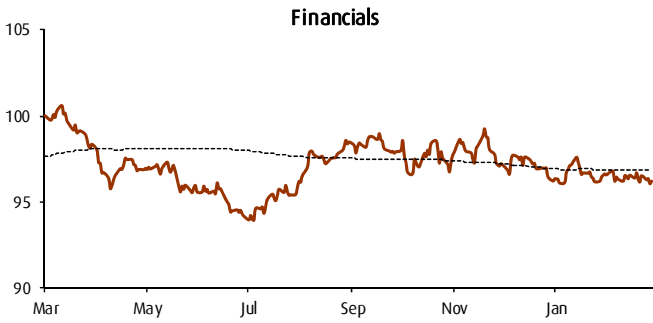
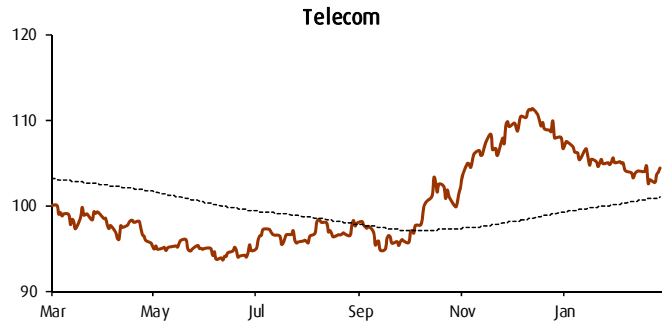
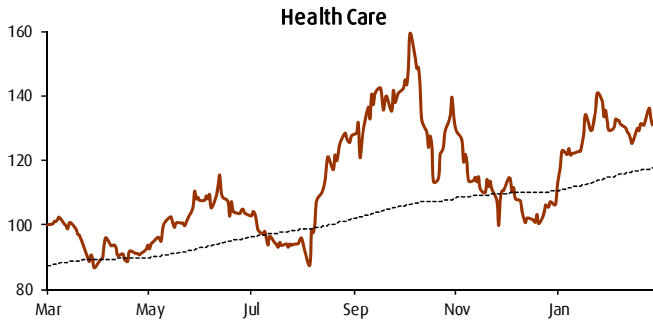
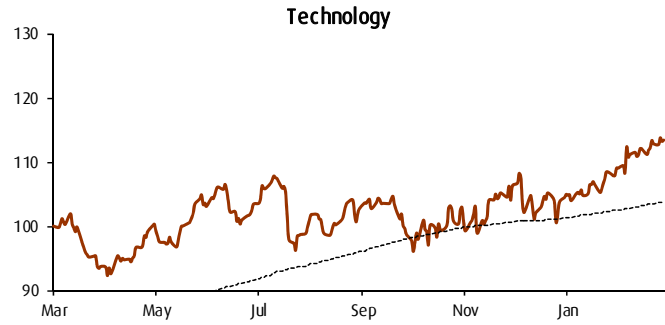
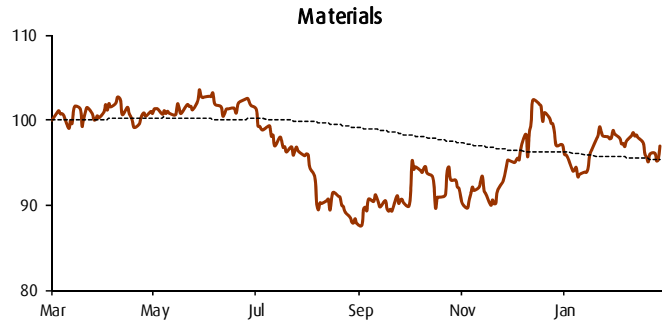
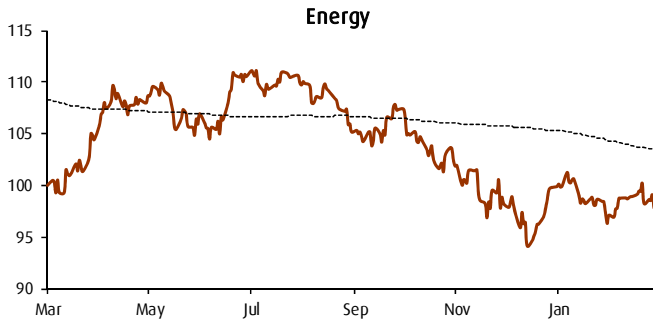
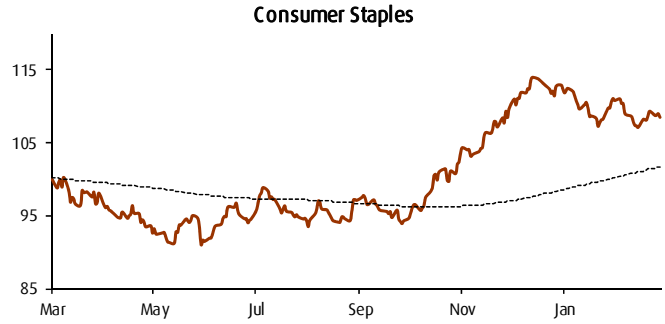
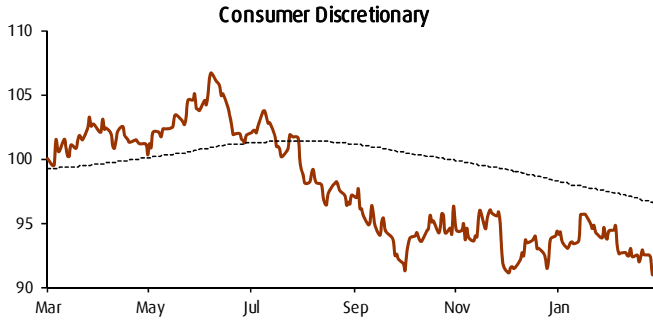
Source: Bloomberg

