

Weekly Market Pulse



Week ending November 22, 2024

Market developments

Equities: U.S. equities were up over 1.7%, buoyed by strong earnings, despite ongoing geopolitical tensions. Market analysts express concerns that these geopolitical issues may pose short-term risks to stock performance but expect long-term support from seasonal trends and bullish narratives. Cryptocurrency-related stocks are being closely monitored as Bitcoin approaches the \$100,000 mark, driven by favourable regulatory expectations amid Trump's anticipated policies

Fixed Income: Amid efforts by the Bank of Canada to control inflation, Finance Minister Chrystia Freeland is under pressure to limit government spending. Despite these challenges, Canada holds an AAA credit rating and strong demand for its debt persists, with the yield spread between Canadian and U.S. 10-year bonds reaching historic highs. Canadian yields ended the week higher, pushing bond prices down by ~1.3%.

Commodities: Gold had one of its largest weekly increases since October of last year, driven by heightened tensions from the Russia-Ukraine conflict, which has increased its appeal as a safe-haven asset. Additionally, traders are evaluating the likelihood of further easing measures from the Federal Reserve, contributing to the bullish sentiment surrounding gold.

Performance (price return)

SECURITY	PRICE	WEEK	1 MONTH	3 MONTH	YTD
Equities (\$Local)					
S&P/TSX Composite	25,444.28	2.22%	2.94%	10.45%	21.40%
S&P 500	5,969.34	1.68%	2.02%	7.16%	25.15%
NASDAQ	19,003.65	1.73%	2.32%	7.86%	26.60%
DAX	19,322.59	0.58%	-0.51%	4.48%	15.35%
NIKKEI 225	38,283.85	-0.93%	-0.33%	0.19%	14.40%
Shanghai Composite	3,267.19	-1.91%	-0.57%	14.69%	9.82%
Fixed Income (Performance in %)					
Canada Aggregate Bond	229.92	-1.31%	-0.87%	-1.05%	1.62%
US Aggregate Bond	2193.97	0.14%	-0.76%	-1.65%	1.48%
Europe Aggregate Bond	243.86	0.28%	0.66%	1.30%	2.68%
US High Yield Bond	26.83	0.29%	0.61%	2.27%	8.20%
Commodities (\$USD)					
Oil	71.27	6.34%	-1.14%	-2.38%	-0.53%
Gold	2709.57	5.71%	-1.43%	9.05%	31.34%
Copper	408.05	0.39%	-6.85%	-1.63%	4.88%
Currencies (\$USD)					
US Dollar Index	107.52	0.78%	3.31%	5.92%	6.10%
Loonie	1.3978	0.80%	-1.14%	-2.59%	-5.26%
Euro	0.9601	-1.18%	-3.55%	-6.27%	-5.65%
Yen	154.83	-0.34%	-2.42%	-5.52%	-8.91%

Source: Bloomberg, as of November 22, 2024

Macro developments

Canada – Steady Retail Growth in Canada

Retail sales in Canada likely increased by 0.7% in October 2024, marking the fourth consecutive rise. Growth was driven by strong performances in food, furniture, general merchandise, and health retailers, while sales fell in fuel stations and motor vehicle dealers. Year-over-year, retail sales rose by 0.8%.

U.S. – U.S. Private Sector Expansion Strengthens

The S&P Global U.S. Composite PMI increased to 55.3 in November 2024, up from 54.1 in October, indicating a robust expansion in the private sector—the strongest growth since April 2022. This rise was driven by a significant increase in demand, with new orders experiencing the sharpest upturn in business inflows since May 2022.

International – U.K. Core Inflation Rises Slightly, Sharp Decline in U.K. Retail Sales, U.K. Private Sector Contracts, Eurozone Economic Contraction Deepens, Japan's Inflation Hits Nine-Month Low, Japan's Private Sector Struggles, China Maintains Lending Rates

The U.K.'s annual core inflation rate edged up to 3.3% in October, exceeding expectations. While services inflation increased, goods inflation declined at a slower rate. Monthly inflation accelerated to 0.4%, beating the forecast of 0.3%.

U.K. retail sales dropped 0.7% in October, the largest decline in four months, with clothing stores and online sales leading the fall. Weak consumer confidence and budget-related uncertainty contributed to the drop, as year-over-year sales growth slowed to 2.4%.

The S&P Global UK Composite PMI fell to 49.9 in November, signaling the first contraction in private sector activity in a year. Manufacturing output declined further, services stagnated, and businesses faced weak demand, rising costs, and workforce reductions.

The Eurozone Composite PMI dropped to 48.1 in November, reflecting the sharpest contraction in private sector activity this year. Both services and manufacturing recorded declines, driven by weak demand, reduced backlogs, and workforce cuts, while confidence in future growth weakened.

Japan's annual inflation rate eased to 2.3% in October, the lowest since January. Energy price increases slowed significantly, while food, housing, and healthcare costs rose modestly. Core inflation also fell but remained slightly above expectations.

The au Jibun Bank Flash Japan Composite PMI rose slightly to 49.8 in November but remained in contraction territory. While services showed growth, manufacturing declined. Employment improved, but demand stalled, and cost pressures persisted.

China's central bank kept its key lending rates unchanged in November, maintaining record lows to support the economy. With challenges like property sector weakness and deflation risks, more easing measures are expected as Beijing aims for 5% growth in 2024.

Quick look ahead

DATE	COUNTRY / REGION	EVENT		SURVEY	PRIOR
26-Nov-24	United States	FOMC Meeting Minutes	2024-11-07		
27-Nov-24	United States	GDP Annualized QoQ	3Q S	2.8	2.8
27-Nov-24	United States	PCE Price Index YoY	Oct	2.3	2.1
27-Nov-24	United States	Core PCE Price Index YoY	Oct	2.8	2.7
28-Nov-24	Japan	Jobless Rate	Oct	2.5	2.4
28-Nov-24	Japan	Retail Sales YoY	Oct	2.1	0.5
29-Nov-24	Eurozone Aggregate	CPI Estimate YoY	Nov	2.3	2.0
29-Nov-24	Eurozone Aggregate	CPI Core YoY	Nov P	2.8	2.7
29-Nov-24	Canada	GDP YoY	Sep	1.7	1.3
29-Nov-24	Canada	Quarterly GDP Annualized	3Q	0.9	2.1
29-Nov-24	China	Manufacturing PMI	Nov	50.3	50.1
29-Nov-24	China	Non-manufacturing PMI	Nov		50.2

P = Preliminary Data

S = Second Revision

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