

# Market Watch Weekly



CANACCORD Genuity  
Wealth Management



## HAPPY THANKSGIVING!

October 5<sup>th</sup>, 2018

That was not how investors wanted to enter a long weekend... major North American indices struggled mightily to close out the week with the S&P/TSX dipping below its 200-day moving average (15,981). The euphoria behind NAFTA 2.0 was short lived with investors turning their attention to bond yields which have pushed above their May peak to multi-year-highs. South of the border, the U.S. 10-year note yield rose to 3.24% and hit a level not seen since 2011 high, while the two-year note advanced to 2.897%.

## Features

---

**CRYPTO QUARTERLY  
Q3 2018**

---

**CANNABIS MONTHLY  
SEPTEMBER 2018**

---

**TONY DWYER STRATEGY  
PICTURE BOOK**

---

That was not how investors wanted to enter a long weekend... major North American indices struggled mightily to close out the week with the S&P/TSX dipping below its 200-day moving average (15,981). The euphoria behind NAFTA 2.0 was short lived with investors turning their attention to bond yields which have pushed above their May peak to multi-year-highs. South of the border, the U.S. 10-year note yield rose to 3.24% and hit a level not seen since 2011 high, while the two-year note advanced to 2.897%.

The culprit? Strong economic data on both sides of the border. Canada recorded its best monthly job number this year with employment increasing by 63,300 in September, on a more than 80,000 gain in part-time work. Economists were anticipating a 25,000 increase on the month. Canada also recorded its first trade surplus in more than 18 months in August as unusually timed shutdowns at auto plants helped cut imports at a greater rate than exports. The surplus of \$526 million was the first since December 2016. U.S. data released Friday showed that their services sector grew at its fastest rate on record last month. While all this is good for the overall economy, it means that Federal Banks are likely to take a more aggressive path on future rate hikes. Comments from U.S. Federal Reserve Chair Jerome Powell echoed this notion on Wednesday when he said that the Fed had a long way to go before interest rates would hit neutral, suggesting to markets that more hikes could be coming.

The Dekker Hewett Group is giving the proverbial hat tip to our Chief Market Strategist Tony Dwyer who over the past few weeks has been suggesting the environment is ripe for volatility given the high degree of investor optimism, low volatility, and global political theater. While the major market indices have remained in very close proximity to record territory, there has been meaningful volatility and he sees areas of correction underneath the surface. However, Dwyer continues to believe the likely strength in EPS, coupled with strong business and consumer confidence should cause any market weakness to prove temporary until there is an identifiable recession in sight. Sustainably negative economic periods don't magically materialize because rates are going up; they are driven by credit stress that leads to a credit crisis strong enough to shut down money availability. History shows this happens more slowly than many fear. Keep Calm and Carry On.

Looking to a shortened week ahead, we turn our attention to a meeting of G20 Finance Ministers and Central Bank Governors with some big U.S. Financial earnings on tap that include J.P. Morgan, Wells Fargo, and Citigroup.



## TODAY'S STOCK WATCH

### INDEXES

<b>S&amp;P/ TSX Composite</b>	15,946
<b>Dow Jones Indus. Avg.</b>	26,447
<b>S&amp;P 500</b>	2,885

### CURRENCIES

<b>Canadian/US Dollar</b>	\$0.7727
<b>US/Canadian Dollar</b>	\$1.2937
<b>Euro / Canadian</b>	\$1.4906

### METALS

<b>Gold</b>	\$1205.60
<b>Silver</b>	\$14.64
<b>Copper</b>	\$2.76

### ENERGY

<b>Brent Crude Oil</b>	\$84.11
<b>WTI Crude Oil</b>	\$74.29
<b>Natural Gas</b>	\$3.15

[www.dekkerhewettgroup.com](http://www.dekkerhewettgroup.com)

And while you're crowded around the dinner table this Thanksgiving, fighting over that last drumstick, here are some interesting Thanksgiving factoids to share with your family and friends:

- ✓ Thanksgiving is a statutory holiday in Canada, except in P.E.I., Newfoundland and Labrador, New Brunswick and Nova Scotia.
- ✓ The first Canadian Thanksgiving was first celebrated in 1578, while the first U.S. Thanksgiving was held in 1621. So yes, we started this glorious turkey day.
- ✓ Canadians consumed 175.5 million kg of turkey in 2017, with 4.1 million whole turkeys purchased last year for Thanksgiving. This was about 30 per cent of all whole turkeys sold during the year according to the Turkey Farmers of Canada.
- ✓ The day after Thanksgiving is the busiest day for plumbers. Meal prep and cleanup can clog drains and garbage disposals, and guests requiring additional clothes washing, showers, and toilet flushes put a strain on household plumbing. Plumbers experience a 21% increase in calls over the four-day weekend than any other Thursday to Sunday period in the year.
- ✓ Turkeys form strong social bonds with their family and flock mates, sometimes traveling in the wild with groups of 200 or more.
- ✓ Male turkeys, also called toms, are the only ones that can gobble. The females, or hens, make clucking or clicking sounds.
- ✓ The color of a turkey's head and throat will change depending on his mood.
- ✓ While domesticated turkeys cannot fly, wild turkeys can, for short distances and at up to 88 km per hour, according to the National Turkey Federation (yes, that's a real thing). They can also run up to 32 km per hour.
- ✓ Ben Franklin wanted the turkey, rather than the bald eagle, to be the national bird of the United States.
- ✓ In 1879 Parliament declared November 6th to be a Thanksgiving holiday, and then after World War I both Armistice Day and Thanksgiving were celebrated on the Monday of the week in which November 11th fell. In 1931 Armistice Day became Remembrance Day, and then on January 31, 1957, parliament declared Thanksgiving to be held every year on the second Monday in October.

Happy Thanksgiving!

Sincerely,  
**Dekker Hewett Group**

**INDEPENDENT.  
TRUSTWORTHY.  
EXPERIENCED.**



## DHG TEAM

**Erik Dekker, BBA, CIM**  
Sr. VP, Portfolio Manager

**Mark Hewett, P. Eng, FCSI**  
Sr. VP, Portfolio Manager

**Shawn Labelle, CFA**  
Business Analyst

**Alix Rogers**  
Administrative Associate

**Massimo Beltramo**  
Business Development Associate  
(Europe)

**David MacLachlan**  
Business Development Associate

**Angela Liu**  
Social Media & Database  
Coordinator

**Canaccord Genuity  
Wealth Management**  
P.O. Box 10337  
2200-609 Granville Street  
Vancouver, BC V7Y 1H2

☎ 604-699-0852  
☎ 604-601-5966  
✉ dhginfo@canaccord.com

[www.dekkerhewettgroup.com](http://www.dekkerhewettgroup.com)



**CANACCORE** Genuity  
Wealth Management

This newsletter is solely the work of the author for the private information of clients. Although the author is a registered Investment Advisor at Canaccord Genuity Corp., this is not an official publication of Canaccord Genuity Corp. and the author is not a Canaccord Genuity Corp. analyst. The views (including any recommendations) expressed in this newsletter are those of the author alone, and are not necessarily those of Canaccord Genuity Corp.

Specific equity, fixed income, mutual fund and ETF mentions within this newsletter are for discussion purposes only and not a solicitation to trade. All investments carry a risk of loss of capital and should be discussed with a qualified investment advisor prior to any transaction. Investments mentioned in this commentary may or may not be personally held by the partners of Dekker Hewett Group at the time of writing.

The information contained in this newsletter is drawn from sources believed to be reliable, but the accuracy and completeness of the information is not guaranteed, nor in providing it do the author or Canaccord Genuity Corp. assume any liability. This information is given as of the date appearing on this newsletter, and neither the author nor Canaccord Genuity Corp. assume any obligation to update the information or advise on further developments relating to information provided herein. This newsletter is intended for distribution in those jurisdictions where both the author and Canaccord Genuity Corp. are registered to do business in securities. Any distribution or dissemination of this newsletter in any other jurisdictions is prohibited. The holdings of the author, Canaccord Genuity Corp., its affiliated companies and holdings of their respective directors, officers and employees and companies with which they are associated may, from time to time, include the securities mentioned in this newsletter.

CANACCORD GENUITY WEALTH MANAGEMENT IS A DIVISION OF CANACCORD GENUITY CORP.

MEMBER-CANADIAN INVESTOR PROTECTION FUND

MEMBER OF ALL CANADIAN STOCK EXCHANGES AND THE INVESTMENT INDUSTRY REGULATORY ORGANIZATION OF CANADA

OFFICES IN MAJOR CENTRES ACROSS CANADA