Change in Total U.S. Nonfarm Employment
SA, Thous
12-month Moving Average

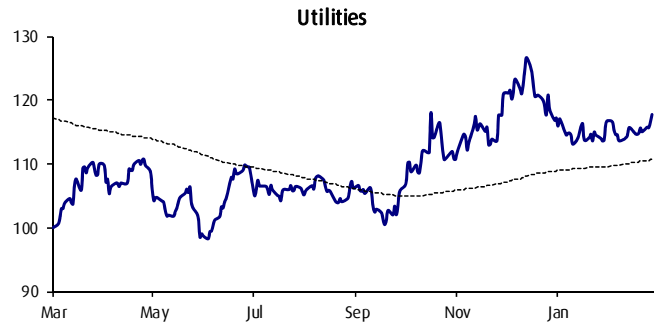
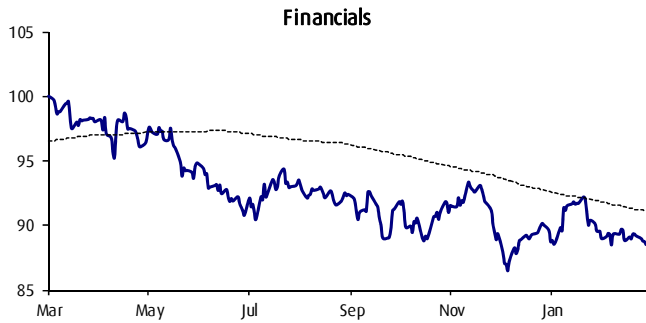
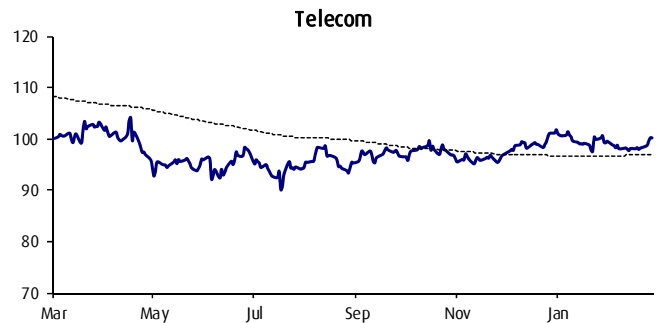
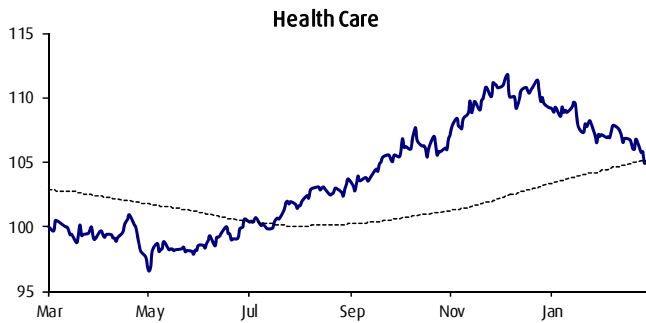
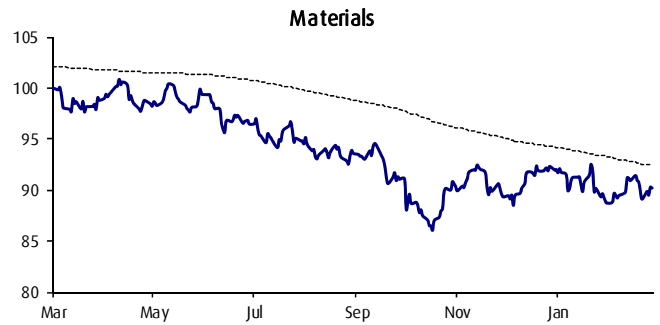
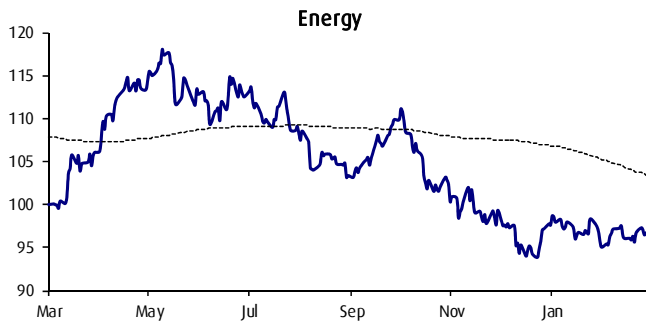
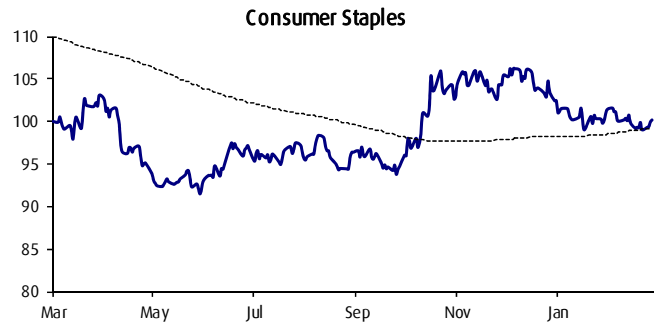
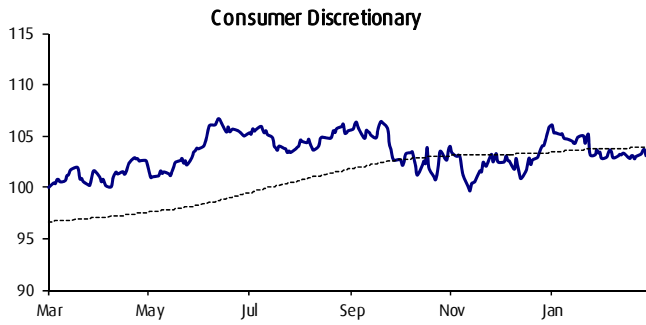


Source: Bureau of Labor Statistics

TSX Sector Performance (Relative to the index, year-ago = 100, dashed line = 200-day m.a.)



S&P 500 Sector Performance (Relative to the index, year-ago = 100, dashed line = 200-day m.a.)



North American Sector Performances as of March 8, 2019

S&P 500 Sectors	1 Week	1 Month	3 Months	1 Year	YTD	2018
Utilities	0.7	2.7	2.0	16.8	8.0	0.5
Telecom Services	-0.1	2.1	7.9	-1.3	11.7	-16.4
Materials	-0.6	3.4	5.6	-9.2	7.9	-16.4
Cons Staples	-0.7	0.4	-0.7	-0.4	6.3	-11.2
Banks	-2.1	1.6	3.8	-12.6	11.9	-18.4
Information Technology	-2.2	2.6	8.2	1.4	12.3	-1.6
Cons Discretionary	-2.5	1.1	4.3	2.6	9.1	-0.5
Financials	-2.7	1.0	3.4	-10.5	8.5	-14.7
Industrials	-2.9	1.4	9.3	-3.3	14.8	-15.0
Energy	-3.9	1.3	-0.3	-4.6	10.8	-20.5
Health Care	-3.9	-0.8	-1.3	4.8	3.1	4.7
S&P 100 Large Cap	-1.7	1.8	3.7	0.3	8.7	-5.9
S&P 400 Mid Cap	-3.4	0.4	4.5	-3.0	11.9	-12.5
S&P 600 Small Cap	-4.4	0.1	3.4	-2.1	10.7	-9.8
S&P 500	-2.2	1.3	4.2	0.1	9.4	-6.2

TSX Sectors

Gold	4.8	1.3	12.8	10.3	6.1	-7.2
Materials	1.5	0.4	10.0	0.3	7.3	-10.6
Utilities	1.4	3.3	6.9	4.9	11.9	-13.4
Telecom Services	1.3	1.2	2.8	6.8	7.0	-5.3
Industrials	0.3	4.0	8.4	10.0	12.3	-3.9
Health Care	-0.4	1.6	28.5	37.1	46.0	-16.6
Information Technology	-0.4	6.4	17.9	16.2	20.4	12.5
Financials	-0.4	1.9	7.1	-1.2	10.8	-12.6
Banks	-0.5	0.9	6.5	-1.9	10.1	-11.4
Cons Staples	-0.7	0.0	8.1	12.2	7.2	0.6
Cons Discretionary	-2.2	-0.4	6.6	-6.5	9.5	-17.7
Energy	-2.8	3.9	7.0	0.9	13.5	-21.5
REITs	1.2	2.4	6.4	13.2	11.7	0.9
Income Trusts	1.1	1.9	6.9	7.5	12.4	-7.0
S&P/TSX 60 Large Cap	-0.4	2.3	7.5	3.8	11.0	-10.5
S&P/TSX Mid Cap	-0.6	2.5	10.3	0.3	13.7	-15.2
S&P/TSX Small Cap	-1.6	2.6	7.7	-5.6	10.2	-20.1
TSX	-0.4	2.3	8.1	2.9	11.7	-11.6

Source: Bloomberg

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